START

OF

ROLL

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original documents after microfilm reproductions have been made.

William L. Carter
Signature of Scanner Operator

3/16/2012
Date

Certification Rev. 3/10

HB

204

<target><bill>HB 204</bill><subject>HB 204</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 204
(H) Publish Date: 4/3/09

Identifier (file name): HB204-EED-ACPE-03-25-09
Dept. Affected: Education
Title: An Act increasing the number of students pursuing a medical education who are provided postsecondary...
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Representative Nancy Dahlstrom
Requester: (H)EDC
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual				210.3	425.2	550.3	557.4
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**210.3**	**425.2**	**550.3**	**557.4**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF				210.3	425.2	550.3	557.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**210.3**	**425.2**	**550.3**	**557.4**

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB204 proposes to facilitate the expansion of the annual class size of Alaskan participants in the Washington, Wyoming, Montana, Idaho, and Alaska regional medical education program at the University of Washington School of Medicine (UWSM). Using cost projections provided by UWSM, this fiscal note reflects additional general fund expenses assuming the annual class size is increased from 20 to 24 participants effective 2011, with the first twenty-four-student cohort entering the program in fall 2010. The first year of the program is conducted at the University of Alaska Anchorage, and, therefore, first year fiscal impacts are not reflected herein. The increased costs in the ACPE budget take affect when the first class of 24 begin their second year of training at UWSM.

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 3/25/09 11:00 AM
Approved by: Diane Barrans, Executive Director — Date 3/25/2009
Alaska Commission on Postsecondary Education

(Revised 9/10/2008 OMB)

ALASKA STATE LEGISLATURE

Co-Chair:
Joint Armed Services Committee

Vice-Chair:
Legislative Budget and Audit
Judiciary Committee

Member:
Economic Development, Trade & Tourism
Energy

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3783
Fax: (907) 465-2293
Toll Free (877) 460-3783

Interim:
10928 Eagle River Road
Eagle River, Alaska 99577
Phone: (907) 622-3783
Fax: (907) 622-3784

REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON

Representative_Nancy_Dahlstrom@legis.state.ak.us

Sponsor Statement
House Bill 204

An Act increasing the number of students pursuing a medical education who are provided postsecondary educational services and programs; and providing for an effective date

The intent of House Bill 204 is to help ensure that Alaska has an adequate supply of doctors to meet the health care needs of its citizens. It would expand the number of Alaskan students able to receive medical training through the Wyoming, Washington, Alaska, Montana, and Idaho (WWAMI) program each year from 20 to 24. This is the maximum number that the University of Alaska can accommodate within its existing facilities and with its current faculty. Expansion of this program over time to train 30 Alaskan students annually is one of the primary recommendations of the Alaska Physician Supply Task Force.

This task force was established to address the severe shortage of doctors in Alaska. In its 2006 report, the task force found that Alaska has 375 fewer doctors than needed and the 17th lowest physician-to-population ratio in the nation. This shortage is undermining Alaskans' access to health care and increasing costs throughout the state. Seniors are having particular difficulty finding primary care physicians, causing many to forego treatment or face dangerously long wait times. Internal medicine specialists and psychiatrists are in especially short supply as are doctors of all types in rural Alaska.

This shortage is expected to worsen as Alaska's population increases and ages. The task force reported that over the next 20 years, nearly twice as many practicing physicians will be needed – about 1,100 more than the current 1,347 in patient care – to meet demand as the state's senior population triples. To complicate matters, one-third of our existing physicians are expected to retire in the next 10-15 years.

Additionally, Alaska is far behind other states in the production of doctors. Alaska is one of six states without an independent in-state medical school. The state's primary vehicle for training doctors is the regional WWAMI program. In 2007, the legislature expanded the number of Alaska-funded seats in the program from 10 to 20. This bill continues the incremental expansion of the program as it has been shown to be an effective means of recruiting doctors to the state. Fifty percent of Alaskans who enter WWAMI end up practicing in Alaska. The percentage increases to 80% when graduates from other WWAMI states are counted as returned.

As the national supply of physicians shrinks, recruitment of doctors to Alaska will become ever more competitive. Expanding the number of Alaskans trained through WWAMI is one effective step the state can take to ensure that all Alaskans have access to needed health care.

I respectfully request favorable support of House Bill 204.

*All facts displayed are from a 2006 report from the Alaska Physician Supply Task Force

Alaska's Shortage of Doctors

- Alaska faces a severe shortage of doctors. A 2006 report from the Alaska Physician Supply Task Force estimates that Alaska has 375 fewer doctors than needed.
- Alaska ranks 17th lowest in the nation in terms of its physician-to-population ratio with 2.05 doctors per thousand residents compared to the national average of 2.38 per thousand.
- This shortage is affecting access to care throughout the state and increasing costs. Patients with Medicare are having particular difficulty finding primary care physicians. Many face dangerously long wait times to see a doctor.
- The shortage is likely to worsen over the next 20 years as Alaska's population increases and ages. Experts predict that by 2025, nearly twice as many physicians in practice will be needed – about 1,100 more than the current 1,347 in patient care – to meet expected demand as the state's elderly population triples. To complicate matters, one-third of the physicians in Alaska are expected to retire in the next 10-15 years.
- To correct this deficit and reach an adequate supply of doctors by 2025, Alaska needs to add more than 60 physicians per year. Unfortunately, as the national supply of physicians shrinks, recruitment will become even more competitive.
- Alaska also lags far behind other states in the production of doctors. We are one of six states without an independent in-state medical school.
- We do, however, fund 20 seats at the regional WWAMI medical school. One of the primary recommendations of the Physician Supply Task Force is to incrementally increase the number of Alaska-funded WWAMI seats to 30.
- SB 18 calls for the increasing the number to 24 as that is all UAA can handle in its current facility and with existing faculty.
- 50% of Alaskan students who enter WWAMI end up practicing in Alaska. The percentage increases to 88% when WWAMI graduates from other states are included.
- Building in-state capacity for medical education will help make Alaska more self-sufficient and less susceptible to outside factors that can undermine the health of Alaskans.
- Expanding the WWAMI class is one of many strategies being proposed to address this problem. Others include instating a loan repayment program (such as that proposed in SB 139), increasing support for residency programs in Alaska, and expanding training programs for mid-level practitioners, such physician's assistants.
- A combination of strategies is likely to achieve the greatest success for Alaska as we compete nationally for doctors and other health care providers.

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SARAH PALIN, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

March 30, 2009

Representative Nancy Dahlstrom
Alaska State Capitol, Room 411
Juneau, AK 99801-1182

Subject: Support for HB 204

Dear Representative Dahlstrom:

The Alaska Commission on Aging (ACoA) supports HB 204, a bill to expand Alaska's participation in the WWAMI Medical School program to increase the supply of doctors needed to meet the growing health care needs of all Alaskans. WWAMI is a unique five-state collaborative program that presently allows 20 Alaskan medical students to enroll. HB 204 would increase the number of slots from 20 to 24 students on July 1, 2010. This bill is authored by you and co-sponsored by Representative Kerttula.

Alaska, as with the rest of the nation, is experiencing a shortage of health care workers, particularly doctors and nurses. For many doctors in our state, retirement is just around the corner and replacing those experienced medical providers with newly trained doctors is a priority for all Alaskans, and a critical need for people 65 years and older who have multiple medical conditions.

The Alaska Physician Supply Task Force Report states that Alaska will need nearly twice as many physicians in the next twenty years as it currently has if the state is to meet the expected demands from a growing population of seniors. Similarly, the demand for registered nurses is increasing during a period when many health care professionals are retiring. The pool of qualified medical providers continues to shrink as the demand for services increases.

Alaska now has the highest rate of growth of persons 65 and older in the nation, according to the 2007 report by the U.S. Administration on Aging. This increased growth rate is due to the fact that Alaska's seniors and high proportion of Baby Boomers are now choosing to remain in state following retirement, close to their families and friends, which is made possible by improved health care and home and community based services. As a result, Alaska's economy benefits through seniors' contribution of approximately $1.6 billion of revenue to the state each year from their retirement pensions, other income, as well as medical payments in addition to their volunteering, caregiving, and mentoring to younger generations. If older Alaskans are unable to find a physician willing to serve them, they may be forced to leave the state in search of access to health care professionals, which will result in a significant financial and social loss for Alaska.

The Alaska Commission on Aging supported Senator Meyer's bill in 2007 to increase the number of WWAMI slots from ten to twenty. HB 204 offers another meaningful opportunity to increase the number of slots for medical students and for our state to prepare for the health care demands of Alaska's growing senior population. The University of Washington, which is ranked first in primary care medical schools nationwide and seventh in geriatrics, not only allows WWAMI medical students to pay in-state tuition, but the program also provides an incentive for those completing medical school to return to Alaska to practice medicine.

ACoA supports HB 204 to improve primary health care access for all Alaskans, including Alaska seniors. We thank you for sponsoring this important legislation. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

CC: Representative Beth Kerttula

AlaskAdvantage Programs
Alaska Commission on Postsecondary Education
P.O. Box 110505, Juneau, AK 99811-0505

Phone: 800-441-2962
In Juneau: 907-465-2962
FAX: 907-465-5316
www.alaskadvantage.alaska.gov
Customer_Service@alaska.gov

WWAMI Overview and Frequently Asked Questions (FAQs):

WWAMI Overview

WWAMI provides Alaska residents with high quality medical education. WWAMI is a collaboration among universities in five northwestern states (Washington, Wyoming, Alaska, Montana and Idaho) under the overarching administration of the University of Washington School of Medicine (UWSOM). After admission, Alaska students attend the University of Alaska Anchorage for the 1st year of medical school. Students attend the 2nd – 4th years of medical school at UWSOM with 3rd and 4th years including opportunities for training rotations throughout the region.

Each year 20 Alaskans are admitted to Alaska WWAMI. Alaska's WWAMI medical students take their first-year courses at the University of Alaska Anchorage. Students from all WWAMI states take second-year courses in Seattle. The series of clinical clerkships that comprise the third and fourth years of the curriculum may be taken in any of the five WWAMI states. The "Alaska Track" allows students the option to take nearly all of these clerkships in Alaska.

The Alaska Commission on Postsecondary Education (ACPE) is the fiscal agent for the State of Alaska which funds Alaska's WWAMI participation and is the servicer for the WWAMI loan obligation.

WWAMI FAQS

Who should Alaskans contact if they are interested in information about the WWAMI program?
The Director of the WWAMI program at the University of Alaska Anchorage can be contacted at 3211 Providence Drive Engr 331, Anchorage, AK 99508. The e-mail address is aywwami@uaa.alaska.edu and the phone number is (907)786-4789.

How are new participants selected for participation in the WWAMI program?
Each year the Alaska WWAMI and the UWSOM Admissions Committees work together to interview and select 20 Alaskans for the program. The Alaska WWAMI office at UAA certifies an applicant's eligibility for the program based on responses to an Eligibility Questionnaire. Once an Alaska applicant is admitted, ACPE is prompted to send the individual the WWAMI service obligation Master Promissory Note (MPN) and a related cover letter. Individuals who accept the offers of admission must sign the MPN and return it to ACPE by July 30, prior to beginning their program of study.

What is the annual WWAMI repayment obligation based upon?
During the first year of medical school at University of Alaska Anchorage, the principal balance of the loan will be zero. However, by signing the WWAMI Master Promissory Note, each participant has entered into a loan contract and will have a loan repayment obligation for their second, third, and fourth years of medical school at UWSOM. In accordance with state statute governing the WWAMI program, the financial support to be repaid is equal to 50 percent of the amount the State pays to UWSOM, on behalf of the participant, plus interest.

How is Alaska's payment disbursed to UWSOM?
ACPE annually issues a single warrant to UWSOM to cover the entire amount the State pays for Alaska's contractual costs for the program. An annual Notification of Award letter is sent to each participant advising them of the amount of their financial obligation for the related program year.

How does the service obligation discharge a WWAMI participant's financial obligation?
The participant who successfully completes the graduate education program for which the financial support was provided and is employed within Alaska in a qualifying medical residency program or other qualifying professional medical practice and who is otherwise qualified shall have the outstanding principal[1] and accrued interest forgiven and considered a grant in accordance with the following percentages:

(1) for employment in rural[2] areas of the state,
  (a) up to three years of employment, 33 1/3 percent for each year;

[1] No amount due and payable prior to the participant entering deferment or forgiveness-qualifying employment is subject to forgiveness.
[2] "Rural" is defined in Alaska law as a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

(2) for employment in areas of the state that do not qualify under the program definition as rural,
(a) up to five years of employment, 20 percent for each year.

Participants employed as physicians in the state must immediately notify ACPE of the date their qualifying employment began. ACPE will make available to the participant the necessary forms for documenting completion of each annual period of documenting employment until such time as the obligation is fully discharged.

What are the impacts on my forgiveness benefits if I move from a rural to a non-rural community while performing my qualifying service, or vice versa?
Participants who initially practice medicine in a rural community will receive their first forgiveness of 33 and 1/3 percent of the loan after their first year of practice. If the participant should then choose to move to a non-rural community and practice medicine, he or she will then receive forgiveness benefits of 20 percent of the remaining loan amount for each year they practice medicine until the balance of the loan is forgiven. The same is true for a participant who practices medicine in a non-rural community and receives forgiveness of 20 percent of the loan and then moves to a rural community to practice medicine. The subsequent forgiveness will be for 33 and 1/3 percent of the remaining loan balance until the loan balance is forgiven.

Forgiveness Benefit	Forgiveness % for all rural practice	Forgiveness % for 2 years of rural practice	Forgiveness % for 1 year of rural practice	Forgiveness % for all non-rural practice
1	33 1/3%	33 1/3%	33 1/3%	20 %
2	66 2/3%	66 2/3%	53 1/3%	40%
3	100%	86 2/3%	73 1/3%	60%
4		100%	93 1/3%	80%
5			100%	100%

Are participants required to make payments while engaged in employment which satisfies their WWAMI service obligation?
Generally not. It is critical for a participant to immediately advise ACPE of qualifying employment. Once ACPE is in receipt of documentation the participant is in full-time, qualifying employment in Alaska, the repayment requirement will be deferred. The deferment continues until either the entire period of service is completed or the participant ends the full-time employment or leaves the state, whichever occurs first. However, if a participant enters otherwise qualifying employment after the start of repayment and has past due payments, that participant must pay the loan obligation current **before the employment will be considered part of the qualifying period.** Additionally, those payments made prior to entering into qualifying repayment will not be subject to forgiveness.

Who is required to repay a WWAMI loan?
Any participant who fails to fully satisfy the terms of their service obligation is required to repay their outstanding WWAMI financial obligation plus accrued interest. The obligation converts to a regular loan status at the time the participant fails to qualify for a permitted deferment and the active repayment period begins. In the event a participant is in active repayment for a period of time and thereafter enters qualifying employment, any amount of the loan obligation which was not yet due and payable may be deferred and subsequently be subject to forgiveness in the increments noted above.

Will ACPE facilitate payment arrangements for participants in a contractual arrangement with a third-party organization for payment of their WWAMI loan?
ACPE cannot facilitate payment arrangements or otherwise bill a third party but will accept payment on behalf of the borrower from any source.

What repayment deferment provisions are available to WWAMI participants?
In addition to the qualifying employment deferment, WWAMI participants are eligible for deferment:

- while enrolled in a medical education residency program or fellowship required for their specialty field of practice;
- while performing a service obligation to the National Health Services Corps, the Indian Health Service, or a Uniformed Services Scholarship Program; or,
- while totally, temporarily disabled.

What if a WWAMI participant is in a medical education residency program in Alaska?
WWAMI participants in an Alaska medical education residency program can claim that period of service as qualifying under their WWAMI obligation so long as they hold an Alaska medical license or residency permit and have proof of full-time employment for the relevant period.

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 24, 2009

Honorable Nancy Dahlstrom
Alaska State House
Capitol, Room 411
Juneau, Alaska

RE: HB 204 – Increase WWAMI Class Size

Dear Representative Dahlstrom:

The Alaska State Medical Association (ASMA) represents Alaska physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA supports HB 204 and thanks you for taking the leadership and initiative in introducing it.

ASMA has long supported increasing the WWAMI class size and worked hard several years ago to double the matriculants from 10 to 20 per year. In fact, ASMA has had a policy to increase the class size to 30 when it is practicable to do so.

Finally, "growing" our own physicians, we believe, will help in attracting and retaining physicians to practice in Alaska. However, we are still going to have to make a concerted effort to recruit physicians from other parts of the country to meet with Alaska's need for well trained physicians to provide the health care necessary for all Alaskans.

Sincerely,

Thomas P. Vasileff

By: Thomas P. Vasileff, MD, President
For: The Alaska State Medical Association

AARP

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 27, 2009

The Honorable Paul Seaton, Chair
House Education Committee
Alaska State Capitol, Room 102
Juneau, AK 99801-1182

RE: HB 204 (Dahlstrom)–Support

Dear Chair Seaton:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Education Committee to support HB 204, authored by Representative Nancy Dahlstrom and co-sponsored by Representative Beth Kerttula.

It is no secret that Alaska has a shortage of physicians which is expected to get worse over the next few years. AARP members in many Alaska communities already tell us that they are unable to find a physician who will accept them as Medicare beneficiaries.

The one bright spot in this shortage is the WWAMI program which has traditionally provided ten slots for family practice physicians to spend their residency in Alaska. Senator Meyer's bill last year increased the number to twenty. Upon completion of their medical education, most of these physicians have chosen to stay here and practice in our cities as well as in our remote communities.

You and your colleagues have seen the Alaska Physician Supply Task Force report produced jointly by the University of Alaska and the Department of Health and Social Services. This excellent report should serve us as a roadmap for our future directions in physician training.

The former exodus of Alaska retirees has been reversed over the past few years. Because of our improved health services and provider community, older Alaskans have determined that they can remain here after retirement, close to their friends and families.

If older Alaskans are unable to find a physician willing to see them, we will be back with the situation of retirees leaving the state so they can be assured of access to health professionals.

HB 204 offers us another real meaningful opportunity to begin to meet this need. Adding another four family practice residents to bring the total to twenty-four won't solve our problem but it is an excellent step to address our long term needs for an expanded physician workforce.

Our AARP members, your constituents, want to stay here after retirement. An affirmative vote on HB 204 will help accomplish that.
AARP requests an "AYE" vote on HB 204.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Cathy Munoz
Representative Bryce Edgmon
Representative Wes Keller
Representative Peggy Wilson
Representative Bob Buch
Representative Berta Gardner
Representative Nancy Dahlstrom

April 14, 2009

The Honorable Rep. Anna Fairclough
State Capitol, Room 411
Juneau, AK 99801-1182

Dear Rep. Fairclough:

Thank you for your comments at the House Finance Committee hearing this morning. I appreciate your interest in medical education and physician supply for the State of Alaska. It's a major driving force for me on a daily basis. I'm writing to provide substantiation for the information that I provided verbally during the hearing.

First, you are correct that the location of Residency training is the #1 determinant of location of physician practice, and in Alaska WWAMI we are working to develop new Residency training opportunities in Alaska wherever we can find the ability to do so – sufficient number of clinical cases in a specialty area, critical mass of physicians capable of doing the instruction, and funding to support the positions. As Suzanne Tryck mentioned these factors limit our ability to rapidly ramp up Residency opportunities.

With limitations on Residency opportunities we can turn to the 2nd most important determinant of the practice location of physicians, namely where they attended medical school. The national average for "rate of return" for public medical schools in the US is less than 40% (data from Assn. Amer. Med. Coll., *Key Physician Data by* State, Jan '06, Fig. 8). By contrast Alaska WWAMI returns nearly 50% of Alaskans who enter medical school at UAA to practice in the State.

- Return rate – 124/263 (47%) practicing or have practiced in Alaska (National Average: less than 40%)

Return rate is calculated based on data from the Alaska WWAMI database which tracks each Alaska WWAMI entrant since the program began in 1971.

In addition, the database tracks WWAMI graduates from Wyoming, Washington, Montana and Idaho who, as part of medical school in WWAMI, have trained in Alaska during their 3rd and 4th years of medical school and who subsequently return to practice here. This boosts Alaska's "return on investment" to 88%. For every 10 medical

students supported by the State, 8.8 WWAMI graduates practice here.

- Return on Investment – 230/263 (88%)graduates from all WWAMI states practicing or have practiced in Alaska

Supplying an adequate number of physicians for Alaska will require a multi-faceted approach. Increasing medical school positions is effective in the long term, requiring at least seven years before a new medical student can practice independently. Increasing Residency positions can provide independent practitioners in as little as 3 years. Currently, our only Alaskan Residency trains family medicine doctors; we have no Residencies to train in other specialties – pediatrics, psychiatry, surgery, internal medicine, *etc*. The challenges to Residency opportunities in these other specialties were cited above. An effective strategy requires development of both options as well as means to improve the practice environment to retain physicians who start a practice here.

Our goal in Alaska WWAMI is to provide physicians to supply the needs of Alaska and to provide opportunity for Alaska's best and brightest who want to pursue a career in medicine. "Growing our own" is an excellent way to accomplish *both* of those goals, as part of a multi-faceted approach. We continually seek new and better ways to accomplish this mission and we endorse the recommendation of the Alaska Physician Supply Task Force Report (2006) to empanel a group to determine the optimal means of providing medical education for the State, an effort which to our knowledge has not been performed, to date.

If you have additional questions, or if I can clarify any of these issues, please do not hesitate to contact me.

Regards,

Dennis Paul Valenzeno

Dennis Paul Valenzeno, Ph.D.
Director & Professor, WWAMI Biomedical Program
Assoc. Dean for Medical & Premedical Programs
University of Alaska Anchorage
Anchorage, AK 99508
(907) 786-4789
Fax: (907) 786-4700

WWAMI - Alaska's Medical School

HB

207

<target><bill>HB 207</bill><subject>HB 207</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Interim: (June – Dec.)
716 West 4TH Avenue, Suite 600
Anchorage, Alaska 99501-2133
(907) 269-0129
Fax (907) 269-0128

Session: (Jan. – May)
State Capitol, Room 403
Juneau, Alaska 99801-1182
(907) 465-4859
Fax (907) 465-3799

REPRESENTATIVE JOHN HARRIS

Sponsor Statement
HB 207

An Act increasing the allowances for injury, disability, or heart attack payable from the fisherman's fund

The Alaska Fisherman's Fund was established 1951 to provide for the treatment and care of Alaska licensed commercial fishermen and crew who have been injured while fishing on shore or off shore in Alaska. The upper limit on claims in the fund has been $2,500 since 1959. If $2,500 in 1959 dollars was adjusted for the Consumer Price Index, it would be worth approximately $18,229.64 today. While the limitation in state law has remained unchanged, health care costs have steadily risen.

Access to health insurance and health care is a concern among fishermen and especially presents an obstacle to younger fishermen who are seeking to continue as the next generation in Alaska's sustainable fisheries.

HB 207 updates the Alaska Fishermen's Fund limit to $10,000. This is intended to help ensure that Alaska's fishermen have better access to health care when injured while fishing. Updating the claim limit to $10,000 will bring this very worthwhile program back to providing a meaningful level of assistance as the payer of last resort for commercial fishermen and crew that sustain injuries or illness while fishing.

The fund is financed from revenue received from each resident and nonresident commercial fisherman's license and permit fee. Commercial fishermen and crew members pay 39% -- or up to $50 each -- of their annual license fees into this account. In 2008, there were 13,706 commercial fishing permit holders who contributed to the fund.

The account has grown to $11.5 million even as health care costs have risen, due in part to continuing improvements in fish industry safety.

This increase is not projected to jeopardize the sustainability of the fund.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/09

The FINANCE Committee considered: **HOUSE BILL NO. 207**

"An Act increasing the allowances for injury, disability, or heart attack payable from the fisherman's fund; and providing for an effective date."

HB 207 MAXIMUM BENEFIT FROM FISHERMEN'S FUND

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DFG	1			✓
LWF	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
Harry Crawford Jr	CRAWFORD	X			
RFOSTER	FOSTER	X			
	AUSTERMAN	X			
Mike Kelly	KELLY	X			
Anna Fairclough	FAIRCLOUGH	X			
	Salmon			X	
	Joule	X			
Chair: RLOCKE	Hawker	X			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 207
(H) Publish Date: 4/10/09

Identifier (file name): HB207-DFG-CFEC-04-06-09
Dept. Affected: Fish and Game
Title: An act increasing the allowances for injury, disability, or heart
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission
Sponsor: Representative(s) Harris, Austerman, Wilson
Requester: House Fisheries Committee
Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Temporary	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

ANALYSIS: *(Attach a separate page if necessary)*

There are no significant fiscal impacts for CFEC associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 4/6/09 1:25 PM
Approved by: Frank M. Homan, Chairman
Date 4/6/2009
Commercial Fisheries Entry Commission

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 207
(H) Publish Date: 4/10/09

Identifier (file name): HB207-DOLWD-FF-04-02-09
Dept. Affected: Labor and Workforce Development
Title: Maximum Benefit From Fishermen's Fund
RDU: Workers' Compensation
Component: Fishermen's Fund
Sponsor: Representative Harris
Requester: House FSH
Component Number: 343

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		63.7	63.7	63.7	63.7	63.7	63.7
Miscellaneous							
TOTAL OPERATING	**0.0**	**63.7**	**63.7**	**63.7**	**63.7**	**63.7**	**63.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1032 Fishermen's Fund		63.7	63.7	63.7	63.7	63.7	63.7
TOTAL	**0.0**	**63.7**	**63.7**	**63.7**	**63.7**	**63.7**	**63.7**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation increases the total allowance for a claim that can be approved by the Fishermen's Fund Administrator before it must go before the Fishermen's Fund Council from $2,500 to $10,000. Currently there are claims that exceed the current approval level, that are approved for payment and paid up to the $2,500 limit, but the claimant does not take the next step to go to the council for payment of the remainder of those claims. With the higher approval level some of those claims would be paid to a higher level and thus increase our expenditures. Based on past claims history the department estimates that expenditures could increase by approximately $63,700. The program has sufficient budgeted expenditure authorization to absorb this cost increase.

Prepared by: Trena Heikes, Director
Phone 465-6059
Division: Workers' Compensation
Date/Time 4/2/09 3:19 PM
Approved by: Click Bishop, Commissioner
Date 4/2/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

HB

212

<target><bill>HB 212</bill><subject>HB 212</subject><comm>HFIN26</comm></target>

Amd 1, p. 2

26-LS0794\A

HOUSE BILL NO. 212

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CRAWFORD, Tuck

Introduced: 4/1/09
Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

"An Act modifying the Alaska unemployment insurance statutes to comply with the requirements of the federal economic stimulus bill by redefining the base period for determining eligibility for unemployment benefits; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS AND INTENT. The legislature finds that

(1) the federal government has enacted a federal economic stimulus bill that makes it possible to obtain from the federal government additional funding to address the needs of the state's unemployed;

(2) it is desirable to address the needs of the state's unemployed;

(3) it is desirable to address the needs of the state's employers;

(4) in order for the state to receive the additional federal funding made available by the federal economic stimulus bill it may be necessary to amend state law;

(5) because eligibility for federal economic stimulus funds may be contingent on amending state law, and because that federal funding will address the needs of the state's unemployed, and, by offsetting some of the costs associated with providing benefits to the state's unemployed, will address the needs of the state's employers, the amendment of state law to ensure the state is eligible to receive federal economic stimulus funds is an important goal.

*** Sec. 2.** AS 23.20.520(3) is amended to read:

(3) "base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, **except that if an individual would not otherwise be eligible for unemployment compensation because of the use of a base period that does not include the most recently completed calendar quarter immediately preceding the first day of an individual's benefit year, "base period" means, and eligibility shall be determined using, the four most recently completed calendar quarters before the start of the benefit year**;

*** Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

tech change to Jan 1 2010

#2

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HB 212**
() Publish Date:

Identifier (file name): HB212-DOLWD-UI-04-10-09
Title: Unemployment Amendments: Fed Stimulus
Sponsor: Representative Crawford
Requester: House Finance

Dept. Affected: Labor and Workforce Development
RDU: Employment Security
Component: Unemployment Insurance
Component Number: 2276

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no anticipated fiscal impact to the department as a result of this legislation.

This legislation makes changes to the Unemployment Insurance base period used to determine eligibility for benefits by allowing use of the most recent completed quarter if an individual would not be eligible using the prior four quarters. Based on a review of 2008 unemployment insurance benefit applications, 1,293 additional unemployed workers would have been eligible for unemployment insurance benefits if the alternate base period were in place in 2008, resulting in $1.95 million in unemployment insurance benefits paid from the Unemployment Insurance Trust Fund.

Prepared by: Thomas Nelson, Director — Phone 465-5933
Division: Division of Employment Security — Date/Time 4/10/09 11:23 AM
Approved by: Click Bishop, Commissioner — Date 4/10/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

Alaska State Legislature
House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address:
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry T. Crawford, Jr.
East Anchorage District 21
E-mail: Representative_Harry_Crawford@legis.state.ak.us
Website www.akdemocrats.org

MEMORANDUM

To: Reps. Stoltz & Hawker
From: Rep. Harry Crawford
Re: HB 212
Date: 1/29/2008

Please schedule HB 212 for a hearing before the Finance Committee. For your review find a copy of the most recent version of the bill, a sponsor statement, a Sectional Analysis. The Fiscal note will be forwarded by the Administration. There may be a need for teleconference sites in Anchorage and Juneau.

If you have any questions or need further information please feel free to contact me or my staff person Paul Grossi at 465-3438.

Enclosures:
Attachments:

Memo form.doc

Alaska State Legislature

House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry Crawford
District 21

SPONSOR STATEMENT: HOUSE BILL HB 212

HB 212 is a bill to modify the Alaska unemployment insurance statute to comply with requirements of the federal stimulus bill. HB 212 changes the definition of the base period for the calculation of unemployment benefits. The change in the calculation will cause an increase in the yearly payout of benefits by $ 2 million. This change will allow the Department of Labor to receive $15.6 million in stimulus money.

The intent language in the bill is provided to give the Department guidance as to how the legislature wants the Department to use the money. If the Department deposits the money into the Unemployment Trust Fund, the money would be available to pay benefits and would more than offset the cost of the increase benefits. This would allow the additional benefits to be paid without any increase in unemployment tax to employers.

I believe this bill will help unemployed workers and benefit employers at the same time. I strongly encourage the Legislature to pass HB 212.

E-mail: Representative_Harry_Crawford@legis.state.ak.us

Alaska State Legislature

House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry Crawford
District 21

Sectional Analysis: HOUSE BILL 212

Section # 1 Provides intent language to provide Legislative guidance to the Department of Labor as to the use of the Federal unemployment stimulus money. This section says that the Legislature wants the Department to use the money to offset employer costs for any increases in benefits.

Section #2

Amends AS 23.30.520(3) to change the definition of the base period in the unemployment benefits law. It allows a second "look back" period that would include the most recent quarter immediately proceeding the first day of the benefit year.

Section#3

Provides an effective date.

E-mail: Representative_Harry_Crawford@legis.state.ak.us

HB 214

<target><bill>HB 214</bill><subject>HB 214</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

HB 214
Sponsor Statement

"An Act authorizing the Department of Environmental Conservation to award grants for the control of air emissions or the development and administration of air quality control programs; and providing for an effective date."

House Bill 214 provides statutory authority for the Department of Environmental Conservation (DEC) to grant funds for the control of air emissions or the development or administration of air quality control programs in the state. The authority is needed so that DEC can distribute funds available through the Air Quality Grant – Diesel Emission Reduction program in the American Recovery and Reinvestment Act of 2009. This program would provide $2,000,000 to grantees for energy efficiency upgrades such as new, more efficient power generation equipment and public transportation vehicles.

4/3/2009

Ausel, Joey K (DEC)

From: Beason, Laura K (DEC)
Sent: Tuesday, March 31, 2009 1:56 PM
To: Ausel, Joey K (DEC)
Subject: FW: Air Stimulus Funding

Joey, I received a message that message is undeliverable for some unknown reason. Can you please contact Paulyn and get her fax number and get this over to her. Thank you.

From: Beason, Laura K (DEC)
Sent: Tuesday, March 31, 2009 12:43 PM
To: Swanson, Paulyn M (LAA)
Subject: Air Stimulus Funding

Hi Paulyn I just wanted to follow-up on our conversation this morning about the needed granting authority. Shown below is some information Mike Maher sent to Larry Persily on Friday. The last section of this information contains the grant language that we would need in order for us to issue grants with this funding. Just wanted to make sure this would be included in case the funding did make it into the stimulus bill. If you have any other questions please let me know. Thank you.

Larry, the Air Non-Point Mobile Source program within the Division of Air Quality in DEC is responsible for mobile and area sources of air contaminants. As part of their responsibilities for mobile source they were assigned management of the grant funding being distributed by EPA under the State Clean Diesel Grant program. FFY08 was the first year of this allocation funding to states through a formula outlined in the Energy Policy Act of 2005. EPA's program is designed with the idea that states will fund grants or loan programs for clean diesel projects, but other competitive processes were allowed.

To distribute this funding DEC could execute agreements with other agencies or establish contracts or grants to municipalities and others throughout the state for projects such as:

- Purchasing and installing pollution controls on diesel engines for vehicle fleets such as bus or construction equipment fleets;
- Replacing older diesel generators in villages with newer, more efficient diesel engines;
- Repowering or replacing state, municipal or school bus fleets with cleaner, more efficient engines or vehicles;
- Providing plug-ins and other means to reduce the need to idle diesels in cold weather; and
- Converting vehicle fleets from diesel power to cleaner fuels such as natural gas or propane.

A variety of entities are eligible for this funding, they are:

- Regional, state, local, tribal or port agencies with jurisdiction over transportation or air quality;
- Nonprofit organizations or institutions that represent or provide pollution reduction or educational services to persons or organizations that operate diesel fleets;
- Entities whose principle purpose is the promotion of transportation or air quality

In FFY08 DEC received $295,320. To date projects identified as eligible for this funding this fiscal year include:

- Alaska Energy Authority to conduct a feasibility assessment of operating a small organic rankine cycle powered generator utilizing waste heat from the exhaust stack of a diesel engine.
- Alaska Department of Transportation diesel equipment retrofits.
- Alaska Railroad diesel equipment retrofits and assessment of anti-idling technologies.
- Contract to be issued for other diesel emission reduction projects throughout Alaska.

The funding available for the diesel emissions program through the American Recovery and Reinvestment Act of 2009 provides approximately $2.0 million to support the efforts of Alaska State Clean Diesel Grant programs.

Allowing DEC granting authority would allow a distribution of funding to other entities beyond governmental agencies or contractors. The statutory language we need in order to have this granting authority would be something like the following:

Section 1. AS46.14 is amended by adding a new section to read:

Sec 46.14.535. Grants. (a) Subject to appropriation, the department may award grants of federal or other funds received by the department for the control of air emissions or the development or administration of air quality control programs in this state.

(b) The department may adopt regulations under AS44.62 (Administrative Procedure Act) to carry out the purposes of this section.

If you have any questions please let me know.

Laura Beason, Division Operations Manager
Information & Administrative Services
Environmental Conservation
907-465-5273 (phone), 907-465-5097 (fax)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 214
() Publish Date:

Identifier (file name): HB214-DEC-AQ-4-3-09
Dept. Affected: Environmental Conservation
Title: Grant Authority for Air Quality
RDU: Division of Air Quality
Component: Air Quality
Sponsor: House Finance Committee
Requester: House Finance Committee
Component Number: 2061

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no fiscal impact to DEC associated with this legislation.

Prepared by: Keri S. Hubbard, Administrative Officer II
Phone 907-269-3010
Division: Air Quality
Date/Time 4/3/09 4:55 PM
Approved by: Dan Easton
Date 4/6/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 3, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/7/09

The FINANCE Committee considered: **HOUSE BILL NO. 214**

"An Act authorizing the Department of Environmental Conservation to award grants for the control of air emissions or the development and administration of air quality control programs; and providing for an effective date."

HB 214 GRANT AUTHORITY FOR AIR QUALITY

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DEC				✓

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
R Foster	Foster		X		
	Crawford	X			
	Austerman	X			
	Kelly		X		
	Taylor	X			
	Salmon	X			
	Fairclough			✓	
Chair:	Hawker	X			
Chair:	Stoltze			*	

HB

221

<target><bill>HB 221</bill><subject>HB 221</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON
Chairman
State Capitol, Room 124
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep Mark Neuman, V-Chair
Rep. John Coghill
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Bob Lynn
Rep. Bob Buch

Sponsor Statement

House Bill 221, Mortgage Lending Regulation

"An act relating to the state's participation in the federal Nationwide Mortgage Licensing System and Registry, and to mortgage lending regulation and licensing; and providing for and effective date."

HB 221 will allow the Department of Commerce, Community and Economic Development to participate in the National Mortgage Licensing System (NMLS) as prescribed by the federal Secure and Fair Enforcement of Mortgage Licensing Act of 2008 (SAFE). By authorizing the state to join the national database and testing system, mortgage lenders in Alaska can continue being licensed to do business by the state while the legislature and department work to revise mortgage lending licensing laws to make the many small changes needed to be fully SAFE compliant.

The SAFE Act requires that all states implement a mortgage law that conforms to its requirements by July 30, 2009, and that all states use a national database for licensing mortgage loan originators. States may comply through statute and regulation and may implement more comprehensive mortgage lending laws than are provided under the federal SAFE Act, which provides minimum standards and requirements.

Alaska is scheduled to join the NMLS on August 1, 2009, and to begin licensing through the NMLS at that time. It is important for the state to show our intent to comply with the SAFE Act by joining the NMLS on schedule. This will further support our application for an extension to the U.S. Department of Housing and Urban Development (HUD).

The advantages to joining the NMLS are the sharing of information among states, and the ability to conduct joint exams with other states for out-of-state mortgage loan originators doing business in Alaska. These are important steps in strengthening our already strong mortgage lending licensing laws and will protect consumers from shady lenders coming in from out of state and doing business without proper oversight and review.

I urge your support and the timely passage of HB 221

Alaska State Legislature

Please enter into the record my testimony to the House Labor + Commerce committee name committee on HB221 bill/subject, dated 4-10-09.

Good Afternoon Mr. Chairman and Committee Members:

I am John Martin, President of the Alaska Association of Mortgage Brokers. Our organization along with the Alaska Mortgage Bankers Association worked closely with the Division of Banking and Securities to get our existing mortgage licensing law passed several years ago. It was passed unanimously in the House and Senate.

Since that time the Federal Government has passed the Secure and Fair Enforcement Act (SAFE Act), which pertains to mortgage licensing. It sets the minimum standards all states must comply with by July 31, 2009. If the standards are not met in time, HUD has the authority to grant an extension to the states based on their good faith efforts to comply with the SAFE Act.

Recently legislation was introduced to conform to the SAFE Act, SB145. That legislation has undergone changes with more to come. There is not enough time in this legislation period to iron it all out. Consequently, we will be working closely with the Department and the Alaska Mortgage Bankers Association to finalize the language.

During the interim, the state can apply for an exemption from HUD in regards to the SAFE Act based upon; pending legislation; the fact that our present statute substantially already complies with the SAFE Act; and by joining the Nationwide Mortgage Licensing System and Registry (NMLSR.)

This particular bill today, will grant the State the necessary authority to join the NMLSR and once signed into law will help Alaska get closer to compliance.

I would urge you to expedite this bill and pass it out of committee so the state can meet their target date for joining the NMLSR on August 1,2009 as per their letter of intent.

Thank you for your consideration and attention to this matter.

Respectfully,

John Martin, CMC, CMPS
President,
Alaska Association of Mortgage Brokers

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 11, 2009 **FURTHER REFERRALS:**

Date of Committee Action: April 13, 2009

The FINANCE Committee considered: **HOUSE BILL NO. 221**

"An Act relating to the state's participation in the federal Nationwide Mortgage Licensing System and Registry, and to mortgage lending regulation and licensing; and providing for an effective date."

HB 221 MORTGAGE LENDING REGULATION

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 221 (L+C)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	**Printed Last Name**	**DP**	**DNP**	**NR**	**AM**
	Thomas			✓	
R Foster	Foster			+	
Harry Crawford Jr	Crawford			X	
	Austerman			X	
	Kelly			X	
Anna Fairclough	Fairclough			X	
	Gae			✓	
Woodie Salmon	Salmon			X	
	Joule			X	
Chair:	Stoltze	X		X	
Chair:		excused to move		abs	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 221L&C)
(H) Publish Date: 4/11/09

Identifier (file name): HB221-CED-BAS-04-08-09
Dept. Affected: DCCED
Title: Nationwide Mortgage Licensing System and Registry
RDU: Banking and Securities
Component: Banking and Securities
Sponsor: House Labor and Commerce Committee
Requester: House Labor and Commerce Committee
Component Number: 2808

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel	28.0		7.0	0.0	0.0	0.0	0.0
Contractual	70.0		0.0	0.0	0.0	0.0	0.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**98.0**	**0.0**	**7.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Rcpt Svcs (1156)	98.0		7.0				
TOTAL	**98.0**	**0.0**	**7.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will amend statute to allow the state to enroll in the National Mortgage Lending System (NMLS) database and national testing system prior to the federally mandated July 31, 2009 deadline.

Alaska's state mortgage lending law (effect July 1, 2008) requires that mortgage lenders, brokers, and originators apply for and obtain a mortgage license to do business in Alaska. The federal S.A.F.E. Act (enacted July 30, 2008) requires, in part, that all states utilize a national database licensing system called the National Mortgage Lending System (NMLS) to license mortgage loan originators.

Prepared by: Lorie Hovanec, Director — Phone 465-5448
Division: Banking and Securities — Date/Time 04-08-09/ 5:00pm
Approved by: Emil Notti, Commissioner — Date 4/8/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSHB 221(L&C)

ANALYSIS CONTINUATION

The contractual component in this fiscal note reflects and a one-time fee of $50,000 to join the NMLS; and $20,000 for system upgrades to interface with the NMLS.

The travel component in this fiscal note reflects necessary attendance by the licensing examiner and the regulatory examiners at training seminars held at the NMLS headquarters in Richmond, VA in FY10. Another training seminar will be held in FY 11 that would be attended by a regulatory examiner. Travel to Richmond, VA is necessary to provide hands-on training where the database is housed. It also allows two very distinct areas of training on the NMLS system. One area is to accept the application for licensure issued by each state and the second area is for the regulatory examiners to access information for enforcement actions.

At some time in the future the state is required to pass legislation that would bring the state into full compliance with the federal S.A.F.E. act. At that time approximately $30,000 in legal fees would be needed for regulation drafting and review.

After FY11 this bill will have a zero fiscal impact for the Department. Any additional workload required to to implement this legislation will be absorbed by existing staff.

CSBS/AARMR
Nationwide Mortgage Licensing System

Improving Supervision of the Mortgage Industry through Collaboration and Technology

In order to protect their citizens and bring greater accountability and transparency to the mortgage industry, state mortgage regulators developed the Nationwide Mortgage Licensing System ("NMLS"). NMLS increases and centralizes information available to state regulators and the mortgage industry about the professionals and companies that originate home mortgages.

State regulators recognized that the rapid expansion and evolution of the mortgage industry demanded a regulatory framework that was efficient and effective. In 2003, a nationwide taskforce of regulators began developing a uniform licensing registry, which was launched on January 2, 2008 as the Nationwide Mortgage Licensing System.

NMLS

Nineteen states currently use the system to manage their mortgage licenses. In January 2009, four more states will join. Thus, in the first year of operations, nearly half of the states will be part of a system that:

- Improves the efficiency and effectiveness of supervision of the mortgage industry;
- Enhances consumer protection;
- Fights mortgage fraud and predatory lending that costs consumers and the industry hundreds of millions of dollars each year;
- Increases accountability among mortgage industry professionals; and
- Unifies and streamlines state license processes for mortgage lenders and brokers.

In the first 11 months of operations, NMLS is already managing:

- Over 11,300 mortgage companies
- Over 10,200 mortgage company branch locations
- Over 50,800 loan officers

Through NMLS, licensed mortgage lenders, bankers, broker companies and loan officers in participating states are able to complete a *single* uniform form electronically, regardless of the number of states in which they are licensed. This information is housed in a secure centralized repository available to mortgage regulators. Licensees are able to access their own record 7 days a week through the NMLS website to update, amend and renew their licenses, or apply for new licenses.

Increasing Transparency and Accountability in the Mortgage Industry

As mortgage companies and/or individuals create a record for themselves and submit to their regulators, NMLS will permanently assign a unique identifying number to each record. The unique identifying number allows regulators to definitively track companies and professionals across states and over time.

Additionally, consumers and the industry will eventually be able to check on the license status and history of the companies and professionals with which they wish to do business in order to make a more informed decision.

Raising Standards through the S.A.F.E. Act

On July 30, 2008, the President signed into law the Housing and Economic Recovery Act of 2008. Title V of this Act, entitled *The Secure and Fair Enforcement Mortgage Licensing Act of 2008* ("S.A.F.E. Act"), recognizes and builds on states efforts by requiring all mortgage loan originators, regardless of the type of entity they are employed by, to be either state-licensed or federally-registered. All mortgage loan originators must be licensed or registered through the expanded Nationwide Mortgage Licensing System and Registry.

Under the S.A.F.E. Act, all states must implement a mortgage loan originator licensing process that meets certain minimum standards and must license loan originators through NMLS.

More information about NMLS is available at http://www.stateregulatoryregistry.org/NMLS.

# # #

Conference of State Bank Supervisors is the national organization for state banking, representing the bank regulators of the 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands, and approximately 6,200 state-chartered financial institutions. The Conference is responsible for defending state authority to determine banking structure and the products and services state-chartered institutions can offer and for improving the quality of state bank supervision by providing the departments with performance evaluation and accreditation programs and supervisory education/training programs for state banking department personnel.

American Association of Residential Mortgage Regulators is the national organization representing state residential mortgage regulators. AARMR's mission is to promote the exchange of information between and among the executives and employees of the various states who are charged with the responsibility for the administration and regulation of residential mortgage lending, servicing and brokering.

12/30/2008

HB

222

<target><bill>HB 222</bill><subject>HB 222</subject><comm>HFIN26</comm></target>

Representative Lindsey Holmes

House Bill 222 Sponsor Statement

HB 222 is a bill that will update several sections of Alaska's health insurance code to comply with recent changes made in federal law. If we do not update Alaska's code to reflect the federal changes, our Division of insurance will not be able to enforce the law when the federal changes go into effect. These updates include:

- Prohibiting health care insurers from discriminating against individuals on the basis of genetic information.
- Requiring that insurers continue to cover college students under their parent's health insurance coverage when the students take leave from school for medical reasons.
- Requiring insurers to provide parity in mental health and substance abuse treatment coverage.
- Requiring insurers to allow eligible employees and their dependents to enroll in the employer's health insurance plans when the employee or dependent loses Medicaid or state child health coverage or when an employee or dependent becomes eligible for assistance for their employer plan.
- Updating the definition of dentist for insurance purposes to include dentists who are licensed outside the state of Alaska

HB 222 also updates the law to bring substance abuse treatment coverage in line with the new mental health parity requirements. It would replace the mandate that insurers provide coverage for substance abuse treatment. In place of the mandate, it would require that insurers offer coverage for substance abuse treatment and prohibit insurers from placing extra restrictions on substance abuse treatment coverage.

Please join me in supporting HB 222 to ensure that our Division of Insurance can continue enforcing insurance law in the state of Alaska.

State Capitol, Juneau, Alaska 99801 · (907) 465-4919 · Fax: (907) 465-2137
Rep.Lindsey.Holmes@legis.state.ak.us

Representative Lindsey Holmes

House Bill 222 Sectional Analysis

Section 1: This section incorporates requirements in 42 U.S.C. 300gg-53 into state law. 42 U.S.C. 300gg-54 prohibits health care insurers from discriminating against individuals on the basis of genetic information. It prohibits health care insurers from requiring individuals to undergo genetic testing as a condition of insurance.

Section 2: This section changes the requirements for insurance coverage for treatment of alcoholism or drug abuse. Currently, insurers are mandated to provide coverage for treatment of alcoholism and drug abuse to employer groups with 20 or more employees and mandates that insurers offer such coverage to employer groups with fewer than 20 employees. This section would replace that mandate and only require insurers to offer coverage for substance abuse to all employer groups. Under the mental health parity provisions in Section 6 of the bill insurers are prohibited from placing limits on substance abuse coverage that are not placed on the general medical coverage of the plan.

Section 3: This section amends the definition of dentist for insurance purposes to cover dentists who are not licensed in Alaska.

Section 4: This section incorporates requirements in 42 U.S.C. 300gg-54 and 42 U.S.C. 300gg-7 into state law. Those sections of federal statute require that health care insurers continue to cover college students under their parent's health insurance coverage when the students take leave from school for medical reasons.

Section 5: This section has two changes to enrollment requirements for employees who are eligible for their employer's health insurance plans but have previously chosen to not enroll in that plan. The first change allows a person who was covered by Medicaid or similar plan and loses eligibility for that plan, to enroll in their employer's health insurance plan. The second change allows a person to enroll in their employer's health insurance plan if they become eligible for assistance to help pay for their employer's health insurance plan from Medicaid or a similar plan.

Section 6: This section incorporates requirements in 42 U.S.C. 300gg-5 to apply to state law. The federal requirements are that a health care insurer may not place restrictions on mental health and substance use coverage in an insurance plan that are not placed on the general medical coverage of that plan.

Section 7: This section provides an effective date for section 1 of the bill.

State Capitol, Juneau, Alaska 99801 · (907) 465-4919 · Fax: (907) 465-2137
Rep.Lindsey.Holmes@legis.state.ak.us

Section 8: This section provides an effective date for sections 4 and 6 of the bill.

State Capitol, Juneau, Alaska 99801 · (907) 465-4919 · Fax: (907) 465-2137
Rep.Lindsey.Holmes@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 11, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4-14-09

The FINANCE Committee considered: **HOUSE BILL NO. 222**

"An Act prohibiting discrimination by health care insurers based on genetic information; requiring a health care insurer to offer coverage for the treatment of alcoholism or drug abuse; providing continuity of coverage for college students during medically necessary leaves of absence from college; requiring health care insurers in the group market to provide parity in the application of mental health and substance abuse benefits that comply with federal requirements; amending the definition of 'dentist' to include out-of-state dentists for purposes of certain dental insurance requirements; and providing for an effective date."

HB 222 MED. INS. ELIGIBILITY/NONDISCRIMINATION

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DHS				✓
DHS				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna L. Fairclough	FAIRCLOUGH	✓			
Allyn Austin	AUSTINMAN			X	
Nancy J. Crawford Jr	CRAWFORD	X			
Gara		✓			
Kelly	KELLY		X		
Mark A. Salmon	Salmon	✓			
	Poole	X			
Chair: Richard Hawker	Hawker			☆	
Chair: Bill Stoltze	STOLTZE			☆	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB222
() Publish Date:

Identifier (file name): HB222-DHSS-MS-04-11-09
Dept. Affected: Health & Social Services
Title: Medical Insurance Eligibility Nondiscrimination
RDU: Health Care Services
Component: Medicaid Services
Sponsor: Holmes
Requester: House L&C
Component Number: 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will not result in increased costs to the Mediciaid program. It could reduce Medicaid benefit costs by continuing coverage for dependent students during medically necessary leaves of absence from college and requiring group health insurers to allow an employee to request coverage under a group health insurance plan within 60 days if the employee or a dependent loses medical assistance coverage or becomes eligible for medical assistance. The costs avoided are indeterminate but are likely to be small because most medical assistance enrollees do not have access to private health insurance.

Prepared by: William J. Streur, Deputy Commissioner
Phone 907-334-2520
Division: Health Care Services
Date/Time 4/11/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 4/11/2009
DHSS Finance and Management Services

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB222
() Publish Date:

Identifier (file name): HB222-DHSS-BHMS-04-11-09
Dept. Affected: Health & Social Services
Title: Medical Insurance Eligibility Nondiscrimination
RDU: Behavioral Health Services
Component: Behavioral Health Medicaid Services
Sponsor: Holmes
Requester: House L&C
Component Number: 2660

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will not result in increased costs to the Mediciaid program. It could reduce Medicaid benefit costs by increasing private insurance coverage for drug & alcohol abuse services , continuing coverage for dependent students during medically necessary leaves of absence from college, and requiring group health insurers to allow an employee to request coverage under a group health insurance plan within 60 days if the employee or a dependent loses medical assistance coverage or becomes eligible for medical assistance. The costs avoided are indeterminate but are likely to be small because most medical assistance enrollees do not have access to private health insurance.

Prepared by: William J. Streur, Deputy Commissioner
Phone 907-334-2520
Division: Health Care Services
Date/Time 4/11/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 4/11/2009
DHSS Finance and Management Services

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 222
(H) Publish Date: 4/11/09

Identifier (file name): HB222-CED-INS-04-08-09
Dept. Affected: DCCED
Title: Med. Ins. Eligibility/Nondiscrimination
RDU: Insurance (116)
Component: Insurance
Sponsor: Representative Holmes
Requester: House Labor and Commerce Committee
Component Number: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 222 will update several sections of Alaska's health insurance code to comply with recent changes made in federal law. These updates include:

- Prohibiting health care insurers from discriminating against individuals on the basis of genetic information.
- Requiring that insurers continue to cover college students under their parents health insurance coverage when the students take leave from school for medical reasons.
- Requiring insurers to provide parity in mental health and substance abuse treatment coverage.
- Updating the definition of dentist for insurance purposes to include dentist who are licensed outside of the State of Alaska.

Prepared by: Linda S. Hall, Director
Phone 907-269-7900
Division: Insurance
Date/Time 4/8/09 1:40 PM
Approved by: Emil R. Notti, Commissioner
Date 4/8/2009
Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 222

ANALYSIS CONTINUATION

•Requiring insurers to allow eligible employees and their dependents to enroll in the employer's health insurance plans when the employee or dependent loses Medicaid or state child health coverage or when an employee or dependent becomes eligible.

These changes will allow the Division of Insurance to enforce the laws when the federal laws go into effect and will have no fiscal impact.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 222
(H) Publish Date: 4/11/09

Identifier (file name): HB222-CED-INS-04-08-09
Dept. Affected: DCCED
Title: Med. Ins. Eligibility/Nondiscrimination
RDU: Insurance (116)
Component: Insurance
Sponsor: Representative Holmes
Requester: House Labor and Commerce Committee
Component Number: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 222 will update several sections of Alaska's health insurance code to comply with recent changes made in federal law. These updates include:

- Prohibiting health care insurers from discriminating against individuals on the basis of genetic information.
- Requiring that insurers continue to cover college students under their parents health insurance coverage when the students take leave from school for medical reasons.
- Requiring insurers to provide parity in mental health and substance abuse treatment coverage.
- Updating the definition of dentist for insurance purposes to include dentist who are licensed outside of the State of Alaska.

Prepared by: Linda S. Hall, Director — Phone 907-269-7900
Division: Insurance — Date/Time 4/8/09 1:40 PM
Approved by: Emil R. Notti, Commissioner — Date 4/8/2009
Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 222

ANALYSIS CONTINUATION

•Requiring insurers to allow eligible employees and their dependents to enroll in the employer's health insurance plans when the employee or dependent loses Medicaid or state child health coverage or when an employee or dependent becomes eligible.

These changes will allow the Division of Insurance to enforce the laws when the federal laws go into effect and will have no fiscal impact.

HB

225

<target><bill>HB 225</bill><subject>HB 225</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 225
Sponsor Statement

"An Act relating to the State Procurement Code..."

House Bill 225 makes numerous changes to the state's procurement code. Collectively, these changes streamline the procurement code to ensure consistent application of the law, and results in a more understandable, efficient procurement process. These changes are needed to prevent failed procurements and provide modern procurement tools and techniques to the State's workforce.

Streamlining is accomplished in part by simplifying the application of our many preferences, which is currently complex and confusing for our employees and vendors. The bill makes application of the preferences uniform – currently, preferences do not contain the same language so they must be applied differently. The bill eliminates the Alaska Offeror's preference and Employers of people with disabilities preference. The Offeror's preference is only contained in regulations, has no basis in statute, and limits competition for our RFPs. The employers of people with disabilities preference is a seldom used preference that is very difficult for the Division of Vocational rehabilitation to administer. As of today there are only two vendors receiving this preference, both of which are in the business of leasing office space to the state. This bill also eliminates bidder preferences for our office lease procurements and contains an Alaska Veteran preference, which mirrors HB 24.

Another problem we have in state procurement is solved by clarifying the Alaska business license requirements. Under the current law, a high percentage of offers on high dollar, complex projects are rejected on a technicality. The bill also modifies protest procedures to reduce frivolous protests, and affords us greater flexibility to renegotiate contracts.

HB 225 modernizes our Procurement Code and provides tools and techniques to our employees that have proven cost effective in the private sector. For example, the bill allows for electronic receipt of bids, and for successive rounds of negotiations which has been a very successful technique in other states and the private sector. The bill also eliminates the requirement to maintain outdated vendor lists in a time when commerce is moving online.

The dollar threshold for informal or small procurements is also increased, which will simplify many purchases that are now procured via time consuming and more complex formal procurement rules.

It has been many years since our procurement code has been modernized. These changes will position us to become more efficient and cost effective in our purchasing and contracting.

I urge your support on this piece of legislation.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 225
Sponsor Statement
"An Act relating to the State Procurement Code..."

Explanation of Changes

Page 20 Line1,

Inserted a new Section that amends the uncodified law of the State of Alaska. It adds in transition language stating that the Dept. of Administration shall include in the two successive biennial reports after the effective date of this Act information on the savings that have been achieved by Sections 14 and 28 of this Act.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

Vem Jones
Read
this list

Alaska State Legislature

Representative Anna Fairclough – House District 17

CSHB 225 (STA)
Sectional Analysis

*** Section 1:** Amends AS 24.55.275

Updates a citation to reflect the renumbering of a preference.

*** Section 2:** Amends AS 36.15.050(a)

Amends the local agricultural preference to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other procurement preferences.

*** Section 3:** Amends AS 36.15.050(b)

Amends the local fisheries preference to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other procurement preferences.

*** Section 4:** Amends AS 36.15.050 by adding a new subsection (h)

Amends the local agricultural and fisheries preferences to disallow a bidder from being granted both a local agricultural/fisheries preference and an Alaska product preference under another statute.

*** Section 5:** Amends AS 36.30.015(e)

Updates a citation to reflect the renumbering of a preference.

*** Section 6:** Amends AS 36.30.015(f)

Adds the Alaska Industrial Development Authority and the Alaska Energy Authority to a list of agencies exempt from the procurement code and updates a citation to reflect the renumbering of a preference.

*** Section 7:** Amends AS 36.30.015(h)

Updates a citation to reflect the renumbering of a preference.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

*** Section 8:** Amends AS 36.30.020

Updates a citation to reflect the renumbering of a preference.

*** Section 9:** Amends AS 36.30.030

Updates a citation to reflect the renumbering of a preference.

*** Section 10:** Amends AS 36.30.080(f)

Increases the threshold limit for small procurements of leased space from 3,000 square feet to 7,000 square feet, consistent with section 24.

*** Section 11:** Amends AS 36.30.110(b)

Clarifies Alaska business license requirements for competitive sealed bids and qualification for the Alaska bidder preference. Change would require bidders to show proof of their Alaska Business License prior to award, but would require the license at the time of bid submission in order to qualify for the Alaska bidder preference.

AA

*** Section 12:** Amends AS 36.30.130(a)

Eliminates reference to a procurement officer's use of vendor lists, reflecting the repeal of the statute establishing the vendor lists.

*** Section 13:** Amends AS 36.30.170

Updates a citation to reflect the renumbering of the Alaska bidder preference.

*** Section 14:** Amends AS 36.30 by adding a new section 36.30.195

Adds a new section to the procurement code that allows for multi-step revised sealed bidding, a new process that will allow a procurement officer to use successive steps of sealed bidding to obtain the best and final bid price for purposes of award.

*** Section 15:** Amends AS 36.30.200(b)

Minor modification to language regarding construction procurements.

*** Section 16:** Amends AS 36.30.210(b)

Clarifies construction contractor registration requirements, now explicitly requiring registration before award of a contract.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

* **Section 17:** Amends AS 36.30.210(e)

Clarifies Alaska business license requirements for competitive sealed proposals and qualification for the Alaska bidder preference using language consistent with that used in Section 11.

* **Section 18:** Amends AS 36.30 by adding a new section 36.30.245

Adds a new section to the procurement code that allows for multi-step negotiations. This has essentially the same effect as Section 14, but it applies to the competitive sealed proposal process. A procurement officer will be able to gain the best and final proposal for purposes of award through successive steps of negotiation and proposal submission.

* **Section 19:** Amends AS 36.30.250(a)

Updates a citation to reflect the renumbering of a preference.

* **Section 20:** Amends AS 36.30 by adding a new section 36.30.255

Directs procurement officers to consider only the preferences listed in statute when applying preferences under a competitive sealed proposal process, and instructs them to apply the preferences only to the price portion of a proposal. This effectively eliminates the Alaska offeror's preference contained in regulation at 2 AAC 12.260(e), and which has no basis in statute.

* **Section 21:** Amends AS 36.30 by adding a new section 36.30.290

AA

Adds a new section allowing an agency to accept electronic bids and proposals.

* **Section 22:** Amends AS 36.30.308(b)

Revises the approval process for innovative procurements to require review by the chief procurement officer or commissioner of the department of transportation and public facilities rather than the Department of Law, consistent with other alternate procurement processes.

* **Section 23:** Amends AS 36.30.310

Revises the statute relating to emergency procurements, clarifying that the commissioner of administration shall adopt regulations defining emergency conditions and who shall be responsible for written determinations of the basis for an emergency procurement.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

*** Section 24:** Amends AS 36.30.320(a)

Increases the threshold under which a state agency may use informal procurement process to $100,000 for goods and professional services, to $200,000 for construction, and 7,000 square feet for lease of space.

*** Section 25:** Amends AS 36.30 by adding a new section 36.30.321

Adds a new section consolidating the Alaska bidder and related preferences formerly at AS 36.30.170(b). This section also simplifies the qualification for the disability and employment program preferences, eliminates the seldom used employers of people with disabilities preference, and establishes the Alaska veteran preference and its qualifications.

*** Section 26:** Amends AS 36.30.322(a)

Modifies the use of local forest products statute to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other preferences.

*** Section 27:** Amends AS 36.30.336 by repealing and reenacting

Clarifies which preferences are cumulative and which may not be combined. (example: bidders can not claim both an employment program preference and disabled bidder preference)

*** Section 28:** Amends AS 36.30 by adding a new section 36.30.364

Adds a new section allowing the chief procurement officer to renegotiate a contract without an additional competitive process, subject to several conditions ensuring that the renegotiated contract is at least as favorable to the state as the original contract and that the additional period of performance does not exceed five years.

*** Section 29:** Amends AS 36.30.560

Clarifies the timeframe within with a protest must be filed.

*** Section 30:** Amends AS 36.30.565(b)

Clarifies the meaning of "good cause" requiring that a protestor show why they could not file a protest before the deadline, allowing a procurement officer to better determine whether to consider a filed protest that is not timely.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

*** Section 31:** Amends AS 36.30 by adding a new section 36.30.567

AA

Adds new sections relating to protests, requiring a protest filing to be accompanied by a refundable $250 filing fee.

*** Section 32:** Amends AS 36.30 by adding a new section 36.30.572

Adds a new section to allow a procurement officer to temporarily delay award of a contract in order to address a protest, rather than issue a stay of award.

*** Section 33:** Amends AS 36.30.655

Eliminates reference to the removal of debarred or suspended persons from vendor lists, reflecting the repeal of a law establishing the vendor lists.

*** Section 34:** Amends AS 36.30.700

Adds language to the cooperative purchasing section that allows the state to more effectively use contracts established by other public procurement units.

*** Section 35:** Amends AS 36.30.700 by adding a new subsection (b)

Adds a new section explicitly authorizing the state to participate in cooperative procurements with other governments and waiving procurement preferences that otherwise prevent other public purchasing units from participating in cooperative purchase agreements sponsored or conducted by the state.

*** Section 36:** Amends AS 36.30.850(b) by adding new paragraphs

Adds new exemptions for; contracts for lease space located outside the state; for contracts for investigative services entered into by the department for the Alaska personnel board, the office of public advocacy, and the Alaska Public Offices Commission; for commodities used in the prisoner employment program; and for professional training.

*** Section 37:** Amends AS 36.30.900 by adding new paragraphs

Moves the definition for "Alaska bidder" (formerly contained in 36.30.170(b)), and adds new definitions for "electronic signature," "in writing," "signature," and "written."

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

* **Section 38:** Amends AS 36.90.049(a)

Updates a citation to reflect the renumbering of a preference.

* **Section 39:** Amends AS 38.35.017(a)

Updates a citation to reflect the renumbering of a preference.

* **Section 40:** Amends AS 44.62.310(d)

Adds language to clarify that the Administrative Procedure Act does not apply to meetings with offerors under the multi-step negotiation process contained in section 18 or to renegotiation of contracts in section 29.

* **Section 41:** Amends AS 44.88.085(a)

Technical change regarding application of the Administrative Procedure Act to AIDEA.

* **Section 42:** Repeals statutes establishing the vendor list and relationships to other preferences.

* **Section 43:** Amends the uncodified law of the State of Alaska

Clarifies the application of the procurement act to pending solicitations during transition period.

* **Section 44:** Amends the uncodified law of the State of Alaska

Adds in transition language stating that the Dept. of Administration shall include in the two successive biennial reports after the effective date of this Act information on the savings that have been achieved by Sections 14 and 28 of this Act.

* **Section 45:** Amends the uncodified law of the State of Alaska

Changes the catch line of 36.30.360 from "Determination of responsibility" to Determination of nonresponsibility."

* **Section 46:** Effective Date

Language making the procurement act effective immediately.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944
Representative_Anna_Fairclough@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 3/17/10

The FINANCE Committee considered: **HOUSE BILL NO. 225**

"An Act relating to the State Procurement Code; relating to the procurement of supplies, services, professional services, construction services, state fisheries products, state agricultural products, state timber, and state lumber; relating to procurement preferences; relating to procurement by the office of the ombudsman, the Alaska Industrial Development and Export Authority, the Alaska Energy Authority, and other state agencies and public corporations; and providing for an effective date."

HB 225 STATE PROCUREMENT CODE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* HB 225 (FIN)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ [X] **Same Title** [ ] **New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM	3			✓
DOC	4			✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	KELLY	✓			
	Austerman	✓			
	Foster	✓			
	FAIRCLOUGH	✓			
Chair:	Stoltze	✓			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: HB225-DOC-OC-02-08-10
Bill Version:
() Publish Date:

Identifier (file name): HB225-DOC-OC-02-08-10
Dept. Affected: DOC
Title "Act relating to State Procurement Code; procurement of supplies services, professional services, construction services, and preferences ..."
RDU Administration & Support
Component Commissioner's Office
Sponsor Representative Fairclough
Requester Governor
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation provides language revisions that offer clarification or flexibility in handling certain procurement situations.

Passage of this legislation should have no financial impact to the Department of Corrections.

Prepared by: Leslie Houston, Director
Phone (907) 465-3339
Division Administration and Support
Date/Time 02/08/2010 0950
Approved by: Dwayne Peeples, Deputy Commissioner
Department of Corrections
Date 02/08//2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB225
() Publish Date:

Identifier (file name): HB225CS-DOA-DGS-03-09-10
Dept. Affected: DOA
Title: "An Act relating to the State Procurement Code..."
RDU: Centralized Administrative Services
Component: Purchasing
Sponsor: Representative Fairclough
Requester: (H)FIN
Component Number: 60

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation makes numerous changes to the state's procurement code. Collectively, these changes streamline the procurement code to ensure consistent application of the law, and result in a more understandable, efficient process. It has been many years since our procurement code has been modernized. These changes will help reduce the number of failed procurements, simplify confusing and burdensome requirements, and allow for modern procurement techniques.

Prepared by: Vern Jones, Chief Procurement Officer
Phone 907-465-2250
Division: Division of General Services
Date/Time 3/9/10 10:30AM
Approved by: Kevin Brooks, Deputy Commissioner
Date 3/9/2010
Department of Administration

Rev. [illegible] (MB)

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM March 15, 2010

SUBJECT: Questions regarding draft CSHB 225(FIN) relating to state procurement (Work Order No. 26-LS0791\P)

TO: Representative Anna Fairclough
Attn: Crystal Koeneman

FROM: Theresa Bannister
Legislative Counsel

You have asked several questions regarding the bill described above.

1. Why is the insurance provision at sec. 36.30.321(c) (page 9, ll. 20 - 22 of this bill) different from Department of Law's original draft? The bill version was a result of reorganization of the material and, with two exceptions, is basically the same as Law's draft. AS 36.30.170(d) reads:

> (d) The procurement officer shall award an insurance-related contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent. In this subsection, "Alaska bidder" means a person who meets the criteria set out in (b)(1) - (5) of this section and who is an Alaska domestic insurer.

Law's draft was almost identical to AS 36.30.170(d), except that it added "is applied to cost" after "five percent." The bill version uses "price" instead of "cost," which, as I understand it, amounts to the same thing. The bill version also applies to proposals as well as bids.

In this bill, the direction to award the contract based on bids "to the lowest responsive and responsible bidder" after application of a preference is found in the general language at sec. 36.30.170 (p. 6, ll. 7 - 12) of the bill. Since the language at sec. 36.30.321(c) now covers proposals as well as bids, the corresponding general language for awarding a proposal found at sec. 36.30.255 (p. 8, ll. 8 - 13) would apply to proposals.

The bill requires the bidder or offeror to qualify as an Alaska bidder. In the bill, the meaning of "Alaska bidder" has been moved (from AS 36.30.170) to a general definition in AS 36.30.990 (sec. 37 of the bill). Since there is a general definition, the bill uses the term and does not refer to a person who "meets the criteria set out in (b)(1) - (5) of this section."

The meaning of "Alaska domestic insurer" is not defined in the current procurement statutes or in the bill. The term would be interpreted to mean an insurer who is organized under the laws of this state. The term, "domestic insurer," is defined at AS 21.90.900 for AS 21.90 to have this meaning. If you want to clarify the meaning for the bill, a definition could be added to refer to that meaning.

2. Exemptions from preferences. There has been a question whether the bill could exempt contracts for insurance, medical services, and legal services from the preference provisions. Contracts for medical doctors and dentists are exempted from the procurement code under AS 36.30.850(b)(4).

The exemptions could be added if they satisfy state and federal equal protection requirements. It is likely that the right to receive a preference for a state contract would be characterized as an economic right. Under federal law, the scrutiny is minimal and, unless the objective is economic protectionism, a legitimate state objective will suffice. Under state equal protection requirements, as an economic matter, minimum scrutiny requires showing that the state's objectives are legitimate and that the legislation bears a substantial relationship to its purpose.[1] Aside from these considerations, whether or not to adopt the exemptions will be a policy call.

3. Changes to "Alaska bidder" requirements. There has been a question whether the "Alaska bidder" preference could be changed to require that the business's principal place of business be located in Alaska or that the majority of the business be owned by state residents.

Since the state is buying services and products for itself directly, it would be considered a market participant, and the commerce clause has an exception when the state is acting as a market participant. So that clause does not appear to present a problem.[2]

The privileges and immunities clause probably is not an issue here because these contracts do not appear to be closely enough tied to employment to qualify as affecting a fundamental right. Even if they were determined to affect a fundamental right, the privileges and immunities clause has an exception for when the state is acting as a market participant. However, a variable standard is applied to determine what amount of deference is due to a state when acting as a market participant, so it is not clear how much deference would be given in this situation.[3]

---

[1] See Glover v. State, Department of Transportation, Alaska Marine Highway Sys., 175 P.3d 1240, 1257 (Alaska 2008).

[2] See White v. Massachusetts Council of Construction Employers, Inc., 460 U.S. 204, 214 - 215 (1983).

[3] See Robison v. Francis, 713 P.2d 259, 264 - 265 (1986).

With regard to the federal equal protection clause,[4] which has a very lenient test in commercial matters, it must at least be shown that the provision does not have a rational relationship to the achievement of a legitimate state goal. This clause becomes an issue only if the reason for these changes is economic protectionism, which is not considered a legitimate state goal for state laws.[5] The state equal protection clause[6] does not appear to be an issue because art. I, sec. 23, allows the state to give preferences to state residents to the extent allowed by federal law. However, this provision has not been interpreted.

If I may be of further assistance, please advise.

TLB:ljw
10-178.ljw

---

[4] Amendment XIV, section 1 of the Constitution of the United States.

[5] Protection of in-state industries from out-of-state competition is almost never a legitimate local purpose. State laws that amount to economic protectionism are virtually always invalid. Philadelphia v. New Jersey, 437 U.S. 617, 624, 57 L.Ed.2d 475, 481 (1978) (discussing the privileges and immunities clause).

[6] Art. I, sec. 1, Constitution of the State of Alaska.

26-LS0791\P
Bannister
3/8/10

CS FOR HOUSE BILL NO. 225(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE FAIRCLOUGH

A BILL

FOR AN ACT ENTITLED

"An Act relating to the State Procurement Code; relating to the procurement of supplies, services, professional services, construction services, state fisheries products, state agricultural products, state timber, and state lumber; relating to procurement preferences; relating to procurement by the office of the ombudsman, the Alaska Industrial Development and Export Authority, the Alaska Energy Authority, and other state agencies and public corporations; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 24.55.275 is amended to read:

Sec. 24.55.275. Contract procedures. The ombudsman shall adopt by regulation procedures consistent with AS 36.30 to be followed by the office of the ombudsman in contracting for services. However, the procedure for requests for proposals does not apply to contracts for investigations under AS 24.55.100, and the office of the ombudsman shall comply with **the five percent preference for bidders**

under AS 36.30.321(a) [AS 36.30.170(b)].

*** Sec. 2.** AS 36.15.050(a) is amended to read:

(a) When agricultural products are purchased by the state or by a school district that receives state money, **a seven percent preference shall be applied to the price of the products harvested in the state** [ONLY AGRICULTURAL PRODUCTS HARVESTED IN THE STATE SHALL BE PURCHASED WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OUTSIDE THE STATE, AVAILABLE, AND OF LIKE QUALITY COMPARED WITH AGRICULTURAL PRODUCTS HARVESTED OUTSIDE THE STATE].

*** Sec. 3.** AS 36.15.050(b) is amended to read:

(b) When fisheries products are purchased by the state or by a school district that receives state money, **a seven percent preference shall be applied to the price of the products harvested or processed within the jurisdiction of the state** [ONLY FISHERIES PRODUCTS HARVESTED OR PROCESSED WITHIN THE JURISDICTION OF THE STATE SHALL BE PURCHASED WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE STATE, AVAILABLE, AND OF LIKE QUALITY COMPARED WITH FISHERIES PRODUCTS HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE STATE].

*** Sec. 4.** AS 36.15.050 is amended by adding a new subsection to read:

(h) A bidder receiving a preference under this section may not receive a preference under AS 36.30.322.

*** Sec. 5.** AS 36.30.015(e) is amended to read:

(e) The board of directors of the Alaska Railroad Corporation and the board of directors of the Alaska Aerospace Corporation shall adopt procedures to govern the procurement of supplies, services, professional services, and construction. The procedures must be substantially equivalent to the procedures prescribed in this chapter and in regulations adopted under this chapter. Notwithstanding the other provisions of this subsection, the Alaska Railroad Corporation and the Alaska

Aerospace Corporation shall **apply the five percent preference for bidders under AS 36.30.321(a)** [COMPLY WITH AS 36.30.170(b)], and, when the Department of Transportation and Public Facilities authorizes the Alaska Railroad Corporation to perform construction work instead of the Department of Transportation and Public Facilities, the Alaska Railroad Corporation shall use competitive sealed bidding or competitive sealed proposals under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional services, and construction services necessary for the work and, to ensure the state obtains the lowest cost for the project, may submit a bid or proposal for the work.

*** Sec. 6.** AS 36.30.015(f) is amended to read:

(f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding AS 18.56.088, **members of the Alaska Industrial Development and Export Authority,** [AND] the board of directors of the Knik Arm Bridge and Toll Authority under AS 19.75.111, **and the board of directors of the Alaska Energy Authority under AS 44.83.080** shall adopt regulations under AS 44.62 (Administrative Procedure Act) and the board of trustees of the Alaska Retirement Management Board shall adopt regulations under AS 37.10.240 to govern the procurement of supplies, services, professional services, and construction for the respective public corporation and board. The regulations must reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate in the procurement process and must include procurement methods to meet emergency and extraordinary circumstances. Notwithstanding the other provisions of this subsection, the Alaska Housing Finance Corporation, **the Alaska Industrial Development and Export Authority,** the Knik Arm Bridge and Toll Authority, **the Alaska Energy Authority,** and the Alaska Retirement Management Board shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 7.** AS 36.30.015(h) is amended to read:

(h) The board of directors of the Alaska Seafood Marketing Institute shall adopt procedures to govern the procurement of supplies, services, and professional services. The procedures must be similar to the procedures prescribed in this chapter

and in regulations adopted under this chapter, except that the Alaska Seafood Marketing Institute shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 8.** AS 36.30.020 is amended to read:

Sec. 36.30.020. Legislature. The legislative council shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the legislative branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the legislative branch as determined by the legislative council. The procedures must contain provisions for prohibiting procurement from a person that has headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for restricting procurement from a person that conducts business in but does not have headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this section, the legislative agencies subject to the legislative council's regulations shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 9.** AS 36.30.030 is amended to read:

Sec. 36.30.030. Court system. The administrative director of courts shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the judicial branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the judicial branch as determined by the administrative director of courts. The procedures must contain provisions for prohibiting procurement from a person that has headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for restricting procurement from a person that conducts business in but does not have headquarters in a country

listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this section, the judicial branch shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 10.** AS 36.30.080(f) is amended to read:

(f) When the department is acquiring leased space of **7,000** [3,000] square feet or less, the department may procure the leased space using the procedures for small procurements under AS 36.30.320, providing public notice is given to prospective offerors in the market area.

*** Sec. 11.** AS 36.30.110(b) is amended to read:

(b) The bidder **shall** [MUST] have a valid Alaska business license at the time designated in the invitation to bid for bid opening **in order to qualify as an Alaska bidder and to receive a preference under AS 36.30.321. If a bidder does not have a valid Alaska business license at the time designated in the invitation to bid for bid opening, the bidder shall provide proof that the bidder has a valid Alaska business license before the contract may be awarded, but does not qualify for a preference under AS 36.30.321**. A bidder for a construction contract shall also submit **proof** [EVIDENCE] of the bidder's registration under AS 08.18 **before the contract may be awarded**.

*** Sec. 12.** AS 36.30.130(a) is amended to read:

(a) The procurement officer shall give adequate public notice of the invitation to bid at least 21 days before the date for the opening of bids. If the procurement officer determines in writing that a shorter notice period is advantageous for a particular bid and adequate competition is anticipated, the 21-day period may be shortened. Notice shall be posted on the Alaska Online Public Notice System (AS 44.62.175). The time and manner of notice must be in accordance with regulations adopted by the commissioner of administration. When practicable, notice may include

(1) publication in a newspaper calculated to reach prospective bidders;

and

(2) notices posted in public places within the area where the work is to be performed or the material furnished [; AND

(3) NOTICES MAILED TO ALL ACTIVE PROSPECTIVE CONTRACTORS ON THE APPROPRIATE LIST MAINTAINED UNDER AS 36.30.050].

*** Sec. 13.** AS 36.30.170 is repealed and reenacted to read:

Sec. 36.30.170. Contract award after bids. After applying any preferences that apply under AS 36.15.050 and AS 36.30.321 - 36.30.338, a procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the invitation to bid.

*** Sec. 14.** AS 36.30 is amended by adding a new section to article 2 to read:

Sec. 36.30.195. Multi-step revised sealed bidding. (a) As provided in an invitation to bid and as conducted by a procurement officer under regulations adopted by the commissioner, a multi-step process that begins with an initial round of competitive sealed bidding may, when approved by the chief procurement officer, include successive steps of sealed bidding to obtain the best and final bid price from responsible bidders for the purpose of award.

(b) The provisions of (a) of this section do not apply to a procurement for a construction contract.

*** Sec. 15.** AS 36.30.200(b) is amended to read:

(b) The commissioner may provide by regulation that it is either not practicable or not advantageous to the state to procure [SPECIFIED TYPES OF] supplies, services, or construction by competitive sealed bidding that would otherwise be procured by that method. When the procurement officer determines in writing with particularity that the use of competitive sealed proposals is more advantageous to the state than competitive sealed bidding, a contract may be entered into by competitive sealed proposals.

*** Sec. 16.** AS 36.30.210(b) is amended to read:

(b) An offeror for a construction contract shall submit **proof** [EVIDENCE] of

the offeror's registration as a contractor under AS 08.18 **before the contract may be awarded**. A request for sealed proposals for a construction contract, except a design-build construction contract, must require the offeror, no later than five working days after the proposal that is the most advantageous to the state is identified, to list subcontractors the offeror proposes to use in the performance of the construction contract. The list must include the information required under AS 36.30.115(a). The provisions of AS 36.30.115(b) - (g) that apply to a construction contractor or an apparent low bidder apply to offerors submitting competitive sealed proposals for construction contracts, except design-build construction contracts.

*** Sec. 17.** AS 36.30.210(e) is amended to read:

(e) The offeror **shall** [MUST] have a valid Alaska business license at the time designated[,] in the request for proposals[,] for opening of the proposals **in order to qualify as an Alaska bidder and to receive a preference under AS 36.30.321. If an offeror does not have a valid Alaska business license at the time designated in the request for proposals for proposal opening, the offeror shall provide proof that the offeror has a valid Alaska business license before the contract may be awarded, but does not qualify for a preference under AS 36.30.321**.

*** Sec. 18.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.245. Multiple submissions and negotiations. (a) In a procurement that uses competitive sealed proposals, in order to obtain the best proposal for purposes of award, an agency may require more than one submission of proposals and may negotiate after each submission with the offerors whose proposals from that submission are reasonably susceptible of being selected for award. The negotiations conducted under this section may cover price, specifications, terms, or conditions or a combination of these items, and these items may be negotiated separately or in any combination. The submissions and negotiations allowed under this section are in addition to any discussions and revisions allowed under AS 36.30.240. The requirements for submissions and negotiations under this section shall be established by the department by regulation and in the request for proposals.

(b) The provisions of (a) of this section do not apply to a procurement for a construction contract.

* **Sec. 19.** AS 36.30.250(a) is amended to read:

(a) The procurement officer shall award a contract under competitive sealed proposals to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the state taking into consideration price and the evaluation factors set out in the request for proposals. **Except as provided by AS 36.30.255 and 36.30.336, other** [OTHER] factors and criteria may not be used in the evaluation. The contract file must contain the basis on which the award is made.

* **Sec. 20.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.255. Preferences applied to competitive sealed proposals. When determining which proposal is most advantageous to the state under a competitive sealed proposal solicitation, the procurement officer shall apply the preferences provided in AS 36.15.050 and AS 36.30.321 - 36.30.338, but may not apply other preferences. The preferences shall be applied only to the price portion of a proposal.

* **Sec. 21.** AS 36.30 is amended by adding a new section to article 4 to read:

Sec. 36.30.290. Electronic bids. An agency may allow bids or proposals to be submitted in electronic form under AS 09.80.010 - 09.80.195 (Uniform Electronic Transactions Act).

* **Sec. 22.** AS 36.30.310 is amended to read:

Sec. 36.30.310. Emergency procurements. Procurements may be made under emergency conditions as defined in regulations adopted by the commissioner **of administration** when there exists a threat to public health, welfare, or safety, when a situation exists that makes a procurement through competitive sealed bidding or competitive sealed proposals impracticable or contrary to the public interest, or to protect public or private property. An emergency procurement need not be made through competitive sealed bidding or competitive sealed proposals but shall be made with competition that is practicable under the circumstances. A written determination by the chief procurement officer **or, for construction contracts or procurements of the state equipment fleet, the commissioner of transportation and public facilities** of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The written determination must include findings of fact that support the determination. Except when there is insufficient time for the chief

procurement officer **or the commissioner of transportation and public facilities, as appropriate,** to make the written determination required by this section, the **authority to make the determination** [CHIEF PROCUREMENT OFFICER] may not **be delegated** [DELEGATE THE AUTHORITY TO MAKE THE DETERMINATION].

*** Sec. 23.** AS 36.30.320(a) is amended to read:

(a) A procurement for supplies, services, or professional services that does not exceed an aggregate dollar amount of **$100,000** [$50,000], construction that does not exceed an aggregate dollar amount of **$200,000** [$100,000], or lease of space that does not exceed **7,000** [3,000] square feet **shall** [MAY] be made **under** [IN ACCORDANCE WITH] regulations adopted by the commissioner for small procurements.

*** Sec. 24.** AS 36.30 is amended by adding a new section to article 5 to read:

Sec. 36.30.321. Alaska bidder and related preferences. (a) If the bidder or offeror is an Alaska bidder, a preference of five percent shall be applied to the price in the bid or proposal.

(b) Except as otherwise provided under (d), (e), or (g) of this section, if a bidder or offeror qualifies as an Alaska bidder and is offering services through an employment program, a 15 percent preference shall be applied to the price in the bid or proposal.

(c) If a bidder or offeror qualifies as an Alaska bidder and is an Alaska domestic insurer, and if the procurement is for an insurance-related contract, a five percent preference shall be applied to the price in the bid or proposal.

(d) A 10 percent preference shall be applied to a price in a bid or proposal if the bidder or offeror qualifies as an Alaska bidder and is a

(1) sole proprietorship owned by a person with a disability;

(2) partnership under AS 32.06, or AS 32.11 if each of the partners is a person with a disability;

(3) limited liability company organized under AS 10.50 if each of the members is a person with a disability;

(4) corporation that is wholly owned by individuals and each of the individuals is a person with a disability; or

(5) a joint venture that is composed of ventures that qualify under (1) - (4) of this subsection.

(e) The division of vocational rehabilitation in the Department of Labor and Workforce Development shall add to its current list of qualified employment programs a list of individuals who qualify as persons with a disability under (d) of this section. A person must be on this list at the time the bid or proposal is opened in order to qualify for a preference under (d) of this section.

(f) If a bidder or offeror qualifies as an Alaska bidder and is a qualifying entity, a five percent preference shall be applied to the price in the bid or proposal. The preference may not exceed $5,000. In this subsection,

(1) "Alaska veteran" means an individual who is both a resident of the state and a veteran;

(2) "qualifying entity" means a

(A) sole proprietorship owned by an Alaska veteran;

(B) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;

(C) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or

(D) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans;

(3) "veteran" means an individual who

(A) served in the

(i) armed forces of the United States, including a reserve unit of the United States armed forces; or

(ii) Alaska Territorial Guard, the Alaska Army National Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and

(B) was separated from service under a condition that was not dishonorable.

(g) A bidder or offeror may not receive a preference under both (b) and (d) of this section for the same contract.

(h) Except as provided by (j) of this section, this section applies to all

insurance contracts involving state money. In this subsection, "state money" has the meaning given in AS 36.30.990, but also includes state grants and reimbursements to municipalities, school districts, and other entities.

(i) In order to qualify for a preference under (b), (d), or (f) of this section, a bidder or offeror must add value by actually performing, controlling, managing, and supervising the services provided, or the bidder or offeror must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

(j) This section does not apply to solicitations or contracts for lease space under AS 36.30.080, to procurements under AS 36.30.305 - 36.30.310, or, except as provided otherwise by regulation under AS 36.30.320, to small procurements under AS 36.30.320.

(k) In this section, "person with a disability" means an individual who

(1) has been determined to be permanently disabled by the

(A) United States Social Security Administration under 42 U.S.C. 1381 - 1385 (Social Security Act) or 42 U.S.C. 423 (Social Security Act);

(B) the teachers' retirement system under AS 14.25, the judicial retirement system under AS 22.25, the public employees' retirement system under AS 39.35, or the elected public officers' retirement system under former AS 39.37;

(C) federal civil service retirement system under 5 U.S.C. 2107, 3323, and 8331 - 8351;

(D) federal employees' retirement system under 5 U.S.C. 8401 - 8479; or

(E) division of vocational rehabilitation in the Department of Labor and Workforce Development using disability standards under 42 U.S.C. 1381 - 1385 (Social Security Act) for eligibility for certain state disability program purposes;

(2) is receiving permanent total disability under AS 23.30 (Alaska Workers' Compensation Act);

(3) has been discharged from military service under honorable

conditions and is certified by the United States Department of Veterans Affairs as having incurred a 50 percent or greater disability during military service; or

(4) has served in the Alaska Territorial Guard and incurred a 50 percent or greater disability while serving in the Alaska Territorial Guard.

*** Sec. 25.** AS 36.30.322(a) is amended to read:

(a) Only timber, lumber, and manufactured lumber products originating in this state from Alaska forests may be procured by an agency or used in construction projects of an agency unless the manufacturers and suppliers who have notified the commissioner of commerce, community, and economic development of their willingness to manufacture or supply Alaska forest products

(1) have been given reasonable notice of the forest product needs of the procurement or project; and

(2) **are not the low bidder after all applicable preferences have been applied to the price of the qualifying forest product under AS 36.30.336** [ARE UNABLE TO SUPPLY THE PRODUCTS AT A COST THAT IS WITHIN SEVEN PERCENT OF THE PRICE OFFERED BY A MANUFACTURER OR SUPPLIER OF NON-ALASKA FOREST PRODUCTS].

*** Sec. 26.** AS 36.30.336 is repealed and reenacted to read:

Sec. 36.30.336. Application of preferences. (a) Except as provided in AS 36.15.050(h) and AS 36.30.321(g), the preferences provided in AS 36.15.050 and AS 36.30.321 - 36.30.338 are cumulative. A bidder who would otherwise qualify for preferences under AS 36.30.321 may not be given a preference over another bidder who qualifies for the same preferences.

(b) Notwithstanding the other provisions of this chapter, AS 36.30.321 - 36.30.338 apply to all procurements subject to this chapter, except as provided in AS 36.15.050 and AS 36.30.322(b).

*** Sec. 27.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.364. Renegotiation. (a) The chief procurement officer may renegotiate the terms and conditions, including the contract period of performance and price, of a contract without using an additional competitive process, and may amend the contract if the procurement officer determines that

(1) the amendment is in the best interest of the state;

(2) the renegotiated contract is at least as favorable to the state as the original contract; and

(3) the additional period of performance of the renegotiated contract does not exceed five years, or, if an innovative procurement process under AS 36.30.308 was used to procure the original contract, does not exceed the approval under AS 36.30.308(b).

(b) The chief procurement officer, under regulations adopted by the commissioner, may delegate the authority to make the determination under (a) of this section to a state procurement officer.

(c) This section does not apply to lease extensions under AS 36.30.083.

*** Sec. 28.** AS 36.30.560 is amended to read:

Sec. 36.30.560. Filing of a protest. An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, professional services, or construction by an agency. The protest shall be filed with the procurement officer of the contracting agency in writing **within the time period provided in AS 36.30.565,** and include the following information:

(1) the name, address, and telephone number of the protester;

(2) the signature of the protester or the protester's representative;

(3) identification of the contracting agency and the solicitation or contract at issue;

(4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; [AND]

(5) the form of relief requested**; and**

(6) the protest filing fee required under AS 36.30.567.

*** Sec. 29.** AS 36.30.565(b) is amended to read:

(b) If the protester shows good cause **why the protestor did not file a protest by the deadline established under (a) of this section**, the procurement officer of the contracting agency may consider a filed protest that is not timely.

*** Sec. 30.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.567. Protest filing fee. To file a protest under AS 36.30.560, the

protester shall pay a $250 filing fee to the agency that conducted the procurement. The filing fee shall be refunded if the protest is sustained by the procurement officer under AS 36.30.585 or if the protest is withdrawn by the protester before an appeal is filed under AS 36.30.590.

* **Sec. 31.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.572. Temporary delay of award. (a) If a protest of a proposed award of a contract is filed timely under AS 36.30.565, the procurement officer may temporarily delay the award of the contract in order to make a decision under AS 36.30.580, extend the time for making the decision under AS 36.30.580, or address other circumstances that warrant temporarily delaying the award.

(b) Notice of a temporary delay of a contract award under (a) of this section shall be provided in writing to the protester and all other interested parties. The written notice must indicate when the temporary delay of the award will expire.

(c) A temporary delay of a contract award under this section does not constitute a stay of award under AS 36.30.575.

* **Sec. 32.** AS 36.30.655 is amended to read:

Sec. 36.30.655. List of persons debarred or suspended; removal from contractor lists. The commissioner shall maintain a list of all persons debarred or suspended from consideration for **the** award of contracts. [THE COMMISSIONER SHALL REMOVE A PERSON DEBARRED OR SUSPENDED FROM THE LISTS OF CONTRACTORS UNDER AS 36.30.050 FOR THE PERIOD OF DEBARMENT OR SUSPENSION.]

* **Sec. 33.** AS 36.30.700 is amended to read:

Sec. 36.30.700. Cooperative purchasing authorized. A public procurement unit may [EITHER] participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of supplies, services, professional services, or construction with one or more public procurement units or external procurement activities in accordance with an agreement entered into between the participants. Cooperative purchasing may include joint or multi-party contracts between public procurement units and open-ended state public procurement units contracts that are made available to local public procurement units. **A state public procurement unit**

may use or participate in a contract procured by another public procurement unit or external procurement activity without being named in the solicitation for the contract.

*** Sec. 34.** AS 36.30.700 is amended by adding a new subsection to read:

(b) When, under AS 36.30.700 - 36.30.790, a state public procurement unit participates with a public procurement unit or external procurement activity in cooperative purchasing or participates in a contract procured by an external procurement activity, the state public procurement unit is considered to have complied with AS 36.30.005 - 36.30.540, and AS 36.15 and AS 36.30.321 - 36.30.338 do not apply.

*** Sec. 35.** AS 36.30.850(b) is amended by adding new paragraphs to read:

(48) contracts for lease space for an agency's offices that are located in other states, the District of Columbia, or foreign countries;

(49) contracts for investigative services entered into by the department for the state personnel board established under AS 39.25.030, the office of public advocacy created under AS 44.21.400, or the Alaska Public Offices Commission created under AS 15.13.020;

(50) purchases of commodities used in the manufacture of products sold through an employment program of prison inmates subject to AS 23.15.580;

(51) contracts for training services provided by a professional organization.

*** Sec. 36.** AS 36.30.990(1) is amended to read:

(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, the Alaska Veterans' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) the University of Alaska;

(ii) the Alaska Railroad Corporation;

(iii) the Alaska Housing Finance Corporation;

(iv) a regional Native housing authority created under AS 18.55.996 or a regional electrical authority created under AS 18.57.020;

(v) the Department of Transportation and Public Facilities, in regard to the repair, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the Alaska marine highway system;

(vi) the Alaska Aerospace Corporation;

(vii) the Alaska Retirement Management Board;

(viii) the Alaska Seafood Marketing Institute;

(ix) the Alaska Industrial Development and Export Authority;

(x) the Alaska Energy Authority;

*** Sec. 37.** AS 36.30.990 is amended by adding new paragraphs to read:

(25) "Alaska bidder" means a person who

(A) holds a current Alaska business license;

(B) submits a bid or proposal for goods, services, or construction under the name as appearing on the person's current Alaska business license;

(C) has maintained a place of business within the state staffed by the bidder or offeror or an employee of the bidder or offeror for a period of six months immediately preceding the date of the bid or proposal;

(D) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under former AS 32.05, AS 32.06, or AS 32.11 and all partners are residents of the state; and

(E) if a joint venture, is composed entirely of ventures that qualify under (A) - (D) of this subsection;

(26) "in writing" has the meaning given to "written" in this section;

(27) "signature" means a manual identifier or electronic signature

attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature; in this paragraph, "electronic signature" has the meaning given in AS 09.80.190;

(28) "written" means the product of forming characters on paper, other materials, or viewable screens, that can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

*** Sec. 38.** AS 36.90.049(a) is amended to read:

(a) A marine vessel owned by the state shall be maintained and repaired at a shipyard facility located in the state unless the commissioner of the department that operates the marine vessel determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the particular maintenance or repair required, or, after taking into consideration the **five percent** Alaska bidder preference **for bidders under AS 36.30.321(a)** [SET OUT IN AS 36.30.170] and the interport differential, that the proposed cost of the maintenance or repair work is unreasonable. A detailed list of the costs and factors considered in calculating the interport differential must be provided to each person who expresses an interest in submitting a bid to perform maintenance or repair work on a marine vessel owned by the state.

*** Sec. 39.** AS 38.35.017(a) is amended to read:

(a) Consistent with and in furtherance of the statements of general state policy guiding resource development set out in art. VIII, sec. 1, Constitution of the State of Alaska, that the resources of the state be developed "by making them available for maximum use consistent with the public interest" and in art. VIII, sec. 2, Constitution of the State of Alaska, directing that provision shall be made by the legislature for "the utilization, development, and conservation of all natural resources belonging to the State . . . for the maximum benefit of its people," and consistent with and in furtherance of the general legislative declaration of policy for this chapter set out in AS 38.35.010, it is the policy of this state that the overall strategy for development, use, and control of a pipeline or pipelines to develop the state's substantial North Slope natural gas resources be directed

(1) to enhance the standard of living of state residents by

(A) ensuring that, in conjunction with out-of-state market driven commercial demand for North Slope natural gas, state residents and businesses will have access, directly or indirectly, to that portion of the gas that will meet the reasonably foreseeable in-state demands for it, including substitution of the North Slope natural gas for depleting gas reserves in Southcentral Alaska in order to maintain a vital domestic and industrial energy source, and ensuring that the pipeline or pipelines for the transportation of North Slope natural gas will be designed and located to be responsive to these requirements;

(B) making the maximum contribution to the development of job opportunities in this state by

(i) providing direct short-term construction and long-term operation- and maintenance-related employment on the pipeline or pipelines, to the end that the resources be developed with qualified contractors and firms in this state for work to be performed, including the fabrication and installation of required facilities, and that state residents be employed, consistent with law; for purposes of this sub-subparagraph, a person is considered a resident if the person is physically present in the state with the intent to remain in the state indefinitely and has a home in the state, and a contractor or firm is considered as qualified if the contractor or firm qualifies as an Alaska bidder**; in this sub-subparagraph, "Alaska bidder" has the meaning given in AS 36.30.990** [UNDER AS 36.30.170(b)]; and

(ii) providing necessary support services; and

(C) adding significant long-term property value to the tax base of the state and local governments, thereby providing the means to support public education, public health, transportation, and other essential state and local government projects and services;

(2) to ensure that the design, location, and construction of a pipeline or pipelines for delivery of North Slope natural gas to North American markets through connection to the North American natural gas pipeline network enhance opportunities

for implementing gas deliveries using alternative technologies and the construction of other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

(3) to ensure construction of the pipeline or pipelines consistent with careful protection of the state's natural environment, with minimum environmental degradation, to the greatest extent possible, and with protection of fish, wildlife, and biotic resources for the use of persons who depend upon them by using available transportation infrastructure to initiate and complete project construction and maintenance and by avoiding duplication of facilities.

* **Sec. 40.** AS 44.62.310(d) is amended to read:

(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges, or discipline;

(6) staff meetings or other gatherings of the employees of a public entity, including meetings of an employee group established by policy of the Board of Regents of the University of Alaska or held while acting in an advisory capacity to the Board of Regents;

(7) meetings held for the purpose of participating in or attending a gathering of a national, state, or regional organization of which the public entity, governmental body, or member of the governmental body is a member, but only if no action is taken and no business of the governmental body is conducted at the meetings; [OR]

(8) meetings of municipal service area boards established under AS 29.35.450 - 29.35.490 when meeting solely to act on matters that are administrative or managerial in nature**; or**

(9) meetings with offerors in negotiations for state procurement under AS 36.30.245, or meetings to renegotiate a contract under AS 36.30.364.

*** Sec. 41.** AS 44.88.085(a) is amended to read:

(a) Except for AS 44.62.310 and 44.62.312 regarding public meetings **and AS 36.30.015(f) regarding procurement**, the provisions of the Administrative Procedure Act regarding the adoption of regulations (AS 44.62.040 - 44.62.320) do not apply to the authority. The authority shall make available to members of the public copies of the regulations adopted under this section. Within 45 days after adoption of a regulation under this section, the **chair** [CHAIRMAN] of the authority shall submit the regulation adopted to the **chair** [CHAIRMAN] of the Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

*** Sec. 42.** AS 36.30.050, 36.30.250(b), 36.30.335, 36.30.362, 36.30.850(b)(22), and 36.30.850(b)(34) are repealed.

*** Sec. 43.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: PENDING SOLICITATIONS FOR PROCUREMENTS AND CONTRACTS. (a) This Act does not apply to

(1) solicitations for procurement and the resulting contracts, if the solicitations are pending on the effective date of this Act and if the invitation to bid or other solicitation was issued before the effective date of this Act; and

(2) procurement contracts entered into before the effective date of this Act, including extensions of those contracts.

(b) Notwithstanding (a) of this section, this Act applies to procurements or contracts described in (a)(1) of this section if all parties to the procurement or contract agree in writing that the applicable provisions of this Act apply to the solicitation or contract.

*** Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INFORMATION IN BIENNIAL REPORTS. In addition to the information that must be included in the biennial report under AS 36.30.540, the Department of Administration shall include in the two successive biennial reports that are prepared under AS 36.30.540 after the effective date of this Act information on the savings that have been

achieved during the reporting period by using AS 36.30.195, enacted by sec. 14 of this Act, and AS 36.30.364, enacted by sec. 27 of this Act.

*** Sec. 45.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes shall change the catch line of AS 36.30.360 from "Determination of responsibility" to "Determination of nonresponsibility."

*** Sec. 46.** This Act takes effect immediately under AS 01.10.070(c).

26-LS0791\S
Bannister
2/16/10

adopted 3/11/10

CS FOR HOUSE BILL NO. 225(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE FAIRCLOUGH

A BILL

FOR AN ACT ENTITLED

"An Act relating to the State Procurement Code; relating to the procurement of supplies, services, professional services, construction services, state fisheries products, state agricultural products, state timber, and state lumber; relating to procurement preferences; relating to procurement by the office of the ombudsman, the Alaska Industrial Development and Export Authority, the Alaska Energy Authority, and other state agencies and public corporations; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 24.55.275 is amended to read:

Sec. 24.55.275. Contract procedures. The ombudsman shall adopt by regulation procedures consistent with AS 36.30 to be followed by the office of the ombudsman in contracting for services. However, the procedure for requests for proposals does not apply to contracts for investigations under AS 24.55.100, and the office of the ombudsman shall comply with **the five percent preference for bidders**

under AS 36.30.321(a) [AS 36.30.170(b)].

*** Sec. 2.** AS 36.15.050(a) is amended to read:

(a) When agricultural products are purchased by the state or by a school district that receives state money, **a seven percent preference shall be applied to the price of the products harvested in the state** [ONLY AGRICULTURAL PRODUCTS HARVESTED IN THE STATE SHALL BE PURCHASED WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OUTSIDE THE STATE, AVAILABLE, AND OF LIKE QUALITY COMPARED WITH AGRICULTURAL PRODUCTS HARVESTED OUTSIDE THE STATE].

*** Sec. 3.** AS 36.15.050(b) is amended to read:

(b) When fisheries products are purchased by the state or by a school district that receives state money, **a seven percent preference shall be applied to the price of the products harvested or processed within the jurisdiction of the state** [ONLY FISHERIES PRODUCTS HARVESTED OR PROCESSED WITHIN THE JURISDICTION OF THE STATE SHALL BE PURCHASED WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE STATE, AVAILABLE, AND OF LIKE QUALITY COMPARED WITH FISHERIES PRODUCTS HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE STATE].

*** Sec. 4.** AS 36.15.050 is amended by adding a new subsection to read:

(h) A bidder receiving a preference under this section may not receive a preference under AS 36.30.322.

*** Sec. 5.** AS 36.30.015(e) is amended to read:

(e) The board of directors of the Alaska Railroad Corporation and the board of directors of the Alaska Aerospace Corporation shall adopt procedures to govern the procurement of supplies, services, professional services, and construction. The procedures must be substantially equivalent to the procedures prescribed in this chapter and in regulations adopted under this chapter. Notwithstanding the other provisions of this subsection, the Alaska Railroad Corporation and the Alaska

Aerospace Corporation shall **apply the five percent preference for bidders under AS 36.30.321(a)** [COMPLY WITH AS 36.30.170(b)], and, when the Department of Transportation and Public Facilities authorizes the Alaska Railroad Corporation to perform construction work instead of the Department of Transportation and Public Facilities, the Alaska Railroad Corporation shall use competitive sealed bidding or competitive sealed proposals under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional services, and construction services necessary for the work and, to ensure the state obtains the lowest cost for the project, may submit a bid or proposal for the work.

*** Sec. 6.** AS 36.30.015(f) is amended to read:

(f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding AS 18.56.088, **members of the Alaska Industrial Development and Export Authority,** [AND] the board of directors of the Knik Arm Bridge and Toll Authority under AS 19.75.111, **and the board of directors of the Alaska Energy Authority under AS 44.83.080** shall adopt regulations under AS 44.62 (Administrative Procedure Act) and the board of trustees of the Alaska Retirement Management Board shall adopt regulations under AS 37.10.240 to govern the procurement of supplies, services, professional services, and construction for the respective public corporation and board. The regulations must reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate in the procurement process and must include procurement methods to meet emergency and extraordinary circumstances. Notwithstanding the other provisions of this subsection, the Alaska Housing Finance Corporation, **the Alaska Industrial Development and Export Authority,** the Knik Arm Bridge and Toll Authority, **the Alaska Energy Authority,** and the Alaska Retirement Management Board shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 7.** AS 36.30.015(h) is amended to read:

(h) The board of directors of the Alaska Seafood Marketing Institute shall adopt procedures to govern the procurement of supplies, services, and professional services. The procedures must be similar to the procedures prescribed in this chapter

and in regulations adopted under this chapter, except that the Alaska Seafood Marketing Institute shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 8.** AS 36.30.020 is amended to read:

Sec. 36.30.020. Legislature. The legislative council shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the legislative branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the legislative branch as determined by the legislative council. The procedures must contain provisions for prohibiting procurement from a person that has headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for restricting procurement from a person that conducts business in but does not have headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this section, the legislative agencies subject to the legislative council's regulations shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 9.** AS 36.30.030 is amended to read:

Sec. 36.30.030. Court system. The administrative director of courts shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the judicial branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the judicial branch as determined by the administrative director of courts. The procedures must contain provisions for prohibiting procurement from a person that has headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for restricting procurement from a person that conducts business in but does not have headquarters in a country

listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this section, the judicial branch shall comply with **the five percent preference for bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

*** Sec. 10.** AS 36.30.080(f) is amended to read:

(f) When the department is acquiring leased space of **7,000** [3,000] square feet or less, the department may procure the leased space using the procedures for small procurements under AS 36.30.320, providing public notice is given to prospective offerors in the market area.

*** Sec. 11.** AS 36.30.110(b) is amended to read:

(b) The bidder **shall** [MUST] have a valid Alaska business license at the time designated in the invitation to bid for bid opening **in order to qualify as an Alaska bidder and to receive a preference under AS 36.30.321. If a bidder does not have a valid Alaska business license at the time designated in the invitation to bid for bid opening, the bidder shall provide proof that the bidder has a valid Alaska business license before the contract may be awarded, but does not qualify for a preference under AS 36.30.321**. A bidder for a construction contract shall also submit **proof** [EVIDENCE] of the bidder's registration under AS 08.18 **before the contract may be awarded**.

*** Sec. 12.** AS 36.30.130(a) is amended to read:

(a) The procurement officer shall give adequate public notice of the invitation to bid at least 21 days before the date for the opening of bids. If the procurement officer determines in writing that a shorter notice period is advantageous for a particular bid and adequate competition is anticipated, the 21-day period may be shortened. Notice shall be posted on the Alaska Online Public Notice System (AS 44.62.175). The time and manner of notice must be in accordance with regulations adopted by the commissioner of administration. When practicable, notice may include

(1) publication in a newspaper calculated to reach prospective bidders;

and

(2) notices posted in public places within the area where the work is to be performed or the material furnished [; AND

(3) NOTICES MAILED TO ALL ACTIVE PROSPECTIVE CONTRACTORS ON THE APPROPRIATE LIST MAINTAINED UNDER AS 36.30.050].

*** Sec. 13.** AS 36.30.170 is repealed and reenacted to read:

Sec. 36.30.170. Contract award after bids. After applying any preferences that apply under AS 36.15.050 and AS 36.30.321 - 36.30.338, a procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the invitation to bid.

*** Sec. 14.** AS 36.30 is amended by adding a new section to article 2 to read:

Sec. 36.30.195. Multi-step revised sealed bidding. (a) As provided in an invitation to bid and as conducted by a procurement officer under regulations adopted by the commissioner, a multi-step process that begins with an initial round of competitive sealed bidding may, when approved by the chief procurement officer, include successive steps of sealed bidding to obtain the best and final bid price from responsible bidders for the purpose of award.

(b) The provisions of (a) of this section do not apply to a procurement for a construction contract.

*** Sec. 15.** AS 36.30.200(b) is amended to read:

(b) The commissioner may provide by regulation that it is either not practicable or not advantageous to the state to procure [SPECIFIED TYPES OF] supplies, services, or construction by competitive sealed bidding that would otherwise be procured by that method. When the procurement officer determines in writing with particularity that the use of competitive sealed proposals is more advantageous to the state than competitive sealed bidding, a contract may be entered into by competitive sealed proposals.

*** Sec. 16.** AS 36.30.210(b) is amended to read:

(b) An offeror for a construction contract shall submit **proof** [EVIDENCE] of

the offeror's registration as a contractor under AS 08.18 **before the contract may be awarded**. A request for sealed proposals for a construction contract, except a design-build construction contract, must require the offeror, no later than five working days after the proposal that is the most advantageous to the state is identified, to list subcontractors the offeror proposes to use in the performance of the construction contract. The list must include the information required under AS 36.30.115(a). The provisions of AS 36.30.115(b) - (g) that apply to a construction contractor or an apparent low bidder apply to offerors submitting competitive sealed proposals for construction contracts, except design-build construction contracts.

* **Sec. 17.** AS 36.30.210(e) is amended to read:

(e) The offeror **shall** [MUST] have a valid Alaska business license at the time designated[,] in the request for proposals[,] for opening of the proposals **in order to qualify as an Alaska bidder and to receive a preference under AS 36.30.321. If an offeror does not have a valid Alaska business license at the time designated in the request for proposals for proposal opening, the offeror shall provide proof that the offeror has a valid Alaska business license before the contract may be awarded, but does not qualify for a preference under AS 36.30.321**.

* **Sec. 18.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.245. Multiple submissions and negotiations. (a) In a procurement that uses competitive sealed proposals, in order to obtain the best proposal for purposes of award, an agency may require more than one submission of proposals and may negotiate after each submission with the offerors whose proposals from that submission are reasonably susceptible of being selected for award. The negotiations conducted under this section may cover price, specifications, terms, or conditions or a combination of these items, and these items may be negotiated separately or in any combination. The submissions and negotiations allowed under this section are in addition to any discussions and revisions allowed under AS 36.30.240. The requirements for submissions and negotiations under this section shall be established by the department by regulation and in the request for proposals.

(b) The provisions of (a) of this section do not apply to a procurement for a construction contract.

* **Sec. 19.** AS 36.30.250(a) is amended to read:

(a) The procurement officer shall award a contract under competitive sealed proposals to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the state taking into consideration price and the evaluation factors set out in the request for proposals. **Except as provided by AS 36.30.255 and 36.30.336, other** [OTHER] factors and criteria may not be used in the evaluation. The contract file must contain the basis on which the award is made.

* **Sec. 20.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.255. Preferences applied to competitive sealed proposals. When determining which proposal is most advantageous to the state under a competitive sealed proposal solicitation, the procurement officer shall apply the preferences provided in AS 36.15.050 and AS 36.30.321 - 36.30.338, but may not apply other preferences. The preferences shall be applied only to the price portion of a proposal.

* **Sec. 21.** AS 36.30 is amended by adding a new section to article 4 to read:

Sec. 36.30.290. Electronic bids. An agency may allow bids or proposals to be submitted in electronic form under AS 09.80.010 - 09.80.195 (Uniform Electronic Transactions Act).

* **Sec. 22.** AS 36.30.308(b) is amended to read:

(b) The procurement officer shall submit a procurement plan to the **chief procurement officer or, for construction contracts or procurements for the state equipment fleet, to the commissioner of transportation and public facilities,** [DEPARTMENT OF LAW] for review and approval as to form before issuing the notice required by (c) of this section.

* **Sec. 23.** AS 36.30.310 is amended to read:

Sec. 36.30.310. Emergency procurements. Procurements may be made under emergency conditions as defined in regulations adopted by the commissioner **of administration** when there exists a threat to public health, welfare, or safety, when a situation exists that makes a procurement through competitive sealed bidding or competitive sealed proposals impracticable or contrary to the public interest, or to protect public or private property. An emergency procurement need not be made through competitive sealed bidding or competitive sealed proposals but shall be made

with competition that is practicable under the circumstances. A written determination by the chief procurement officer **or, for construction contracts or procurements of the state equipment fleet, the commissioner of transportation and public facilities** of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The written determination must include findings of fact that support the determination. Except when there is insufficient time for the chief procurement officer **or the commissioner of transportation and public facilities, as appropriate,** to make the written determination required by this section, the **authority to make the determination** [CHIEF PROCUREMENT OFFICER] may not **be delegated** [DELEGATE THE AUTHORITY TO MAKE THE DETERMINATION].

*** Sec. 24.** AS 36.30.320(a) is amended to read:

(a) A procurement for supplies, services, or professional services that does not exceed an aggregate dollar amount of **$100,000** [$50,000], construction that does not exceed an aggregate dollar amount of **$200,000** [$100,000], or lease of space that does not exceed **7,000** [3,000] square feet **shall** [MAY] be made **under** [IN ACCORDANCE WITH] regulations adopted by the commissioner for small procurements.

*** Sec. 25.** AS 36.30 is amended by adding a new section to article 5 to read:

Sec. 36.30.321. Alaska bidder and related preferences. (a) If the bidder or offeror is an Alaska bidder, a preference of five percent shall be applied to the price in the bid or proposal.

(b) Except as otherwise provided under (d), (e), or (g) of this section, if a bidder or offeror qualifies as an Alaska bidder and is offering services through an employment program, a 15 percent preference shall be applied to the price in the bid or proposal.

(c) If a bidder or offeror qualifies as an Alaska bidder and is an Alaska domestic insurer, and if the procurement is for an insurance-related contract, a five percent preference shall be applied to the price in the bid or proposal.

(d) A 10 percent preference shall be applied to a price in a bid or proposal if the bidder or offeror qualifies as an Alaska bidder and is a

(1) sole proprietorship owned by a person with a disability;

(2) partnership under AS 32.06, or AS 32.11 if each of the partners is a person with a disability;

(3) limited liability company organized under AS 10.50 if each of the members is a person with a disability;

(4) corporation that is wholly owned by individuals and each of the individuals is a person with a disability; or

(5) a joint venture that is composed of ventures that qualify under (1) - (4) of this subsection.

(e) The division of vocational rehabilitation in the Department of Labor and Workforce Development shall add to its current list of qualified employment programs a list of individuals who qualify as persons with a disability under (d) of this section. A person must be on this list at the time the bid or proposal is opened in order to qualify for a preference under (d) of this section.

(f) If a bidder or offeror qualifies as an Alaska bidder and is a qualifying entity, a five percent preference shall be applied to the price in the bid or proposal. The preference may not exceed $5,000. In this subsection,

(1) "Alaska veteran" means an individual who is both a resident of the state and a veteran;

(2) "qualifying entity" means a

(A) sole proprietorship owned by an Alaska veteran;

(B) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;

(C) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or

(D) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans;

(3) "veteran" means an individual who

(A) served in the

(i) armed forces of the United States, including a reserve unit of the United States armed forces; or

(ii) Alaska Territorial Guard, the Alaska Army National

Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and

(B) was separated from service under a condition that was not dishonorable.

(g) A bidder or offeror may not receive a preference under both (b) and (d) of this section for the same contract.

(h) Except as provided by (j) of this section, this section applies to all insurance contracts involving state money. In this subsection, "state money" has the meaning given in AS 36.30.990, but also includes state grants and reimbursements to municipalities, school districts, and other entities.

(i) In order to qualify for a preference under (b), (d), or (f) of this section, a bidder or offeror must add value by actually performing, controlling, managing, and supervising the services provided, or the bidder or offeror must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

(j) This section does not apply to solicitations or contracts for lease space under AS 36.30.080, to procurements under AS 36.30.305 - 36.30.310, or, except as provided otherwise by regulation under AS 36.30.320, to small procurements under AS 36.30.320.

(k) In this section, "person with a disability" means an individual who

(1) has been determined to be permanently disabled by the

(A) United States Social Security Administration under 42 U.S.C. 1381 - 1385 (Social Security Act) or 42 U.S.C. 423 (Social Security Act);

(B) the teachers' retirement system under AS 14.25, the judicial retirement system under AS 22.25, the public employees' retirement system under AS 39.35, or the elected public officers' retirement system under former AS 39.37;

(C) federal civil service retirement system under 5 U.S.C. 2107, 3323, and 8331 - 8351;

(D) federal employees' retirement system under 5 U.S.C. 8401 - 8479; or

(E) division of vocational rehabilitation in the Department of

Labor and Workforce Development using disability standards under 42 U.S.C. 1381 - 1385 (Social Security Act) for eligibility for certain state disability program purposes;

(2) is receiving permanent total disability under AS 23.30 (Alaska Workers' Compensation Act);

(3) has been discharged from military service under honorable conditions and is certified by the United States Department of Veterans Affairs as having incurred a 50 percent or greater disability during military service; or

(4) has served in the Alaska Territorial Guard and incurred a 50 percent or greater disability while serving in the Alaska Territorial Guard.

*** Sec. 26.** AS 36.30.322(a) is amended to read:

(a) Only timber, lumber, and manufactured lumber products originating in this state from Alaska forests may be procured by an agency or used in construction projects of an agency unless the manufacturers and suppliers who have notified the commissioner of commerce, community, and economic development of their willingness to manufacture or supply Alaska forest products

(1) have been given reasonable notice of the forest product needs of the procurement or project; and

(2) **are not the low bidder after all applicable preferences have been applied to the price of the qualifying forest product under AS 36.30.336** [ARE UNABLE TO SUPPLY THE PRODUCTS AT A COST THAT IS WITHIN SEVEN PERCENT OF THE PRICE OFFERED BY A MANUFACTURER OR SUPPLIER OF NON-ALASKA FOREST PRODUCTS].

*** Sec. 27.** AS 36.30.336 is repealed and reenacted to read:

Sec. 36.30.336. Application of preferences. (a) Except as provided in AS 36.15.050(h) and AS 36.30.321(g), the preferences provided in AS 36.15.050 and AS 36.30.321 - 36.30.338 are cumulative. A bidder who would otherwise qualify for preferences under AS 36.30.321 may not be given a preference over another bidder who qualifies for the same preferences.

(b) Notwithstanding the other provisions of this chapter, AS 36.30.321 - 36.30.338 apply to all procurements subject to this chapter, except as provided in

AS 36.15.050 and AS 36.30.322(b).

* **Sec. 28.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.364. Renegotiation. (a) The chief procurement officer may renegotiate the terms and conditions, including the contract period of performance and price, of a contract without using an additional competitive process, and may amend the contract if the procurement officer determines that

(1) the amendment is in the best interest of the state;

(2) the renegotiated contract is at least as favorable to the state as the original contract; and

(3) the additional period of performance of the renegotiated contract does not exceed five years, or, if an innovative procurement process under AS 36.30.308 was used to procure the original contract, does not exceed the approval under AS 36.30.308(b).

(b) The chief procurement officer, under regulations adopted by the commissioner, may delegate the authority to make the determination under (a) of this section to a state procurement officer.

(c) This section does not apply to lease extensions under AS 36.30.083.

* **Sec. 29.** AS 36.30.560 is amended to read:

Sec. 36.30.560. Filing of a protest. An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, professional services, or construction by an agency. The protest shall be filed with the procurement officer of the contracting agency in writing **within the time period provided in AS 36.30.565,** and include the following information:

(1) the name, address, and telephone number of the protester;

(2) the signature of the protester or the protester's representative;

(3) identification of the contracting agency and the solicitation or contract at issue;

(4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; [AND]

(5) the form of relief requested**; and**

(6) the protest filing fee required under AS 36.30.567.

* **Sec. 30.** AS 36.30.565(b) is amended to read:

(b) If the protester shows good cause **why the protestor did not file a protest by the deadline established under (a) of this section**, the procurement officer of the contracting agency may consider a filed protest that is not timely.

* **Sec. 31.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.567. Protest filing fee. To file a protest under AS 36.30.560, the protester shall pay a $250 filing fee to the agency that conducted the procurement. The filing fee shall be refunded if the protest is sustained by the procurement officer under AS 36.30.585 or if the protest is withdrawn by the protester before an appeal is filed under AS 36.30.590.

* **Sec. 32.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.572. Temporary delay of award. (a) If a protest of a proposed award of a contract is filed timely under AS 36.30.565, the procurement officer may temporarily delay the award of the contract in order to make a decision under AS 36.30.580, extend the time for making the decision under AS 36.30.580, or address other circumstances that warrant temporarily delaying the award.

(b) Notice of a temporary delay of a contract award under (a) of this section shall be provided in writing to the protester and all other interested parties. The written notice must indicate when the temporary delay of the award will expire.

(c) A temporary delay of a contract award under this section does not constitute a stay of award under AS 36.30.575.

* **Sec. 33.** AS 36.30.655 is amended to read:

Sec. 36.30.655. List of persons debarred or suspended; removal from contractor lists. The commissioner shall maintain a list of all persons debarred or suspended from consideration for **the** award of contracts. [THE COMMISSIONER SHALL REMOVE A PERSON DEBARRED OR SUSPENDED FROM THE LISTS OF CONTRACTORS UNDER AS 36.30.050 FOR THE PERIOD OF DEBARMENT OR SUSPENSION.]

* **Sec. 34.** AS 36.30.700 is amended to read:

Sec. 36.30.700. Cooperative purchasing authorized. A public procurement unit may [EITHER] participate in, sponsor, conduct, or administer a cooperative

purchasing agreement for the procurement of supplies, services, professional services, or construction with one or more public procurement units or external procurement activities in accordance with an agreement entered into between the participants. Cooperative purchasing may include joint or multi-party contracts between public procurement units and open-ended state public procurement units contracts that are made available to local public procurement units. **A state public procurement unit may use or participate in a contract procured by another public procurement unit or external procurement activity without being named in the solicitation for the contract.**

*** Sec. 35.** AS 36.30.700 is amended by adding a new subsection to read:

(b) When, under AS 36.30.700 - 36.30.790, a state public procurement unit participates with a public procurement unit or external procurement activity in cooperative purchasing or participates in a contract procured by an external procurement activity, the state public procurement unit is considered to have complied with AS 36.30.005 - 36.30.540, and AS 36.15 and AS 36.30.321 - 36.30.338 do not apply.

*** Sec. 36.** AS 36.30.850(b) is amended by adding new paragraphs to read:

(48) contracts for lease space for an agency's offices that are located in other states, the District of Columbia, or foreign countries;

(49) contracts for investigative services entered into by the department for the state personnel board established under AS 39.25.030, the office of public advocacy created under AS 44.21.400, or the Alaska Public Offices Commission created under AS 15.13.020;

(50) purchases of commodities used in the manufacture of products sold through an employment program of prison inmates subject to AS 23.15.580;

(51) contracts for training services provided by a professional organization.

*** Sec. 37.** AS 36.30.990(1) is amended to read:

(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, the Alaska

Veterans' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) the University of Alaska;

(ii) the Alaska Railroad Corporation;

(iii) the Alaska Housing Finance Corporation;

(iv) a regional Native housing authority created under AS 18.55.996 or a regional electrical authority created under AS 18.57.020;

(v) the Department of Transportation and Public Facilities, in regard to the repair, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the Alaska marine highway system;

(vi) the Alaska Aerospace Corporation;

(vii) the Alaska Retirement Management Board;

(viii) the Alaska Seafood Marketing Institute;

(ix) the Alaska Industrial Development and Export Authority;

(x) the Alaska Energy Authority;

*** Sec. 38.** AS 36.30.990 is amended by adding new paragraphs to read:

(25) "Alaska bidder" means a person who

(A) holds a current Alaska business license;

(B) submits a bid or proposal for goods, services, or construction under the name as appearing on the person's current Alaska business license;

(C) has maintained a place of business within the state staffed by the bidder or offeror or an employee of the bidder or offeror for a period of six months immediately preceding the date of the bid or proposal;

(D) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are

residents of the state, or is a partnership under former AS 32.05, AS 32.06, or AS 32.11 and all partners are residents of the state; and

(E) if a joint venture, is composed entirely of ventures that qualify under (A) - (D) of this subsection;

(26) "in writing" has the meaning given to "written" in this section;

(27) "signature" means a manual identifier or electronic signature attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature; in this paragraph, "electronic signature" has the meaning given in AS 09.80.190;

(28) "written" means the product of forming characters on paper, other materials, or viewable screens, that can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

*** Sec. 39.** AS 36.90.049(a) is amended to read:

(a) A marine vessel owned by the state shall be maintained and repaired at a shipyard facility located in the state unless the commissioner of the department that operates the marine vessel determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the particular maintenance or repair required, or, after taking into consideration the **five percent** Alaska bidder preference **for bidders under AS 36.30.321(a)** [SET OUT IN AS 36.30.170] and the interport differential, that the proposed cost of the maintenance or repair work is unreasonable. A detailed list of the costs and factors considered in calculating the interport differential must be provided to each person who expresses an interest in submitting a bid to perform maintenance or repair work on a marine vessel owned by the state.

*** Sec. 40.** AS 38.35.017(a) is amended to read:

(a) Consistent with and in furtherance of the statements of general state policy guiding resource development set out in art. VIII, sec. 1, Constitution of the State of Alaska, that the resources of the state be developed "by making them available for maximum use consistent with the public interest" and in art. VIII, sec. 2, Constitution of the State of Alaska, directing that provision shall be made by the legislature for "the utilization, development, and conservation of all natural resources belonging to the

State . . . for the maximum benefit of its people," and consistent with and in furtherance of the general legislative declaration of policy for this chapter set out in AS 38.35.010, it is the policy of this state that the overall strategy for development, use, and control of a pipeline or pipelines to develop the state's substantial North Slope natural gas resources be directed

(1) to enhance the standard of living of state residents by

(A) ensuring that, in conjunction with out-of-state market driven commercial demand for North Slope natural gas, state residents and businesses will have access, directly or indirectly, to that portion of the gas that will meet the reasonably foreseeable in-state demands for it, including substitution of the North Slope natural gas for depleting gas reserves in Southcentral Alaska in order to maintain a vital domestic and industrial energy source, and ensuring that the pipeline or pipelines for the transportation of North Slope natural gas will be designed and located to be responsive to these requirements;

(B) making the maximum contribution to the development of job opportunities in this state by

(i) providing direct short-term construction and long-term operation- and maintenance-related employment on the pipeline or pipelines, to the end that the resources be developed with qualified contractors and firms in this state for work to be performed, including the fabrication and installation of required facilities, and that state residents be employed, consistent with law; for purposes of this sub-subparagraph, a person is considered a resident if the person is physically present in the state with the intent to remain in the state indefinitely and has a home in the state, and a contractor or firm is considered as qualified if the contractor or firm qualifies as an Alaska bidder**; in this sub-subparagraph, "Alaska bidder" has the meaning given in AS 36.30.990** [UNDER AS 36.30.170(b)]; and

(ii) providing necessary support services; and

(C) adding significant long-term property value to the tax base

of the state and local governments, thereby providing the means to support public education, public health, transportation, and other essential state and local government projects and services;

(2) to ensure that the design, location, and construction of a pipeline or pipelines for delivery of North Slope natural gas to North American markets through connection to the North American natural gas pipeline network enhance opportunities for implementing gas deliveries using alternative technologies and the construction of other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

(3) to ensure construction of the pipeline or pipelines consistent with careful protection of the state's natural environment, with minimum environmental degradation, to the greatest extent possible, and with protection of fish, wildlife, and biotic resources for the use of persons who depend upon them by using available transportation infrastructure to initiate and complete project construction and maintenance and by avoiding duplication of facilities.

*** Sec. 41.** AS 44.62.310(d) is amended to read:

(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges, or discipline;

(6) staff meetings or other gatherings of the employees of a public entity, including meetings of an employee group established by policy of the Board of Regents of the University of Alaska or held while acting in an advisory capacity to the Board of Regents;

(7) meetings held for the purpose of participating in or attending a gathering of a national, state, or regional organization of which the public entity,

governmental body, or member of the governmental body is a member, but only if no action is taken and no business of the governmental body is conducted at the meetings; [OR]

(8) meetings of municipal service area boards established under AS 29.35.450 - 29.35.490 when meeting solely to act on matters that are administrative or managerial in nature; **or**

(9) meetings with offerors in negotiations for state procurement under AS 36.30.245, or meetings to renegotiate a contract under AS 36.30.364.

*** Sec. 42.** AS 44.88.085(a) is amended to read:

(a) Except for AS 44.62.310 and 44.62.312 regarding public meetings **and AS 36.30.015(f) regarding procurement**, the provisions of the Administrative Procedure Act regarding the adoption of regulations (AS 44.62.040 - 44.62.320) do not apply to the authority. The authority shall make available to members of the public copies of the regulations adopted under this section. Within 45 days after adoption of a regulation under this section, the **chair** [CHAIRMAN] of the authority shall submit the regulation adopted to the **chair** [CHAIRMAN] of the Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

*** Sec. 43.** AS 36.30.050, 36.30.250(b), 36.30.335, 36.30.362, 36.30.850(b)(22), and 36.30.850(b)(34) are repealed.

*** Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: PENDING SOLICITATIONS FOR PROCUREMENTS AND CONTRACTS. (a) This Act does not apply to

(1) solicitations for procurement and the resulting contracts, if the solicitations are pending on the effective date of this Act and if the invitation to bid or other solicitation was issued before the effective date of this Act; and

(2) procurement contracts entered into before the effective date of this Act, including extensions of those contracts.

(b) Notwithstanding (a) of this section, this Act applies to procurements or contracts described in (a)(1) of this section if all parties to the procurement or contract agree in writing that the applicable provisions of this Act apply to the solicitation or contract.

the Blomfield co

COMMERCIAL DESIGN • CONSTRUCTION • LEASING • MANAGEMENT • RECREATIONAL FACILITIES

March 3, 2010

10200 Prospect Dr.
Anchorage, Alaska 99507

Representative Anna Fairclough
10928 Eagle River Rd. Suite 238
Eagle River AK, 99577

RE: HB 225

Representative Anna Fairclough:

Please consider disabled employees when revising the current structure of the State Procurement Code. As proposed the revised code will have grave consequences for our company and its present/future employee(s). As a young professional, a business owner, and an employer of persons with disabilities preference holder I can assure you that eliminating this program we depend on will lead to the dismissal of disabled persons that have become and are currently productive members of society. Not all disabled persons are capable of owning a business under the proposed structure of HB 225.

Please consider modifying the following:

- **Remove section, "(j) This section does not apply to solicitations or contracts for lease space 11 under AS 36.30.080, to procurements under AS 36.30.305 - 36.30.310, or, except as12 provided otherwise by regulation under AS 36.30.320, to small procurements under 13 AS 36.30.320"**
- **Do not delete the preference, "employers of people with disabilities"**

Thank you for understanding our dire need to revise these two items. Please feel free to contact me at anytime with questions or concerns.

Sincerely,

Adam Blomfield

Adam Blomfield, The Blomfield Company BE 2010-03

10200 Prospect Drive • Anchorage, AK 99507
(907) 562-2766 • Fax: (907) 346-3306 • blomfield@gci.net

STATE OF ALASKA

Sean Parnell, Governor

801 W. 10th Street, Suite A
Juneau, AK 99801
V/TTY: (907) 465-2814
Fax: (907) 465-2856

Department of Labor and Workforce Development
DIVISION OF VOCATIONAL REHABILITATION

December 21, 2009

Mr. Adam Blomfield
The Blomfield Company
10200 Prospect Drive
Anchorage, AK 99507

Dear Mr. Blomfield:

The Division of Vocational Rehabilitation hereby certifies that *The Blomfield Company* qualifies for a procurement preference under AS 36.30.170(f).

The **2010** certification number is **BE 2010-03** and *The Blomfield Company* is eligible for a 10% procurement preference.

Please remember to renew your certification at the end of each year. A renewal form will be sent to you in December.

Sincerely,

Cheryl A. Walsh
Director

AIDEA
Alaska Industrial Development and Export Authority

ALASKA ENERGY AUTHORITY

April 1, 2010

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, Alaska 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, Alaska 99801-1182

RE: Questions regarding CSHB 225(FIN) relating to State Procurement

Dear Representative Hawker and Stoltze:

In response to questions from House Finance during our testimony on HB 410, Representative Fairclough specifically, regarding how CSHB 225(FIN) would affect the investments of the Alaska Industrial Development and Export Authority (AIDEA), we offer the following as it relates to AIDEA's investment securities and investments in projects:

AIDEA's investment powers are established in AS 44.88.060 and AS 37.10.071 with respect to the investment of amounts held in the Revolving Fund. Under AS 36.30.850(b)(13) and AS 36.30.850(b)(15), purchases of income-producing assets and investment powers are already exempt from the procurement code. The proposed change to the procurement code under HB 225 does not affect this; therefore there would be no change to AIDEA's investment powers.

Under HB 225, generally (assuming no specific statutory exemption), AIDEA's Development Projects will continue to be subject to competitive bidding and competitive proposals, requiring Little Davis Bacon where applicable. The primary difference created by HB 225 is procurement authority, which comes from the Board of the Authority to the Executive Director, versus the Commissioners of the Department of Transportation and Public Facilities and/or the Department of Administration.

Per the proposed legislation, AIDEA will "adopt regulations that reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate in the procurement process."

Please feel free to contact me if you have further questions.

Sincerely,

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

Ted Leonard
Executive Director

813 West Northern Lights Boulevard • Anchorage, Alaska 99503-2495
www.aidea.org • 907/771-3000 • FAX 907/771-3044 • Toll Free (Alaska Only) 888/300-8534 • www.akenergyauthority.org

HB

226

<target><bill>HB 226</bill><subject>HB
226</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 373-1842
Fax: (907) 373-4729

Session:
State Capitol Building
Juneau, Alaska 99801-1182
Phone: (907) 465-2186
Fax: (907) 465-3818

REPRESENTATIVE WES KELLER
DISTRICT 14

CS for House Bill 226- Naming Veterans' Way in Mat-Su

Sponsor Statement

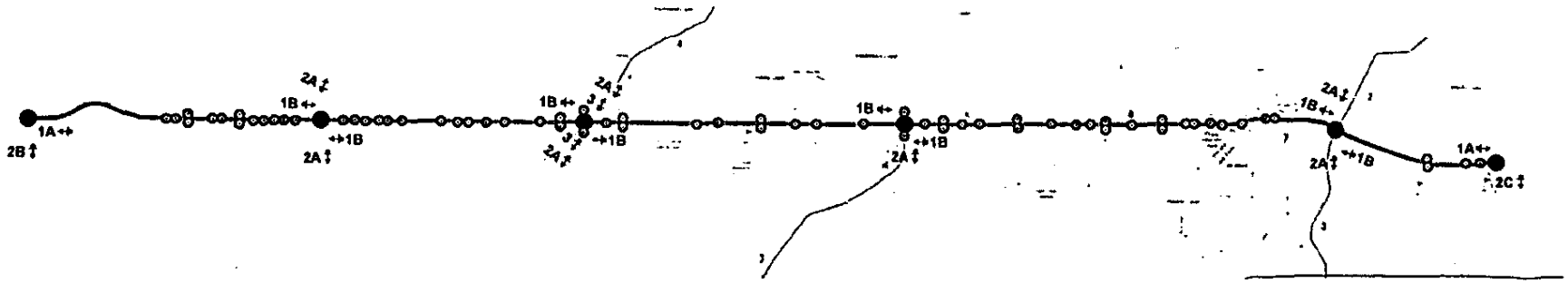
Alaska has one of the nation's largest per-capita populations of veterans. These are the true heroes of Alaska, men and women who have served in the armed forcers of our great country to keep us free.

CS for House Bill 226 is an opportunity for us as a legislature to say thank you for keeping America and Alaska free. Thank you for interrupting your life to serve at home and abroad. Thank you for offering to make the supreme sacrifice for your country.

Upon passage of CSHB 226, Bogard, Seldon and East Colony Schools Roads will become Veteran's Way. In addition to honoring our veterans the name change will also provide an easier understanding of directions as this one road will have one name rather than the current three names. We urge your passage of this bill in support of our veterans.

E-Mail: Representative_Wes_Keller@legis.state.ak.us
Call Juneau Toll free: (800) 468-2186
Website: www.akrepublicans.org/keller/

Bogard Road/Seldon Road: 49th State Street to Church Road
Proposed "VETERANS WAY" Signing Plan



1A↔ MAT SU VETERANS MEMORAL HWY
D7 Special (66" X 42")
6" Series C Letters
QUANTITY: 2

↔1B MAT SU VETERANS MEMORIAL HIGHWAY
D7 Special (36" X 36")
4" Series C Letters
QUANTITY: 8

● Major Intersection

2A↕ Veterans Way
D3-2 (108" X 24")
8/6" Clearview 5W
QUANTITY: 7

2B↕ Veterans Way →
D3-2 (126" X 24")
8/6" Clearview 5W
Quantity: 1

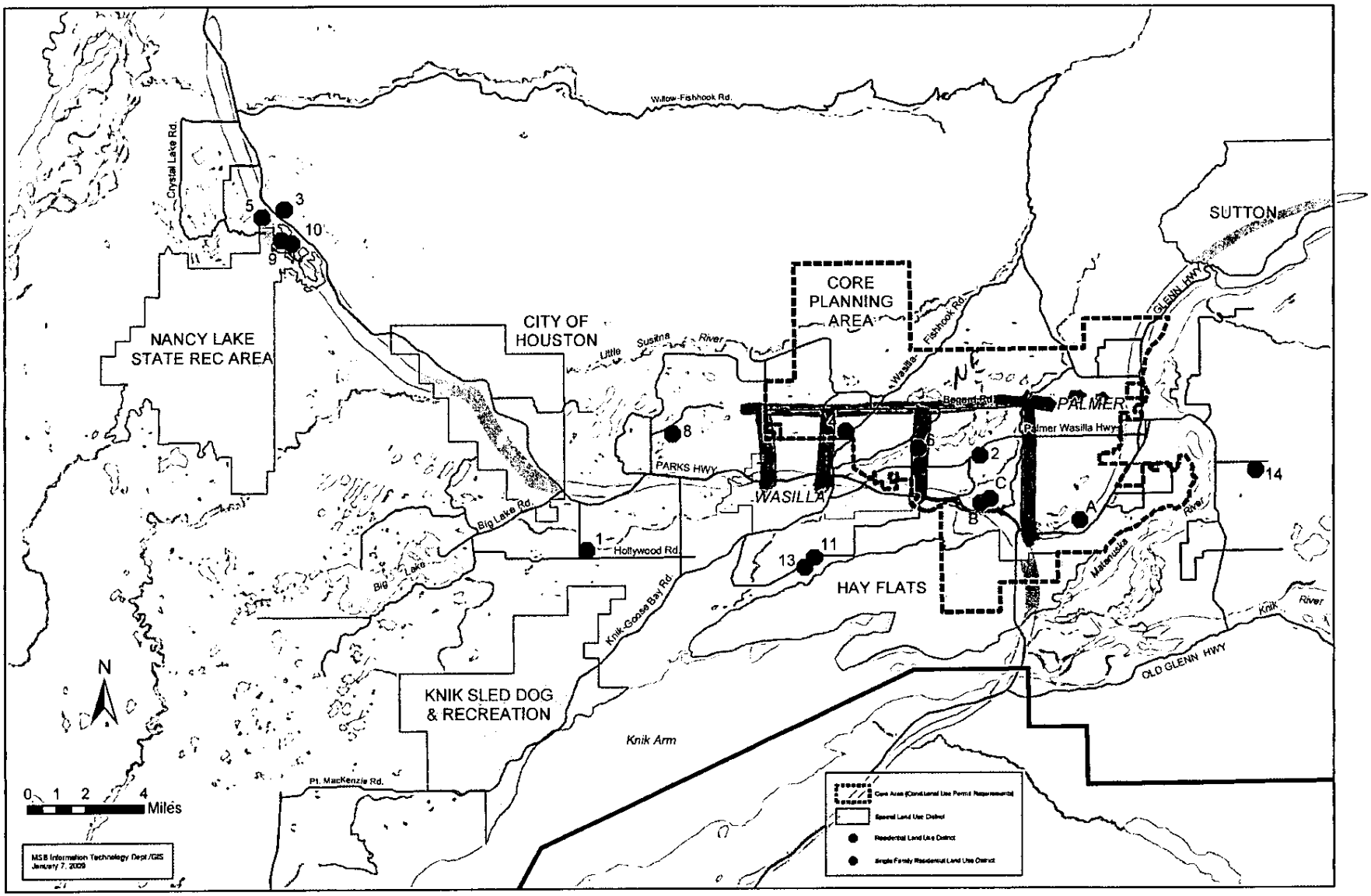
2C↕ ← Veterans Way
D3-2 (126" X 24")
8/6" Clearview 5W
Quantity: 1

(Mastarm Mounted)
3↕ Veterans Way
D3-1B (108" X 18")
8/6" Clearview 5W
Quantity: 2

4O VETERANS WAY
D3-1 (36" X 8")
4" series C Letters
Quantity: 67

Estimated Sign Quantity & Cost

Sign Quantity	TOTAL Sq. Ft.	Material + Installation by M&O Cost per S.F. = $75.00	Materials + Installation by Contractor* Cost per S.F. = $110.00
88	439.5	$32,963	$48,345


Willow-Fishhook Rd.
Crystal Lake Rd.
NANCY LAKE
STATE REC AREA
CITY OF
HOUSTON
Little Susitna River
CORE
PLANNING
AREA
Wasilla-Fishhook Rd.
Beverly Rd.
PALMER
Palmer Wasilla Hwy
GLENN HWY
SUTTON
PARKS HWY
WASILLA
Big Lake Rd.
Hollywood Rd.
Big Lake
Knik-Goose Bay Rd.
HAY FLATS
Matanuska River
Knik River
OLD GLENN HWY
KNIK SLED DOG
& RECREATION
Knik Arm
Pt. MacKenzie Rd.
N
0 1 2 4
Miles
MSB Information Technology Dept /GIS
January 7, 2009

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Ryan Friesen	—	N	907 376 7076
Linda Rhodes		N	907-982-0577
David G Hall	—	N	907-376-6925
Sheryl L Metivia	—	N	907-373-6874
MARY METIVIA	—	N	907-373-6874
Jenny Robbins-Dyer	—	N	907-355-3700
Donna Tinetto	—	N	907-232-0523
Shaila Moseley		N	907 376 0269
Bonnie Robinson	-	N	907-232-6786
Brian Stanley	-	N	907-376-2600
Kayleigh Medley	-	N	907-315-3518
Medford Cole	Air Force	Y	907-376-0270
Matthew Helmbers	—	N	907-373-6588

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Valley Veterans For "Veterans Way"

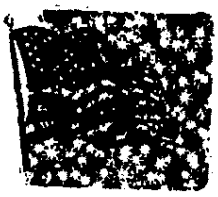
Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
———	———	Y/N	Phone Or address
Shawn Teter	US NAVY	YES	441-4875
Josh Hooks	—	—	841-3169
Candace McIlvain	—	—	841-9066
Thomas MARTIN	U.S.M.C.	YES	227-7607
CATHERINE PALMER	—	—	232-1085
DENA SCHLECHT	N/A		841-9805
Jason Palmer	—	—	232-5359
Jim Thompson	USMC/USAR/USN	25 yrs	244-9928
Jesse Tanner	USN	4 yrs.	232-8607

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Cireba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

JG



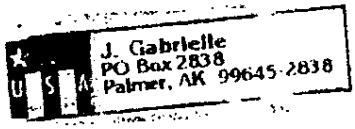
Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
----	----	Y/N	Phone Or address
Gary J. Crochet	US NAVY (VNV)	72 to 79	907-373-1224
Stephen Vlahovich	US ARMY	65-67	907-373-2851
M MATTHEW	USAF	69-80	907-376-3724
Steve Crochet	N/A	N/A	907-299-9988
[illegible]	[illegible]	[illegible]	[illegible]
Eric [illegible]	USArmy	69-73	357-1131
Richard Lewis	US ARMY	79-84	440 2899
Rick Clapp	US ARMY	74-76	354 1786
Burl Hemelgarn	Army	51-54	892-7939
[illegible]	VA	VA	354-8378
[illegible]	VA	VA	715-6450
Ky Hall	NAVY	YES	746-7776
Gary Reed	ARMY	YES	376-0915
Robert Langston	AIR FORCE	YES	376-2899
[illegible]	ARMY	YES	351 7910
Brian Davis		NO	775-9868
Joe Karp		NO	841-8620

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		



JG

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-----	-----	Y/N	Phone Or address
[illegible]	YES	yes	357-1001
[illegible]		NO	377-7856
[illegible]		~~yes~~ NO	357-1001
[illegible]		NO	373-7588
[illegible]	ARMY	YES	~~892~~-6695
[illegible]		NO	892-6695
[illegible]		NO	841-9696
WAYNE LEE		NO	775-8771
Thomas Brown	USAF	yes	357-1845
[illegible] VanRoote	N/a	N/a	354-1665
[illegible]	N/A	N/A	354-4956
[illegible]		NO	761-8690
[illegible]		NO	3571545
[illegible]	ARMY	yes	745-7174
[illegible]	V	NO	745-7174
[illegible] GABRIELLE	USMC	YES	373-7588
Rose of ELDON GALLEAR	MERCHANT MARINE	WWII/Iraq (Combat)	357-2179
Eldon Gallear	" " YES	YES	"

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

373-7588

J. Gabrielle
PO Box 2838
Palmer, AK 99645-2838

JG

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
		Y/N	Phone Or address
Michael Gabrielle	USMC	Y	373-3773
Emil Jondale	USMC+ANG	Y	232 9055
ANTHONY J. PUPPO	N/A	N	745-3223
LUISA ALEXANDER	N/A	N	775-3690
Chris Allen	ARNG	Y	775-0333
Richard Davis			357-3689
Wesley G. Allen	45 Navy (Ret)	YES	357-3689
Randal Bell		N	357-3689
Jason Medley	USMC	Banished	373-7240
[illegible]	USMC	Y	278-8598
[illegible]	USMC	[illegible]	745-1936
[illegible]	—		373-6169
[illegible]	—	-	892-0558
Elizabeth Thornton	—	—	745-3174
PAUL HANNA	USN	Y	726-1260
[illegible]	USMC	Y	892-2698
James Dennis	USN	N Y	775-5199
Michael L. Falk	USA	Y	980-1527

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

373-7588

J. Gabrielle
PO Box 2838
Palmer, AK 99645 2838

KT

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Flavia Mock		N	907-373-6554
John Goss	USARMY	Yes	354-0375
Robert Smith	Navy	NO	232-1915
Sheri Ray			357-7773
Lisa Cameron		no	357-0218
Jeffrey Bush		NO	376-5664
Bobby Bush		no	357-1464
David Mock		NO	355-7163
Joey mock		NO	315-2357
Adam Mock		NO	841-3280
Zeke Steele	Navy	yes	373-4083
David Hughes		no	841-4409
[illegible]		No dependent	230 3483
James Clay	USMC	Y	307 389 5738
Kimberly Kenlock		NO	841-3331
Alivah Hopkins		NO	841 9549
Sam Mock		NO	373-6554
Keith Cameron		no	3570218
Tom Toody			376-6432

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Zach Stamper, USAF
Keith Greba, USCG
Toni Koeckritz, USN
Yukon Tanner, USN 733-7472
Aaron Tanner, USN 232-1069
Susan Jones, USA
Joe Gabrielle, USMC
Jake Davies USN 315-[illegible]
John Davies, Jr. USN

-142

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Julie Dickerson			746-0823
Richard Tanner			376 4913
AE - Gail Tan			" "
Ky S Lee			" "
Had H Lee			376 4913
Jesse Tanner			" "
Chad Lee			" "
Mary Fordice			373-6195
Brenda Townsend			357-8306
MARGARET PEPIN			631-5059
Wesley Gorrell	Army	Y	746-3420
Casey Berg		N	357-9026
Ke Thyson	USMC	Y	
Darlene Heath			357-4993
Mike Heath	Air force	Y	"
Jim Lindeman	NAVY	Y	376-9057
Valerie Lindeman			376-4057
Lanette Williams			376-8008

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 646
Talkeetna, AK 99676

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Ron Braun	N	N	745-8386
Linda Bogard	N	N	775-6000
Joanna Kreider	Army	N	764-1010
[illegible]	Army	N	357-2919
Bob Moffit		N	745-1694
Amber Spodnekar	N	N	373-7463
Dana Chavin	N/A	N/A	357-3902
[illegible]	Army	Y	357-7300
[illegible]	N	N	376-6349
Zach Icmer	N	N	376-2257
Gang Jian Yu	N	N	232-0591
Paul Scalzo	N	N	503 887 1726
Tom Sagebiel	Air Guard	Y	524-22-5308
Robert Gilman	N	N	745-8618
Shannon Mathiesen	N	N	376-2404
[illegible]	Army	Y	355-0867
[illegible]	N/A	N/A	982-1857
JUDITH PENTARIS	N/A	N/A	373-6520

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

11

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Mike Dyas	—	—	arcticwolf mike@yhoo.com
Robert Husted	—	—	761-9309
Bill Sharlow	USMC	Y	376-9025
Tim Bagnum	USN	Y	746-7495
David Raby	USN	Y	841-8086
Denise Lovell	—	N	715-9400
Caroline Cortez	USAF	Y	355-0251
John Fox	—	N	354-2658
John Baker	—	N	745-4411
Susan M Jones	USArm	Y	357-2810
JEANette S. John	FMLY-NAVY	N	376-6716
Julie Gamay	—	N	745-4110
Sharon Coyle		N	
Randy Ankney	Army	Y	357-9724
Wayne Carmody	ARMY Nat Guard	N	761-9211
Patricia R. Woodall	—	N	376-5794
Ann Grandi	Ann Grandi	N	761-9293
Dee Melton	Dee Melton	N	745-4743

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

[redacted]

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
April Ward April Ward		)	761.9240
Danielle Boensch Danielle Boensch			761-9514
Lyle Hansel Lyle Hansel			892-2120
Suzie Dauser		N	761-9508
Shirley Colas	none	None	841-6950
Candice Goforth	NONE	NONE	982-9365
Katena Sanders	NONE	NONE	357-7803
Ann Spies	None	None	355-1631
Erin Bell	none	none	357-0701
Ed Evans	none	N	373-2287
Verne Rykiss	AF/Army	Y	373-9055
Ray Williams	none	N	355-6133
Tony Weeks	USN	N	232-4961
CHRISTOPHER DAW	NAVY	Y	775-1016
Robin M. Hawk	Army	Y	376-2586
BILL CRIDDRESS	AK ANG	Y	746-5212
Jim Frei		Yes	373-5963
Jim Poucher	NONE	N	3734781

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

[redacted]

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service Y/N	Contact Information Phone Or address
R.A.H	N	N	907 232 1005
	N	N	316 N. Hatcher Palmer AK 99645
	NAVY		280 S Bailey ST - 99508
	USAF		746-5548
		N	841-6372
	ARMY	Y	688-7773
	—	N	354-4578
	—	—	775-5336
Sunil Sethi	—	N	317-0180
B. Dillon	N		907-376-2697
JANICE STRONG	N	N	907-223-4789
	ARMY	YES	907-376-1219
	4-44	Yes	907 376-4440
	N	N	907-317-9578
	N/A	N/A	907-244-2425
	N/A	N/A	907-892-4114
	N/A	N	907-352-2517
		N	907-373-8010

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 648
Talkeetna, AK 99676

A

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
——	——	Y(N)	Phone Or address
ART MONGEAU	—	—	745-1205
Diane Mongeau	—	—	745-1205
[illegible] Fraker	US NAVY	Y	357-7527
[illegible] Fraker	US NAVY	Y	357-7527
Larry Fraker	US ARMY	Y	357-7527
[illegible]	US NAVY	Y	357-6128
[illegible]		N	357-6128
Bob Bymon		N	357-4080
Arlena Stringer		N	[illegible]-715-8589
Rich Owens		N	746-5652
[illegible] Mosier			745-2984
Lorca Varner	—	N	733-7472
Beverly Tanner	—	N	733-7472
Tukkeaman Babcock		N	394-4910
Lorali Carter		N	357-4677
Anita Bookam	—	N	357-2466
Mike Powell	Army	Y	357-5440
Joe Cusick		N	357-4162

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 645
Talkeetna, AK 99676

4C

Yf

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Martha Dixon			355-1091
Gracie Whaley			357-2222
Roger Gardner	NAVY	Y	357-2226
J. Koeckritz	NAVY	Y	357-5858
[illegible]			746-1335
Gary Kuhn	NA	Y	745-4110
Cory Williamson	NA	NA	357-5565
Keith Quintavell		N	761-9265
Jeanne Glaser			746-3077
Robert Nunn	NA	NA	377-3062
Lynda Hill	NA	NA	376-2226
Cynthia Griggs	N/A	N/A	376-7349
Dawn Spain	NA	NA	761-9394
Dennis Zeman	USAF	Yes	745-4450
Sue York	USAF	~~Yes~~ Yes	376-9695
Cynthia A Wenson	NA	No	761-9241
Maria Burgoon	NA	NO	761-9239
Lena VanValin	NA	NO	761-9285

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

[redacted]

YT

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
------	-------	Y/N	Phone Or address
Lance McKinnon		N	357-2737
John Bogue	ARA	Y	745-1778
Tom Caylor Jr.		N	373-1486
Steve Willis		N	357-8592
Hank Gockle		N	495-6560
Kelly Pollock		N	761-9242
Mike Phillips		N	841-1284
Chantelle James		N	250-8906
Elaine Aldolfer		N	696-7821
Mary Whiting		N	841-3775
Gary Ratzlaff	USN	Y	376-1148
Richard Dewser	USA	N	376-9484
Mark Tope	USA	N	242-7887
Tania Barber		N	2447951
Sam Brown	USN	Y	376-7090
TIM SMITH	USN	Y	376-7090
Jason Ford	Army	Y	715-1753
Carlee Hunter	USN	Y	(915) [redacted] 639-6168

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Yukon Tanner, USN 733-7472
Joe Gabrielle, USMC
Zach Stamper, USAF
Aaron Tanner, USN 232-1069
Jake Davies USN 315-6605
Keith Greba, USCG
Susan Jones, USA
John Davies, USA
Toni Koeckritz, USN

[redacted]

17

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
		Y/N	Phone Or address
Yukon Tanner	USN		733-7472
Pat Hopper	Army	yes	376 7896
Gerald Berryman	"	"	733-2405
Linda Keeler	Husband-USMC	Husband	Po Box 814, Willow
Johnnie Davis	Army	Father	761-9251
Janice Yance			761-9220
Steve Carey	Wife - Navy	wife	350.3508
Gerard Johnson		NO	354-3357
Kathleen Hinkelthaler			373-3742
Mark Adel	ANG Retired	Yes	357 0563
Steve Pahkala	USAF	yes	354-1209
		N	733-10
Charley Johnson		No	357-4244
Victor Badille		No	357-9569
Jodi K Webb		No	373-2075
Keith Makuch		No	761-9551
Aaron Tuom		No	376-7703
John Kellee		No (Husband)	357-8596

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Yukon Tanner, USN 733-7472
Joe Gabrielle, USMC
Zach Stamper, USAF
Aaron Tanner, USN 232-1069
Jake Davies USN 315-6605
Keith Greba, USCG
Susan Jones, USA
John Davies, USA
Toni Koeckritz, USN

Don & Beverly Tanner
Box 646
Talkeetna, AK 99676

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
		Y/N	Phone Or address
Krista Tanner		N	9246075989
	USAR	Y	355-7317
Shawn Walters	USAF	Y	357-0133
		N	355-6122
		N	357-1699
Karen M. Johnson		N	315-2345
		N	355-1320
Barbara Dewar		N	376-7463
		N	376-7463
		N	376-4088/982-2056 cell
		N	631-2290
	USA	Y	9073764097
		Y	907 232-1069
		N	907-232-0522
		N	907-775-1172
		N	907-357-7951
		N	H 376-1451

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Yukon Tanner, USN 733-7472
Joe Gabrielle, USMC
Zach Stamper, USAF
Aaron Tanner, USN 232-1069
Jake Davies USN 315-6605
Keith Greba, USCG
Susan Jones, USA
John Davies, USA
Toni Koeckritz, USN

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
-------	------	Y/N	Phone Or address
Stephen Whaley	USN	Yes	907 775 1980
Amy Kurka		NO	745-4800
Jeff Duffield	USAF	Yes	357-1057 776-1266
Edward Donaldson			
Benjamin Gaston		No	864-0662
Wanda Kellar		No	715-3491
Delma Hewman		NO	232-0429
Jayden Tanner		No	232-2033
Ann Sellar		NO	376-8911
Matt Corbett	USN	N	360-9186
Steve Runyan		N	495-2697
Paula Runyan		N	495-2697
Logan Rocke		NO	376-1451
Dave Giconi	U.S. Army	Y 1963-66	373-6523
Jeff Bova		N	694 0588
Travis Powell		No	354-7695
Charles D. Palente	USAF RET.	Y	357 3042
Kobe mee	NA	NA	350-6238

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 646
Talkeetna, AK 99676

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
———	———	Y/N	Phone Or address
Mike Summitt	Marines	80-83	
Ben Parker			376-3226
Steve Evans			373-6012
Mike Sweeney			745-3933
Dennis W Herman		N	373-5938
Tom Heaney	—		373-2961
David Brink			373-6213
Larry Fetchenhier	—	—	376-4382
Caleb Adams		—	376-3552

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Jim Pound

From: randi davies [jrdavies3@yahoo.com]
Sent: Wednesday, March 17, 2010 12:56 PM
To: Rep. Peggy Wilson
Cc: Rebecca Rooney; Rep. Wes Keller; Jim Pound
Subject: Veterans Way Bill - Support

Dear Representative Wilson,

My name is John G. Davies. I first came to Alaska in 1970 with the US Army. I am a Viet Nam veteran, a life member of the Veterans of Foreign Wars, and a Charter Member of the American Legion Post 35. I practiced law in the Matanuska Valley for about 30 years before joining the Alaska State Legislature as a staff member for the District 14 Representative.

I am very familiar with the Veterans Way road corridore and support the Bill changing the road name. The old name, Bogard Road is confusing, and the name change will clarify and simplify matters, especially with the new extensions to be built on each end of the road way. Right now Bogard turns into Sledon Rd. at a 4 way stop sign where there used to be a sharp turn in Bogard Rd. If you now are traveling west on Bogard and stop at the stop sign, when you cross the intersection the road turns into Seldon Rd. You have to turn left in order to proceed on Bogard. Also at the Palmer end of the roadway new construction is planned, and extension of the present Bogard will take up a few other street names. So, renaming the entire east to west roadway and the new extensions all Veterans Way will not only honor all the Valley veterans, but clarify and simplify matters a lot.

Thank you for considering my opinion.

Very Truly Yours,

John G. Davies
Voter # 1000659

I talked with Janet from your office a bit and understand that you are working on a draft bill to designate the Bogard-Seldon Corridor as Veteran's Way. We at the Borough have been discussing this since last year and think that this name would be appropriate in regard to completely re-naming the road corridor. It would make giving directions much easier in that you would no longer have to say, "travel up Arctic Avenue for X distance until it turns into Bogard Extension, then travel X distance until it becomes Colony Way, then travel X distance until it becomes Bogard Road, then travel X distance until it becomes Seldon Road, then travel X distance until it becomes Beverly Lakes Road.
Let me know what we can provide that would be helpful to you in supporting the name change. We may be able to provide a resolution from the MSB Transportation Advisory Board, Planning Commission or Assembly. I also talked to the Community Transportation Coalition (with representatives from Palmer and Wasilla present) about this and they are also willing to provide a resolution.

Brad Sworts
MSB Planning, Transportation & Environmental Division Manager
Phone: (907) 746-7430
Fax: (907) 745-9876

Matanuska-Susitna Borough
350 E. Dahlia Avenue
Palmer, AK 99645

ALASKA STATE LEGISLATURE

MAT-SU VALLEY DELEGATION

March 1, 2010

Representative Peggy Wilson
Chair, House Transportation Committee

Re: House Bill 226 – Naming Veterans' Way in Mat-Su

Dear Representative Wilson:

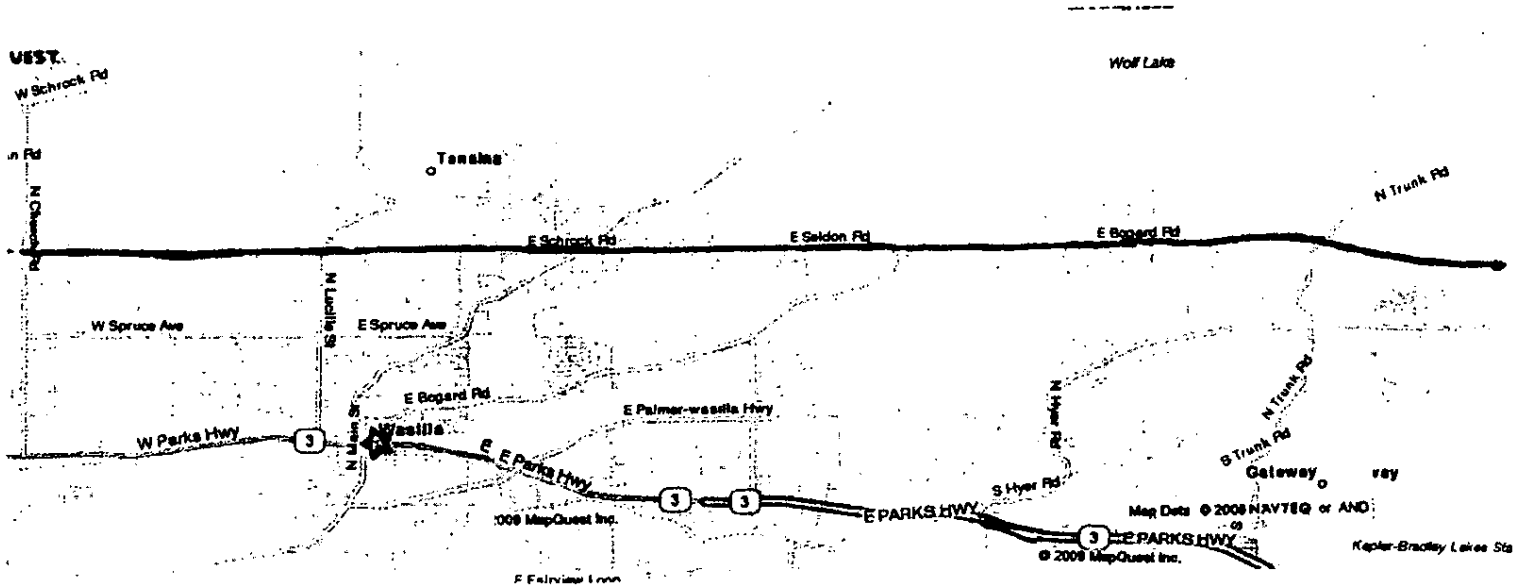
As members of the Mat-Su delegation, we urge you to schedule HB 226, legislation establishing Veterans' Way in the Mat-Su Borough. The heroic service of Alaskan veterans is recognized in this bill, which renames the collective corridor of Seldon Road and a segment of Bogard Road to "Veterans' Way," while maintaining the individual road names. This is an excellent opportunity for the State of Alaska to pay tribute to the multitude of Alaskans who have served in the armed forces in defense of our liberties. We express our deepest thanks to the men and women who have selflessly put themselves at risk in the service of our country, and ask for the scheduling and favorable consideration of this legislation as a sign of our gratitude and respect to Alaskan veterans.

Respectfully,

I talked with Janet from your office a bit and understand that you are working on a draft bill to designate the Bogard-Seldon Corridor as Veteran's Way. We at the Borough have been discussing this since last year and think that this name would be appropriate in regard to completely re-naming the road corridor. It would make giving directions much easier in that you would no longer have to say, "travel up Arctic Avenue for X distance until it turns into Bogard Extension, then travel X distance until it becomes Colony Way, then travel X distance until it becomes Bogard Road, then travel X distance until it becomes Seldon Road, then travel X distance until it becomes Beverly Lakes Road.
Let me know what we can provide that would be helpful to you in supporting the name change. We may be able to provide a resolution from the MSB Transportation Advisory Board, Planning Commission or Assembly. I also talked to the Community Transportation Coalition (with representatives from Palmer and Wasilla present) about this and they are also willing to provide a resolution.

Brad Sworts
MSB Planning, Transportation & Environmental Division Manager
Phone: (907) 746-7430
Fax: (907) 745-9876

Matanuska-Susitna Borough
350 E. Dahlia Avenue
Palmer, AK 99645


WEST
W Schrock Rd
Tanaina
Wolf Lake
N Trunk Rd
E Schrock Rd
E Seldon Rd
E Bogard Rd
W Spruce Ave
E Spruce Ave
N Main St
E Bogard Rd
E Palmer-wasilla Hwy
W Parks Hwy
Wasilla
E Parks Hwy
S Hyer Rd
E PARKS HWY
Gateway
Map Data © 2008 NAVTEQ or AND
© 2008 MapQuest Inc.
Kepler-Bradley Lakes Sta

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/1/10

The FINANCE Committee considered: **HOUSE BILL NO. 226**

"An Act renaming Seldon Road and that portion of Bogard Road that extends between Palmer and Meadow Lakes, as Veterans' Way."

HB 226-NAMING VETERANS' WAY IN MAT-SU

Recommends it be replaced with [ ] HCS *or* [✓] CS for HB 226 (TR4)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DOT		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	GRAY	✓			
Mike Doogan	DOOGAN	✓			
	Gould	–			
	Austerman	X			
	KELLY	✓			
	Foster	✓			
	Salmon	✓			
Anna J. Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair:	Stoltze	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 226(TRA)
() Publish Date:

Identifier (file name): CSHB226(TRA)-DOT-CRHA-03-30-10
Dept. Affected: DOT&PF
Title: Naming Veteran's Way in Mat-Su
RDU: Highways, Aviation and Facilities
Component: CR Highways and Aviation
Sponsor: Rep. Keller
Requester: H FIN
Component Number: 564

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies	8.5						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	8.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The department will install 10 brown Cultural Interest area signs. These brown signs are a distinctive size and color and are designed to point out to travelers areas of cultural interest or recreational significance.

Attached is an example of the signs that will be posted.

Prepared by: Mary Siroky, Legislative Liaison
Phone 465-4772
Division: Department of Transportation and Public Facilities
Date/Time 3/30/2010 11:15:00 APM
Approved by: Frank Richards, Deputy Commissioner
Date 3/30/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

Bogard Road/Seldon Road: 49th State Street to Church Road
Proposed "VETERANS WAY" Signing

Sign Entering Veterans Memorial Highway at Each End
(Church Road and 49th State Street)
D7 Special (66" X 42")
6" Series C Letters
QUANTITY: 2
(Design similar to that used for Eagle River Loop Road in 2001)

Sign Entering Veterans Memorial Highway at Intermediate Locations
(Lucille Street, Wasilla/Fishhook Road, Bogard Road, Trunk Road)
D7 Special (36" X 36")
4" Series C Letters
QUANTITY: 8
(Design similar to that used for Eagle River Loop Road in 2001)

HB

229

<target><bill>HB 229</bill><subject>HB 229</subject><comm>HFIN26</comm></target>

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT

SPEAKER OF THE HOUSE

SPONSOR STATEMENT

COMMITTEE SUBSTITUTE FOR HOUSE BILL 229 (RES)

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

Committee Substitute for House Bill 229 (RES) amends and extends the exploration and development incentive tax credit that was originally enacted in the 23rd legislature in 2003 as HB 61. This tax credit continues to apply under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of natural gas primarily in the Cook Inlet area.

To more strongly encourage companies to invest additional capital in exploring for and developing new natural gas reserves, this legislation makes the following changes to current law:

1. Increasing the amount of the credit from 10% to 25% of the amount of qualified capital investment and qualified services spending.
2. Removes the 50% limitation on the amount of credits that can apply in a single year increasing the "time-value of money" for the credits.
3. Removes the "successful efforts" requirement that disallows the credit for wells that are drilled, with all the same costs, but end up being non-productive.
4. Clarifies that the credits can be taken on a current tax return, on a timely filed tax return or on a timely filed tax return for the year immediately following the year the qualified capital investment is made.
5. Clarifies that the credits can be applied to a gas reserve regardless of whether or not there has been previous gas production in the area.
6. Clarifies that the credits do not apply to North Slope gas that is brought into Southcentral.
7. Extends the sunset date of the investment tax credit from January 1, 2013 to January 1, 2020.

This legislation makes no changes to definitions of qualified capital investment or qualified services.

Representative_Mike_Chenault@legis.state.ak.us

Annual natural gas production and supply in the Cook Inlet area have been declining for a number of years. During the same time, demand has been increasing steadily. Therefore, a sharp increase in drilling to find new reserves is drastically needed. The original Investment Tax Credit enacted in 2003, while modestly successful in stimulating new drilling, needs to be made a much more effective incentive to developers to increase capital spending in a large manner. These changes will go a long way to achieving that goal.

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE

SECTIONAL ANALYSIS
COMMITTEE SUBSTITUTE FOR HOUSE BILL 229 (RES)

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

Section 1: Amends 43.20.043(a), Gas exploration and development tax credit. Adds before January 1, 2010, to the time in a tax year for which a credit against state tax liability may be applied. Also further adds language that for a tax year beginning after December 31, 2009, 25 per cent of the taxpayer's qualified investment and 25 per cent of the annual cost incurred by the taxpayer for qualified services in the state during each tax year for which a credit is allowable for a qualified capital investment for any gas reserve of the taxpayer or for each year that qualified costs are incurred for a gas reserve for which the taxpayer previously elected to claim a credit.

Section 2: Amends AS 43.20.043(b), Gas exploration and development tax credit. Adds before July 1, 2010, if a claim is made under (a)(1)(A) found in Section 1 or December 31, 2009, if the claim of credit is made under (a)(2)(A) also found in Section 1. Replaces the word "reserves" with wells and "paragraph" with "subparagraph". It adds language that includes expenditures for a gas well that is determined not to be capable of production in commercial quantities as qualifying for the taxpayer's qualified investment credit.

Section 3: Amends AS 43.20.043(c), Gas exploration and development tax credit. States the credit allowed will be made for each tax year rather than per year and eliminates the 50 per cent provision of the taxpayer's total tax liability.

Section 4: Amends AS 43.20.043(e), Gas exploration and development tax credit. Adds language that disallows a taxpayer from including in any rate base for a regulated facility the cost of any qualified capital investment or qualified services that have been offset by the receipt of a credit under this chapter.

Section 5: Amends AS 43.20.043(i)(1), Qualified capital investment. Deletes "reserves in a gas reservoir for which there has not been commercial production if the reserves produce gas for sale and delivery". It adds language that includes any gas reserve

Representative_Mike_Chenault@legis.state.ak.us

regardless of whether there has been commercial production in the area or whether the exploration and development activity results in the production of gas or a well not capable of production in commercial quantities.

Amends AS 43.20.043(i)(1)(C)(ii), Amends the language regarding what can be included as "property". Topping plants and processing units are deleted. Power plants are constrained to only those designed for field operations. Gas processing plants and gas treatment plants are added with the exclusion of liquefied natural gas or manufacturing plants.

Section 6: Amends AS 43.20.043, Adds a new subsection that reads: A taxpayer shall claim the credit authorized in (a) of this section on a timely filed tax return for the year in which the qualified capital investment is made, on a timely filed amended tax return, or on a timely filed tax return for the year immediately following the year in which the qualified capital investment is made. The election to apply the credit authorized in (a) of this section may not be an irrevocable election.

Section 7: Amends uncodified law enacted by Section 3, Chapter 61, SLA 2003. Adds secs. 2 and 5, ch. 61, SLA 2003 as amended by Section 8 of this bill. Also amends the carry forward of the tax xcredit from 2017 to 2024.

Section 8: Amends uncodified law enacted by Section 5, Chapter 61, SLA 2003. Adds ch. 61, SLA 2003 to take effect on January 1, 2020 instead of 2013.

Section 9: Immediate effective date.

Hypothetical example of Cook Inlet exploration well costs vs state contribution

Prepared 04/05/10 by Dan Stickel

	Current - law no EIC	Current law - with 40% EIC	SB 290 - #1	SB 290 - #2	SB 290 - #3	HB 280	SB 309 / HB 229	SB 271 / HB 337	Notes
Exploration Well Capital Cost	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	For illustrative purposes only
.025 Exploration Credit or .023 Capital Expenditure Credit									Current law allows for a 30% or 40% credit when certain parameters are met. SB 290 would increase this rate for qualifying wells.
Exploration Tax Credit									
Rate	NA	40%	100%	75%	50%	40%	40%	40%	
Amount	NA	$8,000,000	$20,000,000	$15,000,000	$10,000,000	$8,000,000	$8,000,000	$8,000,000	
.023 (a) Cap Ex Credit									*Current law allows for a 20% production tax credit for qualifying capital costs. SB 271 / HB 337 would increase this amount to 30% for well-related expenditures.*
Rate	20%	20%	20%	20%	20%	20%	20%	30%	
Amount	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$6,000,000	
Higher of ETC or CapEx Credit	**$4,000,000**	**$8,000,000**	**$20,000,000**	**$15,000,000**	**$10,000,000**	**$8,000,000**	**$8,000,000**	**$8,000,000**	***Company can take the exploration tax credit OR the capital credit but not both.***
Lease Expense deduction or .023 (b) NOL credit	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	Assumes 25% tax rate (or NOL credit)
Exploration Incentive Credit - against Corporate Income Tax									A company claiming the EIC may not "claim a tax credit or royalty modification provided for under any other title" -AS 43.20.043 (g). We assume language will be changed to also disallow a tax credit under title 43. In most cases the exploration incentive credit will NOT be claimed because production tax credits provide greater benefit.
Rate	10%	10%	10%	10%	10%	10%	25%	10%	
Amount	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$5,000,000	$2,000,000	
.024 Small Producer Credit	Can provide up to a $12 million / year benefit against production tax; cannot be used to reduce liability below zero. Applied on a company - wide basis.								
Other	Capital, exploration and NOL credits for production tax may be eligible for state purchase under AS 43.55.028								
						Corporate income tax credit for gas storage facilities.			
Total State Contribution	**$9,000,000**	**$13,000,000**	**$25,000,000**	**$20,000,000**	**$15,000,000**	**$13,000,000**	**$13,000,000**	**$13,000,000**	State contribution is Capital or exploration credit + Lease expenditure or NOL credit
State contribution % of cost	**45%**	**65%**	**125%**	**100%**	**75%**	**65%**	**65%**	**65%**	

Assumes Well will qualify as an exploration well for Exploration Tax Credit purposes.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 229(RES)
(H) Publish Date: 3/25/10

Identifier (file name): HB229-REV-TAX-2-23-10
Dept. Affected: Revenue
Title: Gas Exploration / Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Chenault
Requester: (H) Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	***	***	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached.

Prepared by: Tim Harper, Economist III/Robynn Wilson, Revenue Audit Supervisor
Phone (907) 269-1020
Division: Tax Division
Date/Time: 2-22-10; 12:06pm
Approved by: Ginger Blaisdell, Director
Date: 2-23-10; 9:48am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 229(RES)

ANALYSIS CONTINUATION

Bill Language:

This bill extends the existing Gas Exploration and Development tax credit for investment in qualified capital expenditures and related qualified services, dealing with those capital expenditures. The Gas Exploration and Development tax credit is taken against the Corporate Income Tax (CIT), before any other federal or state credits are taken. One hundred percent of a company's tax liability can be offset by this credit in a given tax year. Additionally, credits from prior years must be used before current year credits can be used. A credit must be used within five years, otherwise it expires.

Currently, 10% of qualifying capital expenditures and operating expenditures can be taken as capital credits, sunsetting in 2013. The bill would increase the credit rate to 25% for qualifying capital and service expenditures incurred after June 30, 2011 for tax years beginning after December 31, 2010. The 25% rate would sunset on January 1, 2020. Under existing law all remaining tax credits under AS 43.20.043 expire December 31, 2017. This bill would change the sunset date to expire the tax year ending December 31, 2024.

In order for an expenditure to qualify for the 10% rate, cash expenditures or binding payment agreements must be made between June 30, 2003 and before July 1, 2011. Expenditures qualify for the 25% rate cash expenditures or binding payment agreements must be made after June 30, 2011.

The credit is limited to activities south of 68 degrees North latitude and exempts delivery of Alaska North Slope natural gas to tidewater.

Revenues:

It is difficult to determine the number of taxpayers who would take advantage of this tax credit, the degree to which the credit would be utilized, and other exogenous variables impacting the revenues the state would collect. Reduction in CIT are indeterminate at this time.

Additionally, the State of Alaska would most likely see a decline in the use of other credits. For example, since a taxpayer would have to utilize the Gas Exploration and Development tax credit first, it is likely we would see a reduction in the Education Credits. Especially, if the taxpayer has limited tax liabilities.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

Cook Inlet Natural Gas: The Way Forward

Study conducted by

Petrotechnical Resources of Alaska

Sponsored by:
ENSTAR Natural Gas
Chugach Electric Association
Municipal Light & Power

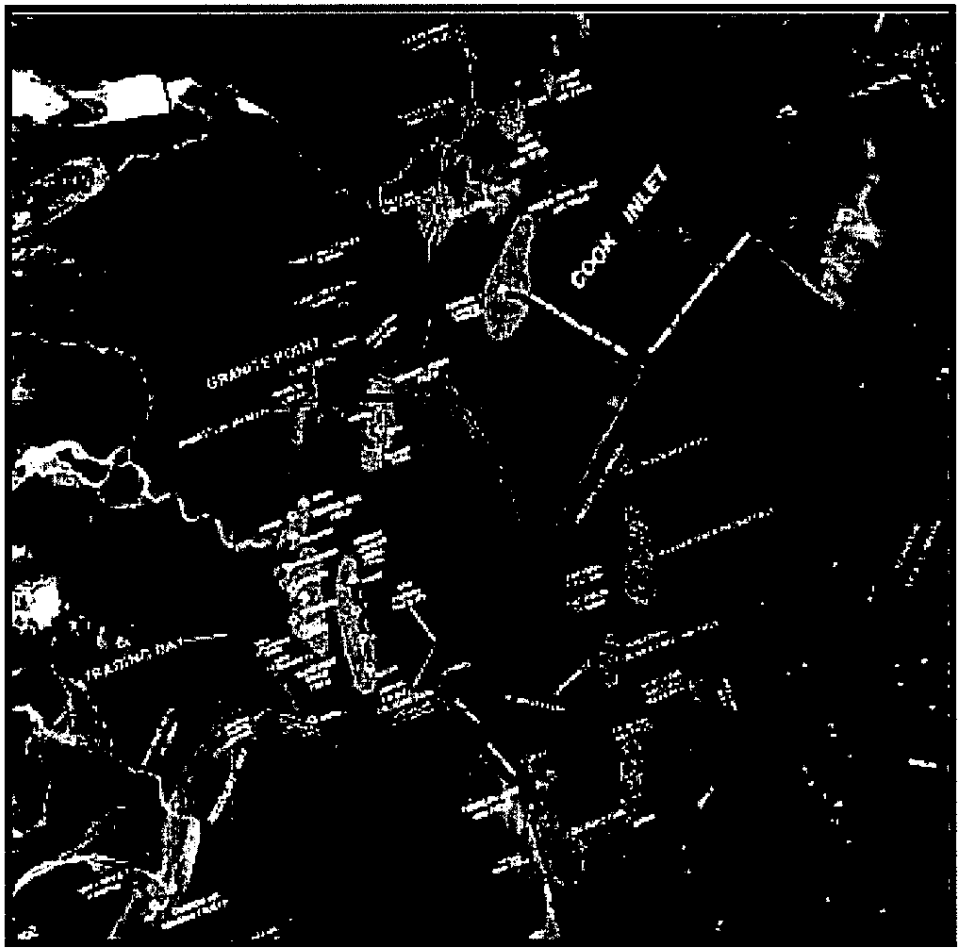
PRA
Petrotechnical Resources Alaska

Why Do Utilities Care About Cook Inlet Gas?

- ENSTAR
  - Cook Inlet gas provides 100% of supply
  - 2009 consumption: 32.5 Bcf
- Chugach
  - Cook Inlet gas used for 90% of generation
  - 2009 consumption: 26 Bcf
- ML&P
  - Cook Inlet gas used for 88% of generation
  - 2009 consumption: 10.8 Bcf

PRA
Petrotechnical Resources Alaska

Where Does Gas Come From?



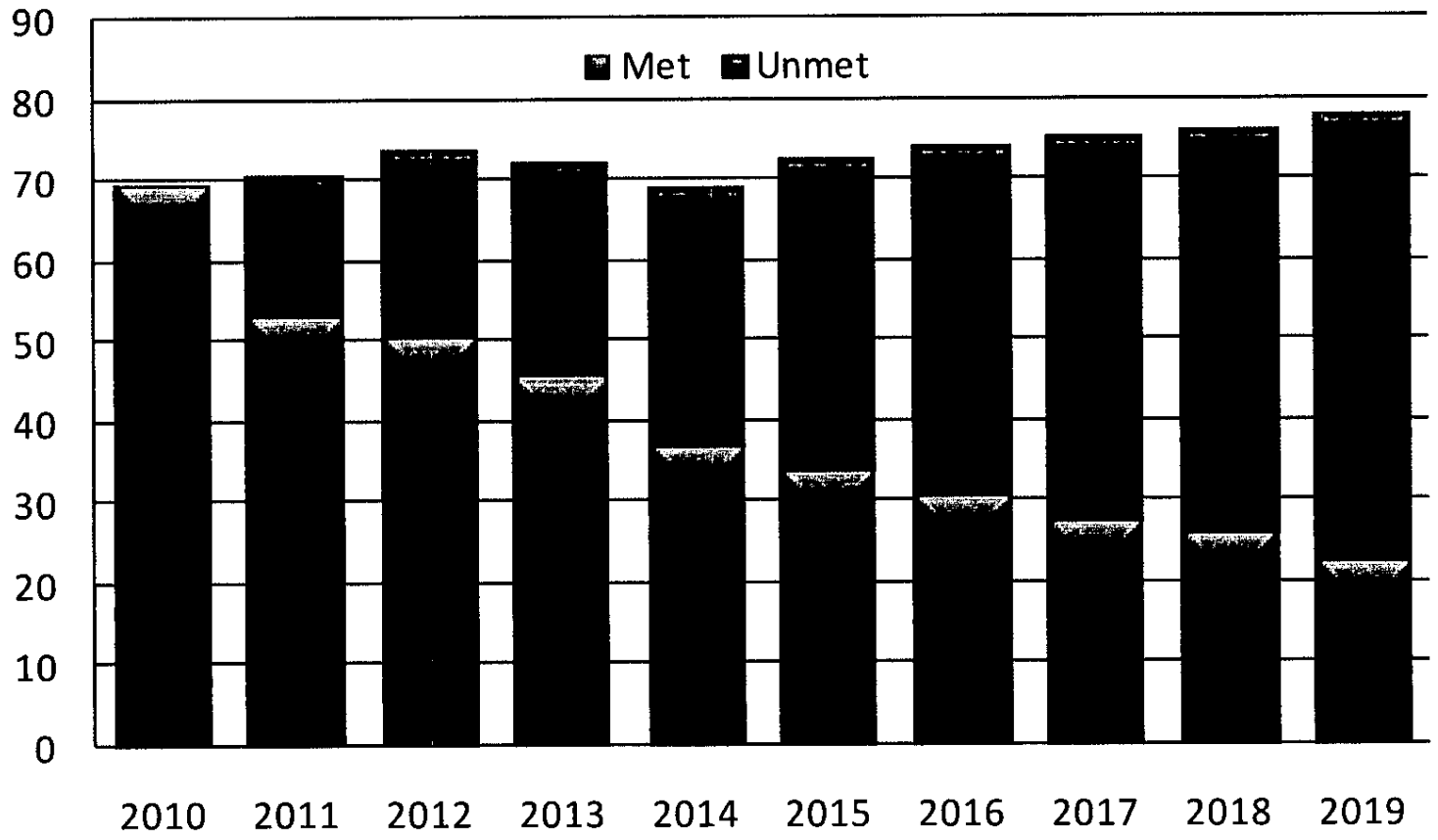
PRA
Petrotechnical Resources Alaska

Gas Under Contract/Ownership

- ENSTAR
  - 100% of needs met through 2010
  - Approximately 25% unmet needs beginning 2011
- Chugach
  - 100% of needs met to spring 2011
  - 50% met through 2014; 60% in 2015; 29% in 2016
- ML&P
  - Share of Beluga field estimated to meet majority of needs through 2015

PRA
Petrotechnical Resources Alaska

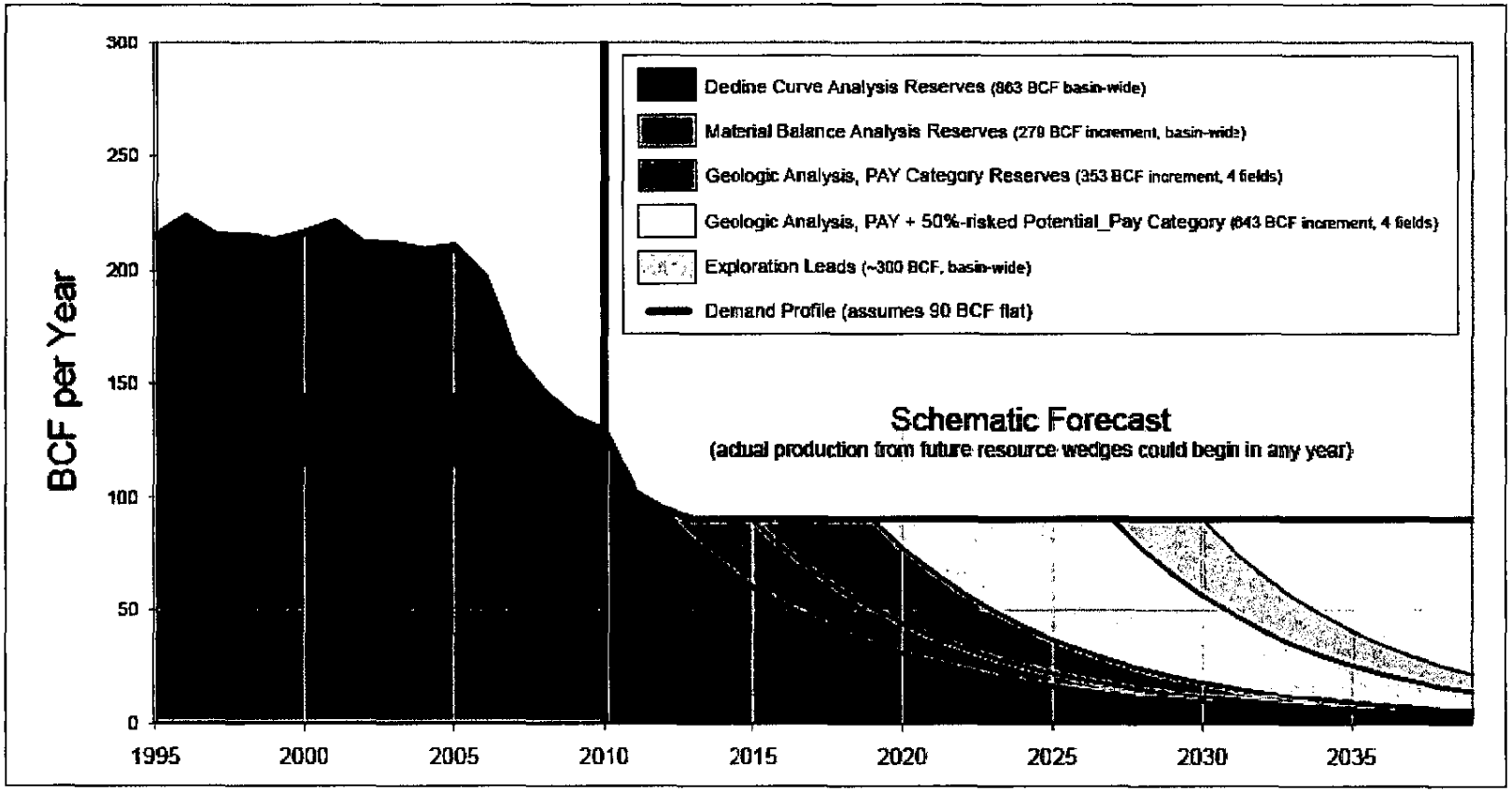
Combined Utility Met and Unmet Gas Demand



Supply Concepts

- Reserves
  - Proven
  - Probable
  - Possible
- Annual supply
- Deliverability (seasonal demand)
  - Storage
    - Needed by winter 2011-2012
    - Agreement in progress

Annual Supply



Source: AK DNR December 2009 Study

Cook Inlet Gas Study

PRA
Petroleum Resources Alaska

The Study

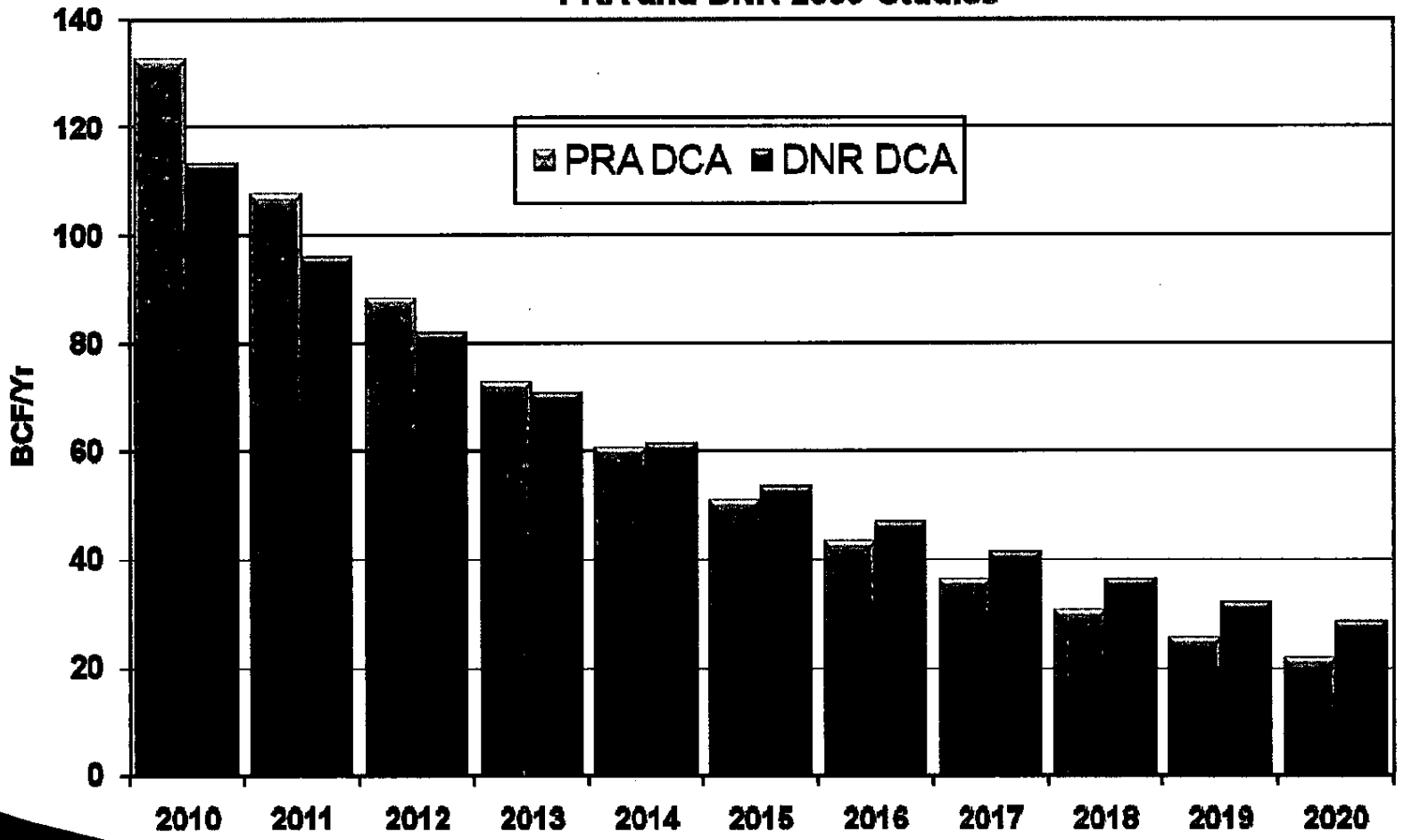
- Commissioned by ENSTAR, Chugach and ML&P
- Performed by PRA
- Completed March 2010

PRA
Petrotechnical Resources Alaska

Study Objectives

- Review DNR reserves analysis
- Review the deliverability of Cook Inlet gas wells drilled from 2001-2009
- Forecast deliverability of existing and future gas wells
- Analyze timing required for delivery of non-Cook Inlet gas sources

Cook Inlet Gas Production Forecast from Decline Curve Analysis PRA and DNR 2009 Studies



PRA
Petrotechnical Resources Alaska

Methodology

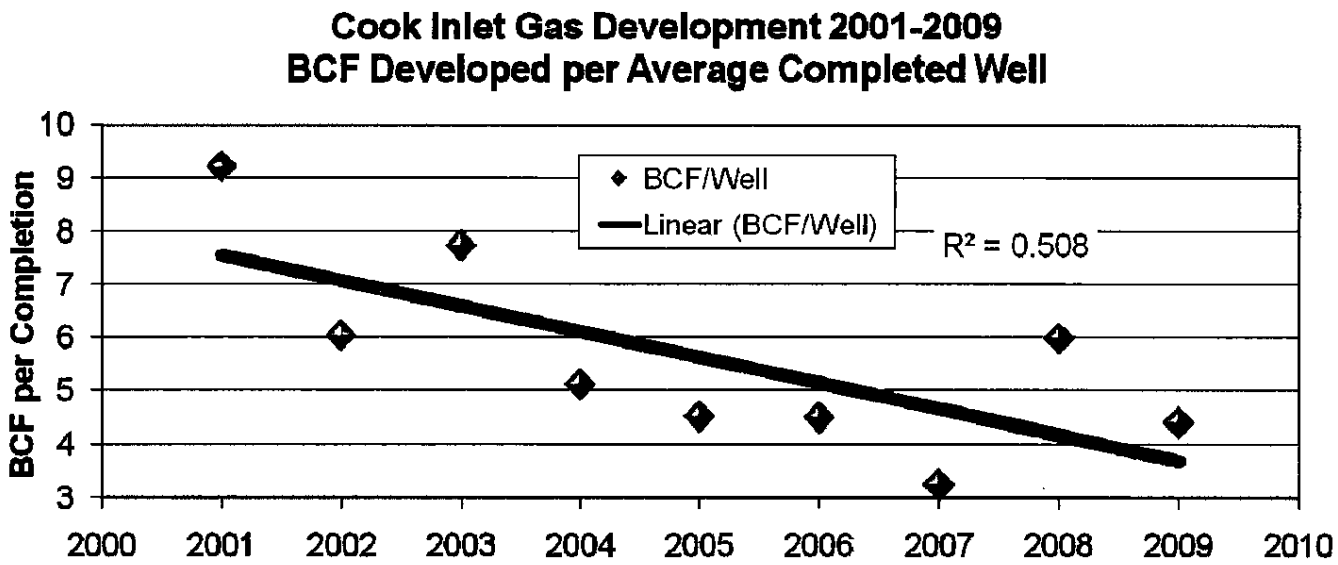
- Field-level decline curve analysis
- Individual well decline curve analysis
  - Initial Production
  - Production profile
- IP progression through time
- Calculate activity required to meet demand
- POD review
- Analysis of business drivers

Cook Inlet Drilling Results

Period	Gas Wells Drilled	Gas Wells Completed	Initial Production (MMCF/day)
2001–2009	128	105	3.6 per well
2007–2009	34	34	3.1 per well

PRA
Petroleum Resources Alaska

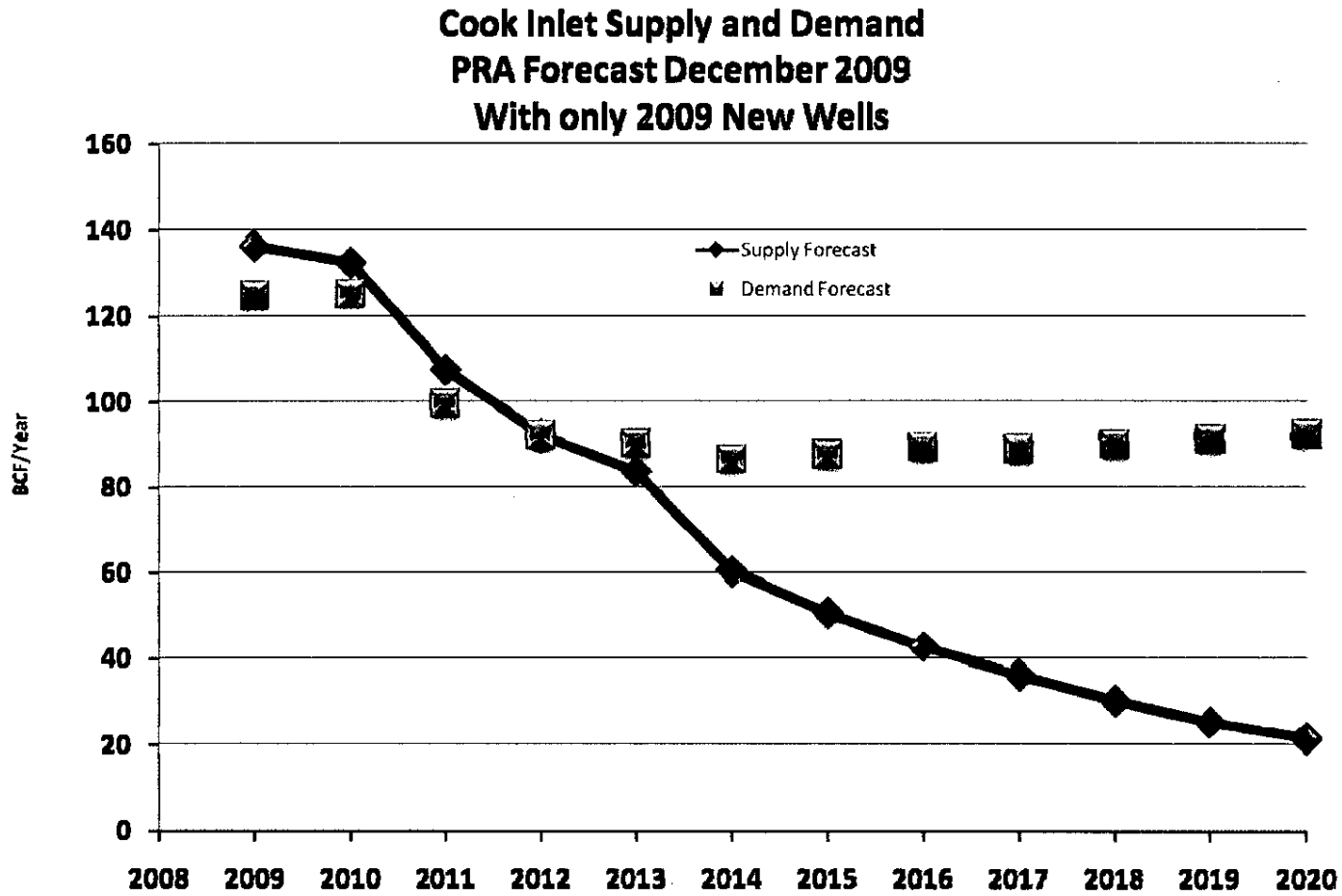
Cook Inlet Gas Development



The Problem

- Both PRA and DNR conclude from decline curves we have annual supply problems by 2013 if no new wells are drilled
- PRA study concludes that significant development activity is required

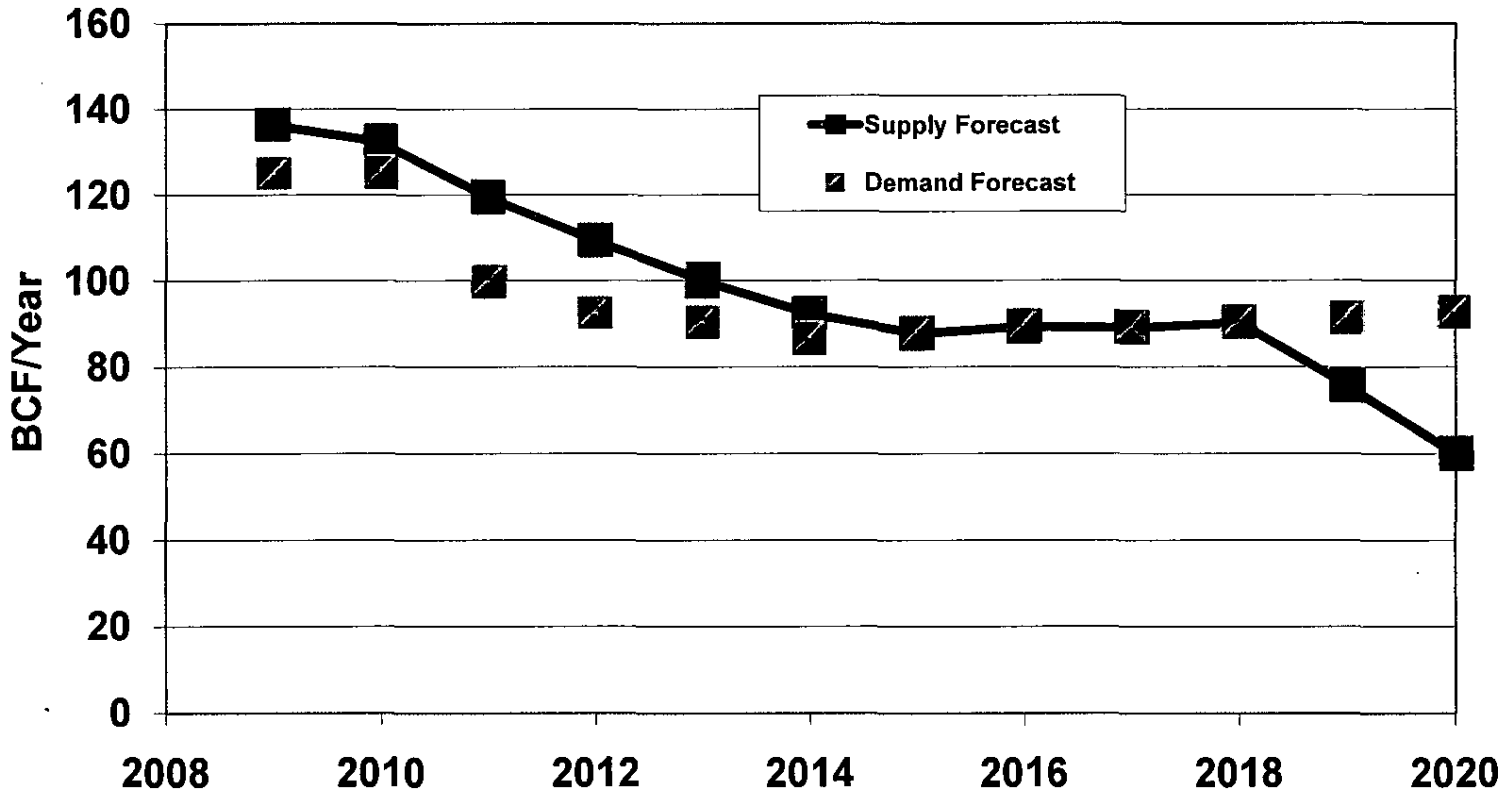
Annual Supply



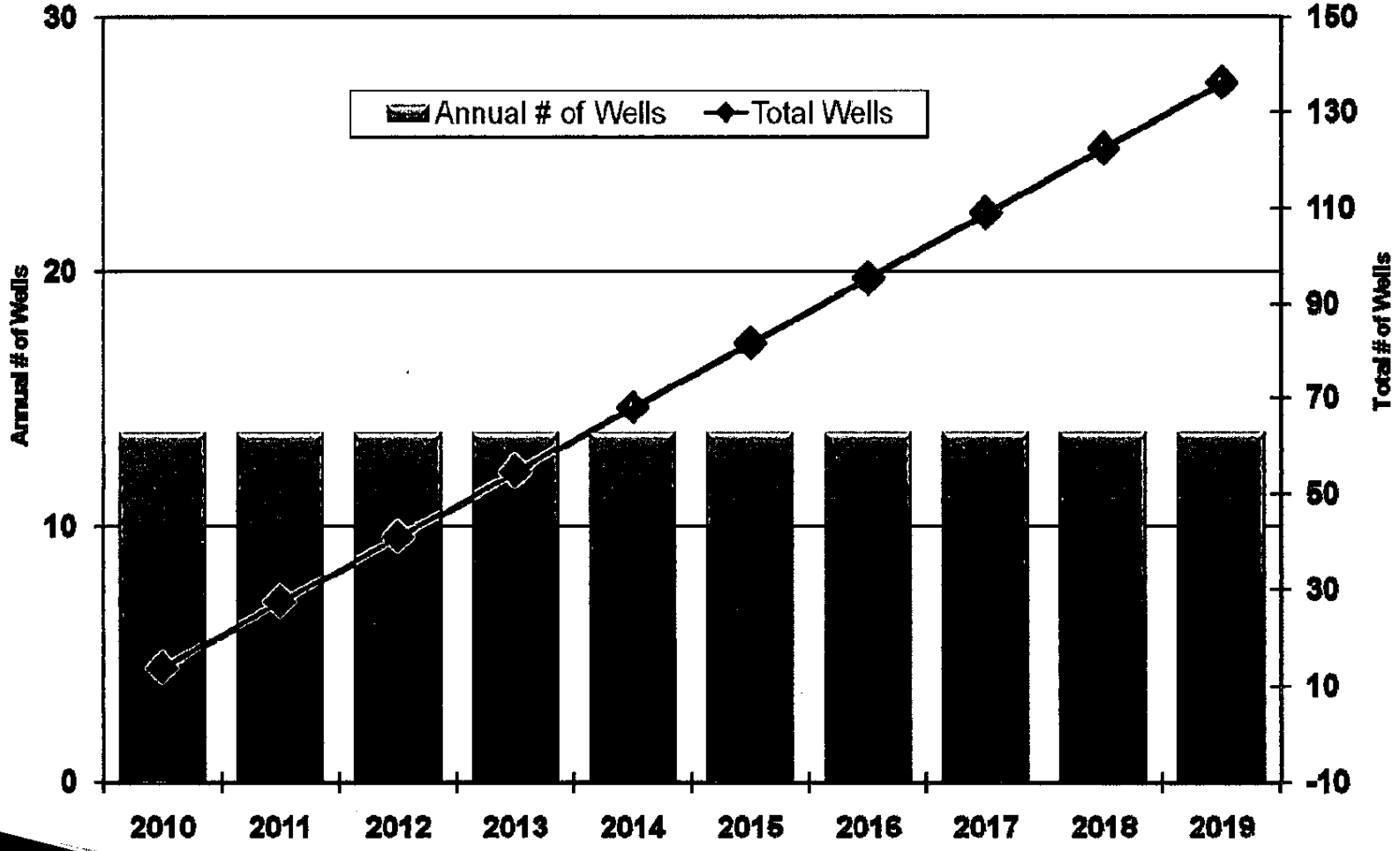
Scenarios

- With development drilling continuing at the same pace as in 2007-2009, supply is sufficient to meet demand until 2018, assumes 136 new wells being drilled

Cook Inlet Supply and Demand
PRA Forecast December 2009
Assumes 2007-09 Drilling Activity of 13.6 Completions/Yr 2010 to 2019



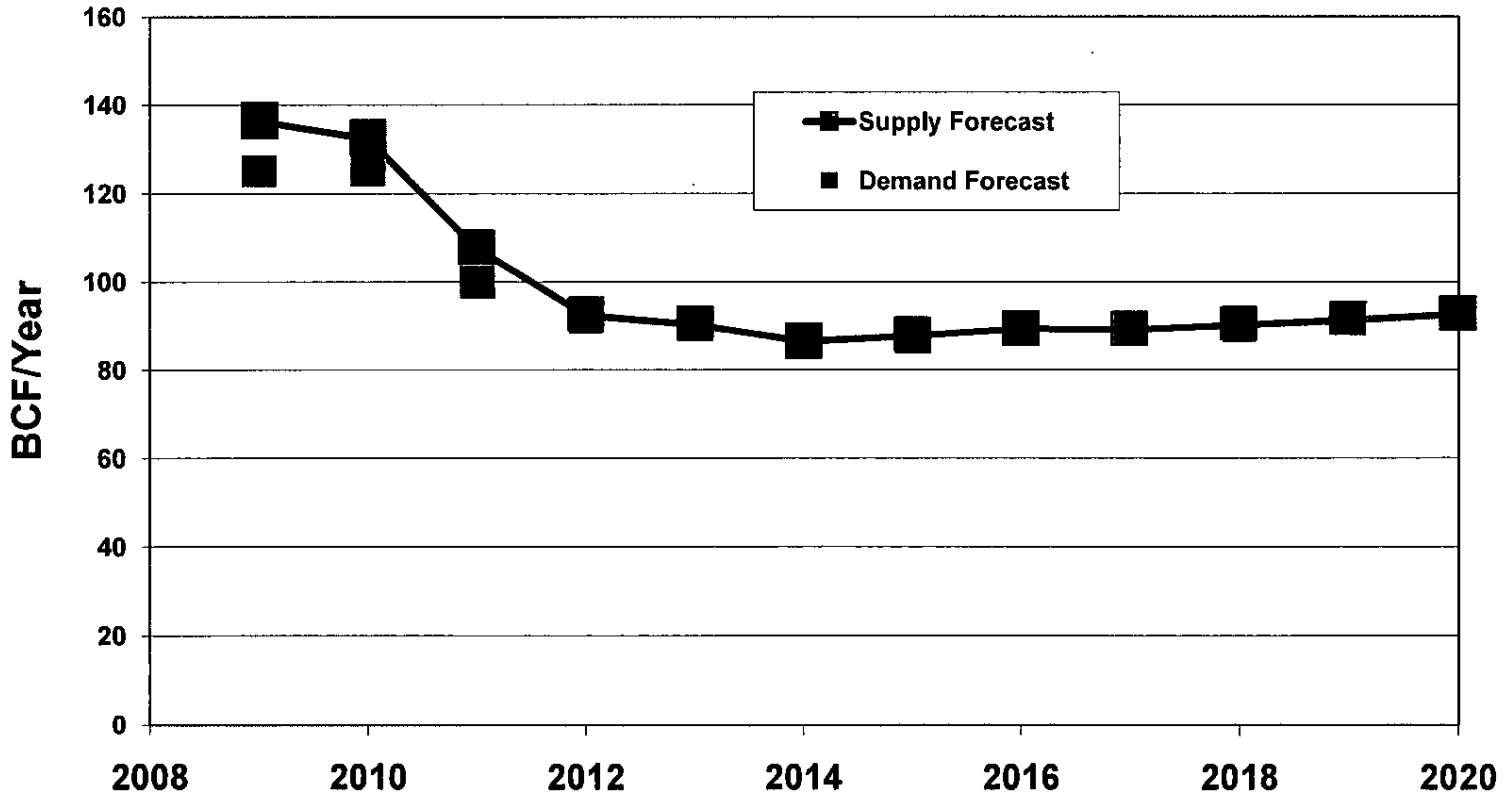
136 Wells Completed 2010 to 2019
(2007-09 Level of 13.6 Completions/Yr)



Scenarios

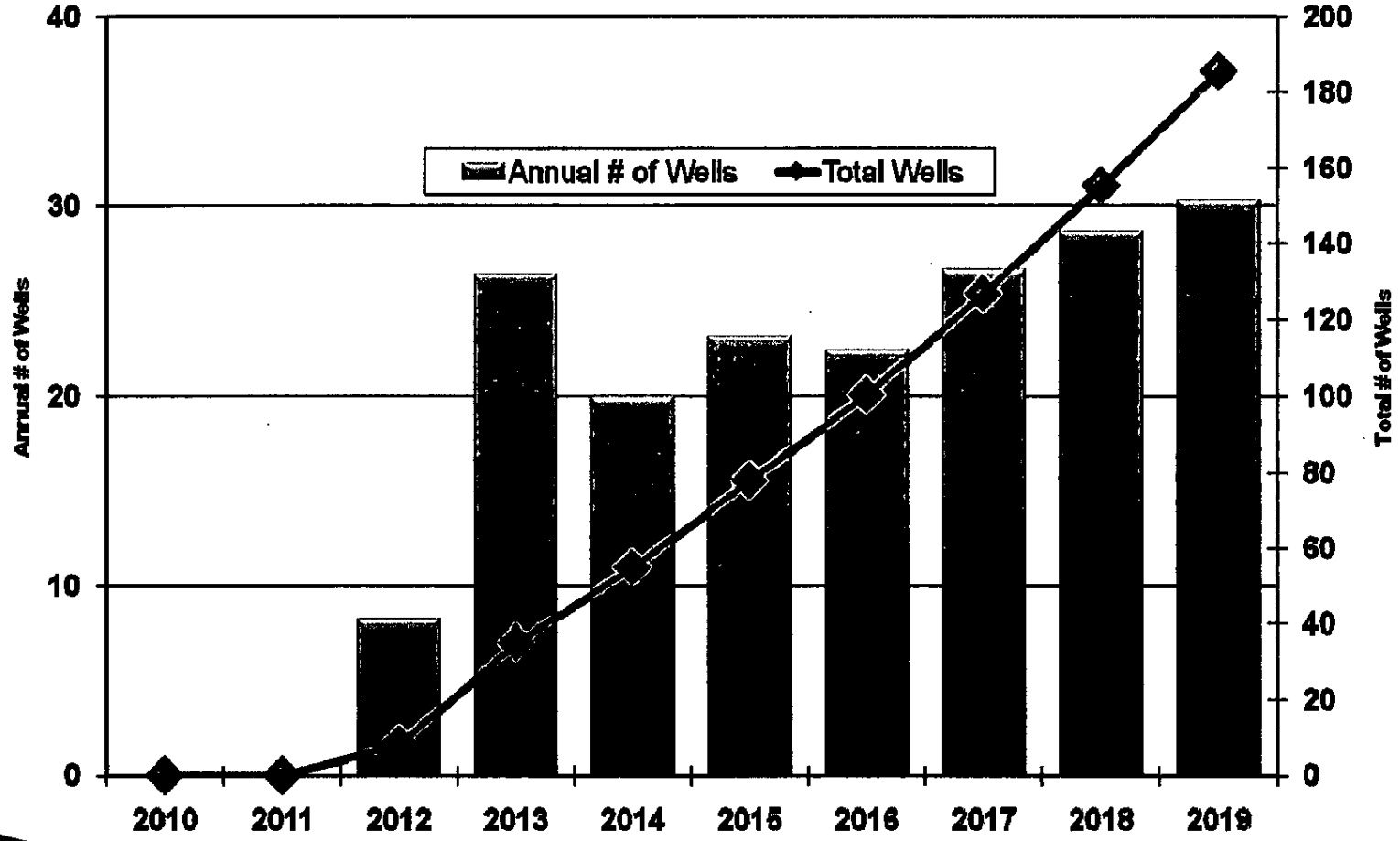
- If current trends in drilling success rates continue, an estimated 185 new wells must be drilled to meet utility needs between now and 2020

Cook Inlet Supply and Demand
PRA Forecast December 2009
Includes 185 Wells Completed to Meet Demand to 2020



PRA
Petroleum Resources Alaska

185 Wells Completed 2012 to 2019
Meet Demand Through 2020



PRA
Petrotechnical Resources Alaska

The Cost

- The estimated cost of drilling & development in the past decade was $1 – $1.2 billion
- The estimated cost of drilling & development in the coming decade is $1.9 - $2.8 billion
- Higher production costs will lead to higher prices for energy

Caveats

- Near-term drilling **must** be successful or gas resources from outside the Cook Inlet could be required as early as 2013
- If near-term drilling does not keep pace with demand, **the only viable option is LNG imports**; that option requires immediate action
- LNG imports could be necessary for several years until an in-state gas line is available

Where Must We Go From Here?

PRA
Petrotechnical Resources Alaska

Immediate Actions Needed

- New gas supply agreements between Cook Inlet Utilities and producers
- Predictable timelines and standards for RCA approval of agreements
- Utilities must secure storage
- Continue customer awareness, conservation and curtailment plans

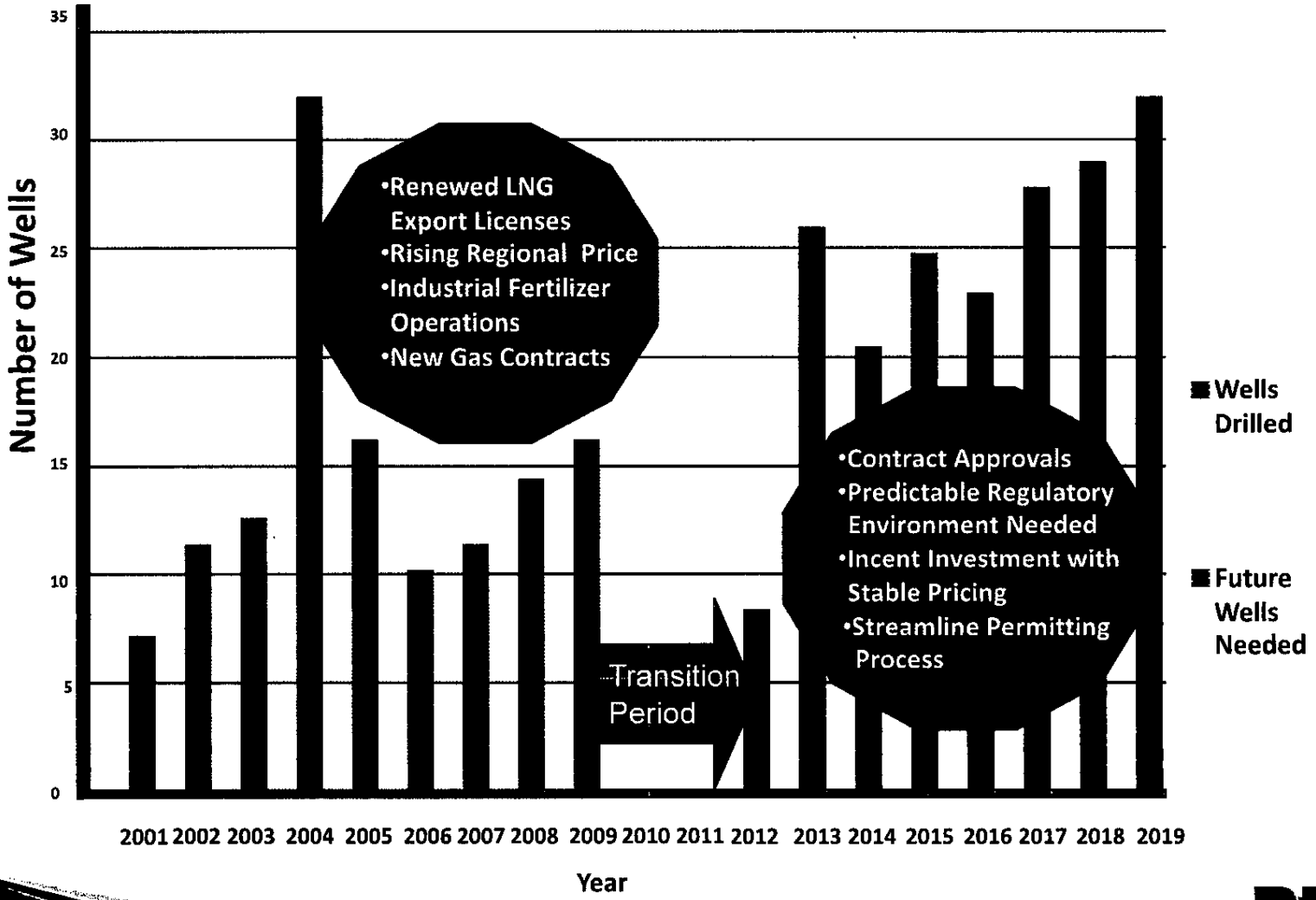
PRA
Petrotechnical Resources Alaska

Immediate Actions Needed (cont.)

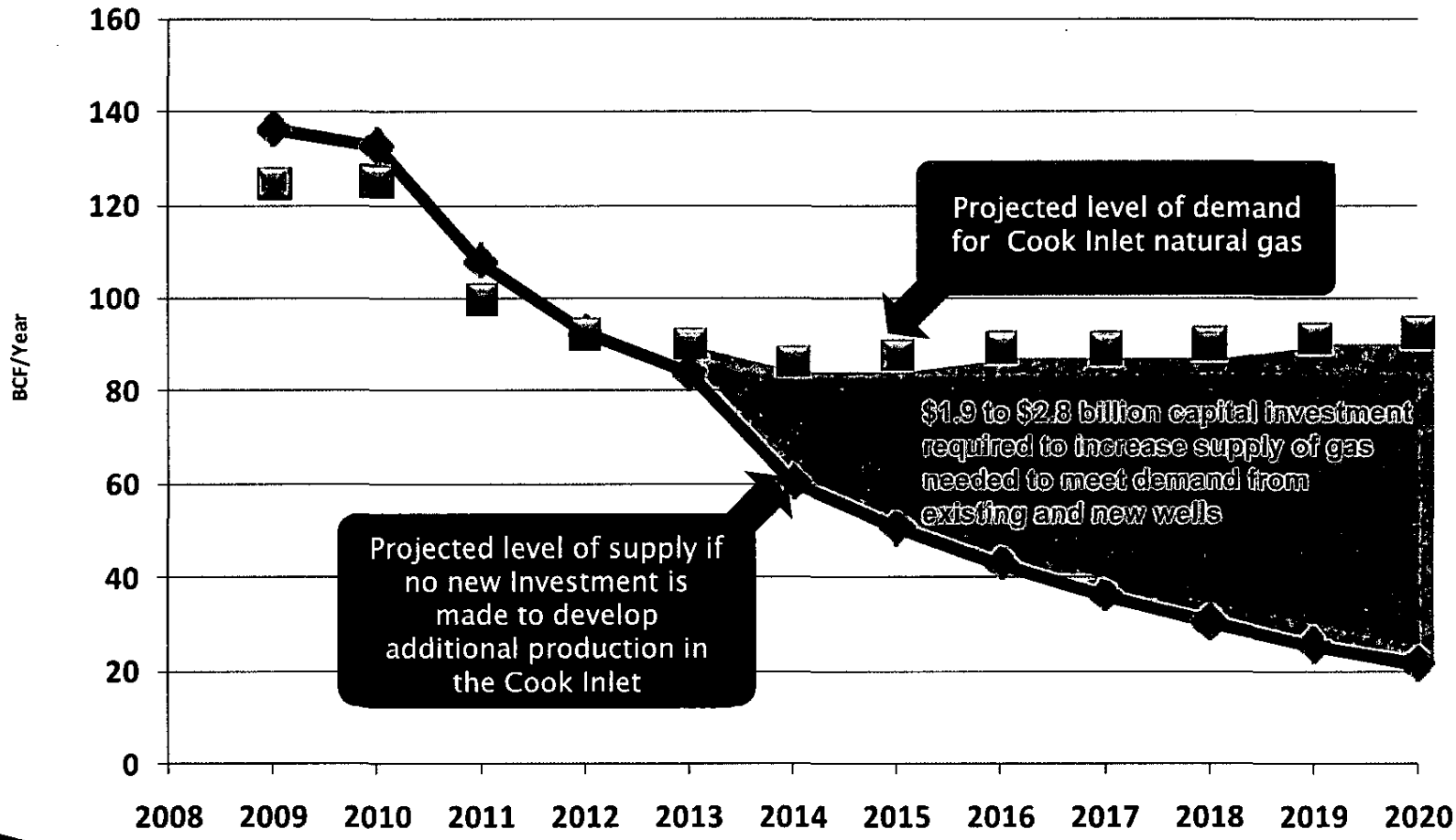
- Land management processes must be streamlined
- Determine how gas will come to the region to meet long-term needs of consumers
- Attract exploration & development companies

PRA
Petrotechnical Resources Alaska

Wells Drilled, Wells Required & Influencing Factors



Summary


160
140
120
100
80
60
40
20
0
BCF/Year
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Projected level of demand for Cook Inlet natural gas
$1.9 to $2.8 billion capital investment required to increase supply of gas needed to meet demand from existing and new wells
Projected level of supply if no new Investment is made to develop additional production in the Cook Inlet

The Way Forward

- Increase drilling in Cook Inlet
  - Streamline resource development processes
  - Timely contract approval to incent drilling
- Facilitate natural gas storage
- To backstop drilling program, develop LNG import options for 2013
- In-state gas line offers long term solutions

State of Alaska

Department of Revenue

Commissioner's Office

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

ALASKA DEPARTMENT OF REVENUE
TAX DIVISION

REPORT ON THE GAS EXPLORATION AND DEVELOPMENT TAX CREDIT UNDER AS 43.20.043

August 7, 2009

The uncodified law of Alaska requires the Department of Revenue to prepare and publish a report, not later than November 30, 2008, on the effect of the gas exploration credit under AS 43.20.043 Gas Exploration and Development Tax Credit.

The scope of the study is defined by

- legislation enacted in 2003
- tax year beginning after December 31, 2002
- NOT located in the area of Alaska lying north of 68 degrees north latitude

The metrics established to measure the effect are

- number of successful gas discoveries
- volume of new gas reserves
- credits allowed that are applied to the tax liability
- credits applied for that are not yet approved
- royalties obtained and production taxes paid

This report addresses each item in Sec. 4 according to the above metrics and scope.

(1) the number of successful gas discoveries for which a tax credit is provided under AS 43.20.043.

The Department has received claims for three operating units.

(2) the volume or amount of <u>new</u> gas reserves brought into production for which a tax credit is provided under AS 43.20.043.

None. The three operating units for which the Department received claims had already announced the discoveries prior to enactment of the legislation. The natural gas reserves associated with those discoveries are not considered new in the sense of being attributable to the legislation.

(3) the total credits <u>allowed</u> under AS 43.20.043 that are applied to the tax liability through the date of preparation of the report.

Confidentiality precludes disclosing the amount of credits claimed due to the number of credit claimants.

(4) the total credits applied for under AS 43.20.043 that are not yet approved as of the date of preparation of the report.

AS 43.20.043 does not contain any requirement for pre-approval. Pre-approval is not a customary provision for business tax credits in either the federal or state corporate income tax codes.

(5) royalties obtained and oil and gas property (and) production taxes paid from new gas production and anticipated from gas production for which credits are allowed under AS 43.20.043.

None. Companies applying for credits have not announced any new gas discoveries since enactment of the legislation. Without discoveries after the enactment of the legislation, there are no "new" reserves from which to produce "new" gas and thereby collect the associated royalties and taxes.

(6) any other information that, in the judgment of the commissioner of revenue, would evaluate the effectiveness of the gas exploration and development tax credit authorized under AS 43.20.043.

The Commissioner offers no additional information at this time.

Testimony of Carri Lockhart, Marathon Oil Co, in support of State of Alaska HB 229
House Resources Committee
March 15, 2010
DRAFT

Good afternoon. My name is Carri Lockhart and I am the Production Manager for Marathon Oil Company's Alaska Business. Before I begin, I would like to extend the appreciation of Marathon Oil Company, for this opportunity to testify in support of House Bill 229.

By way of background, Marathon Oil Company's Alaska operations are focused on natural gas production operations, limited to Cook Inlet. In 2009, our natural gas sales from Alaska averaged 87 mmcf/d. We sold to essentially every natural gas market available including the local utilities - Enstar and Chugach Electric, Tesoro, and the Department of Defense. We also provided natural gas to the ConocoPhillips/Marathon LNG plant. Marathon

has been in business in AK for over 55 years and we remain committed to serving the natural gas needs of SouthCentral AK through our various contractual commitments.

As you are aware, in 2003 the Legislature passed, and the Governor signed several bills directed at providing incentives for new exploration and development activities. Marathon was particularly interested in House Bill 61, which was intended to incentivize the exploration and development of natural gas reserves in the Cook Inlet. The bill under consideration by this committee, HB 229, will merely strengthen the incentives provided for by the earlier bill.

One might ask about the need to provide incentives for natural gas development in the Cook Inlet. The answer to this question is found by considering the long-term decline in natural gas reserves and deliverability which the Cook Inlet has experienced. What must be addressed is whether there is currently sufficient exploration and development activity to address such decline in reserves and deliverability, and not simply to ask whether the Cook

Inlet is running out of gas. At the current minimal level of Cook Inlet activity it is unlikely that Cook Inlet reserve additions will replace annual production on an ongoing long-term basis. As such, natural gas reserves and deliverability are at risk for continued decline in the Cook Inlet, resulting in the exposure to unmet utility needs in the future.

The lack of Cook Inlet activity (especially exploration) is an artifact of the historic oversupply of natural gas which kept prices well below lower-48 indexed prices, creating a lack of incentive for additional drilling. Furthermore the regulatory processes and deterioration in market availability have added to project uncertainty. The project economics and market uncertainties have made it difficult for projects to complete effectively for finite funding.

So how will HB 229 help?

As we are all painfully aware, Alaskan project economics are not considered solely on their absolute merit. They are also scrutinized on a relative scale in comparison to other worldwide opportunities in which companies such as Marathon may invest. The intent of HB 229 is to help level the playing field between Alaskan projects and other investment opportunities around the world.

HB 229 is intended to continue to provide an incentive to oil and gas exploration and development activities through an investment tax credit. You should have before you the committee substitute for HB229 (version E). Since this is the first hearing for HB229, let me walk through the main points of this new legislation: This legislation makes six significant changes to current law:

1. Section 1 increases the amount of the credit from 10% to 25% of the amount of qualified capital investment and qualified services spending as well as clarifying that the credits can apply to costs incurred for a gas reserve for which the taxpayer previously elected to claim a credit.

2. Section 2 adjusts the dates for when qualified expenditures must be made to qualify for the old 10% and new 25% credits. It also changes the term "reserves" to "wells" to clarify that "wells" produce gas whereas "reserves" are what is being produced.
3. Section 3 removes the 50% limitation on the amount of credits that can apply in a single year, increasing the time value of money for the credits.
4. Section 4 clarifies that the credits do not apply to North Slope gas that is brought into Southcentral.
5. Section 5 removes the "successful efforts" requirement that developers must find and deliver new gas resources to market to qualify for the credit. It also clarifies that the credits can be applied to a gas reserve regardless of whether or not there has been previous gas production in the area.
6. Section 6 clarifies that the credits can be taken on a current tax return, on a timely filed tax return or on a timely filed tax

return for the year immediately following the year the qualified capital investment is made.

7. Section 7 adjusts the date the credits expire from 2017 to 2024.
8. Section 8 extends the sunset date of the investment tax credit from January 1, 2013 to January 1, 2020.
9. Section 9 is gives this legislation an immediate effective date.

In summary, Marathon Oil Company believes HB 229 is one part of the equation to enhance Cook Inlet exploration and development activities, attempting to create more certainty in the overall natural gas deliverability in Cook Inlet. I would also add that timing is important. It takes multiple years to properly plan and execute drilling activity in Cook Inlet, which is necessary to meet future overall deliverability needs in SouthCentral AK.

I would be happy to answer any questions the committee may have.

AIDEA Role and Approach for HCR 19

Prepared for the House Finance Committee
By AIDEA
29 March 2010

HCR 19
Urging the Alaska Industrial Development and Export Authority to ***present a business case*** to the Alaska State Legislature that includes a method for financing, a plan to solicit proposals for a public and private venture, and an objective ***analysis of the economic and business feasibility*** of a state-built and privately operated fuel storage facility that would serve the public interest.

AIDEA's Role

- Provide an objective analysis examining both the economic development impact and feasibility of a storage facility as well as the long term viability of the project
- As part of the analysis identify potential private and public sector users of the facility
- In conjunction with EconOne, look all aspects of the fuel supply system in the State and the impact additional storage would have for the different regions
- Examine possible ways of financing this project which could include AIDEA financing through ownership as a Development Finance Project (AS 44..88)
- As a possible owner of the storage facility, act as a consolidator for multiple users and demands assuring open access to storage

Economic and Business Feasibility Analysis

- Examine jet fuel security, including:
  - Commercial – Air Cargo
  - Military – Elmendorf (currently short 350,000 barrels of storage), Eielson
- Examine opportunities and threats to the existing fuel supply chain
- Address potential storage opportunities for fuel delivery to Western Alaska
- Examine the supply needs for Railbelt gasoline
- Conduct an economic impact analysis on current and additional storage capacity with regards to net economic activity, job retention and growth, and economic diversification.
- Identify potential way forward to secure users of the facility (obtaining operator, open access to users, open season on storage commitments) prior to financing

Action Plan

1. Market Analysis – EconOne (Currently being performed under the direction of the Department of Law)
2. Engineering Layout and Cost Estimate (AIDEA)
3. Develop the requested business case looking at potential unmet market needs, impact on businesses, impact of market risks, impact of supply risks as well as determining the "best fit (AIDEA and EconOne)
4. Report back to the Legislature (AIDEA)

The mission of the Alaska Industrial Development and Export Authority is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment

DESCRIPTIVE NAME	STATUTE	NORTH SLOPE	COOK INLET	NOTES AND EXCEPTIONS
Exploration Incentive Credits (EICs)				
AS38.05.180(i)	AS38.05.180(i)	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	N/A for unleased, Federal-, or private-owned lands
AS41.09.010 -- expired Jul. 1, 2007	AS41.09.010	N/A	N/A	up to 50% of drilling & seismic costs on unleased state land, 25% on non-state land, expired 7/1/2007
Exploration Tax Credit AS43.55.025 Expires 7/1/2016	AS 43.55.025	Up to 40% of seismic costs 1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well 2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	Up to 40% of seismic costs 1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well 2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	[same as column 1] applies to all lands onshore or in state waters outside of Cook Inlet
AS43.20.043 -- expires 1-1-2013 for below 68° latitude*** (see note at bottom)	AS43.20.043	N/A if north of 68° latitude	10% of capital investment 10% of annual cost	[if below 68° latitude, same as column 2] applies to all lands onshore or in state waters
Royalty Modification **AS38.05.180(j)**	AS38.05.180(j)	Down to 5%, if new production Down to 3%, if producing or shut-in	Down to 5%, if new production Down to 3%, if producing or shut-in	N/A for unleased, Federal-, or private-owned lands
AS38.05.180(f)(6)	AS38.05.180(f)(6)	N/A	As low as 5% for oil production from CI platforms if production falls below specified levels	N/A for unleased, Federal-, or private-owned lands
Discovery Royalty				
Discov. Roy. South of T18N, Cook In.	AS38.05.180(f)(4)	N/A	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands
Discov. Roy. For Pre-1969 leases	[DL-1 Lease Form]	5% royalty for 10 yrs.	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands
Field specific, for the following fields only: Falls Creek, Nicolai Cr., Redoubt Shoals, & West Foreland. North Fork & Starichkof not in prod. Before 1/1/2004.	AS38.05.180(f)(5)	N/A	5% on 1st 25 MM bbls for 10 yrs 5% on 1st 35 BCF for 10 yrs field must be in prod. by 1/1/2004	N/A for unleased, Federal-, or private-owned lands
PPT/ACES Tax Credits				
Qualified CapEx Credits *transferrable* credit against PPT paid out over 2 years	AS43.55.023(a)	up to 20% of capital expenditures, max 50% of credit in any one calendar year	[same as column 1]	
Loss Carry-Forward Credits *transferrable* credit against PPT, but	AS43.55.023(b)	up to 25% of capital expenditures	[same as column 1]	
Transition Investment Expenditure Credits *non-transferrable* credit against PPT, expires at the end of 2013	AS43.55.023(i)	up to 20% of 2001-2006 capital expenditures for explorers with no commercial production prior to 1/1/2008	[same as column 1]	
Frontier Basin Production Credit non-transferrable credit against PPT, for production south of 68 lat. & oustide CI basin, expires at the end of 2013	AS43.55.024(a)	N/A	N/A	Available only on state-owned lands not in sale areas up to $6MM
Small Producer Credit *non-transferrable* credit against PPT eligibility ends 9 years after 1st tax pmt.	AS43.55.024(c)	$12 MM for production <50,000 BOE/day, declining on a sliding scale to $0 for production >100,000 BOE/day	[same as column 1]	
Economic Limit Factor based Ceiling	AS43.55.011(j)&(k)	No	Yes	
INCENTIVES AS PART OF A PROGRAM		**NORTH SLOPE**	**COOK INLET**	**NOTES AND EXCEPTIONS**
Exploration Licensing	AS38.05.132	N/A	N/A	Available only on state-owned lands not in sale areas Up to 500,000 acres per license One-time $1/acre license fee No bonus bid or annual rental Sole right to covert to O & G leases
Nonconventional Gas Incentive	AS38.02.180(n)(2)	Reduced rental, 6.25% royalty if no competition with 12.5% leasee	[same as column 1]	Can apply to license areas after conversion to lease, then same as column 1

*** if requesting this credit, not eligible for any other tax credits or royalty modifications

Provided by DOR

Distributed by Rep. Gara

Sec. 43.20.043. Gas exploration and development tax credit.

(a) Subject to the terms and conditions of this section, and in addition to any other credit authorized to the taxpayer by this chapter, a taxpayer that is an operator or working interest owner directly engaging in the exploration for and development of gas may apply as a credit against the state tax liability that may be imposed on the taxpayer under this chapter, for a tax year beginning after December 31, 2002,

(1) 10 percent of the taxpayer's qualified capital investment; and

(2) 10 percent of the annual cost incurred by the taxpayer for qualified services in the state during each tax year for which a credit is allowable for a qualified capital investment under (1) of this subsection.

(b) Expenditures qualifying for the taxpayer's qualified investment credit under (a)(1) of this section must be

(1) cash expenditures or binding payment agreements entered into after June 30, 2003; and

(2) made for assets first placed in service in the state in or before the tax year in which the credit is claimed through the date the reserves produce gas for sale and delivery; for purposes of this paragraph, "placed in service in the state" means that the first use of the qualified investment is in this state; if the property on which the claim of the credit is based has been used elsewhere in the tax year of acquisition and is brought to this state during that year or a subsequent year, the property does not qualify for the investment credit.

(c) The credit per tax year allowed by (a) of this section may not exceed 50 percent of the taxpayer's total tax liability under this chapter, but shall be calculated before the application of any other credits allowed under this chapter. An unused portion of the credit for the tax year

(1) may be carried forward into one or more of the following tax years, except that the unused credit from one tax year may not be carried forward for more than five following tax years;

(2) shall be applied to the taxpayer's tax liability under this chapter during the following tax year before allowance of a credit allowed by (a) of this section for that following tax year.

(d) To obtain the credit allowed by this section, the taxpayer shall, with the taxpayer's tax return, submit, on a form prescribed by the department, information that demonstrates that the taxpayer is eligible for the credit and evidence of the expenses that are the basis of the claim of the credit. The taxpayer has the burden of demonstrating compliance with the requirements of this section to entitle the taxpayer to the claim of and the amount of the credit.

(e) A taxpayer entitled to a credit under this section

(1) may not convey, assign, or transfer the credit to another taxpayer or business entity unless the conveyance, assignment, or transfer of the credit is part of the conveyance, assignment, or transfer of the taxpayer's business;

(2) forfeits the credit to which the taxpayer is entitled during the tax year and any carryover of it under (c) of this section, but does not forfeit the portion of the credit that accrued in a previous taxable year that may be carried over under (c) of this section, if the taxpayer

(A) disposes of the qualified capital investment;

(B) takes the qualified investment out of service; or

(C) transfers the qualified investment out of this state.

(f) A taxpayer is not entitled to a credit under this section for expenditures that are made or incurred for the qualified capital investment or for qualified services made for exploration and development of gas that occur in the area of Alaska lying north of 68 degrees North latitude or that are made or incurred to transport gas from reserves located in the area of Alaska lying north of 68 degrees North latitude.

(g) A taxpayer who obtains a credit under this section may not claim a tax credit or royalty modification provided for under any other title. However, a taxpayer may, at the taxpayer's election, forgo a credit under this section in order to continue to qualify for a credit provided for in another title.

(h) For purposes of determining allowable credits under this section, the department shall allow only expenditures and payments that are not inconsistent with the expenditures authorized under 26 U.S.C. (Internal Revenue Code) for exploration and development of natural resources.

(i) In this section,

(1) "qualified capital investment" means a cash expenditure or binding payment agreement, as described in (b)(1) of this section, for real property or tangible personal property used in this state in the exploration and development of gas reserves in a gas reservoir for which there has not been commercial production if the reserves produce gas for sale and delivery; in this paragraph, "property" includes

(A) property used in the operation or maintenance of facilities for exploration or development of gas;

(B) property that is placed in use under a capitalized lease or an operating lease; and

(C) the following property used for the exploration and development of gas:

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells, gathering lines and transmission lines, pumping stations, compressor stations, power plants, topping plants, and processing units;

(iii) roads, docks and other port facilities, and helicopter pads;

(iv) maintenance equipment and facilities, and maintenance camps and other related facilities; and

(v) communications facilities owned by a person whose principal business in the state is the exploration for or development of gas and whose operation of the communications facilities directly relates to the conduct of that business;

(2) "qualified services"

(A) means expenditures for labor, seismic, and other services that are directly applicable to a qualified capital investment;

(B) does not include lease operating expenses.

History -

(Sec. 1 ch 61 SLA 2003)

Postponed Repeal Effective Date -.

Delayed repeal of section. - Under Sec. 2 and 5, ch. 61, SLA 2003, this section is repealed January 1, 2013.

Cross References -

For provision relating to the manner of handling the unused portion of the tax credit as a carry-forward during the period on or after January 1, 2013, and until December 31, 2017, see Sec. 3, ch. 61, SLA 2003, in the 2003 Temporary and Special Acts. For obligation of the Department of Revenue to prepare a report to the legislature on the effect of the tax credit authorized by this section, and to present the report at the beginning of the First Regular Session of the 26th Alaska Legislature, see Sec. 4, ch. 61, SLA 2003, in the 2003 Temporary and Special Acts.

Effective Date Notes -

Section 6, ch. 61, SLA 2003 makes this section effective June 12, 2003, in accordance with AS 01.10.070(c).

-

Submitted by the office of Speaker Chenault

State of Alaska
Department of Revenue
Commissioner's Office

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

ALASKA DEPARTMENT OF REVENUE
TAX DIVISION

REPORT ON THE GAS EXPLORATION AND DEVELOPMENT TAX CREDIT UNDER AS 43.20.043

August 7, 2009

The uncodified law of Alaska requires the Department of Revenue to prepare and publish a report, not later than November 30, 2008, on the effect of the gas exploration credit under AS 43.20.043 Gas Exploration and Development Tax Credit.

The scope of the study is defined by

- legislation enacted in 2003
- tax year beginning after December 31, 2002
- NOT located in the area of Alaska lying north of 68 degrees north latitude

The metrics established to measure the effect are

- number of successful gas discoveries
- volume of new gas reserves
- credits allowed that are applied to the tax liability
- credits applied for that are not yet approved
- royalties obtained and production taxes paid

This report addresses each item in Sec. 4 according to the above metrics and scope.

(1) the number of successful gas discoveries for which a tax credit is provided under AS 43.20.043.

The Department has received claims for three operating units.

(2) the volume or amount of <u>new</u> gas reserves brought into production for which a tax credit is provided under AS 43.20.043.

None. The three operating units for which the Department received claims had already announced the discoveries prior to enactment of the legislation. The natural gas reserves associated with those discoveries are not considered new in the sense of being attributable to the legislation.

(3) the total credits <u>allowed</u> under AS 43.20.043 that are applied to the tax liability through the date of preparation of the report.

Confidentiality precludes disclosing the amount of credits claimed due to the number of credit claimants.

(4) the total credits applied for under AS 43.20.043 that are not yet approved as of the date of preparation of the report.

AS 43.20.043 does not contain any requirement for pre-approval. Pre-approval is not a customary provision for business tax credits in either the federal or state corporate income tax codes.

(5) royalties obtained and oil and gas property (and) production taxes paid from new gas production and anticipated from gas production for which credits are allowed under AS 43.20.043.

None. Companies applying for credits have not announced any new gas discoveries since enactment of the legislation. Without discoveries after the enactment of the legislation, there are no "new" reserves from which to produce "new" gas and thereby collect the associated royalties and taxes.

(6) any other information that, in the judgment of the commissioner of revenue, would evaluate the effectiveness of the gas exploration and development tax credit authorized under AS 43.20.043.

The Commissioner offers no additional information at this time.

LAWS OF ALASKA

2003

Source
SCS CSHB 61(RES)

Chapter No.
_____

AN ACT

Establishing an exploration and development incentive tax credit for operators and working interest owners directly engaged in the exploration for and development of gas for sale and delivery without reference to volume from a lease or property in the state; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

Establishing an exploration and development incentive tax credit for operators and working interest owners directly engaged in the exploration for and development of gas for sale and delivery without reference to volume from a lease or property in the state; and providing for an effective date.

*** Section 1.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.043. Gas exploration and development tax credit. (a) Subject to the terms and conditions of this section, and in addition to any other credit authorized to the taxpayer by this chapter, a taxpayer that is an operator or working interest owner directly engaging in the exploration for and development of gas may apply as a credit against the state tax liability that may be imposed on the taxpayer under this chapter, for a tax year beginning after December 31, 2002,

(1) 10 percent of the taxpayer's qualified capital investment; and

(2) 10 percent of the annual cost incurred by the taxpayer for qualified

services in the state during each tax year for which a credit is allowable for a qualified capital investment under (1) of this subsection.

(b) Expenditures qualifying for the taxpayer's qualified investment credit under (a)(1) of this section must be

(1) cash expenditures or binding payment agreements entered into after June 30, 2003; and

(2) made for assets first placed in service in the state in or before the tax year in which the credit is claimed through the date the reserves produce gas for sale and delivery; for purposes of this paragraph, "placed in service in the state" means that the first use of the qualified investment is in this state; if the property on which the claim of the credit is based has been used elsewhere in the tax year of acquisition and is brought to this state during that year or a subsequent year, the property does not qualify for the investment credit.

(c) The credit per tax year allowed by (a) of this section may not exceed 50 percent of the taxpayer's total tax liability under this chapter, but shall be calculated before the application of any other credits allowed under this chapter. An unused portion of the credit for the tax year

(1) may be carried forward into one or more of the following tax years, except that the unused credit from one tax year may not be carried forward for more than five following tax years;

(2) shall be applied to the taxpayer's tax liability under this chapter during the following tax year before allowance of a credit allowed by (a) of this section for that following tax year.

(d) To obtain the credit allowed by this section, the taxpayer shall, with the taxpayer's tax return, submit, on a form prescribed by the department, information that demonstrates that the taxpayer is eligible for the credit and evidence of the expenses that are the basis of the claim of the credit. The taxpayer has the burden of demonstrating compliance with the requirements of this section to entitle the taxpayer to the claim of and the amount of the credit.

(e) A taxpayer entitled to a credit under this section

(1) may not convey, assign, or transfer the credit to another taxpayer or

business entity unless the conveyance, assignment, or transfer of the credit is part of the conveyance, assignment, or transfer of the taxpayer's business;

(2) forfeits the credit to which the taxpayer is entitled during the tax year and any carryover of it under (c) of this section, but does not forfeit the portion of the credit that accrued in a previous taxable year that may be carried over under (c) of this section, if the taxpayer

(A) disposes of the qualified capital investment;

(B) takes the qualified investment out of service; or

(C) transfers the qualified investment out of this state.

(f) A taxpayer is not entitled to a credit under this section for expenditures that are made or incurred for the qualified capital investment or for qualified services made for exploration and development of gas that occur in the area of Alaska lying north of 68 degrees North latitude or that are made or incurred to transport gas from reserves located in the area of Alaska lying north of 68 degrees North latitude.

(g) A taxpayer who obtains a credit under this section may not claim a tax credit or royalty modification provided for under any other title. However, a taxpayer may, at the taxpayer's election, forgo a credit under this section in order to continue to qualify for a credit provided for in another title.

(h) For purposes of determining allowable credits under this section, the department shall allow only expenditures and payments that are not inconsistent with the expenditures authorized under 26 U.S.C. (Internal Revenue Code) for exploration and development of natural resources.

(i) In this section,

(1) "qualified capital investment" means a cash expenditure or binding payment agreement, as described in (b)(1) of this section, for real property or tangible personal property used in this state in the exploration and development of gas reserves in a gas reservoir for which there has not been commercial production if the reserves produce gas for sale and delivery; in this paragraph, "property" includes

(A) property used in the operation or maintenance of facilities for exploration or development of gas;

(B) property that is placed in use under a capitalized lease or an

operating lease; and

(C) the following property used for the exploration and development of gas:

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells, gathering lines and transmission lines, pumping stations, compressor stations, power plants, topping plants, and processing units;

(iii) roads, docks and other port facilities, and helicopter pads;

(iv) maintenance equipment and facilities, and maintenance camps and other related facilities; and

(v) communications facilities owned by a person whose principal business in the state is the exploration for or development of gas and whose operation of the communications facilities directly relates to the conduct of that business;

(2) "qualified services"

(A) means expenditures for labor, seismic, and other services that are directly applicable to a qualified capital investment;

(B) does not include lease operating expenses.

*** Sec. 2.** AS 43.20.043 is repealed.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CLAIM OF GAS EXPLORATION AND DEVELOPMENT TAX CREDIT CONTINUED. A taxpayer who, on the effective date of repeal of AS 43.20.043 by sec. 2 of this Act, claims the balance of any unused portion of the gas exploration and development tax credit as a carry-forward under AS 43.20.043(c), may, notwithstanding the repeal of that subsection, continue to claim the balance of the credit until the claim of the credit is exhausted or until the tax year ending December 31, 2017, whichever occurs earlier. The provisions of AS 43.20.043 as they read on the day immediately preceding the effective date of the repeal of that section apply to the claim of the credit if carried forward under this section.

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to

read:

REPORT ON EFFECT OF GAS EXPLORATION AND DEVELOPMENT TAX CREDIT. Not later than November 30, 2008, the Department of Revenue shall prepare and publish a report on the effect of the gas exploration and development tax credit authorized by AS 43.20.043, added by sec. 1 of this Act. The department shall advise the legislature of the availability of the report and, within the first 10 days of the First Regular Session of the Twenty-Sixth Alaska State Legislature, transmit copies of the report to the chairs or co-chairs of the House and Senate Resources Committees and the chairs or co-chairs of the House and Senate Special Committees on Oil and Gas, if established. The report must address

(1) the number of successful gas discoveries for which a tax credit is provided under AS 43.20.043;

(2) the volume or amount of new gas reserves brought into production for which a tax credit is provided under AS 43.20.043;

(3) the total credits allowed under AS 43.20.043 that are applied to the tax liability through the date of preparation of the report;

(4) the total credits applied for under AS 43.20.043 that are not yet approved as of the date of preparation of the report;

(5) royalties obtained and oil and gas property production taxes paid from new gas production and anticipated from gas production for production for which credits are allowed under AS 43.20.043; and

(6) any other information that, in the judgment of the commissioner of revenue, would evaluate the effectiveness of the gas exploration and development tax credit authorized under AS 43.20.043.

*** Sec. 5.** Section 2 of this Act takes effect January 1, 2013.

*** Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect immediately under AS 01.10.070(c).

HB

235

<target><bill>HB 235</bill><subject>HB 235</subject><comm>HFIN26</comm></target>

Alaska State House of Representatives

Interim:

Phone: (907)
Fax: (907)

Session:
State Capitol, Room 409
Juneau, AK 99801-1182
Phone: (907) 465-3744
Fax: (907) 465-2273

Sponsor Statement from:

Representative Cathy Munoz

R - District 4

RELEASED: January 19, 2010 **CONTACT**: Rep. Cathy Munoz 465-3744

HB235 - Prof Student Exchange Loan Forgiveness

"An Act relating to professional student exchange program availability and conditions for loan forgiveness."

Status: PREFILE RELEASED >> (H) EDC : 2009-04-16

Through the Western Interstate Commission for Higher Education (WICHE), Alaska residents will be able to attend professional health care programs in dentistry, optometry and pharmacy which are not offered in the State of Alaska. HB 235 establishes a student loan forgiveness program entitlement of 25 percent forgiveness for participants who meet the following criteria: Alaska residency with intent to practice and maintain their license in the State of Alaska. An additional 25 percent loan forgiveness will be offered to participants who, in addition to previous criteria, practice in an underserved area or serve patients who are covered under the medical assistance program.

The WICHE program will resemble the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) program which has been successful as a collaborative partnership between the University of Washington School of Medicine and the five northwestern states. The purpose of WWAMI is to provide publicly supported medical education to residents of this five state region, and train physicians who will return to practice in their home states.

Alaska communities continually face a decreasing number of health care providers and are seeing an increased trend in the number of retirees in certain professions. This is becoming an increasing concern as the number of underserved areas continue to grow and residents in many communities have to travel out of their communities in order to receive care.

Enticing health care providers to Alaska has been an ongoing challenge. Although our university system is constantly improving and adding more educational opportunities, we still lack many needed medical programs. House Bill 235 creates an incentive for the health care professions of dentistry, optometry, and pharmacy by offering a loan forgiveness program for practicing in Alaska.

###

House Majority Press: http://housemajority.org/spon.php?id=26hb235-241

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

SEAN PARNELL, GOVERNOR

PO BOX 110505
JUNEAU, ALASKA 99811-0505
VOICE (800) 441-2962
In Juneau (907) 465-6740
TDD (907) 465-3143
FAX (907) 465-3293

February 4, 2010

The Honorable Paul Seaton
Chair, Education Committee
Alaska House of Representatives
State Capitol, Room 102
Juneau, Alaska 99801

Subject: CSHB 235 - An Act relating to the professional student exchange program...

Dear Representative Seaton:

At the February 1, 2010 committee meeting you posed two questions which required some additional analysis on my part to provide a response.

First you asked what, if any, impact would there be for borrowers of education loans if both CSHB 235 and CSHB 58(EDC) were to be enacted. As you know, CSHB 235 proposes to provide forgiveness benefits of up to a 50% discharge of the loan principal to certain borrowers in the Professional Student Exchange Program (PSEP).

CSHB 58(EDC) provides for repayment benefits to a much broader category of education loan borrowers, and is specifically described as an employee recruitment program. In that legislation, the Commissioners of Administration and Labor and Workforce Development are empowered to jointly identify professional fields and occupations for which there are worker shortages in Alaska. New employees in Alaska (subsequent to the date of enactment) serving in relevant positions and who have outstanding education loan debt could apply for repayment benefits in accordance with either of the two benefit schedules included in the bill. One schedule provides for full repayment of outstanding loans over four years in non-rural areas, and the other provides for full repayment over six years for employment in rural areas.

The bill does indicate that loans which are otherwise eligible for repayment benefits under another program are *not* eligible for benefits under CSHB 58(EDC). The net result, in my opinion, is that the PSEP borrowers would be eligible to apply for benefits under the other program only on *other* education loans they may have, or on their PSEP loan *after* they had exhausted their forgiveness benefits under the PSEP loan contract.

printed on recycled paper

The other issue you raised was whether, under the current bill language, ACPE would be unable to make non-forgivable loans to applicants in the three referenced fields in the event the Legislature failed to provide the funding for the loans. In fact, that would be problematic without some explicit provision to do so. Please find enclosed a copy of the advice I requested from the Department of Law on this matter.

I hope this information is responsive to your inquiry. Do not hesitate to contact me if there is other information I can provide.

Sincerely,

Diane Barrans
Executive Director

Enclosure

MEMORANDUM

State of Alaska
Department of Law

TO: Diane Barrans, Executive Director
Alaska Commission on
Postsecondary Education

DATE: February 2, 2010

FILE NO.: AN2009103894

FROM: Mary Ellen Beardsley MEB
Assistant Attorney General
Commercial/Fair Business Section
Anchorage AGO

TEL. NO.: 269-5213

SUBJECT: HB 235

You have asked me to look at HB 235 (and the draft CS for this bill) to determine what impact it will have on the Alaska Commission on Postsecondary Education (ACPE). I have reviewed the draft CS and the statutes being amended by this legislation.

AS 14.44.025 currently requires ACPE to establish funding priorities for the Professional Student Exchange Program (PSEP) that is administered by WICHE for certain fields of study. Participants in PSEP are required to repay the State the support provided to them under PSEP and the money repaid by the participants is placed in the education loan fund created under AS 14.42.210. There is currently no forgiveness provision in AS 14.44.040(a)

HB 235 proposes to establish a forgiveness provision in PSEP. HB 235 would require ACPE to forgive up to 50% of the total PSEP loan amount should the participant fulfill the requirements set out in AS 14.44.041. The language of HB 235 is mandatory and does not allow ACPE to issue PSEP loans without the loan forgiveness benefit. There is a funding concern as it relates to this mandatory language. There needs to be an ability on the part of ACPE to issue PSEP loans to participants without the loan forgiveness benefit in the event the legislature does not provide funding for loans containing the forgiveness benefit. Without this ability, ACPE might be required to exclude these fields from the PSEP in the years in which there is no funding since there would be no provision for offering PSEP loans that have no forgiveness benefit.

If I can be of further assistance please let me know.

MEB/

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM January 12, 2010

SUBJECT: WICHE loan forgiveness (CSHB 235( ))
(Work Order No. 26-LS0913\R)

TO: Representative Cathy Muñoz
Attn: Kendra Kloster

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a subsection that requires the Alaska Commission on Postsecondary Education to provide funding for no fewer than five students in each of three areas of a four year program in dentistry, optometry, and pharmacy under the existing Professional Student Exchange Program of the Western Interstate Commission on Higher Education (WICHE) loan program.

Section 2. Adds a cross-reference to section 4 (sec. 3 in the A version) of the bill for loan forgiveness in the existing administration section for WICHE loans.

Section 3. Amends repayment provision for WICHE loans by cross-referencing current law that provides for repayment terms and conditions for medical school loans provided by the state. This is a modification of version A that established an annual five percent interest rate and limiting accrual of interest to program completion period.

Section 4. Adds two types of loan forgiveness for WICHE loans: (1) a five year five percent loan forgiveness option for state residents who practice here in the areas of dentistry, optometry, and pharmacy; and (2) a five year ten percent loan forgiveness option for professionals practicing in geographically underserved areas or by providing a minimum amount in gross billings under medical assistance coverage in the state. The percentage for type (2) forgiveness was doubled from five to 10 percent from version A. In addition, version R adds a cumulative maximum of fifty percent forgiveness of the original loan principal.

JMM:ljw
10-011.ljw

REPRESENTATIVE CATHY MUÑOZ

MEMORANDUM

TO: Representatives Hawker and Stoltze
Co-Chairs, House Finance

CC: Juli Lucky, Committee Aide to Rep. Hawker
Ben Mulligan, Committee Aide to Rep. Stoltze

FROM: Representative Cathy Muñoz

DATE: February 10, 2010

RE: Explanation of Changes

The House Education Committee adopted a committee substitute to HB 235 which included clarification language that sights a definition for the medical assistance program, AS 47.07, and clarification language which puts the WICHE program's interest rate on par with the current WWAMI program for medical students, AS 14.43.510.

In addition, the Department of Law issued an opinion sighting a funding concern with the mandatory language for funding the WICHE program. Language was added in section 4 which would allow the Alaska Commission on Postsecondary Education to issue loans through the WICHE program even without the loan forgiveness benefit should the legislature decide not to fund the program.

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

Alaska Dental Society, Inc.
9170 Jewel Lake Road, Suite 203
Anchorage, Alaska 99502-5390
(907) 563-3003 • FAX: 563-3009
info@akdental.org

The Honorable Paul Seaton, Chairman
House Education Committee
State Capitol Rm. 102
Juneau, AK 99801

Dear Rep. Seaton and Committee Members:

On behalf of the members of the Alaska Dental Society I'm writing to urge passage of HB235 by your committee.

HB235 and its companion bill SB 174 will establish new funding and program guidelines for Alaska's participation in the Western Interstate Commission on Higher Education (WICHE). This bill will provide funding under the WICHE program for a partial tuition incentive for Alaskan residents to attend healthcare education programs not offered in Alaska: dentistry, pharmacy and optometry. The program would provide support in the form of a low interest loan that would be partially forgiven if the graduate returns to Alaska and an additional amount would be forgiven if the graduate practices in an underserved area or provides a percentage of care under the Medicaid system.

Alaska has long faced a shortage of healthcare providers in rural areas. A rapidly graying workforce and lack of providers to replace retiring practioners is quickly leading to a shortage in non-rural areas. The problem has become especially acute in Southeast. Petersburg has lost one of its two dentists, Wrangell has lost both of its private dentists and Ketchikan has lost one of its five private dentists. All sought replacement dentists for several years but ultimately were forced to retire without a dentist to take over their practices. This problem is not isolated to Southeast, however, it is merely riding the crest of the wave.

The cost to attend professional school has rapidly escalated resulting in heavy loan repayment burdens for graduating professionals. This forces new graduates to choose practice location based economic choices. In 44-four states there are one or more incentive programs for health professionals – Alaska is one of 6 states without a program. Encouraging Alaskan residents to seek careers in healthcare fields will pay several dividends. Returning Alaskan residents are more likely to remain in Alaska for their practicing careers providing a stable source of healthcare providers. In a troubled economy healthcare fields provide stable, well paying jobs and healthcare providers will employ additional people providing an economic boost for communities. Smaller communities without adequate healthcare professionals will continue to see population drift to larger communities and out of the state due to real and perceived inadequacies.

Respectfully yours

Gary A. Moeller, DDS
President, Alaska Dental Society

REPRESENTATIVE CATHY MUÑOZ

MEMORANDUM

TO: Representatives Hawker and Stoltze
Co-Chairs, House Finance

CC: Juli Lucky, Committee Aide to Rep. Hawker
Ben Mulligan, Committee Aide to Rep. Stoltze

FROM: Representative Cathy Muñoz

DATE: February 10, 2010

RE: Hearing Request for HB 235

Please schedule HB 235 – Professional Student Exchange Loan Forgiveness in House Finance for hearing at your earliest convenience.

Attached to this memo please find the following documents

- HB 235 – Professional Student Exchange Loan Forgiveness
- Sponsor Statement
- Sectional Analysis
- Department of Law opinion
- Explanation of Changes
- Support Letters: Alaska Pharmacists Association and Alaska Dental Society
- Expected Witness List:
  - Diane Barrans, Executive Director, Alaska Commission on Postsecondary Education
  - Dr. David Logan, Alaska Dental Society (Available for questions)
  - Nancy Davis, Executive Director, Alaska Pharmacists Association (Available for questions)
  - Alice Rarig, Department of Health and Social Services (Available for questions)
- Office Contact: Kendra Kloster, 465-4712, Kendra_kloster@legis.state.ak.us

Thank You.

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

State Dental Loan Repayment Programs
Examples from Other States

Alabama
The Board of Dental Scholarship Awards was established to provide scholarships and scholarship loans for the education of qualified applicants for admission to dental schools in Alabama who agreed to practice in underserved areas. Repayment could be based on service alone, or on a combination of service and payments, depending on the location of the practice, rural verses urban, and the duration of time in that practice. The terms of various types of repayment are set out in the law.

Arizona
In exchange for loan repayment, a primary care provider shall contract with the Department to provide full-time continuous services at a specific eligible service site for a minimum of 24 months. Requires: a signed contract for current or prospective employment at an eligible service site or a letter of intent of employment at an eligible service site; A contract with the Department to serve full-time providing primary care services at the eligible service site for a minimum of 24 months, with 12-or 24-month contract extensions available upon mutual agreement with the individual in the senior leadership position at the service site; Agreement to work at least 32 of the minimum 40 hours per week; provider to charge for services at the usual and customary rates in the primary care area, except that patients unable to pay are to be charged a reduced rate according to the service site's sliding-fee scale or not charged; Agreement not to discriminate on basis of patient's ability to pay for care or the payment source, including Medicare or AHCCCS, &; Agreement to accept assignment for payment under Medicare & to participate in AHCCCS.

Arkansas
The state provides a forgivable loan program to assist Arkansas dental students attending specified out-of-state health and medical professional schools. The loans may be forgiven at the rate of one (1) year's loan for one (1) year's practice in Arkansas.

California
Provides loan repayment to recent dental school graduates who practice for three years in a community clinic or office in an underserved area. A "Dentally underserved area" is eligible for designation via the federal shortage designation criteria defined Title 42, Chapter I, Part, Appendix B (Criteria for Designation of Areas Having Shortages of Dental Professionals) or an area where unmet needs exist as determined by the state. Loan repayments are limited to ($105,000) per individual. After completing one year of service, $25,000 is awarded. After two consecutive years, $35,000 is awarded, for a total loan repayment of up to $60,000. After three consecutive years, $45,000 is awarded, for a total loan repayment of up to $105,000.

Colorado
The state dental loan repayment program pays all or part of the principal, interest, and related expenses of the educational loans of each eligible dental professional who agrees to provide care to underserved populations for at least 2 years. Funding includes moneys credited to the tobacco litigation settlement fund to extent available, appropriations from state general fund, and other public & private donations.

Delaware
The State Loan Repayment Program for Dentists and Physicians is designed to recruit physicians and dentists to underserved areas of the state by repaying a portion of their educational debt in exchange for their commitment to practice in underserved area. The dental component was launched in 2001.

Idaho
The Rural Health Care Access Fund provides grants to improve access to primary care medical services in areas designated as primary care health professional shortage areas and medically underserved areas. Individual grant awards are limited to $35,000, direct and indirect costs, per year.
Applicants may propose projects for funding for up to three years.

Illinois
Provides grants to Illinois students enrolled or accepted in Illinois dental schools, and who contract to practice dentistry in a designated shortage area in the State. Student must be certified by the school as being eligible to receive financial aid. Upon the Illinois licensure of the student to practice dentistry, the student shall serve as a general practice dentist in a designated shortage area in the State. The term of this service shall be as provided in the Dental Student Grant Act.

Indiana
The Indiana health care professional recruitment and retention fund provides loan repayment for student loans up to $40,000 ($20,000 per year) incurred by dentists agreeing to serve a two-year stint in federally designated shortage area or an area approved by the state as underserved.

Maine
The Finance Authority of Maine awards up to 3 loans or loan repayment agreements annually up to an aggregate of 12. Under the program, loans may be awarded to Maine residents who have been accepted into dental school. If, upon completing dental education, the loan recipient elects to practice dentistry in an area determined to be underserved, the loan recipient may be forgiven a 25% portion of the loan per year after executing a loan repayment agreement.

Maryland
Maryland's new law provides up to $100,000 total loan assistance over a three-year period, during which a dentist accepts 30% of his/her caseload from the Medicaid-eligible population. Assistance is limited to 5 dentists per year for a total of 15 dentists over the three-year program.

Minnesota
Students accepted into the program serve at least three years during which at least 25 percent of the patient encounters are state public program enrollees or patients receiving sliding fee schedule discounts. The state pays $10,000 per year up to four years, not to exceed the lesser of $40,000 or the balance of the qualifying loans.

Missouri
Dentists and dental school students enrolled in their final year of course study may participate in the Health Professional Student Loan Repayment Program. The maximum amount of repayment assistance is not to exceed the maximum allowed under the National Health Services Corps Repayment Program.
Program participants must agree to see all patients regardless of their ability to pay. Students breaching contracts will be responsible for damages incurred by the Department of Health and legal costs incurred in the collection of damages.

Nebraska
Pays educational expenses and repay loans for dental students who agree to practice in a designated health profession shortage area, within 3 months of graduation. The amount of financial assistance is limited $80,000 over the course of schooling. Each loan repayment recipient agrees to provide services for at least 3 years and accept Medicaid patients. Failure to complete the 3-year commitment, without good cause, results in repaying outstanding amount plus 25% of the amount of financial assistance received.

Nevada
Under the Western Regional Higher Education Compact (agreement among 13 western states & NV), a dentist receives a support fee, 25% of which is a loan to be repaid by the dental graduate. Practicing in a medically underserved area of this state for at least 2 years results in a forgiveness of the loan balance (25% of the support fee). If a person returns to this state under the compact, but does not practice in a medically underserved area of this state for at least 2 years, the state assesses a default charge and interest. (Chapter 397 of NRS)

North Dakota
The state annually selects up to three dentists who enter a four-year nonrenewable contract where education loans are repaid in exchange for the dentist(s) agreeing to practice in underserved communities identified by the state health council. The council establishes a priority ranking for participation in the program for the selected communities. Dentists are eligible to receive funds for the repayment of their education loans, which may not exceed eighty thousand dollars per applicant over a four-year period. 2007 S 2152 was enacted. Enacts provisions for a dentist to receive school loan repayments as an incentive to practice: the practice cannot be within a 15 mile radius of Bismarck, Fargo or Grand Forks (the largest cities in ND), the dentist must receive medical assistant reimbursement for dental care of at least $20,000 or must practice at least 2 days a week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.

Ohio
The dentist loan repayment program provides up to $20,000 per year in loan repayment assistance for new dentists who agree to practice at least 40 hours per week in a designated dental health professional shortage area and treat patients regardless of their ability to pay. The program will be funded with a $20 increase in dentists' licensing fees, government funding and private contributions.

Oklahoma
The state will establish loan repayment assistance up to $25,000 per year for up to five dentists who agree to practice in a designated Dental Health Professional Shortage Area (DHPSA) in the state and agree to provide dental care and services to Medicaid recipients. Dentists' performance will be reviewed after a two-year period to determine eligibility to continue in the program for an additional three years.

Rhode Island
Provides educational loan repayment for healthcare professionals committed to working in primary care health professional shortage areas or dental health professional shortage areas. Requires a two year commitment to provide full-time services at a site that has been approved for funding.
Must charge for professional services at the usual and customary rates prevailing in the areas in which such services are provided. If a person is unable to pay such charge, they'll be charged a reduced rate or no fee. The professional also must serve full time (40 hours per week), with no more than 20% of the time devoted to administrative work and agree not to discriminate on the basis of the ability of the individual to pay for such care or on the basis that payment for such care will be made through Medicare or Medicaid. The professional must enter into an appropriate agreement with the State agency that administers Medicaid.

South Carolina
Each loan or scholarship lasts for a period of one year only. However, recipients who successfully complete the related year of study have first priority on unobligated funds for renewal of the loan or scholarship for the succeeding year. Each loan or scholarship has two parts: (1) Payment of tuition and other school related expenses up to a total of $5000 per year, and (2) an allowance of $100 per month for living expenses. Requires practice in a county with a dentist ratio of not more than one dentist for each four thousand people. For each year an applicant benefits from a loan or scholarship s/he is required to practice in the underserved county.
Applicants who receive a scholarship or loan for four years are only required to practice in a county for three years, at the end of which time the loan is considered paid in full.

South Dakota
Provides that up to 3 dentists are eligible to receive tuition reimbursement payments if the licensed to practice dentistry and (s)he agrees to practice general dentistry in an eligible community for a minimum period of three years.

Texas
Texas makes annual repayment(s) within a time frame determined by the Board upon the dentist's completion of each twelve-month service period. Dentists must complete at least one year of dental practice in an area of the state that is underserved with respect to dental care. A dentist may receive up to $10,000 repayment assistance grants for each of not more than five years.

Utah
Creates a new Utah Health Care Workforce offering loan repayment & scholarship grants for dentists, who locate or continue to practice in underserved areas. The Program will have an advisory committee one member of which will be a member of the Utah Dental Association.

Virginia
The dental loan repayment program provides incentives to dental students agreeing to practice in underserved areas designated by the State Board of Health through criteria derived by comparing population data, dentist population and dental health professional shortage areas determined by the federal HHS department. Preference will be given to graduates of Virginia Commonwealth University's School of Dentistry. Scholarship recipients may receive a max of five scholarships. The award(s) equal one-year in-state tuition at Virginia Commonwealth University School of Dentistry for the year in which the loan was acquired.

Wisconsin
To benefit from loan assistance, the dentist must agree to provide dental services to at least 50 unduplicated medical assistance or badger care recipients, not to fall below a minimum of $8,000 in claims paid. In year two of the dentist's agreement, the dentist must see at least 70 unduplicated medical assistance or badger care recipients, not falling below $11,000 in claims paid. Year three, the dentist must provide dental services to at least 90 recipients, with a minimum claim amount of $15,000.

Wyoming
Will pay the cost of dental education for up to 10 dental students per year in exchange for their agreeing to practice for up to 3 years on patients eligible for medical assistance or the child and parent health insurance program. If the student fails to fulfill the terms of the agreement then the costs of education are repayable to the state of Wyoming.

© American Dental Association -- State Government Affairs
Created June 29, 2006 revised May 4, 2007 #49-Loan Forgiveness Incentives

Sent from the DPH List
****
NOTE: This list is sponsored by the University of Pittsburgh
To send postings for the list email to: dental-public-health@list.pitt.edu

From: dental-public-health-bounces@list.pitt.edu [mailto:dental-public-health-bounces@list.pitt.edu] On Behalf Of Robert Weyant
Sent: Tuesday, October 28, 2008 9:33 AM
To: dental-public-health-listserve
Subject: [DPH] State Loan Repayment Programs

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 235(EDC)
(H) Publish Date: 2/8/10

Identifier (file name): HB235CS-EED-ACPE-01-25-10
Dept. Affected: Education
Title: An Act relating to professional student exchange program availability and conditions for loan forgiveness
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Rep. Munoz
Requester: (H)Education
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	230.5		466.0	721.5	944.0	1,028.0	1,063.0
TOTAL OPERATING	**230.5**	**0.0**	**466.0**	**721.5**	**944.0**	**1,028.0**	**1,063.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	230.5		466.0	721.5	944.0	1,028.0	1,063.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**230.5**	**0.0**	**466.0**	**721.5**	**944.0**	**1,028.0**	**1,063.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation modifies the terms and conditions for Alaska residents participating in certain professional programs of study through the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP). Under the terms of the bill, Alaska participants, who would otherwise bear the full costs of the loan associated with the annual PSEP support fee paid to the professional school at which they are receiving their training, will be entitled to a discharge (forgiveness) of up to 50% of the related PSEP loan principal. The bill sets a minimum number of participants to be funded.

The PSEP operates as a multi-state student exchange program by which compact member states that have institutions offering certain professional programs of study agree to provide preferential admission consideration to residents of member states whose institutions do not offer those programs. WICHE facilitates the collection of a per

Prepared by: Diane Barrans, Executive Director — Phone 907-465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 1/29/10 3:30 PM
Approved by: Diane Barrans, Executive Director — Date 1/29/2010
Alaska Commission on Postsecondary Education

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 235(EDC)

ANALYSIS CONTINUATION

resident fee for each person accepted into a participating institution. The Support Fee amount varies according to the professional field of study and is set through a negotiated process facilitated by WICHE staff and involving all of the receiving institutions.

In 1998 the Alaska Legislature authorized the funding of the Support Fee in the form of a loan to each participant, financed by the Alaska Student Loan Corporation. The terms by which the Support Fee loan would be offered under this bill are such that it is not feasible for ASLC to use bond proceeds to finance the loans.

The cost estimates shown reflect the participation growth over a four-year timeframe as five additional participants enrolled in each successive year, from 15 students in FY11 to a total of 60 students in the fourth and subsequent years. Historically the Support Fees have increased 3.4% on an annual basis.

Given that the maximum discharge a borrower may receive is 50 percent of their PSEP loan principal, beginning in the fifth year following program implementation, there will be an income stream from borrower repayments. In FY15 the first fifteen supported participants will be in repayment. The standard repayment period is a fifteen-year term. Participants qualifying for some or all of their discharge will receive annual credits to their loan balances that will have the effect of either shortening their period of repayment or allowing for a reduction in their monthly payment amount. In FY15 repayments would be approximately $40,000, in FY16, $116,400 and, within the subsequent three years increase to approximately $420,000 annually.

Alaska Optometric Association

Alaska's Authority on Primary Eye & Vision Care

1689 C Street, Ste 222
Anchorage, AK 99501
907.770.3777
Fax: 907.272.7532
akoa@alaska.com
www.akoa.org

Jim Falconer, Jr., , OD
President

Rob Fleckenstein, OD
President-Elect

David Karpik, OD
Vice President

Andrea Eberle, OD
Secretary

William Reichman, OD
Treasurer

Tracy Oman
Executive Director

Rina Salazar
Deputy Director

March 22, 2010

House of Representatives
State Capitol
Juneau, AK 99801

Dear Representative,

On behalf of Alaska Doctors of Optometry, I am writing in support of HB 235.

Communities throughout the state struggle to find optometrists who are willing to move to their area and it is even more difficult to encourage them to stay. Alaska does not offer a doctor of optometry degree program so students must leave the state in order to earn their degree. HB 235 offers an incentive to encourage them to return.

Although there are more than 115 doctors of optometry in Alaska serving more than 25 communities throughout the state and traveling to more than 60 additional sites, many communities are still left with no eyecare. Doctors of optometry are trained to examine, diagnose, treat, and manage disorders that affect the eye or vision. Because optometrists are also trained to recognize critical health issues, such as diabetes and hypertension, while examining the eye, having an optometrists in all Alaska communities can not only save vision, it can save lives.

I welcome any questions you have regarding optometry in Alaska and urge your support of HB 235.

Sincerely,

Tracy Oman

Tracy Oman
Executive Director

Affiliate
American Optometric Association

	Alaska Population		Counts and Percentage Distribution by Labor Mrket Area of Selected Professionals (licensees with Alaska addresses; status "AA" (active), as of September 2009)							
Labor Market Area	2008	Distribution	Dentists	Dentists % by area	Pharmacists	Pharmacists % by area	Optometrists	Optometrists % by area	Physicians	Physicians % by area
Anchorage-MatSu	367,509	54%	279	57%	294	62%	68	61%	1,043	66%
Gulf Coast	75,876	11%	53	11%	51	11%	6	5%	127	8%
Interior	104,421	15%	70	14%	59	13%	21	19%	180	11%
North	23612	3%	10	2%	3	1%	1	1%	24	2%
Southeast	69,202	10%	55	11%	55	12%	12	11%	168	11%
Southwest	39,100	6%	19	4%	9	2%	3	3%	41	3%
Total	679,720	100%	486	100%	471	100%	111	100%	1,583	100%

Peach color: indicates profession x region groups with disparity in distribution (comapred to population distribution)

Sources: Population from AKDept of Labor Research & Analysis, Demographic Program; Licensees from Div. of Occupational Licensing

PROVISIONS FOR LOAN FORGIVENESS/SCHOLARSHIPS AND GRANTS

Information derived from state statutes, regulations and various reports about programs that provide loan benefits and scholarship assistance in return for serving defined low-access communities or populations

More than half of the states have some kind of loan forgiveness / scholarship assistance programs in place.

States vary on the delivery and amount of the incentives. Some states provide scholarships while other state incentive programs pay off the loan *after* graduation. Either way, it is the equivalent of students not having to pay for some or all of dental school with the agreement that they will practice for a set amount of time in a manner that is intended to reduce access problems.

Overview of States:
The framework of each state law is basically the same—a contract with a limited number of dentists to perform dental services in an area designated underserved for a period of time (2-5 years). The amounts allocated per provider range from about $20,000 total to $125,000. The laws are pretty broad with respect to practice location and patients served—but are consistent in that they require that underserved patients be the focus of care delivery.

For instance, **Arizona** requires the dentists to serve full-time providing primary care services at eligible service sites. Many states use the federal designation Dental Health Professional Shortage Area (i.e. **California, Indiana, Oklahoma** and **Washington D.C.**) to determine where a dentist must locate. **Minnesota** dentists must agree to deliver at least 25 percent of the annual patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule.

Presented here is a state-by-state summary of their loan forgiveness / scholarship grant programs. While the information contained in this document is of general interest the information presented here is a snapshot at a particular point in time. One cannot rely solely on this document as being a comprehensive and up-to-date list of states that have such provisions. For specific details on a particular state please contact the state dental society.

Alabama
The Board of Dental Scholarship Awards was established to provide scholarships and scholarship loans for the education of qualified applicants for admission to dental schools in Alabama who agreed to practice in underserved areas. Repayment could be based on service alone, or on a combination of service and payments, depending on the location of the practice, rural verses urban, and the duration of time in that practice. The terms of various types of repayment are set out in the law. The law was amended in 2007

(C) American Dental Association

to create the "Rural Dental Health Scholars Program" to provide for loans and scholarships to both high school and dental students who are interested in practicing in rural areas of the state.

Arizona

Requires primary care provider to contract with the Department to provide full-time continuous services at a specific eligible service site for a minimum of 24 months. Requires: a signed contract for current or prospective employment at an eligible service site or a letter of intent of employment at an eligible service site; A contract with the Department to serve full-time providing primary care services at the eligible service site for a minimum of 24 months, with 12-or 24-month contract extensions available upon mutual agreement with the individual in the senior leadership position at the service site; Agreement to work at least 32 of the minimum 40 hours per week; provider to charge for services at the usual and customary rates in the primary care area, except that patients unable to pay are to be charged a reduced rate according to the service site's sliding-fee scale or not charged; Agreement not to discriminate on the basis of a patient's ability to pay for care or the payment source, including Medicare or AHCCCS, and; Agreement to accept assignment for payment under Medicare and to participate in AHCCCS.

Arkansas

The state provides a forgivable loan program to assist Arkansas dental students attending specified out-of-state health and medical professional schools. The loans may be forgiven at the rate of one (1) year's loan for one (1) year's practice in Arkansas.

California

Provides loan repayment to recent dental school graduates who practice for three years in a community clinic or office in an underserved area. A "Dentally underserved area" is eligible for designation via the federal shortage designation criteria defined Title 42, Chapter I, Part, Appendix B (Criteria for Designation of Areas Having Shortages of Dental Professionals) or an area where unmet needs exist as determined by the state. Loan repayments are limited to ($105,000) per individual. After completing one year of service, $25,000 is awarded. After two consecutive years, $35,000 is awarded, for a total loan repayment of up to $60,000. After three consecutive years, $45,000 is awarded, for a total loan repayment of up to $105,000. Program extended until July 1, 2012 in 2009 S 599.

Colorado

The state dental loan repayment program pays all or part of the principal, interest, and related expenses of the educational loans of each eligible dental professional who agrees to provide care to underserved populations for at least 2 years. Funding includes moneys credited to the tobacco litigation settlement fund to the extent available, appropriations from state general fund, as well as other public and private donations. Section 25-23-104 (1), C.R.S.

Connecticut

Connecticut pays for part or all of qualifying educational loans (principal, interest and related expenses for dentists and hygienists). $15,000 per year, for minimum of 2 years and up to four (4) years with an extension in Community Health Centers and other eligible primary care sites in the state, designated by the federal government as Medically Underserved Areas (MUA) and as Health Professional Shortage Areas HPSA). Work time requirements under the Connecticut SLRP program are for a minimum of 40 hours/wk, (max of 8 hrs may be practice-related administrative activities).

Delaware

The State Loan Repayment Program for Dentists and Physicians is designed to recruit physicians and dentists to underserved areas of the state by repaying a portion of their educational debt in exchange for their commitment to practice in underserved area. The dental component was launched in 2001.

Georgia

Provides loan assistance to dentists who agree to practice full time (minimum 40 hours / week) in rural areas of the state. The dentist must maintain a Georgia Medicaid number and actively treat Medicaid patients.

The contracts with the "Dentists for Rural Areas Assistance Program" will be for one

year, renewable up to three times for a total of 4 years. The amount of the award shall be determined by the State Medical Education Board (SMEB) annually.

If the dentist defaults the penalty shall be immediate liability for two times the original principal amount of the loan award.

Hawaii

A Hawaii law enacted in 2008 establishes the Hawaii Health Corps Program working group; provides for the development of a plan to establish a program for tuition loan repayments and stipends for physician and dentist participants serving in underserved areas; provides that priority placement in the program will be for graduates of the John A. Burns School of Medicine; requires participants to commit and serve as first responders in the event of a declared emergency.

Idaho

The Rural Health Care Access Fund provides grants to improve access to primary care medical services in areas designated as primary care health professional shortage areas and medically underserved areas. Individual grant awards are limited to $35,000, direct and indirect costs, per year. Applicants may propose projects for funding for up to three years. Title 39, Chapter 59, Idaho Code.

Illinois

Provides grants to Illinois students enrolled or accepted in Illinois dental schools, and who contract to practice dentistry in a designated shortage area in the State. Student must be certified by the school as being eligible to receive financial aid. Upon the Illinois licensure of the student to practice dentistry, the student shall serve as a general practice dentist in a designated shortage area in the State. The term of this service shall be as provided in the Dental Student Grant Act.

2007 S 387 was enacted. Creates the Loan Repayment Assistance for Dentists Act (110 ILCS 948). Requires the Department of Public Health to establish an educational loan repayment assistance program for dentists who practice in designated shortage areas in this State for 2 years. There law enumerates requirements of participation and the penalty is to repay the amount of the benefit received if the dentist does not fulfill the terms agreed upon. The law was amended in 2009 by adding eligibility of dental hygienists for loan repayment assistance and by adding up to two subsequent one-year grants for dentists. Dentists currently are eligible for a two year grant. 2009 S 275.

Indiana

The Indiana health care professional recruitment and retention fund provides loan repayment for student loans up to $40,000 ($20,000 per year) incurred by dentists agreeing to serve a two-year stint in federally designated shortage area or an area approved by the state as underserved.

In 2009 H 1573 was enacted:
The Indiana dental recruitment fund is established to provide grants to dentists and dental hygienists to encourage the full-time delivery of dental care in underserved areas and to increase the number of minority dentists and dental hygienists in Indiana. To qualify one must be licensed and have entered into an agreement with the recruitment committee to: (A) either: (i) commit to working five (5) years in a underserved area or as a minority dentist or dental hygienist in Indiana for a yearly grant of thirty-five thousand dollars ($35,000); or (ii) commit to working two (2) years in a underserved area or as a minority dentist or dental hygienist in Indiana for a yearly grant of thirty thousand dollars ($30,000) with the option by the dentist or dental hygienist to serve up to three (3) additional years for a yearly grant of thirty-five thousand dollars ($35,000); (B) provide an average of at least forty (40) hours of dentistry per week in underserved areas or as a minority dentist or dental hygienist in Indiana; (C) maintain a patient base that includes at least thirty percent (30%) as Medicaid patients; and (D) provide a sliding fee scale, as approved by the committee, for low income patients.
The agreement shall include a clause that if the dentist or dental hygienist does not comply with the requirements they will pay back to the committee seven thousand five hundred dollars ($7,500), plus interest, for each month that they do not serve or had left to serve under the terms of the agreement.

Maine

The Finance Authority of Maine awards up to 3 loans or loan repayment agreements annually up to an aggregate of 12. Under the program, loans may be awarded to Maine residents who have been accepted into dental school. If, upon completing dental education, the loan recipient elects to practice dentistry in an area determined to be underserved, the loan recipient may be forgiven a 25% portion of the loan per year after executing a loan repayment agreement.

Maryland

Maryland's new law provides up to $100,000 total loan assistance over a three-year period, during which a dentist accepts 30% of his/her caseload from the Medicaid-eligible population. Assistance is limited to 5 dentists per year for a total of 15 dentists over the three-year program.

Massachusetts

The Massachusetts Dental Society reports that as of 2009, there are two state programs that offer loan repayment or tuition reimbursement. However, that there is not enough funding in these programs to make a difference to many students. In fact, with one of these programs, dentists are forced to compete with physicians for limited financial resources.

The Massachusetts State Loan Repayment Program (MSLRP) offers loan repayment for dentists and hygienists who agree to practice in a community health center or a public licensed clinic for two years. The Commonwealth's $250,000 is matched by the federal government, resulting in a $500,000 program. The program is administered by the Massachusetts Department of Public Health (DPH) and is available to health professionals—including, but not limited to, dentists and hygienists—who work in designated Health Professional Shortage Areas (HPSAs).

The MDS reports that dental professionals are under-represented in the program because there are fewer community health centers in these shortage areas in Massachusetts, and rules that accompany federal matching funds preclude the DPH from structuring the program in a manner that would attract more dental professionals to more health centers.

Additionally, the state provides $1 million, administered by the University of Massachusetts, with 50 percent earmarked for loan repayment and tuition reimbursement. Of this amount, $120,000 funds a scholarship at each of the state's three dental schools for students agreeing to work in a community health center for two years, $380,000 goes to loan repayment for dentists already working in community health centers, and $500,000 is designated for community health center infrastructure.

Minnesota

Students accepted into the program serve at least three years during which at least 25 percent of the patient encounters are state public program enrollees or patients receiving sliding fee schedule discounts. The state pays $10,000 per year up to four years, not to exceed the lesser of $40,000 or the balance of the qualifying loans.

Missouri

Dentists and dental school students enrolled in their final year of course study may participate in the Health Professional Student Loan Repayment Program. The maximum amount of repayment assistance is not to exceed the maximum allowed under the National Health Services Corps Repayment Program. Program participants must agree to see all patients regardless of their ability to pay. Students breaching contracts will be responsible for damages incurred by the Department of Health and legal costs incurred in the collection of damages.

Nebraska

Pays educational expenses and repay loans for dental students who agree to practice in a designated health profession shortage area, within 3 months of graduation. The amount of financial assistance is limited $80,000 over the course of schooling. Each loan repayment recipient agrees to provide services for at least 3 years and accept Medicaid patients. Failure to complete the 3-year commitment, without good cause, results in repaying outstanding amount plus 25% of the amount of financial assistance received.

Nevada

Under the Western Regional Higher Education Compact (agreement among 13 western states & NV), a dentist receives a support fee,

(C) American Dental Association

25% of which is a loan to be repaid by the dental graduate. Practicing in a medically underserved area of this state for at least 2 years results in a forgiveness of the loan balance (25% of the support fee). If a person returns to this state under the compact, but does not practice in a medically underserved area of this state for at least 2 years, the state assesses a default charge and interest. (Chapter 397 of NRS)

New Jersey

N.J.S.18A:71C-33 Primary care practitioner (includes dentists) loan redemption program. To be eligible a dentist must serve at least an initial two-year period at an approved site in full-time clinical practice in designated underserved areas and allow a patient who is unable to pay the usual and customary charge to pay at a reduced rate or receive care at no charge. Part-time practice maybe allowed based on special circumstances after the initial two years. The qualifying dentist shall be permitted a total redemption of eligible qualifying loan expenses for four years of service up to, but not to exceed, $120,000, or the maximum amount authorized by the federal government, whichever is greater, in State funds. A program participant who has previously entered into a contract for service and loan redemption may nullify the agreement by notifying the authority in writing and reassuming full responsibility for the remaining outstanding balance of the loan debt. A program participant seeking to nullify the contract before completing a second full year of service shall be required to pay 50% of the redeemed portion of indebtedness in not more than one year following nullification of the agreement. Enacted Nov. 20, 2009, SB 1220.

New Mexico (2 programs)

The HEALTH PROFESSIONALS LOAN REPAYMENT PROGRAM requires a two year service commitment in a health professional shortage area. Primary Care Physicians; Physician Assistants; Advanced Practice Nurses; **Dentists**, Podiatrists, Optometrists & Allied Health Care Providers may receive up to $35,000 annually.

Eligibility for the NEW MEXICO HEALTH SERVICE CORPS: a New Mexico resident enrolled or accepted by an accredited or approved educational program of study or be engaged in a residency training program or preceptorship that is within 24 months of completion of the program of study and becoming eligible to apply for a license or certificate in the profession of study. Primary Care Physicians, Family Nurse Practitioners, Physician Assistants, **Dentists**, Dental Hygienists, Emergency Medical Technician-Paramedics may earn up to a $40,000 stipend (2 awards of $20,000, less for non-physician). Requires a two year service commitment (1600 hours a year) in a designated health professional shortage area.

Western Interstate Commission on Higher Education (WICHE). Average $21,300 per year up to 4 years and must return to New Mexico.

North Carolina

Loan repayment assistance is provided for General Dentists and Dental Hygienists who accept positions in approved public health/safety net dental clinics. The state Loan Repayment Program offers 2-4 year repayment schedules for general dentists and dental hygienists in exchange for working full time at approved safety net dental sites. Principle plus interest maximums for dentists are $70,000 in exchange for a four year commitment; $30,000 for dental hygienists in exchange for a 3 year commitment. In addition, a 39% tax stipend is added to help offset the provider's increased tax liability.

North Dakota

The state annually selects up to three dentists who enter a four-year nonrenewable contract where education loans are repaid in exchange for the dentist(s) agreeing to practice in underserved communities identified by the state health council. The council establishes a priority ranking for participation in the program for the selected communities. Dentists are eligible to receive funds for the repayment of their education loans, which may not exceed eighty thousand dollars per applicant over a four-year period.

2007 S 2152 was enacted. Enacts provisions for a dentist to receive school loan repayments as an incentive to practice: the practice cannot be within a 15 mile radius of Bismarck, Fargo or Grand Forks (the largest cities in ND), the

dentist must receive medical assistant reimbursement for dental care of at least $20,000 or must practice at least 2 days a week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.

Ohio

The dentist loan repayment program provides loan repayment assistance in amounts of up to $25,000 for each of the first two years of service and up to $35,000 per year for the third and fourth years of service for new dentists who agree to practice at least 40 hours per week in a designated dental health professional shortage area and treat patients regardless of their ability to pay. The program will be funded with a $20 increase in dentists' licensing fees, government funding and private contributions.

Oklahoma

In 2006, the Oklahoma Legislature passed the Oklahoma Dental Loan Repayment Act (S.B. 1737), authorizing an additional $125,000 each year for five years to fund the Oklahoma Dental Loan Repayment Program. This program provides $25,000 per year, per dentist, for four dentists to practice in counties determined by the Oklahoma State Department of Health to be dental health professional shortage areas and one dentist to practice and teach at the OU College of Dentistry. The state currently has 42 counties designated as shortage areas through 2009. As part of their agreement, participating dentists must treat a minimum of 30% Medicaid patients. All participating dentists also must commit to practice in a shortage area for two years, with an option to renew for up to five years total.

Pennsylvania

A physician or dentist who agrees to treat patients eligible for medical assistance and Medicare in a designated medically underserved area as a primary health care practitioner for not less than three years is eligible to receive up to $64,000 in loan exonerations based on the following schedule: (i) Year one, 15%, (ii) Year two, 20%, (iii) Year three, 30%, (iv) Year four, 35%. Failure to begin or complete the obligations contracted for shall pay to the agency three times the amount of assistance received.

Rhode Island

Provides educational loan repayment for healthcare professionals committed to working in primary care health professional shortage areas or dental health professional shortage areas. Requires a two year commitment to provide full-time services at a site that has been approved for funding. Must charge for professional services at the usual and customary rates prevailing in the areas in which such services are provided. If a person is unable to pay such charge, they'll be charged a reduced rate or no fee. The professional also must serve full time (40 hours per week), with no more than 20% of the time devoted to administrative work and agree not to discriminate on the basis of the ability of the individual to pay for such care or on the basis that payment for such care will be made through Medicare or Medicaid. The professional must enter into an appropriate agreement with the State agency that administers Medicaid.

South Carolina

Each loan or scholarship lasts for a period of one year only. However, recipients who successfully complete the related year of study have first priority on unobligated funds for renewal of the loan or scholarship for the succeeding year. Each loan or scholarship has two parts: (1) Payment of tuition and other school related expenses up to a total of $5000 per year, and (2) an allowance of $100 per month for living expenses. Requires practice in a county with a dentist ratio of not more than one dentist for each four thousand people. For each year an applicant benefits from a loan or scholarship s/he is required to practice in the underserved county.
Applicants who receive a scholarship or loan for four years are only required to practice in a county for three years, at the end of which time the loan is considered paid in full.

South Dakota

Provides that up to 3 dentists are eligible to receive tuition reimbursement payments if the licensed to practice dentistry and (s)he agrees to practice general dentistry in an eligible community for a minimum period of three years. Section 1-16A-73.20

(C) American Dental Association

Texas

Texas makes annual repayment(s) within a time frame determined by the Board upon the dentist's completion of each twelve-month service period. Dentists must complete at least one year of dental practice in an area of the state that is underserved with respect to dental care. The commissioner of higher education may determine how much a dentist may receive in assistance grants for each of not more than five years. Amended in 2009.

Utah

Creates Utah Health Care Workforce offering loan repayment & scholarship grants for dentists, who locate or continue to practice in underserved areas. The Program will have an advisory committee one member of which will be a member of the Utah Dental Association.

Vermont

The loan repayment fund established under 18 V.S.A. Section 10a or for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program and the dental student incentive loan program.

Virginia

The dental loan repayment program provides incentives to dental students agreeing to practice in underserved areas designated by the State Board of Health through criteria derived by comparing population data, dentist population and dental health professional shortage areas determined by the federal HHS department. Preference will be given to graduates of Virginia Commonwealth University's School of Dentistry. Scholarship recipients may receive a max of five scholarships. The award(s) equal one-year in-state tuition at Virginia Commonwealth University School of Dentistry for the year in which the loan was acquired.

Wisconsin

To benefit from loan assistance, the dentist must agree to provide dental services to at least 50 unduplicated medical assistance or badger care recipients, not to fall below a minimum of $8,000 in claims paid. In year two of the dentist's agreement, the dentist must see at least 70 unduplicated medical assistance or badger care recipients, not falling below $11,000 in claims paid. Year three, the dentist must provide dental services to at least 90 recipients, with a minimum claim amount of $15,000.

Wyoming

Will pay the cost of dental education for up to 10 dental students per year in exchange for their agreeing to practice for up to 3 years on patients eligible for medical assistance or the child and parent health insurance program. If the student fails to fulfill the terms of the agreement then the costs of education are repayable to the state of Wyoming.

© American Dental Association
State Government Affairs
Created Sept. 17, 2004 & revised periodically
#49-Loan Forgiveness Incentives

(C) American Dental Association
Department of State Government Affairs
Loan Forgiveness Incentives Statelist
December 9, 2009

Alaska Pharmacists Association

January 25, 2010

RE: HB235
Loan Forgiveness – Professional Student Exchange Program

Dear Members of the House Education Committee:

"The Mission of the Alaska Pharmacists Association is to preserve, promote and lead the profession of pharmacy in Alaska."

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and loan forgiveness for pharmacists and is losing ground. Alaska is also the only WICHE state without a School of Pharmacy. As a result, the competition for recruitment of pharmacists is very difficult. *National Trend: Pharmacy, with more than 230,000 practitioners today, is the third-largest health profession in the U.S. after nurses (2.4 million) and physicians (830,000).

Based on statistics provided by Laura Miller, PhD, Senior Economist with the National Association of Chain Drug Stores, the national average of community pharmacists per 10,000 people is 5.36. For Alaska, the figure is 3.35. To get to the national average, Alaska would need an additional 137 pharmacists. The average number of people per community retail pharmacy is about 5,300 nationally, and in Alaska it is 8,900. Even if you add in the 15 Indian Health Service (IHS) pharmacies, Alaska's pharmacies average about 7,500 people, much higher than the national average.

Respectfully,

Nancy O. Davis
Executive Director

*WICHE "A Closer Look at Healthcare Workforce Needs in the West: Pharmacy"
www.wiche.edu/sep
NOTE: Report attached for reference

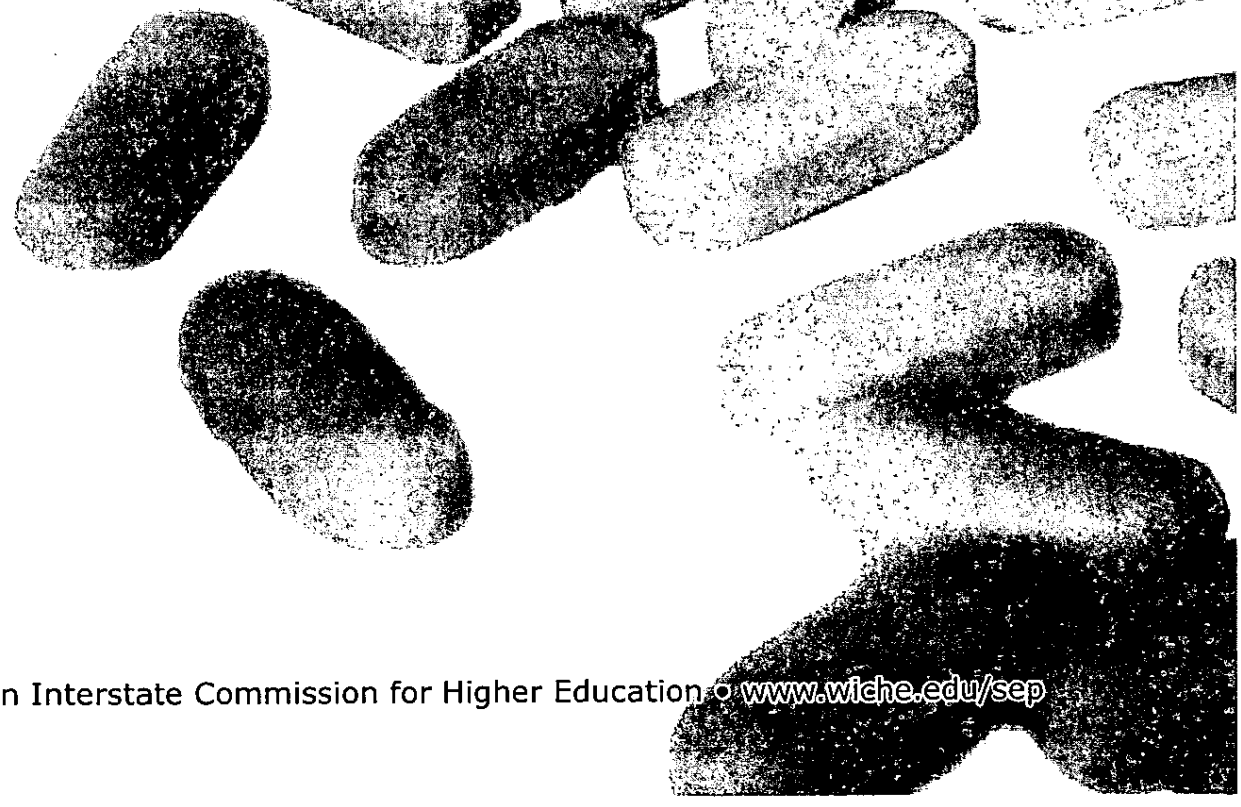
E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

WICHE

A Closer Look at Healthcare Workforce Needs in the West

Pharmacy



Western Interstate Commission for Higher Education • www.wiche.edu/sep

Pharmacy Workforce Needs

National Trends

Pharmacy, with more than 230,000 practitioners today, is the third-largest health profession in the United States after nurses (2.4 million) and physicians (830,000).

Projected Shortages and Causes

Research on the national pharmacist workforce points to a continuing shortage of pharmacists, related to growth in medication use, the aging of the baby boomer generation, and the emergence of more clinical activities within pharmacies. Surveys that track shortage levels showed that there was a slow downward trend in the severity of shortages up until fall 2005, followed by higher shortage levels during the past year. Changes in shortage levels appear to parallel growth in prescription medication usage.

Expanding Career Options

Increasing numbers of pharmacists are working in nontraditional positions. For example, career options have emerged with medication-use programs within managed care organizations and health plans; Medicare's adoption of a prescription drug benefit; Medicaid programs' prescription-drug benefit; and any healthcare provision that includes a formulary for medications and outcomes analysis for medication use.

Within traditional pharmacy practice, clinical activities have expanded, with the universal adoption of the doctor of pharmacy (PharmD) degree as the entry-level educational requirement for pharmacy practice. The growth of postgraduate pharmacy residencies has also had an effect. The PharmD degree includes additional biomedical and clinical training that enables pharmacists to assume more clinical and management responsibilities. Younger pharmacists are trained in providing educational and monitoring services for chronic diseases, administering immunizations, and offering medication management services for Medicare patients.

In institutions pharmacists are being added to transplant units, critical-care units, emergency departments, oncology services, and other areas where intensive medication-therapy management is enhanced by pharmacy expertise. To fill these roles, pharmacists require advanced training, which is generally acquired through formal postgraduate professional education in pharmacy residencies.

The number of accredited pharmacy residencies nationally has expanded from about 1,000 annually 10 years ago to over 1,500 annually; and specialized residencies (a second year with a focus in a specific area, such as critical care) have increased concomitantly. The Board of Pharmaceutical Specialties (BPS) offers certification examinations in five practice areas, and board-certified pharmacists are increasing in each of these areas: pharmacotherapy (3,191), oncology (557), nutrition (348), psychiatric pharmacy (463), and nuclear pharmacy (495) (*www.bpsweb.org*).

Factors Driving Workforce Demand

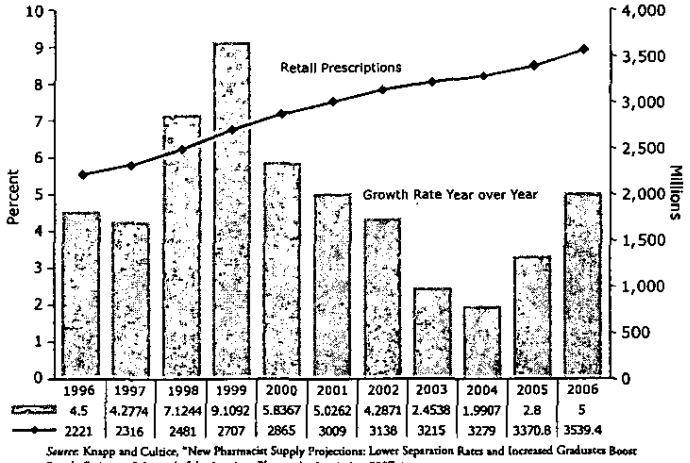
Growing Part-time and Female Workforce

The Bureau of Health Professions' pharmacist supply model estimates that 3,911 pharmacists will retire in 2007. This number will gradually increase to 4,562 in 2020. Recent studies have shown that since 2000, pharmacists are remaining in the workforce longer, and more are working part-time. Retiring pharmacists are predominantly male; this is significant because male pharmacists have traditionally worked more than female pharmacists.

The increasing female pharmacist workforce is an important supply issue because women pharmacists have consistently worked fewer hours than their male counterparts. Recent surveys show women pharmacists working 0.81 FTE on average, compared to male pharmacists at 0.91 FTE (*Mott et al., National Pharmacist Workforce Data, 2004*). The current pharmacy-student population is about two-thirds female. Supply models estimate that part-time participation will reduce the workforce "headcount" by about 15 percent (*Knapp and Cultice, 2007, in press*).

Recent Increases in Prescription Volume

The demand for pharmacists is closely tied to the number of retail prescriptions (*Walton et al., 2004*). Prescription volume continues to grow each year, but the growth rate has varied greatly in the last 10 years, as shown in the table below. The growth rate hit its highest level in 1999 and fell steadily to about two percent in 2004. Growth increased again in 2005 and 2006.



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	4.5	4.2774	7.1244	9.1092	5.8367	5.0262	4.2871	2.4538	1.9907	2.8	5
	2221	2316	2481	2707	2865	3009	3138	3215	3279	3370.8	3539.4

Source: Knapp and Cultice, "New Pharmacist Supply Projections: Lower Separation Rates and Increased Graduates Boost Supply Estimates," *Journal of the American Pharmacists Association*, 2007, in press.

Beyond Prescriptions

When we think of pharmacists, dispensing medications comes to mind. However, their expanded role now includes many other tasks, like managing medication therapy related to Medicare Part D. Many immunization programs are now administered through community pharmacies. Pharmacists are also active in chronic disease medication-management programs and elsewhere, as noted above.

Aging Baby Boomers

Counterbalancing the increased supply of pharmacists is the aging baby boomer generation, which will increase the

demand for pharmacy services. For example, people under 65 annually consume 10.1 prescriptions on average, while those 65 years and over consume 23.5 prescriptions on average *(Agency for Healthcare Research and Quality (AHRQ), derived from Medical Expenditure Panel Survey Data, 1997-2000)*. The oldest baby boomers have not yet reached 65 years, where medication consumption increases significantly.

Filling the Gaps: Technicians

There are approximately 250,000 certified pharmacist technicians in the United States. These allied health professionals play an important role in increasing productivity in pharmacies. A 2004 state-level study showed that technicians generally complement pharmacists rather than substitute for them; there are more technicians where there are more pharmacists.

Growth of the Biotech Industries

The number of pharmacists working in drug development is relatively small. Pharmacists sometimes play roles in clinical trials, but not often. The principal relationship between the biotech industry and the pharmacist workforce is that pharmacists are clinically involved in the use of expensive and potentially dangerous biotech drugs in hospitals and elsewhere. Oral dosage forms of biotech drugs, such as oral oncology medications and transplant maintenance medications, are now readily available. The biotech industry acknowledges the significant role that community pharmacies and pharmacists play in helping patients use these medications effectively.

Technology's Effects on Pharmacy Demand

Pharmacists play a significant role in medication error reduction. New technologies such as electronic prescription generation and transmission increase pharmacist productivity and reduce medication errors. Generally, where technology is introduced on a large scale — for example, in the Veterans Affairs system and in Kaiser Permanente — pharmacists have been redeployed to clinical roles in chronic disease clinics, where their activities have been shown to be cost effective.

Regional Occupational Outlook for Pharmacists in the WICHE States

Region	Population 2005	ADI* Feb. 2007
United States	**296,410,404**	**4.13**
WICHE States	**69,703,732**	**4.34**
Alaska	663,661	4.00
Arizona	5,939,292	4.17
California	36,132,147	4.60
Colorado	4,665,177	3.71
Hawaii	1,275,194	4.00
Idaho	1,429,096	4.40
Montana	935,670	4.00
Nevada	2,414,807	4.25
New Mexico	1,928,384	3.83
North Dakota	636,677	3.67
Oregon	3,641,056	4.29
South Dakota	775,933	4.00
Utah	2,469,585	4.50
Washington	6,287,759	4.00
Wyoming	509,294	3.33

*Aggregate Demand Index (ADI)

Demand for Pharmacists in the West

The preceding table presents Aggregate Demand Index (ADI) data for WICHE states as compared to national averages. The ADI is a monthly, national survey of the unmet demand for pharmacists by the Pharmacy Manpower Project Inc. The survey is conducted by having panelists, selected by their direct involvement in hiring pharmacists, submit monthly ratings for each state where they hire pharmacists, based on this five-point scale:

- **5** = High demand; difficult to fill open positions.
- **4** = Moderate demand; some difficulty filling open positions.
- **3** = Demand is in balance with supply.
- **2** = Demand is less than the pharmacist supply available.
- **1** = Demand is much less than the pharmacist supply available.

Ratings are aggregated, and a population-weighted average is determined for the month; they are also available at the regional, divisional, and state levels.

Demand data show that the Western region consistently has the highest level of unmet pharmacist demand. At the division level, the Pacific division has frequently had the highest ADI ratings, while the Mountain division has generally been closer to national averages. These findings are consistent across several national surveys and support attention to producing more pharmacists in the West just to meet current population demands.

For the future, baby boomers retiring in the next three decades are likely to move to Western states in disproportionate numbers. This trend will likely increase the population of many Western states beyond national averages for growth and will increase the need for pharmacists and other health care professionals. Most Western schools of pharmacy have high percentages of in-state students already (see the table on p. 4) so expansion and stimulating in-migration of pharmacists from other states are important options for increasing the workforce.

Expansion of Pharmacy Education

In the last decade new pharmacy programs, expansion of existing programs, and development of distance-learning campuses have increased the number of pharmacy seats across the nation. The Accreditation Council for Pharmacy Education reports that the expansion of existing programs is generating even more new pharmacists than new schools and colleges are (*Knapp and Cultice, 2007, paper in press*).

Part of the educational expansion effort results from the recognition that pharmacists in rural areas will be retiring in the next 10 to 15 years without a significant prospect of their being replaced.

During the early 2000s, a plan to include pharmacy students in the National Health Service Corps to assist in loan repayment was introduced but not funded. A difficulty in implementing pharmacy programs for medically underserved areas is that there are no measures of pharmacist service levels, like those that exist for medicine and dentistry.

Schools in Western states that have large rural areas generally have very high percentages of in-state students who are more likely to remain in their home state to practice. Expansion of programs in these states and establishing new campuses in rural areas are strategies that several states have adopted to maintain pharmacy services in rural areas.

Five new pharmacy schools have opened in the West in just the last four years. Three of them graduated their first classes in 2006: the University of Southern Nevada, a private institution, now fully accredited; Loma Linda University School of Pharmacy; a private institution that is not yet fully accredited but holds candidate status; and the University of California, San Diego, a public institution that also holds candidate status.

Two new programs in the West are scheduled to receive full accreditation by fall 2009. Touro University's College of Pharmacy (California campus) admitted its first class in fall 2005 and is a traditional four-year program. Pacific University's School of Pharmacy (Oregon) admitted its first class in fall 2006 for its three-year intensive program.

Two pharmacy schools are in the planning phase: the University of Hawaii Hilo's College of Pharmacy plans to admit its first class in fall 2007. The University of Nevada Reno and the University of Nevada Las Vegas have planned a pharmacy school as part of Nevada's proposed health sciences center. Unfortunately, approval of state funding for the initiative has proved illusive over the past few legislative sessions.

There is a strong interest in the field of pharmacy, and there has been a steady increase in the number of applications over the past five years. According to the American Association of Colleges of Pharmacy, the applications to pharmacy schools increased 53.9 percent to 72,799 in 2003-04 from 47,306 in 2002-03. Nationally, schools of pharmacy reported receiving 7.4 applications per entering student in fall 2005, a slight increase from 7.0 from the previous year. Graduates are courted before they have their diplomas in hand, with starting salaries in the $80,000 range.

WICHE's Professional Student Exchange Program (PSEP) allows students from states that do not have a public school of pharmacy to pay reduced tuition to a cooperating institution in the West. Sending states determine the number of new students to be supported each year. In 2006-07, 40 students from Alaska, Hawaii, and Nevada attended 16 cooperating pharmacy schools.

For more information, visit *www.wiche.edu/sep/psep.*

The chart below shows that an estimated 7,080 students will graduate with a PharmD in 2007; schools located in WICHE states will graduate 26 percent of the nation's PharmD students (1,817) in the same year. There are 92 schools of pharmacy in the U.S.; 23 of them are located in the Western states. The higher graduation numbers in 2007 are due to new schools and program expansion. The nation saw a 39 percent increase in the number of graduates from 1999 to 2007; during the same period, the WICHE states saw a 48 increase.

WICHE thanks Katherine K. Knapp, dean of Touro University – California's College of Pharmacy, for her assistance in writing this workforce brief.

Projected Increase in Pharmacy Graduates: 1999 and 2007

State	Population 2005	Pharmacy Graduates 1999	Estimated Pharmacy Graduates 2007	No. of Pharmacy Schools 2007	Annual Average No. of Graduates per 1,000,000: 1990-1999	Percent of Pharmacy Enrollment from In-State Applicants 1998
United States	**296,410,404**	**7,080**	**9,857**	**92**	**28**	**80**
WICHE States	**69,226,623**	**1,225**	**1,817**	**23**		
Alaska*	663,661	0	0	0	0	N/A
Arizona	5,939,292	53	211	2	11	64
California	36,132,147	480	674	7	14	96
Colorado	4,188,068	113	123	1	28	84
Hawaii*	1,275,194	0	0	1	0	N/A
Idaho	1,429,096	53	56	1	39	65
Montana	935,670	43	59	1	51	88
Nevada*	2,414,807	0	123	1	0	N/A
New Mexico	1,928,384	98	88	1	40	83
North Dakota	636,677	62	81	1	87	55
Oregon	3,641,056	98	80	2	32	93
South Dakota	775,933	47	56	1	69	69
Utah	2,469,585	44	45	1	23	96
Washington	6,287,759	134	175	2	21	78
Wyoming	509,294	40	46	1	67	61

Note: Alaska and Hawaii do not have schools of pharmacy. Hawaii plans to open a public school of pharmacy in fall 2007. A private school of pharmacy in Nevada just graduated its first class in 2006.
Source: American Association of Colleges of Pharmacy.

WWAMI RURAL HEALTH RESEARCH CENTER

Policy Brief • April 2009

RHRC Rural Health Research & Policy Centers

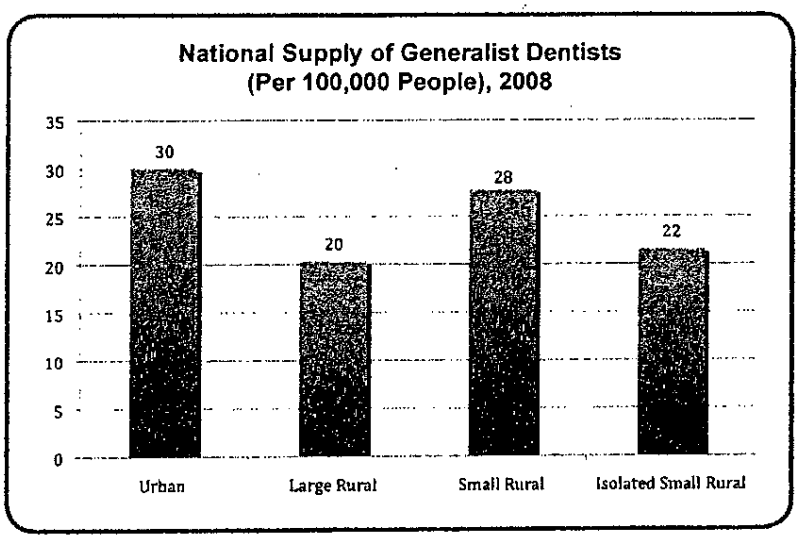
Funded by the Federal Office of Rural Health Policy

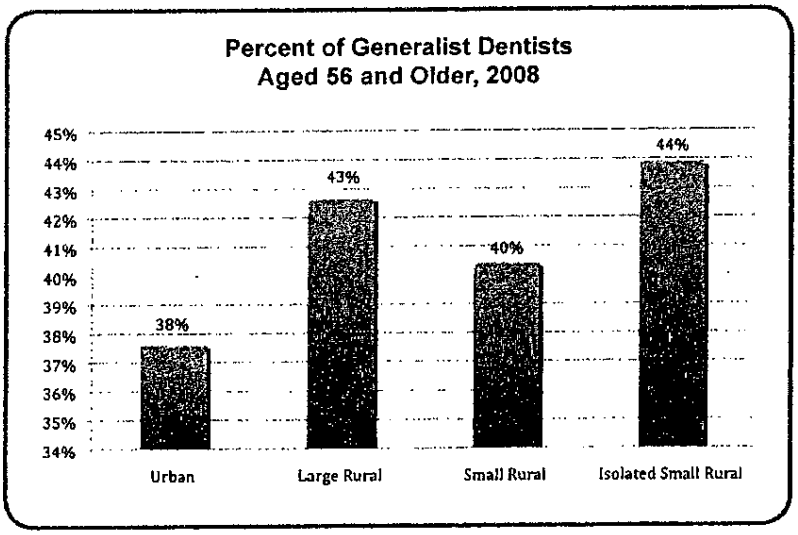
www.ruralhealthresearch.org

The Crisis in Rural Dentistry

Issues

Rural populations have fewer dentists, lower dental care utilization, and higher rates of dental caries and permanent tooth loss than urban populations.[1-5] Reports from the Surgeon General[4] and the Institute of Medicine[6] call for more dentists in rural locations. Federal and state programs have focused on expanding rural dentist supply to increase dental access and improve oral health, but efforts may need to intensify to meet the needs of rural communities.





Evidence

- Of the 2,050 U.S. rural counties, 1,221 (60%) are designated dental health professional shortage areas (HPSAs).[6]
- In 2008, there were 22 "generalist" (general practice, pediatric, or public health) dentists per 100,000 persons in rural areas compared with 30 in urban areas, nationally.[7]
- Nationally, rural areas had a higher percentage of generalist dentists aged 56 or older than urban areas (42% vs. 38%). This percentage was 44% in remote rural locations.[7]
- In 2004, dentists working at rural federally-qualified community health centers (CHCs) were in high demand and short supply. Almost half of rural CHCs had vacant dentist positions for over 7 months.[8]

Potential Solutions

The following strategies could be used to bolster the rural oral health care workforce:

- Admit dental students likely to choose rural careers, such as those from rural locations.
- Focus dental school expansion on the shortage of rural providers.
- Support rural programs and divisions within dental schools and their roles in teaching and mentoring students (e.g., training programs in rural general practice and pediatric dentistry).
- Provide rural experiences during dental education, such as rural training tracks.
- Increase opportunities for dental students and residents interested in rural careers to acquire the broad skill set needed for rural practice.
- Support loan repayment programs for dental students who enter rural practice.
- Enhance the ability of rural communities to recruit and retain dentists through locally-driven community, economic, and leadership development efforts.

University of Washington • School of Medicine • Department of Family Medicine
Box 354982 • Seattle WA 98195-4982 • phone: (206) 685-0402 • fax: (206) 616-4768 • http://depts.washington.edu/uwrhrc/

The WWAMI RHRC receives its core funding from the Health Resources and Services Administration's Office of Rural Health Policy.

References

1. Wall TP, Brown LJ. The urban and rural distribution of dentists, 2000. *J Am Dent Assoc.* 2007 Jul;138(7):1003-1011.

2. Vargas CM, Dye BA, Hayes KL. Oral health status of rural adults in the United States. *J Am Dent Assoc.* 2002 Dec;133(12):1672-1681.

3. Vargas CM, Dye BA, Hayes K. Oral health care utilization by US rural residents, National Health Interview Survey 1999. *J Public Health Dent.* 2003 Summer;63(3):150-157.

4. Department of Health and Human Services. *Oral health in America: a report of the Surgeon General.* Rockville, MD: U.S. Department of Health and Human Services, National Institute of Dental and Craniofacial Research, National Institutes of Health; 2000.

5. Eberhardt MS, Ingram DD, Makuc DM, et al. *Urban and rural health chartbook. Health, United States, 2001.* Hyattsville, MD: National Center for Health Statistics; 2001.

6. Committee on the Future of Rural Health Care, Board on Healthcare Services. *Quality through collaboration: the future of rural health.* Washington, DC: Institute of Medicine of the National Academies; 2004. Accessible at: http://www.iom.edu/?id=29734.

7. WWAMI Rural Health Research Center, University of Washington. In progress.

8. Rosenblatt RA, Andrilla CHA, Curtin T, Hart LG. Shortages of medical personnel at community health centers: implications for planned expansion. *JAMA.* 2006 Mar 1;295(9):1042-1049.

This study was supported through the WWAMI Rural Health Research Center with funding from the federal Office of Rural Health Policy, Health Resources and Services Administration, Public Health Service.

HB

245

<target><bill>HB 245</bill><subject>HB 245</subject><comm>HFIN26</comm></target>

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

HB 245 Licensure of Optometrists
Sectional

Section 1:

Technical amendments for grammar and removes high school requirement as it is unnecessary. Also outlines educational requirements required for licensure.
Applicant must have completed:

1.) Examination on ocular pharmacology
2.) 23 hours of course work on ocular disease
3.) 7 hours of course work on therapeutic pharmaceutical agent injections.
4.) Other course work established in regulation

Section 2:

Allows an applicant to retake the exam if they fail.

Section 3:

Requires applicants for licensure by credentials to have a license from a state that has licensure requirements equivalent to Alaska, pass the Alaska state exam, and the National Board of Examiners of Optometry exam.

Section 4:

Deals with renewal of licenses. Outlines requirements that must be obtained before a license may be renewed. The applicant must have:

1.) 8 hours of continuing education concerning the prescription of pharmaceutical agents;
2.) 7 hours of continuing education on the injection of nontopical therapeutic pharmaceutical agents;
3.) Met other requirements outlined by the Board through regulation

Section 5:

Deals with retired status licenses. Upon retirement a licensee may apply for a retired license. A retired license does not have to be renewed and the person may not practice optometry in Alaska. However, a person may go from retired status to active status upon application and upon meeting certain educational criteria.

Section 6:

Removes reference to certain class of optometry license as the bill creates only one class of license that is allowed to practice in this state.
Also, outlines the circumstances that an optometrist can prescribe pharmaceuticals (already in statute).

Section 7:

Repeals references to different classes of licenses.

Section 8:

Transitional Section: Allows a person who is not currently licensed at the highest level to be grandfathered in and get a restricted license. This will allow them to continue to practice but still not exceed their educational level.

Section 9:

Revisor Instruction: retitling a section heading

Section 10:

Immediate effective date.

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

Sponsor Statement for HB 245 Optometrist Licensure

HB 245 makes some necessary changes to the licensure criteria for optometrists in this state.

Currently, Alaska has three levels of licensure for optometrists:

1.) Basic License (no pharmaceuticals)
2.) License with Pharmaceutical Endorsement (in-office eye drops)
3.) License with Pharmaceutical Prescription and Use Endorsement (prescribing authority).

The Board of Optometry would like to have a standard level of care that everyone receives from optometrists. Therefore, some adjustments need to be made in statute to require the highest level of care.

HB 245 brings Alaska statutes in line with current educational levels. Students graduating from optometry schools within the last five years have already received the level of education necessary to obtain a license at the highest level currently provided in Alaska. Further, most licensed optometrists in Alaska have already obtained the level of education necessary for the highest level of licensure. There are only a handful of people who have not received that education and most of these optometrists are nearing retirement age. These optometrists would be issued a restricted license which would allow them to continue to practice but still not allow them to provide services that go beyond their level of education.

The level of education required in HB 245 has been standard in most optometrist schools across the country and most older optometrists have already obtained this level of education on their own. Many states are currently working on or have already passed similar legislation. Our citizens deserve the most current and highest level of care possible; allowing the licensure of optometrists with less than the standard education levels puts our citizens at risk. HB 245 remedies this problem by standardizing the licensure requirements for optometrists in Alaska.

I urge your support of HB 245.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 1, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/16/10

The FINANCE Committee considered: **HOUSE BILL NO. 245**

"An Act relating to licensure as an optometrist; establishing a retired status optometrist license; and providing for an effective date."

HB 245 LICENSING FOR OPTOMETRY

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Austerman	X			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	KELLY	X			
	Foster	X			
	FAIRCLOUGH	X			
Chair:	Stoltze	X			
Chair:	Hawker			X	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 245
(H) Publish Date: 3/1/10

Identifier (file name): HB245-CED-CBPL-2-21-10
Dept. Affected: DCCED
Title: Licensing for Optometry
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative Thomas
Requester: House Labor and Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)							

FUND SOURCE	(Thousands of Dollars)						
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: (1156) RSS							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 245 amends licensing requirements for Optometrists in AS 08.72 to be commensurate with current Optometry education and training; and provides a restricted license to the few licensees that have not achieved the higher-level training and endorsement. The bill also provides for a retired status license.

New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 2/19/2010 11:15PM
Approved by: Emil Notti, Commissioner — Date 2/21/10
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

Annual Report
Fiscal Year 2009

BOARD OF EXAMINERS IN OPTOMETRY

July 2009

DIVISION OF CORPORATIONS, BUSINESS
AND PROFESSIONAL LICENSING

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Corporations, Business and Professional Licensing

Sean Parnell, Governor
Emil Notti, Commissioner
Lynne Smith, Director

PO Box 110806, Juneau, AK 99811-8160
Telephone: (907) 465-2534 Fax: (907) 465-2974 Website: www.commerce.state.ak.us/occ

August 1, 2009

Ms. Lynne Smith, Director
Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99801-0806

Dear Ms. Smith:

In compliance with AS 37 and AS 08 and on behalf of the Board of Examiners in Optometry, I am submitting the enclosed Annual Report concerning the board's activities and accomplishments for Fiscal Year 2009.

Sincerely,

Jill Geering Matheson, OD, Chair
Board of Examiners in Optometry

Enclosures

BOARD OF EXAMINERS IN OPTOMETRY

TABLE OF CONTENTS

	Page
INDENTIFICATION OF THE BOARD	1
NARRATIVE STATEMENT	2
STATISTICAL OVERVIEW	3-4
REVIEW OF GOALS AND OBJECTIVES FOR FY 2009	5
GOALS AND OBJECTIVES FOR FY 2010	6
LEGISLATIVE RECOMMENDATIONS	7-8

BOARD OF EXAMINERS IN OPTOMETRY

BOARD MEMBERS

MEMBER	DATE APPOINTED	REAPPOINTED	TERM EXPIRES
Jeffrey A. Gonnason, OD Optometrist Medical Park Eye Care 2211 East Northern Lights Blvd. #202 Anchorage, AK 99508	04/30/2004	03/01/2007	03/01/2011
James C. Graves, O.D., O.D. Optometrist 3455 Rewak Drive, Ste 102 Fairbanks, AK 99709	04/03/2006		03/01/2010
Jill Geering Matheson, OD Optometrist (Chair) Alaska Vision Center 800 Glacier Avenue Juneau, AK 99801	04/30/2004	01/28/2008	03/01/2012
Timothy M. Sullivan, Jr. Public 11051 Retreat Circle Anchorage, AK 99515	04/03/2006		03/01/2010
Dennis A. Swarner, O.D. Optometrist (Secretary) Kenai Vision Center P.O. Box 1669 Kenai, AK 99611	10/18/2005	03/01/2009	03/01/2013

Staff:

Connie Petz, Licensing Examiner
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Judy Weske, Licensing Supervisor
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Michele Wall-Rood, Investigator
Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501-3567

BOARD OF EXAMINERS IN OPTOMETRY

NARRATIVE STATEMENT

Two board meetings were held during Fiscal Year 2009. A teleconference was held on December 19, 2008 and a face to face meeting was held in Kodiak, Alaska on June 10, 2009.

Major Issues:

The board has been working with applicants and licensees to ensure they meet new requirements for a TPA endorsement.

The board is in support of HB 245 and SB 193 which were introduced in April 2009. These bills will clean up outdated language and move toward one level of licensure for all licensees.

These desired statute changes are consistent with the board's previously stated goals and objectives.

The Board is in support of the national proposal of Joint Board Certification Project Team (JBCPT). The certification process is about continued competency and professionals keeping current on the quality of care they provide to the public. Certification is not something state boards look at for licensure but health care providers' look at for payment to providers. There is concern that if the board does not join in support of this project, optometrists may not be qualified for payments from Medicare/Medicaid if the Federal Government moves ahead and requires board certification for reimbursement.

FISCAL YEAR 2009
STATISTICAL OVERVIEW

Program: Board of Examiners in Optometry

AS 08.72

12 AAC 48

Name of Individual Completing Report: Connie Petz

Date: July 1, 2009

A. Current Active Licenses, Endorsements, Permits
(student, locum tenens, limited, courtesy licenses)
List type and if issued by examination or credential, as applicable
(Do not list "temporary permits" or "temporary licenses")

CATEGORY	NEW – ISSUED DURING FY 2009	TOTAL AS OF 6/30/09	EXAMINATION/ CREDENTIAL
1. Optometrists with TPA Endorsement	11	128	Exam: 10 Credentials: 1
2. Optometrists with DPA Endorsement	4	30	Exam: 3 Credentials: 1
3. Optometrists (No Endorsement)	0	1	N/A
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL	**15**	**159**	

B. Current Inactive Licenses (not lapsed licenses)
(Only Medical, Chiropractic, CPA, and Real Estate)

CATEGORY	TOTAL AS OF 6/30/__
1. N/A	
2.	
3.	
4.	
5.	
TOTAL	**0**

C. Retired Licenses

CATEGORY	RETIRED DURING FY 20__	TOTAL AS OF 6/30/__	NOTES
1. N/A			
2.			
TOTAL	0	0	

D. Examination Dates
(List each examination administration separately. Subdivide if more than one exam is given in administration.)

EXAM TYPE	LOCATION	DATE	CANDIDATES	NO. PASSED	NO. FAILED
N/A					

E. Board Meetings and Teleconferences

DATE	LOCATION *(indicate if teleconference)*
December 19, 2008	Teleconference
June 10, 2009	Kodiak

BOARD OF EXAMINERS IN OPTOMETRY

REVIEW OF GOALS AND OBJECTIVES FOR 2009

1. Continue regular review of optometry statutes and regulations. This review is necessary to be sure that the laws are adequately protecting the public and properly regulating the modern practice of optometry. Possible examples:

   Consider "standard of care" issues. – **Continuing.**

2. Develop a list of recommended changes to legislative statutes for the audit committee to take note of. Possible examples:

   a. Licensure by endorsement should be restricted to those coming in at the highest level of license. – **Continuing.**

   b. All <u>new</u> licenses should be at the highest level. – **Continuing.**

   c. All <u>current</u> Alaska licenses to be at the highest level of licensure by 2012. – **Continuing**

   d. Refusal of license: authority for the board to refuse to grant a new license for certain reasons and/or to impose certain stipulations. – **Accomplished SB 255**

3. Make active Alaska licensed optometrists aware of recent amendments to regulation. – **Continued Association Board Report and Website.**

4. Show support for pharmaceutical agent amplification legislation. – **Continued**

5. Continue to meet twice per year. – **Continued**

6. If possible send a board member to ARBO. – **Continued**

7. Keep informed of <u>and</u> support legislation on the state and federal level concerning patient protection and access to care.

8. Continue to support provider non-discrimination language in state and federal legislation.

BOARD OF EXAMINERS IN OPTOMETRY

GOALS AND OBJECTIVES FOR 2010

1. Continue regular review of optometry statutes and regulations. This review is necessary to be sure that the laws are adequately protecting the public and properly regulating the modern practice of optometry. Possible examples:

    a. Consider "standard of care" issues.
    b. Review the approval of alternate and electronic forms of continuing education such as webinars and virtual grand rounds.
    c. 12 AAC 48.210(a)(1) and (a)(2) could be improved by removing "contact" and just stating 36 hours continuing education.

2. Develop a list of recommended changes to legislative statutes for the audit committee to take note of. Possible examples:

    a. Licensure by endorsement should be restricted to those coming in at the highest level of license. HB245/SB193 was introduced to accomplish this

    b. All <u>new</u> licenses should be at the highest level. HB245/SB193 was introduced to accomplish this.

    c. All <u>current</u> Alaska licenses to be at the highest level of licensure by 2012. HB 245/SB193 was introduced to accomplish this.

    d. Refusal of license: authority for the board to refuse to grant a new license for certain reasons and/or to impose certain stipulations. **<u>Include in the division's Omnibus statutes for standardizing licensing, if possible.</u>**

3. Make active Alaska licensed optometrists aware of recent amendments to regulation.

4. Continue to meet twice per year.

5. Send a board member to ARBO.

6. Keep informed of and support legislation on the state and federal level concerning patient protection and access to care.

7. Continue to support provider non-discrimination language in state and federal legislation.

BOARD OF EXAMINERS IN OPTOMETRY

LEGISLATIVE RECOMMENDATIONS

Licensure:

The board reiterates the Legislative recommendations as stated in last year's report and is pleased that HB 245 and SB 193 were introduced in April 2009.

Alaska currently has three levels of optometry licensure: License; License with DPA Endorsement; and License with TPA Endorsement. The board wants legislation to issue all new licenses at the highest level. What is now a license with a TPA Endorsement (Pharmaceutical Agent Prescription and Use Endorsement) would be an Optometry License, and licensees with the two lower levels would either have to meet the requirements to upgrade, or could be grandfathered with restricted licenses. There are currently only 30 licensees with DPA endorsements (Pharmaceutical Agent Use Endorsement) and 1 with no Endorsement. No new restricted licenses will be issued and a full license would not be downgraded to a restricted license.

As optometry education and training has advanced, it is important to the public safety that new licensees are at the highest level. Some other states have required all licensees to upgrade their education and renew at the highest level (after a reasonable period of time), as this best insures the safety of the public with all licensees at the same level. Granting restricted licenses to the few remaining at the lower levels is a practical possibility, but not the ideal recommendation.

The CE requirement for **all** licensees is 36 hours per biennium as prescribed by the board in regulation (with least 24 hours in Pharmacology and/or Ocular Pathology and 12 hours in other optometry related courses, spectacles, contact lenses, refractive technology).

The board suggests:

1. Repealing Statute AS 08.72.175 without or with a grandfather clause for current DPA and no Endorsement licensees, allowing them the choice to keep their restricted license or to upgrade if they choose.
2. Amending Statute AS 08.72.272(a): Change "a license endorsement" to "a license" or "a license that is not restricted" per (the new) AS 08.72.175. Repeal (b) and (c).
3. Amend licensing law to remove any reference to a specific hourly requirement for continuing education allowing the board to set the number of hours for continuing education in regulation (AS 08.72.175(d)(1)-(2)).
4. Defining minimum educational standards for licensure and other changes as necessary to implement the recommendations.

Housekeeping:

Amend AS 08.72.140 to read:

Sec. 08.72.140. Qualifications for licensing ~~examination~~. To be eligible for licensure by the board as an optometrist, an applicant shall ~~The board shall admit to the examination a person who furnishes proof that the person~~

(1) ~~has had education equivalent to fours years attendance at a state high school~~;

(2) be ~~is~~ a graduate of a recognized school or college of optometry;

(3) ~~has~~ not have committed an act in any jurisdiction that would have constituted a violation of this chapter or regulations adopted under this chapter at the time the act was committed;

(4) ~~has~~ not have been disciplined by an optometry licensing entity in another jurisdiction and is not the subject of a pending disciplinary proceeding conducted by an optometry licensing entity in another jurisdiction; however, the board may consider the disciplinary action and, in the board's discretion, determine if the person is qualified to be admitted to the examination.
(5) meet other qualifications for licensure under this chapter and as established in regulations adopted by the board under AS 08.72.050

Repeal AS 08.72.150 Application for Examination and issuance of license. This statute is no longer necessary. Applicants take the national board directly through the national organization (NBEO); the state law examination is addressed under AS 08.72.160 and 12 AAC 48.015 and 12 AAC 48.020.

Amend AS 08.72.160(c) to address that an applicant who fails the board's state law examination may retake the examination by submitting the required examination fee.

Repeal AS 08.72.160(d) which reads: "An applicant who fails more than one portion of the examination shall retake the entire examination and pay the examination fee." This statute is no longer applicable due to the fact that applicants deal directly with the NBEO for the national examination and there is no longer a state practical examination.

Amend Sec. 08.72.170 (4) to require applicants by credentials have a current state license in another state equivalent to Alaska requirements, and **(5)** successfully passed all parts of the National Board required when originally licensed.

Repeal Sec. 08.72.240 (9) which reads: "failed to refer a patient to a physician after ascertaining the presence of ocular or systemic conditions requiring management by a physician." This statute is obsolete. Optometrists are defined as "physicians" currently under federal law, and are held to the same standard of care as other medical providers.

Over the years, more and more states are requiring optometrists to hold an optometry license at the highest level. In fact, effective January 2010, optometrists in the state of Oregon must be licensed at the highest level to even practice optometry. The chart below is a survey of states showing the movement among states to require licensees meet the highest educational requirements.

Initial and Renewal License Requirements to Seek/Maintain Highest Level

Last Revised January, 2010

STATE:	Can an **applicant for initial licensure** (could be a new grad or someone coming from another state) apply for a license other than one at the highest level of prescriptive authority authorized in your state?	Can a **licensee within your state holding an active license** drop "down" to a lower level license at renewal or other time (i.e., they hold a TPA license, but now only want a basic or DPA-only license)?
Alabama	**NO**	**YES** Technically, yes. We hope to tighten up the wording of our law so that this cannot happen. We have had one instance of this with a licensee who was about to retire. He asked to lower his licensure status to non-therapeutic for the few months he planned to practice. We could find nothing in our law that prevented this. He saved $110!
Alaska	**YES** 2010 Legislation is aimed at changing this to No.	**YES** 2010 Legislation is aimed at changing this to No.
Arizona	**NO**	**NO**
Arkansas	**NO**	Yes, under health reasons and maybe has retired, but still wants to keep their basic licenses. The cost difference is $50
California		
Colorado	**NO**	**NO**
Connecticut		
Delaware	**NO**	**NO**
D.C.		
Florida	**NO**	**NO**
Georgia	**NO**	**NO**
Hawaii		
Idaho	**NO**	**NO**
Illinois	**NO** All licensees had to upgrade to the highest level by 2007	**NO**

For more information contact Tracy Oman, Alaska Optometric Association, at (907) 272-2972 or akoa@alaska.com

Indiana	**YES** Our applicants apply for an optometry license and if they are going to be prescribing, administering, or dispensing legend drugs then they can obtain an optometric legend drug certificate. It is not mandatory to obtain the legend drug certificate.	**YES**
Iowa	**NO**	**NO** We have no definite rule but would probably be denied.
Kansas	**NO** As of May 31, 2010, everyone must come in at the highest level.	**NO** As of May 31, 2010, everyone must be at the highest level.
Kentucky		
Louisiana	**NO**	**NO** Must be TPA to practice in the state.
Maine	**NO**	**NO**
Maryland		
Massachusetts	**NO**	**NO**
Michigan		
Minnesota		
Mississippi	**NO**	**NO**
Missouri	**NO**	**NO**
Montana		
Nebraska	**NO**	**NO**
Nevada	**YES** All new licensees come in at a DPA level. Subsequent to licensure, they can apply for TPA certification after they have completed the statutorily required 40 hour preceptorship with an ophthalmologist. They can elect to stay DPA. Most of those who are only DPA are not practicing in the state.	**NO**
New Hampshire	**NO**	**NO**
New Jersey		
New Mexico		
New York		
North Carolina	**NO AND YES** Beginning with the graduating classes of 2008 from the accredited schools and colleges of optometry applicants will come in at the highest level (includes injectables). Current licensees do not have to move up to the highest level with injectables.	**NO**
North Dakota	**NO** As of 2001	**NO**
Ohio	**NO**	The Ohio law does not specifically address this issue one way or another. The law does provide that they MAY renew each certificate of licensure and agents certificate. If

		someone only wanted to renew there license and not a certificate they would drop down to just an optometric license but would not be able to drop from a TPA to a DPA. There have not been any licensees who have dropped to a lower level in the past 5 years. The cost for a TPA or DPA certificate is $25 above the annual renewal cost of $110 for just licensure.
Oklahoma	**NO**	**NO**
Oregon	**NO** As of January 2010 applicants must be at highest level, ***except for*** injectables authority which will remain optional. NOTE: Over the last five years they have had 159 applicants who have not sought licensure at the highest level.	**NO** As of January 2010.
Pennsylvania	**NO & YES** New grads automatically get the highest level of licensure. Older grads coming in from another state may apply for a lower level license, but it is infrequent. The cost is the same.	**NO** They are not given that option.
Rhode Island		
South Carolina	**NO**	**NO**
South Dakota	**NO**	**NO**
Tennessee		
Texas	**NO & YES** An applicant from another state can only come in as a therapeutic OD or higher.	**NO**
Utah		
Vermont		
Virginia		
Washington	**NO**	**NO**
West Virginia	**NO**	**NO**
Wisconsin	**NO** Could until Aug 2006.	**NO** Could until Aug 2006.
Wyoming	**NO**	**NO**

Please distribute to all members
of the House Labor & Commerce Cmte

RECEIVED
FEB 25 2010

2/22/2010

After reading S.B. 193 and H.B. 245 it would seem there is little value in protecting the public's visual well-being.

Reasons:

1. Board Authority to approve schools-
   All 18 U.S. teaching schools of optometry issue a Dr. of Optometry degree and all are accredited.
2. The Board of Optometry may give a restricted license to practice.
   There are 20 licenses that do not hold the highest certification of practice. I am not aware of any demonstrated record that shows a license of these 20 is a threat to the public visual well-being; rather this allows the board to put an existing license out of practice.
3. Putting C.E. course requirements in statute-
   Not a good idea. Technology and practice procedures change rapidly.

What appears to be the intent of these two bills is to get in stature the authority for the Board of Optometry to function in an arbitrary and capricious manner.

DeWayne Halverson

DeWayne Halverson, OD
License #61
907-687-3820

HB

273

<target><bill>HB 273</bill><subject>HB
273</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT

Committee Substitute for House Bill 273

"An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."

HB 273 is introduced to complete the formation of the Wrangell borough and the land entitlements that the state grants to support local government. This bill would grant 6,506 acres to CBW.

The City and Borough of Wrangell (CBW) was formed in May 2008. Upon formation each borough receives a general land grant entitlement from the state under AS.29.65.010.

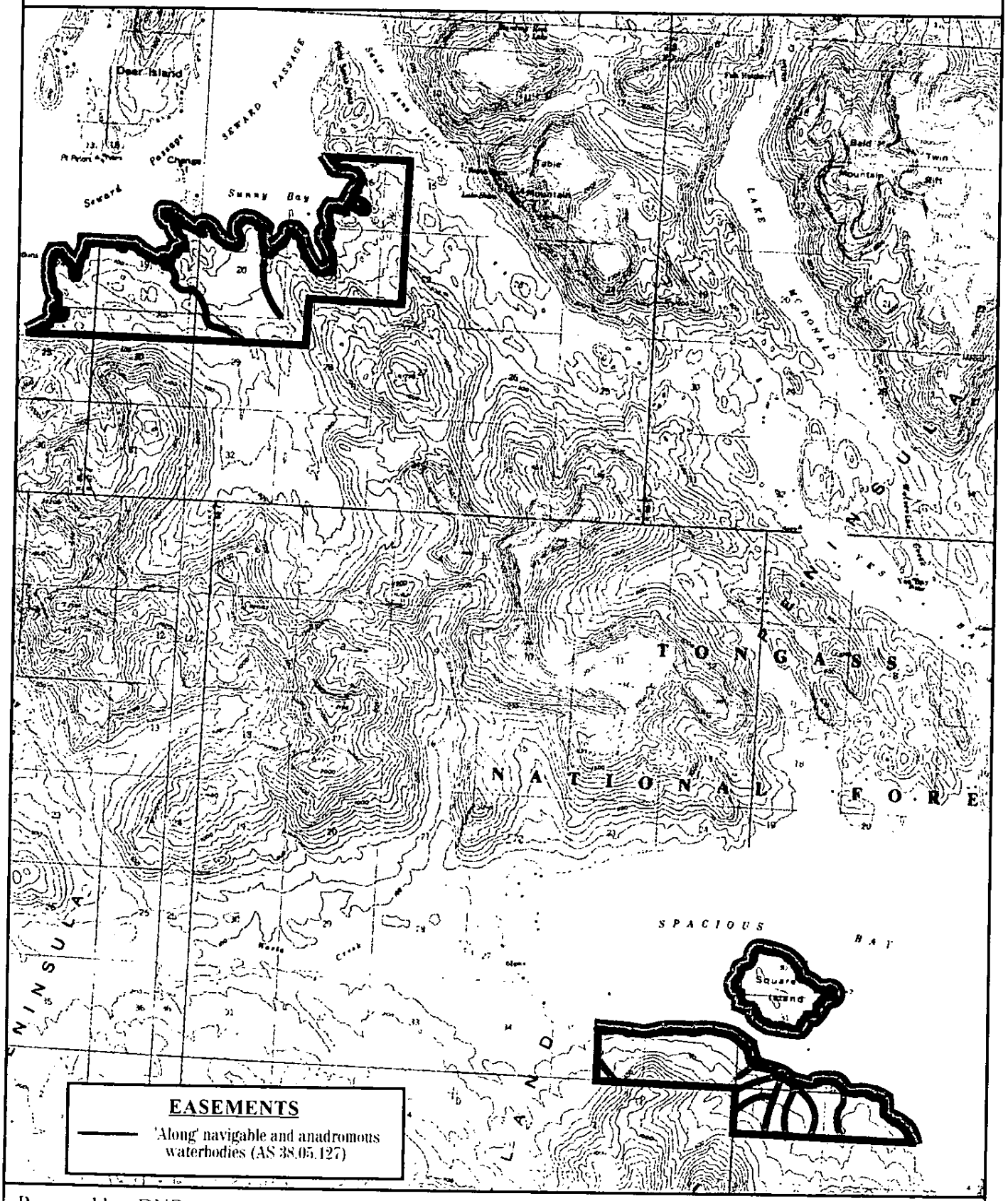
CBW's land grant would be 1,952.5 acres according to Department of Natural Resources; this is the smallest entitlement of any borough.

Our residents have identified, in our Borough comprehensive planning process, areas for future energy and port development to enhance the economic opportunities of the area. The additional acreage is critically important to provide for the needs of the Borough and its citizens in order to accomplish their economic, cultural, habitat, settlement and resource development goals.

From Rep. P. Wilson

Cleveland Peninsula

KT.1002



Prepared by: DNR
Source USGS Ketchikan D-6
Date: 12/2004

one mile

Meridian	Township	Range
CRM	68S 69-70S	86-87E 88-89E

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 26, 2010 — FURTHER REFERRALS:

Date of Committee Action: 3/18/10

The FINANCE Committee considered: HOUSE BILL NO. 273

"An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."

HB 273-MUNICIPAL GENERAL GRANT LAND

Recommends it be replaced with | | HCS *or* |✓| CS *for* HB (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title |✓| New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DNR	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	AUSTERMAN	X			
	Dana			✓	
	LOGAN			✓	
	Taylor	C			
	KELLY			X	
	Foster	X			
	FAIRCLOUGH	X			
Chair:					
Chair:	STOLTZE	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 273(CRA)
(H) Publish Date: 2/26/10

Identifier (file name):HB273-DNR-TAD-02-08-2010
Dept. Affected: Natural Resources
Title: Municipal General Grant Land
RDU: Resourse Development
Component: Title Acquisition and Defense
Sponsor: Rep. P. Wilson
Requester: Community and Regional Affairs
Component Number: 2459

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

DNR anticipates no need for additional funding under this proposed legislation. Processing is done as part of existing program funding.

Prepared by: Dick Mylius, Director
Phone 269-8600
Division: Mining, Land and Water
Date/Time: February 8, 2010
Approved by: Tom Irwin, Commissioner
Natural Resources
Date: February 8, 2010

3/17/10

Sec. 14.40.365. University land grant.

(a) Except as provided in (b) of this section, before July 1, 2008, the commissioner of natural resources shall convey to the Board of Regents in trust for the University of Alaska, by quitclaim deed, the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(b) As soon as practicable after June 30, 2055, the commissioner of natural resources shall convey to the Board of Regents in trust for the University of Alaska, by quitclaim deed, the state land described as the "University Research Forest" and identified for conveyance to the university in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(c) As soon as practicable after the receipt of patent from the United States, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey to the Board of Regents in trust for the University of Alaska, by quitclaim deed, federal land that has been selected for conveyance to the state under the Alaska Statehood Act but is subject to a federal mining claim, and that is identified in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, for conveyance to the university upon the state's acquisition of patent.

(d) Notwithstanding AS 38.05.125 (a), and except as otherwise provided in this section, the transfer of ownership of land from the commissioner of natural resources to the Board of Regents in trust for the University of Alaska under this section includes the interest of the state in the coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil, and gas that may be in or on the land.

(e) Land conveyed under this section to the Board of Regents in trust for the University of Alaska is subject to any valid possessory interest or other valid existing right, including any lease, license, contract, prospecting site, claim, sale, permit, right-of-way, Native allotment, or easement held by another person, including a federal, state, or municipal agency, on October 23, 2005.

(f) Before conveying land under this section, the commissioner of natural resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land to the Board of Regents in trust for the University of Alaska under this section. In addition to access under AS 38.05.127, the commissioner may reserve in the conveyance document existing offshore uses such as aquatic fish farm sites, anchorages for vessels, fish buying stations, trails, roads, and other access routes that provide public access to adjacent land and public waterways; however, an easement along tidewater reserved by the commissioner under AS 38.05.127 may not exceed 25 feet.

(g) In addition to rights or an interest held by a person under (e) of this section, land conveyed to the Board of Regents in trust for the University of Alaska under this section

(1) is subject to

2005 Univ Land Grant
submitted by Rep. P. Wilson (copy on file)

(A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339);

(B) AS 19.10.010 ;

(C) any easement, right-of-way, or other access under former 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

(D) the provisions of any memorandum of agreement entered into between the University of Alaska and the commissioner of natural resources governing shared benefits or costs associated with land to be conveyed to the Board of Regents in trust for the University of Alaska;

(E) any interest transferred to the state by quitclaim deed dated June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 73 Stat. 141); and

(2) excludes the mineral estate on land that is subject to a valid state mining claim.

(h) As soon as practicable after the extinguishment, release, or expiration of a valid state mining claim located on land to be conveyed under this section, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey the mineral estate excluded from conveyance under (g)(2) of this section.

(i) The responsibility for the management of land conveyed to the Board of Regents in trust for the University of Alaska under this section vests with the Board of Regents in trust for the University of Alaska on the date of recording of that conveyance.

(j) The Board of Regents of the University of Alaska is entitled to receive any income derived from land conveyed to the Board of Regents in trust for the University of Alaska under this section accruing after the date of conveyance, including any income accruing from an existing lease, license, contract, prospecting site sale, permit, right-of-way, easement, or trespass claim.

(k) Notwithstanding any other provision of this section, within 10 years after conveyance of land under this section, the Board of Regents may reconvey to the Department of Natural Resources land

(1) containing hazardous waste that was present on the land before conveyance under this section;

(2) on which is located a historic or archeological site that is subject to management under AS 41.35; or

(3) that the Board of Regents and the commissioner of natural resources jointly agree is in the best interests of the state and the university to reconvey.

(l) After October 23, 2005 and before the conveyance of a parcel of land to the Board of Regents in trust for the University of Alaska under this section, the commissioner of natural

resources may not convey, without consent of the university, any irrevocable interest in a parcel that is required to be conveyed to the Board of Regents in trust for the University of Alaska under this section.

(m) The commissioner of natural resources may make minor adjustments to the maps or legal descriptions of the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, to correct omissions or errors.

(n) Notwithstanding (a) of this section, the following state land described in the document entitled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section:

(1) Parcel Number CS.DI.1001, Duke Island;

(2) Parcel Number MF.1002, Idaho Inlet;

(3) Parcel Number CS.KI.1001, Kelp Island;

(4) Parcel Number HA.CH.1001, Haines-Chilkoot;

(5) Parcel Number KT.1004, Neets Creek;

(6) Parcel Number MA.KR.1001, Kodiak Rocket Range;

(7) Parcel Number ST.1002, Pelican;

(8) Parcel Number PA.1001, Port Alexander; and

(9) Parcel Number ST.1002, Warm Springs Bay.

(o) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document entitled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2009, that includes Wrangell or Petersburg. If a borough is not formed before July 1, 2009, land described in this subsection shall be conveyed to the University of Alaska on July 1, 2009. If a borough is formed before July 1, 2009, and the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to this subsection:

Wrangell was a borough in 2008.

(1) Parcel Number SD.1001, Beecher Pass;

(2) Parcel Number SD.1001, Favor Peak;

(3) Parcel Number CS.TL.1001, Three Lake Road;

(4) Parcel Number SD.1001, Read Island;

(5) Parcel Number SD.1001, Whitney Island;

(6) Parcel Number CS.EW.1001, Earl West Cove;

(7) Parcel Number CS.OV.1001, Olive Cove; and

(8) Parcel Number SD.1001, Thoms Place.

(p) Notwithstanding (a) of this section, each of the following parcels described in the document entitled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section until all Native allotment applications applicable to that parcel have been denied:

(1) Parcel Number PA.1002, Biorka Island; and

(2) Parcel Number NS.NS.1001, Lisianski Peninsula.

(q) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document entitled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2009. If a borough is not formed before July 1, 2009, the land described in this subsection shall be conveyed to the University of Alaska on July 1, 2009. If a borough is formed before July 1, 2009, and the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to the provisions of this subsection: Parcel Number PA.1002, Mite Cove.

adopted 3/18/10

26-LS1292\R.4
Cook
3/16/10

AMENDMENT #1

By Thomas by Request

OFFERED IN THE HOUSE

TO: CSHB 273(CRA)

Page 2, line 6:

Delete "**6,506**"

Insert "**9,006**"

adopted 3/18/10

26-LS1292\R.5
Cook
3/17/10

AMENDMENT #2

OFFERED IN THE HOUSE

By Thomas

TO: CSHB 273(CRA)

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

Insert "**and for the Haines Borough**"

Page 2, line 6:

Delete "."

Insert "**;**

(15) Haines Borough - 3,167 acres."

Page 2, line 18, following "**AS 29.65.010(a)(14)**":

Insert "**or (15)**"

Page 2, line 31:

Delete "**or (14)**"

Insert "**, (14), or (15)**"

Alaska State Legislature

Please enter into the record my testimony to the House FINANCE committee name

committee on HB 273 bill/subject, dated 3-17-2010.

I would like to Support Bill # 273

Dave Bates
Amber Bates
Diane Bates

907-229-7883

Signed: DAVID BATES, AMBER BATES, DIANE BATES
Testifier

SELF
Representing (Optional)

P.O. Box 90291 ANCHORAGE AK. 99509
Address

907-229-7883
Phone No.

9/86 Legislative Information Office

HAINES BOROUGH, ALASKA

P.O. BOX 1209 • HAINES, ALASKA 99827

Administration 907.766.2231 • (fax) 907.766.2716

Tourism 907.766.2234 • (fax) 907.766.3155

Police Dept. 907.766.2121 • (fax) 907.766.2128

Fire Dept. 907.766.2155 • (fax) 907.766.3373

March 16, 2010

The Honorable Representative Bill Thomas
Alaska State Capital Building
Juneau, Alaska 99811

Re: CSHB 273

Dear Representative Thomas:

The Haines Borough appreciates your efforts to correct an inequity regarding municipal land grants afforded to boroughs upon incorporation. This amendment will address two shortcomings. Haines was one of the first areas of the state surveyed (due to its rich resources). This resulted in a severe limitation of the total VUU (vacant, unappropriated, unreserved) lands available for conveyance under AS.29.65.010. The former Third-class Haines Borough received the smallest entitlement of any borough in the state.

With encouragement from the State and approval of its citizens, the Third-class borough was dissolved and a new home-rule borough incorporated in October 2002. This new municipality, incorporated after July 1, 1978 per AS.29.65.030, should have been considered for an entitlement of 10% of VUU lands within the boundaries of the municipality. This was not done and the Haines Borough is not requesting that full entitlement that perhaps is due under the law.

The Haines Borough has identified through its public process 1,809 acres of VUU land it would respectfully request under an amendment to HB 273. The bulk of these lands are contiguous to lands already selected by the borough that surround vital watershed and economic resources in Excursion Inlet. All of these parcels have been identified by AKDNR as available for selection by the borough.

On March 9, 2010, the Haines Borough Assembly unanimously approved the selection of these lands and respectfully requests passage of this amendment on behalf of the Haines Borough.

Thank you,

Janice Hill

Janice Hill, Mayor
Haines Borough, Alaska

Cc: Senator Albert Kookesh

Haines Borough
Borough Assembly Meeting #174
March 9, 2010
EXCERPT OF DRAFT MINUTES

Present: Mayor Jan **HILL,** Assembly Members Jerry **LAPP**, Daymond **HOFFMAN**, Joanne **WATERMAN**, Steve **VICK**, Norm **SMITH**, and Scott **ROSSMAN.**

Staff Present: Mark **EARNEST**/Borough Manager, Julie **COZZI**/Borough Clerk, Brad **MAYNARD**/Director of Public Facilities, Gary **LOWE**/Chief of Police, and Jila **STUART**/Chief Fiscal Officer.

Visitors Present: Jessica **EDWARDS**/CVN, Bill & Libby **KURZ**, Bud **STEWART**, Susannah **DOWDS**, David **WERNER**, George **FIGDOR**, Scott **CAREY**, Karl **HEINZ**, Danny **GONCE**, Sean **CONE**, Scott **SUNDBERG**, Nick **TRIMBLE**, Jessica **KAYSER**, Jim **SHOOK**, Roger **MAYNARD**, Al **KELLY**, Joe **POOR**, Sean **MCNAMARA**, Eric **KOCHER**, Dan **HENRY**, Jan **TRIGG**/Coeur Alaska, and others.

8. STAFF REPORTS

A. Borough Manager

- **Haines Borough Additional Lands Selection**

  The manager reported that he is working with Representative Thomas on an amendment to HB 273, relating to general grant land entitlements for the City and Borough of Wrangell. The amendment would allow the Haines Borough to have an additional general grant land entitlement. He has been working with other borough staff as well as AK-DNR to identify conveyable parcels.

Motion: **VICK** moved that "the assembly authorizes the borough manager to pursue the selection of additional lands and submit whatever is needed to get on the list to make it happen." The motion carried unanimously.

HAINES BOROUGH INCORPORATED SEAL OCTOBER 17 2002 STATE OF ALASKA

Attest:

Julie Cozzi, Borough Clerk
Haines Borough, Alaska

	State ID	State Designation	Total VUU (Selectable acres) in Parcel	Wrangell 2/11/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
1	W01	Gu	3,410	1,290	420	**Crittenden Creek Watershed**	Remote Residential; Important Habitat/Special Areas; Resource Development with Scenic Protection; Recreation	We are proposing to reduce our selection by a third, reducing the value of potential timber for the borough, because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. This area is very important to Borough residents, however, for uses/issues described. Infrastructure and proposed roads should be considered for access to shoreline development potential. Any LTF deveoloped should remain usable for use by the public.
						This parcel is located east of Wrangell, across the eastern passage on the mainland. The area is popular for hunting, fishing and recreation and there are two prehistoric sites located on the coast. There is potential for commercial timber harvest. Municipal selection is from bay that is east of Babblers Point, north. Selection includes area outside of the proposed State Forest parcel as well as along the shoreline within the proposed State Forest parcel. Uses include southwest facing area for residential, important cultural sites to protect, area for potential commercial recreational use, small area for commercial or personal use timber, buffer between any State harvests and shoreline uses. This area is important to residents for fisheries, recreation, subsistence and local salmon derby also. Borough's desired acreage is western portion of parcel, west of Crittenden Creek.		

	State ID	State Designation	Total WAU (selectable acres) in Parcel	Wrangell 2/12/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
2	W08	Gu	1,679	1,679	745	**Areas in Wrangell East** Parcel is located on the eastern side of Wrangell Island, south of the airport. Roads gave access to municipal and state timber sale in late 1990s and now provides some access to residential properties with more being sought. The northwestern section of this parcel is on the road network, is close to Downtown Wrangell and city services could easily be extended and would be a good location for industrial development. Commercial timber in isolated pockets along entire parcel. Buffer residential parcels.. Borough owns tidelands.	Industrial; Recreation, Parks or Open Space	We are proposing to reduce our proposed selection by 44%, reducing the value of potential timber for the borough, because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. This area is vital to the borough. Being on the road system it is a critical area for community expansion – residential, commercial and industrial. Timber could be made available to operators through a borough sale. Community access for recreation, to existing and future settlement development. We are looking at small areas of timber that can be provided to timber operators, shoreline uses creating a buffer between state timber sales and the use, scenic uses. Infrastructure and proposed roads should be considered for access to shoreline development potential. Most important would be to connect the road coming down from the north Spur Road and connecting to the road coming up from the South from Pats Lake Road.

	State ID	State Designation	Total VUU (selectable acres) in Parcel	Wrangell 2/12/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
3	W10	Gu	3,061	700	535	**Eastern end of Pat's Lake Road adjacent to W-08**		
						Part of a larger parcel that stretches east to west across Wrangell Island, on either side of Pat's Creek Road. Recommended selection is at the eastern end of Pat's Creek Road. This area has water access and is on the Island road network, on the colder side of the Island, and close to a power source (Tyee intertie). It is a potential site for a regional solid waste or other industrial uses that need water and road access, power and are remote a more densely populated area. Also isolated pockets of commercial grade timber here. Borough owns tidelands.	Industrial	
4	W27	Gu	659	659	659	**Uplands at end of Zimovia Hwy, South of Pats Lake on Wrangell Island**	Rural Residential	
						Located on the eastern side of Wrangell Island, south of the Pat's Lake and north of McCormacks Creek. This area is on the Wrangell Road System and would is one of the only areas along Zimovia Highway that is suitable for rural residential development.		
5	W14	Gu, S, Ha	3,555	1,130	1,130	**Coastal Area and Uplands Northwest of Thoms Place**		
						This area is north of Thoms Place on Wrangell Island. This area has a range of potential uses. The coastline, northwest of the existing residential lots would be appropriate for remote residential development. The area to the northeast of this has high timber values and could be selected by the Borough for commercial timber harvest. The parcel the Borough is selecting will transfer to the University if not selected by the Borough.	Remote Residential and Resource Development with Scenic Viewshed	

	State ID	State Designation	Total VUU: (selectable acres) in Parcel	Wrangell 2/12/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
6	W15	Gu, Ru	450	450	450	**Snake Creek at Olive Cove**		
						This parcel is located on the east side of Etolin Island south of Anita Bay and is located on a flat coastal plain vegetated, in part by hemlock and spruce forest. An existing residential subdivision is to the north. The Snake River and its watershed is especially important to Olive Cove property owners as well as to those who utilize the cove's commercial salmon and crab fisheries. It is a healthy anadromous stream and the surrounding watershed is important habitat for salmon, steelhead and migratory birds, supplies nutrients that sustain the cove's commercial, sport and subsistence fish and crab harvests, and is used by local residents for recreation and subsistence hunting and fishing. The parcel will be transferred to the University if it is not selected by the Borough.	Parks, Recreation or Open Space; Resource Development with Scenic Protection	
7	W21	Gu	2,778	2,778	667	**Bradfield River Floodplain and Adjacent Uplands**		
						This parcel occupies the broad floodplain of the Bradfield River. Large portions are covered by wetlands especially in the western part of the parcel. Portions for the parcel are occupied by structures related to the Tyee Hydroelectric facility, including an airstrip and seaplane float/dock. There is the possibility of an inter-island road through parts of the parcel, design to link the central southeast with Canada. This parcel has the potential for the development of facilities to support the existing hyrdoelectrical facility, the proposed intertie or the transportation corridor. The Borough's selection focuses on the road and electrical intertie corridor.	Industrial; Important Habitat/Special Areas	We are proposing to reduce our selection by 25%, reducing the potential road/electrical port development opportunities for the borough should Bradfield Road be constructed. The reduction is because DNR has objected to losing state timberlands that affects their calculation of the sustained yield and for the proposed State Forest. This area is one of the key future economic development opportunities for the borough and the area has been important to Borough residents for more than 60 years.
8	W20	Gu	574	574	330	**South Shore of Upper Bradfield Canal**		

	Score ID	State Designation	Total VUU (selectable acres) in Parcel	Wrangell 2/12/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
						This area covers the steeply sloping land rising out of the southeastern side of the head of Bradfield Canal. Most of the area has very steep slopes covered in hemlock and spruce forests. Much of the forested area is considered commercial quality. The area is located near the Tyee Lake Electrical facility and has potential to be developed for industrial uses related to the proposed electrical intertie and road corridor. The Borough's selection focuses on a port that would be tied to other area development (road etc).	Industrial	This area is very important for Port Development for the Bradfield Road

	State ID	State Designation	Total VUU (selectable acres) in Parcel	Wrangell 2/12/2010 selected acreage	Wrangell 2/19/2010 selected acreage	Description	Future Growth Map Designation(s)	BOROUGH COMMENTS
9	W12	Gu	3,564	3,564	845	**Earl West Cove**		
						Earl Cove West is located along the eastern shore of Wrangell Island. The parcel has road access and contains a river floodplain and steep valley walls on both sides. Some previous timber sales have taken place and a log transfer facility provides water access. There is a campsite and the area is a popular recreation site for locals. The parcel will be transferred to the University if it is not selected by the Borough. Borough selection is for further development of the recreational facilities, possible small port facility, areas along shore for remote residential properties, possible rock source, and some commercial timber harvest.	Remote Residential; Waterfront Development; Parks, Recreation or Open Space; Resource Development with Scenic Protection; Impt Habitat	The acreage has been reduced further based on DNR's objection to reducing the amount of acreage that UA will receive from this parcel after our selection. However this area is heavily used by the community, has road access with potential for recreation, settlement, commercial uses.
10	W-02	Gu, S	1,679	839	520	**St Johns Harbor, Zarembo Island**		
						State timber sales; residential subdivision opportunities. Wrangell is selecting 1/3 the total acreage, and is interested in partnering with the State to develop a remote residential subdivision and sell land.	Remote Residential	We reduced the acreage amount further because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. There is interest in providing remote settlement opportunities, potential commercial services, support areas for area mining activities and small timber areas.
	W-23	Ru	752		75	**McHenry Anchorage:** For remote recreational use, or potential remote commercial recreational opportunities and commercial mariculture support activities in the area.		For remote recreational use, or potential remote commercial recreational opportunities and commercial mariculture support activities in the area.
	W-07	Gu, Ru, Pr	976		130	**Mill Creek south GU:** For recreational uses and potential commercial recreational uses.		For recreational uses and potential commercial recreational uses.
				13,663	6,506			

HB

280

<target><bill>HB 280</bill><subject>HB 280</subject><comm>HFIN26</comm></target>

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 280
"The Cook Inlet Recovery Act"
Sponsor Statement

Residents of South Central Alaska are at risk that in the near future there will not be enough natural gas produced in Cook Inlet to heat and light their homes and businesses. Legislative action now can help address this challenge before it becomes a crisis.

A critical and universally recognized part of the solution is large-scale gas storage, allowing utilities to purchase gas during lower demand periods; hold the gas in storage; then withdraw it when needed. Establishing gas storage is crucial, and the state needs to promote the rapid development of storage facilities. House Bill 280, the Cook Inlet Recovery Act (CIRA), provides tax incentives and regulatory assurances to attract the private investment necessary to develop storage facilities and help reduce the cost of storage to consumers.

Specifically, CIRA provides a 10-year exemption from state land lease fees and rents to owners of new gas storage facilities. Since storage is needed urgently, these financial incentives will be available only for facilities put into operation before December 31, 2015. CIRA sets standards, such as minimum size and access requirements, for qualifying projects. Consumers will benefit from increased energy security and lower energy costs, as any financial incentives are required to pass through the supply chain to utilities and, in turn, to their customers.

In addition to storage, South Central also needs new gas discoveries. CIRA increases the incentives for exploration in Cook Inlet and allows explorers and producers to take their full benefit in one year rather than over two years.

CIRA also provides statutory guidance to the Regulatory Commission of Alaska in its consideration of utility gas supply contracts to help ensure adequate supplies of reasonably priced gas in the years ahead.

2/5/10

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HB 280
Cook Inlet Recovery Act - Sectional Analysis
Prepared by Representative Mike Hawker's Office

Section 1: Sets out a short title for the legislation: Cook Inlet Recovery Act (CIRA).

Section 2: Establishes an application process, criteria and timeline for the Alaska Oil and Gas Conservation Commission (AOGCC) to certify that a gas storage facility (GSF) meets the minimum working gas storage capacity and daily delivery rate requirements to be eligible for the financial incentives provided in this bill.

Section 3: Requires a GSF owner to notify the AOGCC if the facility ceases operation.

Provides definitions for terms used in CIRA.

Requires the Director of the Division of Mining, Land and Water to give priority to and expedite "when reasonably possible" any applications, permits and lease assignments needed for development and operation of a GSF.

Section 4: Directs the Department of Natural Resources (DNR) to waive any state land lease fees or rents for the first 10 years of a GSF's operation. The waiver would stop if the storage facility ceases commercial operations.

States that any waivers of lease fees or rents would be public record.

Requires that the GSF pass on the financial benefits of any lease exemption to utilities that use its service.

Clarifies that any gas withdrawn from a GSF is considered to be non-native gas and not subject to royalty until all non-native gas is withdrawn.

Section 5: Directs the Regulatory Commission of Alaska (RCA), when considering the approval of a utility's gas supply contract, to consider the impact on consumers if the commission rejects a utility's gas supply contract and to recognize the value of a utility holding a diversified portfolio of gas supply contracts with different pricing mechanisms in order to protect consumers from inadequate gas supplies and the risk of a single pricing mechanism.

Section 6: Requires that a utility's cost of gas storage that is passed on to consumers reflect the financial benefits of any tax credits and state lease exemptions provided in this legislation.

Section 7: Specifies that the Regulatory Commission of Alaska has jurisdiction over natural gas storage services provided for gas that is owned by a regulated utility.

(Copy on file)

Section 8: Further defines "natural gas storage facility" and clarifies what is considered part of the storage facility.

Further defines that RCA regulation of gas storage facilities is limited to facilities operated primarily or exclusively for third-party customers; regulation does not extend to a proprietary storage facility operated exclusively or primarily to hold gas owned by the storage facility owner or operator.

Section 9: Clarifies that the names of taxpayers and the amount of credits claimed for gas storage facilities under this legislation shall be public information. Requires the Department of Revenue (DOR) to furnish the information to the RCA.

Section 10: Establishes a credit against corporate income taxes of $1.50 per thousand cubic feet of new gas storage capacity opened in Alaska during 2011-2015. The credit is limited to $15 million per GSF. This section sets out minimum capacity and deliverability requirements to qualify for the credit, including that the GSF must be available for use by regulated utilities and, if utilizing state land, must be in compliance with its DNR storage lease. The credit can be refunded by the state at full value if the owner does not have enough taxable income to fully utilize it.

Section 11: Sunsets on Jan. 1, 2011, the rule that limits how certain tax credits arising from activity in Cook Inlet or from producing gas for in-state use are used. This would allow a Cook Inlet explorer or producer to explore or produce elsewhere in the state and have full access to the credits it earned from its Cook Inlet activities.

Section 12: Clarifies that any native gas in a gas storage facility shall be deemed not to be produced for production tax purposes until all of the non-native gas injected into the storage facility has been withdrawn.

Section 13: Allows explorers in Cook Inlet to receive their full production tax credit in the first year rather than over two years (as in current statute).

Section 14: Makes additional statutory changes to allow explorers in Cook Inlet to receive their full production tax credit the first year rather than over two years (as in current statute).

Section 15: Adds the new Cook Inlet-related well tax credits to the section in statute dealing with audits of transferred tax credits.

Section 16: Provides a 40% credit for exploration expenses in Cook Inlet against production taxes, rather than the two-tiered 30% / 40% credit in existing statute. In addition, all well-related lease expenditures in Cook Inlet, including non-capital and non-exploration related lease expenditures, also qualify for the credit.

Section 17: Allows the state to use funds from the oil and gas tax credit fund to refund the tax credits issued to a GSF.

Section 18: Makes additional changes to make it easier for a company to sell its Cook Inlet exploration credits to the state. Current law requires that before a company can sell credits back to the state it must prove it has spent an amount equal to the credit in Alaska. HB 280 would eliminate that requirement for Cook Inlet exploration credits.

Section 19: Authorizes the Department of Revenue to write regulations implementing certain aspects of Section 17.

Section 20: Directs the Office of Public Advocacy for regulatory affairs at the Department of Law, when considering whether to participate in a utility rate case regarding a utility's gas supply contract before the RCA, to consider the impact to consumers if the commission rejects a utility's gas supply contract and to recognize the value of a utility holding a diversified portfolio of gas supply contracts with different pricing mechanisms in order to protect consumers from inadequate gas supplies and the risk of a single pricing mechanism.

Section 21: Immediate effective date clause.

HB 280 Overview (cont.)
Definitions

Gas storage facility: A depleted or nearly depleted reservoir or aboveground tank used to store natural gas produced offsite and delivered to the storage facility to hold until needed. The owner of the gas — a utility, for example — would inject gas into the facility and would pay the facility operator for storage service.

Working gas storage capacity: The maximum amount of natural gas the storage facility could safely hold for its storage customers.

Cushion gas (also known as pad gas): The volume of gas that must be maintained in the storage facility to provide adequate pressure for operations. The storage operator, not the storage customers, would own the cushion gas.

Native gas: In the case of a nearly depleted reservoir, native gas is the natural gas that exists in the reservoir at the time it is developed for use as a storage facility. Native gas is used as cushion gas to maintain pressurization. If all of the non-native working gas that was injected for storage is withdrawn and native gas is eventually produced, state tax and royalty would be assessed.

Non-native working gas: Natural gas that is produced from another reservoir and delivered to the storage facility and held until needed. For example, a utility could purchase gas from a Cook Inlet producer and have it delivered to the storage facility for safekeeping until the utility needs the gas to meet customer demand. At that point, the utility would instruct the gas storage operator to deliver the quantity of gas required. The utility, not the storage operator, would own the gas in storage. State tax and royalty would be assessed on the non-native working gas when it is first produced and sold to the utility; no additional taxes or royalties would be due when it is withdrawn from storage for delivery to the utility.

HB 280 Overview (cont.)
FAQs

1. What are the minimum requirements for a gas storage facility (GSF) to qualify for financial incentives in the Cook Inlet Recovery Act? Who determines if a GSF meets these requirements?

   In order to qualify for the financial incentives in CIRA, a GSF must have the capacity to store more than 500 million cubic feet of working gas and deliver gas at a rate of at least 10 million cubic feet per day. The Alaska Oil and Gas Conservation Commission (AOGCC) will be required to certify these capacities within six months of receiving an application and provide the certification to the applicant, the Department of Natural Resources and the Department of Revenue.

2. What happens if the GSF stops operating?

   A GSF ceases operations if it doesn't inject or withdraw at least 100 million cubic feet of gas in a calendar year. The operator is required to notify the AOGCC by April 1st of the following year. If this happens, the GSF will no longer be eligible for state lease fees exemptions or tax credits.

3. Sections 4 and 12 of the bill state that gas withdrawn from a GSF is considered to be non-native gas and not considered to be produced until all non-native gas has been withdrawn. What does this mean and why do we need this language?

   This language requires that state follow last-in, first-out accounting rules for gas in a GSF. "Native gas" is any gas that is already in a storage facility and will be subject to existing royalty and production taxes when it is produced. "Non-native gas" includes all gas that is injected into the facility for temporary storage - royalty and production taxes were assessed when it was produced. By including this language, it is clear that non-native gas extracted from a GSF is not taxed twice and native gas is not subject to royalty and production taxes until all non-native gas is withdrawn.

4. Gas storage companies are receiving lease exemptions and tax breaks under CIRA. Are these savings passed on to the consumer?

   Yes. Language in sections 4, 6 and 10 require the owner of a GSF to reflect the savings of any financial benefits enacted in CIRA in their gas storage price.

From: Larry Persily
Sent: Thursday, January 28, 2010 5:13 PM
Subject: RCA and gas storage regulation

I prepared the following report from today's order issued by the Regulatory Commission of Alaska. The commission responded to a request for declaratory judgment from Cook Inlet Natural Gas Storage, which is looking for certainty on the question whether gas storage is or is not regulated by the RCA under state statute.

Larry, 465-6959

RCA says legislative answer would be best decision on gas storage regulation

The Regulatory Commission of Alaska Jan. 28 denied the request from Cook Inlet Natural Gas Storage (CINGS) for a declaratory judgment that gas storage is outside the regulatory jurisdiction of the commission. The RCA essentially said the Legislature is the best place for this decision.

There was no consensus among parties to the docket, with some arguing that state statute requires or at least allows the RCA to regulate a gas storage operation and others contending that state statute does not allow the RCA to regulate a storage operation.

"The most expeditious way to clarify our jurisdiction is through amendment to our statutes, explicitly authorizing us to regulate natural gas storage or exempting natural gas storage from our regulation," the commission stated in its order. "The Alaska Legislature is the only entity that has the power and the process necessary to provide CINGS the immediate certainty it seeks."

CINGS, a newly created subsidiary of TransCanada, is looking at developing a gas storage operation in a nearly depleted reservoir at the Cannery Loop Unit near Kenai. It would like to know before it commits to the project whether it would be directly regulated by the state or indirectly regulated when each utility that contracts for storage requests RCA approval of its costs before passing them on to their customers. State statute does not include "gas storage" in its definition of a utility subject to direct RCA regulation, though some have argued the commission could interpret its laws to assume such authority.

"We find that our statutes do not provide explicit authority to regulate natural gas storage, nor do they definitely set natural gas storage outside of our jurisdictional boundaries," the commission stated in its order. "With no consensus among interested persons on statutory interpretation and the question being a matter of legal interpretation, our own opinion on jurisdiction would hardly be the final word," the commission said.

A legislative decision would avoid the risk that a party could challenge an RCA interpretation of statute, possibly sending the issue to court and delaying development of gas storage for Southcentral gas customers.

"Despite their conflicting conclusions about our jurisdiction, all interested persons agreed that storage in the Cook Inlet area is a serious or even critical need," the commission said.

"Whether it is good public policy or bad public policy to regulate CINGS is not a valid factor in deciding whether we have jurisdiction to regulate CINGS," the commission added.

Rep. Hawker is reviewing the RCA order and will bring forward a proposal to deal with the issue when the Cook Inlet Recovery Act (HB280), co-prime sponsored by Speaker Chenault, comes before House Labor and Commerce Committee.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 280 (FIN)**
() Publish Date:

Identifier (file name): CSHB280(FIN) -REV-TAX-3-23-10
Title: Cook Inlet Recovery Act
Sponsor: Representative Hawker
Requester: House Finance Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Tax Division
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Co-Chair Rep. Hawker
House Finance Committee

Phone 465-4958
Date/Time 3/23/2010 4:55PM
Date 3/23/2010

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-DOA-AOGCC-02-08-10
Dept. Affected: Admin
Title "An Act relating to natural gas; relating to a gas storage facility; relating to the Regulatory Commission of Alaska..."
RDU AOGCC
Component AOGCC
Sponsor Representatives Hawker and Chenault
Requester (H) L&C
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Additional work for the Alaska Oil and Gas Conservation Commission resulting from this bill could be managed by existing staff. The agency therefore submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 02/08/10 12:00pm
Approved by: Rachael Petro, Deputy Commissioner
Date 2/8/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-CED-RCA-02-08-10
Dept. Affected: DCCED
Title: Natural Gas
RDU: Regulatory Commission of Alaska (399)
Component: Regulatory Commission of Alaska
Sponsor: Hawker, Chenault
Requester: House Labor & Commerce
Component Number: 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The proposed legislation would provide financial incentives for natural gas storage facilities and for exploration in the Cook Inlet basin, and provide general guidance to the Regulatory Commission of Alaska (RCA) on natural gas pricing. Statutes governing the general powers and duties of the RCA would be revised to require the RCA, when considering whether approval of a natural gas supply contract is in the public interest, to (1) recognize the public benefits of a utility's ability to negotiate different pricing mechanisms with different suppliers and maintain a diversified portfolio of gas supply contracts to protect customers from the risks of inadequate supply or excessive costs that may arise from a single pricing mechanism, and (2) consider whether the utility could meet its responsibility to the public in a timely manner should the rate of gas supply contract not be approved.
(ANALYSIS CONTINUED)

Prepared by: Robert M. Pickett, Chairman — Phone 907.276.6222
Division: Regulatory Commission of Alaska — Date/Time 2/8/10 11:30 AM
Approved by: Emil R. Notti, Commissioner — Date 2/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 280(L&C)

ANALYSIS CONTINUATION

This legislation would require that certain factors be recognized or considered when the RCA determines whether to approve natural gas supply contracts. The RCA expects to implement the provisions of this legislation with existing resources. The RCA can incorporate this review into the existing review process for natural gas supply contracts.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 280(RES)
(H) Publish Date: 3/17/10

Identifier (file name): CSHB280-DNR-DOG-03-05-10
Title: Cook Inlet Recovery Act
Sponsor: Rep. Hawker and Chenault
Requester: HRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**indeterminate**						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 280 offers tax credits for Cook Inlet gas storage facilities and attempts to promote gas exploration and production in the Cook Inlet.

There is no anticipated fiscal impact to the Division of Oil and Gas for the management of gas storage on state land. However, Sec. 4 of the bill will provide a ten year "holiday" on all storage fees and rentals for the storage lease. Also, the accounting convention described means that "non-native" gas will be withdrawn from storage first and no royalty revenue will acrue to "native" gas until all non-native gas is withdrawn. How industry will respond to the tax credits offered by this bill is unknown, therefore, the impact on fees, rents, and royalty revenues is negative indeterminate.

Prepared by: Kevin Banks, Director — Phone 269-8800
Division: Oil and Gas — Date/Time 3/5/10 12:00 PM
Approved by: Tom Irwin, Commissioner — Date 3/5/2010
Natural Resources

(Revised 11/6/2009 OMB)

CONCEPTUAL AMENDMENT #4 adopted 3/18/10

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CS HB 280 (RES)

INTENT: To ensure that the last-in, first-out (LIFO) accounting rules for gas in a storage facility apply only to open-access storage facilities that qualify for financial incentives under this legislation.

Suggested language is:

Page 6, line 17, following "facility"

INSERT "regulated under AS 42.05.990(4)"

Page 12, line 12, following "facility"

INSERT "regulated under AS 42.05.990(4)"

Adopted 3/17/10

26-LS1185\~~C.1~~
Bullock
3/10/10

#1

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: ~~CSHB 280( ), Draft Version "C"~~ CSHB 280 (RES)

Page 7, following line 14:

Insert a new bill section to read:

"* **Sec. 7.** AS 42.05.711 is amended by adding a new subsection to read:

(q) The service of natural gas storage furnished by operating a natural gas storage facility that is (1) part of a pipeline facility operated by a pipeline carrier, (2) part of a natural gas pipeline facility operated by a natural gas pipeline carrier, or (3) part of a North Slope natural gas pipeline facility operated by a North Slope natural gas pipeline carrier is exempt from this chapter. In this subsection, "natural gas pipeline carrier," "natural gas pipeline facility," "North Slope natural gas pipeline carrier," "North Slope natural gas pipeline facility," "pipeline carrier," and "pipeline facility" have the meanings given in AS 42.06.630."

Renumber the following bill sections accordingly.

Page 9, line 9:

Delete "for"

Adopted 3/17/10 Rescinded 3/18/10

26-LS1185\~~C~~.3
Bullock
3/16/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: ~~CSHB 280( ), Draft Version "C"~~ CSHB 280 (RES)

Page 15, following line 9:

Insert a new subsection to read:

"(o) For the purposes of (m) and (n) of this section, a Cook Inlet well lease expenditure is a lease expenditure that is incurred in the Cook Inlet sedimentary basin that is directly related to a well. A lease expenditure is directly related to a well if

(1) during exploration and development, the lease expenditure is characterized as an intangible drilling and development cost under 26 U.S.C. 263(c) (Internal Revenue Code) or 26 C.F.R. 1.612-4 regardless of any election made under those provisions;

(2) during production, the lease expenditure is an expenditure that is directly related to the processes of operating a well and moving fluids to the assembly of valves, pipes, and fittings used to control the flow of oil and gas from the casinghead, but does not include the processes of gathering, separating, and processing well fluids downstream from that assembly;

(3) it is an overhead expenditure authorized under AS 43.55.165(a)(2) for exploring for, developing, or producing, as applicable, the oil or gas deposits, or an expense for seismic work conducted within the boundaries of a production or exploration unit."

Adopted 3/18/10

AMENDMENT #5

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CSHB 280 (RES)

Page 15, following line 9:

Insert a new subsection to read:

"(o) For the purposes of (m) and (n) of this section, a Cook Inlet well lease expenditure is a lease expenditure that is incurred in the Cook Inlet sedimentary basin that is

(1) directly related to a well. A lease expenditure is directly related to a well if

(A) during exploration and development, the lease expenditure is a qualified capital expenditure as that term is defined in (l) of this section;

(B) during production, the lease expenditure is an expenditure that is intended to increase, enhance or mitigate the decline of well production and directly related to the processes of operating a well and moving fluids to the assembly of valves, pipes, and fittings used to control the flow of oil and gas from the casinghead, but does not include the processes of gathering, separating, and processing well fluids downstream from that assembly;

(2) an overhead expenditure authorized under AS 43.55.165(a)(2) and calculated on the Cook Inlet well lease expenditures allowed under (1) of this section; or

(3) an expense for seismic work conducted within the boundaries of a production or exploration unit."

Adopted 3/18/10

#3

26-LS1185\~~C.2~~
Bullock
3/10/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: ~~CSHB 280( ), Draft Version "C"~~ CSHB 280 (RES)

Page 5, following line 22:

Insert a new bill section to read:

"* **Sec. 4.** AS 38.05.035 is amended by adding a new subsection to read:

(n) The director may not deny an application for a lease or assignment of a lease of state land for the development and operation of a gas storage facility solely because the gas storage facility would be used exclusively or primarily to store gas owned by the owner or operator of the gas storage facility. In this subsection, "gas storage facility" has the meaning given in AS 31.05.032."

Renumber the following bill sections accordingly.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/18/10

Amendment: Amend 3

MEMBER	Favor	Oppose
~~REP. SALMON~~		
REP. THOMAS	✓	
REP. AUSTERMAN	✓	
REP. DOOGAN	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA		✓
REP. JOULE	✓	
REP. KELLY	✓	
REP. HAWKER	✓	
REP. STOLTZE	✓	

YEA 9

NAY 1

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB280**
() Publish Date:

Identifier (file name): CSHB280(FIN)-REV-TAX-3-23-10
Dept. Affected: Revenue
Title: Cook Inlet Recovery Act
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Mike Hawker
Requester: House Rules
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	108.9	108.9	108.9	108.9	108.9	108.9	108.9
Travel	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Contractual	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Supplies	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	***	***	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	117.3	117.3	117.3	117.3	117.3	117.3	117.3
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time	0.0	0	0	0	0	0	0
Temporary	0.0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

HB 280 would make multiple changes to the existing law on tax credits and gas storage facilities. The portions of the bill that specifically apply to the Department of Revenue would change the treatment of credits under AS 43.55.023 (Qualifying Capital Expenditures) and create a credit against corporate income tax (CIT) for gas storage facilities (AS 43.20.046). Nothing in this bill limits the gas storage credit to Cook Inlet. As a result, it is possible that gas storage credits could be provided for gas stored on the North Slope and in other areas of Alaska.

Any estimate of the change in revenues to the state under this legislation would be based on hypothetical development in the future. As a result, the full revenue impact of this legislation cannot be accurately determined at this time.

Prepared by: Cody Rice, Petroleum Economist II
Phone 907-269-1024
Division: Tax Division
Date/Time 3/23/10 1:24 AM
Approved by: Ginger Blaisdell, Director
Date 03-23-10; 2:29pm
Administrative Services Division

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 280

ANALYSIS CONTINUATION

The Department is requesting a Corporate Income Tax Auditor III position (Range 22) to audit the tax credits and manage the approval, issuance and tracking of the new and modified state credits.

The credit for gas storage created under this bill is $1.50/Mcf of certified working gas storage capacity. The credit will range from $750,000 to $15 million per facility under the bill.

Under this bill any remaining native gas in a field used for storage can be produced at the end of commercial operations for the gas storage facility. The time value of deferred production is not calculated but could be substantial.

Under HB280, the limitation on application of credits does not apply to Cook Inlet production after January 1, 2011. This change would allow credits from Cook Inlet expenditures earned under AS 38.05.180(i), AS 41.09.010, AS 43.55.024 and AS 43.55.025 to also be applied to other non-Cook Inlet tax liability.

Applying a sunset to AS 43.55.011(m)is likely to reduce Cook Inlet production tax collections to zero and allow Cook Inlet credits to be used to reduce production taxes due from operations in other parts of Alaska such as the North Slope.

Additional Issues and Fiscal Impacts:

The effect of increasing the value of credits for well work in Cook Inlet to 40% under AS 43.55.023(m) is not quantified in this analysis but the change would reduce tax revenues.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 280(RES)
(H) Publish Date: 3/17/10

Identifier (file name): CSHB280(L&C)-REV-TAX-03-07-10
Dept. Affected: Revenue
Title: Cook Inlet Recovery Act
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Mike Hawker
Requester: (H) Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	108.9	108.9	108.9	108.9	108.9	108.9	108.9
Travel	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Contractual	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Supplies	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	***	***	***	***	***	***	***

FUND SOURCE	(Thousands of Dollars)						
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	117.3	117.3	117.3	117.3	117.3	117.3	117.3
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**	**117.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS							
Full-time	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time	0.0	0	0	0	0	0	0
Temporary	0.0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

HB 280 would make multiple changes to the existing law on tax credits and gas storage facilities. The portions of the bill that specifically apply to the Department of Revenue would change the treatment of credits under AS 43.55.023 (Qualifying Capital Expenditures) and create a credit against corporate income tax (CIT) for gas storage facilities (AS 43.20.046). The language relating to credits has the potential to be interpreted quite broadly with the potential for large reductions in state revenues when compared to future developments that might occur under the current law.

The Department is requesting a Corporate Income Tax Auditor III position (Range 22) to audit the tax credits and manage the approval, issuance and tracking of the new and modified state credits. (continued)

Prepared by: Cody Rice, Petroleum Economist II — Phone 907-269-1024
Division: Tax Division — Date/Time 03-04-10; 4:27pm
Approved by: Ginger Blaisdell, Director — Date 03-07-10; 1:31pm
Administrative Services Division

ANALYSIS CONTINUATION

There are three gas storage facilities currently operating in the Cook Inlet region. None of the existing gas storage facilities would qualify for the corporate income tax credits under this bill as currently written. However, it is unclear if the existing gas storage facilities could qualify for credits if they shut-down and re-opened or changed ownership. Any estimate of the change in revenues to the state under this legislation would be based on hypothetical development in the future. As a result, the full revenue impact of this legislation cannot be accurately determined at this time.

The following scenarios may provide some perspective on the range of potential revenue impacts.

Scenario 1: Corporate income tax credit effects on a small facility

The first scenario assumes the construction of a small gas storage facility in a depleted reservoir similar to one of the smaller currently operating gas storage facilities. The facility is assumed to be capable of approximately 1.25 cycles a year and to have a working gas capacity of approximately 1Bcf. Under the terms of HB 280 this facility would be entitled to a credit of $1.5 Million against state CIT.

In 2004, the Federal Energy Regulatory Commission (FERC) estimated the median cost-of-service rate for firm storage service at $0.64/Decatherm. One Decatherm is equal to one Mcf of natural gas if the natural gas contains 1,000 Btu/cubic foot. Escalating this cost for inflation produces a 2009 cost-of-service rate of approximately $0.72/Mcf of firm storage service.

Given the estimated cost-of-service, volume of gas cycled and reasonable assumptions about debt to equity and other factors, the Department of Revenue estimates that this gas storage facility would owe approximately $95,000/year in state CIT. This rough estimate suggests that the corporate income tax credit for gas storage created under AS 43.20.046 of this bill would entirely offset the state corporate tax liability for nearly the first 16 years of operation. It is important to note that the credit created in this bill under AS 43.20.046 is eligible to be transferred or refunded.

There is a credit clawback provision that applies if the gas storage ceases commercial operations within ten years. However, in this scenario, the amount of the original credit remaining after ten years of commercial operations is estimated to be $550,000. This means the storage operator in this scenario could cease to operate at the beginning of year 11 and theoretically retain as much as $550,000 in refundable state credits. Additionally, under HB 280, the facility would be exempt from rental and storage fees charged by the Department of Natural resources (DNR) for the first ten years of commercial operations. There is also some question about whether the existing statute of limitations would allow the state to exercise the clawback provision.

Under this scenario the reduction in state taxes to the state is $1.5 million in undiscounted terms for each qualifying facility of this type. This does not include reductions in estimated rental and storage fees.

Scenario 2: Corporate income tax credit effects on a large facility

Scenario two assumes the construction of a large gas storage facility in a depleted reservoir. The facility is assumed to be capable of cycling approximately one time each year and to have a working gas capacity of

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 280(RES)

ANALYSIS CONTINUATION

Under the terms of HB 280 this facility would be entitled to the maximum credit of $30 million against state corporate income tax.

Using the same cost-of-service and financial assumptions as scenario one, the Department of Revenue estimates that the gas storage facility owner would owe approximately $1.5 million annually in state CIT. This rough estimate suggests that the corporate income tax credit created under AS 43.20.046 would completely offset the state corporate income tax liability for about 20 years of operation. It is important to note again that the credit created in this bill under AS 43.20.046 is eligible to be transferred or refunded. There is a credit clawback provision that applies if the gas storage ceases commercial operations within ten years. However, in this scenario, the amount of the original credit remaining after ten years of commercial operations is estimated to be $15,000,000. This means the storage operator in this scenario could cease to operate at the beginning of year 11 and theoretically retain as much as $15,000,000 in refundable state credits. The facility would also be exempt from rental and storage fees charged by the Department of Natural resources (DNR) for the first ten years of commercial operations.

Under this scenario the reduction in state taxes to the state is $30 million in undiscounted terms for each qualifying facility of this type. This does not include reductions in estimated rental and storage fees.

Scenario 3: Broader interpretation of HB 280 benefits

Previous scenarios have assumed gas storage facilities operated at nearly 100% of capacity, using 100% of certified storage capacity. This scenario assumes a gas storage operator takes full economic advantage of a broad interpretation of the language in HB 280. Specifically, the facility uses a reservoir with a working gas capacity of 20 Bcf and the operator only cycles the minimum amount of gas to prevent the loss of the credits: 10,000 Mcf of natural gas annually. Using the same cost-of-service and financial assumptions as the previous two scenarios, the Department of Revenue estimates that the gas storage facility owner would owe less than $1,000 annually in state CIT. The storage facility owner would be eligible for a credit of $30,000,000 for the facility based on the working gas capacity. In this scenario it would take nearly 4,000 years of operation under this scenario for a gas storage operator to exhaust the state corporate income tax credit provided under this bill. Alternatively, after 10 years of commercial operation the owner could shut the facility down and retain $29,990,000 in refundable state credits.

Scenario 4: Lost or deferred production and production tax revenue

Previous scenarios have assumed gas storage in a depleted reservoir. It is possible that an oil and gas lessee could elect to shut-in production at a currently producing field earlier than would have otherwise occurred in order to take full advantage of plentiful native gas for free cushion gas. Under this bill the remaining native gas could be produced at the end of commercial operations for the gas storage facility. This deferred or lost production tax revenue would be in addition to lost revenue impacts equivalent to any of the previous three scenarios. The time value of deferred production is not calculated but could be substantial.

Scenario 5: Tax Ceiling

Existing state law provides the benefit of a tax ceiling for certain production under AS 43.55.011(j)(k) and (o). The tax ceiling applies to Cook Inlet production as well as any natural gas produced for use in state. Currently, credits earned under AS 38.05.180(i), AS 41.09.010, AS 43.55.024 or AS 43.55.025 are required to be applied first to a producers tax liability under AS 43.55.011(e) as though it were not limited by AS 43.55.011(j)(k) or (o).

ANALYSIS CONTINUATION

Under HB280, the limitation on application of credits does not apply to Cook Inlet production after January 1, 2011. This change would allow credits from Cook Inlet expenditures to also be applied to other non-Cook Inlet tax liability. In essence producers would earn credits and apply their full value against state wide tax liability and also receive the benefit of the reduced tax rate resulting from the comparison of actual tax rate (using those credits) and the prior ELF rate or ceiling rate. This repeal is likely to have the effect of reducing Cook Inlet tax collections to zero and allowing Cook Inlet credits to be used to shield taxes due from operations in other parts of Alaska such as the North Slope. This provision would be a particular benefit to companies operating in both Cook Inlet and on the North Slope.

Scenario five entails a producer with production in both Cook Inlet and on the North Slope. Assume the producer is entitled to a credit of $12 million under AS 43.55.025 because of Cook Inlet Exploration Expenditures, and assume that the producer's total production taxes are approximately $18 million, with $16 million attributed to North Slope production and $2 million attributed to Cook Inlet production.

Under existing law, AS 43.55.011(m) requires the producer to apply the $12 million in Cook Inlet credits to the full value of its hypothetical .011(e) Cook Inlet tax liability even though the Cook Inlet tax ceiling rate is applicable. Applying the $12 million credit against $2 million of .011(e) Cook Inlet production tax leaves $10 million in excess credits that may be used to offset tax liability elsewhere in the state. The tax ceiling rate on Cook Inlet oil is zero; therefore $2 million of the credit is considered "used" under AS 43.55.011(m).

Under current law, the North Slope tax liability of $16 million would be offset by the $10 million in credits left over after application of AS43.55.011(m), leaving a production tax liability of $6 million. Under HB 280, the producer would not have to draw down its $12 million of Cook Inlet tax credits, and instead be allowed to apply the full $12 million to the $16 million North Slope tax liability. As a result, the producer would pay a total of $4 million in production tax under this scenario, or $2 million less than under the existing law.

This scenario is a simplified version of how HB 280 might affect state revenues. Because AS 43.55.011(m) applies to multiple types of credits, and multiple taxpayers, the revenue effects could be significant.

Additional Scenarios and Fiscal Impacts:

The effect of increasing the value of credits for well work in Cook Inlet to 40% under AS 43.55.023(m) is not quantified in this analysis but would reduce tax revenues.

There could be additional reductions in state tax revenues if other existing facilities or natural gas pipelines were certified as gas storage and eligible for credits. This bill does not limit the credit for gas storage to the Cook Inlet, and in fact could be applied to gas stored on the North Slope or other areas of the state.

Cook Inlet production tax and additional production caused by the injection or withdrawal requirements under this proposal are very unlikely to generate more than a small fraction of the revenue that would be required to fund this credit. This means production taxes from other areas of the state, such as the North Slope would likely be the source of funds to the tax credit fund for the state to repurchase this credit.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-DOA-AOGCC-02-08-10
Dept. Affected: Admin
Title "An Act relating to natural gas; relating to a gas storage facility; relating to the Regulatory Commission of Alaska..."
RDU AOGCC
Component AOGCC
Sponsor Representatives Hawker and Chenault
Requester (H) L&C
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Additional work for the Alaska Oil and Gas Conservation Commission resulting from this bill could be managed by existing staff. The agency therefore submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 02/08/10 12:00pm
Approved by: Rachael Petro, Deputy Commissioner
Date 2/8/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-CED-RCA-02-08-10
Dept. Affected: DCCED
Title: Natural Gas
RDU: Regulatory Commission of Alaska (399)
Component: Regulatory Commission of Alaska
Sponsor: Hawker, Chenault
Requester: House Labor & Commerce
Component Number: 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The proposed legislation would provide financial incentives for natural gas storage facilities and for exploration in the Cook Inlet basin, and provide general guidance to the Regulatory Commission of Alaska (RCA) on natural gas pricing. Statutes governing the general powers and duties of the RCA would be revised to require the RCA, when considering whether approval of a natural gas supply contract is in the public interest, to (1) recognize the public benefits of a utility's ability to negotiate different pricing mechanisms with different suppliers and maintain a diversified portfolio of gas supply contracts to protect customers from the risks of inadequate supply or excessive costs that may arise from a single pricing mechanism, and (2) consider whether the utility could meet its responsibility to the public in a timely manner should the rate of gas supply contract not be approved.
(ANALYSIS CONTINUED)

Prepared by: Robert M. Pickett, Chairman — Phone 907.276.6222
Division: Regulatory Commission of Alaska — Date/Time 2/8/10 11:30 AM
Approved by: Emil R. Notti, Commissioner — Date 2/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 280(L&C)

ANALYSIS CONTINUATION

This legislation would require that certain factors be recognized or considered when the RCA determines whether to approve natural gas supply contracts. The RCA expects to implement the provisions of this legislation with existing resources. The RCA can incorporate this review into the existing review process for natural gas supply contracts.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 280(RES)
(H) Publish Date: 3/17/10

Identifier (file name): CSHB280-DNR-DOG-03-05-10
Title: Cook Inlet Recovery Act
Sponsor: Rep. Hawker and Chenault
Requester: HRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**indeterminate**						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

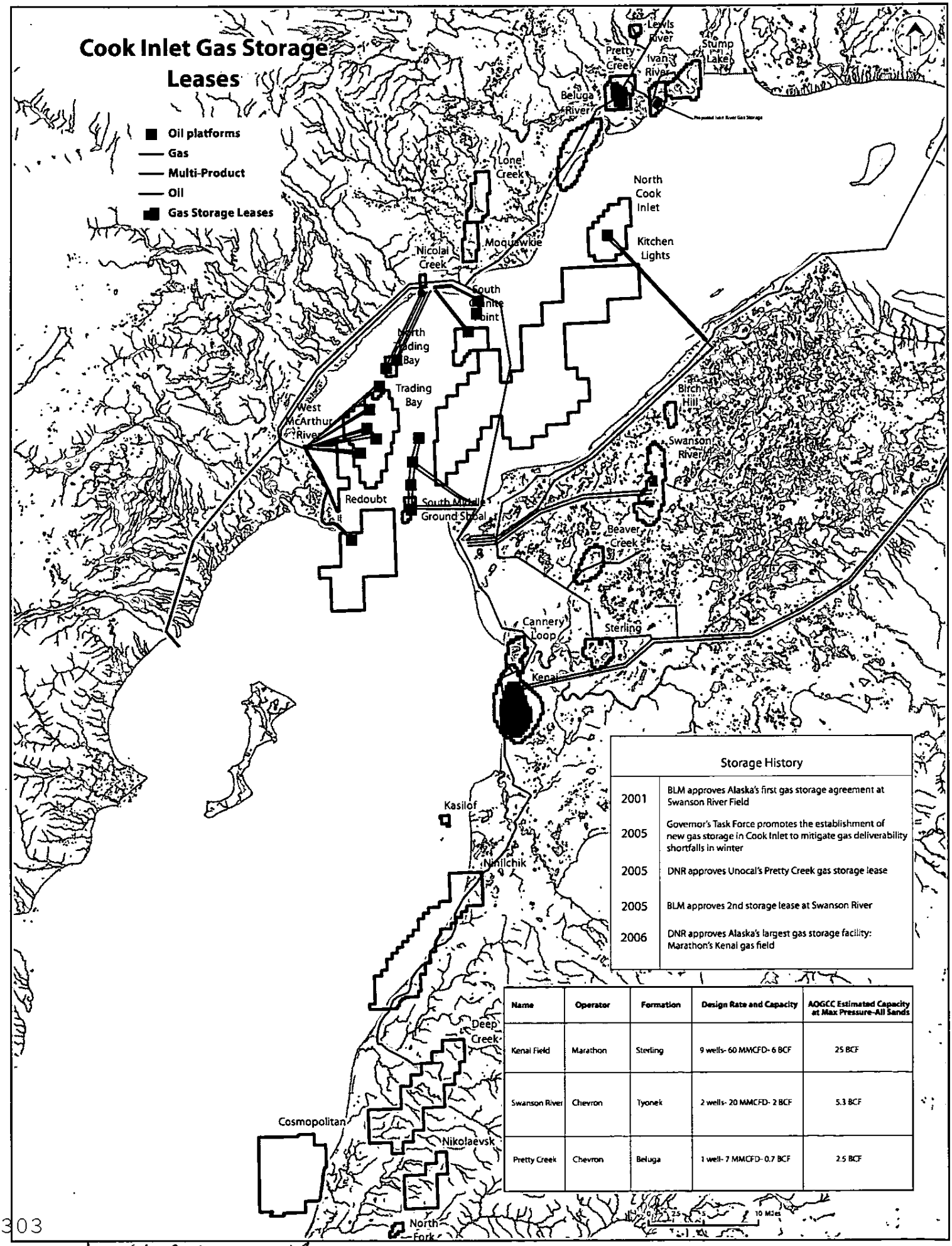
ANALYSIS: *(Attach a separate page if necessary)*

HB 280 offers tax credits for Cook Inlet gas storage facilities and attempts to promote gas exploration and production in the Cook Inlet.

There is no anticipated fiscal impact to the Division of Oil and Gas for the management of gas storage on state land. However, Sec. 4 of the bill will provide a ten year "holiday" on all storage fees and rentals for the storage lease. Also, the accounting convention described means that "non-native" gas will be withdrawn from storage first and no royalty revenue will acrue to "native" gas until all non-native gas is withdrawn. How industry will respond to the tax credits offered by this bill is unknown, therefore, the impact on fees, rents, and royalty revenues is negative indeterminate.

Prepared by: Kevin Banks, Director — Phone 269-8800
Division: Oil and Gas — Date/Time 3/5/10 12:00 PM
Approved by: Tom Irwin, Commissioner — Date 3/5/2010
Natural Resources

(Revised 11/6/2009 OMB)



submitted by ONR

Submitted by DNR

Incentive Grid

DESCRIPTIVE NAME	STATUTE	NORTH SLOPE	COOK INLET	NOTES AND EXCEPTIONS	BILL ID
Exploration Incentive Credits (EICs)					
AS38.05.180(i)	AS38.05.180(i)	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	N/A for unleased, Federal-, or private-owned lands	
AS41.09.010 -- expired Jul. 1, 2007	AS41.09.010	N/A	N/A	up to 50% of drilling & seismic costs on unleased state land, 25% on non-state land, expired 7/1/2007	
Exploration Tax Credit AS43.55.025 Expires 7/1/2016	AS 43.55.025	Up to 40% of seismic costs 1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well 2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	Up to 40% of seismic costs 1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well 2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	[same as column 1] applies to all lands onshore or in state waters outside of Cook Inlet	03.185 05.286 07.2001
AS43.20.043 -- expires 1-1-2013 for below 68° latitude***(see note at bottom)	AS43.20.043	N/A if north of 68° latitude	10% of capital investment 10% of annual cost	[if below 68° latitude, same as column 2] applies to all lands onshore or in state waters	03.61
Royalty Modification **AS38.05.180(j)**	AS38.05.180(j)	Down to 5%, if new production Down to 3%, if producing or shut-in	Down to 5%, if new production Down to 3%, if producing or shut-in	N/A for unleased, Federal-, or private-owned lands	03.28
AS38.05.180(f)(6)	AS38.05.180(f)(6)	N/A	As low as 5% for oil production from CI platforms if production falls below specified levels	N/A for unleased, Federal-, or private-owned lands	03.185
Discovery Royalty					
Discov. Roy. South of T18N, Cook In.	AS38.05.180(f)(4)	N/A	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands	
Discov. Roy. For Pre-1969 leases	[DL-1 Lease Form]	5% royalty for 10 yrs.	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands	
Field specific, for the following fields only: Falls Creek, Nicolai Cr., Redoubt Shoals, & West Foreland. North Fork & Starichkof not in prod. Before 1/1/2004.	AS38.05.180(f)(5)	N/A	5% on 1st 25 MM bbls for 10 yrs 5% on 1st 35 BCF for 10 yrs field must be in prod. by 1/1/2004	N/A for unleased, Federal-, or private-owned lands	
PPT/ACES Tax Credits					06.3001
Qualified CapEx Credits *transferrable* credit against PPT paid out over 2 years	AS43.55.023(a)	up to 20% of capital expenditures, max 50% of credit in any one calendar year	[same as column 1]		07.2001

Loss Carry-Forward Credits *transferrable* credit against PPT, but	AS43.55.023(b)	up to 25% of capital expenditures	[same as column 1]		07.2001
Transition Investment Expenditure Credits *non-transferrable* credit against PPT, expires at the end of 2013	AS43.55.023(i)	up to 20% of 2001-2006 capital expenditures for explorers with no commercial production prior to 1/1/2008	[same as column 1]		07.2001
Frontier Basin Production Credit non-transferrable credit against PPT, for production south of 68 lat. & oustide CI basin, expires at the end of 2013	AS43.55.024(a)	N/A	N/A	Available only on state-owned lands not in sale areas up to $6MM	07.2001
Small Producer Credit *non-transferrable* credit against PPT eligibility ends 9 years after 1st tax pmt.	AS43.55.024(c)	$12 MM for production <50,000 BOE/day, declining on a sliding scale to $0 for production >100,000 BOE/day	[same as column 1]		07.2001
Economic Limit Factor based Ceiling	AS43.55.011(j)&(k)	No	Yes		07.2001
INCENTIVES AS PART OF A PROGRAM		**NORTH SLOPE**	**COOK INLET**	**NOTES AND EXCEPTIONS**	
Exploration Licensing	AS38.05.132	N/A	N/A	Available only on state-owned lands not in sale areas Up to 500,000 acres per license One-time $1/acre license fee No bonus bid or annual rental Sole right to covert to O & G leases	
Nonconventional Gas Incentive	AS38.02.180(n)(2)	Reduced rental, 6.25% royalty if no competition with 12.5% leasee	[same as column 1]	Can apply to license areas after conversion to lease, then same as column 1	04.531

***** If requesting this credit, not eligible for any other tax credits or royalty modifications**

Acreage Limitation Increase	AS38.05.140(c)	Aggregate state land acreage holding increased from 500,000 to 750,000 acres on all land other than tide and submerged land, of which not more than 500,000 acres may be located north of the Umiat meridian.	Goal was to increase the opportunity of exploration companies to assemble acreage blocks outside of the North Slope producing area.
Areawide lease sales	N/A		
Shallow gas leasing	AS38.05.177		

HB 280
Cook Inlet Recovery Act (CIRA) - Overview

Prepared by Representative Mike Hawker's Office

CIRA provides a statutory framework and financial incentives for developing large-scale natural gas storage facilities and also makes changes to Cook Inlet exploration tax credits to encourage exploration and development of new gas discoveries.

Gas Storage Facilities

- Incentives include:
  - Land lease and fee exemption for 10 years
  - NEW income tax credit
    - Credit is based on capacity, certified by AOGCC: $1.50/1,000 cubic feet (cf) of working storage capacity
    - Maximum credit is $15 million per facility
    - Credit is fully refundable by the state
  - Expedited/priority processing of applications by DNR, when reasonably possible
- Incentives apply to gas storage facility that meets minimum capacity and delivery requirements, certified by AOGCC:
  - Minimum Working Storage Capacity: 500 million cf
  - Minimum Daily Delivery Capacity: 10 million cf
- Incentives are available for gas storage facilities that commence operations between Jan. 1, 2011, and Dec. 31, 2015
- All financial benefits and the names of those receiving the benefits are public information
- All financial benefits must be passed on to utilities, which then pass on to consumers
- All financial benefits stop when a project ceases operation
- CIRA also mandates RCA regulation of gas storage facilities that hold gas owned by regulated utilities.

Gas Exploration in Cook Inlet

- Changes to existing credits:
  - Allows 100% of credits earned by explorers in the Cook Inlet to be used elsewhere in the state; current statute generally limits those credits to be applied only to actual taxes paid on Cook Inlet production
  - Allows the full amount of the credit to be used in the year issued; current statute allows only half of the credit to be used in one year
  - Provides a 40% credit for exploration within Cook Inlet; current statute contains a variable (30% or 40%) credit based on the proximity of the exploration to an existing well

AlaskaDispatch
News and voices from the Last Frontier

Energy

Gassing up

Rena Delbridge
Dec 27, 2009

Southcentral's 350,000 residents are snug this winter in homes with plenty of heat and Christmas lights twinkling.

But the sense of security fed by light and warmth is a false one in the state's major population area, where utilities are a step or two away from rolling power outages if the weather turns bitter cold -- cold enough to put out of order the complex metal machinery that pushes natural gas through lines and into homes; cold enough to push demand off the charts.

And by the winter of 2011-12, deliverability could be an issue beyond peak demand in the coldest spells.

Natural gas, used to heat buildings and to generate 90 percent of the region's electricity, is probably not going to be available in quantities enough to meet peak demand on cold winter days -- this winter, or next -- under certain scenarios.

Along with deliverability challenges, a recent state geological report shows there's about 10 years worth of gas left in Cook Inlet, should companies choose to invest their global dollars in production for a limited, small market.

One company, a TransCanada subsidiary, wants to build a storage facility to warehouse gas produced in summer months, when demand is one-fourteenth of peak winter loads. The resource could be drawn out in winter.

The company's proposal is a dream come true for some -- a private-sector solution that isn't seeking a dime from the government. All that Cook Inlet Natural Gas Storage, LLC, needs is assurance that the Regulatory Commission of Alaska will allow utilities -- its customers -- to recover storage fees in rates charged to consumers.

But lawmakers, state officials and even utility chiefs could tangle over whether gas storage facilities -- new to the 49th state -- should fall under the Regulatory Commission of Alaska's jurisdiction. If they take too long sorting that out, TransCanada's plans will be delayed -- possibly enough to leave Southcentral facing a nightmare by winter 2012 or 2013.

"On the coldest day of the year, what will we pay to stay warm?" Sen. Hollis French asked. "You'll probably pay anything, which is a bad place to be as a consumer. You don't have an alternate source for your natural gas supply. You want to have some oversight so there's not price gouging at a time when you are most vulnerable."

The problem

To be clear, Cook Inlet isn't near running out of gas next year, or in the next five years. On the contrary, the state estimates there are hundreds of trillions of cubic feet remaining, although that gas is more difficult to access -- and thus, more expensive to produce and purchase.

The real problem is deliverability. Utility and municipal managers, lawmakers and others are seriously concerned that when Southcentral soaks up huge amounts of gas to ward off Alaska's bitter winter temperatures, the supply may not hold.

Municipality of Anchorage Mayor Dan Sullivan drafted an energy task force that's studying the potential for emergencies and running tabletop exercises to test procedures in case of extreme shortages or -- more likely -- breakdowns in the machinery that pushes gas to pilot lights.

"If we had to go to that extent, to call upon people to conserve ... and go to rolling blackouts, at least we have a procedure in place," Municipal Manager George Vakalis said. "We know how to do it."

Since 1969, the liquefied natural gas export plant at Nikiski has provided a buffer for the supply and demand swings -- in essence, offering companies an outlet for gas that the Southcentral market couldn't absorb. However, a shortfall is annual production supply is anticipated in 2012 or 2013. The federal LNG export permit runs out in March 2011, and ConocoPhillips hasn't announced whether it will apply for an extension.

"We're faced with a unique environment in Cook Inlet with the demand swings," said John Sims, Enstar's spokesman. "The LNG facility is very important. It creates incentive for (companies) by having that large, industrial export customer."

ConocoPhillips, financially strapped after the past year's global economic downturn, hasn't said yet whether it will close or sell the facility, turn it into storage, or seek continued exports.

Solution on the table

Cook Inlet Natural Gas Storage, the newly formed TransCanada subsidiary, wants to build a 19 billion cubic foot gas storage facility near Kenai. A member of TransCanada's projec team, Bob Gibb said the company is working on land purchases and, if regulatory issues can be sorted out, is ready to start construction next summer

The timeline is tight, and critical work must be done in summer, Gibb said. He figured the schedule has enough to flexibility to still meet an in-service date for winter 2012-13, if politics delay immediate approval.

Gibb confirmed the company is talking with prospective clients Enstar, an anchor tenant; Municipal Light & Power; and Chugach Electric Association, which is representing two smaller electric utilities, Homer Electric Association and Matanuska Electric Association.

He isn't releasing cost estimates at this point.

CINGS wants to build 20-year contracts with its clients, with warehousing fees to be paid out equally over the full term -- also called levelized rates. The big question is whether the

RCA will allow some certainty that the long-term rates are acceptable, and that the utilities will be allowed to recoup their gas-warehousing costs from customers.

To regulate or not to regulate?

Attorneys, policymakers and company reps packed an RCA meeting room in Anchorage in early December for a daylong workshop on storage. The participation was significant, with nearly all parties involved discussing solutions, potential hangups and how rate payers could fare under different gas storage scenarios.

"We were very encouraged by the workshop," Sims said. "That not only shows the urgency that everyone realizes, but also how willing everyone is to work together and try to resolve the issues."

At the heart of the discussion was whether or not gas storage should fall under the RCA's jurisdiction, which would involve time-consuming hearings but, in return, offer consumers some protection in rates charged.

But the RCA statutes don't allow for regulation of storage facilities that supply to utilities. Instead, the commission's authority rests in regulating utilities that supply consumers, and approving the contracts those utilities make with suppliers to ensure customers are getting a reasonable deal.

TransCanada reps at the meeting said they don't mind being regulated, and in fact, storage operations in the Midwest are regulated. But they need to know, and soon, whether they'll face regulation and the filings, hearings and challenges that come with it and could soak up so much of the construction timeline that the company may have to forfeit next summer.

"There are pros and cons with both," Sims said. "The nice thing about it being regulated is there would be some sort of surety from Enstar's standpoint for rate recovery."

The utility needs to know whether it will be able to recover storage costs in rates -- and if so, to what extent. CINGS needs that assurance, as well.

"We need to have surety ... before we can close on some of the properties and move forward with some of the construction," Gibb said. "It is critical."

Lawmakers step in

Some lawmakers are heading out in front with bills they'll file when the session starts Jan. 19 enabling a storage facility and, ideally, additional drilling.

In December, Sen. Hollis French, an Anchorage Democrat, released a draft of a bill he plans to introduce during the session allowing a substantial tax credit of 20 percent of capital costs for companies who invest in storage to serve Southcentral gas needs. He expects to tack on a caveat once the session starts, enabling the credit only if the storage facility owner agrees to come under the RCA's jurisdiction.

The RCA issue is the biggest one for Southcentral's gas problems, French said.

"At least one avenue is to get away from the gas storage operation, and focus more on the contracts that CINGS strikes with the utilities, which is a function the RCA is far more experienced with," he said.

A farther-reaching bill, the Cook Inlet Recovery Act, was proposed last week by House Speaker Mike Chenault of Nikiski and Rep. Mike Hawker of Anchorage, both Republicans. Their working draft offers incentives for storage, but also smoothes state bureaucratic processes to spur private investment in finding new reserves.

"This bill is narrowly focused on Cook Inlet production," Hawker said. "It's all about the urgency of the issue. We need to address these challenges and address them now ... Every penny of cost relief or credit we can provide here ultimately flows through as savings to consumers. Adding storage, which is critical, is going to add money. It's not going to be cheap."

The bill also included direction for the RCA to consider the consequences of saying no to a matter -- something the commissioners haven't had the authority to do. Beyond that, changes to the commission's authority aren't addressed in the draft, in part because of the potential for prolonged conflict in the Capitol.

"If the extent of the RCA's authority becomes an uncertainty because the legislature has thrown it into the ping pong match, no one is going to move one step forward on any project until that issue is totally resolved," Hawker said.

Chenault said he couldn't say yet whether storage should be regulated.

"But if you have people out there interested in doing it, and you have a need, then the decision needs to be made," he said. "We can't wait around for years. The longer you wait, the less opportunities you have and, probably, the more it's going to cost."

Enstar and CINGS haven't formed opinions on the legislation yet.

"We are moving forward with our contracts as if there were no additional input from the Legislature," Gibb said. "If it comes into being, we'll consider it as it does."

Contact Rena Delbridge at rena_alaskadispatch.com

CORRECTION: This story was updated Jan. 7, 2009, to correct the spelling of Bob Gibb, a member of TransCanada's project team, and to clarify TransCanada's anticipated timeline

ALASKA
Journal of Commerce
Alaska's Paper of Record • Established 1977

Web posted Friday, June 12, 2009

Lawmakers get another wake-up call on Inlet gas supply

By Tim Bradner
Alaska Journal of Commerce

It's a tough thing to say, but the days will start getting shorter soon and January is only six months away. The usual midwinter cold snap is almost surely in the cards, and the gas distribution system serving consumers and local electric utilities is likely to be strained once again. No one wants their supply of natural gas to be cut when it's minus 20 degrees.

There's nothing very secure, or simple, about the supply of natural gas in Southcentral Alaska, however. Aging gas fields in the region are being depleted and gas wells, many 30 years old, can't produce enough now to guarantee meeting midwinter demand.

What keeps disaster at bay is the liquefied natural gas, or LNG, plant near Kenai, which stops making LNG in very cold weather so gas can be diverted to the local utilities. The LNG plant may close in 2011, however, when its federal license to export LNG expires.

So far the utilities have no plan B for that possibility, although they are working on one.

There are large reserves of gas on the North Slope, but without a pipeline there's no way to get the gas to the state's largest communities. Studies are now underway by the state for a 24-inch bullet pipeline to bring gas to Southcentral from the Slope but no one knows how much this will cost. It couldn't be finished until 2016 to 2018 in any event.

There's also more gas to be found in Cook Inlet but there's little new drilling, for a complex set of reasons.

Cook Inlet oil and gas platforms supply natural gas to local utilities as well as crude oil for the Tesoro Alaska refinery near Kenai. The platforms are more than 30 years old, and are approaching their economic limits. *Photo/Rob Stapleton/AJOC*

State legislators got an earful about all this on June 5, when the Senate Resources Committee, meeting in Anchorage, listened to managers of gas producing companies, utilities, and state and federal officials, as well as private landowners.

State Sen. Bill Wielechowski set a sober tone for the meeting.

"Cook Inlet gas production has declined considerably," he said. "In the last three years it has declined by more than 50 billion cubic feet annually. Current demand is about 140 billion cubic feet per year, so this is significant."

By 2012, annual in-state demand will exceed supply from existing wells. This assumes no export of Cook Inlet gas, Wielechowski said.

"We have three years before we have a supply problem if we look at production from existing wells," he said.

State oil and gas director Kevin Banks said it's almost certain that oil and gas companies will add reserves in the producing fields if they drill more wells.

But petroleum companies told legislators too few new wells are being drilled, and that consumers and local utilities aren't doing enough to promote energy conservation, which is the cheapest was to ease the tight supply situation. Companies also said the Regulatory Commission of Alaska is too focused on price and should weigh energy security for consumers in its decisions as well.

John Zager, Chevron Corp.'s Alaska manager, said Cook Inlet is not attracting sufficient investment capital to offset the reserve declines, and that remaining resources are likely to be in smaller gas deposits that will be more expensive to drill.

Zager said he believes government estimates of remaining reserves in the Inlet are too optimistic. Estimates are that 1.3 trillion cubic feet to 1.7 trillion cubic feet of proven gas reserves remain in producing gas fields.

The State Division of Oil and Gas plans to have an updated estimate of gas reserves by early fall, said Kevin Banks, the division director.

For now, the economics just aren't right for drilling a lot of new production wells. "People have to accept the concept that the (gas) price must be high enough to encourage investment, and there are recent indications that this is not the case. The recent state lease sale in the Inlet was a no-show," in terms of bidding, Zager said.

Zager and Marathon Oil manager Carri Lockhart criticized regulatory agencies for inconsistencies and creating an environment of uncertainty as to whether gas sales contracts with utilities will be approved. The uncertainty that creates is almost as important as the price of gas.

A contract negotiated several years ago with Enstar Natural Gas Co., but rejected by the regulatory commission would have met all of Enstar's needs until 2016, Lockhart said. The utility now has short-term gas supply contracts and after 2011 it will have only two-thirds of the gas it needs under contract, Mark Slaughter, Enstar's gas supply manager, told legislators.

"It's a situation we don't like to be in," Slaughter said.

Lockhart also said regional electric utilities should focus more on power plant efficiency. "There should be dual-fuel capability when new generation capacity is built," she said, an indirect criticism of Chugach Electric Association for its plan to build a new gas-fired power plant in south Anchorage without also adding standby capability to use oil as a standby fuel. Anchorage's city-owned Municipal Light and Power has dual-fuel capability in one of its power plants.

Zager and others said there must be investment in gas storage, facilities that can store gas produced in the summer, when demand is low, for use during peak demand periods in

winter. Chevron and Marathon both maintain some storage capabilities of gas in depleted gas reservoirs for their customers, but this isn't enough to meet the total need.

The LNG plant near Kenai could play a long-term role in storage, or even imports of LNG if the export license ends in 2011.

Dan Clark, ConocoPhillips' asset manager for south Alaska, whose responsibilities include the LNG plant, said it is possible that facilities at the plant could be available for gas storage or even regasification of LNG that would be imported if LNG exports end in 2011.

"It's possible," Clark told the legislators. "There are marine terminal facilities and storage tanks, although added investment would be needed."

Zager said has producers have invested in some storage but in other U.S. states utilities invest in and operate gas storage. Suzanne Gibson, Chugach Electric's gas supply manager, said Chugach, ML&P and Enstar are working jointly to determine how much storage might be needed, but there are concerns as to whether enough suitable underground reservoirs are available, because not all depleted gas reservoirs can be efficiently to store gas.

Above-ground storage could supplement underground storage but that will be costly, she said. The utilities may need state assistance.

Also, gas stored underground in depleted reservoirs is usually withdrawn gradually as used to supplement gas wells through the winter. It's difficult to get large volumes of gas at short notice needed to meet unexpected needs during a cold snap.

Stored LNG is very efficient at meeting this "peaking need," however, because the LNG can be regasified fairly quickly. LNG regasification facilities have been built in many parts of the U.S. to handle mid-winter peaks.

Facilities at the existing ConocoPhillips-Marathon LNG plant could help support a long-term storage role, but some utility managers think the plant's facilities are too big, too aged, to be efficiently used to support a small regional market.

New, smaller LNG regasification units, like those commonly used in the Lower 48, might be more appropriate, said Jim Posey, manager of Anchorage's ML&P.

Storage will help resolve the issue of meeting mid-winter peaks but it's not a solution when overall annual production from the gas fields dips below annual demand. At that point new gas is needed from somewhere, wither from new discoveries, by pipeline from the North Slope, or through imports of LNG.

Summary of the 2006 Southcentral Energy Forum

Sponsored by Alaska Oil and Gas Conservation Commission

Anchorage • Sept. 20-21, 2006

Prepared by Peter Larsen, Pamela Cravez, and Scott Goldsmith
Institute of Social and Economic Research, University of Alaska Anchorage

Why Was There an Energy Forum?

Nearly 70% of Alaskans rely on relatively inexpensive natural gas from Cook Inlet. That gas heats homes and businesses, generates electricity, and fuels industrial processes.

Cook Inlet gas benefits the state economy not only because it provides inexpensive energy for homes and businesses but also because industrial uses of the gas create jobs and add to the local tax base. More than half the gas currently being produced is either processed and exported as liquefied natural gas (LNG) or used to create fertilizer for export.

But growing demand has depleted 80% of the known Cook Inlet gas reserves. Many Alaskans are concerned about where Southcentral Alaska will get affordable energy in the future.

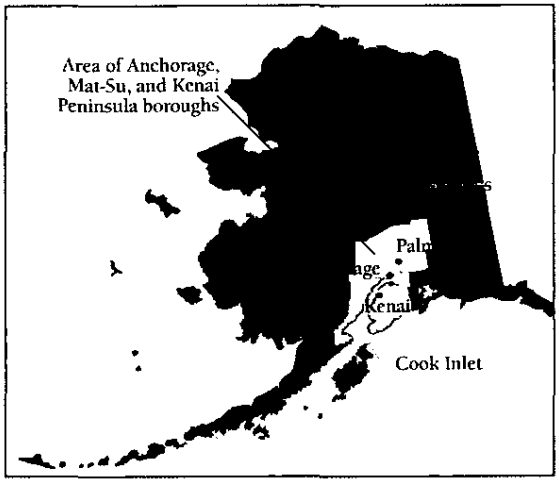
There are big unknowns. Will the Cook Inlet producers look for more gas? When will a natural gas pipeline from the North Slope be built, and will there be a spur line to bring gas to Southcentral? What will future industrial demand be? Will alternative energy sources help offset demand for gas?

In September 2006, the Alaska Oil and Gas Conservation Commission brought community leaders, gas producers, large consumers, geologists, engineers, economists, and the general public together at a two-day forum in Anchorage to talk about the problem and propose solutions for meeting the region's future energy needs.

The commission asked the Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage to summarize forum proceedings. The information presented here is not a product of ISER research. It is a summary of statements, opinions, and projections of those attending the forum.

Why is This Gas "Inexpensive"?

"Inexpensive" natural gas from Cook Inlet means relative to prices of gas in the rest of the country and to prices of other energy sources in Alaska. The price residential customers pay for Cook Inlet gas has more than doubled since 1996—but it remains 30% to 50% below prices in other states, according to ENSTAR Natural Gas Company. It's also far cheaper than the diesel Alaskans without access to natural gas rely on.



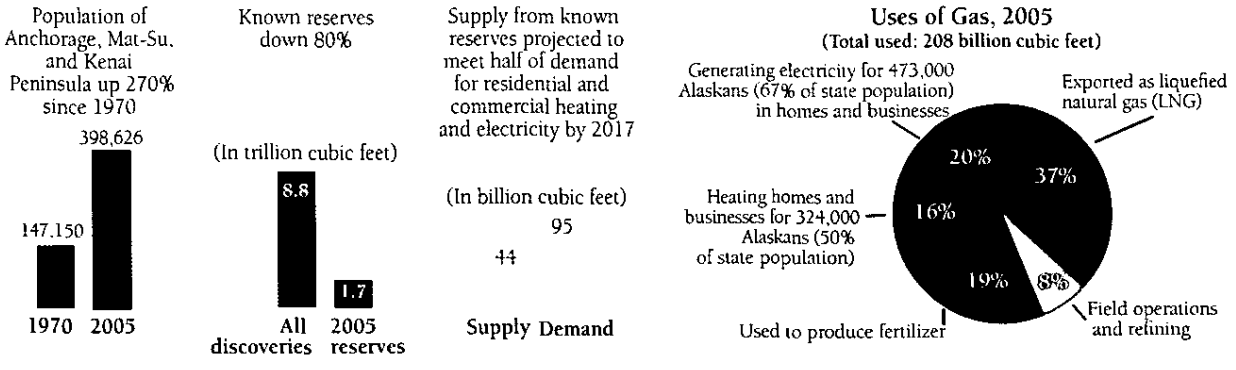
The price of Cook Inlet gas has historically been low because oil companies incidentally found trillions of cubic feet in the 1950s and 1960s, while they were looking for oil. The absence of a ready market for that gas provided Alaskans with a much less expensive energy source, compared with oil, and it made some industrial development possible.

Who are Consumers and How Do They Use Gas?

Most of the consumers are in Anchorage and the Kenai Peninsula and Mat-Su boroughs—where more than 60% of all Alaskans live (see map). That regional population has almost tripled since 1970. Communities along the railbelt north to Fairbanks also use electricity generated by Cook Inlet gas, and some gas is super-chilled to a liquid form so it can be trucked to Fairbanks .

The biggest current uses of Cook Inlet gas are industrial– 37% is liquefied and exported and another 19% is used to produce fertilizer for export. Heating homes and businesses in Southcentral Alaska takes about 16% of production, and another 20% is used to generate electricity throughout Southcentral and into the Interior. The remaining 8% is used for oil and gas field operations and refining oil.

Figure 1. Snapshot of Cook Inlet Natural Gas



Sources: Alaska Department of Labor; Alaska Division of Oil and Gas; Science Applications International Corporation

How Does Cook Inlet Gas Get to Consumers?

Current gas producers in Cook Inlet include Chevron, Marathon Oil, Conoco Phillips, and others. Most, but not all, the gas for heating goes through ENSTAR Natural Gas Company, a major public utility in Alaska and a subsidiary of Semco Energy, headquartered in Michigan. The producers themselves also market a small amount of gas directly to consumers.

ENSTAR is regulated by the Regulatory Commission of Alaska (RCA). ENSTAR and the producers negotiate, with RCA oversight, future prices and conditions for gas delivery from the producing fields to the consumer. The RCA must approve rates ENSTAR proposes to charge consumers.

ENSTAR supplies gas to about 325,000 commercial and residential users and also delivers gas to electric utilities. It has about 3,000 miles of distribution and transmission mains.

Municipal Light and Power and Chugach Electric Association are electric utilities also regulated by the RCA. They generate electricity almost entirely with gas. Together they serve about 473,000 residential and commercial customers from Southcentral into the Interior, either directly or through sales to other electric utilities.

Why Worry?

With the reserves declining, it's become harder to deliver gas to consumers as they need it, on a daily basis. Assuming no new investments in exploration or development, that problem is expected to worsen, especially in the winter. Consultants to the U.S. Department of Energy and others have projected the future demand for and supply of Cook Inlet gas.

The assumptions used in individual studies vary somewhat, but they all show the same general result: that the demand for Cook Inlet gas will soon exceed the current supply, even if industrial uses drop sharply.

Projections by Science Applications International Corporation (Figure 2), a consultant to the U.S. Department of Energy, are based on specific assumptions that other analysts may disagree with. Those include:

- Assumption: that the Agrium fertilizer plant will cease operating in the near future. Agrium hasn't run at full capacity since 2001, and it recently announced it will shut down during peak use winter months. Agrium has identified high gas prices as the main reason for the cutbacks—but high prices are related to short supply. (Agrium is, however, investigating alternatives to gas; see page 7.)
- Assumption: that the federal Office of Fossil Energy in the U.S. Department of Energy will not renew the export license for the LNG facility, which expires in 2009. To have the license renewed, the operator has to show that exporting LNG will not jeopardize local gas supplies.
- Assumptions: that a spur pipeline to carry North Slope natural gas to the Southcentral region will be built by 2015 and that most of the future demand will be residential and commercial, including the proposed Pebble mine in southwest Alaska.
- Assumption: that some industrial uses might be feasible, but that the cost of North Slope natural gas will make the current methane-intensive industrial uses (like producing fertilizer) uneconomic.

The projected decline in gas supply is essentially based on known reserves. Economists would argue that as supply shrinks, prices rise—and that rising prices would ultimately cause the producers to look for more gas. (But in the largely regulated Cook Inlet market, that might not happen).

Is There More Undiscovered Gas?

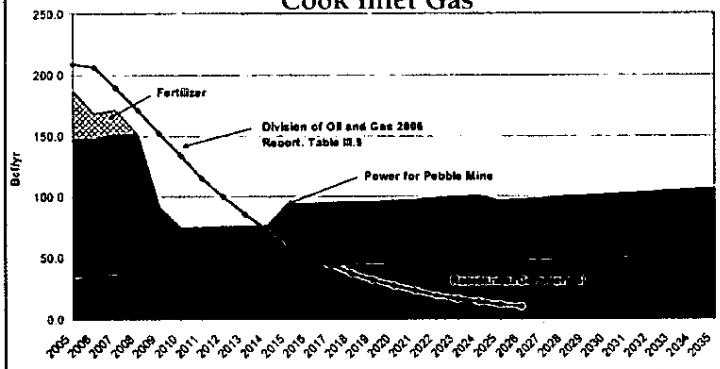
In the 1950s and 1960s, oil companies drilled as many as 30 wells a year in Cook Inlet (Figure 3). They were looking for oil—and found oil as well as trillions of cubic feet of natural gas. Those gas reserves, large enough to last for many years, left no need to look for more.

Then, in the late 1960s, world-class oil reserves were discovered at Prudhoe Bay, on the North Slope, and the petroleum industry's focus shifted away from Cook Inlet. The last commercial gas discovery in Cook Inlet was in 1979 and the last major oil discovery in 1991.

Net gas production—that is, production beyond what the producers re-injected to increase oil recovery—peaked in 1996 at 223 billion cubic feet. By 2005, net production had dropped to 208 billion cubic feet.

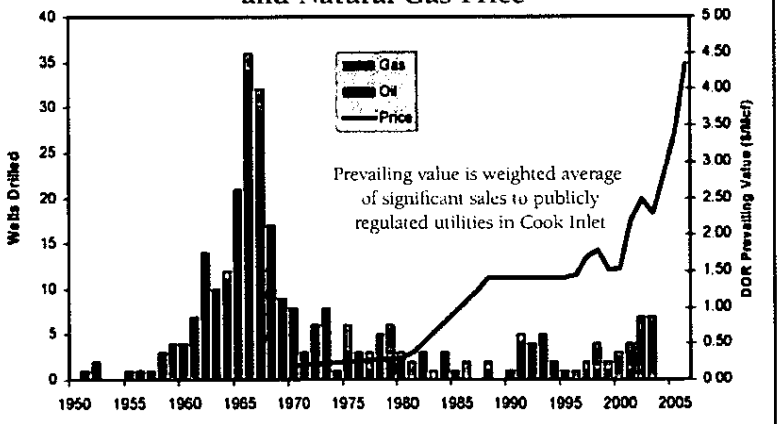
Many geologists think Cook Inlet basin is under-explored, compared with other gas exploration regions. Speakers at the forum said analysis of the distribution of field sizes in the basin suggests there may be large undiscovered fields remaining.

Figure 2 . Projected Supply of and Demand for Cook Inlet Gas



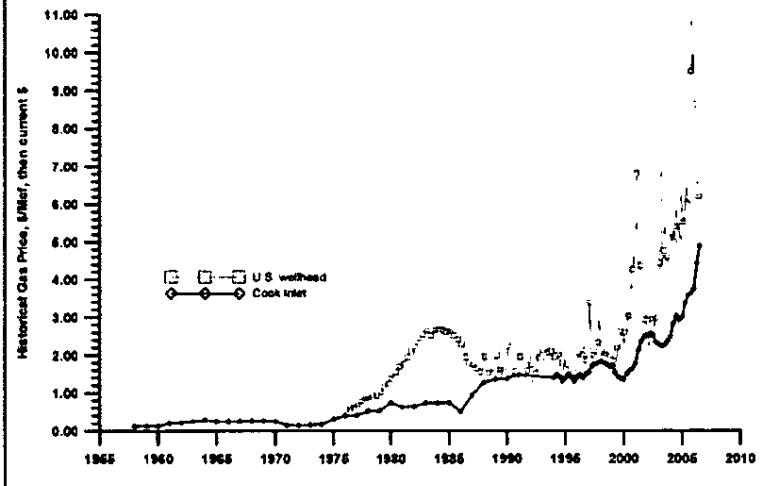
Source: NETL/DOE Study (2006) and Division of Oil and Gas (2006)

Figure 3. Exploration Wells Drilled in Cook Inlet and Natural Gas Price



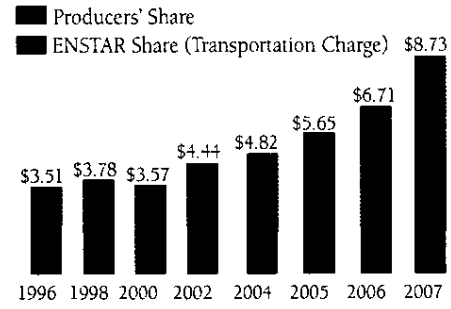
Sources: Alaska Departments of Revenue and Natural Resources; AOGCC

Figure 4. U.S. and Cook Inlet Natural Gas Price
(Wellhead Price per Thousand Cubic Feet, In Current Dollars)



Source: Alaska Department of Revenue and EIA

Figure 5. Residential Natural Gas Price
(Per Thousand Cubic Feet)



Source: ENSTAR Natural Gas Company

But no one is certain how much gas may be left in the basin, because few exploratory gas wells have been drilled there since the 1970s. Data from the Alaska Department of Revenue show that the bulk of the 240 exploration wells drilled in Cook Inlet since 1955 have been for oil. Only in the last five years has there been any focus on locating more natural gas—and that increased exploration coincides with rising gas prices (Figure 3).

The Alaska Department of Natural Resources estimates that 8.8 trillion cubic feet of gas have been found in Cook Inlet basin to date, with 7.1 already produced and 1.7 remaining. The U.S. Department of Energy estimates potential undiscovered natural gas reserves at between 13 and 17 trillion cubic feet. Other estimates are lower, with no analysis conclusively showing where new fields may be located. Whatever the remaining reserves, the level of future exploration will depend on gas prices.

How Have Prices Changed?

As the supply dwindles, the price of Cook Inlet gas has increased rapidly —although not as rapidly as elsewhere in the nation (Figure 4).

The price residential customers pay for Cook Inlet gas roughly doubled between 1996 and 2006, and it will increase another 30% in 2007 (Figure 5).

But that price includes both what the oil companies get for producing the gas and what ENSTAR charges for transporting it to customers.

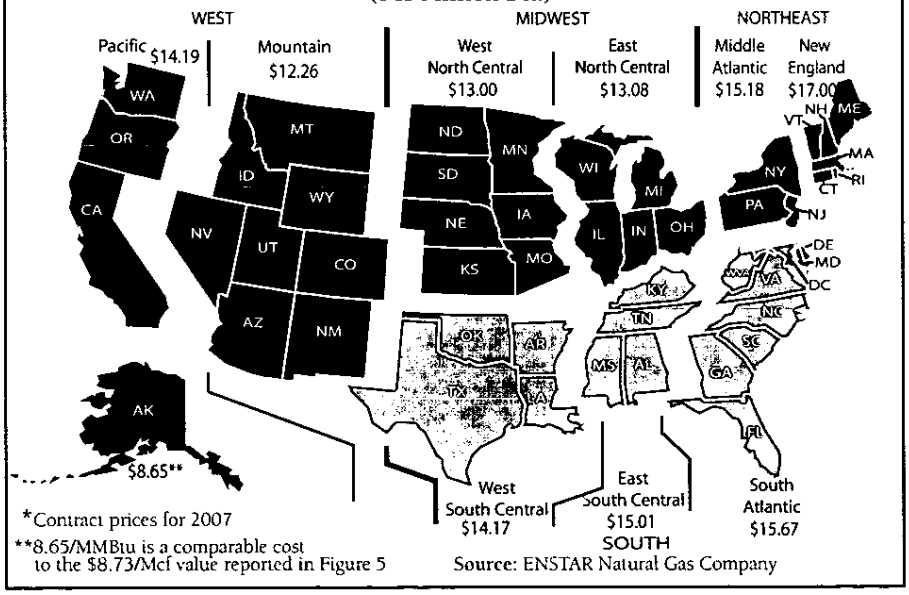
ENSTAR is a regulated utility, and it reports charging about the same (per thousand cubic feet) to transport gas today as in 1996. Virtually all the recent increase in the price to residential customers has gone to the producers.

ENSTAR also reports that despite sharp increases in what Alaskans pay for natural gas, they still pay about 30% to 50% less than other Americans.

Figure 6 compares 2007 contract prices for residential customers nationwide. In 2007 Alaskans will pay $8.65 per million Btus (British thermal unit, a standard energy measurement). Customers in the mountain states and the north-central states will pay $12 to $13. The highest natural gas prices will be in the mid-Atlantic, south-Atlantic, and New England states, where prices are expected to be nearly double the Alaska price.

Natural gas is also much less expensive than alternative ways of heating homes and businesses in Alaska. Figure 7, provided by ENSTAR, shows that natural gas for heating is about one-quarter to one-half the price of diesel, propane, or electricity, as measured by energy content.

Figure 6. Prices of Natural Gas for Residential Customers, 2007*
(Per Million Btu)

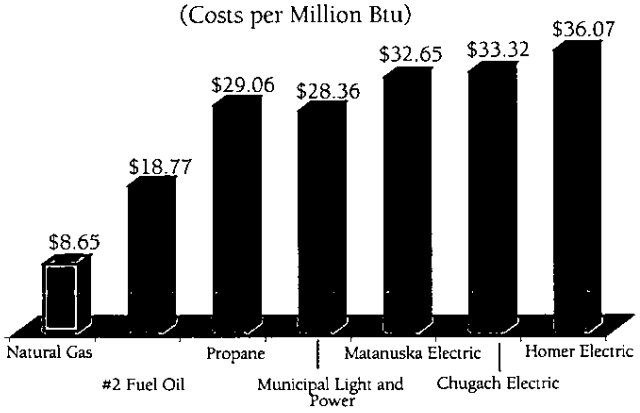


*Contract prices for 2007
**8.65/MMBtu is a comparable cost to the $8.73/Mcf value reported in Figure 5

Source: ENSTAR Natural Gas Company

Figure 7. Comparing Current Costs of Home Heating Sources for Southcentral Alaska

(Costs per Million Btu)



Source: ENSTAR Natural Gas Company

As for the electric utilities using Cook Inlet gas, Municipal Light and Power is not actively seeking new gas contracts now—because it owns part of a Cook Inlet gas field estimated to meet its demand for the next 10 to 15 years. Chugach Electric Association has sufficient gas under contract to meet demand only until 2011.

What Determines Price?

The price residential customers pay for Cook Inlet gas is actually the average of various prices in several contracts ENSTAR currently has with the producers. The contracts were all negotiated separately, and each has its own terms that can influence price.

In some contracts, for instance, the gas price is linked to oil prices. In two of the most recent contracts, Cook Inlet gas prices are linked to gas prices at what is known as the Henry Hub. That hub is in Louisiana, near where gas supplies from the Gulf of Mexico arrive. It is the pricing point for natural gas futures contracts traded on the New York Mercantile Exchange.

Increasingly, gas contracts in the U.S. are being set in relation to the Henry Hub benchmark price, with transportation and other charges added to that base to determine local prices.

Some analysts believe linking Cook Inlet prices to that hub will stimulate exploration, by raising those prices closer to the U.S. average.

However, application of Henry Hub prices to Cook Inlet gas has been controversial, and the RCA recently rejected a proposed new contract between ENSTAR and Marathon Oil Company, benchmarking a portion of ENSTAR's future purchases of Cook Inlet gas to that hub.

The RCA found that "responsibility for paying gas prices that encourage new gas exploration and production should not rest exclusively with gas ratepayers."

ENSTAR is now in the process of renegotiating that contract with Marathon, which—if successful—would give it enough gas to meet its projected requirements through 2017. Today the utility has enough gas contracted only through 2008.

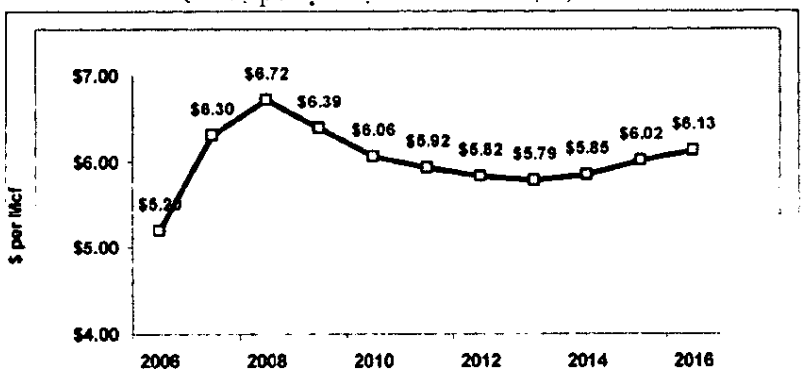
Where is the Price Headed?

As Figure 8 shows, the Alaska Division of Oil and Gas forecasts that the price of Cook Inlet gas will increase until 2008 and then drop, staying in the range of $6 per thousand cubic feet through 2016. (This forecast takes into account the recent ruling by the RCA.)

Figure 9 shows the division's estimates of the potential range of future demand from residential and commercial consumers, at higher or lower gas prices. The higher the price, the less consumption increases.

Figure 8. Projected Price of Natural Gas

(Price per Thousand Cubic Feet)

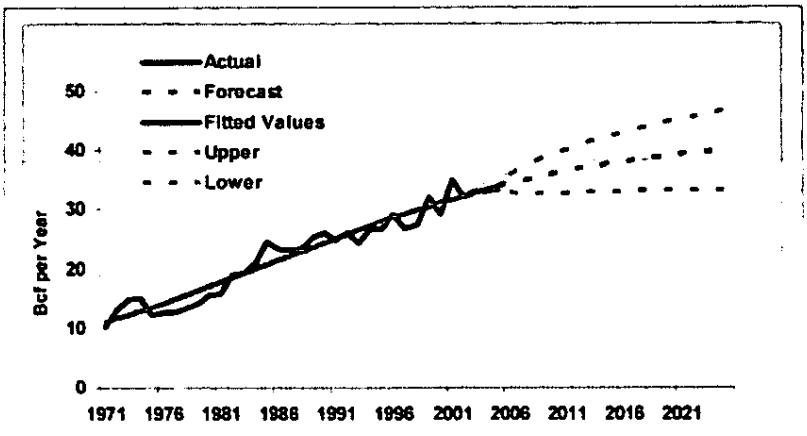


Estimates based on DOE oil and gas price forecasts and four ENSTAR gas supply contracts: Marathon-APL4; Beluga; Moquawkie; Unocal

Source: Alaska Division of Oil and Gas

Figure 9. Projected Residential And Commercial Demand for Cook Inlet Gas

(In Billions of Cubic Feet per Year)



Source: Alaska Division of Oil and Gas

These forecasts are based on the best current information—but it is difficult to predict future costs of natural gas, because all public gas and electric utility contracts are subject to approval by the RCA.

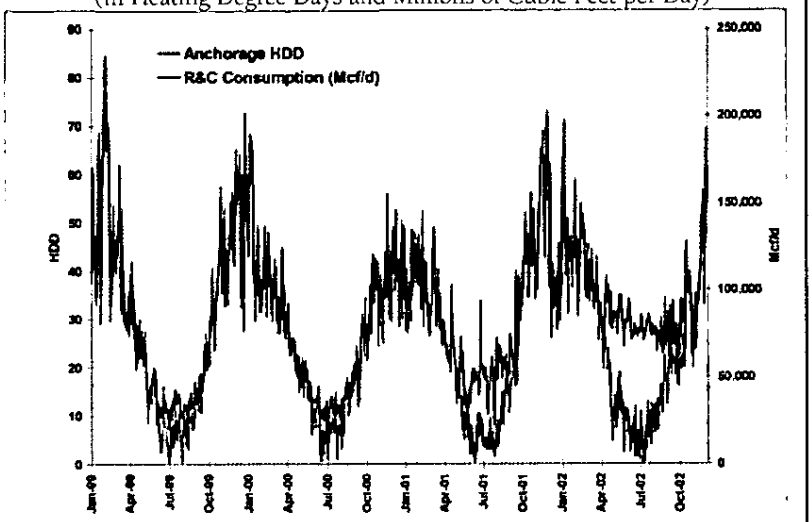
What is the Current Situation?

The Alaska Division of Oil and Gas reports that with gas reserves shrinking, increased residential and commercial consumption in the winter has occasionally outstripped the system's capacity to deliver. Figure 10 shows the sharp winter increases in demand for Cook Inlet gas. Spokesmen for the division say that if no new reserves are added, the number of days when peak demand exceeds the system's capacity will increase as time goes on.

Current industrial users—the Agrium and LNG plants and oil and gas field operations—consume almost two-thirds of the gas produced in Cook Inlet. (See Figure 1). Industry representatives at the forum said that industrial demand for gas is driven by export markets and depends on the availability of cheap gas to use in industrial processes.

Figure 10. Seasonal Residential and Commercial Demand for Cook Inlet Gas, 1999-2002

(In Heating Degree Days and Millions of Cubic Feet per Day)



Source: Alaska Division of Oil and Gas

The fertilizer plant has not run at full capacity since 2001. With the price of gas rising and supplies uncertain, Agrium reported at the forum that it is now making only year-to-year contracts for Cook Inlet natural gas. It is looking for long-term solutions—like coal gasification—to replace Cook Inlet gas.

The other big industrial user is the LNG plant at Nikiski, which currently uses more than a third of the gas produced. However, the plant needs approval from the federal Office of Fossil Energy to export LNG, and its current export license will expire in early 2009. (As of late 2006, no application to renew had been filed.)

To renew the license, the company needs to show that it is in the public interest to extend the contract and that exporting LNG would not jeopardize gas supplies for local consumers. Demonstrating that will become increasingly difficult as the supply of Cook Inlet gas declines.

However, representatives of the producers said at the forum that the loss of these big industrial users would reduce their incentive to explore and, consequently, hurt long-term stability of the supply of Cook Inlet gas

What are Short-Term Solutions?

One short-term way of meeting peak utility demand is temporarily storing gas. Since 2001, producers in Cook Inlet have stored their own gas underground in depleted reservoirs, to help meet utility demand.

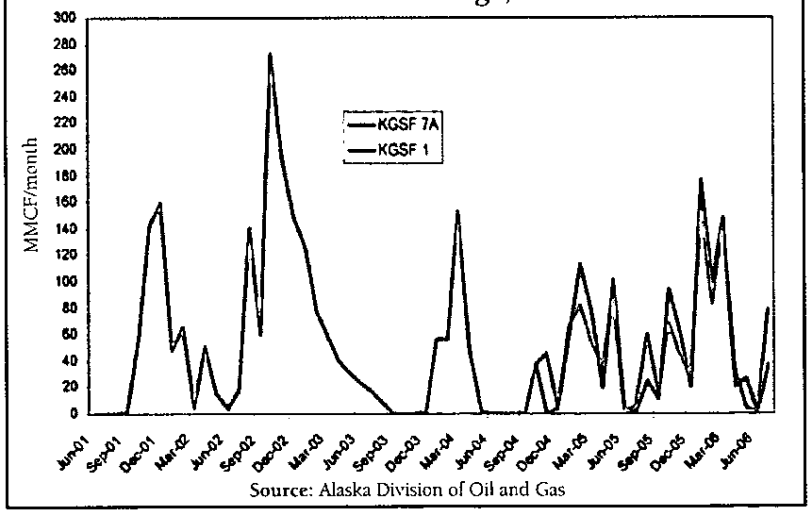
To date the federal Bureau of Land Management has approved three gas storage agreements with Chevron at the Swanson River field; two of those are currently storing and delivering gas. The Alaska Department of Natural Resources and the Alaska Oil and Gas Conservation Commission have approved two gas storage leases for active facilities at Chevron's Pretty Creek field and Marathon's Kenai field.

Figure 11 shows how draw-downs for utility demand from the storage facilities at the Swanson River field vary with the season, spiking in the winter.

Another way of easing short-term supply problems is interruptible contracts (allowing producers to curtail sales when demand is high). Agrium's fertilizer plant uses them to accommodate winter shutdowns. Also, as long as the LNG plant is operating, it can continue its historical role of providing "swing" gas that can be diverted to consumers when needed.

But industry speakers said at the forum that in the long run better solutions are needed—encouraging more exploration in Cook Inlet; bringing gas in from elsewhere (North Slope gas or imported LNG); or examining the feasibility of alternatives to natural gas—ranging from coal to tidal power.

Figure 11. Seasonal Draw-Downs for Utility Demand from Cook Inlet Storage, 2001-2006



Source: Alaska Division of Oil and Gas

Why Isn't There More Exploration?

There is some ongoing exploration in Cook Inlet basin. A number of both established and new companies are looking for oil and gas in the basin, according to petroleum industry presenters at the forum. Chevron, Marathon Oil, Aurora Gas, Forest Oil, and Conoco Phillips are among the Cook Inlet producers exploring for oil or gas.

Chevron reported in late 2006 that it has found about 150 billion cubic feet of gas since 2000, and that Chevron and its partner companies expect to spend $300 to $350 million for exploration and capital projects in Cook Inlet over the next several years.

Newer companies include Benchmark Oil and Gas, which is focusing on Upper Cook Inlet; Pioneer Natural Resources, which has one oil-producing project in Southcentral; and Rutter and Wilbanks, which is operating three projects: the Copper River project (gas), the Northern Lights project (oil), and the onshore Eagle/West Eagle project (oil and gas). Renaissance Resources and Stormcat Energy are also involved in exploration of undeveloped areas.

Many of the smaller companies are staying onshore, according to industry spokesmen, and all companies are affected by the higher costs of exploration in Alaska and the lower price of gas, compared with other areas of the country.

The number of exploratory wells in the past few years falls far short of the numbers in the 1960s, despite rising prices. At the forum, representatives of the gas producers said the price still hasn't offset the high costs of doing business in the inlet. The U.S. Department of Energy estimates the cost of identifying and developing just half the reserves it believes may remain in the inlet (13 to 17 trillion cubic feet) at more than $5 billion, in current dollars.

Figure 12 shows the U.S. Minerals Management Service's estimate of how much the supply of Cook Inlet gas would increase, at different wholesale prices for that gas. MMS estimates that at a price of $4.50 per thousand cubic feet, the additional supply might be 0.64 trillion cubic feet. But at double that price, the additional new supply would also nearly double—because the oil companies would have more incentive to explore.

The Cook Inlet producers also argue that they need more access to prospective fields. The producers estimate that between 30% and 50% of the prime exploration areas have restricted access or are entirely off limits, because they fall within protected areas of federal or state conservation units.

Industry spokesmen and representatives of the Minerals Management Service identified other things hindering large-scale exploration in Cook Inlet. Those include aging platforms, lack of a jack-up rig, regulatory matters—including gas well spacing and bonding requirements—and a general lack of 3-D seismic data of the basin. They say that these problems, as well as company reorganizations and the limited sale area in 1997, continue to hinder exploration.

The next Cook Inlet Special Interest lease sales are scheduled for 2009 and 2011.

Figure 12. Estimated Effects of Price on Additional Cook Inlet Gas Supply

Source: U.S. Department of the Interior, Minerals Management Service

What About Tax Incentives?

In 2006 the Alaska Legislature passed the Petroleum Production Tax (PPT), a major revision in the state's method of taxing oil and gas production. Among other things, the new PPT is intended to encourage more investment in oil and gas exploration.

The PPT operates differently on the North Slope and in Cook Inlet. It caps per-unit tax liability for Cook Inlet producers at the level of the old production tax system, during the year before the PPT was passed in April 2006. This means that even if the price of gas or production rises, Cook Inlet producers—current and future—will never pay more than the average per-unit tax rate in April 2006.

In essence, the PPT will not just limit or lower taxes in Cook Inlet—*it should also encourage new exploration and production.* Because the PPT is so new, it's too early to say what effect it might have on future gas supplies.

What are the Alternatives?

What about finding other energy sources or reducing consumption as a means of dealing with falling gas reserves? At the forum Dunmire Consulting discussed alternatives for increasing gas supplies from outside Cook Inlet, reducing consumption, and replacing gas with other sources.

The Dunmire analysis was funded by the Alaska Natural Gas Development Authority, which is a state corporation approved by Alaska voters in 2002 to promote construction of a natural gas pipeline from the North Slope. ANGDA has so far concentrated on plans for some sort of pipeline—either a spur from a main pipeline or a pipeline directly from the North Slope to Southcentral Alaska—to supply in-state consumers with North Slope gas.

Below we just report the alternatives Dunmire Consulting identified. Their order below doesn't indicate feasibility or the length of time they would take to develop, if they were feasible. Some could help ease potential gas shortages relatively soon, but many would have long lead times and uncertain capital costs.

• **Conservation.** If Alaskans conserved more natural gas and electricity, they could save anywhere from 3.0 to 7.5 billion cubic feet of gas a year, according to estimates of Dunmire Consulting. Conservation measures include things like upgrading residential and commercial appliances and improving weatherization of houses and businesses. Some analysts believe Alaskans won't conserve more unless the prices of residential and commercial heat and electricity increase more than they already have.

• **North Slope Gas.** A major uncertainty affecting the future of Cook Inlet gas development is when North Slope gas might be available to Southcentral consumers. That uncertainty makes it more complicated for Cook Inlet producers to decide how much to invest in exploration and development in Cook Inlet and for utilities and other consumers to decide about investing in gas-using equipment.

The North Slope has very large known reserves of natural gas. The North Slope oil producers have said they support construction of a pipeline to carry natural gas to world markets—although by the end of 2006 they hadn't actually committed to building a pipeline.

But at some future time, Southcentral consumers could get North Slope gas either through a spur line from a main pipeline or through a direct bullet line—that is, a pipeline direct from the North Slope to Southcentral. A pipeline bringing North Slope gas to Southcentral could also be enriched with hydrocarbons, to make certain kinds of industrial development feasible.

• **Coal Gasification**. Agrium is investigating a proposal to substitute synthetic gas from coal for natural gas from Cook Inlet. The proposed Project Blue Sky would take coal from Healy in the Interior south by rail, transfer it to barge, and ship it to a coal gasification plant on the Kenai Peninsula. The synthetic gas would be used to produce fertilizer and could also add electricity to the Southcentral power grid.

Proponents say coal gasification allows for efficient capture of concentrated streams of carbon dioxide (CO_2), virtually eliminating emissions of this greenhouse gas. The captured CO_2 could then be used for advanced oil recovery. It's estimated that 13 Cook Inlet oil fields might produce an additional 300 million barrels, through enhanced oil recovery using CO_2.

• **Other Potential Sources of Gas in Southcentral.** The Bristol Bay area and Alaska Peninsula have been estimated to hold anywhere from 7 to 23 trillion cubic feet of gas and the Nenana Basin 3 to 10. It's beyond the scope of this paper to describe how this gas could be brought to market.

• **Import LNG**. Southcentral Alaska could import LNG via the Kenai LNG plant, if the plant were modified to import rather than export LNG. This option would not have as long a lead time as some other alternatives and it would ensure ample supply—but Alaskans would be exposed to world market prices (which are significantly higher than current local prices). A big consideration in the feasibility of this option would be the capital costs of modifying the LNG plant.

• **Coal-Bed Methane**. Coal-bed methane is a form of natural gas that has been identified in the Susitna Basin north of Anchorage. However, the economic potential of coal-bed natural gas has not been established, and its development in Alaska has been controversial.

• **Coal**. Alaska has abundant sources of coal. An objection to coal is that it has higher CO_2 emissions than other energy sources. But the state government sponsored construction of a clean-coal plant at Healy, to help generate electricity. That plant has yet to be operated, because the utility originally planning to use the coal decided not to—but there are now plans to start it up, possibly within the next 18 months. It could offset some demand for gas to generate electricity. Additional coal supplies could further reduce natural gas use for electricity but at a high capital cost.

• **Wind Power**. With support from Chugach Electric, Municipal Light and Power, and others, the Fire Island Wind project is underway, with preliminary permitting and feasibility to be completed by 2011. This project would involve construction of wind turbines on Fire Island, just offshore from Anchorage. The turbines would be able to supply electricity to the Southcentral power grid and help offset demand for natural gas. However, there is uncertainty about how the wind turbines might affect air traffic at Anchorage's nearby international airport.

• **Hydropower**. Chugach Electric already uses hydropower to a small extent. Proponents say use of this renewable resource has relatively few effects on land and water systems. But further development of hydropower in this region would require a long lead time for licensing and a significant amount of capital for plant development.

• **Nuclear Power**. A small-scale nuclear "demonstration project" is being proposed for the community of Galena along the Yukon River. It would start up in 2012. Power from this facility, if it were built, would not be available for Southcentral. However, if it were successful it could promote more local interest in this abundant but controversial source of energy. Problems with nuclear power include long-term land use, the risk of accidents, and nuclear waste storage.

• **Tidal Power**. A demonstration project of tidal power in Knik Arm is scheduled to be under construction by 2015. Tidal power is a renewable resource—but it might affect aquatic life and boat traffic.

• **Geothermal Power.** A geothermal unit began operating at Chena Hot Springs Resort in the Interior in August 2006. Other potential geothermal sites, including Mt. Spurr in Southcentral, are under consideration. Geothermal power is a renewable resource, but the costs of connecting to the local electrical grid may make many sites uneconomic to develop.

• **Distributed Generation.** Distributed generation is the practice of replacing central gas-fired generation with on-site co-generation, or fuel cells. If those systems were fueled by sources other than gas, they could reduce gas consumption. Distributed generation may eventually become a realistic option in Southcentral, as the costs of the technology continue to fall.

What About Economic Contributions of Cook Inlet Gas?

So far in this summary we've talked about the importance of Cook Inlet gas to residential, commercial, and industrial consumers. The gas also broadly contributes to the state economy, because it is an inexpensive source of energy. ENSTAR estimates, for example, that it makes an annual economic contribution of $230 million to the economy.

People attending the forum pointed out that petroleum operations in Cook Inlet also create jobs for Alaskans and add to local tax bases. The economic effects of Cook Inlet gas are most concentrated in the Kenai Peninsula Borough.

In 2006, the oil and gas industry paid property taxes of over $10 million in that borough. The Cook Inlet producers and Agrium made up nine of the top ten taxpayers, with the highest assessed property valuations in the borough. In 2005, the industry supported 1,340 jobs, or 7.4% of borough employment, and 18.7% of total borough payroll.

Petroleum industry jobs also pay well—the average annual wage for oil and gas workers in 2005 was $88,764, compared with the average of $35,148 among all workers in the Kenai Peninsula Borough.

Statistics on the economic contribution of Cook Inlet gas for the other two boroughs were not provided at the forum. But it is clear that the petroleum industry also provides a significant wage and tax base for both Anchorage and the Mat-Su Borough.

What Did We Learn from the Forum?

In the past few decades, residents of Southcentral Alaska have enjoyed abundant gas supplies at low prices. Unfortunately for consumers, demand is now starting to run ahead of supply. Opinions differ on how much more gas is yet to be found in Cook Inlet and on the best way to stimulate exploration for new supplies.

Whether the two biggest current users of Cook Inlet gas—the LNG and fertilizer plants on the Kenai Peninsula—will keep operating in the face of shrinking supplies and rising prices makes the future market for gas uncertain. However, residential and commercial demand for both heating and gas-generated electricity are expected to keep growing.

Uncertainty also surrounds the future sources of gas supply (including gas from the North Slope) and the feasibility of developing alternative fuels that may be able to help offset some of the demand for natural gas. Many of the proposed alternatives come with long lead times and unpredictable costs.

But one thing is clear. Southcentral Alaska needs to find additional supplies of gas, or ways to offset demand. Otherwise, the region may soon see large-scale shortages.

A list of forum participants and transcripts of presentations are on AOGCC's Web site: www.aogcc.alaska.gov

Comments on this summary or the forum can be mailed or sent by e-mail to:

Jody Colombie, AOGCC
333 West 7th Ave., Suite 100
Anchorage, Alaska 99501
jody_colombie@admin.state.ak.us

For More Information

Agrium Inc.: www.agrium.com/home.jsp
Alaska Department of Natural Resources: www.dnr.state.ak.us
Division of Oil and Gas: www.dog.dnr.state.ak.us
Alaska Department of Revenue, Tax Division: www.tax.state.ak.us
Alaska Natural Gas Development Authority: www.angda.state.ak.us
Alaska Oil and Gas Association: www.aoga.org
Alaska Oil and Gas Conservation Commission: www.aogcc.alaska.gov
Anchorage Chamber of Commerce: www.anchoragechamber.org
Anchorage, Municipality of: www.ci.anchorage.ak.us/homepage/index.cfm
Aurora Power: www.aurorapower.com
Benchmark Oil and Gas: www.benchmarkoil.se
BP: www.bp.com
Chevron: www.chevron.com
Chugach Electric Association: www.chugachelectric.com
Conoco Phillips: www.conocophillips.com/index.htm
Cook Inlet Regional Citizens Advisory Council: www.circac.org
Dunmire Consulting, Carolyn Dunmire: dunmire@fone.net
ENSTAR Natural Gas Company: www.enstarnaturalgas.com
Kenai Peninsula Borough: www.borough.kenai.ak.us
Matanuska-Susitna Borough: www.matsugov.us
Municipal Light and Power: www.mlandp.com
National Energy Technology Laboratory:
www.netl.doe.gov/technologies/oil-gas/index.html
Pioneer Natural Resources: www.pioneernrc.com
Regulatory Commission of Alaska: www.state.ak.us/rca
Science Applications International Corporation: www.saic.com
Stormcat Energy: www.stormcatenergy.com
U.S. Department of the Interior, Minerals Management Service:
www.mms.gov/alaska/re
Usibelli Coal Mine: www.usibelli.com/index.html
Information on Coal to Liquids and Fischer-Tropsch refining processes:
www.aidea.org
Cook Inlet Energy Supply Alternatives Study available at:
www.angda.state.ak.us
Kenai Peninsula Borough information on Cook Inlet oil and gas:
www.cookinletoilandgas.org

Acknowledgments

The authors thank many people for help with this summary. AOGCC commissioners Dan Seamount and John Norman sponsored the preparation of the summary and tried to ensure that the forum's agenda was objective and represented as many stakeholders as possible. Bill Popp of the Kenai Peninsula Borough also helped the commission line up participants for this forum. The Oil and Gas Division of the Alaska Department of Natural Resources also contributed to the forum's success.

Jody Colombie and Ceresa Tolley at the AOGCC provided the forum with logistical support and helped the authors collect and disseminate information from the proceedings.

Dan Dieckgraeff of ENSTAR, Will Nebesky and Brian Havelock of the Alaska Division of Oil and Gas, and Charles Thomas of Science Applications International Corporation promptly answered follow-up questions from the authors.

The authors appreciate help from Fran Ulmer, Linda Leask, Clemencia Merrill, and Darla Siver of ISER.

Finally, the authors thank all the forum participants for taking the time to discuss this important issue.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 17, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/18/10

The FINANCE Committee considered: **HOUSE BILL NO. 280**

"An Act relating to natural gas; relating to a gas storage facility; relating to the Regulatory Commission of Alaska; relating to the participation by the attorney general in a matter involving the approval of a rate or a gas supply contract; relating to an income tax credit for a gas storage facility; relating to oil and gas production tax credits; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to production tax credits for certain losses and expenditures, including exploration expenditures; relating to the powers and duties of the director of the division of lands and to lease fees for the storage of gas on state land; and providing for an effective date."

HB 280-NATURAL GAS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 280 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent_____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
3/24 HFC/REV				✓

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
ADM	1			✓
CED	2			✓
DNR	3			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	AUSTERMAN	X			
	FAIRCLOUGH	X			
	KELLY	X			
	Foster	X			
	Gara				—
	DOGAN	4			
	Thomas	L			
	Joule	—			
Chair:	Stoltze	X			
Chair:	Hawker	X			

HB

283

<target><bill>HB 283</bill><subject>HB 283</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 4, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/12/10

The FINANCE Committee considered: **HOUSE BILL NO. 283**

"An Act relating to the purchasing of and restrictions concerning alcoholic beverages."
HB 283-PURCHASE/CONSUMPTION OF ALCOHOL

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 283 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[✓] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM		✓		
LAW				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
~~DHS~~	3	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Deegan	✓			
	Thole	✓			
	FOSTER	✓			
	KELLY			✓	
	Gara	✓			
	FAIRCLOUGH			✓	
	Salmon	X			
	AUSTERMAN	X			
Chair:	Stoltze			*	
Chair:	Hawker			*	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 283
() Publish Date:

Identifier (file name): HB283-DOA-DMV-02-05-10
Dept. Affected: Administration
Title: Purchase / Consumption of Alcohol
RDU: Division of Motor Vehicles
Component: Motor Vehicles
Sponsor: Rep. Crawford
Requester: (H) L&C
Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies	17.5		17.5	17.5	17.5	17.5	17.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**17.5**	**0.0**	**17.5**	**17.5**	**17.5**	**17.5**	**17.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**350.0**		**350.0**	**350.0**	**350.0**	**350.0**	**350.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services	17.5		17.5	17.5	17.5	17.5	17.5
TOTAL	**17.5**	**0.0**	**17.5**	**17.5**	**17.5**	**17.5**	**17.5**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Using data from the Alaska Justice Statistical Analysis Center and the Alaska Court System, DMV estimates it will have to enter an alcohol restriction on 7,000 additional licenses each year.

Supply Costs: It cost approximately $2.50 in supplies to produce each card (7,000 x $2.50 = $17,500).

Revenues: DMV collects $50 for each alcohol restricted license (7,000 x $50 = $350,000)

Prepared by: Whitney H. Brewster, Director
Phone 907-269-5574
Division: Motor Vehicles
Date/Time 2/05/2010 10:00am
Approved by: Kevin Brook, Deputy Commissioner
Department of Administration
Date 2/5/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 283(JUD)
() Publish Date:

Identifier (file name): HB283CS(JUD)-LAW-CRIM-03-05-10
Dept. Affected: Law

Title: An Act relating to the purchasing of and restrictions concerning alcoholic beverages.
RDU: CRIMINAL
Component: Criminal Justice Litigation

Sponsor: Representative Crawford,Lynn
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides that a person who is restricted from purchasing alcohol many not solicit another to purchase alcoholic beverages or misrepresent the restriction to a licensee. The bill also provides that the court, as part of a sentence, may order the defendant to refrain from consuming alcohol for the period of the sentence and any period of probation, suspended sentence, or suspended imposition of sentence if the conviction was for a felony substantially influenced by alcohol consumption or the defendant had a history of drunk driving offenses.

Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager — Phone 465-5427
Division: Administrative Services — Date/Time 3/5/10 10:30 AM
Approved by: Daniel S. Sullivan, Attorney General — Date 3/5/2010
Department of Law

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 283
(H) Publish Date: 1/29/10

Identifier (file name): HB283-DHSS-ASAP-1-27-2010
Dept. Affected: Health & Social Services

Title: Purchase/Consumption of Alcohol
RDU: Behavioral Health
Component: Alcohol Safety Action Program

Sponsor: Crawford

Requester: House Labor & Commerce
Component Number: 305

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	135.0		135.0	135.0	135.0	135.0	135.0
Travel							
Contractual	12.0		12.0	12.0	12.0	12.0	12.0
Supplies	3.3		3.3	3.3	3.3	3.3	3.3
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.3**	**0.0**	**150.3**	**150.3**	**150.3**	**150.3**	**150.3**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.3		150.3	150.3	150.3	150.3	150.3
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**150.3**	**0.0**	**150.3**	**150.3**	**150.3**	**150.3**	**150.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	2.0		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

If passed and enforced, this bill would increase monitoring hours, urine analysis testing, and number of court appearances, which would have a significant impact on the workload of the Adult Probation Officers in the Alcohol Safety Action Program (ASAP). ASAP referrals could increase by 20% or more, requiring one additional Adult Probation Officer and one additional Criminal Justice Technician. The impact on the Therapeutic Court program would not be as significant, and could be accommodated with existing staff. The actual workload impact will depend greatly on the level of enforcement.

Currently, alcohol restrictions are a part of probation conditions for 75% of all ASAP misdemeanor clients and approximately 90% of the Therapeutic Court participants. Currently, a very small percentage of ASAP clients are charged with probation violations related to consuming alcohol while on probation.

Prepared by: Melissa W Stone
Phone 269-3410
Division: Behavioral Health
Date/Time 01/25/10 12:00PM

Approved by: Alison Elgee, Assistant Commissioner
Date 1/26/2101
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

STATE OF ALASKA

BILL NO. HB 283

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

An aspect of the bill that could significantly increase workload is the "lifetime" ban option available to the court. However, the impact will not begin immediately and will not be fully-realized for decades. Currently, ASAP and the Therapeutic Court program cases are time-limited, with monitoring ending with probation.

Cost estimate detail:

1 FTE Criminal Justice Technician	$59.7
1 FTE Adult Probation Officer, ASAP	$75.3
Telecommunications	$1.0
Facility	$4.7
Equipment repair & maintenance	$0.6
Printing	$0.5
Mail	$2.2
Employee training	$0.4
Department support costs	$2.1
State equipment fleet	$0.5
Business supplies	$3.3

Alaska State Legislature

House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry Crawford
District 21

SPONSOR STATEMENT: CS for HOUSE BILL HB 283

HB 283 amends the current law concerning people who are restricted from the purchase and consumption of alcoholic beverages. The bill adds people who commit crimes where alcohol contributed to the commission of the crime.

The bill will allow a court to restrict people, who are convicted of a felony or a third misdemeanor, from consuming and purchasing alcohol. These persons will be required to have an alcohol restricted drivers license or ID. It also restricts a person from purchasing alcohol for someone who is restricted from consuming. The bill further prevents a person who has been restricted from consuming alcohol from misrepresenting themselves as being able to purchase and consume alcohol.

The Bill will also prevent a person who was issued a youth drivers license or ID from purchasing alcohol. The youth driver's licenses and identification cards are vertically oriented documents. This change will make it simple for a licensee or their employees to determine the correct documentation for purchasing alcohol.

According to the Department of Corrections over 90% of the crimes that are committed in Alaska are either directly or indirectly related to the consumption of alcohol or drugs. This bill will help prevent the people that are committing these crimes from purchasing and consuming alcohol. I believe this will provide additional tools to keep the problem drinkers from purchasing alcohol.

E-mail: Representative_Harry_Crawford@legis.state.ak.us

Alaska State Legislature

House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry Crawford
District 21

Sectional Analysis: CS for HOUSE BILL 283

Sec 1 amends AS 04.16.47(a) adding two more prohibitions into this subsection: A person who is restricted from purchasing may not solicit another to purchase alcoholic beverages; A person who is restricted from purchasing alcohol may not misrepresent themselves as able to purchase alcohol.

Sec 2 amends AS.04.16047 by adding a new subsection (d) a person may not purchase alcohol for a person who is restricted from purchasing.

Sec 3 amends AS 04.16.160(a) adds certain people that commit a crime under the influence of alcohol from consuming alcohol under AS 12.55.15(a)(13)

Sec 4 amends AS 04.21.050(b) to recognizes the new subsection 04.21.050(d)

Sec 5 amends AS 04.21.050 by adding a new subsection (d): restricting a person from purchasing alcohol with a youth driver's license or identification card.

Sec 6 amends AS 12.55.015 (a) by adding subsection (13) to the list of potential sentencing tools: A court may order a defendant to refrain from the use of alcohol if the person was convicted of a felony or a third misdemeanor that was substantially influenced by the consumption of alcohol.

Sec 7 amends AS 12.15.015 by adding a new subsection (k) stating nothing in (a)(13) t restricts the authority of a court to order a person to refrain from the consumption of alcohol.

E-mail: Representative_Harry_Crawford@legis.state.ak.us

Y / N
8 / 2

AMENDMENT #1

adopted

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CS HB 283 (JUD)

Page 2, line 12 through line 29

Delete all material

Renumber following sections accordingly.

Alaska State Legislature
House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)

Interim Address:
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry T. Crawford, Jr.
East Anchorage District 21
E-mail: Representative_Harry_Crawford@legis.state.ak.us
Website www.akdemocrats.org

Witness List:

1) Representative Harry Crawford and/or Paul Grossi
465-3438

2) Bonnie Hayes
310-7768

3) Whitney Brewster
269-5574

4) Various Administration & Court Personnel may be available for questions.

2010 HOUSE FINANCE
VOTE CALL

B,11 HB 283

DATE: 4/12/

Amendment: Amend #1

MEMBER	Favor	Oppose
REP. GARA		✓
REP. JOULE	✓	
REP. KELLY		
REP. SALMON	✓	
REP. THOMAS	✓	
REP. AUSTERMAN	✓	
REP. DOOGAN		✓
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. STOLTZE	✓	
REP. HAWKER	✓	
	8	2

Adopted

YEA

NAY

HB

291

<target><bill>HB 291</bill><subject>HB 291</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 23, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/24/10

The FINANCE Committee considered: **HOUSE BILL NO. 291**

"An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

HB 291-GUARANTEED REVENUE BONDS FOR VETERANS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
OOG	1	✓		
REV	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	KELLY	✓			
	Austerman	X			
	Salmon	X			
	Foster	X			
	FAIRCLOUGH	✓			
Chair:	STOLTZE	X			
Chair:	Hawker	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 291
(H) Publish Date: 1/19/10

Identifier (file name): 0879-OOG-DOE-12-18-09
Dept. Affected: OOG
Title "An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation..."
RDU Elections
Component Elections
Sponsor Rules Committee
Requester Governor Sean Parnell
Component Number 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this legislation would require the bonding proposition to appear on the 2010 general election ballot. The cost of providing information about the bonding proposition in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director
Phone 465-2644
Division Elections
Date/Time 12/18/2009, 1:42pm
Approved by: Linda Perez, Director
Date
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 291
(H) Publish Date: 2/23/10

Identifier (file name): HB291-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Veterans Housing Loan Bonds
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules Committee
Requester: Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	150.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
AHFC Receipts	150.0						
TOTAL	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes a statewide public vote on $600 million in revenue bonds to finance the Veterans Mortgage Program. Alaska is one of five states in the nation that established this program under the federal tax code. AHFC administers the program on behalf of the State.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Anticipated costs related to voter information education and dissemination about the bonds and the program will be approximately $150,000.

If approved by voters, bond issuances in the future will be done based on loan demand.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs
Phone 330-8445
Division: Alaska Housing Finance Corporation
Date/Time 2/10/09 12:00 AM
Approved by:
Date

(Revised 11/6/2009 OMB)

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

Federal Definition of "Qualified Veteran" for the Veterans Mortgage Loan Program

Qualified Veterans

A "qualified veteran" must meet the following criteria.

1. The veteran has not been discharged from active duty for more than **25** years prior to the date of submission to AHFC for loan commitment.

2. If retired, discharged, or released from duty, separation must have been under conditions other than dishonorable.

3. If not retired, discharged, or released from active duty, has completed his or her initial period of duty and would have been entitled to a discharge or release under conditions other than dishonorable at the end of his or her initial period of duty.

B. Active Duty

1. Duty in Armed Forces

   Full time duty, **other than for training**, in the United States Army, Navy, Marine Corps, Air Force, or Coast Guard or in a reserve component of the United States Army, Navy, Marine Corps, Air Force or Coast Guard.

   Note: "Full time" duty for a reservist should not be confused with weekend duty."Full time" duty means reporting for regular, full time employment that constitutes the individuals "primary" employment. Upon discharge from "full time" duty, the soldier receives a Form DD-214. "Weekend" duty is considered active duty for training and the individual normally has other "primary" employment. Upon discharge from "weekend" duty, which does not meet the eligibility criteria, the soldier is issued a Form NGB-22.

2. Duty in Public Health Service

Full time duty, **other than for training**, as a Commissioned Officer of the Public Health Service, or of the Reserve Corps of the Public Health Service, on or after July 29, 1945, or, if the duty occurred prior to that date, under circumstances affording entitlement to full military benefits. The corporation will seek the assistance of the VA in determining whether an individuals service before July 29, 1945, in the Public Health Service was under circumstances affording entitlement to full military benefits.

3. Duty in National Oceanic and Atmospheric Administration or in Coast and Geodetic Survey

Full time duty as a Commissioned Officer of the National Oceanic and Atmospheric Administration or of the Coast and Geodetic Survey on or after July 29, 1945, or, if the duty occurred prior to that date; the person was on transfer to the United States Army, Navy, Marine Corps, Air Force, or Coast Guard; or if during time of war or national emergency declared by the President, the person was assigned to duty on a project for the US Army, Navy, Marine Corps, Air Force or Coast Guard in an area determined by the Secretary of Defense to be of immediate military hazard; or the person served continuously in the Philippine Islands from December 7, 1941 to July 28, 1945.

4. Duty in United States Military, Air Force, Coast Guard or Naval Academy

Service as a cadet at the US Military, Air Force, or Coast Guard Academy or as a midshipman at the US Naval Academy.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

ALASKA HOUSING FINANCE CORPORATION
VETERANS MORTGAGE LOAN PROGRAM ACTIVITY
FISCAL YEAR 1994-2010

Fiscal Year	Number Of Loans	Loan Total
2010	27	$8,045,305
2009	305	$86,179,506
2008	495	$139,253,152
2007	419	$114,744,164
2006	44	$11,549,485
2005	57	$12,260,899
2004	125	$25,472,549
2003	187	$38,782,068
2002	315	$59,339,089
2001	430	$73,184,764
2000	496	$85,877,200
1999	540	$91,249,038
1998	597	$93,885,910
1997	340	$52,161,904
1996	246	$35,650,186
1995	482	$68,947,388
1994	177	$24,435,920
Total	**4758**	**$834,117,886**

On January 25, 2010, Standard and Poor's looked at the delinquency rates of the loan portfolios of 34 state Housing Finance Agency bond programs. Of those, the Alaska Housing Finance Corporation's Veterans Mortgage Loan program had the LOWEST delinquency rate of any other state program at 1.28 percent.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

House Bill 291 Sectional Analysis

Section 1 -
Section 1 adds the unconditional guarantee of the state of Alaska to bonds issued by the Alaska Housing Finance Corporation for the purchase of mortgage loans made to qualifying veterans. The principal amount of the bonds shall not exceed $600 million.

Section 2 -
Section 2 gives the Alaska Housing Finance Corporation the authorization to sell bonds guaranteed under Section 1 of the bill, pending the approval of the voters of Alaska.

Section 3 -
Section 3 changes the definition of 'qualifying veteran' in state statute to conform to the federal definition that was changed effective May 30, 2006. The federal definition for eligibility changed from a veteran having served in the military prior to January 1, 1977 and not having been out of the service more than 30 years to the new definition of a veteran not having been out of the military more than 25 years with no specific dates during which he/she must have served.

Section 4 -
Section 4 adds the language that will be included on the general election ballot in 2010.

Section 5 -
Section 5 provides for an immediate effective date.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

HB 291 AHFC Vets Bonds
Sponsor Statement

House Bill 291 will place a question on the ballot for the general election of 2010 asking voters to approve an additional $600 million of state guaranteed bonds to be issued by the Alaska Housing Finance Corporation for the purchase of mortgage loans made to qualifying veterans. The Veterans Mortgage Loan Program allows the Alaska Housing Finance Corporation to sell tax-exempt bonds to fund the program. Because of this, the Veterans Mortgage Loan Program generally offers a lower interest rate than the conventional single family mortgage loan program. As of December 23, 2009, the Veterans program interest rate was 3/8 of a percent below the Corporation's conventional taxable mortgage loan program.

To qualify, veterans must apply to AHFC within 25 years of his/her date of discharge from "active duty service." (Active duty service is full-time duty, other than for training.) Active duty service in the US Armed Forces, US Armed Forces Reserves, Public Health Service, NOAA, or service as a cadet at the US Military, Air Force, Coast Guard or Naval Academy may meet requirements.

Qualified veterans may be retired or active duty personnel. If retired, discharged, or released from active duty, separation must have been under conditions other than dishonorable. Active duty personnel must have completed their initial military obligation.

The last time veterans bonds were on the general election ballot was 2002, when Alaskans approved the bonds by over seventy percent. As a result of recent passed legislation in Congress, Alaska along with the states of California, Oregon, Texas and Wisconsin have been able to offer more loans to veterans through the program than the previous years. Because of this, it is estimated that the Corporation could run out of bond authorization for the veterans loan program some time in 2011. This is the reason for the urgency of getting the issue to the ballot in 2010.

HB

292

<target><bill>HB 292</bill><subject>HB 292</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

January 8, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that increases the existing limit on State grants for major disaster victims in the State of Alaska.

This bill would change an existing limitation on the Governor's authority to issue assistance grants to victims of a major disaster in this state, which has not been updated for nearly 20 years. Under current law, when the Governor declares a disaster emergency, a grant can only be provided to a victim of the disaster in this state in an amount not to exceed $5,000. After witnessing the widespread disaster of the 2009 spring floods, it has become obvious that the maximum amount of $5,000 per household is not enough to cover incurred costs from damages in today's economy. It is clearly time to revise the limit and give the State the ability to provide improved relief to victims of major disasters in this state.

This proposed legislation increases the maximum amount that can be granted to a household in 2010 to $14,950 for a State-declared disaster. This is calculated by setting it at half of the amount of a federally declared disaster. The amount will be adjusted each year based upon the consumer price index.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/24/10

The FINANCE Committee considered: **HOUSE BILL NO. 292**

"An Act relating to grants to victims of a disaster in this state; and providing for an effective date."
HB 292-GRANTS TO DISASTER VICTIMS

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
MVA				✓

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna Fairbanks		✓			
Wm Bird		✓			
	Austerman	X			
	Gara	✓			
	DOOGAN			✓	
	Joule	✓			
	KELLY	✓			
	Salmon	X			
	FOSTER	X			
Chair:	Stoltze	X			
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB292-DMVA-HS&EM-3-24-10
() Publish Date:

Identifier (file name): Disaster Relief
Dept. Affected: DMVA
Title: An Act relating to grants to victims of a disaster in this state; and providing for an effective date
RDU: Fund Transfers (52)
Component: Disaster Relief Fund
Sponsor: Rules Committee
Requester: Governor
Component Number: 2497

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Temporary	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

ANALYSIS: *(Attach a separate page if necessary)*

Please see attached

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Phone 907-428-6003
Division: Commissioner's Office
Date/Time 3/24/10 @ 8:30 am
Approved by: Thomas Katkus, Commissioner
Department of Military and Veterans Affairs
Date 3/24/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA BILL NO. HB292-DMVA-HS&EM-3-24-10

ANALYSIS CONTINUATION

Funding for this legislation is authorized under the Alaska Disaster Act 26.23 and provided through fund transfers to the Disaster Relief Fund (DRF). In recent years, the Legislature has provided an annual appropriation to the DRF ensuring funds are quickly available once a disaster declaration is made and legislative concurrence is obtained, when required. Therefore, determining an annual amount for a fiscal note is dependent upon the number of disasters we incur that affect individuals and families. This cannot be predicted but historial references are provided for analysis and we made the assumption that there may be 2 events per year that qualify for this benefit.

2009 Spring Flood Disaster is used as an example - a large portion of this disaster was approved for a Presidential Disaster Declaration and there the State Individual Assistance Program was only enacted for a total of 30 eligible applicants. If all applicants had major damages, they would be eligible for the maximum current grant of $5,000 for a total of $150,000. Under proposed legislative language change, each applicant would be eligible for $14,950 (one half of the maximum grant amount established under Section 1 of the bill) if their damages equaled this amount under the State Individual Assistance Plan. The total maximum grant funds for the 30 applicants would have totaled $448,500, an increase in State Disaster Relief Funding requirements of $298,500 for this disaster.

In order to provide an average, we have the following statistics. Since 2002, we have had 10 disasters where we implemented the State Individual Assistance Program with an average of 133 applicants. under our current legislation, the maximum total grant funds per disaster would have been an average of $665,000. With the implementation of new legislation, the increase would have been an average of over $1.3 million per event. These are only estimates and would depend on levels of damages incurred by each individual applicant.

In FY2011 we anticipate $595.5 GFM in addition to the budgeted amount of $300.0 GFM. In out years through FY2016, we anticipate the amount required to meet this legislation being $895.5 GFM.

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/24/10

The FINANCE Committee considered: **HOUSE BILL NO. 292**

"An Act relating to grants to victims of a disaster in this state; and providing for an effective date."

HB 292-GRANTS TO DISASTER VICTIMS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
MVA				✓

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna Fairbanks		✓			
Wm Bird	Thomas	✓			
	Austerman	X			
	Gara	✓			
	DOOGAN			✓	
	Joule	✓			
	KELLY	✓			
	Salmon	X			
	FOSTER	X			
Chair:	Stoltze	X			
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB292-DMVA-HS&EM-3-24-10
() Publish Date:

Identifier (file name): Disaster Relief
Dept. Affected: DMVA
Title: An Act relating to grants to victims of a disaster in this state; and providing for an effective date
RDU: Fund Transfers (52)
Component: Disaster Relief Fund
Sponsor: Rules Committee
Requester: Governor
Component Number: 2497

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Temporary	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

ANALYSIS: *(Attach a separate page if necessary)*

Please see attached

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Phone 907-428-6003
Division: Commissioner's Office
Date/Time 3/24/10 @ 8:30 am
Approved by: Thomas Katkus, Commissioner
Department of Military and Veterans Affairs
Date 3/24/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA BILL NO. HB292-DMVA-HS&EM-3-24-10

ANALYSIS CONTINUATION

Funding for this legislation is authorized under the Alaska Disaster Act 26.23 and provided through fund transfers to the Disaster Relief Fund (DRF). In recent years, the Legislature has provided an annual appropriation to the DRF ensuring funds are quickly available once a disaster declaration is made and legislative concurrence is obtained, when required. Therefore, determining an annual amount for a fiscal note is dependent upon the number of disasters we incur that affect individuals and families. This cannot be predicted but historial references are provided for analysis and we made the assumption that there may be 2 events per year that qualify for this benefit.

2009 Spring Flood Disaster is used as an example - a large portion of this disaster was approved for a Presidential Disaster Declaration and there the State Individual Assistance Program was only enacted for a total of 30 eligible applicants. If all applicants had major damages, they would be eligible for the maximum current grant of $5,000 for a total of $150,000. Under proposed legislative language change, each applicant would be eligible for $14,950 (one half of the maximum grant amount established under Section 1 of the bill) if their damages equaled this amount under the State Individual Assistance Plan. The total maximum grant funds for the 30 applicants would have totaled $448,500, an increase in State Disaster Relief Funding requirements of $298,500 for this disaster.

In order to provide an average, we have the following statistics. Since 2002, we have had 10 disasters where we implemented the State Individual Assistance Program with an average of 133 applicants. under our current legislation, the maximum total grant funds per disaster would have been an average of $665,000. With the implementation of new legislation, the increase would have been an average of over $1.3 million per event. These are only estimates and would depend on levels of damages incurred by each individual applicant.

In FY2011 we anticipate $595.5 GFM in addition to the budgeted amount of $300.0 GFM. In out years through FY2016, we anticipate the amount required to meet this legislation being $895.5 GFM.

STATE OF ALASKA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE COMMISSIONER

Sean Parnell, GOVERNOR

P. O. BOX 5800
Ft Richardson, ALASKA 99505-5800
PHONE: (907) 428-6003
FAX: (907) 428-6019

January 26, 2010

HB 292 primary staff contacts:

McHugh Pierre
Deputy Commissioner
907-428-6003

Mike O'Hare
Deputy Director, Division of Homeland Security and Emergency Management
907-428-7066

STATE INDIVIDUAL and FAMILY GRANT PROGRAM (IFG)

History of State IFG Program:

Authority: **Alaska Statute 26.23.090**

Enacted in: 1977

Amended in 1990

$5,000 limit dates back to original date statute was enacted (1977)

Regulations: **06 Alaska Administrative Codes (AAC) 94.200 – 94.280**

Adopted in: 2000

Individual Assistance Task Force:

- **The Individual Assistance Task Force convened January 2008 to examine Individual Assistance programs and current program capacity to provide prompt and effective relief to individuals and families affected by disasters.**
- **Agencies involved in review of IFG program:**
  - **Division of Homeland Security and Emergency Management, Department of Commerce, Community, and Economic Development, Department of Health and Social Services, Alaska Housing Finance Corporation, Alaska VOAD, American Red Cross of Alaska, and USDA Rural Development**
- **Agencies met 10 times over a six month period**
- **Task Force recommended that maximum awards increase and that funding levels be tied to an annual figure such as the FEMA Individual and Households Program award or the Consumer Price Index.**

IFG Program Requirements:

- **AS 26.23.090**
  - **Governor authorized to make grants to individuals and families to meet disaster related expenses or serious needs that cannot be met from other means of assistance.**
  - **Current funding limits:**
    - **State Disaster Limit - $5,000**
    - **Legislative Recommendation – One-Half of Federal IA Program (based on CPI)**
- **06 AAC 94.200 – 94.280**
  - **Must incur a necessary expense or serious need in the declared disaster area as a result of the disaster, and be unable to meet that expense or need**
  - **Grants may be given to meet necessary expenses or serious needs by providing essential items or services in the following categories: housing; housing repair; personal property, transportation; medical or dental expenses; expenses related to funerals, burials, and cremations.**

- Disaster victims' needs will be identified on the Disaster Assistance Application and confirmed by verifications. Verifications can be accomplished by on-site visits, photographs, Loss Verification Statement forms, and other documentation deemed appropriate by the IA Officer.
- Applicants will be denied eligibility for a current disaster claims if they have not complied with requirements on previous disasters. Therefore, applicants will be cross-referenced for any past disaster non-compliance.
- If the grantee is in a Special Flood Hazard Area, as determined by the National Flood Insurance Program (NFIP), and the grantee is a homeowner, flood insurance coverage must be maintained on the residence at the flood-damaged property address for as long as the grantee owns the structure, in order for the grantee to be eligible for a future grant for acquisition and construction purposes. If the grantee is a renter, flood insurance required under this section must be maintained on the contents of the rental unit for as long as the grantee resides at the flood-damaged property address.

HB 294

<target><bill>HB 294</bill><subject>HB 294</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Sponsor Statement

HB 294
USE, REGULATION, AND OPERATION OF BOATS

House Bill 294 extends the sunset dates of the Statewide Boating Safety and Education program for six years. In 2009 HB 151 was passed which extended the program for one year, allowing funding to continue to 2010.

This program has been successful as more boaters follow safety rules and boating fatalities have steadily decreased during the tenure of the law while bringing Alaskan law into compliance with federal regulations. Under this program, boating deaths in Alaska have decreased by 20% and the lives of at least 17 Alaskan children have been saved by a Kids Don't Float life jacket.

Furthermore, the Statewide Boating Safety and Education Act has allowed the State of Alaska to consistently receive over one million dollars a year in federal funds. To receive full funding for the federal FY 2011 this sunset must either be extended or repealed during the 2010 legislative session.

Passage of HB 294 will ensure that a successful program will continue to save lives and that the State of Alaska will continue to have clear and consistent boating safety regulations with ample federal funds to administer safety and educational programs.

I ask for your support extending an effective program that has successfully saved lives.

For bill version 26-LS1282\R

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Sectional Analysis of House Bill 294:

Section 1 of the bill extends the termination date from 2011 to 2016 for certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners.

Section 2 of the bill provides for an immediate effective date for the Act.

For bill version 26-LS1282\R

HOUSE COMMITTEE REPO

(11)
Date Referred to Committee: February 3, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/12/10

The FINANCE Committee considered: **HB 294**

HOUSE BILL NO. 294
"An Act amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

HB 294-USE, REGULATION, AND OPERATION OF BOATS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 294 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DNR	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Will Thomas	Thomas	✓			
Mike Doogan Cara	Cara	✓			
	DOOGAN	✓			
Alan	AUSTERMAN	X			
	KELLY			✓	
Lesil Olson	Foster	✓			
Kevin A. Meyer	Salmon	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair: Bill Stoltze	Stoltze	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: HB 294
(H) Publish Date: 2/3/2010

Identifier (file name): HB294A-DNR-Parks-2-01-10
Dept. Affected: Natural Resources
Title: Amend the Termination Date of Statewide Boating Safety Act and education program
RDU: Parks and Recreation Management
Component: Parks and Recreation Access
Sponsor: Representative Neuman
Requester: House Labor and Commerce Committee
Component Number: 2136

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		380.0	380.0	380.0	380.0	380.0	380.0
Travel		84.0	84.0	84.0	84.0	84.0	84.0
Contractual		443.7	443.7	443.7	443.7	443.7	443.7
Supplies		53.3	53.3	53.3	53.3	53.3	53.3
Equipment							
Land & Structures							
Grants & Claims							
Capital Outlay		489.0	489.0	489.0	489.0	489.0	489.0
TOTAL OPERATING	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts		1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
1003 GF Match							
1004 GF (VehRntltax)		200.0	200.0	200.0	200.0	200.0	200.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time		4	4	4	4	4	4
Part-time		1	1	1	1	1	1
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

No fiscal Impact is associated with this bill. The project is included in the governor's operating budget.

The primary purpose of this bill is to extend the sunset date of the Alaska Boating Safety Act.

The program is funded primarily by a federal grant.

Prepared by: Karlyn Herrera — Phone 269-8703
Division: Parks and Outdoor Recreation — Date/Time 2/1/10 12:00 AM
Approved by: Tom Irwin — Date 2/1/2010
Natural Resources

(Revised 11/6/2009 OMB)

Adopted 4/12/10

26-LS1282\E
Kane
4/9/10

CS FOR HOUSE BILL NO. 294(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES NEUMAN, Buch, Olson, Chenault, Holmes, Tammie Wilson, Austerman

A BILL

FOR AN ACT ENTITLED

"An Act amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners by extending the termination date by two years; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** Section 30, ch. 28, SLA 2000, as amended by sec. 3, ch. 34, SLA 2004, and by sec. 1, ch. 19, SLA 2009, is amended to read:

Sec. 30. Sections 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27 of this Act take effect on the earlier of the following dates:

(1) July 1, **2013** [2011]; or

(2) 90 days after the date the chair of the Alaska Legislative Council notifies the revisor of statutes that in the previous state fiscal year the state did not

receive and does not anticipate receiving federal funding for a statewide boating and safety education program; the director of the division of legislative finance shall notify the chair of the Alaska Legislative Council when the state, in the previous fiscal year, did not receive federal funding for a statewide boating and safety program; the chair of the Alaska Legislative Council may not give the notice described in this paragraph unless the notice is approved by a vote of a majority of the members of the Alaska Legislative Council.

*** Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

HB 294

People to Testify:

Mike Folkerts, U.S. Coast Guard Recreational Boating Safety Specialist.

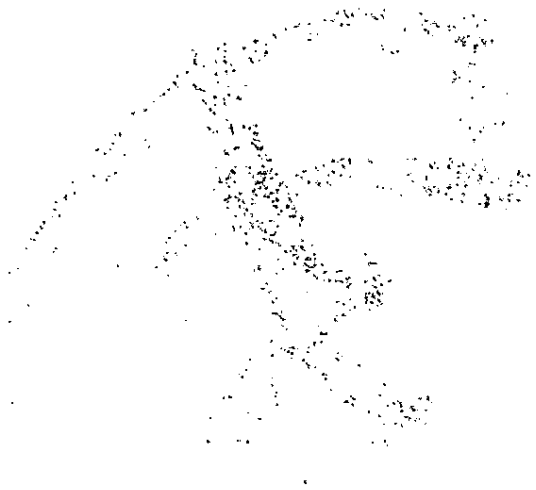
Jane Schultz, EMS Coordinator – Kenai Peninsula, and Safe Kids supervisor.

Director James King, AK Division of Parks and Outdoor Recreation

Joe McCullouch, Education Coordinator, AK Division of Parks and Outdoor Recreation

Jeff Johnsón, Boating Law Administrator, AK Division of Parks and Outdoor Recreation

NOT BACKUP



White Paper

Alaska's Boating Safety Dollars at Work

Alaska Division of Parks and Outdoor Recreation
Office of Boating Safety

BACKGROUND

While Congressional attention to recreational boating safety began as early as 1910, the Federal Boat Safety Act of 1971 (46 U.S.C. 13101) provided the first federal funding to the states to *"encourage greater state participation and uniformity in boating safety efforts, and particularly to permit the states to assume the greater share of boating safety education, assistance, and enforcement activities."* Since this act was passed, the U.S. Coast Guard estimates that more than 27,000 lives have been saved. Nationally, the number of non-commercial boating fatalities has been cut in half; even though boat ownership more than doubled over the same period. Even so, recreational boating safety remains on the National Transportation Safety Board's "*12 Most Wanted List*" for needed transportation safety improvements.

Boats are an integral part of the lifestyle of many Alaskans. Alaskans use boats to enjoy the state's world-class recreational opportunities, but also as a primary means of transportation and subsistence. Unfortunately, Alaska's boating fatality rate is nearly 10 times the national average and among the nation's highest. In Alaska, only highway accidents account for more unintentional death than does drowning. Most of these fatalities could have been prevented. However, from 1987 to 1998, Alaska was the *only* state without a boating program. As a result, Alaska's share of federal funding available for boating safety was divided among all the other states. At the same time, because U.S. Coast Guard registered our boats, Alaska's registration fees went into the U.S. Treasury instead of remaining in the state. In June 1998 Alaska became the last state to establish a boating safety program when the Office of Boating Safety was established by Department Order. The Alaska Boating Safety Act (AS 05.25) was drafted and introduced in the 1999 legislative session. The act was signed into law on May 11, 2000, and Alaska qualified for the state's full share of federal grant money for state boating programs. The Alaska Boating Safety Program relies almost entirely on this federal grant. Federal funds for boating safety now contribute more than $1,000,000 a year to Alaska's economy.

Alaska's investment in boating safety is small when compared to the lives saved

9/22/09

PROGRAM MISSION AND OBJECTIVES

Mission

The mission and objectives of the Alaska Boating Safety Program are identified by Alaska statute: *It is the policy of the state to promote the safety of persons and property in and connected with the use, operation, and equipment of boats on the water of the state and to promote the uniformity of laws relating to boat safety* (AS 05.25.050). The program implements this mission with the intended purpose of reducing boating deaths, injuries and property damage, and enhancing enjoyment on Alaska's waterways.

Objectives

1. Cooperate with other state and federal agencies and organizations to provide for statewide boating safety programs in Alaska.
2. Secure the benefits available to the state under 46 U.S.C. 13101 - 13110; and take the actions necessary to continue to qualify for federal grant funding under 46 U.S.C. 13102, and the U.S. Coast Guard / State of Alaska Memorandum of Understanding.
3. Provide and expand the boating safety education program to increase public awareness of boating risks and the knowledge, skills, and abilities of Alaska's boaters, including:
    - The production of educational materials relevant to the needs of Alaska's urban and rural boaters.
    - Support for statewide boating safety education programs for children 1 and other high - risk groups.
    - Training, certification, and support of boating safety instructors.
    - Evaluation, on an ongoing basis, of the effectiveness of programs.
4. Support the Alaska Boating Safety Advisory Council.
5. Provide for a uniform state waterway marking system.
6. Provide for boating accident and casualties reporting.
7. Serve as liaison between the U.S. Coast Guard and the Division of Motor Vehicles as necessary on state boat registration issues.
8. Provide for boating law enforcement training.
9. Promote the uniformity of laws relating to boating safety.

Alaska faces significant challenges in meeting these objectives:

- Less than one third of the state is served by the road system, and many communities are difficult to reach.
- Alaska's population is the second most culturally diverse in the nation. Over 56 different cultural groups, including about 102,000 Eskimo, Athabascan, Aleut, Tlingit, Tsimshian, and Haida natives, are represented. Learning and communication styles differ widely between these groups.
- Alaska's cold water presents a significant risk to boaters and our vast distances often make a timely rescue impossible, significantly reducing the odds of surviving a boating emergency in Alaska.

Because the Alaska Boating Safety program is small compared to most other states, maintaining dynamic and productive partnerships is critical if we are to meet objectives. To that end, the program works closely with the U.S. Coast Guard, the U.S Coast Guard Auxiliary, other agencies, and boating organizations, to make the most out of limited resources and avoid duplication of effort. Alaska also maintains relationships with other states and participates in regional and national boating organizations to identify and adopt best practices of other boating programs, maximize resources, and increase program quality, productivity, and effectiveness.

---

2 According to data published by the State of Alaska, Dept. of Heath and Social Services, drowning was the second leading cause of unintentional death for children and youth under 20 between 1991 and 1998, with an average of 9.2 lives lost per year. From 1994 – 1998 the drowning death rate of Alaska's children, per 100,000, was 4.8 as compared to the national rate of 1.8 per 100,000.

PROGRAM HIGHLIGHTS

The *Kids Don't Float* life jacket loaner program is a collaborative partnership between the Alaska Department of Health and Social Services, the Alaska Boating Safety Program, the U.S. Coast Guard, and local sponsors. A total of **514** life jacket loaner board stations in **153** communities have been established statewide. The Alaska Boating Safety Program is the primary supplier of life jackets for the program, **30,287** life jackets for *Kids Don't Float.*

Kids Don't Float has an educational component that provides boating safety programs for Alaska's students. To date, attendance numbers total over **71,000.**

The program offers *Alaska Water Wise (AWW)*, Alaska's nationally approved and Alaska – relevant, boating safety course.

- A total of **1,672** boaters (representing all of Alaska's census areas) have completed an *AWW* course.
- The program also trains Alaskans to teach *Alaska Water Wise* courses and supports their efforts to teach boating safety in and around their communities. **279** potential instructors from more than **52** Alaska communities in **24** of the state's **27** census areas have completed the *Alaska Water Wise Instructor* course.
- Those who meet program requirements for state instructor certification are placed on the state boating safety instructor registry and authorized to teach *Alaska Water Wise (AWW).* There are **110** instructors on the registry.

The program conducts an ongoing social marketing campaign on radio and television, produces publications and articles including the popular *Alaska Boater's Handbook*, and the handbook supplement series, award - winning posters, interpretive panels for display at boat launches, presents seminars, and produces instructional films such as *Boating Alaska* and *Cold Water Boating.*

The program develops curriculum and provides marine law enforcement training for the Alaska State Troopers and other Alaska law enforcement officers including instruction in boating laws at the Alaska Law Enforcement Training Academy, the 40 hr Alaska Boating Law Enforcement (ABLE) course, and financial support for officers attending NASBLA Boating Under the Influence and Boat Accident Investigation courses.

The program provides support for the U.S. Coast Guard Auxiliary Vessel Safety Check program.

The Alaska Boating Safety Program is entirely user – funded, through the federal *Sport Fish Restoration and Boating Trust Fund* and a portion of Alaska's state boat registration receipts.

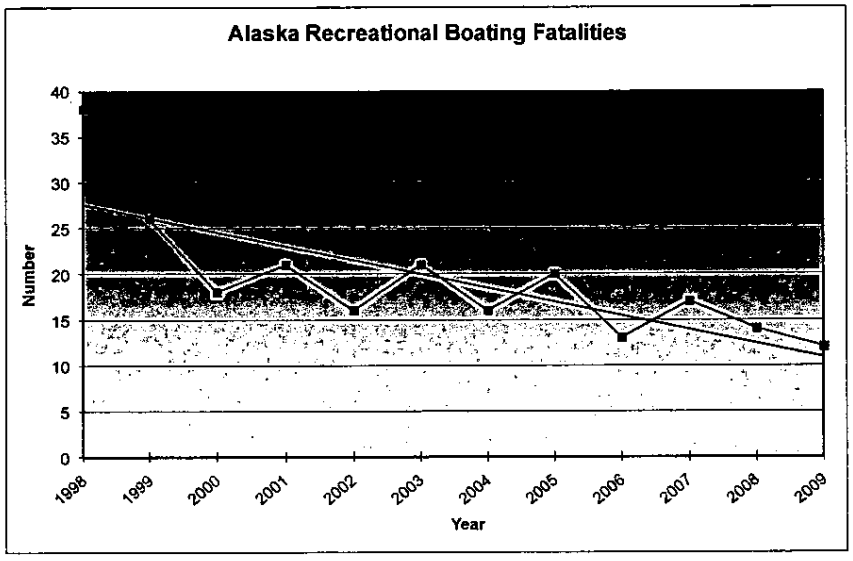
Observational behavior studies, statewide boater surveys, instructor and course evaluations, student testing, and U.S Coast Guard statistics are examples of sources used to evaluate program performance.

The Alaska Boating Safety Program and its staff have received numerous awards, including the prestigious *NASBLA Bonner Award*, the U.S. Coast Guard *Public Service Commendation*, and the U.S. Department of Transportation's *Partnering for Excellence Award.* The *Kids Don't Float Peer Educator Program* was a 2002 regional winner of the National Safe Boating Council's *Boating Education Advancement Award.* The *Kids Don't Float* schools program was the 2009 national winner of the Council's *Boating Safety Youth Program Award.*

9/22/09

IS THE PROGRAM IS MAKING PROGRESS?

Alaska's recreational boating fatality rate (fatalities per 100,000 boats) has dropped steadily from 144 in 1998 (when the state's Alaska Office of Boating Safety was established) to 34 in 2007. In comparing the number of fatalities during each of the two five - year periods within the previous 10 years, fatalities have dropped 20% between the two periods.



At least 17 Alaskan children have survived a water emergency thanks to a *Kids Don't Float* loaner life jacket.

<u>Alaska Boater Survey Results:</u>

25% of Alaskan boaters say they wear a life jacket more often today than they did five years ago

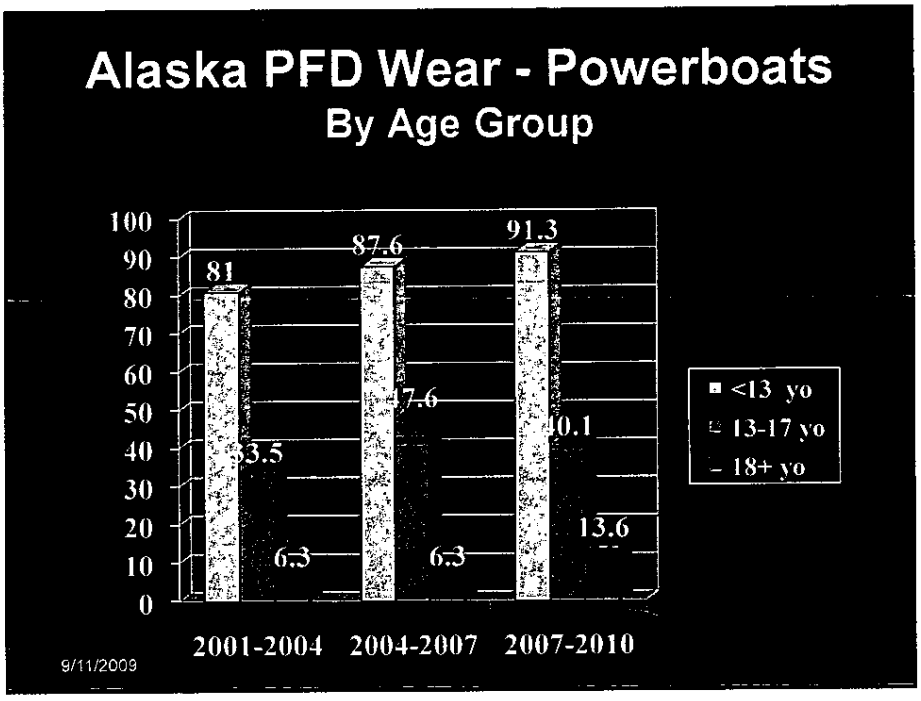
12% of Alaskan boaters say a life jacket saved the life of someone in their household

77% of Alaskan boaters believe everyone should be required to wear life jackets when in open boats

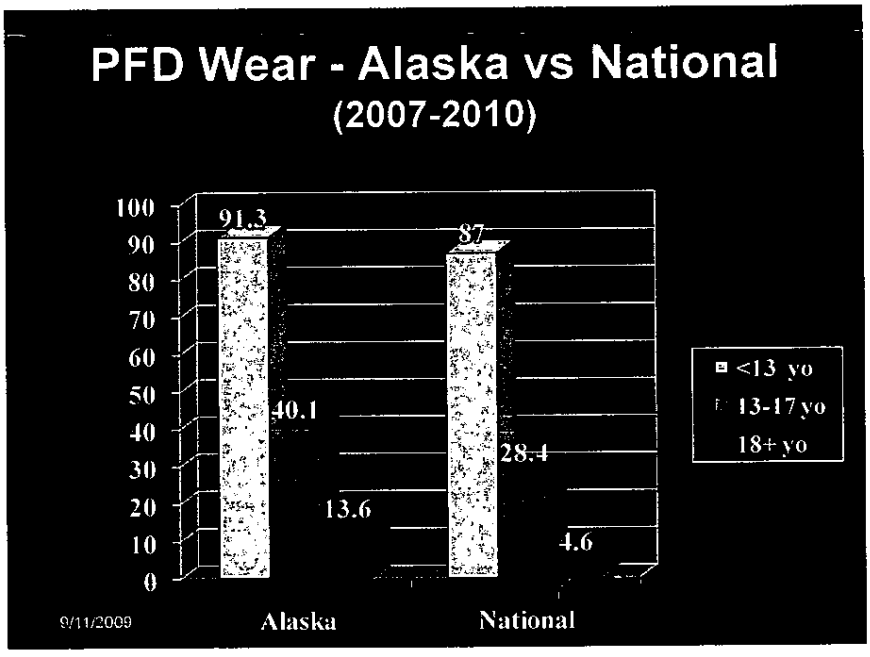
72% of Alaskan boaters say they have taken a boating safety course, compared to 46% five years ago

U.S. Coast Guard observational life jacket wear rate studies show increases in life jacket wear.

9/22/09



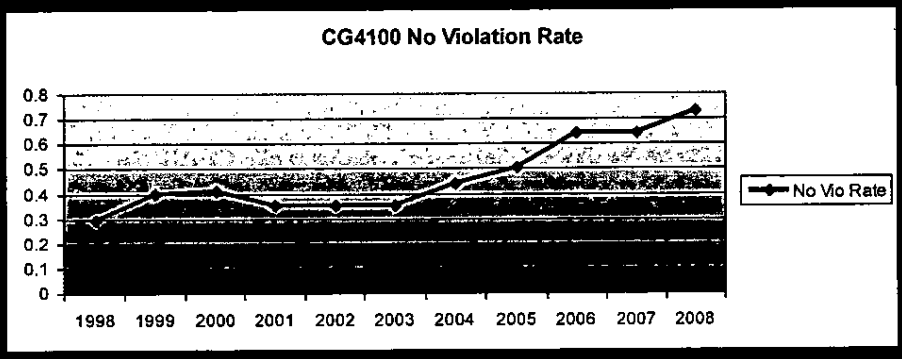
Alaska's life jacket wear rates are above the national average in all age groups.



USCG law enforcement boarding statistics show increasing compliance.

9/22/09

USCG Boarding Statistics



9/22/09

STAFFING DETAIL

The Alaska Boating Safety Program has four full time staff. Three were pre – existing positions within the Division of Parks that were moved to the boating safety program.

Boating Law Administrator – (Program Coordinator II, PCN 10-5101)
Each state's Boating Law Administrator plans, implements, and directs the functions of their state's boating program. This position formulates and revises the program's budget, policies, and management strategies, coordinates with other state agencies that provide Alaska's program elements, assures maximum utilization of financial and human resources, identifies and adopts the best practices of other state boating programs, designs ways to evaluate performance of the program, and leads the analysis of boating related issues affecting the State. The position serves as the state's official representative on local, regional, and national levels with regard to recreational boating issues, policy development, and program funding and also provides regulatory interpretive assistance to agencies and the public.

Boating Education Coordinator – (Park Ranger I, PCN 10-5257)
The Boating Education Coordinator plans, develops, and coordinates the delivery of a variety of educational programs statewide. This position's duties include curriculum development, professional training, and overseeing paid and volunteer boating safety instructors, overseeing all *Kid's Don't Float* schools programs, providing a variety of seminars and presentations, managing the Alaska Boating Safety Instructor Registry, and assisting and supporting boating safety instructors statewide. This position also trains law enforcement officers in boating law and marine law enforcement, and is a law enforcement field - training officer.

Boating Education Specialist – (Park Specialist, PCN 10-5260)
This position independently provides a variety of high quality and Alaska - relevant public boating education and interpretive programs that promote safe, enjoyable boating experiences, for children and adults, performs outreach and schedules programs, develops, prepares for, and executes boating education programs including *Alaska Water Wise* and *Kids Don't Float* classes, workshops, and presentations. Ensures all programs satisfy the standards and policies of the Division of Parks and Outdoor Recreation, Alaska Office of Boating Safety.

Administrative Assistant – (PCN 10-5062)
Administrative support functions in the areas of budget preparation and financial monitoring/reporting, purchasing, inventory, travel, training, personnel, and information dissemination. Duties include gathering information for and preparing budgets, federal grant applications and reports, fiscal and financial tracking of expenditures, procurement of equipment, supplies, and professional services, preparing and tracking reimbursable services agreements, executing payments, processing time sheets, arranging travel, preparing and processing travel authorizations, coding, certifying, and reconciling invoices, attending meetings and drafting meeting minutes, handling public and agency inquiries, assisting unit staff with boating safety program activities, preparing advertising orders, organizing media campaigns, developing and maintaining web pages, and setting up and maintaining a highly organized system of electronic databases, files and records.

The program also funds several other pre-existing Division staff. Currently, **13** seasonal park rangers and other Division staff work on specific boating education projects during a portion of their off season, particularly in the delivery of *Kids Don't Float* school programs.

9/22/09

ENDORSEMENTS FOR
THE ALASKA BOATING SAFETY ACT OF 2000

- Alaska Municipal League
- United States Coast Guard
- United States Coast Guard Auxiliary
- Valdez Harbor Users Association
- Seward Boat Owners Association
- Whittier Boat Owners Association
- Alaska Wilderness Recreation and Tourism Association
- Alaska Marine Dealer's Association
- Trails and Recreational Access for Alaskans Board (TRAAK)
- Alaska Safety Advisory Council
- Kenai River Special Management Area Citizen's Advisory Board
- Alaska Boating Safety Advisory Council (ABSAC)
- Mat-Su State Parks Citizen's Advisory Board
- Big Lake Community Council
- Sitka State Parks Citizen's Advisory Board
- Denali Safety Council (members: National Bank of Alaska, University of Alaska, Teamsters local 302, Carr's, Anchorage Daily News, VECO, Alyeska Pipeline, ARCO, NANA/Marriott, Federal and State OSHA, Anchorage Safe Communities)
- Alaska Department of Public Safety
- Alaska Wildland Adventures
- National Transportation Safety Board
- Alaska Department of Health and Social Services - Community Health and EMS Section
- Western States Boating Administrator's Association
- National Association of State Boating Law Administrators
- South Peninsula State Parks Citizen's Advisory Board
- Alaska Recreation and Park Association
- Kodiak State Parks Citizen's Advisory Board
- Fairbanks Paddlers
- Valdez City Council
- Kachemak Bay State Park Citizen's Advisory Board
- Alaska Harbormaster's Association
- Fairbanks Area Alaska State Parks Citizen's Advisory Board
- Kodiak City Council
- Bristol Bay Area Health Corporation
- Valdez State Parks Citizens Advisory Board
- River Management Society - Alaska Chapter

9/22/09

HB

296

<target><bill>HB 296</bill><subject>HB 296</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 26, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/11/10

The FINANCE Committee considered: **HOUSE BILL NO. 296**

"An Act authorizing and relating to the issuance of bonds by the Alaska Housing Finance Corporation; establishing the Alaska energy efficiency revolving loan fund and relating to the fund; authorizing municipalities and the State of Alaska to borrow money from the Alaska Housing Finance Corporation for the purposes of the Alaska energy efficiency revolving loan fund; and providing for an effective date."

HB 296-ENERGY EFFICIENCY BONDS; LOANS; FUND

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 296 (ENE)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [✓] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1			✓
DOT	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	Gara	✓			
Mike Doogan	DOOGAN			✓	
	Dale	✓			
	ALTSTAETTER	✓			
	KELLY	✓			
	Foster	✓			
	Salmon	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair:	Hawker			K	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 296
(H) Publish Date: 1/19/10

Identifier (file name): 0903-DOR-AHFC-1-6-10
Dept. Affected: Revenue
Title: AHFC Energy Efficiency Bonds/Revolving Loan
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will set up an energy efficiency revolving loan fund and authorize AHFC to sell up to $250 million in bonds to fund the program.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY11 and beyond.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 12/30/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:37am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 296
(H) Publish Date: 1/19/10

Identifier (file name): 09030-DOT-SPF-01-04-10
Dept. Affected: DOT&P
Title: Establishing Alaska Energy Revolving Loan Fund etc
RDU: Design, engineering & construction
Component: Statewide Public Facilities
Sponsor
Requester
Component Number: 2882

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Since all this bill does is create the ability for DOT&PF to partcipate in loan a program, there is no fiscal impact.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 1/4/10 4:00 PM
Approved by: Frank Richards — Date 1/4/2010
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

House Bill 296
Sponsor Statement

House Bill 296 will establish an energy efficiency revolving loan fund in the Alaska Housing Finance Corporation and authorize the Corporation to sell up to $250 million in bonds to fund the program.

The federal ARRA bill appropriated $28.3 million to Alaska for the State Energy Program. Of that, Governor Parnell recommended spending $18 million to make energy efficiency improvements to public buildings. Of this, $10 million would go for energy efficient improvements to state facilities and $8 million would go for energy efficient improvements to school and municipal facilities.

HB 296 will use this $18 million to leverage up to $250 million in bonds to fund the program. The bill also establishes an energy efficiency revolving loan fund in AHFC.

As an example, a municipal government or school district would have an energy audit done on their building. Let's say the building needs $120,000 to make it more energy efficient and that those improvements would reduce their energy costs by $20,000 a year. They would take a loan out with AHFC to do the work and then pay the loan back with the funds available due to the savings achieved through the energy efficiency improvements. After the loan is paid back those funds would be available to that government for other purposes or to reduce the size of its budget. This would result in less energy used by public buildings as well as ultimately saving public money.

This type of program has proven to be successful in other states as well as by the Alaska state Department of Transportation and Public Facilities.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

HB 296 Sectional Analysis

Section 1 -
Section 1 amends Alaska Housing Finance Corporation's statutes to add a new section establishing an Alaska energy efficiency revolving loan fund and making AHFC the administrator of this fund. This program would make loans to municipal governments, including subdivisions of municipal governments, or to the Department of Transportation and Public Facilities.

Section 2 -
Section 2 gives the Alaska Housing Finance Corporation the authorization to sell up to $250 million in bonds and that the funds shall be deposited in the Alaska energy efficiency revolving loan fund established in Section 1.

Section 3 –
Section 3 instructs the revisor of statutes to change the heading of article 6 of AS 18.56 from "Article 6. Energy Conservation" to "Article 6. Energy Efficiency and Conservation Programs."

Section 4 –
Section 4 allows for an immediate effective date.

Energy Savings Performance Contracting Summary
Prepared by DOT/PF

- Under an Energy Savings Performance Contract (ESPC), an Energy Savings Contractor (ESCO) is selected through a competitive Request for Proposal process to complete an energy audit, recommend, design and implement Energy Conservation Measures (ECM's), and guarantee energy savings.

- The contractor will first complete an investment grade energy audit that identifies conservation measures, along with their payback periods, and present it to the facilities owner or manager. The manager will select a set of conservation measures that meets their desired financial goals, and will negotiate the implementation cost with the ESCO.

- When selecting the ECM's to be implemented, it is critical to avoid "cherry picking" quick payback measures, such as lighting upgrades, and ignoring longer payback items such as heating and ventilation system upgrades. Since lighting upgrades are typically the quickest payback for an ECM, they can help to offset the cost of a longer payback ECM, such as a boiler upgrade, when accomplished under an ESPC.

- Example: Lighting Upgrade will pay back in 3 years. Boiler Upgrade will pay back in 12 years. Combined the payback will be 7 years. It is also common for an owner to package several buildings together under one agreement to leverage savings in one facility towards another, providing that the buildings have the same funding source. This allows for a greater amount of work to be accomplished.

- Capital funding can be used to fund the entire contract; however, more typically, financing is obtained from either the ESCO or third party financing. The amount financed, plus the interest charges, are paid back over time from the dollar savings that are realized from the reduction in energy consumption. The financing period may range from 8 to 25 years, depending upon the ECM's chosen and the owner's financial requirements (our contract with Siemens utilized third party financing with a payback ranging from 12 to 15 years).

- A combination of capital funding – such as the ARRA energy funds – and financing may be chosen to fund the project. Arizona is leveraging $10 million in ARRA energy funds with about $40 million in private financing to accomplish $50 million in energy efficiency projects in state facilities. This approach will also work for Alaska. Under any of these scenarios, a limited amount of capital or operating funding is required to pay personnel cost to implement the contract.

- The ESCO guarantees that the ECM's will reduce the energy consumption in the facility. If the energy savings are less than what the ESCO guarantees, the ESCO will monetize the difference in guaranteed versus actual savings and will reimburse the owner this amount. Example: ESCO guarantees a savings of 30,000 Btu's, but only 25,000 Btu's are saved, the ESCO will write a check for the cost of the missing

5,000 Btu's. Under some performance contracts, if the energy savings are greater than that which the ESCO guaranteed, the owner is required to share the monetized cost of the excess savings with the ESCO. Our contract with Siemens did not have this language, i.e. excess savings belong to the State.

- The U.S. Department of Energy guidance regarding the ARRA energy funds specifically encourages the use of these funds for energy performance contracting, as a method of leveraging and extending the life of the funds.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 296
(H) Publish Date: 1/19/10

Identifier (file name): 0903-DOR-AHFC-1-6-10
Dept. Affected: Revenue
Title: AHFC Energy Efficiency Bonds/Revolving Loan
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will set up an energy efficiency revolving loan fund and authorize AHFC to sell up to $250 million in bonds to fund the program.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY11 and beyond.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs
Phone 330-8445
Division: Alaska Housing Finance Corporation
Date/Time 12/30/09 12:00 AM
Approved by: Ginger Blaisdell, Director
Date 1/6/10; 11:37am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 296
(H) Publish Date: 1/19/10

Identifier (file name): 09030-DOT-SPF-01-04-10
Title: Establishing Alaska Energy Revolving Loan Fund etc
Sponsor
Requester

Dept. Affected: DOT&P
RDU: Design, engineering & construction
Component: Statewide Public Facilities
Component Number: 2882

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Since all this bill does is create the ability for DOT&PF to partcipate in loan a program, there is no fiscal impact.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 1/4/10 4:00 PM
Approved by: Frank Richards — Date 1/4/2010
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

HB

297

<target><bill>HB 297</bill><subject>HB
297</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 297(EDC)
() Publish Date:

Identifier (file name): HB297CS(EDC)-DOLWD-WIB-03-16-10
Title: Postsecondary Scholarships
Sponsor: Rules Committee
Requester: House Finance

Dept. Affected: Labor and Workforce Development
RDU: Business Partnerships
Component: Workforce Investment Board
Component Number: 2659

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	25.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**25.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	25.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**25.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

These funds will be used to contract for services to assist in the drafting of regulations setting criteria for the career and technical school scholarship portion of the bill required under Section 14.43.835 of this legislation. This request presumes that the Alaska Workforce Investment Board's Education Specialist, who will oversee the promulgation and implementation of the regulations and coordination with the Department of Education and Early Development and the University of Alaska, will be funded in FY 11.

Prepared by: Guy Bell, Assistant Commissioner — Phone 465-2700
Division: Office of the Commissioner — Date/Time 3/16/10 10:31 AM
Approved by: Click Bishop, Commissioner — Date 3/16/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

Governor Sean Parnell
STATE OF ALASKA

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

January 15, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that will create a merit-based scholarship program for Alaska high school students who pursue higher education in Alaska.

This legislation, referred to as the Governor's Performance Scholarship (GPS), is patterned after successful scholarship programs in 22 other states. The GPS will improve high school graduation rates, prepare students for college or job training, provide Alaskan students with affordable opportunities for higher education, sustain Alaska's economy with a capable workforce, and retain equipped, hardworking Alaskan students.

This bill provides four tiers of scholarship payment for qualified high school graduates. Three of these tiers would be designated for academic scholarships, and the fourth for career and technical school scholarships.

The key feature of the scholarship program is that it is merit-based. All students who participate will be required to complete a more rigorous high school curriculum consisting of four years of language arts, mathematics, and science, and three years of social studies. Students will also be evaluated according to standards established for their grade-point averages and scores on college entrance or work-ready examinations.

The program will provide an incentive for students to challenge themselves in high school and to graduate. It also provides an impetus for schools to enhance curriculum. Studies have shown that students who take a rigorous curriculum in high school are more likely to do well in college and job training programs. Thus, the scholarship recipients will be more likely to achieve their certification or degree.

Students who achieve the highest attainable grade point average and examination scores will be awarded the highest tier of the academic scholarship for an Alaska-based college or university. This tier will equal the full cost of tuition at an Alaskan university for the 2010-2011 school year. The second and third tiers of the academic scholarship will be 75 and 50 percent the amount of

respective tuition. Students will be eligible for the academic scholarship for a maximum of eight semesters. Students who qualify for a career or technical school scholarship will receive an award of full fees for training, the maximum at $3,000 per year. The career and technical scholarship may be used by a student for up to two years.

The GPS will only be accessible to Alaska residents. However, this bill will allow that Alaskan military members and their families will not lose eligibility on account of their service.

The bill will require that money from these scholarships will only be spent at qualified Alaska post-secondary institutions or training programs. Students educated in the state are more likely to remain in the state. This provision encourages our best and brightest young people to remain in the state and prepare qualified Alaskan workers for Alaskan jobs.

The GPS program contains a "use it or lose it" provision: students will have a six-year window to apply the scholarship to a postsecondary institution. This protects the State of Alaska from an extended liability. As previously stated, the bill will provide extensions for Alaskans who serve in the military.

The GPS will be administered by the Alaska Department of Education and Early Development, the Department of Labor and Workforce Development, and the Alaska Commission on Postsecondary Education. Regulations will be adopted to govern the program, grade-point average standard, eligibility criteria and an appeals process to consider extraordinary circumstances. The Alaska Commission on Postsecondary Education will adopt regulations for streamlined application, award, and continuing eligibility standards.

Also, this bill will establish a fund whose earnings could be used to pay for scholarships. The proposed fund is based on other funds established in statute, such as the Alaska Veterans' Memorial endowment fund, and will be managed by the Department of Revenue. Nothing in this bill will establish a dedicated fund.

The GPS is modeled after the famous "Taylor plan," established by private businessman, Patrick Taylor, to keep students in school and motivate them to pursue successful postsecondary education. Currently, twenty-two states have "Taylor like" state-sponsored plans.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

PO BOX 110505
JUNEAU, ALASKA 99811-0505
VOICE (800) 441-2962
In Juneau (907) 465-6740
TDD (907) 465-3143
FAX (907) 465-3293

March 3, 2010

The Honorable Paul Seaton
Chair, Education Committee
Alaska House of Representatives
State Capitol, Room 102
Juneau, Alaska 99801

Subject: CSHB 297 (ED) - An Act establishing the governor's performance scholarship...

Dear Representative Seaton:

At the February 26, 2010 committee meeting you asked that I provide information regarding potential programmatic impacts of a specific amendment to HB297. The amendment in question was to modify the provision within the bill that would require a student who is erroneously awarded a scholarship to return the erroneous amount. The amendment added the provision that the recipient would not have to refund the erroneous amount unless the error was "any fault of the student."

When asked to comment I did express my concern about the provision because it would prevent the Commission from recovering inappropriately disbursed state funds unless the student had engaged in some form of misconduct that contributed to the erroneous award. While I certainly understand the intention of the committee in adopting this change, it does establish an unusual student aid program provision. In general, student financial aid programs are operated with the understanding that should an error occur that results in an aid recipient receiving more funds than is received by any other similarly situated student, the aid recipient is expected to return the amount of the over award.

Members were interested in quantifying the frequency of such occurrences, and, although I did contact Director of Financial Aid Barbara Burnett at UAS, it does not appear that related statistics are available. Ms. Burnett and I did discuss the implications of the provision and she shared the following advice:

> *There are some scholarship/grant programs that say any aid awarded cannot exceed the cost of attendance (or the cost of tuition and/or some other budget item) - if the student got some of this money in addition to the GPS, then the other aid might have to be reduced if the total awards were greater than the cost of attendance. The Pell grant is an entitlement, as is the UA Scholars - the student would get those no matter how much other aid s/he was awarded... Need-based aid such as the SEOG would be reduced if the student got other aid in excess of*

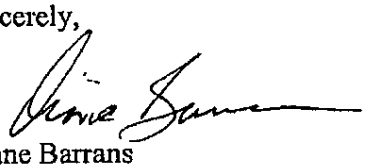
printed on recycled paper

the cost of attendance... The University's need based grant is awarded using equity packaging rules - the student does not get it if they have other grants and scholarships in excess of the equity level we are using - receipt of the GPS could likely reduce or eliminate the student's eligibility for this grant. If the student got only entitlements and other non-restrictive scholarships, then s/he could get the excess funds for personal use.

Based on this additional information, I must maintain my concerns regarding the unintended consequences of the referenced amendment. There are outcomes that I fear would be detrimental to the program. One is that, because we expect to package GPS awards fairly early in the financial aid award process, prior to distribution of other non-loan aid, we would lose the ability for financial aid officials at the institution to distribute subsequently received aid because it would result in an over award situation. In short, GPS would be supplanting rather than supplementing otherwise available financial aid. Another is that it appears to preclude Commission staff from recovering funds erroneously disbursed, regardless of the amount and regardless of the error, unless it was the student's fault.

I hope this information is helpful. Do not hesitate to contact me if there is other information I can provide.

Sincerely,



Diane Barrans
Executive Director

DB/dv

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSHB 297(EDC)
(H) Publish Date: 3/15/10

Identifier (file name): CSHB297(EDC)-EED-ACPE-03-15-10
Dept. Affected: Education
Title: An Act establishing the governor's performance scholarship program and relating to the program; establishing the...
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Rules
Requester: (H)FIN
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	275.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims			14,480.0	25,623.4	33,252.8	37,169.6	37,169.6
Miscellaneous							
TOTAL OPERATING	**275.0**	**0.0**	**14,480.0**	**25,623.4**	**33,252.8**	**37,169.6**	**37,169.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	275.0		14,480.0	25,623.4	33,252.8	37,169.6	37,169.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**275.0**	**0.0**	**14,480.0**	**25,623.4**	**33,252.8**	**37,169.6**	**37,169.6**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The contractual funds noted above represent the cost of implementation and year one support for scholarship management software.

Assumptions:

1) Baseline count of high school graduates (8,008) based on 2009 data.

2) Referenced utilization rate of 28.8% for similarly structured program in WY. While Alaska has lower college-going rates historically than WY, in recent years we have had a higher percentage of students who do continue on attend in Alaska.

3) Maximum GPS award at highest performance level is based upon the University of Alaska tuition for the 2010-11 school year ($4,755).

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 3/15/10 10:30 AM
Approved by: Diane Barrans, Executive Director — Date 3/15/2010
Alaska Commission on Postsecondary Education

(Revised 11/6/2009 OMB)

FISCAL NOTE #6

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 297(EDC)

ANALYSIS CONTINUATION

4) Per student GPS merit award amount is an average of all award levels.
5) Scholar attrition rate is 25% per year based upon UA five-year graduation rate data.
Participation numbers are assumed to be: Year 1=2,305; Year 2=4,034; Year 3=5,187; Year 4=5,763

In 2009, Alaska had 8,008 high school graduates
In Wyoming, approximately 28.8% of graduates utilize the merit scholarship program.
At the same utilization rate, an estimated 2,305 AK high school grads will earn a scholarship.

Scenario #1 is an estimate for the highest award level
2,305 X $4,755/year = $10,960,275

Scenario #2 is an estimate at the lowest award level
2,305 X 2,378/year = $5,481,290

For this analysis, an averaged award level has been used.

According to Education Trust, the average graduation rate after 5 years for UAF is 25% and UAA is 16.5%.
The four-year graduation rate is significantly lower.

Cohort: 2,305 students per year

	Participation rates	Number of Students	Average Scholarship	Est. annual cost	Year 1 Estimated Cost	Year 2 Estimated Cost	Year 3 Estimated Cost
Year 1	100%	2,305	$3,567	$ 8,221,935	$8,221.9		
Year 2	75%	1,729	$3,567	$ 6,167,343		$14,389.3	
Year 3	50%	1,153	$3,567	$ 4,112.751			$18,502.0
Year 4	25%	576	$3,567	$ 2,054,592			
Est. merit-based cost (full implementation)		5,763		$20,556,621			

Unmet need costs based on cohort: 2,305 students per year

	Participation rates	Number of Students	Average Need	Est. annual cost	Year 1 Estimated Cost	Year 2 Estimated Cost	Year 3 Estimated Cost
Year 1	100%	2,305	$2,715	$ 6,258,075	$6,258.0		
Year 2	75%	1,729	$2,878	$ 4,976,062		$11,234.1	
Year 3	50%	1,153	$3,050	$ 3,516,650			$14,750.8
Year 4	25%	576	$3,233	$ 1,862,208			
Est. needs-based cost (full implementation)		5,763		$16,612,955			

Assumes average Expected Family Contribution of $7,500 + $2,000 required student contribution. This EFC amount relates to an average household income of approximately $65,000.
The cost of attendance used to estimate average need incorporates an annual growth factor of 6% in standard UA costs of attendance.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 297(EDC)
(H) Publish Date: 3/15/10

Identifier (file name): CSHB297-EED-TLS-3-12-10
Dept. Affected: Education
Title "An Act establishing the governor's performance scholarship..."
RDU Teaching & Learning Support
Component School & Student Achievement
Sponsor Rules at the request of the Governor
Requester House Education
Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	87.3		87.3	87.3	87.3	87.3	87.3
Travel							
Contractual							
Supplies	30.0						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**117.3**	**0.0**	**87.3**	**87.3**	**87.3**	**87.3**	**87.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	117.3		87.3	87.3	87.3	87.3	87.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**117.3**	**0.0**	**87.3**	**87.3**	**87.3**	**87.3**	**87.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Teaching and Learning Support will need to hire one staff member to oversee the promulgation and implementation of the department's regulations along coordination between EED, the University of Alaska, Department of Labor and Workforce Development and the Alaska Commission on Postsecondary Education (ACPE).

Education Specialist I at $87,306 plus start-up office supplies (computer, furniture, etc.) at $30,000 = $117,306

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance and Facilities
Date/Time 3/12/10 12:00 AM
Approved by: Larry LeDoux
Date 3/12/2010
Commissioner

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS HB 297
() Publish Date:

Identifier (file name): CSHB297(EDU)-REV-TRS-03-20-10
Dept. Affected: Revenue
Title: An Act Establishing the Governor's Performance Scholarship
RDU: Treasury and Taxation
Component: Treasury
Sponsor: Governor
Requester: House Finance Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	60.0		60.0	60.0	60.0	60.0	60.0
Travel							
Contractual	55.0		55.0	55.0	55.0	55.0	55.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**115.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**
CAPITAL EXPENDITURES	**400,000.0**						
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	115.0		115.0	115.0	115.0	115.0	115.0
TOTAL	**115.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The bill provides for a separate fund to be established in the amount of $400 million to be managed by the Commissioner of Revenue. It is anticipated the fund will be managed with asset allocation of 60% fixed income and 40% domestic equity in order to yield a real annual rate of return of 5%. These costs include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

The operating budget appropriation bill funding language was removed so it is included in this fiscal note as a "capital expenditure" to capitalize the Governor's Performance Scholoarship program when the the scholarship program passes and the fiscal note approved is by the legislature.

Prepared by: Pamela Green, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 11/25/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 03-20-10; 11:26am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 297
(H) Publish Date: 1/19/10

Identifier (file name): 0771-DOLWD-CO-12-09-09
Dept. Affected: Labor and Workforce Development
Title: Establishing the Governor's Performance Scholarship Program
RDU: Office of the Commissioner
Component: Commissioner's Office
Sponsor: Rules Committee
Requester: Governor
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	25.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**25.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	25.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**25.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

These funds will be used to contract for services to assist in the drafting of regulations setting criteria for the career and technical school scholarship portion of the bill required under Section 14.43.835 of this legislation.

Prepared by: Guy Bell, Assistant commissiioner
Phone 465-2700
Division: Office of the Commissioner
Date/Time 12/9/09 3:18 PM
Approved by: Click Bishop, Commissioner
Date 12/9/09
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 297
(H) Publish Date: 1/19/10

Identifier (file name): 0771-EED-TLS-12-1-09
Dept. Affected: Education
Title "An Act establishing the governor's performance scholarship..."
RDU Teaching & Learning Support
Component School & Student Achievement
Sponsor Rules at the request of the Governor
Requester Governor
Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	87.3						
Travel							
Contractual							
Supplies	30.0						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**117.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	117.3						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**117.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1.0						
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Teaching and Learning Support will need to hire one staff member to oversee the promulgation and implementation of the department's regulations along coordination between EED, the University of Alaska, Department of Labor and Workforce Development and the Alaska Commission on Postsecondary Education (ACPE).

Education Specialist I at $87,306 plus start-up office supplies (computer, furniture, etc.) at $30,000 = $117,306

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance and Facilities
Date/Time 12/1/09 12:00 AM
Approved by: Larry LeDoux
Date 12/1/2009
Commissioner

(Revised 10/13/2009 OMB)

Responses to Questions from (H) EDC Members from 2/12/2010 Hearing
Submitted by EED

1. **Rep. Seaton indicated that he would like additional information regarding home schooled students.**

Response:

- Home school students who are not affiliated with a state sponsored program must:
  a. Meet all Alaska graduation credit requirements
  b. Successfully complete the GPS curriculum requirements
  c. Achieve the GPS eligibility score on the ACT/SAT
  d. Achieve the GPS GPA eligibility score.

- Home School students affiliated with a district sponsored distance program must:
  a. Meet all graduation requirements for the State of Alaska and the sponsoring district
  b. Successfully complete the GPS curriculum requirements
  c. Achieve the GPS eligibility score on the ACT/SAT
  d. Achieve the GPS GPA eligibility score.

- Homes school students must meet the same criteria used for high school students.

- All transcripts should include 9th to 12th grade courses, and the time frame of each course (academic year and semester). In addition, an assessment of performance (letter grade, percentage, standards rubric, etc.) is required.

- Home schooled graduates must meet and apply for the award and enroll at an eligible college prior to age 19.

- The Department of Education and Early Development will act as the certification office for non-affiliated home school students.

2. **REPRESENTATIVE MUNOZ requested an analysis of the scoring matrix for SAT/ACT and how they compare to requirements of schools across the nation. She indicated that the samples indicated appeared high. What type of score is a competitive school in the Lower 48 in terms of average admission?**

Response:

About 1.48 million of the 3.3 million members of the high school class of 2009 took the ACT, typically in their junior year.

Scoring matrix for SAT/ACT and how they compare to requirements of schools across the nation.
The ACT® test assesses high school students' general educational development and their ability to complete college-level work.

- The multiple-choice tests cover four skill areas: English, mathematics, reading, and science.
- The Writing Test, which is optional, measures skill in planning and writing a short essay.
- To develop the test, ACT incorporates the objectives for instruction for middle and high schools throughout the United States, reviews approved textbooks for subjects taught in Grades 7–12, and surveys educators on which knowledge skills are relevant to success in postsecondary education. ACT publishes a technical manual that summarizes studies conducted of its validity in predicting freshman GPA, equating different high school GPAs, and measuring educational achievement.[8]
- Colleges use the ACT and the SAT Reasoning Test because there are substantial differences in funding, curricula, grading, and difficulty among U.S. secondary schools due to American, local control, and the prevalence of private, distance, home schooled students and, most importantly, lack of rigorous college entrance examination system like those used in other countries. ACT/SAT scores are used to supplement the secondary school record and help admission officers put local data—such as course work, grades, and class rank—in a national perspective.
- Most colleges use ACT scores as only one factor in their admission process.

ACT has identified the minimum score needed on each ACT test to indicate a **50% chance of obtaining a B** or higher or about a **75% chance of obtaining a C** or higher in the corresponding first-year college course.

ACT Test	ACT Benchmark Score	College Course
English	18	English Composition
Math	22	Algebra
Reading	21	Social Sciences/Humanities
Science	24	Biology

ACTstudent.org

State By State report of ACT performance

The chart below summarizes each section and the average test score based on graduating high school seniors in 2009.

State	% of Graduates Tested	Average Composite Score	Average English Score	Average Math Score	Average Reading Score	Average Science Score
National	45	21.1	20.6	21.0	21.4	20.9
Alabama	76	20.3	20.5	19.5	20.7	20.1
Alaska	29	21.0	20.1	21.1	21.7	20.7
Arizona	15	21.9	21.3	22.1	22.4	21.3
Arkansas	73	20.6	20.6	20.1	21.0	20.2
California	19	22.2	21.8	22.8	22.4	21.4
Colorado	100	20.8	20.1	20.5	21.1	20.8
Connecticut	21	23.5	23.6	23.5	24.0	22.6
Delaware	11	22.6	22.2	22.5	23.1	22.0
District of Columbia	30	19.4	19.1	19.5	19.7	18.6
Florida	62	19.5	18.7	19.7	20.2	19.0
Georgia	40	20.6	20.1	20.6	20.9	20.3
Hawaii	22	21.5	20.9	22.1	21.4	21.0
Idaho	58	21.6	20.9	21.3	22.3	21.4
Illinois	97	20.8	20.5	20.7	20.8	20.7
Indiana	24	22.2	21.6	22.4	22.6	21.6
Iowa	59	22.4	21.9	21.9	22.9	22.4
Kansas	74	21.9	21.4	21.7	22.4	21.8
Kentucky	100	19.4	18.8	19.0	19.8	19.7
Louisiana	89	20.1	20.3	19.6	20.2	20.0
Maine	9	23.1	23.0	23.0	23.6	22.3
Maryland	17	22.1	21.9	22.1	22.5	21.5

Massachusetts	18	23.9	23.9	24.3	24.3	22.8
Michigan	100	19.6	18.6	19.6	19.6	20.1
Minnesota	68	22.7	22.0	22.7	23.1	22.6
Mississippi	93	18.9	19.1	18.3	19.0	18.7
Missouri	67	21.6	21.5	20.9	22.1	21.5
Montana	54	22.0	21.2	21.7	22.7	21.7
Nebraska	72	22.1	21.9	21.8	22.5	22.0
Nevada	30	21.5	20.9	21.4	22.0	21.0
New Hampshire	15	23.5	23.3	23.4	24.1	22.6
New Jersey	16	23.1	22.9	23.5	23.2	22.1
New Mexico	65	20.0	19.3	19.6	20.7	20.0
New York	25	23.1	22.5	23.4	23.3	22.7
North Carolina	15	21.6	20.9	22.0	21.9	21.1
North Dakota	78	21.5	20.7	21.5	21.8	21.6
Ohio	64	21.7	21.1	21.4	22.2	21.7
Oklahoma	71	20.7	20.5	19.9	21.4	20.5
Oregon	33	21.4	20.5	21.5	21.9	21.1
Pennsylvania	14	22.1	21.7	22.2	22.4	21.5
Rhode Island	10	22.8	23.0	22.5	23.4	21.8
South Carolina	50	19.8	19.2	20.0	19.9	19.8
South Dakota	74	22.0	21.2	21.8	22.3	22.0
Tennessee	92	20.6	20.7	19.8	21.0	20.4
Texas	30	20.8	19.9	21.3	20.9	20.6
Utah	68	21.8	21.4	21.1	22.6	21.6

Vermont	24	23.1	22.9	22.9	23.7	22.5
Virginia	20	21.9	21.7	21.8	22.3	21.4
Washington	18	22.8	22.4	22.9	23.5	22.1
West Virginia	62	20.7	20.8	19.6	21.4	20.5
Wisconsin	67	22.3	21.7	22.2	22.6	22.3
Wyoming	99	20.0	18.9	19.8	20.4	20.2

Totals for graduating seniors were obtained from *Knocking at the College Door—March 2008, Projections of High School Graduates by State and Race/Ethnicity, 1992–2022*, © March 2008 by the Western Interstate Commission for Higher Education.

Alaska SAT/ACT Scores

SAT / ACT scores are **not required** for **associate or certificate** admission at any UA campus.
SAT/ACT are **not required** for admission to UAA and UAS for baccalaureate admission.
UAF uses a more competitive admission standard for their baccalaureate programs. At UAF, ACT or SAT scores can be used in lieu of minimum HS GPA.

At UAF:

- 72% of students, who submit ACT scores, possess composite scores of 18 (or higher).
- 85% of students, who submit SAT scores, possess composite scores of 400 or higher. The average GPA for entering freshman at UAF is 3.15.

SAT scores for Alaska: for the year 2009 (includes graduating seniors in the class of 2009): 3589 Alaskan high school students took and received scores on the SAT. The average scores were:

- Critical Reading: 520
- Math: 516
- Writing: 492

For the same year for all test takers: over 1.5 million test takers. The average scores were:

- Critical Reading: 501
- Math: 515
- Writing: 493

Alaska

University of Alaska, Fairbanks Admissions Requirements

Baccalaureate Degree

- Must have a high school diploma, **AND**
- Pass the 16-credit high school core curriculum with a GPA of at least 2.5, **AND**
- Submit results of the ACT Plus Writing (preferred) or SAT exam taken within the last two years, **AND**
  Have a high school GPA of at least 3.0, **OR**
  Have a high school GPA of at least 2.5 and ACT Plus Writing score of at least 18 or SAT score of at least 1290 (including writing skills section).
- Freshman and transfer applicants with fewer than 30 semester credit hours must submit the results of either the ACT Plus Writing (preferred) or the SAT examination. Test results must be less than two years old. These test scores are used to help place the student in English, mathematics and other first-year courses.

Certificate or Associate Degree

- Must have a high school diploma, or GED
- Students with fewer than 30 transferable semester hours, who will take English or mathematics course work must submit results of the ACCUPLACER test. Alternatively, SAT or ACT Plus Writing test results are accepted.

Distribution of high school units required and/or recommended*

	Units Required	Units Recommended
English	4	N/A
Mathematics	3	N/A
Science	3	N/A
Lab	1	N/A
Foreign language	N/A	2
Social studies	3	N/A
History	N/A	N/A
Academic electives	3	N/A

Total academic units 16

2006-2007 Freshman Class Profile

- Top 10 percent of high school class: 15%
- Top 25 percent of high school class: 35%
- Top 50 percent of high school class: 64%
- First-year students submitting high school class standing: 57%
- Average high school GPA: 3.2
- First-year students submitting GPA: 70%

- **First-year students submitting SAT scores: 52%**
  SAT scores (25/75 percentile):

Critical Reading:	450 - 600
Math:	450 - 590
Combined:	900 - 1190

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	SAT Critical Reading	SAT Math
700-800	4.0%	2.8%
600-699	24.5%	19.8%
500-599	33.5%	36.6%
400-499	26.4%	30.1%
300-399	9.9%	10.0%
200-299	1.6%	0.7%

First-year students submitting ACT scores: 33%

ACT scores (25/75 percentile):

English:	16 - 24
Math:	17 - 25
Composite:	18 – 25

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	ACT Composite	ACT English	ACT Math
30-36	2.4%	4.1%	4.4%
24-29	32.7%	25.1%	29.8%
18-23	41.2%	40.0%	37.0%
12-17	22.8%	25.8%	28.8%
6-11	1.0%	5.1%	N/A
Below 6	N/A	N/A	N/A

University of Alaska, Anchorage Admissions Requirements

Admission Requirements Baccalaureate Degree

Qualifications (one of the following)

- Graduation from high school with GPA of at least 2.5 and completion of either SAT, ACT or a UAA-approved test (high school graduates with GPAs between 2.0 and 2.49 will be admitted on probation); or
- Successful completion of the GED, and completion of either SAT, ACT or a UAA-approved test.

Admission Requirements Certificate for Associate Degree (1-2 years)

Qualifications (one of the following)

- A high school diploma (no minimum GPA required); or
- GED; or
- Ability to Benefit Certificate (must be 18 years of age or older).

	Units Required	Units Recommended
English	N/A	4
Mathematics	N/A	2
Science	N/A	3
Lab	N/A	N/A
Foreign language	N/A	1
Social studies	N/A	3
History	N/A	1
Academic electives	N/A	N/A
Total academic units	N/A	N/A

2006-2007 Freshman Class Profile
Top 10 percent of high school class: 12%
Top 25 percent of high school class: 31%
Top 50 percent of high school class: 61%
First-year students submitting high school class standing: 77%
Average high school GPA: N/A
First-year students submitting GPA: N/A
First-year students submitting SAT scores: 44%

SAT scores (25/75 percentile):

Critical Reading:	446 - 570
Math:	450 - 570
Combined:	896 – 1140

Percent of first time, first-year students enrolled in Fall 2006 with scores in each range:

	SAT Critical Reading	SAT Math
700-800	2.5%	2.1%
600-699	14.9%	15.7%
500-599	37.4%	37.6%
400-499	34.1%	33.5%
300-399	10.3%	9.9%
200-299	0.7%	1.2%

First-year students submitting ACT scores: 21%

ACT scores (25/75 percentile):

English:	16 - 24
Math:	17 - 25
Composite:	18 - 25

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	ACT Composite	ACT English	ACT Math
30-36	2.8%	5.0%	4.2%
24-29	27.3%	23.1%	30.9%
18-23	46.8%	39.3%	35.9%
12-17	22.6%	26.7%	29.0%
6-11	0.6%	5.6%	0.0%
Below 6	0.0%	0.3%	0.0%

University of Alaska, Southeast Admissions Requirements

Alaska high school graduates must pass all sections of the High School Qualifying Exam to be admitted. If the cumulative GPA is below a 2.0 a student may be admitted on probation and will be required to maintain a minimum GPA of 2.0 during your first semester.

High school completion requirement: High school diploma is required and GED is accepted

2006-2007 Freshman Class Profile

Top 10 percent of high school class: 9%
Top 25 percent of high school class: 19%
Top 50 percent of high school class: 44%
First-year students submitting high school class standing: 76%
Average high school GPA: 3.0
First-year students submitting GPA: 75%
First-year students submitting SAT scores: 44%

SAT scores (25/75 percentile):

Critical Reading:	442 - 600
Math:	440 - 570
Combined:	882 - 1170

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	SAT Critical Reading	SAT Math
700-800	2.9%	1.9%
600-699	26.5%	11.7%

	SAT Critical Reading	SAT Math
500-599	8.8%	40.3%
400-499	44.1%	34.6%
300-399	17.6%	11.5%
200-299	0.0%	0.0%

First-year students submitting ACT scores: 18%

ACT scores (25/75 percentile):

English:	17 - 21
Math:	19 - 22
Composite:	20 – 23

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	ACT Composite	ACT English	ACT Math
30-36	15.8%	15.8%	15.8%
24-29	72.7%	57.9%	74.0%
18-23	11.5%	26.3%	10.2%

Alaska Pacific University Admission Requirements

Admissions Requirements High school completion requirement: High school diploma is required and GED is accepted

2006-2007 Freshman Class Profile
Top 10 percent of high school class: 11%
Top 25 percent of high school class: 50%
Top 50 percent of high school class: 68%
First-year students submitting high school class standing: 60%
Average high school GPA: 3.3
First-year students submitting GPA: 83%
First-year students submitting SAT scores: 50%

SAT scores (25/75 percentile):

Critical Reading:	450 - 610
Math:	470 - 610
Combined:	920 - 1220

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	SAT Critical Reading	SAT Math

	SAT Critical Reading	SAT Math
700-800	0.0%	0.0%
600-699	26.0%	26.0%
500-599	46.0%	37.0%
400-499	22.0%	31.0%
300-399	6.0%	6.0%
200-299	0.0%	0.0%

First-year students submitting ACT scores: 36%

ACT scores (25/75 percentile):

English:	20 - 28
Math:	19 - 26
Composite:	21 – 26

Percent of first-time, first-year students enrolled in Fall 2006 with scores in each range:

	ACT Composite	ACT English	ACT Math
30-36	4.0%	9.0%	9.0%
24-29	48.0%	26.0%	34.0%
18-23	48.0%	61.0%	48.0%
12-17	0.0%	4.0%	9.0%
6-11	0.0%	0.0%	0.0%
Below 6	0.0%	0.0%	0.0%

Ability-to-Benefit (Accuplacer question)

Degree-seeking individuals 18 years or older who have not earned a high school diploma or GED must take the ATB Test, in order to demonstrate that they have the ability to benefit from a college education. To demonstrate this ability, the individual must achieve the following federally determined Accuplacer scores:

- **Arithmetic:** 34
- **Reading Comprehension:** 55
- **Sentence Skills:** 60

If individual has already completed 60 college credits, the ATB test is not necessary. Individuals taking the ATB test on Accuplacer are permitted to retake the entire test after a 14-day waiting period. The ATB provision does not allow candidates to retake only a portion of the test: all three parts of Accuplacer must be completed in one sitting. It is very important to inform the test proctor if you are testing under Ability-to-Benefit, to insure you will be administered the correct tests. The regular Accuplacer test cannot be used to validate Ability-to-Benefit.

3. **Rep. Seaton asked how will the residency requirements of the GPS interact with the university, private university or certificated programs in Alaska, i.e. AVTEC and resident programs?**

Response:

- The GPS statute draft provides minimal guidance. Residency requirements will be defined by regulation.

- In addition to specific GPS eligibility requirements, a student must demonstrate Alaska residency, which is determined by the post-secondary institution.

- A student whose custodial parent or legal guardian is an Alaska resident at the time the student graduates from high school or is in active military service and maintains Alaska as their domicile state is considered an Alaska resident.

- This is an important point with regard to tuition. If the university considers a student a non-resident, they will charge higher tuition.

Alaska Residency for Tuition Purposes at UA

Students who qualify for resident status should file an application for residency for the term they plan to attend, with required documentation at the appropriate university office prior to the published end of the add/drop period for regular semester-length courses.

The following is a summary of the Board of Regents policy to determine whether you are eligible for resident tuition. Students eligible for Alaska resident tuition must be United States citizens or eligible non-citizens and include those who:

- Received or have been qualified to receive an Alaska Permanent Fund Dividend within the last 12 months.
- Have graduated in the last 12 months from a qualified Alaska high school.
- Have been physically present in Alaska for the past two years.
- Are active-duty military personnel or members of the National Guard, or their spouses or dependent children.
- Are students from foreign cities and provinces that have established sister city or sister province relationships with the state of Alaska or Alaska municipalities, and have been approved by the president.
- Are participants in the UA Scholars program.
- Are participants in the University of Alaska College Savings Plan program who meet eligibility criteria as established by the Education Trust of Alaska.
- Are dependent children of a person who holds an associate, baccalaureate, or graduate degree from the University of Alaska.

- Are dependent children of an Alaska resident, as evidenced by the most current federal income tax return filed within the past 16 months.
- Are participating in the Western Interstate Commission on Higher Education (WICHE) or Western Regional Graduate Program (WRGP).
- Are enrolled in four or fewer credit hours within the UA system.

4. **REPRESENTATIVE GARDNER offered the question of the military families.**

- A student whose custodial parent or legal guardian is an Alaska resident at the time the student graduates from high school or is in active military service and maintains Alaska as their domicile state is considered an Alaska resident.

5. **CHAIR SEATON asked about the criteria for losing eligibility.**

Response:

A student will lose edibility if the student:

- does not take advantage of the scholarship within the six year limit following graduation from high school. Military service may extend this timeline;
- completes eight semesters of eligibility;
- does not maintain a grade-point average of 2.5 at a qualified postsecondary institution;
- does not meet other minimum qualifications to apply or continue to be eligible for a governor's scholarship;
    - ✓ has not complied with the military selective service registration requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if those requirements apply to the student;
    - ✓ is currently in default or owes a refund on a federal financial aid loan under the federal guaranteed student loan program or financial aid awarded under this chapter; or
    - ✓ has been convicted of a felony in the state or another jurisdiction and has not qualified for a waiv3er under standards adopted by the department.
- does not maintain Satisfactory Academic Progress (SAP) -- 12 credits every regular semester (fall and spring). Students who are on a part-time schedule (4-11) are not required to maintain SAP.

Students may regain eligibility following the completion of one full-time semester that meets the eligibility requirement.

6. **CHAIR SEATON requested a more detailed explanation of the role of GED's .**

- The GPS does not include a pathway for a G.E.D.
- The language of 14.43.820 addresses the requirement for home school students to meet both the curricular requirements necessary to achieve a diploma and the rigorous curriculum demands of the GPS. It is not a pathway for a G.E.D.
- Some states have a GED pathway to a scholarship. The points on a G.E.D. are used to qualify a student's attendance.

Hathaway GED Criteria

A student who attended a Wyoming high school, did not graduate, took the GED, and whose class has graduated, may qualify for a Hathaway Scholarship. Below are ACT and GED score requirements for Hathaway Scholarships. Students below a 550 GED do not qualify for UW admission.

Opportunity	Minimum GED of 500, and minimum ACT of 19
Performance	Minimum GED of 540, and minimum ACT of 21
Honors	Minimum GED of 575, and minimum ACT of 25

Information on Taking the GED in Alaska

The GED (General Educational Development) test in Alaska is a 5-part national exam for the high school equivalency; the five GED tests cover reading, writing, science, social studies and mathematics, and are taken individually. The GED test may be taken by any adult over 18 who is not currently enrolled in a high school diploma program; persons 16 to 18 years old must have written documentation that they have withdrawn from school, such as a transcript or withdrawal slip, and legal emancipation documentation or a parent or guardian's signature before GED testing is allowed. Two retests, per test purchased, are available for each of the five sections; there are no limits to how many times a person can retake the test. Your total score on the GED in Alaska must be at least 2,250 points and no one test can have a lower score than 410. The GED test is submitted to the Alaska Department of Labor and Workforce Development, where the score is computed. All GED applicants must reside in the state of Alaska at the time of their GED testing application; tests must also be taken at an official GED testing center in Alaska. Testing sites for the GED in Alaska include, but are not limited to, Anchorage, Nome, Kenai Peninsula, Homer, Palmer, Juneau, Sitka, Fairbanks, Dillingham, Soldotna and Kodiak.

**UA Associate Vice President, Saichi Oba will follow up with the committee on G.E.D.'s administered by the outlying UA campuses.

7. **Representatives Munoz and Wilson would like more information on the disparity between the cost of attending UA and technical schools. Why is the GPS set at $3,000 per year for the CTE?**

Response:
The CTE scholarship is an average. It could be increased to include room and board costs.

Estimated 2009-2010 UAF Annual Costs

FRESHMEN and SOPHOMORES	Alaska Resident	Non-Resident	WUE**
Tuition and Fees* *(30 credits, 100-200-level classes)*	$5,138	$15,218	$7,298
Room and Board *(double room & 19 meals/week on campus)*	$6,802	$6,802	$6,802
ANNUAL TOTAL	$11,940	$22,020	$14,100

JUNIORS and SENIORS	Alaska Resident	Non-Resident	WUE**
Tuition and Fees* *(30 credits, 300-400-level classes)*	$5,678	$15,788	$8,108
Room and Board *(double room & 19 meals/week on campus)*	$6,802	$6,802	$6,802
ANNUAL TOTAL	$12,480	$22,590	$14,910

GRADUATE STUDENTS	Alaska Resident	Non-Resident
Tuition and Fees* *(18 credits, 600-level classes)*	$6,536	$12,602
Room and Board *(double room & 19 meals/week on campus)*	$6,802	$6,802
ANNUAL TOTAL	$13,338	$19,404

ALL STUDENTS	Living Off Campus	Living On Campus
Books/Supplies	$1,300	$1,300
Miscellaneous/Personal	$2,070	$2,070
Transportation	$1,800	$432

** Includes Wood Center student life, student government, technology, transportation, UA network, athletics, Student Recreation Center and health center fees. Does not include health insurance, books, supplies, travel, parking, miscellaneous expenses or special costs associated with international or exchange students. Costs are subject to change.*

*** Western Undergraduate Exchange*

AVTEC Training Dates

Alaska Culinary Academy

- **Professional Cooking & Baking**, 210 training days
  Offered 01/05/10 to 12/16/10, 08/16/10 to 06/30/11

Alaska Maritime Training Center Courses

- **Marine License Preparation - Master Mate**, 45 training days
  TBA
- **Qualified Member of the Engine Department (QMED) Oiler**, 60 training days
  Offered 09/07/10 to 12/02/10
- See all AVTEC Maritime training dates and costs
  (Complete class listing)

Allied Health Department - Anchorage Training Facility

- **Certified Nurse Assistant (CNA)**, 38 training days
  Offered 01/04/10 to 02/26/10, 02/03/10 to 03/30/10, 03/08/10 to 04/28/10,
  04/05/10 to 05/27/10, 05/05/10 to 06/29/10, 06/07/10 to 08/03/10, 07/12/10 to 09/01/10
- **Licensed Practical Nurse (LPN)**, 176 training days
  Offered 01/04/10 to 11/18/10, 08/16/10 to 07/01/11

Applied Technologies Department

- **Automotive Technology**, 197 training days
  Offered 01/05/10 to 12/17/10, 08/16/10 to 06/09/11
- **Combination Welding**, 172 training days
  Offered 01/25/10 to 12/17/10, 08/16/10 to 05/04/11
- **Diesel/Heavy Equipment Technologies**, 197 training days
  Offered 01/05/10 to 12/17/10, 08/16/10 to 06/09/11
- **Industrial Electricity**, 197 training days
  Offered 08/16/10 to 6/09/11
- **Pipe Welding**, 75 training days
  Offered 01/19/10 to 05/05/10, 09/01/10 to 12/17/10
- **Power Plant Operation**, 40 training days
  Offered 01/11/10 to 03/05/10, 03/17/10 to 05/11/10
- **Structural Welding**, 97 training days
  Offered 01/25/10 to 06/11/10, 08/16/10 to 01/17/11

Information Technology Department

- **Business & Office Technology**, 183 training days
  Offered 01/05/10 to 12/17/10, 08/16/10 to 05/19/11
- **Information Technology**, 188 training days
  Offered 08/16/10 to 05/26/11
- **Web Development Technology**, 188 training days
  Offered 08/16/10 to 07/12/11

Building Trades Technology

- **Facility Maintenance Construction Trades**, 188 training days
  Offered 08/16/10 to 05/26/11
- **Plumbing & Heating**, 102 training days
  Offered 01/05/10 to 05/28/10

AVTEC Training Cost * Costs Effective July 1, 2009

Program	Tuition	Technology Fee[1]	Security Deposit	Student Service Fee*	Meal Plan[4]	Dormitory Fees	Dorm Security Deposit[3]	Books/ Supplies[2] sold by AVTEC	Tools/ Supplies Not sold by AVTEC	Total
Qualified Member of the Engine Department (QMED) Oiler	$1,650	$150	$50	$75	$1,573	$1,820	$200	$155	$655	$6,328
Marine License Preparation -- Master Mate	$1,650	$150	$50	$75	$1,086	$1,260	$200	$302	N/A	$4,773
Certified Nurse Assistant	$1,320	N/A	N/A	N/A	N/A	N/A	N/A	$580	N/A	$1,900
Licensed Practical Nurse	$5,000	$150	$50	N/A	N/A	N/A	N/A	$360	N/A	$5,560
Business & Office Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,800	N/A	$12,825
Information Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$2,600	N/A	$13,625
Web Development Technology	$2,750	$150	$50	N/A	N/A	N/A	N/A	$2,400	N/A	$5,350
Professional Cooking & Baking	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,425	$300	$12,750
Automotive Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$600	$3,600	$15,225
Diesel/Heavy Equipment Technologies	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,050	$3,700	$15,775
Industrial Electricity	$2,750	$150	$50	$75	$3,400	$4,400	$200	$950	$2,300	$14,275
Pipe Welding	$1,650	$150	$50	$75	$1,700	$2,100	$200	$570	$700	$7,195
Power Plant Operation	$1,320	$150	$50	$75	$975	$1,120	N/A	N/A	$420	$4,110
Structural Welding	$2,200	$150	$50	$75	$1,700	$2,200	$200	$920	$600	$8,095
Combination Welding	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,500	$800	$13,325
Facility Maintenance/ Construction Trades	$2,750	$150	$50	$75	$3,400	$4,400	$200	$650	$2,000	$13,675
Plumbing & Heating	$2,200	$150	$50	$75	$1,700	$2,200	$200	$236	$1,700	$8,511

8. **Rep. Seaton would like to know what the definition of a part-time student is.**

Response:

- Part-time students carry between 6 and 11 credits during a semester. Full-time students carry 12 or more credits per semester.
- Students who attend part-time use up a semester of eligibility.
- Students who attend during a summer session use up a semester of eligibility.

9. **Special Education and the GPS**

Response:

AS 14.30.180 Purpose. It is the purpose of AS14.30.180 - 14.30.350 to provide an appropriate public education for each child with a disability in the state who is at least three years of age but less than 22 years of age; (2) allow procedures and actions necessary to comply with the requirements of federal law, including 20 U.S.C. 1400 – 1487 (Individuals with Disabilities Education Act.)

10. **Representatives Edgmon and Buch asked about the Alternative Pathways: How will decisions be made pursuant to Section 14.43.830?**

Response:

The Commissioner will develop in conjunction with the State Board of Education, a process to consider requests for a make-up procedure or alternative pathway for students who are not eligible for a scholarship to make up a deficit by alternative means if the deficit was caused by circumstances that would make it unfair not to allow the student to make up the deficit.

Regulations adopted by the State Board of Education require an opportunity for public hearing, comment and public discussion.

11. Rep. Seaton asked if a student is able to graduate from a high school out of state and then enroll in an Alaska high school in an effort to gain eligibility of the GPS; essentially graduating from high school twice?

Response:

Practice in Alaska is to request the student's transcripts from the sending school. This practice allows the receiving Alaska high school to verify whether or not the student has in fact already graduated from an out of state high school.

The purpose of this document is to provide a quick glance at the 22 scholarship programs cited by the Taylor Foundation. Ever since Governor Parnell proposed the Governor's Performance Scholarship (GPS) people make references to 22 similar state programs. The GPS is a merit-only program, and the argument for this tends to cite the successes of these 22 other programs. Here I will show some additional information behind this number, primarily looking at the needs-based components within these programs.

To produce this list I researched the programs and states listed on the Taylor Foundation website labeled as "Taylor Plan States." The eligibility requirements listed are the most relevant to the scholarship discussions in the State of Alaska.

- 12 of the State programs cited by the Taylor Foundation have some sort of needs-based component (Arkansas, California, Indiana, Maryland, Mississippi, New Mexico, North Carolina, Oklahoma, Tennessee, Texas, Virginia, and Wyoming).
    - Of these 12, all but Wyoming have demonstrable financial need as an eligibility requirement. Wyoming's need component kicks in when remaining unmet need exists.
- Rhode Island's program is actually a private non-profit. The non-profit's focus is on low-income families
- Information on Alabama is incomplete, and of the State scholarship programs listed, only 2 are general scholarships (one of which is needs-based, the other has no clear merit requirements).

To demonstrate financial need many programs have family income ceilings or require the FAFSA. Those with notable income ceilings are: Indiana, Maryland, Mississippi, New Mexico, Oklahoma, and Tennessee.

For more information contact Ryan Buchholdt
rbuchholdt@gmail.com
(907) 317-2980

This document was created by Ryan Buchholdt as part of his Civic Engagement capstone at the University of Alaska Anchorage. Ryan is a member of UAA's Student Government and has been working on financial aid legislation for the past 2 years (SB33/HB94 – the Alaska Achieves Incentive Program).

Alabama: The Taylor Foundation lists: "Passed by the Legislature, not yet funded – 2003"
Unclear what program is being referenced. Most State financial aid programs in Alabama are specific, aside from 2 financial assistance grants: Alabama Student Assistance Program (needs-based, $300-$2,500 / year) and the Alabama Student Grant Program (up to $1,200 / year).

There are 2 programs under construction, but both are college savings plans.

http://www.ache.state.al.us/StudentAsst/Programs.htm

Arkansas: Academic Challenge Scholarship
Key requirements:

- demonstrate financial need
- ACT of at least 15
- 4 units of English (emphasis on writing), 3 units of Natural Sciences (1 of Biology, 1 of Chemistry or Physics, 1 of any natural science), 4 units of Math (Algebra I and II, Geometry, and 1 advanced math course), 3 units of Social Studies (1 of American History, 1 of World History, ½ of Civics or Government), 2 units of a Foreign Language.

Award of up to $3,500 annually.

http://acs.adhe.edu/aidprograms.html
http://acs.adhe.edu/pdfs/fa/acs_core_aug_2006.pdf

California: The Cal Grant Program
Key eligibility requirements: have demonstrated financial need, have family income and assets below ceilings, minimum GPA.

- GED applicable
- Includes a level for vocational education
- Grants are primarily entitlements based on FAFSA
- If denied the entitlement, competitiveness grants can be given based on GPA and financial need

http://www.calgrants.org/index.cfm?navId=10

Florida: Bright Futures Scholarship Program
3 levels:
1) Academic Scholars Award

- 3.5 GPA
- 4 units of English (3 with substantial writing), 3 units of Math (Algebra I and above), 3 units of Natural Sciences (2 with substantial lab), 3 units of Social Sciences, 2 units of a Foreign Language.
- 75 hours of approved community service
- Scored 1270 on SAT or 28 on ACT (both excluding the writing sections)

2) Medallion Scholars Award

- 3.0 GPA
- 4 units of English (3 with substantial writing), 3 units of Math (Algebra I and above), 3 units of Natural Sciences (2 with substantial lab), 3 units of Social Sciences, 2 units of a Foreign Language.

- No community service requirement
- Scored 970 on SAT or 20 on ACT (both excluding the writing sections)

3) Gold Seal Vocational Scholars Award
- 3.0 weighted GPA w/ a 4-year diploma and a 3.5 unweighted GPA in a minimum of three vocational credits in one vocational program
- 4 units of English, 3 units of Math (including Algebra I), 3 units of Natural Sciences, 3 units of Social Sciences, 1 unit of Practical Arts, ½ in Life Management Skills, ½ in Personal Fitness, ½ in Physical Education, 2 units of a Foreign Language. Plus a minimum of three Vocational Job-Preparatory or Technology Education Program credits in one vocational program.

http://www.floridastudentfinancialaid.org/ssfad/bf/acadrequire.htm

Georgia: Helping Outstanding Pupils Educationally (HOPE)
Eligibility: must meet one:
- 3.0 College Preparatory Diploma or 3.2 other diploma type
- Eligible home school program with 3.0 GPA
- Score in 85th percentile for ACT or SAT
- 3.0 in 30 semester hours or 45 quarterly hours of college degree-level courses.

The award for public institution covers tuition, HOPE-approved fees, book allowance ($100 / quarter or $150 / semester).

http://www.gacollege411.org/Financial_Aid_Planning/HOPE_Program/Georgia_s_HOPE_Scholarship_Program_Overview.aspx

Indiana: Twenty-first Century Scholars Program
Stated goal: "The Twenty-first Century Scholars Program began in 1990 as Indiana's way of raising the educational aspirations of low and moderate-income families. The program aims to ensure that all Indiana families can afford a college education for their children."

Eligibility requirements:
- meet applicable family income ceilings (http://www.in.gov/ssaci/2380.htm)
- Make a commitment to the Scholars Pledge (*will graduate high school, will get at least a 2.0 GPA, will not use drugs or commit a crime, will apply to eligible Indiana university, with apply on time for financial aid*) (http://www.in.gov/ssaci/2374.htm)

Award: the cost of 4 years of undergraduate tuition at public institutions.

http://www.in.gov/ssaci/2345.htm

Kentucky: Kentucky Education Excellence Scholarship (KEES)
Eligibility:
- 2.5 GPA in any year of High School
- 4 units of Language Arts, 3 units of Math, 3 units of Science, 3 units of Social Sciences, ½ unit of Health, ½ unit of Physical Education, 1 unit of Art Appreciation, 7 units of Electives (from the listed subjects, more rigorous than the minimum courses required for graduation)

Additionally there is a bonus award for students who received a score of 15 on ACT or 710 on SAT (critical reading and math).

Award: annual scholarship amount varies by high school GPA and ACT score (for bonus only). A 3.00 GPA gives $250 / year of college.

http://www.kheaa.org/website/kheaa/kees?main=1

Louisiana: Taylor Opportunity Program for Students (TOPS)
TOPS Core curriculum: (http://www.osfa.state.la.us/MainSitePDFs/Core_Curriculum_1.pdf)

- 4 units of English
- 3 units of Math
- 3 units of Science
- 1 additional unit of Math or Science
- 3 units of Social Studies
- 2 units of a Foreign Language
- 1 unit of Fine Arts
- ½ unit of Computer Science

There are 4 components:
1) TOPS Opportunity Award: 2.5 GPA and ACT of 20
2) TOPS Performance Award: 3.0 GPA and ACT of 23
3) TOPS Honors Award: 3.0 GPA and ACT of 27
4) TOPS Tech Award: 2.5 GPA, ACT of 17, and 17 Tech Core unit for Option 1, 19 for Option 2

Awards: based on TOPS level and University.

http://www.osfa.state.la.us/TOPS.htm
http://www.osfa.state.la.us/

Maryland: Educational Excellence Awards Program
2 components:
1) Guaranteed Access (GA) Grant
(http://www.mhec.state.md.us/financialAid/ProgramDescriptions/prog_ga.asp)

- 2.5 GPA in high school
- Must demonstrate financial need and family income must be under certain ceilings

Award: 100% of financial need, capped at $14,300

2) Educational Assistance (EA) Grant
(http://www.mhec.state.md.us/financialAid/ProgramDescriptions/prog_ea.asp)

- Must demonstrate financial need
- Applicants ranked by Estimated Family Contribution (EFC) as reported on the FAFSA

Award: 40% of need for 4-year institutions, 60% of need for community colleges, capped at $3,000.

Missouri: Academic Bright Flight Scholarship Program
Eligibility:

- ACT or SAT score in the top 3% of the state. For 2010 it was raised to 5%.

Award: $2,000 / year.
Starting in 2010-2011 Academic year the award will be divided between two levels determined by ACT or SAT score. ACT of 31 or above will receive $3,000 / year, while ACT of 30 will receive $1,000 / year

http://www.dhe.mo.gov/brightflight.shtml

Mississippi: Higher Education Legislative Plan for Needy Students (HELP)
"Created by the Mississippi Legislature this program is designed to provide tuition assistance to qualified students whose financial need, as demonstrated by federal student aid eligibility, will not be met with gift aid from other sources."

Eligiblity:

- 2.5 GPA
- Score of 20 on ACT
- 4 units of English, 3 units of Math (Algebra I and II, 1 unit of advanced math), 3 units of Science (1 of Biology, 1 of Chemistry, 1 other), 3 units of Social Studies (1 of American History, 1 of World History, 1 of Civics or Economics), 1 unit of Fine Arts, 2 units of a Foreign Language, ½ unit of Computer Science, 1 elective from above subjects.
- Family income must be under certain ceilings (http://www.mississippi.edu/pg2c/glomer/upload_repo/files/HELP_adj_gross_income.pdf)
- Demonstrate financial need via the FAFSA

Award: Tuition and required fees at a public institution, or if attending a private institution an award equal to the nearest comparable public institution.

http://www.mississippi.edu/riseupms/financialaid-step3-grants-loans.php?article_id=225
http://www.mississippi.edu/pg2c/glomer/upload_repo/files/HELP_core_reqs.pdf

Nevada: Millennium Scholarships
Eligibility:

- 3.25 GPA
- Must pass all areas of the Nevada High School Proficiency Exam
- 4 units of English, 4 units of Math (including Algebra II), 3 units of Natural Sciences, 3 units of Social Science and History

Award: based on per-credit basis. Within the Nevada System of Higher Education (NSHE) Scholars will receive $40 / lower division credit and $60 / upper division credit, capped at 12 credits / semester. Scholars attending eligible institutions outside of NSHE will receive $80 / credit.

https://nevadatreasurer.gov/documents/millennium/Doc-FactSheet.pdf

New Mexico: New Mexico Scholars Program
Eligiblity:

- 3.0 GPA in high school
- ACT score of 25 **OR** SAT of 1140 **OR** top 5% of graduating class

- Total combined family income cannot exceed $30,000 with one family member in college, $40,000 with two in college

Award: covers tuition, fees, and books

http://www.unm.edu/~schol/freshmen/nmscholars.html

North Carolina: Legislative College Opportunity Program
"The College Opportunity Program will recruit future students who might not otherwise finish high school or continue on to college. The program will provide financial and academic incentives that will encourage socially and economically disadvantaged students to do well in middle grades and high school and enroll in college following graduation. Improvement in academic performance, high school graduation rates, college going rates, and college graduation rates of under-performing students will be principal goals of the program."

Eligibility:
- "Be a first-generation college student and/or come from a family with an annual income that qualifies the family as disadvantaged based on federal guidelines"
- Maintain a B or better average throughout high school
- Maintain public school attendance of 95%
- Complete the PSAT and SAT or ACT
- Complete at least 15 hours of community service per year
- Remain drug free

Award: First year assistance that will cover tuition, fees, and books.

http://www.northcarolina.edu/policy/index.php?pg=vs&id=467

Oklahoma: Oklahoma Higher Learning Access Program or Oklahoma's Promise
Eligibility:
- 2.5 GPA
- Family income must be $50,000 or less
- 4 units of English, 3 units of Math, 3 units of Lab Sciences, 3 units of History and Citizenship, 2 units of a Foreign Language, 1 additional unit from listed subjects, and 1 unit of Fine Arts

Award: pays tuition at public institutions, and partial tuition at eligible private institutions.

http://www.okhighered.org/okpromise/student-requirements.shtml
http://www.okhighered.org/okpromise/required-courses.shtml

Rhode Island: Children's Crusade for Higher Education
Private, non-profit focused on "reducing school dropout rates and to increasing educational and career success for youth from low-income urban communities."

Eligibility:
- "Earn admission to an accredited college, university, junior college or trade school within one year of graduation or participate in a RI union apprenticeship or industry training program within one year of graduation"

- Full-time student
- Are low-income

Award: Varies by the kind of school and demonstrated need. Maximum scholarship is equal to the Federal Pell Grant ($4,310) or the school's tuition, whichever is lower.

www.childrenscrusade.org

South Carolina: Legislative Incentives for Future Excellence (LIFE) Scholarships
Eligibility: 2 of the 3 following:

- 3.0 High School GPA
- SAT score of 1100 **OR** ACT score of 24
- In top 30% of graduating class

Award: $5,000/year, with $4,700 for tuition and $300 for books.

http://www.clemson.edu/finaid/LIFEnew.htm

Tennessee: Education Lottery Scholarship Program (TELS)
There are a few components under this program:

Tennessee HOPE Scholarship: $4,000 for 4-year institutions or $2,000 for 2-year institutions
Eligibility:

- ACT of 21 **OR** SAT of 980
- High school GPA of 3.0

Tennessee HOPE Access Grant: $2,750 for 4-year institutions or $1,750 for 2-year institutions
Eligibility:

- ACT of 18-20 **OR** SAT of 860-970
- Family adjusted gross income $36,000 or less

General Assembly Merit Scholarship (GAMS) : $1,000 supplemental to HOPE Scholarship
Eligibility:

- ACT of 29 **OR** SAT of 1280
- High school GPA of 3.75

Aspire Award: $1,500 supplemental to HOPE Scholarship
Eligibility:

- Meeting HOPE Scholarship requirements
- Family adjusted gross income of $36,000 or less

Wilder-Naifeh Technical Skills Grant: $2,000
Eligibility:

- Available to all students enrolled at Tennessee Technology Center who are Tennessee residents 1 year prior to entrollment.

http://www.tn.gov/collegepays/mon_college/lottery_scholars.htm
http://www.tn.gov/collegepays/mon_college/sch_app_pdfs/ScholarshipData102009.pdf#DFE9.pdf

Texas: Toward Excellence Access & Success
"The Texas Legislature established the TEXAS (Towards EXcellence, Access and Success) Grant to make sure that well-prepared high school graduates with financial need could go to college."

Eligibility:

- Show financial need and have an Estimated Family Contribution of $4,000 or less
- Completed Recommended High School Program (*4 units of English, 4 units of Math, 4 units of Science, 4 units of Social Studies, 2 units of a Foreign Language, 1 unit of fine Arts, 1 unit of Technology Applications, 1 ½ units of Physical Education, ½ units of Health Education, 1/5 units of Speech, 3 ½ units of electives*) **OR** Distinguished Achievement Program (*score 3 or above on AP exam, or 4 on International Baccalaureate exam; Complete an original project; PSAT score qualifying you as a "Commended Scholar"; earn 3.0 on classes that count as college credit).*

Award: $6,080 / year at public universities and state colleges, $1,780 at community colleges, $2,680 at public technical colleges, and $3,808 at private institutions.

http://www.collegefortexans.com/index.cfm?ObjectID=E81912E0-DF96-53C5-8EE1C469C7298F15
Recommended High School Program:
http://www.collegefortexans.com/index.cfm?ObjectID=B5696E87-D0EE-F501-7D8D3898E6B018D6
Distinguished Achievement Program
http://www.collegefortexans.com/index.cfm?ObjectID=D4D077EF-E089-7788-D2CC15BB69A2494B

Virginia: Virginia Guaranteed Assistance Program
"The purpose of the Virginia Guaranteed Assistance Program (VGAP) is to provide an incentive to financially needy students now attending elementary and secondary school in Virginia to raise their expectations and their academic performance and to consider higher education an achievable objective in their future. The law requires that the awards to undergraduates be proportional to need so that the students with the greatest need receive the largest awards."

Eligibility:

- Demonstrate financial need
- High school GPA of 2.5
- Be classified as a dependent for federal aid purposes

Awards: varies by institution, but neediest students will receive at least the cost of tuition.

http://www.schev.edu/students/factsheetVGAP.asp?from=

West Virginia: Providing Real Opportunities for Maximizing In-State Student Excellence (PROMISE) Scholarship
Eligibility:

- 3.0 High School GPA (or whatever is considered a "B" average)
- 4 units of English, 3 units of Math, 4 units of Social Sciences, 3 units of Natural Sciences
- ACT composite of 22 (w/ 20 in all 4 subsections) **OR** an SAT composite of 1020

Award: $4,750 / year or the cost of tuition and mandatory fees, whichever is less.
http://wvhepcnew.wvnet.edu/index.php?option=com_content&task=view&id=65&Itemid=0/home.asp
x

Wyoming: Hathaway Scholarship Program
The Hathaway Scholarship Program has three levels, each of which has a secondary needs-based component.

Opportunity: $800 / semester; 25% of unmet need: $100-$750 / semester

- High school GPA of 2.5
- ACT of 19
- Completion of Curriculum requirements*, except the Foreign Language requirement

Performance: $1,200 / semester; 25% of unmet need: $100-$750 / semester

- High school GPA of 3.0
- ACT of 21
- Completion of Curriculum requirements*

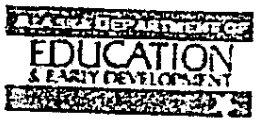
Honors: $1,600 / semester; 100% of unmet need: $100-total unmet need.

- High school GPA of 3.5
- ACT of 25
- Completion of Curriculum requirements*

*Curriculum requirements:

- 4 years of Math
- 4 years of Science
- 3 years of Social Studies
- 4 years Language Arts
- 2 years of a Foreign Language

http://www.k12.wy.us/Hathaway.asp
http://www.uwyo.edu/hathaway/eligibility.asp



Resolution of the State Board of Education & Early Development

The Governor's Performance Scholarship

Resolution 03-2010

WHEREAS, the proposed Governor's Performance Scholarship (GPS) invites Alaska's high school students to challenge themselves with a rigorous course of study;

WHEREAS, the GPS encourages high schools to offer four years of science and math courses as well as the currently required four years of language arts courses and three years of social studies courses;

WHEREAS, the GPS recognizes a variety of meritorious students by awarding technical and academic scholarships to students with grade point averages ranging from C+ to A;

WHEREAS, the GPS serves students in public schools, private schools and home schools;

WHEREAS, the GPS encourages parents and guardians to participate in planning their students' high school career;

WHEREAS, the GPS encourages students to complete high school and be better prepared to attend a postsecondary institution;

WHEREAS, the GPS helps Alaska's families afford postsecondary education;

WHEREAS, the GPS encourages students to receive their postsecondary education in Alaska;

WHEREAS, the GPS recognizes the value and variety of Alaska's private and public postsecondary education institutions;

WHEREAS, the GPS will help Alaska to train its own highly skilled work force;

THEREFORE, BE IT RESOLVED, the State Board of Education & Early Development strongly supports the proposed Governor's Performance Scholarship to meet the academic and financial needs of Alaska's youth.

Esther J. Cox, Chair
Alaska State Board of Education & Early Develop

January 13, 2010

UNIVERSITY OF ALASKA BOARD OF REGENTS

A Resolution in Support of the Governor's Performance Scholarship

WHEREAS, the State of Alaska does not provide enough need based or grant aid for students seeking postsecondary education compared to most other states; and

WHEREAS, the University of Alaska began the UA Scholars program in 1999, which has grown in usage over time and is funded entirely out of the university's Land Grant Trust Fund; and

WHEREAS, Governor Sean Parnell has proposed the Governor's Performance Scholarship, a grade- and curriculum based program that would provide financial assistance for students wishing to attend a postsecondary institution within the state of Alaska; and

WHEREAS, the University of Alaska Board of Regents has long supported all efforts to increase access to postsecondary education, workforce training and lifelong learning; and increased financial aid, both merit- and need-based, is critical for improving access to higher education for both rural and urban residents as well as current and future students; and

NOW THEREFORE BE IT RESOLVED that the University of Alaska Board of Regents supports Governor Sean Parnell's proposed Governor's Performance Scholarship; and

BE IT FURTHER RESOLVED that the University of Alaska Board of Regents urges additional support from the Alaska Legislature for both merit- and need-based programs that will be before the Alaska Legislature in the 2010 session; and

BE IT FURTHER RESOLVED that this resolution be appropriately engrossed and conveyed to the Honorable Governor Sean Parnell and Honorable members of the Alaska State Legislature, with a copy to be incorporated into the official minutes of the November 30-December 1, 2009 meeting of the University of Alaska Board of Regents.

GREATER FAIRBANKS CHAMBER OF COMMERCE

Interior Alaska – The "Place" To Do Business

Introduced By: Kurt Newman, Education Committee Chair
Date Introduced: January 4, 2010
Date Passed: January 11, 2010
Date Transmitted: January 12, 2010

RESOLUTION 10-0111
A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE (GFCC) SUPPORTING THE GOVERNOR'S PERFORMANCE SCHOLARSHIP, A MERIT-BASED SCHOLARSHIP FOR ALASKA HIGH SCHOOL STUDENTS

WHEREAS, the Greater Fairbanks Chamber of Commerce recognizes the need to encourage our Alaska high school students to attain the necessary core education to enable them to go onto higher education or vocational training, and remain in the State as productive citizens and future leaders; and

WHEREAS, we should work to keep our best and brightest students in Alaska after college, to position Alaska's economy for growth with a better prepared workforce; and

WHEREAS, only half of Alaskan students who receive a high school diploma are academically prepared for post-secondary education (Greene and Winters 2005) and are ready for college-level reading assignments in the core study areas like math, history, science, and English (ACT, 2006); and

WHEREAS, a more rigorous high school curriculum will prepare Alaska's high school students for entrance into higher education or vocational education, including the recommended four years of math, four years of science, four years of language arts, and three years of social studies; and

WHEREAS, at graduation, students will receive scholarships based on academic achievement and their hard work. For example, at graduation from high school, an 'A' student with a 3.5 GPA or better would be eligible for a 100% tuition scholarship award; a 'B' student with a 3.0 GPA or higher would be eligible for a 75% tuition award, and a 'C' student with at least a 2.5 GPA would be eligible for a 50% tuition scholarship award; and

WHEREAS, the Governor's performance Scholarship could be used at the University of Alaska, at any certified, in-state job training institution and at other certified post-secondary institutions in Alaska; and

WHEREAS, by giving more Alaskan students the opportunity to earn a scholarship like this and requiring it to be used at an in-state institution, we are preparing our youth as the future workforce leaders for Alaska.

NOW THEREFORE BE IT RESOLVED, in recognizing the importance of affordable and accessible higher education, and the need to encourage our youth to stay in Alaska and to provide for future workforce and leadership roles, the Greater Fairbanks Chamber of Commerce supports the Alaska Governor's Performance Scholarship Initiative.

BE IT FURTHER RESOLVED that this resolution be distributed to:
Governor Sean Parnell, State of Alaska
Alaska State Legislature

Dan Britton
Board Chair
Greater Fairbanks Chamber of Commerce

Kurt Newman
Chair
Education Committee

INVESTORS

DIAMOND
- BP Exploration
- ConocoPhillips
- ExxonMobil
- Fairbanks Daily News-Miner
- FMH & Denali Center
- Flint Hills Resources Alaska

PLATINUM
- Alyeska Pipeline Service Co.
- Carlson Center
- Fred Meyer
- GCI
- Golden Heart Utilities
- Mt. McKinley Bank
- Wells Fargo Bank Alaska

GOLD
- Alaska USA FCU
- Birchwood Homes
- Denali State Bank
- Design Alaska
- Doyon, Limited
- First National Bank Alaska
- Kinross-Fort Knox Mine
- Laborers Union Local 942
- MAC Federal Credit Union
- The Boeing Co.
- Usibelli Coal Mine

SILVER
- ACS
- Alaska Airlines
- Alaska Railroad
- AT&T
- Denali – The Alaska Gas Pipeline
- Everts Air Cargo
- Fairbanks Natural Gas
- Flowline Alaska
- Fountainhead Development
- GVEA
- Hale & Associates, Inc.
- JL Properties, Inc.
- Key Bank
- K Janitorial Services, LLC
- Northrim Bank
- Operating Engineers Local 302
- Personnel Plus
- Pogo Mine
- Santina's Flowers & Gifts
- Spirit of Alaska FCU
- Tanana Valley Clinic
- TDL Professional Staffing
- TOTE
- WAL-MART Stores, Inc.

100 Cushman St., Suite 102 | Fairbanks, Alaska 99701-4665 | ph (907) 452-1105 | fax (907) 456-6968 | www.FairbanksChamber.org

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
SECTIONAL ANALYSIS
LL0771/Slotnick 12/9/2009

Establishing the governor's performance scholarship program and fund and relating to the program; establishing mandatory curriculum counseling in the public schools; relating to student records; making conforming amendments.

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	Impact Notes	Questions	EFF. DATE
1	14.03.107 - Mandatory curriculum counseling.	1 2	7-13 1-2	Provides that school district must ensure students entering public high school are aware of the curriculum required for scholarship eligibility.	DEED - Public Schools Generally	Communication for home schooled students?	9/1/10
2	14.03.113 – District determination of scholarship eligibility.	2	3-10	Provides that school district will determine and include in a student's permanent record their level of GPS eligibility, if any, and provide for opportunity to dispute determination.	DEED - Public Schools Generally		
3	14.07.020(a) (Duties of the Department.)	2	11-13	Provides that DEED will perform duties as assigned under GPS.	Administration of Public Schools		
4	14.42.030(e) (Functions, duties, and powers of the commission.)	2 3	14-31 1-21	Authorizes ACPE to adopt regulations for the GPS program.	Postsecondary Education Commission and Loan Corporation		
5	Article 11A. Governor's Performance Scholarship added in Chapter 43 Financial Aid Programs for Postsecondary Students				New Article		
5	14.43.810 – Governor's performance scholarship established; Alaska residency	3 4	22-31 1-27	Describes the GPS program to provide merit-based academic (three tiers) or technical school (one tier) scholarships for qualifying Alaska residents. Provides that DEED is responsible for program standards [included in 14.43.820 and 14.43.825] and ACPE is responsible for administering the program to advance specific goals in Alaska's higher education, including • Increase high school graduation rates • Improve academic performance of kindergarten through 12 • Improve preparedness for postsecondary education • Improve quality of high school educational programs • Improve college entrance examination scores • Increase job training opportunities	ACPE - Financial Aid Programs for Postsecondary Students Direction to DEED page 3, line 31		

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	Impact Notes	Questions	EFF. DATE
				• Improve postsecondary academic achievement and graduation rates • Increase in students that pursue postsecondary education Students are required to apply for other non-loan financial aid. DEED and the commission will consult on terms and conditions to be set out in regulation.			
5	14.43.815 – Qualifications of applicants	4 5	28-31 1-27	Provides that, unless outside the state due to military service, to be eligible an applicant must • be an Alaska resident • be an Alaska high school graduate attending a qualified Alaska institution • meet other minimum qualifications • must comply with Selective Service Act • be current on federal and state loans, and • not be a felon.	ACPE - Financial Aid Programs for Postsecondary Students	In (b) of this section, should we change "student" to "applicant?"	
5	14.43.820 – Eligibility for an academic scholarship	5 6	28-31 1-17	Directs the commission to award academic scholarships to eligible applicants, described as having met program standards [as designed by DEED per Sec. 5], including • four-year core high school academic curriculum • minimum high school grade-point average • minimum score on college entrance exam • enrolled in degree or certificate program in accredited Alaska institution. Program standards include a process for regaining eligibility and for home-schooled and private-schooled students to qualify.	ACPE - Financial Aid Programs for Postsecondary Students		
5	14.43.825 – Eligibility for a career and technical school scholarship	6 7	18-31 1-6	Directs the commission to award career and technical school scholarship to eligible applicants, described as having met program standards, including core academic curriculum, minimum grade-point average, minimum score achieved on college entrance exam or standardized exam measuring level of preparedness, enrollment in qualifying program at certified institution. Must also provide for method to regain lost eligibility once in college.	ACPE - Financial Aid Programs for Postsecondary Students	p.7, line 5 should conform to language at p.6, line 12; regarding regaining eligibility	

425

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	Impact Notes	Questions	EFF. DATE
5	14.43.827 – Maximum awards and allowable uses	7 8	7-31 1-6	Provides for three award levels, with award amount based on a percentage of UA 2010/2011 tuition, with percent determined by average grade point and college entrance exam score, Student must be enrolled at least half-time, and remains eligible for eight semesters. Career and technical award is actual cost up to $3,000, and student remains eligible for two years. Eligibility terminates six years from graduation, unless extended for military service. A student may qualify for only one GPS type.	ACPE - Financial Aid Programs for Postsecondary Students	What happens if an academic award qualifier elects to attend a career/tech program or school?	
5	14.43.830 – Programmatic standards	8	7-25	Directs DEED to develop programmatic standards [listed in 14.43.820 and 14.43.825] to include a procedure for alternate means of qualifying, relative to unavailability of curriculum, and rare circumstances beyond student's control.	ACPE - Financial Aid Programs for Postsecondary Students Direction to DEED p. 8, line 7.		
5	14.43.835 – Qualified postsecondary institutions	8 9	26-31 1-27	Defines qualified academic institution as Alaska institution authorized by the state or exempt from authorization and regionally accredited; a qualified career and technical program in the state certified by the DOLWD, with agreement from DEED, with criteria outlined in regulation to include • Job-training program quality • Employability of certificate or license recipient • Fulfill a job need in the state.	ACPE - Financial Aid Programs for Postsecondary Students Direction to DOLWD and DEED to establish criteria for career and technical school programs, p. 9 (b)	How often will list of qualified career and technical programs be updated; what is their deadline for providing to us?	
5	14.43.840 – Application and award	9 10	28-31 1-4	Directs the commission to develop application and award procedures, based on appropriation; an award made in error shall be refunded.	ACPE - Financial Aid Programs for Postsecondary Students		
5	14.43.845 – Governor's performance scholarship fund income account	10	5-10	Provides for the commission to make awards from the GPS fund account created in the general fund; expendable earnings from the fund (37.14.750 – 37.14.790) may be appropriated to the account.	ACPE - Financial Aid Programs for Postsecondary Students		
5	14.43.850 – Report to the legislature	10	11-25	Directs the commission, DEED, Revenue and DOLWD, and UA to share information and report	ACPE - Financial Aid Programs for Postsecondary		

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	Impact Notes	Questions	EFF. DATE
				within 10 days of the start of each legislature, information on the GPS, to include number of applicants and number of awards of each type scholarship in current and past years and anticipate in the following year, and trends in data reflecting goals in 14.43.810.	Students DEED, Revenue, Labor and UA directed to report on program		
5	14.43.890 – Definitions	10 11	26-31 1-11	Defines commission, commissioner, department, grade-point average, military service, program and school district.	ACPE - Financial Aid Programs for Postsecondary Students		
6	14.45.130(a) - Records	11	12-17	Directs secondary schools exempt under 14.45.100 to maintain records of GPS eligibility.	ACPE – Private and denominational schools		
7	23.05.060 – Powers of the department	11 12	18-31 1-5	Authorizes DOLWD to perform duties assigned under the GPS program.	Labor & Workforce Development - Administration		
8	Article 8A. Governor's Performance Scholarship Fund added in Chapter 14. Trust Funds				New Article		
8	37.14.750 Governor's Performance Scholarship fund established	12	6-19	Creates the GPS fund and directs commissioner of Revenue to invest fund assets with a 5% return target to prevent diminishment over time; the fund consists of appropriations, donations and income on investments. Specifies no dedication of funds.	Dept of Revenue – Trust Funds		
8	37.14.755 – Powers and duties of the commissioner of revenue.	12	20-25	Authorizes the commissioner of Revenue to perform investment duties for the GPS fund and directs the commissioner to report on its performance to DEED, DOLWD, and the commission.	Dept of Revenue – Trust Funds		
8	37.14.760 – Use of fund.	12 13	36-31 1-4	Directs the Revenue commissioner to calculate an amount to be appropriated to the GPS fund after July 1 based on the average month-end market value for the preceding three years.	Dept of Revenue – Trust Funds		
8	37.14.790 – Definitions.	13	5-9	Defines commissioner and fund.	Dept of Revenue – Trust Funds	Extra space before "fund"	
9	Uncodified law	13	10-24	Transition language authorizes DEED and DOLWD, after conferring with the commission, to adopt			

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	Impact Notes	Questions	EFF. DATE
				regulations that provide that, in school years 9/1/2010 through 8/31/2013, students may be eligible under the GPS even though core academic curriculum has not been met; and eligible students may apply for GPS awards beginning 7/1/2011.			
10	Uncodified law	13	25-31	Provides that state agencies may proceed to adopt regulations to implement Act, but their effective date is no earlier than 9/1/2010.			
11		14	1	Section 10 takes effect immediately			
12		14	2	Except as in Sec. 11, Act is effective 9/1/2010			

STATE OF ALASKA

Department of Education & Early Development

Office of the Commissioner

SEAN PARNELL, GOVERNOR

Goldbelt Place
801 West 10th Street, Suite 200
P.O. Box 110500
Juneau, Alaska 99811-0500
Telephone: (907) 465-2800
Fax: (907) 465-4156

Dear Alaskans,

Alaska's high school graduation rate jumped 5 percentage points last year and we graduated 8,000 students, 1,000 more a year than in recent years. That's great news, and it's a tribute to the efforts of our families and educators. Those are 8,000 Alaskans who have pushed open the door to greater opportunities.

But many of our students still leave school without a diploma. That's why I'm excited that Gov. Parnell has sponsored legislation that provides families with an incentive to make high school a productive experience for students.

The Governor's Performance Scholarship says to our kids: Challenge yourself in high school, work hard, and you can earn a substantial scholarship that helps you fulfill *your* goals in life. We call it GPS because its course requirements help students navigate through high school and into their careers.

What I especially like about Gov. Parnell's program is that it creates both academic and career/technical scholarships. Alaska needs the talents of all of our youth. Our economy offers good jobs for a variety of skills. Let's fill those jobs ourselves.

I also like that the scholarships will be available for students with different levels of academic achievement. I was a school principal for decades, and I know that not every productive adult was an A student in high school. If you take tough courses, study hard and end up with a B or a C+ average, you also qualify for a Governor's Performance Scholarship. That's only right.

But it's not a giveaway program. Students who want to receive a Governor's Performance Scholarship must take four years of English, math and science, and three years of social studies. High school students who take a rigorous curriculum are more likely to do well in college.

You'll be hearing a lot about the Governor's Performance Scholarship this year as the Legislature considers the proposal. I hope you will review the bill and talk to your legislators about it. Please contact Information Officer Eric Fry at 465-2851 or eric.fry@alaska.gov if you have questions.

Sincerely,

Larry LeDoux
Commissioner

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 297**
() Publish Date:

Identifier (file name): CSHB297(EDU)-REV-TRS-03-22-10
Dept. Affected: Revenue
Title: An Act Establishing the Governor's Performance Scholarship
RDU: Treasury and Taxation
Component: Treasury
Sponsor: Governor
Requester: House Finance Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	60.0		60.0	60.0	60.0	60.0	60.0
Travel							
Contractual	55.0		55.0	55.0	55.0	55.0	55.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**115.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**
CAPITAL EXPENDITURES	**400,000.0**						
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	115.0		115.0	115.0	115.0	115.0	115.0
TOTAL	**115.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The bill provides for a separate fund to be established in the amount of $400 million to be managed by the Commissioner of Revenue. It is anticipated the fund will be managed with asset allocation of 60% fixed income and 40% domestic equity in order to yield a real annual rate of return of 5%. These costs include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

The operating budget appropriation bill funding language was removed so it is included in this fiscal note as a "capital expenditure" to capitalize the Governor's Performance Scholarship program when the the scholarship program passes.

Prepared by: Pamela Green, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 11/25/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 03-22-10; 2:55pm
Administrative Services Division

(Revised 11/6/2009 OMB)

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

SEAN PARNELL, GOVERNOR

P. O. Box 110505
Juneau, Alaska 99811-0505
PHONE (907) 465-6740
FAX (907) 465-3293

March 23, 2010

The Honorable Bill Stolze
The Honorable Mike Hawker
Co-Chairs, Finance Committee
Alaska House of Representatives
State Capitol, Rooms 515, 505
Juneau, Alaska 99801

Subject: CSHB 297(EDC) - An Act establishing the governor's performance scholarship program...

Dear Representatives Stolze and Hawker:

During the committee's initial hearing on CSHB 297(EDC), members asked for additional information and clarification on relevant issues. The issues raised included:

- What does the current version of the bill provide for in terms of award amounts at various scholarship tiers when taking into consideration family income levels?
- Pursuant to Sec. 14.43.815. (Qualifications of applicants) (Page 7, Lines 17-18), which requires that a scholar "meets other minimum qualifications to apply or continue to be eligible for a governor's performance scholarship," what, if any, "academic grace period" will there be to mitigate negative grade impacts a scholar may experience as a student transitioning from a secondary to postsecondary educational setting?

In response to the first question, please find attached sample schedules which estimate the value of the scholarship awards at each of the three merit-based academic award tiers and at several levels of annual family income.

Relative to the second question, as Commissioner LeDoux testified, the bill does not contain any specific allowance for a drop in a scholar's grade performance upon entry into their postsecondary program of study. In fact, the bill does not contain a specific postsecondary performance standard. This is an area in which further program requirements will be set out in regulation. Pursuant to Section 4 of the legislation, both the Department of Education and Early Development and the Alaska Commission on

Postsecondary Education are authorized to set specific programmatic standards including to maintain eligibility and to regain eligibility once it is lost by a student. While regulations have yet to be drafted, one possible model would be for students in credit-based programs to have the continuing eligibility criteria set relative to class standing. Using that approach, there could be a more modest grade point average required for the first two semesters, and a more rigorous standard to be met subsequent to the completion of the third semester or end of the sophomore year.

I hope this information is helpful to you. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Diane Barrans
Executive Director

DB/dv

Attachment

Sample GPS Academic and Unmet Need Award Amounts

Assumes: Minimal net assets; family size of four/one in college; dependent student, attending full-time and residing on campus. Cost of attendance is averaged between UAA/UAF for 2009-10 year. Actual award results will vary based on family size, net assets, enrollment level, eligibility for additional non-loan aid, dependency status of student and whether the student resides: at home, on campus, or off campus, but independent from parental household.

A-level GPS Award Amounts by Family Income Level

Family income	$25,000	$50,000	$75,000	$100,000
Cost of Attendance	$18,500	$18,500	$18,500	$18,500
Less Pell Grant	-$5,550	-$0	-$0	-$0
Remaining Costs	$12,950	$18,500	$18,500	$18,500
Less Academic GPS	-$4,775	-$4,775	-$4,775	-$4,775
Remaining Costs	$8,175	$13,725	$13,725	$13,725
Less EFC	-$2,000	-$6,772	-$14,157	-$15,401
Unmet Need	$6,175	$6,953	$0	$0
Less Needs GPS @ 50%	-$3,088	-$3,476	$0	$0
Remaining Family Costs	$3,088	$3,477	$0	$0
Total State Aid	$7,862	$8,251	$4,775	$4,775
Total Student/Family Paid	$5,087	$10,249	$13,725	$15,401

B-level GPS Award by Family Income Level

Family income level	$25,000	$50,000	$75,000	$100,000
Cost of Attendance	$18,500	$18,500	$18,500	$18,500
Less Pell Grant	-$5,550	-$0	-$0	-$0
Remaining Costs	$12,950	$18,500	$18,500	$18,500
Less Academic GPS	-$3,566	-$3,566	-$3,566	-$3,566
Remaining Costs	$9,384	$14,934	$14,934	$14,934
Less EFC	-$2,000	-$6,772	-$14,157	-$15,401
Unmet Need	$7,384	$8,212	$777	$0
Less Needs GPS @ 50%	-$3,692	-$4,106	-$388	$0
Remaining Family Costs	$3,692	$4,106	$389	$0
Total State Aid	$7,258	$7,672	$3,954	$3,566
Total Student & Family Paid	$5,692	$10,878	$14,546	$15,401

C-level GPS Awards by Family Income Level

Family income level	$25,000	$50,000	$75,000	$100,000
Cost of Attendance	$18,500	$18,500	$18,500	$18,500
Less Pell Grant	-$5,550	-$0	-$0	-$0
Remaining Costs	$12,950	$18,500	$18,500	$18,500
Less Academic GPS	-$2,378	-$2,378	-$2,378	-$2,378
Remaining Costs	$10,572	$16,122	$16,122	$16,122
Less EFC	-$2,000	-$6,772	-$14,157	-$15,401
Unmet Need	$8,572	$9,350	$1,965	$721
Less Needs GPS @ 50%	-$4,286	-$4,675	-$982	-$360
Remaining Family Costs	$4,286	$4,675	$983	$361
Total State Aid	$6,664	$7,053	$3,360	$2,738
Total Student & Family Paid	$6,286	$11,447	$15,140	$15,762

Prepared by Diane Barrans, March 23, 2010

Helen Phillips

From: Ben Mulligan
Sent: Friday, March 26, 2010 5:49 PM
To: House Finance Legislation
Subject: FW: Math and Science Offerings

Please include this email in the packet for HB 297 and let them know DEED has sent follow up information for the committee.

From: Herman, Marcy J (EED) [mailto:marcy.herman@alaska.gov]
Sent: Friday, March 26, 2010 5:48 PM
To: Ben Mulligan
Subject: Math and Science Offerings

Ben,

Below is an updated chart of information. The original information was submitted earlier this week on Tuesday. Deputy Commissioner Morse did a review of the data and asked me to submit this update.

Could you please make sure that the House Finance Committee members are aware that this is available?

Let me know if you have any questions. Thank you.

Marcy Herman

Special Assistant

Office of the Commissioner

Alaska Department of Education & Early Development

P.O. Box 110500

Juneau, AK 99811-0500

907-465-2803 (voice)

907-465-4156 (fax)

2. How many schools do not currently offer the four years of math and science required in the GPS bill?

School Course Offering Counts for Mathematics and Science

339 schools were considered because they enroll high school students.

- Offer less than four years of mathematics ~~33~~ 32
  - 2 math courses ~~12~~ 16

- 3 math courses ~~21~~ 16

- Offer less than four years of science ~~72~~ 65
- 2 science courses ~~31~~ 32
- 3 science courses ~~41~~ 33

Of the total 97 schools listed above 16 are the same schools, from 7 districts, that do not offer either four years of math and science.

STATE OF ALASKA

Department of Education & Early Development

Office of the Commissioner

SEAN PARNELL, GOVERNOR

Goldbelt Place
801 West Tenth Street, Suite 200
P.O. Box 110500
Juneau, Alaska 99811-0500
(907) 465-2800
(907) 465-4156 Fax

March 23, 2010

The Honorable Bill Stoltze
The Honorable Mike Hawker
Co-Chairs, Finance Committee
Alaska House of Representatives
State Capitol, Room 515, 505
Juneau, Alaska 99801

Subject: CSHB297(EDC) - An Act establishing the governor's performance scholarship program...

Dear Representatives Stoltze and Hawker:

During the committee's initial hearing on CSHB297(EDC), members asked for additional information and clarification on relevant issues. The issues included:

1. **Provide correspondence school analysis offered by Commissioner LeDoux.**

   23 out of 53 public school districts offer correspondences courses. Of those 23, ten offer correspondence courses on a statewide basis.

2. **How many schools do not currently offer the four years of math and science required in the GPS bill?**

School Course Offering Counts for Mathematics and Science

339 schools were considered because they enroll high school students.

• Offer less than four years of mathematics		33
o 2 math courses	12	
o 3 math courses	21	
• Offer less than four years of science		72
o 2 science courses	31	
o 3 science courses	41	

a) What is in place to help those schools?

Distance-delivered instruction has evolved dramatically in the last ten years as access to Internet technology and bandwidth have increased. Traditional distance delivery, where a lone student struggles on his/her own to learn complicated concepts with a book and a distantly connected adult proctor, is very rare. Today, a number of innovative program options and strategies are used by districts and colleges in Alaska to provide quality core and elective coursework for students. Strategies may include:

Learning Centers: Students using distance courses are commonly centralized into a learning center and actively supervised by a teacher who monitors course progress, learning focus, and technology utilization. Learning Center staff provide individual encouragement, instructional assistance and access to highly qualified teachers. Students are encouraged to work collaboratively and to assist one another.

Access to Highly Qualified Teachers: Some districts contract with off-site content teachers to provide remote assistance for students engaged in distance coursework. Students are encouraged to contact their assigned specialists as necessary. E-mail is usually the form of contact but voice contact is also common.

Asynchronous Distance Learning: Coursework that allows students to engage in high school or college-level learning activities at their own pace in any place that has Internet connectivity. While the quality of distance delivery options may vary, significant progress has been made to design and develop quality distance coursework. Many real-time options are embedded into distance delivery including interactive e-mail or voice discussions with other students or instructors. Asynchronous distance learning is popular in Alaska because it does not require extensive bandwidth to operate. Colleges and universities around the country are using this technology to offer college courses.

Synchronous Distance Learning: Synchronous learning connects teachers to students in real time through the use of internet-based, interactive videoconferencing. Synchronous learning technology allows students from multiple sites to receive instruction directly from a teacher. Some districts are even using this technology to teach band. While synchronous delivery holds real promise, it is limited in use because it is a heavy user of bandwidth and sensitive to inclement weather.

Alternative Education Programming: The sophistication of distance courseware has evolved to a point where many districts allow students in brick and mortar schools to select distance-learning courses as an alternative to classroom instruction.

Districts that provide asynchronous learning courseware for their students have several options to select courseware:

- District-designed
- State-approved distance delivery schools
- Commercial
- College and University

3. **Please speak to the reallocation of funding to districts in an effort to achieve the realignment of resources that would create the GPS curriculum, virtual school, etc.**

In Moore v. State of Alaska, Judge Gleason determined that districts do in fact have adequate resources to address students' educational needs. Districts will have to determine how to reallocate those resources in order to meet the scholarship program requirements.

Districts that offer distance options are responsible for the cost of the program. A number of commercial vendors are available. The vast majority of districts, if not all, support some form of distance delivery for students. The most commonly used correspondence vendors are Brigham Young University and University of Nebraska; both charge $125 per credit hour. In addition, districts may contract with other Alaska districts to provide distance delivered courses.

4. **Does EED know how much work must be done technologically to deliver GPS curriculum?**

As part of a federal report for Title II, Part D, all districts reported by school the Internet access for their unduplicated number of instructional computers in spring of 2009, with updates in the fall 2010. This report shows that all districts' schools have computers with Internet connectivity listed as high speed. Two schools in the Aleutian Region school district have *only* computers with dial-up capability. All Alaska schools would have the ability to participate in distance education with their current Internet capability. It is important to note that there will be a four-year phase-in of the program's requirements. This will allow time for districts to implement delivery strategies.

Over twenty districts have videoconferencing available to each of their school sites. About a half dozen of these districts are offering synchronous classes taught by district staff including Aleutian East, Bering Strait, Kodiak, Kuspuk, Lower Kuskokwim, and Yukon-Koyukuk school districts. In addition, other school districts are offering online courses, mostly asynchronous, including Anchorage, Craig, Delta Greely, Kenai, Petersburg and Wrangell. Most districts offer CTE and dual-credit courses as needed. Commissioner LeDoux has spoken to nearly all Superintendents and each one believes that he or she can implement the required curriculum for this program.

5. **Explain how the residency requirements will work.**

An option for residency requirement could be phrased as follows:

For purposes of the program, a student

(1) must have been physically present in this state for one year before claiming Alaska residency status that qualifies the student for the program;

(2) does not forfeit Alaska residency status by traveling outside this state after graduation from high school if the student

(A) does not claim residency in another state; and

(B) at all times maintains an intent to remain in this state indefinitely.

6. **Why won't students be allowed to take the scholarship out of state if Alaska does not provide the training necessary?**

Currently the program goals do not provide for a student to attend school out-of-state with the Governor's Performance Scholarship. The goals of the Governor's Performance Scholarship include:

1. increasing high school graduation rates in the state;
2. improving academic performance of students in kindergarten through grade 12 in the state;
3. improving preparedness of Alaska students for postsecondary education;
4. improving the quality of the educational programs offered by high schools in the state;
5. increasing the scores of high school students in the state on college entrance examinations;
6. increasing job training opportunities in the state;
7. improving the postsecondary academic achievement and graduation rates of students in the state;
8. expanding the pool of high school students in the state who pursue postsecondary opportunities;
9. providing a rigorous curriculum in all high schools in the state;
10. increasing participation of Alaska high school students in Alaska postsecondary institutions.

7. **How will EED provide for extensions outside of military service?**

The extensions outside of military service will be regulated by the State Board of Education. The Department of Education and Early Development will recommend an appeal process that will take into consideration each student's specific circumstance.

8. **Members were seeking information on potential costs of CTE programs.**

The cost of attendance at career and technical schools varies considerably. The highest cost of tuition at AVTEC is $5,000 for the Licensed Practical Nurse program (176 training days) and $1,320 for the Certified Nurse Assistant (38 training days). The cost of tools for the Automotive Technology (197 training days) and the Diesel/Heavy Equipment (197 training days) programs are both higher than the cost of tuition. The tuition for the majority of programs at AVTEC are below $3,000. Many of the programs at AVTEC are between 9-12 months. The scholarship program provides tuition for up to two years.

Students who qualify for one of the academic performance scholarships may carry that award to an approved technical school program. This is significant in that the majority of the career and technical school programs in Alaska are offered by the University of Alaska. Students who earn a career and technical scholarship may use it at the University of Alaska towards a program that leads to a certificate.

The unmet financial need proposed by the GPS will assist those students who qualify for a career and technical education GPS award and have unmet financial need. Unmet need includes the cost of room and board, tools and other costs of attendance.

AVTEC Training Dates
Alaska Culinary Academy
- **Professional Cooking & Baking**, 210 training days
  Offered 01/05/10 to 12/16/10, 08/16/10 to 06/30/11

Alaska Maritime Training Center Courses

- **Marine License Preparation - Master Mate**, 45 training days
of the Engine Department (QMED) Oiler, 60 training days
Offered 09/13/10 to 12/08/10

Allied Health Department - Anchorage Training Facility

- **Certified Nurse Assistant (CNA)**, 38 training days
Offered 01/04/10 to 02/26/10, 02/03/10 to 03/30/10, 03/08/10 to 04/28/10, 04/05/10 to 05/27/10, 05/05/10 to 06/29/10, 06/07/10 to 08/03/10, 07/12/10 to 09/01/10
- **Licensed Practical Nurse (LPN)**, 176 training days
Offered 01/04/10 to 11/18/10, 08/16/10 to 07/01/11

Applied Technologies Department

- **Automotive Technology**, 197 training days
Offered 01/05/10 to 12/17/10, 08/16/10 to 06/09/11
- **Combination Welding**, 172 training days
Offered 01/25/10 to 12/17/10, 08/16/10 to 05/04/11
- **Diesel/Heavy Equipment Technologies**, 197 training days
Offered 01/05/10 to 12/17/10, 08/16/10 to 06/09/11
- **Industrial Electricity**, 197 training days
Offered 08/16/10 to 6/09/11
- **Pipe Welding**, 75 training days
Offered 01/19/10 to 05/05/10, 09/01/10 to 12/17/10
- **Power Plant Operation**, 40 training days
Offered 01/11/10 to 03/05/10, 03/17/10 to 05/11/10
- **Structural Welding**, 97 training days
Offered 01/25/10 to 06/11/10, 08/16/10 to 01/17/11

Information Technology Department

- **Business & Office Technology**, 183 training days
Offered 01/05/10 to 12/17/10, 08/16/10 to 05/19/11
- **Information Technology**, 188 training days
Offered 08/16/10 to 05/26/11
- **Web Development Technology**, 188 training days
Offered 08/16/10 to 07/12/11

Building Trades Technology

- **Facility Maintenance Construction Trades**, 188 training days
Offered 08/16/10 to 05/26/11
- **Plumbing & Heating**, 102 training days
Offered 01/05/10 to 05/28/10

AVTEC Training Cost * Costs Effective July 1, 2009

Program	Tuition	Technology Fee[1]	Security Deposit	Student Service Fee*	Meal Plan[4]	Dormitory Fees	Dorm Security Deposit[3]	Books/ Supplies[2] sold by AVTEC	Tools/ Supplies Not sold by AVTEC	Total
Qualified Member of the Engine Department (QMED) Oiler	$1,650	$150	$50	$75	$1,573	$1,820	$200	$155	$655	$6,328
Marine License Preparation -Master Mate	$1,650	$150	$50	$75	$1,086	$1,260	$200	$302	N/A	$4,773
Certified Nurse Assistant	$1,320	N/A	N/A	N/A	N/A	N/A	N/A	$580	N/A	$1,900

Licensed Practical Nurse	$5,000	$150	$50	N/A	N/A	N/A	N/A	$360	N/A	$5,560
Business & Office Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,800	N/A	$12,825
Information Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$2,600	N/A	$13,625
Web Development Technology	$2,750	$150	$50	N/A	N/A	N/A	N/A	$2,400	N/A	$5,350
Professional Cooking & Baking	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,425	$300	$12,750
Automotive Technology	$2,750	$150	$50	$75	$3,400	$4,400	$200	$600	$3,600	$15,225
Diesel/Heavy Equipment Technologies	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,050	$3,700	$15,775
Industrial Electricity	$2,750	$150	$50	$75	$3,400	$4,400	$200	$950	$2,300	$14,275
Pipe Welding	$1,650	$150	$50	$75	$1,700	$2,100	$200	$570	$700	$7,195
Power Plant Operation	$1,320	$150	$50	$75	$975	$1,120	N/A	N/A	$420	$4,110
Structural Welding	$2,200	$150	$50	$75	$1,700	$2,200	$200	$920	$600	$8,095
Combination Welding	$2,750	$150	$50	$75	$3,400	$4,400	$200	$1,500	$800	$13,325
Facility Maintenance/ Construction Trades	$2,750	$150	$50	$75	$3,400	$4,400	$200	$650	$2,000	$13,675
Plumbing & Heating	$2,200	$150	$50	$75	$1,700	$2,200	$200	$236	$1,700	$8,511

The Department of Labor and Workforce Development is happy to provide additional information as necessary.

9. Requested information on the Hathaway GED language.

Hathaway GED Criteria
A student who attended a Wyoming high school, did not graduate, took the GED, and whose class has graduated, may qualify for a Hathaway Scholarship. Below are ACT and GED score requirements for Hathaway Scholarships. Students below a 550 GED do not qualify for UW admission.

Opportunity	Minimum GED of 500, and minimum ACT of 19
Performance	Minimum GED of 540, and minimum ACT of 21
Honors	Minimum GED of 575, and minimum ACT of 25

10. Information on Mt. Edgecumbe's admission requirements.

4 AAC 33.080. Admission to Mount Edgecumbe High School

(a) The superintendent of Mount Edgecumbe High School shall appoint an admissions committee of at least three persons to make recommendations for students to be admitted to the school.
(b) A student residing in any school district in the state may submit to the admissions committee an application for admission to Mount Edgecumbe High School, on forms prescribed by the department, at the following address: Mount Edgecumbe High School, Admissions Committee, Alaska Department of Education and Early Development, 1330 Seward Avenue, Sitka, Alaska 99835.
(c) An application under (b) of this section must include statements by the student and the student's parent or guardian explaining why admission is sought and why the student should be accepted, a

copy of the student's school records, including attendance records, transcripts, and achievement test results, at least two recommendations from teachers or other adults who are not members of the student's family and who know the student well, and such other information as the admissions committee requests.

(d) The number of available openings at each grade level shall be established by the superintendent in advance of each semester, based upon the school's capacity, the number of returning students, and other relevant factors.

(e) The admissions committee shall recommend students for the available openings from among the applicants, and the superintendent shall make the final admissions decisions, based upon consideration of the following factors:

(1) the availability of a high school program in the student's home community adequate to meet the academic and social needs of the student;

(2) the degree to which the student is expected to benefit from the academic and social program at Mount Edgecumbe High School;

(3) the degree to which the student will bring background experiences, skills, and abilities that will enhance the diversity or academic potential of the student body;

(4) any particular school, family, or social situations that make the structured, residential setting of Mount Edgecumbe High School especially advisable for the student.

(f) Preference shall be given to students whose educational, emotional, or family requirements warrant attendance in a domiciliary environment.

(g) The admissions committee and superintendent may not discriminate in favor of or against any resident based on race, sex, creed, national origin, or location or type of residence in the state.

(h) Admissions at mid-semester may be made only upon consideration of the effects of transfer on the continuity of the student's education and on the Mount Edgecumbe High School program.

(i) Once admitted, a student may continue to attend Mount Edgecumbe High School from semester to semester until the student graduates, so long as the student remains in good standing under school rules governing academic and social performance.

I hope that this information is helpful to the committee. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Larry LeDoux
Commissioner

HB

298

<target><bill>HB 298</bill><subject>HB
298</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB298(JUD)**
() Publish Date:

Identifier (file name): CSHB298(JUD)-DPS-R&I-04-08-10
Dept. Affected: Public Safety
Title "An Act relating to the crimes of harrassment, distribution and possession of child pornography, and distribution of indecent materials..."
RDU Statewide Support
Component Records & Identification
Sponsor Rules Committee
Requester House Finance Committee
Component Number 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	99.2		99.2	99.2	99.2	99.2	99.2
Travel	5.0		5.0	5.0	5.0	5.0	5.0
Contractual	5.8		5.8	5.8	5.8	5.8	5.8
Supplies	1.0		1.0	1.0	1.0	1.0	1.0
Equipment	2.9						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**113.9**	**0.0**	**111.0**	**111.0**	**111.0**	**111.0**	**111.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	113.9		111.0	111.0	111.0	111.0	111.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**113.9**	**0.0**	**111.0**	**111.0**	**111.0**	**111.0**	**111.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would require a person to register in Alaska as a sex offender or child kidnapper if required to do so in another jurisdiction for crimes similar in nature to those in Alaska law.

For sex offender registration purposes, "jurisdiction" is defined at 13 AAC 09.900(a)(5) and includes the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, the U.S. Virgin Islands, and federally-recognized Indian tribes that have elected to function as a registration jurisdiction. Each jurisdiction has its own distinct laws pertaining to the registration of sex offenders, including which offenses require registration and the length of time an offender is required to register. (cont.)

Prepared by: David Schade
Phone (907) 269-0202
Division Statewide Services
Date/Time 4/8/10 5:00 PM
Approved by: Joe Masters
Date 4/8/2010
Commissioner

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB298(JUD)

ANALYSIS CONTINUATION

For the department's Records & Identification unit to continue to accomplish a core service of providing public access to current information regarding sex offenders in Alaska, the determination that a person must register as a sex offender or child kidnapper in Alaska because of their requirement to register in another jurisdiction must be made timely and must be based on information that has been validated.

Considerable research and analysis of the criminal history background of persons with sex offense convictions outside of Alaska would be required to determine whether the offense of conviction is a registerable offense under the current laws of that jurisdiction and whether or not the person is subject to that jurisdiction's registration requirements. Coordination with the jurisdiction's sex offender central registry would need to occur to obtain source documents and other relevant information on the person.

Additionally, the department would need to continually monitor the status of registration laws and legal cases affecting sex offender registration in all jurisdictions to ensure a person required to register in Alaska under proposed AS 12.63.100(6)(D) continued to be subject to the registration requirements of the jurisdiction that their offense was committed in.

The department anticipates that these additional efforts will require one new full-time Criminal Justice Planner position. This position would be responsible to review and evaluate offender records with out-of-state sex offense convictions to determine the requirement to register under proposed AS 12.63.100(6)(D), to coordinate with other jurisdictions' sex offender central registry offices, and to monitor sex offender registration laws in other jurisdictions and any changes for possible impact to currently registered offenders.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 298(JUD)
(H) Publish Date: 2/12/10

Identifier (file name):
Title: Sex Offenses; Offender Registration; Sentencing
Sponsor: House Rules
Requester: Governor

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The court system does not anticipate any fiscal impact from the passage of HB 298.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 01-22-10 @ 8:30 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 1/22/2010
Alaska Court System

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: HB 298
(H) Publish Date: 1/19/10

Identifier (file name): "Act relating to crimes of sexual assault, possession
Title of child pornography, and distribution of indecent material to a minor...."
Sponsor Rules Committee
Requester Governor

Dept. Affected: DOC
RDU Adminstration & Support
Component Office of the Commissioner
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	77.1	103.0	128.9	154.8	180.7
Travel	0.0	0.0	1.5	2.0	2.5	3.0	3.5
Contractual	0.0	0.0	50.4	67.3	84.2	101.2	118.1
Supplies	0.0	0.0	7.9	10.6	13.3	15.9	18.6
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time	0.0	0	0	0	0	0	0
Temporary	0.0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill will have the effect of increasing the number of prisoners the Department of Corrections (DOC) will have to house beginning in Fiscal Year 2012. These approximate costs are based on the average number of new convictions or remands per year and the average estimated sentences associated with each change in the draft legislation. DOC will track the impact and could potentially request additional funding based on actual impacts.

Continued on page 2

Prepared by: Leslie Houston, Director — Phone (907) 465-3339
Division Administration and Support — Date/Time 1/7/10 8:30 AM
Approved by: Dwayne Peeples, Deputy Commissioner — Date 1/7/2010
Department of Corrections

FISCAL NOTE #4

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 298

ANALYSIS CONTINUATION

This bill specifically adds a number of new crimes, expands existing crimes, and enhances sentences for existing crimes:

- Sections 1 and 2 remove parolees from the statute. This change should have little to no fiscal impact.

- Section 3 changes the elements for failure to register as a Sex Offender or child kidnapper in the second degree. It is estimated this will generate 3 new convictions per year carrying an average 2 month sentence.

- Section 4 raises a form of harassment in the second degree to harassment in the first degree if the offensive physical contact is by the offender touching the other person's genitals, anus, or female breast. The change from a Class B misdemeanor to a Class A misdemeanor is estimated to generate 18 convictions per year that carry an average 30 day sentence.

- Sections 5, 6, and 7 address a problem with current Alaska law prohibiting possession of child pornography. This amendment prohibits possession of child pornography, and also prohibits a person from knowingly accessing child pornography on a computer with the intent to view. We anticipate a relatively low number of new convictions and a possible increase in remands. Convictions would generate an estimated average 4 year sentence. The actual impact will be closely tracked by DOC.

- Section 8, 9, and 10 changes the elements of distribution of indecent material to minors to include any distribution in addition to electronic distribution. Because most of these cases are by computer, the impact on DOC is small and is included in Sections 5-6-7.

- Section 11 prohibits the suspension of sentences for human trafficking and possession of child pornography. DOC will track the actual impact.

- Section 12 adds discretionary probation conditions for Sex Offenders providing available electronic mail addresses and prohibiting internet use, communication with children, and possession or use of a computer. DOC believes this will have minimal impact above the number of remands that occur each year for such violations, however, we will track any impact this change to the bill may have.

- Section 13 adds as a sentencing aggravator adding the incapacity of a victim by alcohol or drugs. Due to a lack of data, the DOC is unable to assess an impact. The impact will be closely tracked.

- Section 14 adds two sentencing aggravators in a sex offense: first, to increase a sentence for a crime against a person committed against a person that the defendant was dating or with whom the defendant has engaged a sexual relationship; second, the sentence is increased if the defendant is 18 or over and is convicted of sexual abuse of a minor in the second degree under AS 11.41.436(a). Due to a lack of data, the DOC is unable to assess an impact. The impact will be closely tracked.

- Section 15 expands the definition of sex offense for sex offender registration to include sex offenses committed in other states where a person must register as a Sex Offender or child kidnapper. There are too many factors involved to determine a fiscal impact. DOC will track the actual impact.

- Section 16 amends criminal discovery restriction regarding child pornography. This represents no fiscal impact for DOC.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 298
(H) Publish Date: 1/19/10

Identifier (file name): 0859 -Law-Crim-12-30-09
Dept. Affected: Law
Title: An Act relating to the crimes of sexual assault, possession of child pornography and distribution of indecent material to a minor.
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Rules
Requester: Governor
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill adopts a class A misdemeanor for offensive touching that does not arise to sexual assault in the first, second or third degree. The bill adopts a class C felony for a person who knowingly accesses child pornography on a computer. The bill extends the prohibition of distributing indecent material to a minor to all forms of distribution. The bill provides that a person convicted of human trafficking or possession or distribution of child pornography may not be given a suspended imposition of sentence, and imposes certain restrictions on defendants.

Prepared by: Eileen Donahue, Division Operations Manager
Phone (907)465-5427
Division: Administrative Services
Date/Time 12/30/09 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 12/30/2009

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 298
(H) Publish Date: 1/19/10

Identifier (file name): 0859-DOA-PDA-12-31-09
Dept. Affected: Administration
Title: An Act relating to the crimes of sexual assualt, ...
RDU: Legal and Advocacy Services
Component: Public Defender Agency
Sponsor: Rules Committee
Requester: Governor
Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See attached page

Prepared by: Quinlan Steiner, Director — Phone 907 334-4414
Division: Public Defender Agency — Date/Time 12/31/2009, 4:00PM
Approved by: Rachael Petro, Deputy Commissioner — Date 12/31/2009
Department of Administration

(Revised 10/13/2009 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 298

ANALYSIS CONTINUATION

The bill will create a new misdemeanor crime of harassment for touching another person without consent. Additionally, the bill will eliminate the mens rea element associated with circumstances under which someone fails to register as a sex offender.

This bill will also change the procedures for defense access to evidence in child pornography cases. Under the proposed change to Criminal Rule 16, the evidence that forms the basis of such charges must remain in the custody and control of a law enforcement agency and the prosecuting attorney, and no copies can be made. This could result in additional costs associated with the logistics of reviewing and evaluating evidence.

The agency does not predict a significant fiscal impact as a result of the proposed statute. Accordingly, the agency submits a zero fiscal note.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 298
(H) Publish Date: 1/19/10

Identifier (file name): 0859-DOA-OPA-12-31-09
Dept. Affected: DOA
Title: An Act relating to the crimes of sexual assault, possession of child pornography and . . .
RDU: Legal and Advocacy Services
Component: Office of Public Advocacy
Sponsor
Requester: Governor
Component Number: 43

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill makes additions and changes to a number of criminal statutes and discovery procedures associated with sex offenses and child pornography prosecutions. Some of these changes could have a fiscal impact on the agency although it is not anticipated to be significant. Therefore, the agency has submitted a zero fiscal note.

Analysis continued on the second page.

Prepared by: Rachel Levitt, Director — Phone 907 269-3504
Division: Office of Public Advocacy — Date/Time 12/31/09, 4:30 p.m.
Approved by: Rachael Petro, Deputy Commissioner — Date 12/31/2009
Department of Administration

FISCAL NOTE #1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

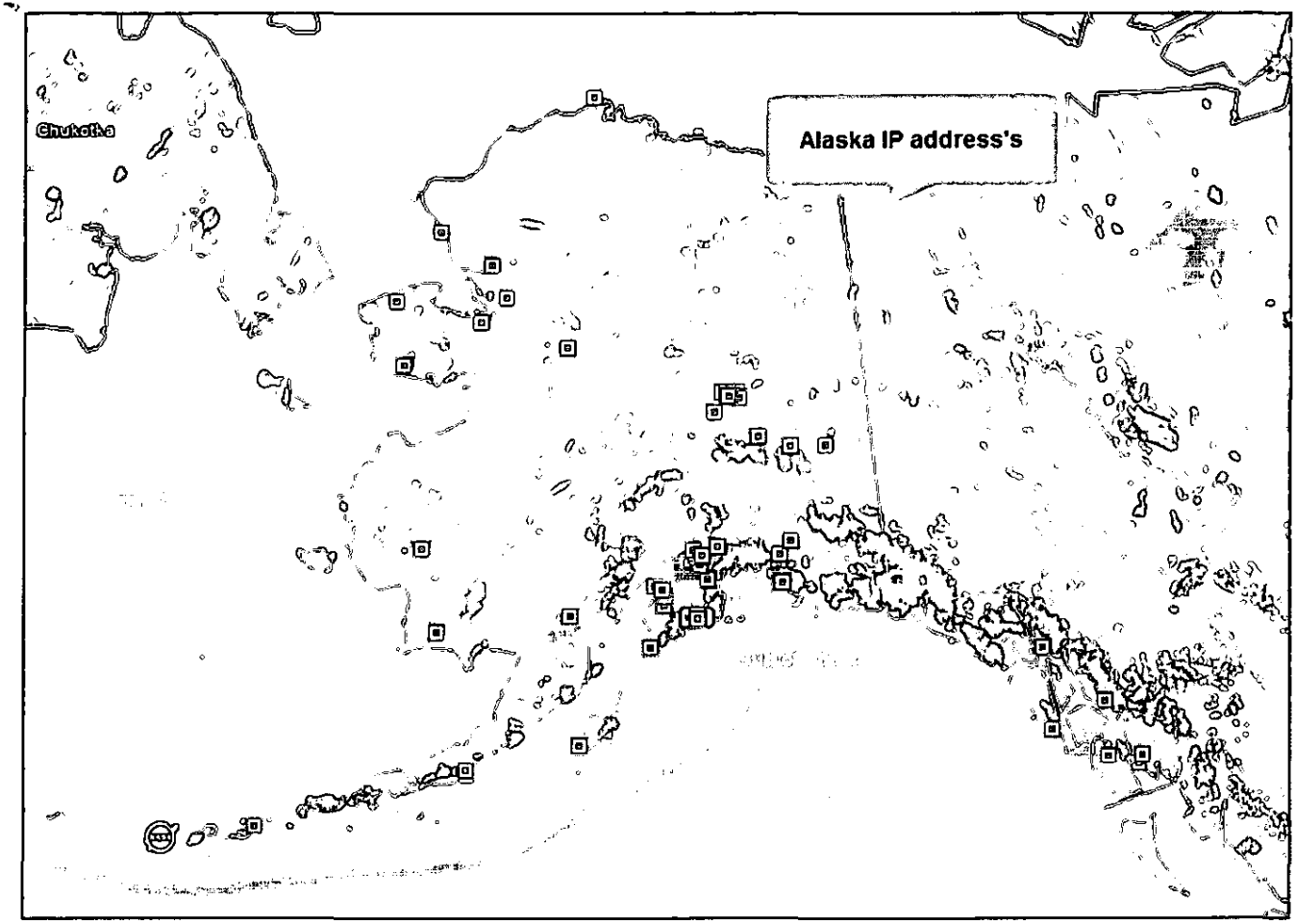
BILL NO. HB 298

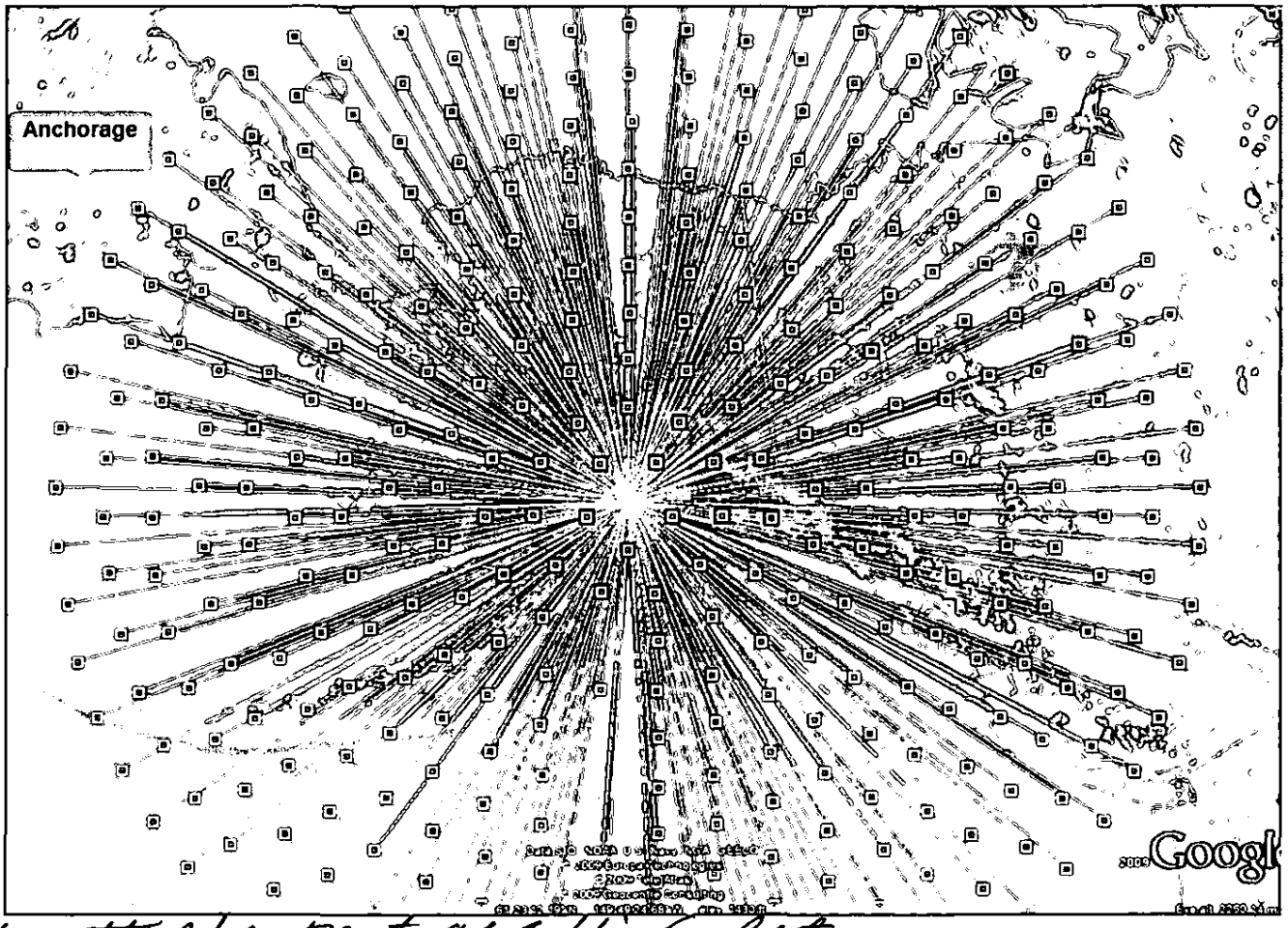
ANALYSIS CONTINUATION

The bill will create a new misdemeanor crime of harassment for touching another person's genitals, anus or female breast, directly or through clothing. Additionally, the bill will eliminate the mens rea element associated with circumstances under which someone fails to register as a sex offender. These changes could increase prosecutions and litigation associated with failure to register as a sex offender and child pornography cases.

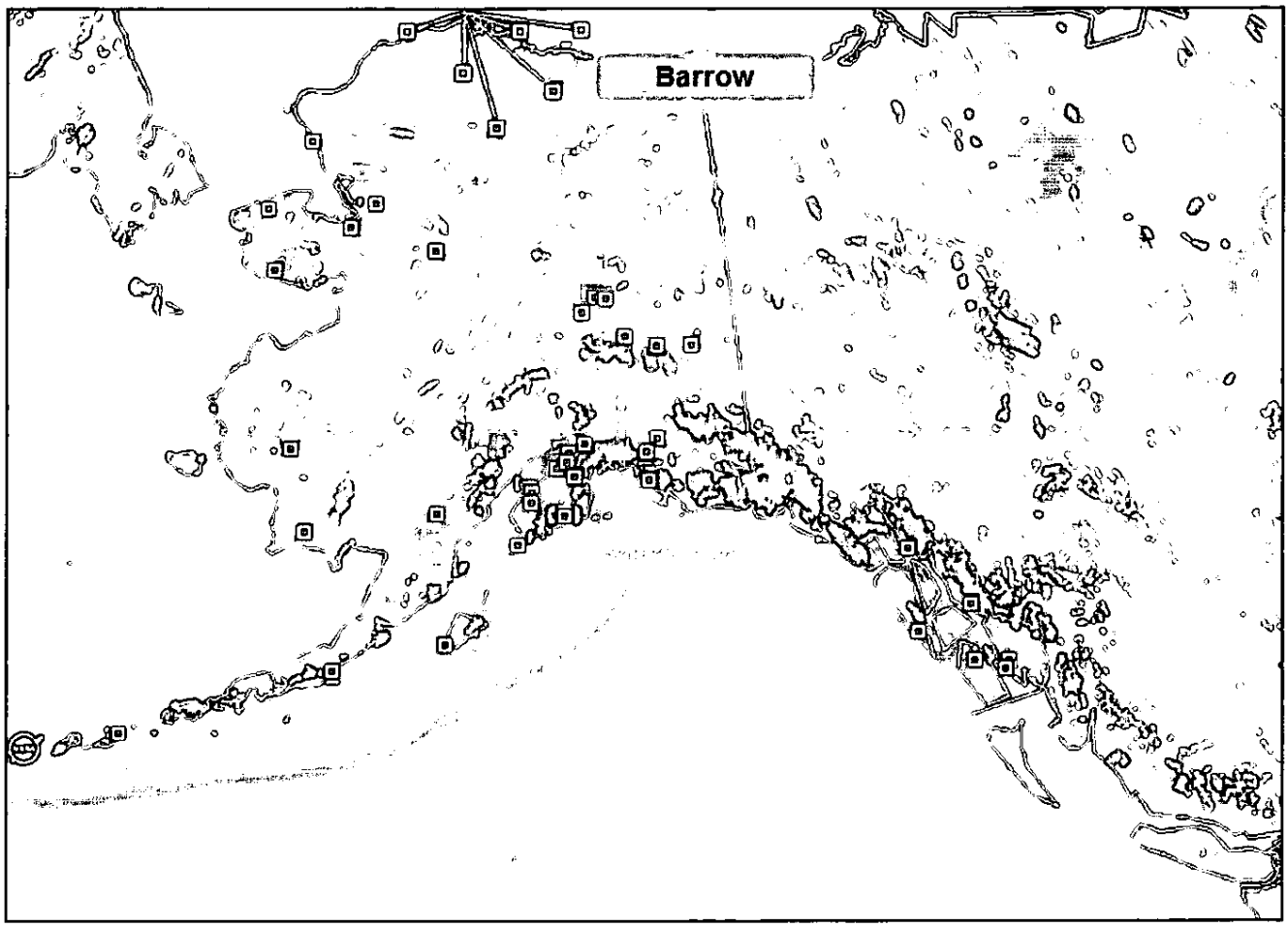
This bill will also change the procedures for defense access to evidence in child pornography cases. Under the proposed change to Criminal Rule 16, the evidence that forms the basis of such charges must remain in the custody and control of a law enforcement agency and the prosecuting attorney, and no copies can be made. This could result in additional costs associated with the logistics of the defense reviewing and testing evidence. For example, in a child pornography case any experts hired to review evidence would have to be paid for time involved with traveling and reviewing evidence where it is being held by the prosecutor or police agency, and facilities will have to be made available for evidence review and testing.

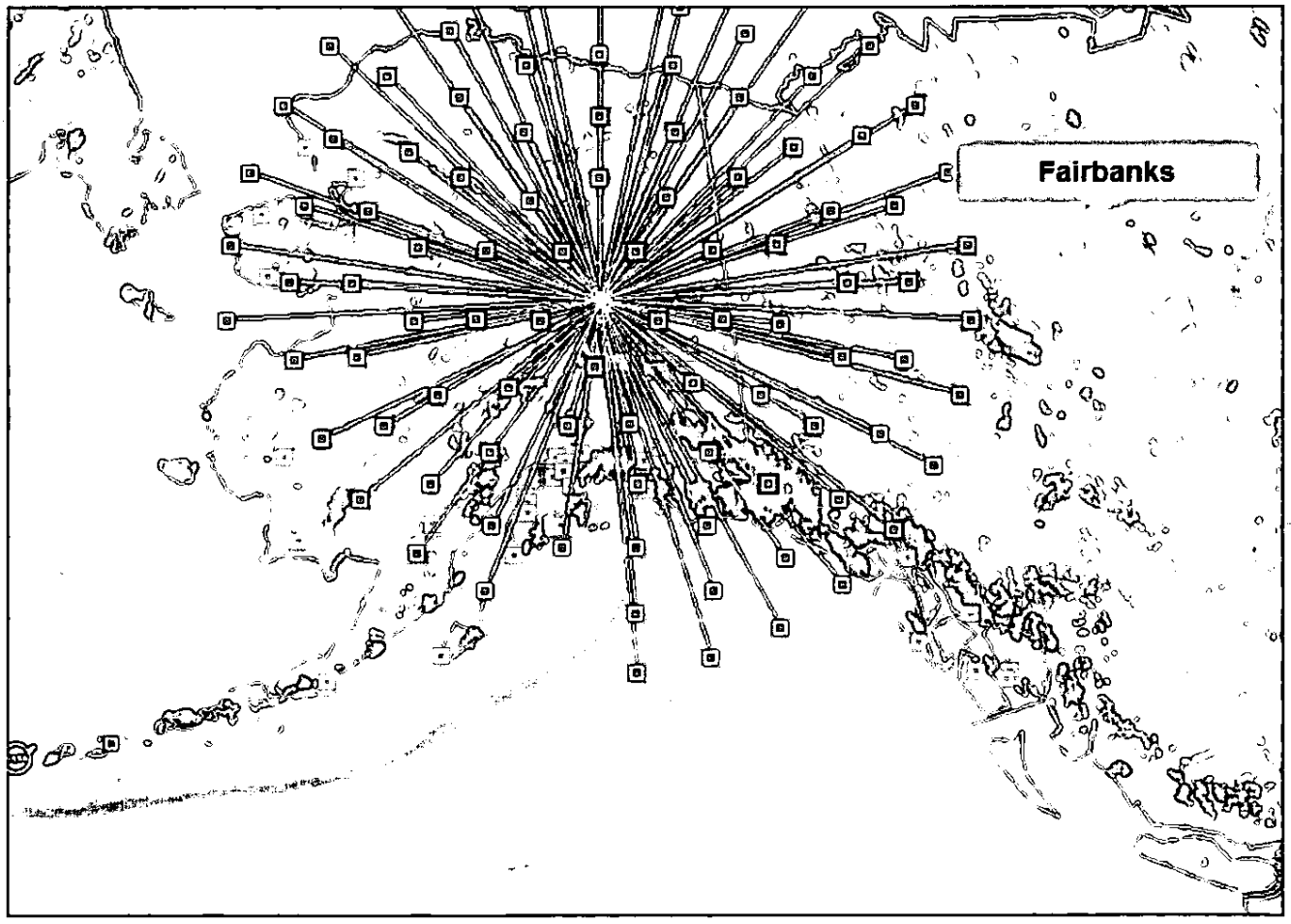
The agency does not predict a significant fiscal impact as a result of the proposed statute. Accordingly, the agency submits a zero fiscal note.

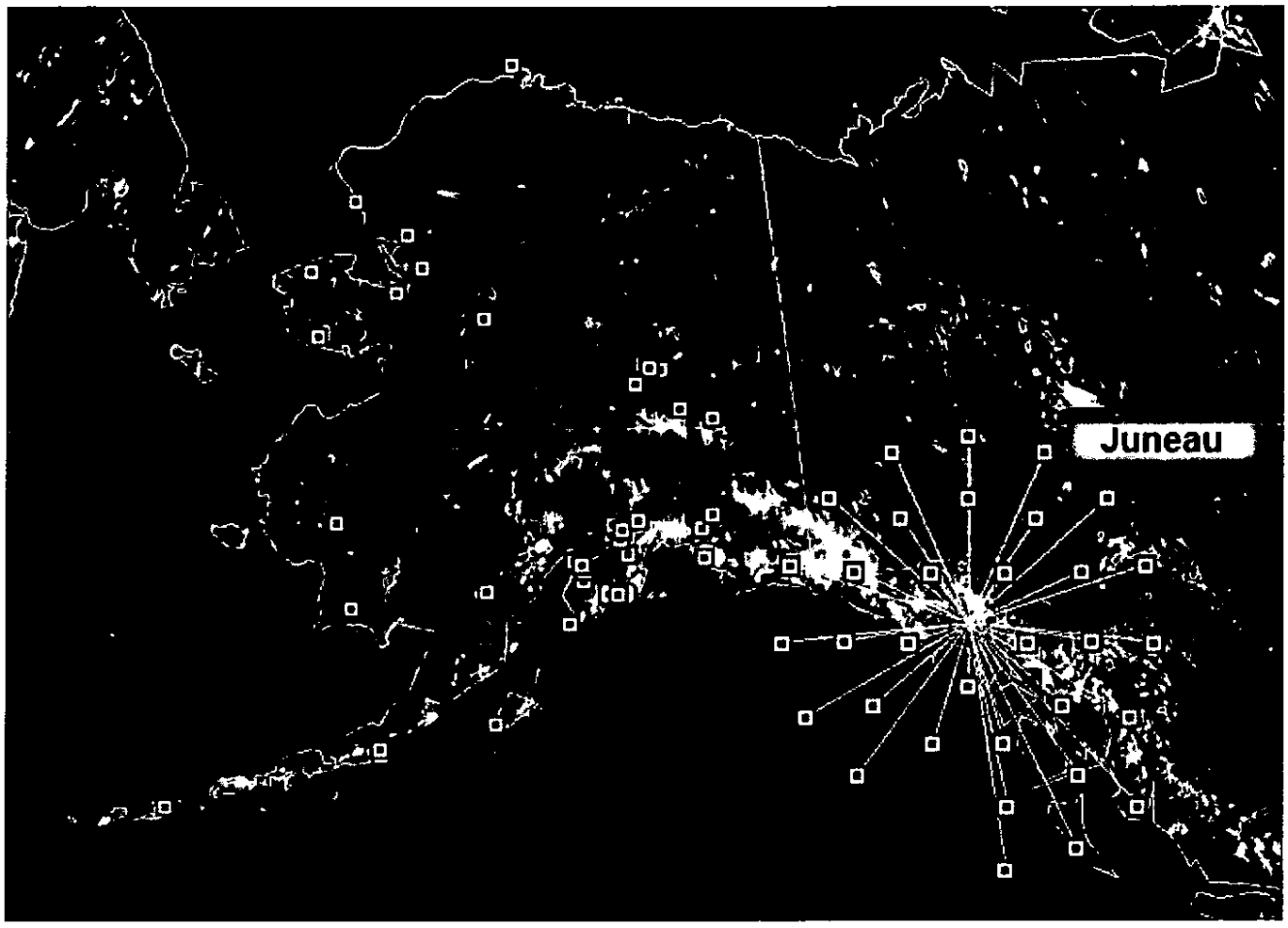




Submitted by Dept of Public Safety


Barrow


Fairbanks


Juneau

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION CENTRAL OFFICE

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Physical: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

CSHB 298(JUD)
SEXUAL ASSAULT AND DOMESTIC VIOLENCE
Sectional Analysis

Sections 1 and 2 correct an error made in 2007 when the legislature enacted AS 11.56.759, that adopted a class A misdemeanor if a sex offender violates specific conditions of probation or parole. One of the requirements of the crime is that the person have served the entire period of incarceration imposed for the crime. This is effective for probationers, but not for parolees, because a person is never on parole if he or she has served the entire period of incarceration. A member of the Parole Board brought this issue to our attention, because the statute has caused problems for the board in dealing with parolees. These sections remove parolees from the statute.

Section 3 rewrites AS 11.56.840, failure to register as a sex offender in the second degree. The proposal is similar to current law, but it sets out the elements more clearly. The section also adopts an affirmative defense that unforeseeable circumstances outside the control of the person prevented him or her from registering, and that the person contacted the Department of Public Safety immediately upon being able to do so.

Section 21 on page 11 of the bill adopts in uncodified law the legislative statement that the culpable mental state of knowing only applies to the sex offender or child kidnapper know that he or she is required to register. In the original version of the bill this provision was in the substantive part of the statute.

Section 4 would raise a form of harassment in the second degree (that is, with intent to harass or annoy another person, the person subjects the other person to offensive physical contact) to harassment in first degree if the offensive physical contact is by the offender touching the other person's genitals, anus, or female breast. Harassment in the first degree is a class A misdemeanor; the second degree offense is a class B misdemeanor. There have been prosecutions recently involving offensive touching that occurred so quickly that the court concluded that the victim did not have time to convey lack of consent to the offender. The court reduced these charges from sexual assault to harassment in the second degree. This conduct is more serious that a class B misdemeanor; the bill would raise it to a class A misdemeanor.

Sections 5, 6, and 7 address a problem with Alaska law prohibiting possession of child pornography that was raised by a recent decision of the Alaska Court of Appeals, *Worden v. State*, 213 P.3d 144 (Alaska App. 2009). *Worden* held that our current statute does not prohibit a

person from viewing child pornography on a computer; rather, the statute requires that the person must also save it on the computer to be considered to possess it. In response to this decision, the bill adopts the federal approach. It prohibits possession of child pornography, and it also prohibits a person from knowingly accessing child pornography on a computer with the intent to view it.

The bill adds to the child pornography law the prohibition of the depiction of a part of a child under 18 years of age that by manipulation appears to be engaged in conduct prohibited by AS 11.41.455(a). It also would prohibit material that appears to include a child under 18 years of age (often referred to as anime pornography) if the material is obscene.

Section 8 proposes an affirmative defense to possession of child pornography that is similar to federal law. The affirmative defense would address a situation where a person finds child pornography on their computer, and did not obtain it themselves. The defense requires that there are three or less depictions, and the person, without showing the material to another person except law enforcement, destroys the depictions or contacts law enforcement and turns it over to them.

Section 8 also adopts a definition of the "appears to include a child" for purposes of the prohibition of anime child pornography that references a definition of obscene.

Sections 9, 10, 11, and 12 amend the crime that prohibits the electronic distribution of indecent material to minors by expanding the offense to prohibit any form of distribution of indecent material to minors, in addition to electronic distribution. It also adds a new element of the offense that the state must prove that requires the material to be harmful to a child. Whether the material is harmful to a child is defined in **Section 12**, that defines that term.

Section 13 adds the crimes of human trafficking in the first and second degrees, distribution of child pornography, possession of child pornography, and distribution of indecent materials to minors to the crimes that are not eligible for a suspended imposition of sentence.

Section 13 also includes an amendment that removes "substantially" when describing a crime in another jurisdiction that may be a predicate conviction that would disallow the use of a suspended imposition of sentence for other offenses. This conforms with other statutes that require that a predicate offense in another jurisdiction be only similar to an offense in Alaska. Examples include AS 12.55.145(a) (presumptive sentencing), AS 11.41.320(a)(5) (third degree assault), and AS 11.41.110(a)(5) (murder in the second degree).

Section 14 adds to the conditions of probation that may be imposed on a person convicted of a sex offense. It gives the court discretion to order the person to submit e-mail addresses and other networking addresses to his or her probation officer, who would be required to give this information to the Troopers and to the local law enforcement agency. If the person was convicted of sexual abuse of a minor or an offense related to child pornography, it gives the court discretion

to prohibit the person from using an Internet site, communicating with children under 16 years of age, or possessing or using a computer.

Section 15 amends the aggravating factor at sentencing that allows the court to increase a sentence above the sentencing range if the defendant knew that the victim was particularly vulnerable. It does this by adding the consumption of alcohol or drugs as factors that might make a victim particularly vulnerable.

Section 16 adds two new aggravating factors to the sentencing law. First, it allows the court to increase a sentence above the sentencing range for a crime against a person (AS 11.41) committed against a person that the defendant was dating or with whom the defendant has engaged in a sexual relationship. Second, it allows the court to increase the sentence if the defendant is convicted of sexual abuse of a minor or distribution of indecent material to minors if the defendant is 10 years or more older than the victim.

Sections 17 and 18 add a new provision to sex offender registration law that requires a person present in Alaska, who is convicted of an offense out of state that requires registration in that jurisdiction, to register in Alaska. This requirement would apply even if Alaska does not have a criminal provision similar to the crime in the other state that requires registration there. A person would have to register for 15 years if convicted of only one offense, and for life if convicted for two or more offenses.

Section 19 authorizes the attorney general, in the investigation of online enticement of a minor, unlawful exploitation of a minor, and child pornography crimes, to issue a subpoena to an Internet service provider if there is reasonable cause to believe that the Internet service account has been used in the exploitation or attempted exploitation of children. The subpoena may require the provider to disclose the name, address, telephone connection records, and other information about the account. Other than use in the criminal case related to the subpoenaed materials, the information obtained must remain confidential.

Section 20 amends Rule 16(b), Alaska Rules of Criminal Procedure, by adding a prohibition of copying or otherwise reproducing child pornography as part of the discovery process in a criminal prosecution. The material must still be available for inspection for the defendant, defense counsel, and any person the defense may seek to qualify as an expert witness at trial. Federal law has a similar provision. 18 U.S.C.A. § 3509(m).

Section 21 provides a legislative statement that in a prosecution for failure to register as a sex offender, the state is not required to prove a culpable mental state for the conduct of not registering. The state would be required to prove that the defendant knew he or she was required to register as a sex offender.

Sections 22 and 23 include applicability and effective date provisions.

3/19/10

March 19, 2010

AMERICAN CIVIL LIBERTIES UNION OF ALASKA
1057 W. Fireweed, Suite 207
Anchorage, AK 99503
(907) 258-0044
(907) 258-0288 (fax)
WWW.AKCLU.ORG

OFFICERS AND DIRECTORS
SUSAN WINGROVE, Anchorage
PRESIDENT

RICH CURTNER, Anchorage
VICE PRESIDENT

LLOYD EGGAN, Anchorage
TREASURER

TONY STRONG, Juneau
SECRETARY

WILLIE ANDERSON, Juneau
AFFIRMATIVE ACTION OFFICER

KIRSTEN BEY, Nome
PAUL GRANT, Juneau
SCOTT HENDERSON, Anchorage
KATIE HURLEY, Wasilla
MICHAEL KING, Anchorage
CONNIE OZER, Anchorage
JOHN NEVILLE, Anchorage
GALEN PAINE, Sitka
STEPHANIE PAWLOWSKI, Anchorage
JUNE PINNELL-STEPHENS, Fairbanks
JIM WHITAKER, Fairbanks
NADINE WINTERS, Fairbanks

ZACH FICK, Anchorage
NOELANI KAMAHELE, Anchorage
STUDENT ADVISORS

The Honorable Mike Hawker
The Honorable Bill Stoltze
Co-Chairs, House Finance Committee
Alaska State House of Representatives
State Capitol
Juneau, AK 99801

Re: House Bill 298
Constitutional Issues

Chairs Hawker & Stolze:

Thank you for the opportunity to submit written testimony regarding House Bill 298, [CS FOR HOUSE BILL NO. 298(JUD)]. The American Civil Liberties Union of Alaska represents thousands of members and activists throughout the State of Alaska who seek to preserve and expand individual freedoms and civil liberties guaranteed under the United States and Alaska Constitutions. From that perspective, we have several concerns with the proposed legislation, outlined in greater detail below.

With respect to the best use of resources of the State of Alaska, the Finance Committee should note that – if passed as currently worded – HB 298 would result in lengthy and costly litigation with the predictable result of the Alaska Supreme Court overturning the problematic provisions detailed. Appropriate revision of the bill would result in more timely and cost-effective protections for the safety of Alaskans.

Section 20 Proposed Amendments to
Rule 16 of the Rules of Criminal Procedure

Section Twenty of the Bill proposes changes to the rules of criminal procedure that violate the state and federal constitutional rights to a fair trial and to effective representation, and would involve the state in lengthy and costly litigation defending an unconstitutional provision.

(Copy on file)

The Section proposes that relevant evidence should be revealed to defendants, defense attorneys, and defense experts only at a state facility, under the control of a law enforcement agency. While protecting the privacy of the victims of certain crimes is an important interest, the proposed changes to the Rules of Criminal Procedure unnecessarily restrict the rights of the accused.

In some cases, the use of a technological expert is necessary. Defendants are entitled to establish, for example, that images at issue in a trial are not illegal material, were placed on the drive by another party, or were altered in some way. The computer source files would require review at length by an expert witness. Being forced to conduct the review at a local police department or District Attorney's office would make the work of these experts essentially impossible. Moreover, the analysis of hard drives and other media would likely require unique analysis programs which would necessitate examining the images on the expert's own computers. The proposed Rule Amendment would deprive defendants of the effective use of expert testimony, which would be a key defense resource in these cases.

Even where the use of an expert is unnecessary, the defense attorney may need to review the files at length to establish the exact nature of images or files. Requiring defense attorneys to do their work at times and places convenient to the state is unnecessarily and unconstitutionally restrictive.

A case from Washington State perfectly illustrates why the proposed rule would result in lengthy and expensive litigation which would ultimately result in the overturning of the statute. In *State v. Boyd*, the prosecution in a child pornography case sought and obtained a protective order from the court which only permitted the defense to view the evidence at a state facility. 158 P.3d 54 (Wash. 2007). ***The Supreme Court of Washington ruled that the Rules of Evidence, the Fifth Amendment right to a fair trial, and the Sixth Amendment right to effective representation by counsel all required that the protective order be struck down and the defendant be granted a new trial, because the defendant could not be adequately represented nor fairly tried under the order.***

The important privacy needs of victims can be protected without the measures laid out in Section 20. For example, the *Boyd* court upheld an order requiring the defense to keep "mirror image" hard drives of evidence under lock and key, to use firewall software on any computer viewing images that was connected to the internet, making the attorney personally and professionally responsible for any unauthorized release of the images, and allowing state experts to verify the complete eradication of the images after the conclusion of the case.

The power of a court to issue a protective order in a particular case already exists and needs no augmentation by the Legislature. An order issued after consideration of the unique facts of an individual case is far more likely to survive appellate review than a blanket rule set down by the Legislature.

Section 20 of H.B. 298 violates the state and federal constitutional rights to a fair trial and to effective representation. We recommend the Bill be revised so that the courts would be permitted

to manage the disclosure of evidence on a case-by-case basis, rather than by instituting a blanket rule that would guarantee entanglement of the State in litigation.

Section 17 Requirement for Registration of Sex Offenders from Other Jurisdictions

Section 17 proposes to expand the list of those required to register as sex offenders to include anyone required to register in another jurisdiction. This section would also entangle the state in lengthy and costly litigation defending a provision which has essentially already been ruled unconstitutional by the Alaska Supreme Court.

In *Doe v. State*, 189 P.3d 999 (Alaska 2008), the Supreme Court found that those convicted of sex offenses in Alaska before the enactment of the sex offender registry statutes in 1994 could not be required to register, as the statute would violate the *ex post facto* provision of the State Constitution. In many other jurisdictions, the state courts have not declared their state sex offender statutes to offend their own *ex post facto* rules. Thus, the Alaska *ex post facto* provision would likely prohibit mandatory registration for those convicted of offenses in another state prior to 1994. A final determination would need to be made by the Alaska Supreme Court, after lengthy litigation.

Additionally, the proposed amendment in Section 17 usurps the State's own policy making decisions, and adds needless expense that our lawmakers have previously determined are not appropriate or cost-effective. For instance, in Alaska, the Legislature has set the age of consent at sixteen. This amendment would nullify the legislature's judgment and require someone convicted of having sex with a 17-year-old in another state to report to the Department of Public Safety and face incarceration should he fail to report on time. Should he end up incarcerated, the people of the state of Alaska will be paying $44,000 a year to incarcerate someone as a consequence for committing an underlying act which would not even be a crime in Alaska.

The current state of the law in Alaska is that anyone convicted under appropriate Alaska statutes or similar statutes in another state, such as rape, sexual assault, etc., must register in Alaska. Section 17 would therefore expand the registry – not to the most culpable and the most dangerous – but to those who have committed acts such as having sex with a 17 year old; prostitution; and other minor offenses, like indecent exposure. These offenders are not likely to commit the rapes and molestations that the registry is designed to protect Alaskans from.

Of note, as well, registries have been ineffective in preventing crime. A Rutgers University study showed that the New Jersey sex offender registry had "no demonstrable effect in reducing sexual re-offenses." The study also showed the enactment of the law had no effect on the number of victims of sex offenses, no effect on how long those convicted of sex offenses remained arrest-free, and no effect on the type of sex offenses committed. The Legislature and the Finance Committee should look for proven, effective methods of preventing sex offenses. The proposed expansion of the sex offender registry in HB 298 is not a means to do this.

///

Sections Three and Twenty-One – Eliminating the Mental State Requirement of the Failure to Register Statute

Section Three of the Bill, along with Section Twenty-one, eliminates a criminal culpability mental state requirement, or *mens rea*, for the offense of failure to register, which means that a person who "knowingly" but accidentally or in good faith neglects to complete the registration requirement every three months could still be found guilty of the offense. Section 3, subsection (b) creates an affirmative defense that registration became impossible because of an unforeseen circumstance and that the individual orally and in writing contacted the Department of Public Safety as soon as possible.

Generally, the criminal law requires "not only the doing of some act by the person to be held liable, but also ***the existence of a guilty mind*** during the commission of the act." *Speidel v. State*, 460 P.2d 77, 80 (Alaska 1969). The Alaska courts have held that, for major felonies, a mental state requirement is **mandatory**, while some minor offenses, such as hunting or public health related offenses, may be strict liability offenses without a mental state requirement. *Speidel*, 460 P.2d 77 (holding that the statute declaring the failure to return a car to be a crime, regardless of mental state, violated due process); *see also* State v. Guest, 583 P.2d 836 (Alaska 1978); *State v. Fremgen*, 914 P.2d 1244 (Alaska 1996).

In some cases, the courts have avoided declaring a statute unconstitutional by creating a mental state requirement where a statute has neither a provision for mental state nor language stating that no mental state requirement exists. *Kimoktoak v. State*, 584 P.2d 25 (Alaska 1978); *Alex v. State*, 484 P.2d 677 (Alaska 1971). With an explicit statement only a "knowing" mental state is required in Section Three, the courts would not be able to avoid the constitutional conflict and would likely rule the statute unconstitutional.

Of note, as well, are the unique conditions here in Alaska. Many registered sex offenders live off the road system and in remote villages in which mail service gets interrupted, travel and telecommunications are irregular, and weather could keep an offender from being able to comply. Placing the burden on the defendant to prove his innocence reverses our legal tradition and the traditional balance of powers between the defense and the prosecution. The elimination of a criminally culpable mental state requirement and the substitution of a restrictive affirmative defense make Sections Three and Twenty-one subject to lengthy and costly litigation, with a likely eventual finding of unconstitutionality.

Conclusion

We hope that the Finance Committee will note the multiple constitutional infirmities in Sections Three, Seventeen, Twenty, and Twenty-one of House Bill 298, and consider amending them or eliminating them from the Bill to avoid these concerns.

///

While the ACLU of Alaska takes very seriously the need to address the incidence of sexual assault in Alaska, the sections detailed are not well-crafted to vindicate the state's purposes. The sections we have identified present substantial Constitutional problems and would entangle the state in lengthy, costly, and needless litigation, should HB 298 pass as currently written.

Thank you again for the opportunity to share our concerns. And please feel free to contact the undersigned should you require any additional information.

Sincerely,

Jeffrey Mittman
Executive Director
ACLU of Alaska

cc: Representative Bill Thomas, Vice-Chair
Representative Alan Austerman
Representative Anna Fairclough
Representative Reggie Joule
Representative Mike Kelly
Representative Mike Doogan
Representative Neal Foster
Representative Les Gara
Representative Woodie Salmon
Representative Mike Chenault

Sec. 11.81.900. Definitions.

(a) For purposes of this title, unless the context requires otherwise,

(1) a person acts "intentionally" with respect to a result described by a provision of law defining an offense when the person's conscious objective is to cause that result; when intentionally causing a particular result is an element of an offense, that intent need not be the person's only objective;

(2) a person acts "knowingly" with respect to conduct or to a circumstance described by a provision of law defining an offense when the person is aware that the conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is an element of an offense, that knowledge is established if a person is aware of a substantial probability of its existence, unless the person actually believes it does not exist; a person who is unaware of conduct or a circumstance of which the person would have been aware had that person not been intoxicated acts knowingly with respect to that conduct or circumstance;

(3) a person acts "recklessly" with respect to a result or to a circumstance described by a provision of law defining an offense when the person is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that disregard of it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation; a person who is unaware of a risk of which the person would have been aware had that person not been intoxicated acts recklessly with respect to that risk;

(4) a person acts with "criminal negligence" with respect to a result or to a circumstance described by a provision of law defining an offense when the person fails to perceive a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would observe in the situation.

(b) In this title, unless otherwise specified or unless the context requires otherwise,

(1) "access device" means a card, credit card, plate, code, account number, algorithm, or identification number, including a social security number, electronic serial number, or password, that is capable of being used, alone or in conjunction with another access device or identification document, to obtain

Distributed by Chair

Rep STOLTZE

Expected witnesses for CSHB 298(JUD)
House Finance Committee

Joseph A. Masters, Commissioner
Department of Public Safety

Derek DeGraaf, Sergeant, Supervisor
Technical Crimes Unit
Alaska Bureau of Investigation
Division of Alaska State Troopers

Dwayne Peeples, Deputy Commissioner
Office of the Commissioner, Juneau
Department of Corrections

Daniel S. Sullivan, Attorney General
Department of Law

Anne Carpeneti
Assistant Attorney General
Department of Law

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

January 15, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that provides Alaska law enforcement and other agencies the resources needed to prevent sexual assault and domestic violence crimes in Alaska. Sexual assault and domestic violence crimes destroy individuals and families, eroding the foundation of a just society. Alaska's challenge is to stop child pornography, sexual assault, and sexual abuse of minors in addition to ending the cycle of domestic violence.

Alaska's criminal laws concerning domestic violence, sexual assault, sexual abuse of a minor, and child pornography are strong. However, a few changes would improve prosecution of these offenses. The bill will adopt a class A misdemeanor for offensive touching that does not arise to sexual assault in the first, second, or third degree. It will also adopt a class C felony, the offense of knowingly accessing child pornography on a computer, and extend the prohibition of distributing indecent material to a minor to all forms of distribution.

The bill provides that a person convicted of human trafficking, possession, or distribution of child pornography may not be given a suspended imposition of sentence. It will specify conditions of probation for child predators that allow a court to forbid the defendant from using a computer or internet site, and prohibit contact with children.

The bill will give the courts more discretion in sentencing defendants. Specifically, it will allow a court to increase a person's sentence above the usual sentencing range if the defendant knew that the victim was particularly vulnerable as a result of having consumed alcohol or drugs. It will also allow an increased sentence if the crime is a felony and is committed against a person whom the offender is in a relationship of trust, such as dating or sexual relationship, or the offense involves a defendant who is 18 years of age or older and has sexual contact with a minor under 13 years of age.

Sex offenders and child kidnappers required to register elsewhere should not be able to move to Alaska and avoid registration. The bill will make it mandatory for a registered sex offender or child kidnapper from another state to register in Alaska when the intention is to live in Alaska. This would apply even when Alaska does not have a substantive law that is similar to the crime the person committed.

Finally, the bill protects victims of child pornography from being victimized or traumatized by the pre-trial discovery process in a criminal prosecution. While it allows the pornographic material to be inspected by the defendant, defense counsel, and experts the defense may use, copying the material would be prohibited and required to remain in the possession of law enforcement.

I urge your prompt and favorable consideration of this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

HB 300

<target><bill>HB 300</bill><subject>HB 300</subject><comm>HFIN26</comm></target>

Department of Law
Gas Line Funding History

The Department of Law is requesting $2,500.0 for work related to the state natural gas pipeline and to bringing North Slope gas to market.

The Department of Law's Oil, Gas and Mining section continues to play a major role in the State's top priority project related to the development of a natural gas pipeline and bringing natural gas to market. A number of contracts with outside counsel and experts are underway and will continue as needed. Funding will assist the department in analyzing and responding to federal regulatory decision-making and other regulatory efforts to commercialize North Slope gas, and representing the Departments of Natural Resources and Revenue in addressing legal issues related to implementation of the AGIA license and the Alaska Pipeline Project (APP).

The Department of Law has contracts with law firms with extensive oil and gas experience. The primary contract is with Greenberg Traurig (GT), a Washington, D.C. based firm with gas pipeline experience and considerable expertise representing clients before the Federal Energy Regulatory Commission (FERC). The firm has assisted the state with analysis of federal regulatory issues including FERC rate making practices, federal open season requirements, use of precedent agreements for firm transportation capacity, analysis of Natural Gas Act requirements, analysis of the AGIA licensee's project plan, analysis of LNG export issues, analysis of royalty inducements for proposed regulations, and the successful request for a waiver of FERC capacity provisions to reduce risks to potential shippers related to the state's ability to switch between taking its royalty gas in-kind to in-value. The department has also contracted with Bennett Jones, a law firm that has assisted the department with Canadian regulatory issues relevant to the pipeline project. The legal work that the firms perform is highly specialized and critical to the pipeline project's success.

In FY 2009 $3.5 million was transferred from the Governor's office to the Department of Law. At the end of 2009, $1,697.2 was encumbered for an existing contract with Greenberg Trauig and expected to fund the Department's needs in FY10. As of February 22nd, $835,179 remains encumbered under that contract and we anticipate expending most if not all of these funds prior to the end of the FY10. Additionally, at the request of the Governor's Office, we identified $550.0 that would be available and returned the funds to the Office of the Governor.

The requested funds will be used to continue to assist the department in the upcoming open season, including review of the APP open season filing, continued monitoring of the FERC pre-filing process and analysis of FERC issues, resulting transportation agreements, FERC filings relating to a certificate of public convenience and necessity, filing and evaluations relating to Canadian regulatory issues and other FERC and regulatory issues.

AOGCC Gas Studies FY2010 Progress and Future Work

At the beginning of FY2010 the AOGCC had $1.5 million of the multi year operating appropriation (AR 3559-10) available. The entire amount of a capital appropriation, (AR 7699-12) $1.5 million is unexpended and remains available.

The multi year operating appropriation originated in SLA 2005, Chapter 3, Sec. 20 (a), where $1.2 million was appropriated. SLA 2007, Chapter 30, Sec. 13 (c) increased the amount to $2.2 million. Sec. 61 (d) of this same chapter extended the lapse date to June 30, 2008. SLA 2008, Chapter 29, Sec. 34 (a) extended the lapse date to June 30, 2009. SLA 2009, Chapter 14, Sec. 4 extended the lapse date to June 30, 2010.

The FY2010 expenditures are as follows:

Gaffney, Cline & Associates

9/11/2009	$54,230.00
10/6/2009	$3,795.00
10/9/2010	$44,785.00
12/14/2010	$16,790.00
1/13/2010	$2,385.00
TOTAL	$121,985.00

During FY2010 the Commission and its contractor Gaffney, Cline & Associates, expects to complete the data gathering and initial analysis of the existing reservoir data for the Thomson Sand in the Point Thomson Unit (PTU) as well as an independent reservoir simulation model based on the existing data. This will include geologic and reservoir simulation models based on data gathered from the existing exploration wells in the unit but will likely not include any new data from the wells being drilled as part of the ongoing PTU Initial Production System (IPS) since the drilling and testing of those wells will not likely be completed prior to FY2011. During FY2010 the Commission also expects to start gathering new information on the Prudhoe Bay Unit (PBU) based on a revised reservoir model created by the PBU owners. This is valuable because it will enable the Commission to understand this complex reservoir better, to anticipate additional information necessary to make appropriate determinations on pool rules and gas offtake, to respond timely on such rulings, and to advise legislators and others on important considerations in major gas sales planning.

Currently, $228,363.64 is encumbered. The funding will be used to continue work with the contractor Gaffney, Cline & Associates as described above.

For FY2011 we are requesting that $1,150,900 be appropriated. This is the amount of the previous GF gas pipeline funding appropriation that is estimated to be unexpended and unobligated at June 30, 2010. During FY2011 the Commission expects to complete work on the PTU reservoir study including

incorporating geologic and well testing information from the initial 2 wells, the producer/injector pair, being drilled as part of the IPS. The Commission also expects to continue to gather data from the new PBU reservoir models and may employ a contractor to help us analyze the new data and incorporate it into our existing studies.

Beyond FY2011 the Commission expects to incorporate production data from the IPS, which isn't expected to come online until 2014, into our analysis of the PTU and to gather and analyze updated information on PBU, such as data on new wells and pre-gas sales depletion planning, as it becomes available. If other productive reservoirs in the PTU are discovered the Commission will also evaluate and incorporate information from them in our analyses. Also, any other oil reservoir expected to contribute gas to major gas sales (such as Kuparuk, Lisburne, or even an as-yet-undiscovered reservoir) will need a similar analysis to that done for Prudhoe Bay and Pt Thomson.

Additionally, at some point in FY2011 and/or future years the Commission will likely hold hearings on gas offtake allowables for the PBU and PTU and pool rules for the PTU that would require the Commission to call upon the contractor for the PBU major gas study that was completed in 2007 and the contractor for the ongoing PTU reservoir study to provide testimony as expert witnesses.

The Commission has considered the pros and cons of relinquishing existing funds and feels strongly that it is important to have the funds available when needed so that the Commission does not create delays in the forward progress of major gas sales by having to reacquire the funds necessary to complete future tasks, which are certain to be required.

Prepared by the Department of Administration, Alaska Oil and Gas Conservation Commission, February 24, 2010

Alaska Department of Labor and Workforce Development
Gasline Funding History

The Alaska Gasline Inducement Act required the Commissioner of Labor and Workforce Development (DOLWD) to develop a job training program for Alaskans in gas pipeline project management, construction, operations, maintenance and other gas pipeline related positions (AS 43.90.470).

In FY 08, the department was appropriated $850.0 GF for the development of the program and the commissioner convened a steering committee to develop what became the Alaska Gasline Training Strategic Plan. The plan, first published in January 2008 identified four broad strategies to address system-wide improvements to Alaska's job training system and infrastructure focusing on preparing Alaskans for today's jobs that would give Alaskans an advantage in competing for gasline construction, maintenance and operation jobs as they became available. The steering committee emphasized that with or without the gasline Alaska has a skills gap that needs to be addressed through comprehensive system improvement. The lapse date for these funds was extended to year end FY09.

In FY 09, the department received a $600.0 GF capital appropriation to make improvements to the on-line labor exchange system, and the Alaska Works Partnership was granted $3 million GF toward construction of the Fairbanks Pipeline Training Center. In addition $860.0 GF was transferred to the department from an appropriation to Governor's Office to be used for Oil and Gas Development. These funds were provided to the department to continue the strategic planning effort, to implement targeted job training activities, to develop an on-line training provider data base and improve presentation of labor market data at the regional and local levels. Each of these items was called for in the Gasline Training Strategic Plan.

In FY 10, the department was authorized $410.0 GF carry-forward funding from the FY08 and FY09 appropriations and $550.0 GF in new authorization by the legislature to continue the strategic planning effort, to implement targeted job training activities, and to continue development of the on-line training provider data base and improve presentation of labor market data at the regional and local levels. The department also realigned other existing internal funding ($250.0 GF) to support Alaska Workforce Investment Board gasline activities.

In FY 11, due to a recognition that this planning, workforce development and training is necessary even without a gasline, the department instead of requesting continued gasline funding has reallocated funds within the existing budget to continue the strategic planning effort, to implement targeted job training activities, and improve the on-line training provider data base and presentation of labor market data at the regional and local levels. The realignment is included in the budget request which is currently before the House Finance Subcommittee for Labor and Workforce Development.

To date (FY 09 and FY 10 to date) the department has sponsored training for over 250 Alaskans in gasline related occupations with the funding identified above.

House Finance Committee **Teleconference Number 1-877-763-5073**
Governor's FY2011 Oil & Gas Requests
February 18, 2010

I. In-State Gas Pipeline

Department	Juneau	Teleconference
Governor's Office	Bob Swenson, Instate Gas Pipeline Coordinator	
	Mike Metz, Pipeline Alignment Design Manager	

II. Alaska Gasline Inducement Act

Department	Juneau	Teleconference
Administration – Alaska Oil & Gas Conservation Commission		Dan Seamount, Chair
Administration – Alaska Oil & Gas Conservation Commission		Cathy Foerster, Commissioner
Administration	Eric Swanson, Administrative Services Director	
Labor	David Stone, Deputy Commissioner	
Labor	Mike Helms, Budget Manager	
Law	Craig Tillery, Deputy Attorney General	
Law	Tina Kobayashi, Chief Assistant Attorney General	
Law	Dave Blaisdell, Administrative Services Director	
Natural Resources	Marty Rutherford, Deputy Commissioner	Mark Myers, AGIA Project Coordinator
Natural Resources	Leta Simons, Support Services Division Director	
Revenue	Pat Galvin, Commissioner	
Revenue	Marcia Davis, Deputy Commissioner	
Revenue	Dona Keppers, Audit Master	
Revenue	Ginger Blaisdell, Administrative Services Director	

III. Alaska Natural Gas Development Authority

Department	Juneau	Teleconference
Alaska Natural Gas Development Authority		Harold Heinze, Chief Executive Officer

Department of Revenue

Status of FY 2010 Gas Line Appropriations

Ch27 SLA 09, (HB 177) North Slope Gas to Market (OP)	
Original Approp	$1,221,000.00
Adjustment from OMB pre FY10	$550,000.00
Spent pre FY10	$ 539,000.00
Balance Going Into FY10	$1,232,000.00
Spent during FY10	$878,300.00
Encumbered during FY10	$353,700.00

Gaffney Cline & Assoc = $188,700.00
- Remaining Balance on current contract obligation.

Goldman Sachs = $165,000.00
- Awaiting final billing to close out the contract.

Lapse	0
Balance	0

Ch6 SLA 07 (SB82) Commercialization North Slope Gas (CAP)	
Original Approp	$3,000,000.00
Spent pre FY10	$2,442,600.00
Balance going into FY10	$557,400.00
Spent during FY10	0
Encumbered during FY10	0
Lapse	0
Balance	$557,500.00

Description:

These funds are intended to be used for the following purposes:
- Contractor services to finalize the department's AGIA regulations ($50.0).

- Remaining Funds are held for anticipated consultant/contractor services necessary for fiscal system analysis associated with gas commercialization discussions during and after the upcoming open seasons. The timing of such discussions is uncertain and depends on factors outside the state's control. The state needs to be able to ramp up quickly if the situation develops, where such discussions are timely and necessary.

ALASKA IN-STATE GAS PIPELINE PROJECT

Budget Summary

Bob Swenson, Project Manager

February 18, 2010

Table of Contents

Alaska In-State Gas Pipeline - Proposed Project Map **3**

Organization Chart **4**

Project Task Outline **5**

Budget Overview **6**

Supplemental Bill language **7**

FY10 Budget Narrative *7*

FY10 Project Task Details: Alaska In-State Gas Pipeline **8**

ASRC, Inc. - Progress Report *8*

Michael Baker, Inc. - Progress Report - Alaska In-State Gas Pipeline *9*

ENTRIX, Inc. Progress Report - Alaska In-State Gas Pipeline *12*

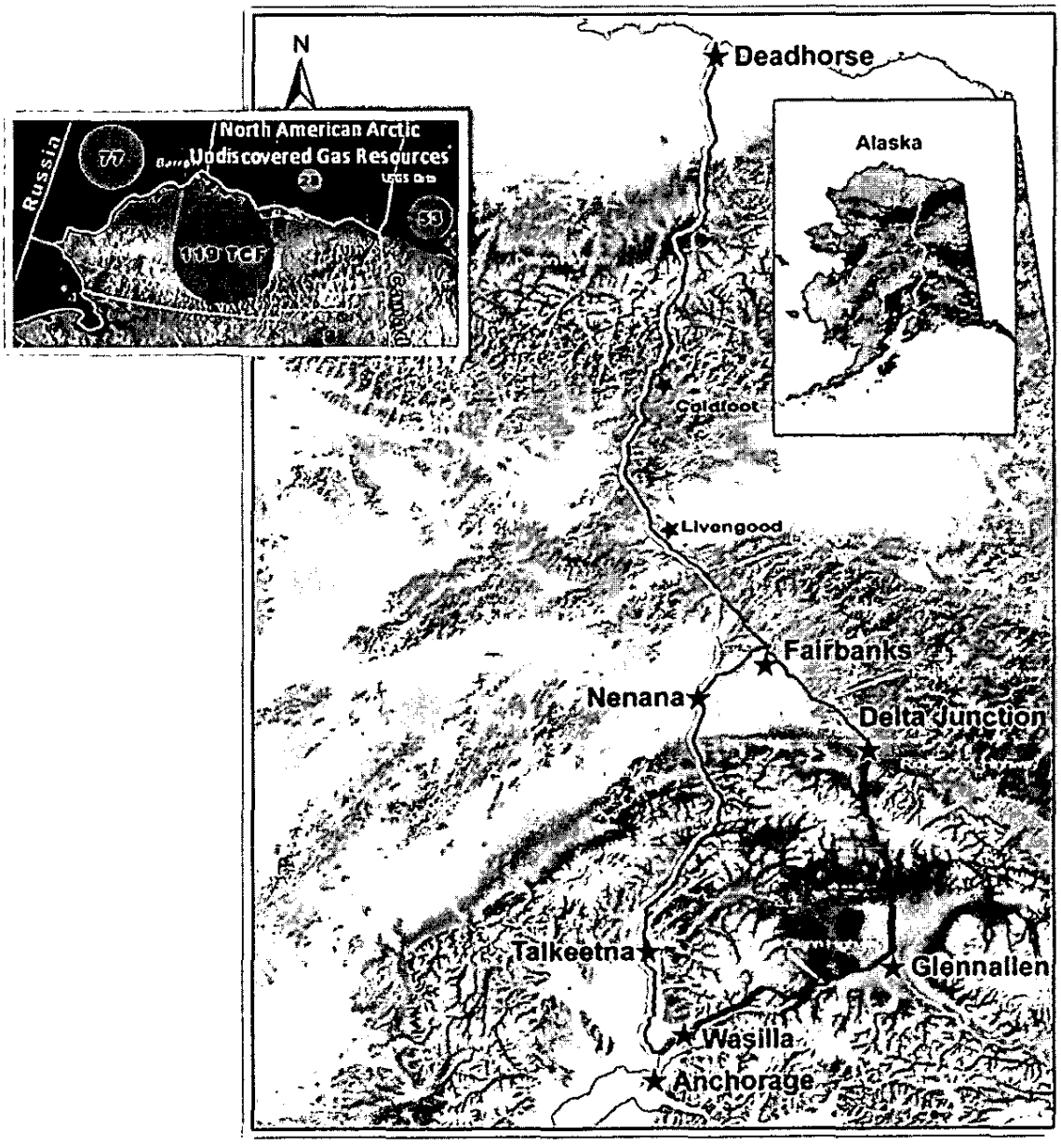
Alaska State Department of Natural Resources *12*

US Bureau of Land Management *12*

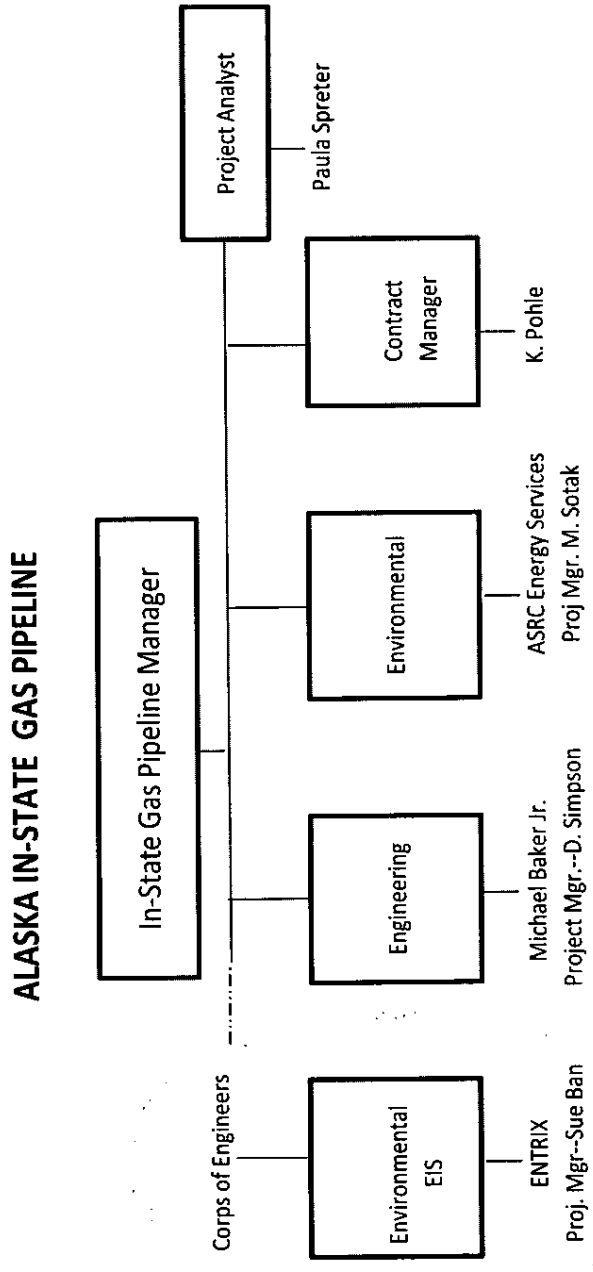
In-State Stand Alone Pipeline - FY11 Budget Narrative **13**

Alaska In-State Gas Pipeline - Proposed Project Map

Map showing all primary routes and alternate routes for small diameter in-state natural gas pipeline options. Alternate route analysis for the stand alone project is complete. Routes include; Stand Alone Parks (yellow), Stand alone Richardson (blue), Spur Line Parks (Purple), Spur Line Richardson (red). Inset map shows mean estimates of undiscovered conventional natural gas resources for the North American Arctic region (Data from USGS, MMS, and GSC assessments).



Organization Chart



Project Task Outline

Contract Task Number	Contractor	NTP Start Date	2/16/2010 Status
	BAKER ENGINEERING		
1	Proj Mgt/Proj Controls	6/9/2009	ongoing
2	Project Library / Data Mgt	6/9/2009	ongoing
3	Outreach	6/9/2009	ongoing
4	Alternatives Analysis	6/9/2009	complete
5	Supply/Demand Analysis	6/17/2009	partial completion-still open with money.
6	Project Description (Eng)	8/5/2009	Initial Permit Description complete. Eng.ongiong.
7	Cost of Delivery	10/20/2009	Currently the major engineering focus.
8	ROA Application	10/20/2009	Applications have been turned in.
9	Construction Planning		No NTP at this time.
10	EIS Suport		No NTP at this time
	ASRC Environmnetal		
01-001	Project Management	7/1/2009	on going
01-002	Project Management (continued)	2/16/2010	just starting
02-001	Cultural Resources	7/1/2009	scoping complete, field work next
02-002	2010 Field Program Prep. Cultural Res	2/16/2010	just starting
03-001	Wetlands Surveys/Analysis	7/10/2009	Parks initial complete
03-002	Analysis of Pre-mapped Wetland Data	7/10/2009	Parks complete
03-003	Premapping Richardson HWY Corridor	8/19/2009	Field wk complete, reports coming in.
03-004	Minto Flats Alignment	9/15/2009	Wetlands deliniation along new alignment.
03-005	Glen to Fairbanks Premapping	11/16/2009	on going
03-006	Richardson Hwy wetlands premapping		
03-007	2010 Field Program Prep, Wetlands Delination	2/16/2010	permitting fieldwork preparation.
04-001	Literature Search/Project Library	7/1/2009	on going
05-001	State & Federal ROW permitting	10/15/2009	ongoing
06-001	GSI Support for Enviro & Permitting	10/15/2009	on going
07-001	2010 Field Program Prep-Lake studies	2/16/2010	just starting

169 1.50 / 18.50

Budget Overview

Total funds for FY2010			**$8,289,043**
Total Expenditures through January 15, 2010			$2,214,968
Balance as of January 15, 2010			**$6,074,075**
Proposed Expenditures	***January 16, 2010 through June 30, 2010***		**$6,074,75**
Personal Services			**$ 160,950**
Travel			**$ 18,000**
Commodities			**$ 11,629**
Services *(items listed below):*			**$5,883,496**
• *Existing contracts*	*(Baker, ASRC, ENTRIX)*	*$5,524,000*	
• *Department of Natural Resources -*		*$ 200,000*	
• *US Bureau of Land Management – EIS Services*		*$ 150,000*	
• *Facilities*		*$ 9,496*	
Balance Remaining June 30, 2010			**$ 0**

	Payroll & Expenditures 1/15/2010	Contract Commitments (Encumbrances)	Estimated Budget Jan-10	Estimated Budget Feb-10	Estimated Budget Mar-10	Estimated Budget Apr-10	Estimated Budget May-10	Estimated Budget Jun-10
Personal Services	170,252		26,825	26,825	26,825	26,825	26,825	26,825
Travel	17,832		3,000	3,000	3,000	3,000	3,000	3,000
Services	2,024,396	3,904,496	330,000.0	330,000.0	330,000.0	330,000.0	330,000.0	329,000.0
Commodities	2,488		2,000	2,000	2,000	2,000	2,000	1,629
Total Expended	2,214,968	3,904,496	361,825	361,825	361,825	361,825	361,825	360,454

Supplemental Bill language

Sec. 16. AMENDMENT OF LAPSE OF CERTAIN FISCAL YEAR 2010
31 APPROPRIATIONS. Section 22(e), ch. 14, SLA 2009, is amended to read:
1 (e) The appropriations made by sec. 19 of this Act lapse June 30, 2010 [February
28, 2 2010].

FY10 Budget Narrative

The following appropriations to the Office of the Governor totaling $8,289,042 for the development of an in-state natural gas pipeline will lapse on February 28, 2010:

a. Sum of $4,322,000 appropriated from the Alaska capital income fund (AS 37.05.565)

b. The unexpended and unobligated balance of $3,967,042 of an appropriation made in Sec. 8, Ch. 1, 4SSLA 2008 (Department of Natural Resources, gas pipeline implementation)

Approval of this supplemental request will extend authorization for expenditure of the appropriations through June 30, 2010 so that work related to the development of an in-state natural gas pipeline can continue.

The funds will be used to pay personal services costs for the project director and project analyst, as well as travel, lease, and office expenses including office relocation. The majority of the funds will continue to be used to pay contractors for:

- Cost of Transportation analysis for the 16 pipeline configurations under investigation by the Baker engineering group
  - These data will be used to perform the model analyses for cost of service determination provide cost distributions for economic feasibility analyses
- Support of Permitting and Right of Way activity
  - Including field investigations on wetlands, culture, stream crossing and lakes.
  - Geotechnical evaluation of seismic hazards, landslides and permafrost mitigation along pipeline routes under investigation
- Continued refinement of project description and pipeline construction cost estimates as new engineering data is acquired
- Commercial feasibility and supply-demand opportunity identification
- Commercial Group meetings and information transfer to prospective developers
- Economic, environmental, and engineering reviews and reports in preparation for development of a sales package to be marketed to pipeline companies
- Continued Development of a GIS database and data library
- Facilitation of information data exchange and public meetings

All efforts are being made to coordinate with other state agencies to minimize overlap in the various permitting and ROW activities by State Agencies along the various pipeline routes.

FY10 Project Task Details: Alaska In-State Gas Pipeline

ASRC, Inc. - Progress Report

Total all tasks -Estimated Expenditures January 1 through June 30, 2010 $ 1,300,000

ASRC Energy Services' (AES) Project Management (PM) team will:

- continue to work with Michael Baker, Jr., Inc. to ensure that environmental factors are considered and incorporated into engineering pipeline designs and programs as they are developed,
- participate in weekly project team meetings,
- support to the Third-Party Environmental Consultant preparing the EIS,
- continue coordination of the permitting process, and
- manage environmental programs.
- coordinate the work study plan for preparation for the 2010 field work, ensure that safety training is complete, and qualified field staff are deployed to the field,

The AES PM team will work with technical and field staff to initiate field planning for the following 2010 season field programs:

- wetlands
- cultural resources
- stream, and
- lake studies .

The AES wetland team will continue to work on the 2008-2009 Wetlands Field Report and complete the wetlands pre-mapping work for the alternative Richardson Highway Stand Alone Route. The wetland team will prepare complete report and joint effort with Michael Baker Jr. on Minto Flats.

Michael Baker, Inc. - Progress Report - Alaska In-State Gas Pipeline

Total Estimated Expenditures **January 1, 2010 through June 30, 2010** **$3,504,000**

TASK 1 PROJECT MANAGEMENT:

Progress to Date:

- Ongoing internal project coordination/planning meetings to manage team activities
- Ongoing public relations
- Accounting activities, preparing invoices
- Preparing sub consulting scopes, schedules and budgets
- Requesting Notice to Proceeds
- Reviewing sub invoices
- Reviewing project expenditures, budget.
- Reporting activities

Forecast Task Activity:

Future activity will consist of continuing the same activities accomplished this far.

TASK 2 DATA MANAGEMENT/LIBRARY:

Progress to Date:

- Data gathering from federal, state and borough databases, ongoing and previous studies
- Geo database creation, compilation and assimilation of developed and acquired data
- Meta data research and compilation
- Data analysis
- Coordinating activities to support engineering, route analysis and environmental analysis. Map making to display requested information, support Alternatives Analysis and Project Description
- Developed SharePoint web based collaboration library site
- Ongoing SharePoint document population
- Quality control activities

Forecast Task Activity:

Future activity will consist of ongoing data collection and analysis to support the environmental analysis, engineering, cost estimating. At the end of the project, the geodatabase will be sufficiently developed to provide a basis for future design engineering activity if required.

TASK 3 OUTREACH:

Progress to Date:

- Established Commercial Working Group
- Conducted 2-day facilitated project planning with Commercial Working Group
- Conducted Legislative multi-day Field Reviews, Prudhoe Bay to Fairbanks (3)
- Conducted Legislative Briefing, presented Project Overview
- Conducted Legislative Briefing, presented Alternatives Analysis
- Conducted Legislative Briefing, presented initial Project Description
- Conducted Commercial Working Group meeting, presented initial Project Description
- Various Agency meetings
- Distributed Project Description to Legislative Contacts
- NEPA Public Scoping meeting support (Anchorage)
- NEPA Agency Scoping Meeting support

Forecast Task Activity:

Outreach activities will continue to support the permitting process and Legislative reporting requirements. Activities may also include a continuing dialogue with the commercial working group and coordinating work with ANGDA.

TASK 4 ALTERNATIVE ANALYSIS:

Progress to Date:

The Alternative Analysis was completed and presented to the Legislature. It compared the two standalone routes (Parks Highway and the Richardson Highway) using parametric cost analysis and concluded that the Parks Highway was approximately $500 million less expensive than the Richardson Highway Route. The two Spur line routes were also compared. Baker Progress Report 3

TASK 5 SUPPLY/DEMAND ANALYSIS:

Progress to Date:

An analysis of potential customers along the pipeline routes was completed to support the Alternatives Analysis document.

Forecast Task Activity:

Supply /Demand work will focus on potential markets including in-state demand for propane, GTL, CO2, butane and ethane.

TASK 6 PROJECT DESCRIPTION:

Progress to Date:

- An Initial Project Description derived from the results of the Alternative Analysis was compiled, presented to the Legislature and attached to the ROW Applications to provide a basis for the NEPA documentation.

- The final Project Description will be completed concurrent with the end of this project. It will include the GIS, Library, Mapping and Cost of Service products as its elements. The work on this task is focused on the construction cost. Progress on this task is described as follows:
- Design Basis is approximately 90 percent complete
- Alignment Sheet map templates have been created and are awaiting final background photography and mapping.
- Construction cost estimating has been divided into two areas: Facilities and Pipeline
- There are 16 separate facility scenarios being evaluated
- Facility cost estimating is approximately 20 percent complete
- Pipeline cost estimating is approximately 20 percent complete

Forecast Task Activity:

Construction Cost Estimates will be completed for use in calculating cost of service. Additional hard data such as geotechnical bore hole logs, soil temperature data and property ownership information will be gathered, analyzed and added to the Project Description as part of the GIS. Baker Progress Report 4

TASK 7 COST OF SERVICE:

Progress to Date: Minimal

Forecast Task Activity:

An economic model considering relevant factors such as system phasing, flow ramp up, the construction cost of facilities and pipeline, operating, maintenance construction administration and financing costs will be developed to predict the Cost of Service for the pipeline.

TASK 8 ROW APPLICATION:

Progress to Date: *Initial application*

Forecast Task Activity:

Responding to requests for further analysis or information from the BLM and DNR ROW permitting agencies

TASK 9 CONSTRUCTION PLANNING: *Not Currently Authorized*

TASK 10 EIS SUPPORT: *Not Currently Authorized*

ENTRIX, Inc. Progress Report - Alaska In-State Gas Pipeline

Total Estimated Expenditures **January 1, 2010 through June 30, 2010** **$720,000**

Progress to date –

- Project kickoff meeting with USACE, cooperating agencies and ADNR
- Reviewed Alternatives Report, Project Description, ROW applications and other project information
- Established FTP sites for agencies, ADNR and project team
- Developed NEPA overview for scoping meeting presentations
- Planned and executed scoping meetings and activities concerning the EIS process – Glennallen, Delta Junction, Nenana, Fairbanks, Denali Park, Anchorage, Wasilla, and Barrow. This included all materials, etc.
- Established the EIS website and protocol for accepting on-line and email comments.
- Developed Stakeholder Database

Alaska State Department of Natural Resources

Total Estimated Expenditures **January 1, 2010 through June 30, 2010** **$200,000**

- Develop deterministic pricing scenarios for In-State gas markets
- Evaluate various in-state natural gas demand scenarios using options defined by Baker through put options
- Build and evaluate the Tarriff and fiscal models to determine economic scenarios for various stand alone line configurations
- Review and perform gap analysis on costing and pipeline schedule for route and configuration analysis

US Bureau of Land Management

Total Estimated Expenditures **January 1, 2010 through June 30, 2010** **$ 150,000**

- Applicant Fee and cost recovery for Right of Way determination and the Environmental Impact Statement for the In-State Gas Line Project.

In-State Stand Alone Pipeline - FY11 Budget Narrative

1. Completion of environmental and permitting for USACE and State and Federal right-of-way approvals.

Total Estimated Expenditures **$ 2,000,000**

- Project Management - AES will continue to support the State of Alaska's project team and be involved with State of Alaska and the U.S. Army Corps of Engineers (USACE) in supporting the third-party EIS consultant with the NEPA review.
- Permitting - AES continue with the development and coordination with the USACE, BLM and State Pipeline Coordinator on the three major permits filed in 2009 and will begin working on ten other key permits for submission in late 2010 so that processing and the negotiations for permit approvals and mitigation measures may be completed in time for sale of the In-State pipeline asset to a future pipeline company.
- Stakeholder Engagement - Prepare and implement a stakeholder engagement program to support project development. Includes stakeholder contact database, and issues information. Engagement with the local boroughs, their communities and residents, tribal governments, the USACE, USFWS, BLM, State of Alaska, Native Corporations are critical.
- Wetlands - Conduct wetlands field program in the northern and southern sections of the proposed In-State Pipeline Project corridor to complete verification of wetlands pre-mapped to prepare for submission of the Preliminary Jurisdictional Determination to the USACE for their approval of the Section 404 Jurisdictional Determination; complete vegetation and habitat analysis. Provide assistance to the EIS contractor as required.
- Stream Crossings - compile the fish and wildlife resource data necessary for permit applications and assessing potential project impacts under the NEPA process. All data collection needs will be adjusted as necessary in accordance with the outcome of the draft EIS and provide information for engineering design and routing.
- Cultural - Phase one cultural resource studies will examine a potential corridor sufficiently large so that a right-of-way can be refined to the best possible alignment to avoid or minimize impacts to cultural resources.
- Lake Studies – Lake studies and surveys will be conducted primarily on the North Slope to assess the potential for water availability for use during winter construction.
- Wildlife and Bird Surveys – As needed to support the EIS process, wildlife and bird (raptor) studies will be conducted during the 2010 field season.
- Air and Noise Analysis – Evaluate compressor station locations for air emission issues and determine the need for air monitoring and weather stations to develop information for ADEC permitting.

- Pre-mapping - Prepare the wetlands pre-mapping information for route changes or alignments that have not been assessed such as the Gubik route, the Denali reroute, some of Minto Flats rerouted alignment, and so forth.

2. Engineering data acquisition for detailed engineering design of the project.

Total Estimated Expenditures: **$3,500,000**

- Gather detailed geotechnical data on major river crossings. The preferred river crossing method is assumed to be HDD (Horizontal Directional Drill). The assessment of the applicability of crossing rivers with HDD requires site specific geotechnical information. Additional field information on river approaches and total crossing length needs to be collected to verify use of HDD. This activity includes mapping and the drilling of geotechnical site investigation boreholes.

- Gather engineering field data. Pinch points such as Atigun Pass, Yukon River, and Denali Park require additional field verification of soils, available construction space and detailed routing to avoid conflicts with other facilities and to develop and verify conceptual design. Engineering field data is required to investigate and verify route geotechnical conditions and includes information on seasonal ground temperatures, geohazards and foundation conditions at project facilities (Gas Conditioning, Compressor Stations and NGL separation and storage). This information will be used to verify locations and develop conceptual designs to be included in final project documentation. This activity includes field mapping and the drilling of geotechnical site investigation boreholes with installation and monitoring of ground temperatures. Results will be analyzed and will be reported in a engineering report.

- Refine pipeline routing. The current pipeline routing is within a 2000 foot wide corridor. The actual centerline of the corridor has not been vetted and verified as the optimum route. Final route identification will be optimized for pipeline constructability, avoidance of environmentally sensitive areas, minimized TAPS, Highway and Railroad crossings, facilities location and optimized river crossings locations. These route adjustments will be made, if possible, within the 2000 foot wide corridor currently identified. Results of the engineering evaluation will be used to update the project GIS (Geographical Information System) and will be reported in a engineering report.

3. Refinement of Cost of Service estimates and Tariff modeling

Total Estimated Expenditures: **$750,000**

- Peer review engineering cost assessment of railbelt natural gas alternatives, and commercial assessment of options . There are a number of different project alternatives that have been proposed to alleviate the need for augmented for railbelt energy supply. They include two bullet line alternatives, two spur line alternatives, provision of propane from Prudhoe Bay to Fairbanks and other interior communities, LNG manufacturing on the North Slope to provide gas supply to Fairbanks and possibly other railbelt communities, and facilities to import LNG. Most of the analyses developed do not compare alternatives using similar assumptions for

input costs (e.g. steel prices, labor rates). Just as importantly, they do not make similar or consistent commercial assumptions. Peer review will assure that assumptions made by the various project proposals are consistent.

- Analyze the cost of Capital for in-state gas supply options, and Cost of Service Modeling. The commercial viability of all in-state gasline options depends on the cost of transportation. Because the contemplated scope of these projects would entail expenditures of several billion dollars, the transportation cost will be determined by the cost of capital – both the relative mix of debt and equity, and the cost of each. Assessment, for planning purposes, of the cost of capital for these small diameter pipelines is problematic and will be reviewed

- The cost-of-capital inputs need to be developed through scenario analysis. With the requested funds we will hire a financial advisor to help develop several realistic financing scenarios. Potential risks to the state's credit-rating, were the state to be called upon to take a major position in the project, will also be assessed. Some of the funds will be used for pipeline commercial expertise to develop realistic transportation contract scenarios and tariff modeling.

4. Prepare complete project documentation of In-State pipeline asset for consideration by private pipeline developer

Total Estimated Expenditures: **Budget Estimate; $250,000**

- Coordinate project team to include all, cost and design data, environmental, stakeholder, and permitting information for a 'data room' for prospective purchasers to review and evaluate. Be available to participate in presentations to the prospective purchasers and respond to technical questions that may be raised with regard to specific issues.

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
2	**CAPITAL**										
3	Ch 29 SLA 2008 AR 7699	FY2008-FY2012	Administration	Reservoir depletion studies prior to major gas sales	1,500.0	0.0	1,500.0	0.0	0.0	0.0	1,500.0
4			**Administration Total**		1,500.0	0.0	1,500.0	0.0	0.0	0.0	1,500.0
5	Ch 29 SLA 2008 AR 27767	FY2008-FY2012	Labor	AK Labor Exchange System Enhancement and Gas Pipeline Skills Inventory	600.0		600.0	448.4	151.6	0.0	0.0
6	Ch 29 SLA 2008 AR 27768	FY2008-FY2012	Labor	Alaska Works Partnership - Fairbanks Pipeline Training Center	6,000.0		6,000.0	860.4	2,139.6	0.0	3,000.0
7			**Labor Total**		6,600.0	0.0	6,600.0	1,308.8	2,291.2	0.0	3,000.0
8	Ch 6 SLA 2007 AR 14935	FY2007-FY2011	Law	Work related to the state gas pipeline and to bringing North Slope natural gas to market, and to other oil and gas projects. Original appropriation $21,500.0 Gasline portion only $7,203.4	7,203.4		7,203.4	7,203.4		0.0	0.0
9			**Law Total**		7,203.4	0.0	7,203.4	7,203.4	0.0	0.0	0.0
10	Ch 82 SLA 2006 AR 40713	FY2007-FY2011	Natural Resources	Gas Pipeline Corridor Geologic Hazards and Resources	350.0		350.0	350.0	0.0	0.0	0.0
11	Ch 6 SLA 2007 AR 40757	FY2007-FY2012	Natural Resources	Gas pipeline analysis	6,550.0		6,550.0	6,544.3	0.0	0.0	5.7
12	Ch 30 SLA 2007 AR 40774	FY2008-FY2012	Natural Resources	Gas Pipeline Corridor Geologic Hazards and Resources	600.0		600.0	555.9	21.0	0.0	23.1

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
13	Ch 29 SLA 2008 AR 40841	FY2008-FY2012	Natural Resources	Gas Pipeline Corridor Geologic Hazards and Resources	600.0		600.0	128.5	56.6	0.0	414.9
14	Ch 29 SLA 2008 AR 40852	FY2008-FY2012	Natural Resources	Reservoir Studies to Evaluate Oil and gas resources in the North Slope	4,000.0		4,000.0	657.4	0.0	0.0	3,342.6
15			**Natural Resources Total**		12,100.0	0.0	12,100.0	8,236.1	77.6	0.0	3,786.3
16	Ch 6 SLA 2007 AR 16194	FY2007-FY2012	Revenue	Commercialization of North Slope gas	3,000.0		3,000.0	2,442.6	0.0	0.0	557.4
17	Ch 30 SLA 2007 AR 16200	FY2007-FY2012	Revenue	ANGDA Alaska Gas Market System Evaluation	5,000.0		5,000.0	4,548.2	451.8	0.0	0.0
18	Ch 29 SLA 2008 AR 16227	FY2008-FY2012	Revenue	ANGDA Engineering and Economic Study on In State Gas Use	4,000.0		4,000.0	1,439.8	2,243.2	0.0	317.0
19			**Revenue Total**		12,000.0	0.0	12,000.0	8,430.6	2,695.0	0.0	874.4
20	Ch 3 FSSLA 2005 AR 58864	FY2005-FY2009	Transportation	Fairbanks - Richardson Highway, Northbound Chena Overflow Bypass/Bridge for Gas Pipeline	2,500.0	(1,648.4)	851.6	851.6	0.0	0.0	(0.0)
21	Ch 29 SLA 2008 AR 57498	FY2008-FY2010	Transportation	Richardson Highway, Shaw Creek Bridge	1,648.4		1,648.4	0.0	1,648.4	0.0	0.0
22	Ch 3 FSSLA 2005 AR 60054	FY2005-FY2010	Transportation	Richardson Highway, Shaw Creek Bridge	2,500.0	0.0	2,500.0	485.7	1,835.3	0.0	179.0
23	Ch 82 SLA 2006 AR 59978	FY2007-FY2011	Transportation	Gas Pipeline	1,700.0		1,700.0	64.1	1,635.9	0.0	0.0
24	Ch 29 SLA 2008 AR 62145	FY2009-FY2012	Transportation	Richardson Highway, Shaw Creek Bridge	4,000.0		4,000.0	0.0	4,000.0	0.0	0.0
25			**Transportation Total**		12,348.4	(1,648.4)	10,700.0	1,401.4	9,119.6	0.0	179.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
26			Total Capital		51,751.8	(1,648.4)	50,103.4	26,580.3	14,183.4	0.0	9,339.7
27	Operating										
28	Ch 3 FSSLA 2005 and Ch 30 SLA 2007 AR 3559	FY2005 - FY2010	Administration	Alaska Oil and Gas Conservation Commission reservoir studies and depletion plan evaluations related to the state gas pipeline.	2,200.0	0.0	2,200.0	821.1	228.4	0.0	1,150.5
29			Administration Total		2,200.0	0.0	2,200.0	821.1	228.4	0.0	1,150.5
30	Ch 3 FSSLA 2005 AR 1692	FY2005-FY2006	Governor	Work related to the state gas pipeline and to bringing North Slope natural gas to market, and other oil and gas projects	500.0	0.0	500.0	500.0	0.0	0.0	0.0
31	Ch 13 SLA 2006 AR 1697	FY2006-FY2007	Governor	State gas pipeline and to bringing North Slope natural gas to market and other oil and gas projects.	1,000.0	0.0	1,000.0	842.3	0.0	157.7	0.0
32	Ch 30 SLA 2007 AR 1700	FY2007-FY2008	Governor	State gas pipeline development and marketing of North Slope natural gas, Alaska energy issues, and Endangered Species Act issues Reappropriation from Commerce. Not solely for gas pipeline purposes.	506.1	0.0	506.1	257.4	0.0	248.7	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
33	Ch 28 SLA 2007 AR 1531	FY2008	Governor	Fiscal Note for HB 177 Natural Gas Pipeline Project	132.0	0.0	132.0	132.0	0.0	0.0	0.0
34	Ch 27 SLA 2008	FY2009	Governor	Branch-wide Oil & Gas Development The $7,290.8 was transferred to Labor $860.0, Law $2,950.0, Natural Resources $1,709.8, and Revenue $1,771.0 as shown on this spreadsheet as ATRINs.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	Ch 28 SLA 2008 AR 1531	FY2009	Governor	Fiscal Note for HB 177 Natural Gas Pipeline Project	332.2	0.0	332.2	332.2	0.0	0.0	0.0
36	CH 14 SLA 2009 AR 1720	FY2010	Governor	development of an in-state natural gas pipeline.	4,322.0	0.0	4,322.0	1,828.3	2,493.7	0.0	0.0
37	CH 14 SLA 2009 AR 1721	FY2010	Governor	development of an in-state natural gas pipeline.	3,967.0	0.0	3,967.0	0.0	3,967.0	0.0	0.0
38			**Governor Total**		10,759.3	0.0	10,759.3	3,892.2	6,460.7	406.4	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

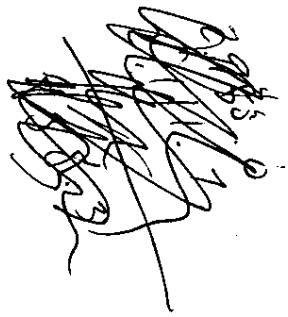
	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
39	Ch 28 SLA 2007 AR 28103	FY2008-FY2009	Labor	AGIA fiscal note for training plan development, infrastructure and implementation and expansion of training programs. Lapse date was extended to 6/30/2009 via Sec 34(e); Ch 29 SLA 2008. Reappropriated to department Ch 14 SLA 2009 section 9(a-c)	850.0	(325.0)	525.0	511.1	0.0	13.9	(0.0)
40	Ch 27 SLA 2008 AR28183	FY2009	Labor	ATRIN: Oil & Gas Development Transfer from Governor's Office	145.0		145.0	104.7	0.0	40.3	0.0
41	Ch 27 SLA 2008 AR 28603	FY2009	Labor	ATRIN: Oil & Gas Development Transfer from Governor's Office Reappropriated to department Ch 14 SLA 2009 section 9(d)	130.0	(85.0)	45.0	18.2	0.0	26.8	0.0
42	Ch 27 SLA 2008 AR 28613	FY2009	Labor	ATRIN: Oil & Gas Development Transfer from Governor's Office	585.0		585.0	451.8	0.0	133.2	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
43	CH 12 SLA 2009 AR 28603	FY2010	Labor	AWIB Education Specialist, Career and Technical Education (CTE) Oversight: ncludes $85.0 reapporpriated to department	130.0		130.0	88.9	9.1		32.0
44	Ch 14 SLA 2009 AR 28613	FY2010	Labor	Commissioner's Office, Gasline Training Plan implementation $100.0 Reappropriated to department	100.0		100.0	33.7	0.0		66.3
45	Ch 12 SLA 2009 AR 28603	FY2010	Labor	AK Workforce Investment Board (AWIB), Training Program Administrator, Administrative Assistant, and implementation activities	250.0		250.0	88.9	9.1		152.0
46	CH 12 SLA 2009 AR 28183	FY2010	Labor	Labor Market Information, Clearinghouse/Reginal Data Gathering $145.0 Reappropriated to department	145.0		145.0	35.4	4.0		105.6
47	Ch 12 SLA 2009	FY2010	Labor	Business Partnershps, Pipeline Worker Training Grant	2,500.0		2,500.0	618.8	1,544.7		336.5

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
48	CH 12 SLA 2009 AR 28613	FY2010	Labor	Business Services, preapprenticeship and apprenticeship development $80.0 Reappropriated to department	585.0		585.0	34.5	80.0		470.5
49			**Labor Total**		5,420.0	(410.0)	5,010.0	1,986.0	1,646.9	214.2	1,162.9
50	Ch 3 FSSLA 2005 AR 14918	FY2005-FY2006	Law	Oil, Gas and Mining, for work related to the state gas pipeline and to bringing North Slope natural gas to market, and other oil and gas projects	9,000.0		9,000.0	9,000.0			0.0
51	Ch 13 SLA 2006 AR 14927	FY2006	Law	Civil Division is for work related to the state gas pipeline and to bringing North Slope natural gas to market and other oil and gas projects	3,900.0		3,900.0	3,900.0	0.0	0.0	0.0
52	Ch 82 SLA 2006 AR 14171	FY2006	Law	Work related to the Gas Pipeline and other oil and gas projects.	1,200.0		1,200.0	1,200.0	0.0	0.0	0.0
53	Ch 33 SLA 2006 AR 13800	FY2007	Law	Oil, Gas, and Mining, for work related to the state gas pipeline, to bringing North Slope natural gas to market, and to other oil and gas projects,	1,500.0		1,500.0	1,483.7	0.0	16.3	(0.0)



Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
54	Ch 11 SLA 2008 AR 14180	FY2008	Law	Oil, Gas and Mining: Gas Pipeline	1,250.0		1,250.0	1,250.0	0.0	0.0	0.0
55	Ch 27 SLA 2008 AR 14180	FY2009	Law	ATRIN: Oil & Gas Development Transfer from Governor's Office	2,950.0		2,950.0	2,111.7	836.2	2.1	0.0
56			**Law Total**		19,800.0	0.0	19,800.0	18,945.4	836.2	18.4	0.0
57	Ch 159 SLA 2004 AR 37991	FY2004-FY2009	Natural Resources	Risk analysis related to the state gas pipeline and to bringing North Slope natural gas to market	1,580.0		1,580.0	1,580.0	0.0	0.0	0.0
58	Ch 159 SLA 2004 AR 37992	FY2004-FY2009	Natural Resources	Permitting and application processing related to the state gas pipeline right-of-way work. Reappropriated to department Ch 14 SLA 2009 Sec. 12	3,900.0	(2,962.3)	937.7	937.7	0.0	0.0	(0.0)
59	Ch 3 FSSLA 2005 AR 37931	FY2005-FY2009	Natural Resources	Risk analysis and royalty issues	2,500.0		2,500.0	2,428.5	0.0	71.5	0.0
60	Ch 3 FSSLA 2005 AR 37932	FY2005-FY2009	Natural Resources	Gas pipeline corridor geologic hazards and resource evaluation	2,000.0		2,000.0	2,000.0	0.0	0.0	0.0
61	Ch 3 FSSLA 2005 AR 37934	FY2005-FY2010	Natural Resources	Bullen Pt. Road right-of-way permitting	800.0		800.0	284.5	481.1	0.0	34.4
62	Ch 3 FSSLA 2005 AR 37935	FY2005-FY2010	Natural Resources	Division of oil and gas increased workload	675.0		675.0	675.0	0.0	0.0	0.0
63	Ch 3 FSSLA 2005 AR 37936	FY2005-FY2010	Natural Resources	Commissioner's office increased workload	50.0		50.0	50.0	0.0	0.0	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
64	Ch 6 SLA 2005 AR 37994	FY2005-FY2010	Natural Resources	Bullen Pt.Road right-of-way permitting	2,400.0		2,400.0	2,400.0	0.0	0.0	0.0
65	Ch 6 SLA 2005 AR 37996	FY2005-FY2010	Natural Resources	Division of oil and gas increased workload	2,025.0		2,025.0	1,905.6	118.5	0.0	0.9
66	Ch 6 SLA 2005 AR 37996	FY2005-FY2010	Natural Resources	Commissioner's office increased workload	150.0		150.0	150.0	0.0	0.0	0.0
67	Ch 1 4SSSLA 2008 AR 37940	FY2009	Natural Resources	Gas Pipeline Implementation Reappropriated to Governor Office Ch 14 SLA 2009 Sec 19(b)	5,500.0	(3,967.0)	1,533.0	1,533.0	0.0	0.0	0.0
68	CH 27 SLA 2008 AR 37403	FY2009	Natural Resources	ATRIN: Oil & Gas Workload Funding transferred from Governor's Office (cc 10400137 and 10400138)	1,709.8		1,709.8	1,613.8	13.9	82.1	0.0
69	CH 14 SLA 2008 AR 37998	FY 2010-FY2011	Natural Resources	permitting and application processing related to the state gas pipeline right-of-way work related to bringing North Slope natural gas to market (Reappropriated to department Ch 14 SLA 2009 Sec. 12)	2,962.3		2,962.3	22.2	0.0	0.0	2,940.1
70	CH 12 SLA 2009 AR 37093	FY2010	Natural Resources	Gas Pipeline Office Budget	681.7		681.7	481.8	35.1	0.0	164.8

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
71	CH 12 SLA 2009 AR 37093	FY2010	Natural Resources	Gas Pipeline Implenetation	3,200.0		3,200.0	1,335.4	1,592.1	0.0	272.5
72			**Natural Resources Total**		30,133.8	(6,929.3)	23,204.5	17,397.5	2,240.7	153.6	3,412.7
73	Ch 83 SLA 2003 AR 15596	FY2004	Revenue	Stranded Gas Act - A fiscal note authorized $871.5. In addition, $750.0 of SDPR was authorized via RPL 04-4-1026 on Oct. 29, 2003. Revenue's base operating budget included some Stranded Gas Act funding until removed in FY08 budget.	1,621.5		1,621.5	913.8	0.0	707.7	0.0
74	Ch 83 SLA 2003 15606	FY2004	Revenue	ANGDA operating appropriation (original appropriation was for $150.0 GF, final authorized was for $350.0 due to a $200.0 federal RPL)	350.0		350.0	347.6		2.4	(0.0)
75	Ch 14 SLA 2004 AR 15960	FY2004-FY2005	Revenue	North Slope Natural Gas	1,650.0		1,650.0	1,641.4		8.6	(0.0)
76	Ch 159 SLA 2004 AR 15965	FY2004-FY2009	Revenue	Related to bringing North Slope natural gas to market.	5,100.0		5,100.0	4,319.5	0.0	780.5	0.0
77	Ch 158 SLA 2004 AR 15500	FY2005	Revenue	ANGDA operating appropriation	256.6		256.6	256.3		0.3	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
78	Ch 3 FSSLA 2005 and CH 82 SLA 2006 AR 15909	FY2005-FY2008	Revenue	Commissioner's Office, for work related to the state gas pipeline and to bringing North Slope natural gas to market.	7,100.0		7,100.0	7,100.0	0.0		0.0
79	CH 3 FSSLA 2005 AR 15910	FY2005-FY2008	Revenue	ANGDA for work related to the state gas pipeline and to bringing North Slope natural gas to market.	2,170.0		2,170.0	2,159.6	0.0	10.4	0.0
80	Ch 4 FSSLA 2005 AR 15500	FY2006	Revenue	ANGDA operating appropriation	278.3		278.3	278.2		0.1	0.0
81	Ch 33 SLA 2006 AR 15500	FY2007	Revenue	ANGDA operating appropriation	299.6		299.6	299.6		0.0	0.0
82	Ch 28 SLA 2007 AR 15500	FY2008	Revenue	ANGDA operating appropriation	302.7		302.7	302.6		0.1	(0.0)
83	Ch 27 SLA 2008 AR 15500	FY2009	Revenue	ANGDA operating appropriation	305.3		305.3	305.3		0.0	0.0
84	Ch 27 SLA 2008 AR 15340	FY2009	Revenue	ATRIN: Oil & Gas Workload Funding transferred from Governor's Office	1,771.0		1,771.0	922.3	848.7	0.0	0.0
85	CH 12 SLA 2009 AR 15500	FY2010	Revenue	ANGDA operating appropriation	312.1		312.1	227.9			84.2
86			**Revenue Total**		21,517.1	0.0	21,517.1	19,074.1	848.7	1,510.1	84.2
87			**Total Operating**		**89,830.2**	**(7,339.3)**	**82,490.9**	**62,116.3**	**12,261.6**	**2,302.7**	**5,810.3**
88											
89	**TOTALS BY DEPARTMENT**										
90			Administration		3,700.0	0.0	3,700.0	821.1	228.4	0.0	2,650.5
91			Governor		10,759.3	0.0	10,759.3	3,892.2	6,460.7	406.4	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
92			Labor		12,020.0	(410.0)	11,610.0	3,294.8	3,938.1	214.2	4,162.9
93			Law		27,003.4	0.0	27,003.4	26,148.8	836.2	18.4	0.0
94			Natural Resouces		42,233.8	(6,929.3)	35,304.5	25,633.6	2,318.3	153.6	7,199.0
95			Revenue		33,517.1	0.0	33,517.1	27,504.7	3,543.7	1,510.1	958.6
96			Transportation		12,348.4	(1,648.4)	10,700.0	1,401.4	9,119.6	0.0	179.0
97				TOTALS	**141,582.0**	**(8,987.7)**	**132,594.3**	**88,696.6**	**26,445.0**	**2,302.7**	**15,150.0**
98											
99	**Removed from previous historical summary. Oil and gas appropriations that are not gasline related have been removed.**										
100	Ch 1 SLA 2003		Commerce	Grant to Arctic Power to aid in the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska.	1,100.0		1,100.0	1,100.0	-	-	0.0
101	Ch 82 SLA 2003		Commerce	Grant to Arctic Power to aid in the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska. Balance repealed and reappropriated to Gov Office.	500.0		500.0	446.0	-	-	54.0
102	Ch 82 SLA 2003		Commerce	Grant to Arctic Power to aid in the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska. Balance repealed and reappropriated to Gov Office.	300.0		300.0	70.3	-	-	229.7
103	Ch 3 SLA 2005		Commerce	Pipeline Training Equipment	1,500.0		1,500.0	1,500.0	-	-	0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
104	Ch 23 SLA 2005		Commerce	the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska. Authorization included $50.0 to Native Village of Kaktovik (lapsed) and $50.0 to City of Kaktovik.	1,300.0		1,300.0	1,250.0	-	50.0	0.0
105	Ch 82 SLA 2006		Commerce	Pipeline Training Facility (named recipient grant to AK Works Partnership)	3,000.0		3,000.0	3,000.0	-	-	0.0
106	Ch 13 SLA 2006		Commerce	Grant to Arctic Power to aid in the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska. Balance repealed per sec. 47(c), ch. 30, SLA 2007 - reappropriated $120.	750.0	(120.0)	630.0	123.8	-	-	506.2
107	Ch 30 SLA 2007		Commerce	Pipeline Training Facility (named recipient grant)	2,700.0		2,700.0	2,660.4	39.6	-	(0.0)
108	Ch 29 SLA 2008		Commerce	Grant to Arctic Power to aid in the opening of the coastal plain of the Arctic National Wildlife Refuge, and assist in promoting public support for oil and gas development in Alaska.	120.0		120.0	120.0	-	-	0.0
109	Ch 1 SLA 2003		Governor	Direct support of national efforts to open the coastal plain of the Arctic National Wildlife Refuge for oil and gas exploration and development	100.0		100.0	100.0			0.0

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
110	Ch 159 SLA 2004		Governor	and gas development, states's rights advocacy, and national and international marketing and development of Alaska resources and products. (This was a reappropriation from the Department of Commerce, Community, and Economic Development of the balances of sec. 40(a) and (c), ch. 82, SLA 2003.) Balance of $19.5 is expected to lapse at the end of FY2009.	283.7		283.7	203.3	-	80.4	0.0
111	Ch 159 SLA 2004		Governor	National and international marketing and development of Alaska's resources and products. There will be more expenditures during the remainder of FY2009, but it is expected that approximately $78.0 may lapse.	950.0		950.0	846.8		103.2	0.0
112	Ch 3 FSSLA 2005			Direct support of national efforts to open the coastal plain of the Arctic National Wildlife Refuge for oil and gas exploration and development and other oil and gas and natural resource deveopment projects	125.0			125.0		-	
113	Ch 6 SLA 2005			Direct support of national efforts to open the coastal plain of the Arctic National Wildlife Refuge for oil and gas exploration and development	375.0			231.3		143.7	

Historical Summary
Gasline Related Appropriations
FY2004-FY2010

	A	D	E	F	H	I	J	K	L	M	N
1	CITATION/ APPN	TERM	DEPARTMENT	DESCRIPTION	ORIGINAL APPN	REAPPN	ADJ TOTAL APPN	EXPENDED	ENCUMBERED	LAPSE	BALANCE as of 2/22/2010
114	CH 27 SLA 2009		Natural Resources	Royalty reopener - outside legal counsel and outside experts for reopener of state's arbitrations	500.0		500.0	362.4	0.0	137.6	0.0
115	CH 27 SLA 2009		Natural Resources	Funding for outside contract auditors to reduce or eliminate current backlog of royalty and net profit share audits	200.0		200.0	0.0	0.0	200.0	0.0
116	Ch 3 FSSLA 2005		Transportation	Richardson Highway, Shaw Creek Bridge	4,148.3		4,148.3	485.7	2,014.3	0.0	1,648.3
117	Ch 82 SLA 2006		Transportation	Alaska Highway: Milepost 1303.3 Bridge Replacement - Tanana River	4,250.0		4,250.0	4,250.0	0.0	0.0	0.0
118	Ch 30 SLA 2007		Transportation	Alaska Highway: Milepost 1303.3 Bridge Replacement - Tanana River	20,850.0		20,850.0	11,718.5	9,131.5	0.0	0.0
119	Ch 29 SLA 2008		Transportation	Dalton Highway: Milepost 274 to 289 Reconstruction	11,900.0		11,900.0	1,495.3	10,404.7	0.0	0.0
120	Ch 29 SLA 2008		Transportation	Dalton Highway: Milepost 274 to 289 Reconstruction	11,250.0		11,250.0	0.0	11,250.0	0.0	0.0
121			TOTAL REMOVED		66,202.0	(120.0)	66,082.0	30,088.8	32,840.1	714.9	2,438.2

Governor's FY2011 Gasline Appropriation Requests

	A	B	C	D	E	F
1	**Department**	**Section**	**Appropriation / Allocation**	**Description**	**AK Housing Capital Corporation**	**Total Funds**
2	**OPERATING - HB 300 / SB 229**					0.0
3	Governor	16 (f)	AK Resources Marketing and Development	Ongoing development of an in-state natural gas pipeline	6,500.0	6,500.0
4	Administration	19	Alaska Oil and Gas Conservation Commission	AOGCC Gasline Funding continued evaluation of depletion plans for reservoirs.	1,150.9	1,150.9
5	Law	19	Oil, Gas, and Mining	Gas Pipeline Outside Counsel and Experts	2,500.0	2,500.0
6	Natural Resources	19	Gas Pipeline Implementation	Gas pipeline implementation	4,217.5	4,217.5
7	Revenue	19	Tax Division	AGIA Reporting System and Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms	1,100.0	1,100.0
8	Revenue	19	Natural Gas Commercialization	Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms and Audit of AGIA Reimbursement Fund	1,550.0	1,550.0
9				**Subtotal Operating**	**17,018.4**	**17,018.4**
10	**CAPITAL - HB 301 / SB 230**					
11	Commerce	1	Named Recipient Grants	Municipality of Anchorage: Port of Anchorage Expansion	10,000.0	10,000.0
12	Revenue	8(d)	Alaska Gasline Inducement Act Reimbursement Fund	Reimbursement of allowable expenditures under the natural gas pipeline project construction inducement under AS 43.90.110(a)(1) original request 150.0M, reduced by 10.0M in Governor Amended submission	140,000.0	140,000.0
13				**Subtotal Capital**	**150,000.0**	**150,000.0**
14				**FY2011 Gasline Appropriation Requests Total**	**167,018.4**	**167,018.4**

a demain

Department of Natural Resources
House Finance Gasline Hearing
February 24, 2010

	Multi-Year Appropr (SPCO, CO, DOG)	One-Time Items (ACO)	Base Budget (ACO)	CIP (DGGS, DOG)	Total
Available at 7/1/2009	3,241,500	3,200,000	681,700	4,785,160	11,907,960
Expended as of 2/22/2010 (does not include encumbrances)	260,400	1,876,256	481,800	1,004,522	3,633,210
Unexpended balance at 2/22/2010	2,981,100	1,323,744	199,900	3,780,638	8,274,750
Less: Encumbrances		1,051,244	35,100		1,086,344
Unobligated balance at 2/22/2010	2,981,100	272,500	164,800	3,780,638	7,188,406

What has DNR done with the money spent in FY10?

Multi-Year Operating Appropriations for Right-of-Way permitting, $2,996,700 available, AR 37998 & AR 37934 (from FY05) – State Pipeline Coordinator's Office

- $22,200 has been utilized by the Joint Pipeline Office for 25% of a position that is providing planning and coordination support related to AGIA right-of-way work.

Multi-Year Operating Appropriations for Increased Workload, $239,100 available, AR 37905, AR 37936, AR 37995, AR 37996 (from FY05 and FY06) – Division of Oil & Gas, Commissioner's Office

- $95,000 has been used to pay part of the personal services costs of a project manager in the Commissioner's Office for AGIA Outreach.

- Due to multiple projects including gasline, the following projects for the Division of Oil and Gas were contracted out:
  - $64,910 has been used to pay a contract programmer for improvements to the royalty accounting system,
  - $78,290 has been used to pay for a contractor to perform two Best Interest Findings

Multi-Year Operating Appropriation for Gas Pipeline Analysis, $5,700 available, AR 40757

- No spending thus far in FY10 on this appropriation

One-time FY10 Operating Budget Item, $3.2 million for AGIA Implementation (Consultants), AR 37093 – AGIA Coordinator's Office
Actual expenditures of $1,876,256 thus far in FY10, with an additional $1,051,244 encumbered

- PINGO Int'l. - $593,171 for project plan monitoring of the AGIA licensee's pipeline project
  Review of pipeline design, construction and mitigation issues, review of cost and schedule estimates and licensee reimbursement requests

- Black & Veatch - $364,325 for economic risk & modeling
  Identified and developed a range of potential commercial instruments by which the state may reduce risks faced by potential shippers
- Black & Veatch - $428,556 for royalty inducement regulation assistance
  Assembled models relating to possible LNG shipments of N. Slope gas and valuation of substances such as CO2 and non-methane components of the gas stream
- Energey Capital Advisors/Energy Project Consultants - $197,876 for Commercial Advisor
  Monitor and review licensee's commercial and overall project plan, and provide assistance to state policy makers regarding various commercial measurs the state may take to increase the likelihood of project success
- Blaskovich Services, Inc. - $138,746 for oil and gas energy planning model
  Gathering large volumes of relevant data and meeting with state policy makers to determine framework needed for an Alaska Oil and Gas Energy Planning model
- Bonnie Robson - $153,581 for AGIA royalty regulations drafting assistance
  The contractor has incorporated policy decisions, based on information and analyses provided by other contractors, into an initial draft of the royalty regulations required under AS 43.90.310.

FY10 Base budget for AGIA Coordinator's Office - $681,700, AR 37093
Current expenditures are $360,725 in personal services, $64,576 in travel, $49,724 for services, and $6,775 for commodities: Total of $481,800 which is $72% of FY10 budget. An additional amount of $35,100 has been encumbered.

Capital Improvement Projects - $4,785,160 for two projects
Gasline Corridor Hazards Evaluations, $785,160 available from FY08 and FY09 CIP's, AR 40774 & AR 40841 – Division of Geological and Geophysical Surveys

- $267,827 has been used to pay contractors including Coastal Helicopters, Inc., Michael Smith, University of Alaska Fairbanks, Carver Geologic, and Alaska Aerofuel
- $79,333 has been used for in-house expense in the Division of Geological and Geophysical Surveys for personal services, travel, services and commodities for the project manager

Reservoir Modeling Studies, North Slope, $4.0 million available from FY09 CIP, AR 40852 – Division of Oil & Gas

- $657,400 was used to pay contractor PetroTel for completion of a study in the NorthStar unit.

What value was received?

1) Ensured licensee and state compliance and fulfillment of contractual obligations under AGIA

2) Ensured that the largest private project in North American history is moving forward on an accelerated schedule as required by the AGIA license and statute

3) Increased coordination between state and federal agencies as well as state and Canadian regulatory agencies

4) Increased information flow to the public

5) Completed field work to identify potential geologic hazards along the proposed corridor route

6) Established contracts for reservoir modeling to determine optimal use of N. Slope gas

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: January 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/9/10

The FINANCE Committee considered: **HB 300**

HOUSE BILL NO. 300
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

HB 300 APPROP: OPERATING BUDGET/LOANS/FUNDS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 300 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	KELLY	X			
	Thomas	✓			
	Gara	✓			
	DOOGAN	✓			
	Joule	✓			
	Foster	✓			
	FAIRCLOUGH	✓			
	Salmon	X			
Chair:	Stoltze	X			
Chair:	Hawker	X			

OPERATING BUDGET AMENDMENT #1

OFFERED IN: The House Finance Committee

Adopted 3/8/10

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan

Technical Amendment

Part 1:

DEPARTMENT:	**Commerce, Community & Economic Development**
APPROPRIATION:	Alaska Seafood Marketing Institute
ALLOCATION:	Alaska Seafood Marketing Institute
ADD:	$500.0 GF/PR (1005)
DELETE:	$500.0 RSS (1156)

EXPLANATION: $500.0 of the Governor's amended request for approximately $10 million of RSS was not switched from RSS to GF/PR in the House CS as part of the Budget Clarification Project. This amendment corrects this oversight and will not impact ASMI's budget.

Part 2:

DEPARTMENT:	**Environmental Conservation**
APPROPRIATION:	Environmental Health
ALLOCATION:	Laboratory Services
DELETE:	$100.4 GF (1004) Plus 1 PFT position
APPROPRIATION:	Environmental Health
ALLOCATION:	Food Safety & Sanitation
ADD:	$100.4 GF (1004) Plus 1 PFT position

EXPLANATION: This amendment is a technical correction to the **allocation** selected for amendment #1 that was offered and accepted at the DEC House Subcommittee closeout. The original increment adds an Environmental Health Technician and related costs in support of the permitting and inspection of new shellfish farms. This increment was placed in the Laboratory Services allocation but DEC wants the increment placed in the Food Safety and Sanitation allocation. Both allocations are within the Environmental Health appropriation in DEC.

Part 3:

DEPARTMENT: **Fish and Game**
APPROPRIATION: Sport Fisheries
ALLOCATION: Sport Fisheries

ADD: $450.1 Fish and Game Fund (1024)
DELETE: $450.1 General Fund Program Receipts (1005)

ADD: **The following new LANGUAGE subsection to Section 25:**

Fees collected at boating and angling access sites managed by the Department of Natural Resources, division of parks and outdoor recreation, under a cooperative agreement authorized under AS 16.05.050(a)(6), during the fiscal year ending June 30, 2011, estimated to be $450,100, are appropriated to the fish and game fund (AS 16.05.100).

EXPLANATION: The U.S. Fish and Wildlife Service expressed concern that a portion of the fund changes associated with the budget clarification project provide insufficient tracking of boating access fees. The federal government prefers that boating receipts be deposited into the F&G fund. This amendment aligns revenue and expenditures with federal requirements (see explanation below).

The U.S. Fish and Wildlife Service requires that all user fees collected on federally acquired or developed facilities must be used for maintenance and operation of those facilities. ADF&G Sport Fisheries division has current and ongoing grants with USFWS which creates a federal nexus to these user fees collected by Department of Natural Resources (DNR).

Under U.S. Fish and Wildlife Service (USFWS) federal grants, all user fees collected on federally acquired or developed facilities must be used for maintenance and operation of those facilities. ADF&G Sport Fisheries division has current and ongoing grants with USFWS which creates a federal nexus to these user fees collected by Department of Natural Resources (DNR).

A cooperative agreement provides the mechanism for transfer of user fees from DNR to ADF&G Fish and Game fund. Federal Office of Inspector General (OIG) auditors have approved this process and the deposit of the fees in the Fish and Game fund as it ensures ADF&G maintains control over the funds and the maintenance and operation of the facilities.

#1 pg 3

Part 4:

DEPARTMENT: **Natural Resources**
APPROPRIATION: Resource Development
ALLOCATION: Recorder's Office/Uniform Commercial Code

ADD: $4,470.4 GF/PR (1005)
DELETE: $4,470.4 RSS (1156)

EXPLANATION: $4,470.4 of the Governor's request of RSS was not switched from RSS to GF/PR in the House CS as part of the Budget Clarification Project. This amendment corrects this oversight and will not impact the Recorder's Office/Uniform Commercial Code's budget.

Part 5:

DEPARTMENT: **Public Safety**
APPROPRIATION: Alaska State Troopers
ALLOCATION: Narcotics Task Force

DELETE: $25.2 Stimulus09 (1212)

EXPLANATION: The Governor requested a $25.2 fund source change from one-time ARRA funding to general funds to cover salary adjustments for existing PSEA bargaining agreements. The basis of the request was that the ARRA fund source was "unrealizable" in this allocation in FY11.

While it may be true that no *new* ARRA receipts will be available in FY11, carryforward of $5.4 million ARRA receipts is anticipated. In this situation, the fund change is not necessary because the ARRA fund source will be available in FY11. However, by denying the agency's request, the subcommittee not only denied an increase in GF, but also appropriated *new* FY11 ARRA funding.

This amendment eliminates new ARRA authorization (which is not expected to be available) in anticipation of using a portion of the allocation's $5.4 million ARRA carryforward to pay the salary adjustments.

#1 pg 4

Part 6:

DEPARTMENT: **Revenue**
APPROPRIATION: Child Support Services Division
ALLOCATION: Child Support Services Division

DELETE: Page, 37, lines 6-9, all material, which reads

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under the state's share of child support collections for reimbursement of the cost of the Alaska temporary assistance program as provided under AS 25.27.120.

EXPLANATION: The deleted language permits CSSD to carry-forward receipts from the prior year. Because the CS replaced receipts with General Fund Match, the language is unnecessary.

Part 7:

DEPARTMENT: **Revenue**
APPROPRIATION: Child Support Services Division
ALLOCATION: Child Support Services Division

ADD: $297.0 Stimulus09 (1212)
Transaction Type: Inc OTI

EXPLANATION: This amendment authorizes expenditure of $297,000 of federal FY10 ARRA Stimulus Funds. This funding will be available to the Division in the 1st quarter of state FY11.

Part 8:

DEPARTMENT: **Transportation and Public Facilities**
APPROPRIATION: Design, Engineering and Construction
ALLOCATION: Southeast Design and Engineering Services

ADD: $50.0 General Fund Program Receipts (1005)
DELETE: $50.0 Receipt Supported Services (1156)

EXPLANATION: This was an omission in the fund source changes that are a part of the Budget Clarification Project.

#2

26-GH2823\M.10
Bailey
3/8/10

AMENDMENT

Adopted
3/8/10

OFFERED IN THE HOUSE

BY Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly
Doogan

TO: CSHB 300(FIN), Draft Version "M"

Page 65, line 30:

Delete "$35"

Insert "$50"

Page 66, line 1, following "section":

Insert ", estimated to be $13,500,000,"

Page 66, line 5:

Delete "$35"

Insert "$50"

Page 66, line 7, following "section":

Insert ", estimated to be $13,500,000,"

Page 66, line 17, through page 68, line 10:

Delete all material and insert:

"$90 or more	$20,000,000
89	19,500,000
88	19,000,000
87	18,500,000
86	18,000,000
85	17,500,000
84	17,000,000

11:02:34

#32a

L Gara Amend 4
Amend P 2
delete 9-11, 21-22
failed 3/9/10

26-GH2823\M.11
Bailey
3/8/10

Adopted 3/9/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER Doogan Thomas

TO: CSHB 300(FIN), Draft Version "M"

Page 65, following line 3:

Insert a new bill section to read:

"* **Sec. 19.** GAS PIPELINE DEVELOPMENT. (a) The following amounts are appropriated from the general fund to increase the appropriations in sec. 1 of this Act to the named department, appropriation, and allocation in the amounts stated for work associated with development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT, APPROPRIATION, AND ALLOCATION	AMOUNT
(1) Law	
Civil division, oil, gas, and mining	750,000 ~~$500,000~~
(2) Natural Resources	1,265,250
Resource development, gas pipeline implementation	~~843,500~~
(3) Revenue	465,000
Administration and support, natural gas commercialization	~~310,000~~
Taxation and treasury, tax division	150,000

(b) The following amounts are appropriated from the general fund to increase the appropriations in sec. 1 of this Act to the named department, appropriation, and allocation for work associated with the development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT, APPROPRIATION, AND ALLOCATION	AMOUNT

(1) Law 1,750,000

Civil division, oil, gas, and mining ~~$2,000,000~~

(2) Natural Resources 2,952,250

Resource development, gas pipeline implementation ~~3,374,000~~

(3) Revenue 1,085,000

Administration and support, natural gas commercialization ~~1,240,000~~

(c) The appropriations made in (b) of this section are contingent on a person submitting to the Federal Energy Regulatory Commission a "precedent agreement" for shipping natural gas on a North Slope natural gas pipeline.

Renumber the following bill sections accordingly.

Page 80, line 28:

Delete "25, 26, and 28"

Insert "26, 27, and 29"

Page 81, following line 2:

Insert a new bill section to read:

"* **Sec. 38.** CONTINGENCY. The appropriation made in sec. 19(b) of this Act is contingent as set out in sec. 19(c) of this Act."

Renumber the following bill sections accordingly.

Page 81, line 3:

Delete "Sections 34 and 36"

Insert "Sections 35 and 37"

Page 81, line 4:

Delete "sec. 37"

1 Insert "sec. 39"

#32

26-GH2823\M.11
Bailey
3/8/10

Held
3/8/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CSHB 300(FIN), Draft Version "M"

Page 65, following line 3:

Insert a new bill section to read:

"* **Sec. 19.** GAS PIPELINE DEVELOPMENT. (a) The following amounts are appropriated from the general fund to increase the appropriations in sec. 1 of this Act to the named department, appropriation, and allocation in the amounts stated for work associated with development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT, APPROPRIATION, AND ALLOCATION	AMOUNT
(1) Law	
Civil division, oil, gas, and mining	$500,000
(2) Natural Resources	
Resource development, gas pipeline implementation	843,500
(3) Revenue	
Administration and support, natural gas commercialization	310,000
Taxation and treasury, tax division	150,000

(b) The following amounts are appropriated from the general fund to increase the appropriations in sec. 1 of this Act to the named department, appropriation, and allocation for work associated with the development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT, APPROPRIATION, AND ALLOCATION	AMOUNT

(1) Law		
	Civil division, oil, gas, and mining	$2,000,000
(2) Natural Resources		
	Resource development, gas pipeline implementation	3,374,000
(3) Revenue		
	Administration and support, natural gas commercialization	1,240,000

(c) The appropriations made in (b) of this section are contingent on a person's submitting to the Federal Energy Regulatory Commission a "precedent agreement" for shipping natural gas on a North Slope natural gas pipeline."

Renumber the following bill sections accordingly.

Page 80, line 28:

Delete "25, 26, and 28"

Insert "26, 27, and 29"

Page 81, following line 2:

Insert a new bill section to read:

"*** Sec. 38.** CONTINGENCY. The appropriation made in sec. 19(b) of this Act is contingent as set out in sec. 19(c) of this Act."

Renumber the following bill sections accordingly.

Page 81, line 3:

Delete "Sections 34 and 36"

Insert "Sections 35 and 37"

Page 81, line 4:

Delete "sec. 37"

1 Insert "sec. 39"

#33a ~~Replacement~~ Adopted 3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representative Gara Doogan

DEPARTMENT:	Commerce, Community and Economic Development
APPROPRIATION:	Community Assistance and Economic Development
ALLOCATION:	Office of Economic Development

DELETE: $125,000 GF (1004)

EXPLANATION:
The governor requested $250,000 increment to develop policy on business and economic development. It is not clear why policy development cannot occur with executive agency staff, and the policy experts who exist in the department, Governor's office, and Lt. Governor's office. This amendment reduces the increment to $125,000.

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	Administration	EPORS				EPORS Benefit Reduction Due to a reduction in the member base this original increment request has been recalculated. This decrement is the net effect of this recalculation.	(250.0)	0.0	0.0		(250.0)
3	Administration	Finance				Finance Federal Stimulus AR 11690, per Sec. 1 Ch. 17 SLA 2009 P2 L11 (HB 199) lapse 6/30/10 The qualifying period for COBRA premium reduction has been extended through May 2011.	0.0	500.0	0.0	ARRA	500.0
4	Administration	Office of Public Advocacy				Increased Operational Costs Caseload has increased 21% over this same time last year.	865.0	0.0	0.0		865.0
5	Administration	Public Defender Agency				Delete Statutory Designated Program Receipts Delete unrealizable funding source	0.0	0.0	(20.0)	Statutory Designated Program Receipts	(20.0)
6	Administration	Public Defender Agency				Increased Operational Costs caseload has increased 10% over this time last year.	800.0	0.0	0.0		800.0
7	Administration	Violent Crimes Comp Board				Delete Unrealizable Fund Source for Health Insurance for Non-Covered The PFD Criminal Fund available amount for FY 2011 was over authorized by 2.0		0.0	(2.0)	PFD Criminal Fund	(2.0)
8	Commerce	Alaska Seafood Marketing Inst				Fund Source Change to Replace Reduced Federal Receipts with Receipt Supported Services	0.0	(500.0)	500.0	Receipt Supported Services	0.0
9	Commerce	Office of Economic Development				The requested funds will be used to facilitate economic development through aggressive outreach to the business community, identifying and removing barriers to growth, and the forging of productive public-private partnerships. This broadens the focus of the Office of Economic Development (OED) and better equips OED to interface with the private sector and the public.	250.0				250.0
10	Corrections	Physical Health Care				Meet Physical Health Care Funding Shortfalls Resulting from Increased Medical Costs	3,050.8	0.0	0.0		3,050.8
11	Education	EED State Facilities Rent				Additional general funds for increased costs of Alaska State Council on the Arts new office space lease, recently negotiated by Department of Administration, Division of General Services.	70.0	0.0	0.0		70.0
12	Education	Mt. Edgecumbe Boarding School				Line item transfer to align and accurately allocate Mt. Edgecumbe Boarding School general fund authority.	0.0	0.0	0.0		0.0
13	Education	Mt. Edgecumbe Boarding School				Technical adjustment to align interagency receipt authority for Mt. Edgecumbe Boarding School with needed allocation as indicated by review of unbudgeted Reimbursable Service Agreements (RSA) from Teaching and Learning Support Division.	0.0	0.0	1,400.0	I/A Receipts	1,400.0
14	Education	Mt. Edgecumbe Boarding School				Technical adjustment to transfer in statutory designated program receipt authority from Student and School Achievement to align and accurately allocate authority.	0.0	0.0	170.0	Statutory Designated Program Receipts	170.0
15	Education	Student and School Achievement				Technical adjustment to transfer out statutory designated program receipt authority to Mt. Edgecumbe Boarding School to align and accurately allocate authority.	0.0	0.0	(170.0)	Statutory Designated Program Receipts	(170.0)

#33 Back up

1	83	16,500,000
2	82	16,000,000
3	81	15,500,000
4	80	15,000,000
5	79	14,500,000
6	78	14,000,000
7	77	13,500,000
8	76	13,000,000
9	75	12,500,000
10	74	12,000,000
11	73	11,500,000
12	72	11,000,000
13	71	10,500,000
14	70	10,000,000
15	69	9,500,000
16	68	9,000,000
17	67	8,500,000
18	66	8,000,000
19	65	7,500,000
20	64	7,000,000
21	63	6,500,000
22	62	6,000,000
23	61	5,500,000
24	60	5,000,000
25	59	4,500,000
26	58	4,000,000
27	57	3,500,000
28	56	3,000,000
29	55	2,500,000
30	54	2,000,000
31	53	1,500,000

1	52	1,000,000
2	51	500,000
3	50	0"

#2 pg 4.

Numbers Section

DEPARTMENT: Various—as shown in the table below
ADD: $17,055.3 UGF (1004) Unrestricted general funds
DELETE: $15,000.0 UGF (1004) Unrestricted general funds (estimate)

Agency	Amount Added to Base
Department of Administration	22.8
Department of Corrections	2,655.3
Department of Education and Early Development	57.2
Department of Environmental Conservation	37.8
Department of Fish and Game	77.7
Department of Health and Social Services	600.0
Department of Labor and Workforce Development	35.3
Department of Military and Veterans Affairs	327.3
Department of Natural Resources	68.0
Department of Public Safety	273.9
Department of Transportation & Public Facilities	11,250.0
University of Alaska	1,650.0
Total Unrestricted General (UGF)	**17,055.3**

EXPLANATION: This amendment revises the amounts appropriated under the "fuel trigger" provisions of section 21 by increasing the trigger start point from $36 to $51 dollars. This change reduces the projected annual appropriations for high fuel costs by $15 million annually at any oil price above $51. The reduction appears in budget reports as a revised estimate of the impact of section 21. The actual impact will depend upon fuel prices during FY11.

The amendment also distributes $15 million to various agencies to offset the reduction in funding through the trigger mechanism. That $15 million is distributed to agencies in the same manner and amount as occurred in FY10 under the August 1 trigger mechanism. In addition, $2,053,300 is appropriated to the Department of Corrections in order to align available funding for utilities with documented expenditures. The $17.05 million will be added to agency base budgets.

The intent of the amendment is to shift funding from contingency (trigger) to base in recognition of sustained high oil prices. The amendment reduces the projected trigger appropriations from $42 million to $27 million.

OPERATING BUDGET AMENDMENT #3

OFFERED IN: The House Finance Committee Adopted 3/8/10

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dodson

Transfer In $ 2,230.8 to Alaska Court System/Therapeutic Courts

DEPARTMENT: Alaska Court System
APPROPRIATION: Therapeutic Courts **(new appropriation)**
ALLOCATION: Therapeutic Courts

TRANSFER IN:	General Funds 1004	$1,356.3
	GF/MH 1037	$ 357.2
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 517.3

ADD: **Intent**

It is the intent of the legislature that contracts to purchase services associated with therapeutic courts be based loosely on the amounts transferred from other agencies into this appropriation. Contractual agreements should be for amounts determined by the Court System to be in the best interest of operating therapeutic courts in an efficient and effective manner.

EXPLANATION: This amendment will consolidate all funding for Therapeutic Courts into a new appropriation in the Alaska Court System. Funds will be transferred from the Departments of Law ($364.7), Health and Social Services ($1,663.7), Corrections ($252.2), and Administration ($355.0) and the Alaska Court System/Therapeutic Court's component ($2,018.3) in an effort to enhance coordination and accountability for the Therapeutic Courts programs.

Transfer Out $ 364.7

#3 ps 2

DEPARTMENT: Department of Law
APPROPRIATION: Criminal Division
ALLOCATION: 3rd Judicial District/Anchorage

TRANSFER OUT: $300.3 General Funds 1004
ADD: $300.3 I/A Receipts (1007)

ALLOCATION: 4th Judicial District

TRANSFER OUT: $64.4 GF 1004
ADD: $64.4 I/A Receipts (1007)

Transfer Out $1,258.9

DEPARTMENT: Department of Health & Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Behavioral Health Grants

TRANSFER OUT:	General Funds 1004	$ 272.0
	GF/MH 1037	$ 150.0
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 450.0
ADD:	$872.0 I/A Receipts (1007)	

ALLOCATION: Alcohol & Substance Abuse Programs

TRANSFER OUT:	General Funds 1004	$ 319.6
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 67.3
ADD:	$254.7 I/A Receipts (1007)	

#3 pg3

Transfer Out $ 252.2

DEPARTMENT: Department of Corrections
APPROPRIATION: Inmate Health Care
ALLOCATION: Behavioral Health Care

TRANSFER OUT: $207.2 GF/MH 1037
ADD: $207.2 I/A Receipts (1007)

APPROPRIATION: Population Management
ALLOCATION: Statewide Probation and Parole

TRANSFER OUT: $45.0 General Funds 1004
ADD: $45.0. I/A Receipts (1007)

Transfer Out $ 355.0

DEPARTMENT: Department of Administration
APPROPRIATION: Legal & Advocacy Services
ALLOCATION: Public Defender Agency

TRANSFER OUT: $290.0 General Funds 1004
ADD: $290.0 I/A Receipts (1007)

ALLOCATION: Therapeutic Courts Support Services
TRANSFER OUT: $65.0 General Funds (1004)
ADD: $65.0 I/A Receipts (1007)

OPERATING BUDGET AMENDMENT

#4

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan

DEPARTMENT: Revenue
APPROPRIATION: Alaska Permanent Fund Corporation
ALLOCATION: APFC Custody and Management Fees

Section 1, Page 38, Line 3

Convert the APFC Custody and Management Fees allocation into a separate appropriation.

EXPLANATION: This amendment will restrict use of APFC Custody and Management Fees to their sole intended purpose by placing them in a stand-alone appropriation.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 5

MEMBER	Favor	Oppose
~~REP. AUSTERMAN~~		
REP. DOOGAN		✓
REP. FAIRCLOUGH	✓	
REP. FOSTER		✓
REP. GARA		✓
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON	✓	
REP. THOMAS	✓	
	✓	
REP. STOLTZE		
REP. HAWKER	✓	

YEA 7

NAY 3

#5

7/3

Adopted 3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly

DEPARTMENT: **University of Alaska**

APPROPRIATION: University of Alaska

DELETE: INTENT

It is the intent of the legislature that future requests by the University of Alaska for Unrestricted General Funds move toward a long-term goal of 125% of Actual University Receipts for the most recently closed fiscal year.

ADD: INTENT

It is the intent of the legislature that the University of Alaska's FY12 budget request for unrestricted general funds not exceed 129 percent of actual University Receipts for FY10. It is the intent of the legislature that future requests by the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.

EXPLANATION: The addition of a specific target for FY12 is intended to clarify and limit the expectations of both the University and the legislature.

The unrestricted general fund (UGF) increment in the CS was based on the ratio of UGF to designated general funds (DGF). DGF includes TVEP funding (state funding for technical and vocational education) in addition to University Receipts. Inclusion of TVEP in future funding ratios would result in the state matching state funds appropriated to the University. If the match ratio used to determine the FY11 appropriation had used a ratio of UGF to University Receipts of 129 percent, the University would have received $1.5 million less in unrestricted general funds. Applying a 129 percent ratio in FY12 assures movement toward the long-term goal that UGF not exceed 125 percent of University Receipts.

26-GH2823\M.9
Bailey
3/8/10

#6

AMENDMENT

Adopted 3/8/10

OFFERED IN THE HOUSE

TO: CSHB 300(FIN), Draft Version "M"

BY Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan

Page 79, line 22, through page 80, line 2:

Delete all material and insert:

"* **Sec. 33.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) An amount equal to the investment earnings that would otherwise have been earned by the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) on money borrowed from the budget reserve fund to meet general fund expenditures during the fiscal year ending June 30, 2011, is appropriated from the general fund to the budget reserve fund for the fiscal year ending June 30, 2011; for the purpose of compensating the budget reserve fund for lost earnings."

Page 80, line 5, following "fund":

Insert "(art. IX, sec. 17, Constitution of the State of Alaska)"

533

OPERATING BUDGET AMENDMENT

#7

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan, Gara

DEPARTMENT: Health and Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: AK Fetal Alcohol Syndrome Program

ADD: **Intent language at the allocation level**

It is the intent of the legislature that AK Fetal Alcohol Syndrome Programs located in Juneau, Kenai, Sitka, and Bethel be expanded.

EXPLANATION: This amendment specifies that an increment approved by the HSS subcommittee is intended to expand services in the four named communities. The transaction title will be modified to reflect the subcommittee's intent.

OPERATING BUDGET AMENDMENT

#8

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dyson

STATEWIDE 10% GENERAL FUND TRAVEL REDUCTION

DEPARTMENT	10% Reduction	Amendment Reduction
Administration	(112.0)	(112.0)
Commerce, Community & Econ Dev	(135.2)	(135.2)
Corrections	(197.4)	(197.4)
Education & Early Dev	(68.4)	(68.4)
Environmental Conservation	(115.9)	(115.9)
Fish and Game	(191.5)	(191.5)
Governor	(107.9)	(107.9)
Health & Social Services	(311.0)	(311.0)
Labor & Workforce Dev	(66.4)	(66.4)
Law	(118.4)	(118.4)
Military & Veterans Affairs	(17.2)	(17.2)
Natural Resources	(192.2)	(192.2)
Public Safety	(509.5)	-
Revenue	(48.1)	(48.1)
Transportation	(422.9)	(422.9)
University of Alaska	(1,496.8)	-
Alaska Court System	(171.9)	(171.9)
Legislature	(387.7)	(387.7)
TOTAL	**(4,670.4)**	**(2,664.1)**

Explanation: This amendment reduces travel authorization in allocations with budgeted travel and with general funds. Departments should prioritize travel and use existing technology as appropriate to facilitate meetings. The University and Public Safety are excluded from the reductions. In addition, three fund codes (PFD Criminal Funds,Vehicle Rental Taxes, and VoTech Ed) were excluded because the legislature fully appropriates these funds. Because the budget does not identify line items by fund source, the following method was used to determine the amount of travel that is reduced in each allocation.

Ratio of each general fund code (UGF and DGF) in the House CS to the total FY11 allocation's funding	X	10% of the FY09 actual travel expenditures	=	Amount of the travel reduction

Please see the Transaction Detail report for the amounts eliminated from each allocation.

Note: Combining this amendment with other House Finance Committee Actions may cause negative line items or fund sources. Should this occur, Legislative Finance will make technical adjustments to the amounts in the travel amendment to correct these errors.

OPERATING BUDGET AMENDMENT

9

OFFERED IN: **The House Finance Committee**

Adopted 3/8/10

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dowson, Gara

DEPARTMENT: Health and Social Services
APPROPRIATION: Medicaid Services **(new appropriation)**

ADD: Transfer the following allocations from their existing locations to the newly created Medicaid Services appropriation:

Behavioral Health Medicaid Services
Children's Medicaid Services
Adult Preventative Dental Medicaid Services
Health Care Medicaid Services
Senior and Disabilities Medicaid Services

ADD: **Intent language at the appropriation level**

It is the intent of the legislature that the Department of Health and Social Services identify and investigate alternatives that could improve internal administrative management and accounting controls over the Medicaid program, including determining the viability of outsourcing those activities. The Department should be prepared to present its findings to the legislature during the 2011 session.

EXPLANATION: Consolidate all Medicaid allocations within the Department of Health and Social Services to the newly created Medicaid Services appropriation.

OPERATING BUDGET AMENDMENT

#10
Adopted
3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/ CSHB 302 (FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan, Gara

DEPARTMENT:	Health and Social Services	
APPROPRIATION:	Medicaid Services (new appropriation)	
ALLOCATION:	Behavioral Health Medicaid Services	
DELETE:	$1,116.2	GF/MH (1037)
DELETE:	$1,628.1	Federal Receipts (1002)
DELETE:	$297.1	Stimulus09 (1212)
ALLOCATION:	Health Care Medicaid Services	
ADD:	$75.4	GF/Match (1003)
ADD:	$146.5	Federal Receipts (1002)
ADD:	$17.5	Stimulus09 (1212)
ALLOCATION:	Senior and Disabilities Medicaid Services	
DELETE:	$1,616.7	GF/Match (1003)
DELETE:	$2,201.5	Federal Receipts (1002)
DELETE:	$447.5	Stimulus09 (1212)

EXPLANATION: Funding adjustments to Medicaid allocations split the differences between the Governor's Amended Medicaid request and projections of a legislative consultant. The result is a reduction of 2,657.5 in general funds.

OPERATING BUDGET AMENDMENT #11

Adopted
3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Health Care Services
ALLOCATION:	Medicaid Services

DELETE: $4,900.0 General Fund (1004)

EXPLANATION:

Prior to the Medicare Part D program implementation, the State paid prescriptions for Medicaid dual-eligibles (enrollees in both Medicaid and Medicare) through Medicaid. With the implementation of Medicare Part D, the state no longer pays for dual eligibles' prescriptions but does help finance them through payments to the federal government. This is commonly referred to as the "Clawback." Payments are based on a per capita cost calculated by the federal government and made on a monthly basis. The state's portion is determined by the Title XIX FMAP rate.

In October 2008, ARRA provided an increase in the State's FMAP rate; it was initially determined that this higher FMAP rate would not apply to the Medicare Part D Clawback payments. On Feb 18, 2010, HHS announced a change to this decision and will now apply the ARRA FMAPs to the Clawback payments. This change will be retroactive to Oct 1, 2008. The State's overpayments of past monthly Clawback will be refunded in the form of a credit to offset future payments. Alaska's credit from Oct 1, 2008 through Dec 31, 2009 is approximately $5.1 million. In addition, future payments will be calculated using the ARRA FMAP and there will be savings from what was originally budgeted for Clawback payments. The savings will be approximately $390,000 per month for the remaining 6 months of SFY 2010 (Jan 1 – June 30, 2010). This is a total of $7.5 million in savings for SFY 2010 from original calculations.

These savings will continue through Dec 31, 2010 and are anticipated to be further extended through June 30, 2011 at approx. $414,000 per month for a total SFY2011 savings for $4.9 million over 12 months. Savings for SFY2010 are higher than those for SFY2011 due to the credit from past payments; in effect 21 months of savings are being realized in SFY2010.

OPERATING BUDGET AMENDMENT #12

OFFERED IN: The House Finance Committee Adopted 3/8/10

TO: CSHB 300(FIN)/ CSHB 302 (FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dougan, Gara

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Children's Services Management
ADD:	$165.0 General Funds (1004)
ALLOCATION:	Front Line Social Workers
ADD:	$955.3 General Funds (1004)
APPROPRIATION:	Public Health
ALLOCATION:	Women, Children and Family Health
ADD:	$347.8 General Funds (1004)
APPROPRIATION:	Departmental Support Services
ALLOCATION:	Administrative Support Services
ADD:	$700.0 General Funds (1004)
ALLOCATION:	Information Technology Services
ADD:	$487.5 General Funds (1004)

EXPLANATION: Replace unrealizable interagency and federal receipts due to the loss of Medicaid School Based Claims funding. Reductions totaling $1.5 million in interagency receipts were accepted in the House Finance Subcommittee for the Children's Services Management, Front Line Social Workers, and Women, Children and Health allocations. An increase of $737.5 of general funds was accepted in the House Finance Subcommittee action for the Information Technology Services allocation. These changes total 2,655.6 of general funds.

#13

Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dongan

DEPARTMENT: Health and Social Services
APPROPRIATION: Behavioral Health and Children's Services
ALLOCATION: (various, see table below)

ADD: $412.5 General Fund/Mental Health (1037)

Amount	Fund	Fund #	Title	Appropriation	Allocation
$100.0	GF/ MH	1037	BTKH Tribal/rural system development	Behavioral Health	Behavioral Health Administration
$25.0	GF/ MH	1037	BTKH Transitional Aged Youth	Behavioral Health	Services for Severely Emotionally Disturbed Youth
$250.0	GF/ MH	1037	BTKH Community BH Centers Outpatient & Emergency Residential Svc & Training	Behavioral Health	Services for Severely Emotionally Disturbed Youth
$37.5	GF/ MH	1037	BTKH Foster Parent & Parent Recruitment training & support	Children's Services	Family Preservation

EXPLANATION:

The Bring the Kids Home (BTKH) general fund/mental health requests above provide a match to funding provided by the Mental Health Trust Authority. Without this match the BTKH strategies and goals outlined in the five-year plan will be difficult to achieve and the MHTAAR funding may not be provided.

The tribal/rural system development funding will assist in establishing serious emotional disturbance (SED) children's services in rural areas, improve strategies specific to tribal systems, and improve funding mechanisms (such as Medicaid at 100% FMAP). The funding will support tribes to expand health service delivery as recommended by Senate Bill 61 (Ch 10, SLA 2007) (Medicaid Reform report).

The Transitional Aged Youth project will start up and sustain community-based capacity for transitional aged youth to move into adulthood with age appropriate services ensuring productive work or educational activities. The goal of this increment is to target youth who are vulnerable to moving into adult systems such as adult justice, emergency mental health or substance abuse, early pregnancy or hospital based services.

The Community Behavioral Health Centers Outpatient & Emergency Residential Services and Training program provides innovative programs/training to reduce the need for costly residential level services for youth experiencing serious emotional disturbance. A separate evaluation component is funded by the Trust to demonstrate the cost effectiveness of these outpatient services.

The Foster Parent and Parent Recruitment Training and Support project provides resources to recruit and screen potential foster parents, and provide training and technical assistance for parents and foster parents. Therapeutic Foster Homes are recognized in BTKH planning as an economical and effective alternative to costlier types of residential care for youth experiencing serious emotional disturbance.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 14

MEMBER	Favor	Oppose
REP. DOOGAN		✓
REP. FAIRCLOUGH	✓	
REP. FOSTER		✓
REP. GARA		✓
REP. JOULE		✓
REP. KELLY	✓	
REP. SALMON		✓
REP. THOMAS	✓	
~~REP. AUSTERMAN~~		
REP. ~~HAWKER~~ STOLTZE	✓	
REP. ~~STOLTZE~~ HAWKER		✓

YEA 4

NAY 6

#14

Failed
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Kelly and Stoltze

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Health Care Services
ALLOCATION:	Medicaid Services

DELETE: $615.9 General Funds (1004)

ADD CONDITIONAL LANGUAGE:
No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.

EXPLANATION: In the calendar year 2009, 1,875 abortions were performed in Alaska (6.6% increase over 2008). Of these, 1,033 individuals received either abortions or abortion-related services totaling the estimated expenditure of $615,900 in general fund dollars. None of these services qualified under the Hyde Amendment for Medicaid reimbursements.

For over a decade, the Department of Health and Social Services has been using general fund dollars to replace Medicaid funds when paying for abortions because the abortions were elective and did not qualify under the Hyde Amendment for Medicaid reimbursement.

The conditional language places on the record the Legislature's objection to the administration using general fund dollars to pay for elective abortions that do not qualify under federal law for reimbursement.

#14 backup 1

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES

SEAN PARNELL, GOVERNOR

P.O. Box 110601
Juneau, AK 99811-0601
Phone: (907) 465-1630
Fax: (907) 465-2499

February 22, 2010

The Honorable John Coghill
State Capitol, Room 504
Juneau, AK 99801-1182

Dear Senator Coghill:

In response to your question on February 19th, regarding abortions, please see our response below:

- ***How much was spent on abortions in calendar year 2009 and how many abortions were there; also how many were covered with federal dollars?***

The Bureau of Vital Statistics reports that in calendar year 2009 there were 1,875 abortions performed.

The state paid $615.9 general funds for abortions or abortion-related Medicaid services incurred in the last half of FY2009 and the first half of FY2010 for 1,033 individuals based on claims paid in calendar year 2009. This is not necessarily the number of abortions performed, but rather the number of individuals receiving abortions or abortion-related Medicaid services. There were no such services paid for by federal Medicaid during that period.

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

Sincerely,

Alison Elgee
Assistant Commissioner

cc: William Hogan, Commissioner
Patrick Hefley, Deputy Commissioner

#14 back-up 2

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

TONY KNOWLES, GOVERNOR

4501 BUSINESS PARK BLVD., SUITE 24
ANCHORAGE, AK 99503-7167
PHONE: (907) 334-2400
FAX: (907) 561-1684

IMPORTANT NOTICE: PAYMENTS FOR ABORTION PROCEDURES
August 10, 2001

Dear Medical Assistance Provider:

As you know, Planned Parenthood of Alaska filed a lawsuit against the state in 1998 following the legislative action eliminating funding for the General Relief Medical program which had historically paid for therapeutic abortion procedures. The Superior Court ruled against the state, and the state appealed to the Alaska Supreme Court. On July 27, 2001, the Alaska Supreme Court affirmed, ruling that the state's failure to pay for therapeutic abortion violates equal protection under the Alaska Constitution, and that the state must pay for medically necessary abortions if it pays for prenatal care and childbirth. Because this is a state law issue, the Alaska Supreme Court is the final authority and there can be no appeal of this ruling.

At the end of the 2001 legislative session, the legislature passed two budget bills for fiscal year 2002 containing purpose language stating that the appropriated funding may only be expended for an abortion that is covered under the federal Medicaid program. Planned Parenthood filed a motion asking the court to clarify or amend its order to address this new budget language. On July 31, 2001, the Superior Court ruled that insofar as this budget language is unconstitutional under the recent Alaska Supreme Court ruling, it has no effect and the state must pay for medically necessary abortions within 90 days of receipt of a valid claim.

Accordingly, claims for therapeutic abortion procedures that were held pending the outcome of this lawsuit will be paid through the state Medicaid program. Future claims for reimbursement for therapeutic abortion will be paid within 90 days, subject to Medicaid claims processing requirements. Abortion claims that meet the federal Medicaid program requirements will not be affected.

Thank you for your patience during the litigation of this important issue.

Sincerely,

Bob Labbe
Director

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 14a

MEMBER	Favor	Oppose
REP. FAIRCLOUGH	✓	
REP. FOSTER		✓
REP. GARA		✓
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON		✓
REP. THOMAS	✓	
REP. AUSTERMAN		
REP. DOOGAN		✓
REP. STOLTZE	✓	
REP. HAWKER	✓	

YEA 6

NAY 4

#14a

Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representative Hawker

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Health Care Services
ALLOCATION:	Medicaid Services

ADD CONDITIONAL LANGUAGE:
No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.

OPERATING BUDGET AMENDMENT

15

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Doogan

DEPARTMENT: Law
APPROPRIATION: Civil Division
ALLOCATION: BP Corrosion

Convert the BP Corrosion allocation into a separate appropriation.

APPROPRIATION: BP Corrosion
ADD: $4,000.0 General Fund (1004) Inc OTI

EXPLANATION:

The State filed a complaint in Superior Court on March 31, 2009, seeking recovery of lost revenues for 2006-08 due to curtailments of oil production stemming from British Petroleum Alaska (BPXA)'s negligent corrosion practices. The 2006 pipeline spills and shutdowns, and the 2006-08 emergency pipeline replacements caused by the negligent corrosion practices reduced oil production during those years by at least 35 million barrels of oil. The state's lost revenue for the period 2006-08 (based on the royalties and tax revenue lost to the State) is preliminarily estimated at $900 million to $1.2 billion. Civil penalties and assessments under the environmental statues range from $1.6 million to more than $7 million depending on whether BPXA's corrosion practices are found to be grossly negligent. When this complaint was originally evaluated, the State estimated the cost of the case at $24 million.

FY2011 is a critical year for the litigation. The jury trial is scheduled for September 2011 (FY2012). The bulk of the discovery and post discovery pre-trial work will occur in FY2011 under the Pretrial Order entered by Judge Michalski last August. For the discovery phase, this means offensive and defensive discovery; discovery and dispositive motion practice; third party discovery; numerous depositions; and expert work, expert reports and expert depositions. The post discovery pre-trial phase will include dispositive motion practice, pre-trial evidentiary motions, trial preparation, witness testimony preparation, exhibits, demonstrative exhibits, and designation of deposition testimony.

This is an electronic document intensive case. Pursuant to the original investigative subpoenas, we have received over 2 million pages of electronic documents from BPXA. We are now engaged in document discovery with BPXA and its working interest owners. We have received over 120 discovery requests from BPXA for state documents and we are collecting and reviewing responsive documents. In anticipation of contentious discovery disputes over claims of business confidential information, the parties have agreed to the appointment of a discovery master and a protective order has been put in place. The case also requires a number of experts to address pipeline corrosion, oil field management, oil production mechanisms, reservoir issues, and economic loss calculations.

OPERATING BUDGET AMENDMENT #16

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)

OFFERED BY:
Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly Dugan

DEPARTMENT:	Law
APPROPRIATION:	Civil Division
ALLOCATION:	Oil, Gas and Mining

ADD: $3,000.0 General Funds (1004) Inc OTI

EXPLANATION:

In FY2009, the Oil, Gas and Mining section continued to receive funding with one-time increments. In FY2009, the increments were $5,109.2 for Oil and Gas matters including Pt. Thomson litigation and TAPS tariffs, and for TAPS Strategic Reconfiguration. Although we believe our FY2011 efforts will require a similar amount, our reduced request recognizes we are anticipating an estimated $1,500.0 available from the appropriation made in Section 1, Chapter 6 SLA 2007. The following pages discuss the larger cases covered by this request.

OPERATING BUDGET AMENDMENT

17

Adopted 3/10/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Fairclough, Thomas, Austerman, Joule, Kelly, Doogan, Foster, Gara, Salmon

DEPARTMENT:	Education and Early Development
APPROPRIATION:	K-12 Support
ALLOCATION:	Special Schools

ADD: $180.0 General Fund (1004)

EXPLANATION:

This request is needed to provide for additional transportation services for students from Mat-Su to the Alaska School for the Deaf.

According to 4 AAC 33.070, the department is required to operate a centralized school for the deaf. A school district may operate the school for the deaf under an agreement that includes an annual plan of service with the department.

The Anchorage School District has been the school district that operates the Alaska school for the deaf under an agreement for many years. This agreement constitutes a contractual relationship between the State of Alaska, Department of Education and Early Development and the Anchorage School District to provide these services.

18
Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Fairclough, Thomas, Austerman, Joule, Kelly, Doogan, Foster, Gara, Salmon

DOMESTIC VIOLENCE AND SEXUAL ASSAULT PREVENTION INITIATIVE AMENDMENT

Domestic Violence and Sexual Assault Prevention Initiative Amendments Summary

Department	Component	Project	Amount
Governor	Executive Office	DVSA Coordinator	$200.0
Law	Various Components	Replacement of Federal earmark	$1,807.0
Public Safety	CDVSA	Victims' Services	$125.0
Public Safety	AST Detachments	DVSA investigations, training and victim exams (3 PCNS)	$725.0
Office of the Governor	Executive Office	Planning, development and execution	$3,000.0
		TOTAL	**$5,857.0**

DEPARTMENT: **Governor**
APPROPRIATION: Executive Operations
ALLOCATION: Executive Office

ADD: $100.0 GF (1004) and 1 PFT
$100.0 MHTAAR (1092)

EXPLANATION: The State of Alaska struggles to combat appalling levels of sexual assault. According to Crimes in the United States, 2006, the annual FBI compilation of crime statistics, Alaska has a rate of sexual assault of 76 per 100,000. This is over twice the national average. 48% of these sexual assaults are handled by C Detachment, Division of the Alaska State

Troopers located in Bethel. In 2005, the number of reported rapes in Bethel (population 6,468) was the same as Anchorage (population 279,243).

The Governor introduced budget proposals for a Domestic Violence/Sexual Assault initiative. Under a 10-year plan, he envisions the State ramping up prevention, victims' services, investigations and prosecutions to significantly reduce the incidence of these crimes.

A central element in the Governor's initiative is a request for a permanent, full-time, policy-level position to coordinate the related activities of multiple state agencies and nonprofits. To this end, the Department of Law requests one PFT and $200.0 GF funding for this Coordinator position.

DEPARTMENT: **Law**
APPROPRIATION: Criminal Division
ALLOCATION: Various – See allocations below

ADD: $1,807.0 GF (1004)

EXPLANATION: Three federal grants that employ approximately 17 FTEs are terminating this calendar year, one on June 30th, another on September 30th and the last December 31st. Twelve of these positions are exclusively devoted to sexual assault or domestic violence and the remainder prosecute primarily sexual assault and domestic violence. The Department is hoping to replace these funds with other yet-to-be-identified federal funds. Pending the identification of another funding source, the Department is requesting a $1,807.0 fund source switch from Federal funds to General funds. These were originally proposed as fund sources changes; House Finance accepted the federal decrements, leaving an unmet GF need of equal size. These replacement general funds will allow the department to continue employing attorneys and paralegals in Bethel, Barrow and Anchorage to aid in the prosecution of domestic violence as well as adult and child sexual assault cases.

The $1,807.0 GF amendment request is comprised of:

- 2nd Judicial: Earmark $90.0 and Rural Prosecution & Sexual Assault $90.1.
- 3rd Judicial-Anchorage: Rural Prosecution & Sexual Assault $335.6.
- 3rd Judicial-Outside Anchorage: Rural Prosecution & Sexual Assault $454.6.
- 4th Judicial: Earmark $285.0 and Rural Prosecution & Sexual Assault $11.1.
- OSPA: Earmark $271.6 and Rural Prosecution & Sexual Assault $269.0.

Allocations	GF (1004)
2nd Judicial	180.1
3rd Judicial - Anchorage	335.6
3rd Judicial - Outside Anchorage	454.6
4th Judicial	296.1
Criminal Appeals/Special Prosecution	540.6
	1,807.0

DEPARTMENT: **Public Safety**
APPROPRIATION: Council on Domestic Violence and Sexual Assault
ALLOCATION: Council on Domestic Violence and Sexual Assault

ADD: $125.0 General Fund (1004)

EXPLANATION: This increase will help to ensure ongoing funding of direct victims' services grants, and research and prevention activities in FY2011.

The amount of funding from federal competitive and/or one-time grants projected to be available over the course of state FY2011 is unknown. The Governor's goal is to ensure ongoing funding for this statewide priority of stopping the cycle of domestic violence and funding prevention and adequate victim services. Although the department and the Council will continue to aggressively seek additional grant funds, this increase in general funds will provide a reliable funding stream for victims' services providers and prevention activities.

DEPARTMENT: **Public Safety**
APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska State Trooper Detachments

ADD: $725.0 General Fund (1004) + 3 PFTs

EXPLANATION: This amendment restores the Governor's request to provide general funds to the Alaska State Troopers for increased domestic violence and sexual assault (DV/SA) related investigations, training, and victim exam costs. This increment is an important part of the Governor's comprehensive initiative to fight the cycle of sexual assault and domestic violence.

Three new State Trooper/Investigator positions in Anchorage ($500.0) will primarily focus on providing vital follow-up investigative activities specific to sexual assault and sexual abuse of minor cases. The trooper/investigators will coordinate their investigative activities with the responding trooper/officer as well as the prosecutor assigned to the case. Follow-up investigative activities will include locating and interviewing witnesses, investigating "prior bad acts" committed by the offender, determining if there are any additional victims, and conducting numerous other investigative actions recommended by the prosecution. The department anticipates that these follow-up activities will provide a more thorough report, and thus support the overall goal to enhance prosecution and hold offenders accountable.

The department will contract with a trainer ($75.0) to increase and enhance training to rural Alaska. Training will be provided on DV/SA related issues to Village Public Safety Officers, Village and Tribal Police Officers, and other first responders such as behavioral health aides and village health aides. The goal is to increase understanding and recognition of these crimes and

increase skills specific to the discipline in an effort to better enhance services to victims in rural Alaska as well as increase reporting. Research has shown that there is a 40 percent reduction in the rate of serious injury from assault in communities with VPSO or VPO.

Increased contractual services ($150.0) will assist local governments with paying the cost of forensic medical sexual assault exams. Funds will be used for emergency circumstances in cases in which, without the financial assistance, the necessary exam would not take place and vital evidence would be lost. Funds may be used to assist with transportation to and from a facility that conducts the initial exam as well as the follow-up exam. Collection of forensic evidence and documentation of injuries are two key components of a forensic exam and both of these increase successful prosecutorial outcomes (convictions). The funds will also allow certain victims access to services that may not be available in their communities.

Page 68, following line 22:

Insert a new subsection to read:

"(e) The sum of $3,000,000 is appropriated from the general fund to the Office of the Governor for planning, development, and execution of prevention and intervention strategies to reduce the occurrence of domestic violence and sexual assault in the state for the fiscal year ending June 30, 2011. It is the intent of the legislature that this appropriation be used to support planning, victimization studies, initiative evaluation activities, targeted wellness programs, multi-disciplinary rural community pilot projects, batterer intervention programs, evaluation of evidence-based best practices, children's advocacy activities, health and personal safety coordination, public education and marketing, pro bono legal referrals, trauma training for behavioral health providers, and similar activities."

#18 Back-up

The Governor's DVSA Initiative: Prevention Components

March 2010

The problems and social harm associated with domestic violence are complex. A comprehensive and multi-faceted approach is required to address the public safety, health and behavioral health impacts of domestic violence and sexual assault in Alaska. Prevention and intervention strategies are essential to reduce and ultimately end domestic violence and sexual assault from occurring in the future and to bring healing to those who have been impacted.

Title	Total Funds
Family Wellness Warriors Initiative	$ 400.0
Multi-disciplinary Rural Community Pilot Project	$1,350.0
• Planning • Victimization Study • Initiative Evaluation	$ 50.0 $ 300.0
Batterer's Intervention Evaluation and Investigation of Evidence Based Practice	$ 100.0
Children's Advocacy Center Expansion	$ 40.0
Health & Personal Safety Prevention Coordinator (Education Specialist II)	$ 200.0
Universal Public Education Marketing Campaign	$ 300.0
Pro-Bono Attorney Clearinghouse Alaska Network on Domestic Violence and Sexual Assault	$ 60.0
Trauma-Informed Training for BH Providers	$ 200.0

Total Funding	$ 3,000.0

Version 3. 3.5.10

#19
Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/ CSHB 302 (FIN)

OFFERED BY: Representatives Hawker, Stoltze, Fairclough, Thomas, Austerman, Joule, Kelly, Doogan, Foster, Gara, Salmon

Part A - Job Training and University of Alaska tuition waivers; foster parent recruitment and notification

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Children's Services Management
ADD:	$175.0 GF (1004)

ADD: It is the intent of the Legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

EXPLANATION:
$85,000: Supplement Employment Training Vouchers for youth covered by the Independent Living Program.

$55,000: Fund an additional 10 University of Alaska Presidential Tuition Waivers beyond the annual 10 waivers funded by the University.

$35,000: Television ads to recruit foster parents in shortage areas, including ads on highly watched television programs ($30,000); annual mailing to foster parents on the OCS FosterWear discount clothing plan ($5,000).

Part B - Mentorship Program

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Family Preservation
ADD:	$200.0 GF (1004)

ADD: It is the intent of the Legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

EXPLANATION: $200,000: Competitive grant to non-profit agencies to match volunteer mentors statewide with foster youth and youth coming out of care for ages of 16 ½ through 21. OCS shall identify the youth to be served, and coordinate with the grantee that recruits, screens and trains the volunteer mentors.

Part C - Homeless Prevention

DEPARTMENT: Health and Social Services
APPROPRIATION: Office of Children's Services
ALLOCATION: Foster Care Augmented Rate

ADD: $100.0 GF (1004)

ADD: It is the intent of the Legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

EXPLANATION: $100,000: Housing assistance for youth facing the prospect of homelessness after receiving the existing short-term rental help currently offered by the Independent Living Program.

Part D - Maintain Current School Enrollment

DEPARTMENT: Health and Social Services
APPROPRIATION: Office of Children's Services
ALLOCATION: Foster Care Special Need

ADD: $30.0 GF (1004)

ADD: It is the intent of the Legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

EXPLANATION: $30,000: These funds shall be used to permit foster youth who move between placements to stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act.

Part E - Maintain Current School Enrollment

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Foster Care Special Need (Maintain Current School Enrollment)
DELETE:	$50.0 GF (1004) IncOTI
ADD:	$50.0 GF (1004)

ADD: It is the intent of the Legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

EXPLANATION:
The Health and Social Services House subcommittee approved One-Time funding in the amount of $50,000 for transportation of foster youth. This amendment would place $50,000 of general funds in the base budget.

#20
Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Fairclough, Thomas, Austerman, Joule, Kelly, Doogan, Foster, Gara, Salmon

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Family Preservation
ADD:	$160.5 GF (1004)
ADD:	Two Permanent Full-Time Positions

EXPLANATION:

The Independent Living Program (ILP) is OCS' effort to assist youth, after they leave care, with work, school, job training, and life skills. After-care outcomes, from homelessness to criminal involvement, and lack of success, are troubling. The ILP, which covers over 350 youth from ages 17-21, cannot possibly work with only four statewide staff. OCS concedes current staff are overwhelmed, and unable to help adequately in individual cases.

Two additional staff would help effectively extend educational, work and life skill guidance to youth coming out of care.

OPERATING BUDGET AMENDMENT #21

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Joule, Fairclough, Thomas, Austerman, Kelly, Doogan, Foster, Gara, Salmon

Add a section per M.12 (attached):

EXPLANATION:
This amendment provides funding that will allow the department to cooperate with the University of Alaska in funding the Alaska Native Science and Engineering Program (ANSEP) through grants and/or contracts with school districts and the University of Alaska.

Beginning with high school freshmen, structured programs lead students each step of the way through high school, into the undergraduate years, on to graduate school, and into professional life. The funding in this amendment will provide a pre-college opportunity for students to build a strong foundation preparing them for success in science and engineering. The pre-college component targets high school students to enroll and successfully complete trigonometry, chemistry, and physics, ensuring they are academically ready for the university level engineering and science coursework.

This funding will match federal and private funding and will provide programmatic support for this nationally recognized model for excellence in science and engineering education. Because the amount of federal funding is unknown, the amendment includes language that reduces general funds by up to $225,000 if the University receives federal grants for ANSEP.

#21 pg 2.

26-GH2823\M.12
Bailey
3/8/10

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 300(FIN), Draft Version "M"

Page 63, following line 7:

Insert a new bill section to read:

"* **Sec. 15.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. (a) The sum of $960,000 is appropriated from the general fund to the Department of Education and Early Development, teaching and learning support, student and school achievement allocation, for support of the Alaska Native science and engineering program for the fiscal year ending June 30, 2011.

(b) If the University of Alaska receives federal receipts for the Alaska Native science and engineering program, the appropriation made in (a) of this section is reduced by the amount of federal receipts received by the University of Alaska, but the reduction may not exceed $225,000."

Renumber the following bill sections accordingly.

Page 80, line 28:

Delete "25, 26, and 28"

Insert "26, 27, and 29"

Renumber the following bill sections accordingly.

Page 81, line 3:

Delete "Sections 34 and 36"

Insert "Sections 35 and 37"

Page 81, line 4:

Delete "sec. 37"

Insert "sec. 38"

#22
Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly, Doogan, Foster, Gara, Salmon

DEPARTMENT:	Department of Commerce, Community and Economic Development
APPROPRIATION:	Community Assistance and Economic Development
ALLOCATION:	Community and Regional Affairs
ADD:	$700.0 GF

EXPLANATION: This funding would support an operating grant to Ilisagvik College for work force development programs. These programs include a satellite vocational technical instructor, driver's education and CDL instructor, marine licensing, regulatory mandated trainings for vocational occupations, and a workforce development training manager. Ilisagvik College is the only two year college in Northern region and it has a proven track record of providing training and college prep for students across the state.

#23

Adopted
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: **House Finance Committee**

TO: CSHB 300 (FIN) / CSHB 302 (FIN)

OFFERED BY: Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly, Doogan, Foster, Gara, Salmon

DEPARTMENT: Education and Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Early Learning Coordination

ADD: $600.0 GF 1004

INTENT: It is the intent of the Legislature that this funding be granted by the Department in the manner the Department determines will most effectively enhance pre-kindergarten educational development to: Best Beginnings for its early education, partnership grant and Imagination Library efforts; and/or to existing providers of Parents as Teachers pre-kindergarten efforts.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 24

MEMBER	Favor	Oppose
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS	✓	
~~REP. AUSTERMAN~~		
REP. DOOGAN	✓	
REP. FAIRCLOUGH	✓	
REP. ~~HAWKER~~ STOLTZE		✓
REP. ~~STOLTZE~~ HAWKER	✓	

YEA 8

NAY 2

OPERATING BUDGET AMENDMENT #24

Adopted 3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Joule and Hawker Doogan, Gara

DEPARTMENT:	Department of Commerce, Community and Economic Development
APPROPRIATION:	Corporation, Businesses, and Professional License
ALLOCATION:	Corporation, Businesses, and Professional License

ADD: $63.0 RSS (1156) Inc OTI

EXPLANATION: The funding would be used to hire an additional investigator for the Big Game Commercial Services Board to ensure compliance with transporter license requirements. Over the last several years there has been increasing user conflict in game units and the Big Game Commercial Services Board needs an additional investigator to begin to work on the growing problem. The investigator would focus primarily on transporter issues in areas of the state having the greatest concerns and would compile a report to the Legislature to be presented in 2011. Enforcement measures will include inspecting transporter licenses and conducting inspections at places of business and in the field.

OPERATING BUDGET AMENDMENT # 25

Withdrawn

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Gara and Doogan

DEPARTMENT:	Office of the Governor
APPROPRIATION:	Executive Operations
ALLOCATION:	Executive Office

ADD: Intent Language

ADD:

It is the intent of the Legislature that the Governor require Executive Agencies, and that the University President require senior staff to enhance their efforts where possible to find efficiencies in the way departments can achieve their program goals. In certain circumstances, the state will be best served by seeking high level agency management staff who may not have a background in an agency's core subject area, but have a background that will help the agency operate more effectively and efficiently in achieving its statutory and constitutional goals.

To this end, the Legislature intends that, where effective, agencies be directed to consider hiring senior management staff that have management or workforce efficiency skills that can help them identify areas of waste or inefficient operations, and help recommend internal corrective actions that will save the public resources.

This statement is not intended to express displeasure with any particular state management staff. It is intended to help the state and University to achieve their mandates in the most efficient manner in the future as the state faces the potential of increasing fixed costs and declining revenues.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 26

MEMBER	Favor	Oppose
REP. GARA	✓	
REP. JOULE		✓
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
~~REP. AUSTERMAN~~		
REP. DOOGAN		✓
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. STOLTZE		✓
REP. HAWKER		✓

YEA 3

NAY 7

#26
Failed
3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: **House Finance Committee**

TO: CSHB 300 (FIN)/ CSHB 302 (FIN)

OFFERED BY: Representative Gara Dougan

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska
ALLOCATION: Budget Reductions / Additions—Systemwide

ADD: Priority Program Enhancement and Growth—$5,462.3 GF (1004), $1,988.4 Univ Rcpts (1048), $446.3 Federal Rcpts (1002), $380.0 I/A Rcpts (1007)

- Energy—$475.0 GF (1004)
- Science, Technology, Engineering & Math (STEM)—Total $983.7; $707.6 GF (1004), $243.7 Univ Rcpts (1048), $32.5 Federal Rcpts (1002),
- Climate—Total $1,508.0; $594.5 GF (1004), $476.0 Univ Rcpts (1048), $275.0 Federal Rcpts (1002), $162.5 I/A Rcpts (1007)
- High Demand Jobs—Total $4,032.8; $2,616.5 GF (1004), $1,065.1 Univ Rcpts (1048), $138.8 Federal Rcpts (1002), $217.5 I/A Rcpts (1007)
- Student Success Initiatives—Total $1,272.3; $1,068.7 GF (1004), $203.6 Univ Rcpts (1048)

EXPLANATION: The intent of this amendment is to provide additional funding for the University of Alaska's Priority Programs. University of Alaska's goal is to graduate an additional 640 students in high demand jobs by FY '15. This increment would provide resources to continue toward that goal by allowing UA to graduate an additional 170 students annually and increase retention of 100 students annually.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 27

MEMBER	Favor	Oppose
REP. JOULE		✓
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
~~REP. AUSTERMAN~~		
REP. DOOGAN		✓
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. ~~HAWKER~~ STOLTZE		✓
REP. ~~STOLTZE~~ HAWKER		✓

YEA 3

NAY 7

OPERATING BUDGET AMENDMENT

#27
Failed
3/8/10

OFFERED IN: **The House Finance Committee**

TO: CSHB 300 (FIN)/CSHB 302(FIN)

OFFERED BY: Representative Gara Doogan

DEPARTMENT: Department of Health and Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Behavioral Health Grants

ADD: MH Trust:
ABADA-Grants for community based substance abuse services, 1037 GF/MH, $2,000.0

EXPLANATION: The amendment is intended to increase funding for Behavioral Health Grants. The increment is to be distributed to existing grantees to in a manner to most efficiently decrease waitlists for alcohol and substance abuse treatment.

OPERATING BUDGET AMENDMENT

#28

Adopted 3/8/10

OFFERED IN: House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Representatives Hawker, Stoltze, Thomas, Austerman, Fairclough, Joule, Kelly, Doogan, Foster, Gara, Salmon

DEPARTMENT:	Department of Commerce Community and Economic Development
APPROPRIATION:	Serve Alaska
ALLOCATION:	Serve Alaska
ADD:	$125.0 General Fund Match, 1003
ADD:	$125.0 Federal Fund, 1002

EXPLANATION:

This amount will increase Serve Alaska's operating budget enough to hire one new staffer. Increased staff capacity will allow the agency to access 1:1 federal funding available for administrative services. Increased capacity also gives Serve Alaska the opportunity to access up to $1.4 million in new funds.

In 2005, the Corporation for National Community Service conducted a performance review of all its agencies, of which Serve Alaska is one. At that time, Serve Alaska provided services and funding for 3 grantees and 5 programs and the review found the agency was at maximum administrative capacity. Now, Serve Alaska provides services and funding for 5 grantees and 12 programs. New federal funds are available for Serve Alaska, should the agency create administrative capacity to manage the funds.

#29 Adopted as amended 3/8/10

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Foster Thomas, Duggan Gara

DEPARTMENT: Commerce, Community & Economic Development
APPROPRIATION: Community Assistance & Economic Development
ALLOCATION: Community & Regional Affairs

ADD: ~~250,000~~ ~~$343.9~~ General Funds (1004) ~~and 1 PFT~~ Add one full time position added 5:37:58

EXPLANATION:

The Division of Community and Regional Affairs (DCRA) is requesting an increase to add $343.9 in general funds and one full-time position in the FY11 operating budget. The increase will pay for three Local Government Specialist (LGS) positions to provide local government advice and assistance as required in Article X of Alaska's state constitution. Two of the three positions were transferred in from within the Department.

The general funded LGS positions serve boroughs, cities, tribal governments, and community nonprofits that provide public services in rural communities. The LGS's provide public administration assistance on elections, Title 29 compliance, power cost equalization, accessing revenue sources, Title 4 Local Option, gaming, personnel and financial management.

There are 466 entities in Alaska eligible for general funded LGS services. Of these, 386 are located where there is a population of 25 to 2,500. Forty percent (40%) of the 386 entities are not meeting basic management indicators. Currently, three existing general funded LGS's provide these entities assistance when a situation reaches a crisis level or when services are likely to be cut off.

Within the last year, LGS assistance has resolved about $300.0 in tax issues for five communities, garnered PCE reimbursements for four communities, claimed $300.0 in revenue sharing/PILT, negotiated repayment schedules for $480.0 vendor debt in two communities (keeping the lights on), and saved .40/gallon on heating fuel and increased use of purchasing power agreements for five communities.

The addition of three fully funded LGS positions will allow DCRA to move the program from crisis response mode to working with the communities' requests for training and assistance that prevents crisis.

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 30

MEMBER	Favor	Oppose
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
~~REP. AUSTERMAN~~		
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE		✓
REP. STOLTZE		✓
REP. HAWKER		✓

YEA 4

NAY 6

OPERATING BUDGET AMENDMENT #30

Failed
3/8/10

OFFERED IN: **The House Finance Committee**

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Foster Doogan

DEPARTMENT:	Commerce, Community and Economic Development
APPROPRIATION:	Community Assistance & Economic Development
ALLOCATION:	Community and Regional Affairs

ADD: $150.0 General Fund, 1004

EXPLANATION: Increment for Alaska Legal Services Corporation (ALSC) will replace reductions placed on Community Initiative Grant in FY10 and bring funding in line with FY09 levels. The Board has set the priority to maintain an office in all communities with a superior court judges. With current funding ALSC will be unable to staff attorneys for the offices in Kenai, Kotzebue, and Nome. This funding would provide an attorney for two of these offices

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/8/10

Amendment: 31

MEMBER	Favor	Oppose
REP. SALMON	✓	
REP. THOMAS		✓
~~REP. AUSTERMAN~~		
REP. DOOGAN		✓
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE		✓
REP. KELLY		✓
REP. ~~HAWKER~~ STOLTZE		✓
REP. ~~STOLTZE~~ HAWKER		✓

YEA 3

NAY 7

OPERATING BUDGET AMENDMENT

#31
Failed
3/8/10

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY: Foster Dougan

DEPARTMENT:	University of Alaska
APPROPRIATION:	University of Alaska
ALLOCATION:	Fairbanks Campus
ADD:	$614.0 General Fund, 1004
ADD:	$27.0 University Receipts (DGF), 1048

EXPLANATION:

The Marine Advisory Program, a unit in the School of Fisheries and Ocean Sciences, has been providing extension and educational services in rural, coastal Alaska for 45 years. The program serves as an extension arm of the Alaska Sea Grant College Program and has university faculty located in 10 coastal communities. The faculty provide information, technical assistance and workforce development opportunities in a variety of subjects, including the impact of climate change on local marine resources.

Currently, 30% of MAP's positions (located in Unalaska, Petersburg, Cordova and Nome) are funded either by short term grants due to sunset in 2009, are vacant while waiting for funding (Bristol Bay), or there is no MAP agent at all (Kodiak). This request is to solidify funding for MAP faculty in these sites by moving them to regular UAF funded faculty positions

2010 Legislature - Operating Budget
Agency Summary - House Structure

Numbers and Language
Fund Groups: General Funds

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Agency Budgets						
Administration	98,818.6	-116.1	98,702.5	97,523.3	-1,179.2	-1.2 %
Commerce, Community & Econ Dev	104,495.8	660.4	105,156.2	104,662.3	-493.9	-0.5 %
Corrections	233,529.6	2,415.8	235,945.4	235,744.8	-200.6	-0.1 %
Education & Early Dev	1,185,158.5	0.0	1,185,158.5	1,185,158.5	0.0	
Environmental Conservation	43,061.5	0.0	43,061.5	43,011.9	-49.6	-0.1 %
Fish and Game	70,479.5	1.0	70,480.5	69,606.1	-874.4	-1.2 %
Governor	33,139.4	0.0	33,139.4	26,639.4	-6,500.0	-19.6 %
Health & Social Services	997,205.4	-442.7	996,762.7	993,498.1	-3,264.6	-0.3 %
Labor & Workforce Dev	63,100.3	86.8	63,187.1	62,219.6	-967.5	-1.5 %
Law	61,538.1	0.0	61,538.1	49,281.1	-12,257.0	-19.9 %
Military & Veterans Affairs	11,631.9	0.0	11,631.9	11,631.9	0.0	
Natural Resources	94,107.6	0.0	94,107.6	88,595.6	-5,512.0	-5.9 %
Public Safety	147,536.1	1,999.0	149,535.1	148,659.9	-875.2	-0.6 %
Revenue	38,317.7	0.0	38,317.7	35,551.2	-2,766.5	-7.2 %
Transportation	299,926.4	-1,161.1	298,765.3	298,146.3	-619.0	-0.2 %
University of Alaska	640,991.7	0.0	640,991.7	638,675.0	-2,316.7	-0.4 %
Alaska Court System	95,315.8	0.0	95,315.8	91,311.4	-4,004.4	-4.2 %
Legislature	68,249.0	0.0	68,249.0	67,100.0	-1,149.0	-1.7 %
Branch-wide Unallocated Approp	42,000.0	0.0	42,000.0	42,000.0	0.0	
Total	**4,328,602.9**	**3,443.1**	**4,332,046.0**	**4,289,016.4**	**-43,029.6**	**-1.0 %**
Statewide Items						
Debt Service	197,033.7	0.0	197,033.7	192,717.0	-4,316.7	-2.2 %
Fund Capitalization	7,521.0	0.0	7,521.0	7,521.0	0.0	
Direct Approps to Retirement	357,564.7	0.0	357,564.7	357,564.7	0.0	
Special Appropriations	240,000.0	0.0	240,000.0	240,000.0	0.0	
Total	**802,119.4**	**0.0**	**802,119.4**	**797,802.7**	**-4,316.7**	**-0.5 %**
Statewide Total	**5,130,722.3**	**3,443.1**	**5,134,165.4**	**5,086,819.1**	**-47,346.3**	**-0.9 %**

Computed Column Definitions: [3]=[1]+[2]

Copy on file

2010 Legislature - Operating Budget
Agency Summary - House Structure

Numbers and Language
Fund Groups: General Funds

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Funding Summary						
Unrestricted General (UGF)	4,417,240.7	13,230.5	4,430,471.2	4,384,328.7	-46,142.5	-1.0 %
Designated General (DGF)	713,481.6	-9,787.4	703,694.2	702,490.4	-1,203.8	-0.2 %
Non-Additive Items						
Fund Transfers	1,786,312.9	0.0	1,786,312.9	1,401,030.3	-385,282.6	-21.6 %
Total	**1,786,312.9**	**0.0**	**1,786,312.9**	**1,401,030.3**	**-385,282.6**	**-21.6 %**

Computed Column Definitions: [3]=[1]+[2]

Gasline Appropriation Requests
Not included in House CS v. \W
Operating Budget HB 300
Fiscal 2011

Language Section Requests

Administration		
	AOGCC	1,150,900
Law		
	Oil, Gas and Mining	2,500,000
Natural Resources		
	Gas pipeline implementation	4,217,500
Revenue		
	Tax Division	1,100,000
	Natural gas commercialization	1,550,000
Governor		
	In-state gas	6,500,000
		17,018,400

Numbers Section Requests

Law		
	BP corrosion litigation	4,000,000
	Non-gas pipeline O&G issues	3,500,000
		7,500,000
		24,518,400

Distributed by Rep. Mike Hawker

2010 Legislature - Operating Budget
Agency Summary - House Structure

Numbers and Language

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Agency Budgets						
Administration	300,203.6	0.0	300,203.6	299,052.7	-1,150.9	-0.4 %
Commerce, Community & Econ Dev	200,849.4	-797.3	200,052.1	199,558.2	-493.9	-0.2 %
Corrections	253,081.5	0.0	253,081.5	252,880.9	-200.6	-0.1 %
Education & Early Dev	1,422,734.9	0.0	1,422,734.9	1,422,734.9	0.0	
Environmental Conservation	75,546.7	36.9	75,583.6	75,534.0	-49.6	-0.1 %
Fish and Game	188,659.6	0.0	188,659.6	186,985.2	-1,674.4	-0.9 %
Governor	34,083.4	0.0	34,083.4	27,583.4	-6,500.0	-19.1 %
Health & Social Services	2,252,037.1	121.5	2,252,158.6	2,248,894.0	-3,264.6	-0.1 %
Labor & Workforce Dev	191,091.8	0.0	191,091.8	189,924.3	-1,167.5	-0.6 %
Law	87,483.4	0.0	87,483.4	75,326.4	-12,157.0	-13.9 %
Military & Veterans Affairs	48,461.7	0.0	48,461.7	48,461.7	0.0	
Natural Resources	146,792.7	0.0	146,792.7	141,766.1	-5,026.6	-3.4 %
Public Safety	179,924.4	0.0	179,924.4	179,074.4	-850.0	-0.5 %
Revenue	285,715.5	0.0	285,715.5	282,043.5	-3,672.0	-1.3 %
Transportation	543,035.8	0.0	543,035.8	542,416.8	-619.0	-0.1 %
University of Alaska	849,936.4	0.0	849,936.4	847,619.7	-2,316.7	-0.3 %
Alaska Court System	98,552.7	0.0	98,552.7	94,673.3	-3,879.4	-3.9 %
Legislature	68,589.0	0.0	68,589.0	67,513.0	-1,076.0	-1.6 %
Branch-wide Unallocated Approp	42,000.0	0.0	42,000.0	42,000.0	0.0	
Total	**7,268,779.6**	**-638.9**	**7,268,140.7**	**7,224,042.5**	**-44,098.2**	**-0.6 %**
Statewide Items						
Debt Service	275,978.3	0.0	275,978.3	271,661.6	-4,316.7	-1.6 %
Fund Capitalization	16,521.0	0.0	16,521.0	16,521.0	0.0	
Direct Approps to Retirement	357,564.7	0.0	357,564.7	357,564.7	0.0	
Special Appropriations	240,000.0	0.0	240,000.0	240,000.0	0.0	
Total	**890,064.0**	**0.0**	**890,064.0**	**885,747.3**	**-4,316.7**	**-0.5 %**
Statewide Total	**8,158,843.6**	**-638.9**	**8,158,204.7**	**8,109,789.8**	**-48,414.9**	**-0.6 %**

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Operating Budget
Agency Summary - House Structure

Numbers and Language

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Funding Summary						
Unrestricted General (UGF)	4,417,240.7	13,230.5	4,430,471.2	4,384,328.7	-46,142.5	-1.0 %
Designated General (DGF)	713,481.6	-9,787.4	703,694.2	702,490.4	-1,203.8	-0.2 %
Other State Funds (Other)	1,093,790.5	-4,524.7	1,089,265.8	1,088,772.0	-493.8	
Federal Receipts (Fed)	1,934,330.8	442.7	1,934,773.5	1,934,198.7	-574.8	
Non-Additive Items						
Fund Transfers	1,823,744.9	0.0	1,823,744.9	1,438,462.3	-385,282.6	-21.1 %
Total	**1,823,744.9**	**0.0**	**1,823,744.9**	**1,438,462.3**	**-385,282.6**	**-21.1 %**

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Operating Budget
Agency Summary - House Structure

Language Only

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Agency Budgets						
Administration	1,150.9	0.0	1,150.9	0.0	-1,150.9	-100.0 %
Commerce, Community & Econ Dev	36,130.0	0.0	36,130.0	36,130.0	0.0	
Corrections	0.0	0.0	0.0	0.0	0.0	
Education & Early Dev	1,116,986.6	0.0	1,116,986.6	1,116,986.6	0.0	
Environmental Conservation	0.0	0.0	0.0	0.0	0.0	
Fish and Game	0.0	0.0	0.0	0.0	0.0	
Governor	6,500.0	0.0	6,500.0	0.0	-6,500.0	-100.0 %
Health & Social Services	1,200.0	0.0	1,200.0	1,200.0	0.0	
Labor & Workforce Dev	0.0	0.0	0.0	0.0	0.0	
Law	2,500.0	0.0	2,500.0	0.0	-2,500.0	-100.0 %
Military & Veterans Affairs	12.8	0.0	12.8	12.8	0.0	
Natural Resources	7,317.5	0.0	7,317.5	3,100.0	-4,217.5	-57.6 %
Public Safety	2,663.2	0.0	2,663.2	2,663.2	0.0	
Revenue	40,459.0	0.0	40,459.0	38,106.0	-2,353.0	-5.8 %
Transportation	170.0	0.0	170.0	170.0	0.0	
University of Alaska	2.0	0.0	2.0	2.0	0.0	
Legislature	0.0	0.0	0.0	0.0	0.0	
Branch-wide Unallocated Approp	42,000.0	0.0	42,000.0	42,000.0	0.0	
Total	**1,257,092.0**	**0.0**	**1,257,092.0**	**1,240,370.6**	**-16,721.4**	**-1.3 %**
Statewide Items						
Debt Service	275,978.3	0.0	275,978.3	271,661.6	-4,316.7	-1.6 %
Fund Capitalization	16,521.0	0.0	16,521.0	16,521.0	0.0	
Direct Approps to Retirement	357,564.7	0.0	357,564.7	357,564.7	0.0	
Special Appropriations	240,000.0	0.0	240,000.0	240,000.0	0.0	
Total	**890,064.0**	**0.0**	**890,064.0**	**885,747.3**	**-4,316.7**	**-0.5 %**
Statewide Total	**2,147,156.0**	**0.0**	**2,147,156.0**	**2,126,117.9**	**-21,038.1**	**-1.0 %**

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Operating Budget
Agency Summary - House Structure

Language Only

Agency	[1] GovAmd+	[2] BCPFdChg	[3] (GAmd+)+BCPFd	[4] HFC CS	[4] - [3] (GAmd+)+B to HFC CS	
Funding Summary						
Unrestricted General (UGF)	1,975,455.0	0.0	1,975,455.0	1,954,119.9	-21,335.1	-1.1 %
Designated General (DGF)	44,940.6	0.0	44,940.6	44,940.6	0.0	
Other State Funds (Other)	61,020.9	0.0	61,020.9	61,020.9	0.0	
Federal Receipts (Fed)	65,739.5	0.0	65,739.5	66,036.5	297.0	0.5 %
Non-Additive Items						
Fund Transfers	1,823,744.9	0.0	1,823,744.9	1,438,462.3	-385,282.6	-21.1 %
Total	**1,823,744.9**	**0.0**	**1,823,744.9**	**1,438,462.3**	**-385,282.6**	**-21.1 %**

Computed Column Definitions: [3]=[1]+[2]

Adopted 3/1/10

26-GH2823\M
Bailey
3/1/10

CS FOR HOUSE BILL NO. 300(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Department of Administration** * * * * *			
	* * * * *	* * * * *		
Centralized Administrative Services		**72,348,700**	**13,241,100**	**59,107,600**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 2, line 12, and collected in the Department of Administration's federally approved cost allocation plans.

Office of Administrative Hearings	1,563,900
DOA Leases	1,814,900
Office of the Commissioner	948,100
Administrative Services	2,334,300
DOA Information Technology Support	1,248,200
Finance	9,092,100
E-Travel	2,940,700
Personnel	15,502,900
Labor Relations	1,289,200
Purchasing	1,241,700
Property Management	958,000
Central Mail	3,427,700

	Allocations	Appropriation Items	General Funds	Other Funds
Centralized Human Resources	281,700			
Retirement and Benefits	14,216,700			
Group Health Insurance	15,100,400			
Labor Agreements Miscellaneous Items	50,000			
Centralized ETS Services	338,200			
Leases		**48,390,800**	**58,100**	**48,332,700**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 3, line 15, and collected in the Department of Administration's federally approved cost allocation plans.				
Leases	47,182,700			
Lease Administration	1,208,100			
State Owned Facilities		**17,403,200**	**1,394,100**	**16,009,100**
Facilities	15,258,700			
Facilities Administration	1,389,700			
Non-Public Building Fund Facilities	754,800			
Administration State Facilities Rent		**1,538,800**	**1,468,600**	**70,200**
Administration State Facilities Rent	1,538,800			
Special Systems		**2,298,100**	**2,298,100**	
Unlicensed Vessel Participant Annuity Retirement Plan	50,000			
Elected Public Officers Retirement System Benefits	2,248,100			
Enterprise Technology Services		**45,965,200**	**8,006,100**	**37,959,100**

	Allocations	Appropriation Items	General Funds	Other Funds
State of Alaska Telecommunications System	5,468,900			
Alaska Land Mobile Radio	1,300,000			

It is the intent of the legislature that the Department work with the entities participating in ALMR to negotiate a cost share agreement. This agreement shall be implemented in the second half of the fiscal year.

Enterprise Technology Services	39,196,300			
Information Services Fund		**55,000**		**55,000**
Information Services Fund	55,000			

This appropriation to the Information Services Fund capitalizes a fund and does not lapse.

Public Communications Services		**4,622,200**	**4,298,500**	**323,700**
Public Broadcasting Commission	54,200			
Public Broadcasting - Radio	2,869,900			
Public Broadcasting - T.V.	527,100			
Satellite Infrastructure	1,171,000			
AIRRES Grant		**100,000**	**100,000**	
AIRRES Grant	100,000			
Risk Management		**36,926,900**		**36,926,900**
Risk Management	36,926,900			
Alaska Oil and Gas Conservation Commission		**5,686,300**	**5,550,600**	**135,700**
Alaska Oil and Gas Conservation Commission	5,686,300			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts of the Department of Administration, Alaska Oil and Gas Conservation Commission receipts account for regulatory cost charges under AS 31.05.093 and permit fees under AS 31.05.090.

Legal and Advocacy Services		**42,632,200**	**41,442,600**	**1,189,600**

	Allocations	Appropriation Items	General Funds	Other Funds
Therapeutic Courts Support Services	65,000			
Office of Public Advocacy	20,528,300			
Public Defender Agency	22,038,900			
Violent Crimes Compensation Board		**2,543,600**	**1,883,500**	**660,100**
Violent Crimes Compensation Board	2,543,600			
Alaska Public Offices Commission		**1,301,200**	**1,301,200**	
Alaska Public Offices Commission	1,301,200			
Motor Vehicles		**15,136,200**	**14,590,500**	**545,700**
Motor Vehicles	15,136,200			
General Services Facilities Maintenance		**39,700**		**39,700**
General Services Facilities Maintenance	39,700			
ITG Facilities Maintenance		**23,000**		**23,000**
ETS Facilities Maintenance	23,000			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Executive Administration		**5,371,300**	**1,361,000**	**4,010,300**
Commissioner's Office	933,900			
Administrative Services	4,437,400			
Community Assistance & Economic Development		**13,353,800**	**8,979,700**	**4,374,100**
Community and Regional Affairs	9,982,600			
Office of Economic	3,371,200			

		Appropriation	General	Other
	Allocations	**Items**	**Funds**	**Funds**
Development				
Revenue Sharing		**30,973,400**		**30,973,400**
Payment in Lieu of Taxes (PILT)	10,100,000			
National Forest Receipts	17,273,400			
Fisheries Taxes	3,600,000			
Qualified Trade Association Contract		**9,000,000**	**9,000,000**	
Qualified Trade Association Contract	9,000,000			
Investments		**4,582,300**	**4,578,100**	**4,200**
Investments	4,582,300			
Alaska Aerospace Corporation		**28,721,400**		**28,721,400**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the federal and corporate receipts of the Department of Commerce, Community, and Economic Development, Alaska Aerospace Corporation.				
Alaska Aerospace Corporation	4,491,500			
Alaska Aerospace Corporation Facilities Maintenance	24,229,900			
Alaska Industrial Development and Export Authority		**10,709,000**		**10,709,000**
Alaska Industrial Development and Export Authority	10,447,000			
Alaska Industrial Development Corporation Facilities Maintenance	262,000			
Alaska Energy Authority		**7,818,700**	**2,042,200**	**5,776,500**

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Energy Authority Owned Facilities	1,067,100			
Alaska Energy Authority Rural Energy Operations	5,591,500			
Alaska Energy Authority Technical Assistance	100,700			
Statewide Project Development, Alternative Energy and Efficiency	1,059,400			
Alaska Seafood Marketing Institute		**18,712,200**	**13,712,200**	**5,000,000**
Alaska Seafood Marketing Institute	18,712,200			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska Seafood Marketing Institute.

Banking and Securities		**3,264,300**	**3,264,300**	
Banking and Securities	3,264,300			
Insurance Operations		**6,816,600**	**6,691,300**	**125,300**
Insurance Operations	6,816,600			

The amount appropriated by this appropriation includes up to $1,000,000 of the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, division of insurance, program receipts from license fees and service fees.

Corporations, Business and Professional Licensing		**10,907,600**	**9,816,200**	**1,091,400**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of receipts collected under AS 08.01.065(a), (c) and (f)-(i).

Corporations, Business and Professional Licensing	10,907,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Regulatory Commission of Alaska		**8,542,700**	**8,210,600**	**332,100**
Regulatory Commission of Alaska	8,542,700			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, Regulatory Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286.

DCED State Facilities Rent		**1,345,200**	**585,000**	**760,200**
DCED State Facilities Rent	1,345,200			
Serve Alaska		**3,309,700**	**121,700**	**3,188,000**
Serve Alaska	3,309,700			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Administration and Support		**6,577,300**	**6,465,900**	**111,400**
Office of the Commissioner	1,283,900			
Administrative Services	2,703,700			
Information Technology MIS	2,001,000			
Research and Records	298,800			
DOC State Facilities Rent	289,900			
Population Management		**200,719,800**	**184,533,900**	**16,185,900**
Correctional Academy	981,600			
Facility-Capital Improvement Unit	548,500			
Prison System Expansion	501,000			
Facility Maintenance	12,280,500			
Classification and Furlough	1,161,600			
Out-of-State Contractual	21,866,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Institution Director's Office	1,506,300			
Prison Employment Program	2,285,600			

The amount allocated for Prison Employment Program includes the unexpended and unobligated balance on June 30, 2010, of the Department of Corrections receipts collected under AS 37.05.146(c)(80).

Inmate Transportation	2,139,600			
Point of Arrest	628,700			
Anchorage Correctional Complex	23,184,000			
Anvil Mountain Correctional Center	4,893,100			
Combined Hiland Mountain Correctional Center	9,678,900			
Fairbanks Correctional Center	8,884,900			
Goose Creek Correctional Center	518,600			
Ketchikan Correctional Center	3,662,500			
Lemon Creek Correctional Center	7,614,100			
Matanuska-Susitna Correctional Center	3,960,300			
Palmer Correctional Center	11,512,200			
Spring Creek Correctional Center	18,051,100			
Wildwood Correctional Center	12,413,100			
Yukon-Kuskokwim Correctional Center	5,285,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Point MacKenzie Correctional Farm	3,497,400			
Probation and Parole Director's Office	741,000			
Statewide Probation and Parole	13,318,000			
Electronic Monitoring	2,182,700			
Community Jails	6,415,400			
Community Residential Centers	20,215,800			
Parole Board	791,900			
Inmate Health Care		**29,258,900**	**29,032,900**	**226,000**
Behavioral Health Care	1,670,800			
Physical Health Care	27,588,100			
Offender Habilitation		**4,622,100**	**4,383,300**	**238,800**
It is the intent of the legislature that the Department of Corrections will provide detailed information to the legislature on a quarterly basis regarding the success of the Offender Habilitation programs with a strong focus on performance and outcomes.				
Education Programs	663,300			
Vocational Education Program	150,000			
Domestic Violence Program	175,000			
Substance Abuse Treatment Program	906,200			
Sex Offender Management Program	2,727,600			
24 Hr. Institutional Utilities		**4,528,900**	**4,528,900**	
24 Hr. Institutional Utilities	4,528,900			

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**45,231,600**	**24,440,600**	**20,791,000**
Foundation Program	33,491,000			
Boarding Home Grants	1,690,800			
Youth in Detention	1,100,000			
Special Schools	3,123,000			
Alaska Challenge Youth Academy	5,826,800			
Education Support Services		**6,804,700**	**4,865,400**	**1,939,300**
Executive Administration	2,456,400			
It is the intent of the legislature that the Department provide additional information on the use and implementation of funding for the three new content specialists for math, science, and reading added to the budget in FY11.				
Administrative Services	1,385,800			
Information Services	658,900			
School Finance & Facilities	2,303,600			
Teaching and Learning Support		**213,869,600**	**21,315,900**	**192,553,700**
Student and School Achievement	164,850,600			
Statewide Mentoring Program	4,500,000			
Teacher Certification	701,900			
The amount allocated for Teacher Certification includes the unexpended and unobligated balance on June 30, 2010, of the Department of Education and Early Development receipts from teacher certification fees under AS 14.20.020(c).				
Child Nutrition	35,580,700			
Early Learning Coordination	8,236,400			
Commissions and Boards		**1,954,500**	**972,700**	**981,800**
Professional Teaching	277,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Practices Commission				
Alaska State Council on the Arts	1,677,400			
Mt. Edgecumbe Boarding School		**8,994,200**	**3,909,500**	**5,084,700**
Mt. Edgecumbe Boarding School	8,994,200			
State Facilities Maintenance		**3,226,600**	**2,115,800**	**1,110,800**
State Facilities Maintenance	1,084,800			
EED State Facilities Rent	2,141,800			
Alaska Library and Museums		**8,844,700**	**7,247,400**	**1,597,300**
Library Operations	5,846,000			
Archives	1,117,000			
Museum Operations	1,881,700			
Alaska Postsecondary Education Commission		**16,270,600**	**2,964,800**	**13,305,800**
Program Administration & Operations	13,305,800			
WWAMI Medical Education	2,964,800			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	

It is the intent of the Alaska Legislature that the Department of Environmental Conservation work closely with molluscan shellfish producers to explore methods of lowering the cost to the public and private sectors of certifying the water quality of shellfish harvest areas. DEC will report on its progress to the Legislature during deliberations over the FY 2012 operating budget.

Administration		**7,727,600**	**4,757,100**	**2,970,500**
Office of the Commissioner	1,012,700			
Administrative Services	4,744,800			

	Allocations	Appropriation Items	General Funds	Other Funds
The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Environmental Conservation's federal approved indirect cost allocation plan for expenditures incurred by the Department of Environmental Conservation.				
State Support Services	1,970,100			
DEC Buildings Maintenance and Operations		**507,800**	**507,800**	
DEC Buildings Maintenance and Operations	507,800			
Environmental Health		**26,234,400**	**13,005,900**	**13,228,500**
Environmental Health Director	336,900			
Food Safety & Sanitation	3,968,600			
Laboratory Services	3,428,700			
Drinking Water	6,713,200			
Solid Waste Management	2,226,300			
Air Quality Director	259,400			
Air Quality	9,301,300			
The amount allocated for Air Quality includes the unexpended and unobligated balance on June 30, 2010, of the Department of Environmental Conservation, Division of Air Quality receipt supported services from fees collected under AS 46.14.240 and AS 46.14.250.				
Spill Prevention and Response		**17,525,800**	**13,179,100**	**4,346,700**
Spill Prevention and Response Director	269,800			
Contaminated Sites Program	7,209,300			
Industry Preparedness and Pipeline Operations	4,536,000			
Prevention and Emergency Response	4,040,200			
Response Fund Administration	1,470,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Water		**23,538,400**	**11,562,000**	**11,976,400**
Water Quality	15,927,400			
Facility Construction	7,611,000			
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		

The amount appropriated for the Department of Fish and Game includes the unexpended and unobligated balance on June 30, 2010 of receipts collected under the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the Department of Fish and Game.

Commercial Fisheries		**60,795,400**	**42,182,400**	**18,613,000**

The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14).

Southeast Region Fisheries Management	7,473,200			
Central Region Fisheries Management	8,284,200			
AYK Region Fisheries Management	6,060,700			
Westward Region Fisheries Management	7,915,200			
Headquarters Fisheries Management	9,498,400			
Commercial Fisheries Special Projects	21,563,700			

The amount appropriated to the Commercial Fisheries Special Projects allocation includes the unexpended and unobligated balances on June 30, 2010, of the Department of Fish and Game, Commercial Fisheries Special Projects, receipt supported services from taxes on dive fishery products.

Sport Fisheries		**47,521,200**	**4,198,400**	**43,322,800**

	Allocations	Appropriation Items	General Funds	Other Funds
Sport Fisheries	47,521,200			
Wildlife Conservation		**40,523,800**	**6,582,100**	**33,941,700**
Wildlife Conservation	28,249,400			
Wildlife Conservation Special Projects	11,660,300			
Hunter Education Public Shooting Ranges	614,100			
Administration and Support		**28,091,300**	**9,284,900**	**18,806,400**
Commissioner's Office	1,790,600			
Administrative Services	11,356,900			
Fish and Game Boards and Advisory Committees	1,653,900			
State Subsistence	5,526,200			
EVOS Trustee Council	3,624,900			
State Facilities Maintenance	1,608,800			
Fish and Game State Facilities Rent	2,530,000			
Habitat		**6,030,900**	**3,450,100**	**2,580,800**
Habitat	6,030,900			
Commercial Fisheries Entry Commission		**4,022,600**	**3,908,200**	**114,400**
Commercial Fisheries Entry Commission	4,022,600			

The amount appropriated for Commercial Fisheries Entry Commission includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game, Commercial Fisheries Entry Commission program receipts from licenses, permits and other fees.

* * * * * * * * * *

*** * * * * Office of the Governor * * * * ***

* * * * * * * * * *

	Allocations	Appropriation Items	General Funds	Other Funds
Commissions/Special Offices		**3,144,500**	**2,954,600**	**189,900**
Human Rights Commission	2,144,500			
Redistricting Planning	1,000,000			
Executive Operations		**12,958,100**	**12,958,100**	
Executive Office	10,503,800			
Governor's House	485,300			
Contingency Fund	800,000			
Lieutenant Governor	1,169,000			
Office of the Governor State Facilities Rent		**998,300**	**998,300**	
Governor's Office State Facilities Rent	526,200			
Governor's Office Leasing	472,100			
Office of Management and Budget		**2,598,400**	**2,598,400**	
Office of Management and Budget	2,598,400			
Elections		**7,884,100**	**7,130,000**	**754,100**
Elections	7,884,100			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	

It is the intent of the legislature that the Department continues to aggressively pursue Medicaid cost containment initiatives. Efforts should continue where the Department believes additional cost containment is possible including further efforts to contain travel expenses. The Department must continue efforts imposing regulations controlling and materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be continued utilizing existing resources to impose regulations screening applicants for Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The department must address the entire matrix of optional Medicaid services, reimbursement rates and eligibility requirements that are the basis of the Medicaid growth

	Appropriation	General	Other
	Allocations	Items	Funds	Funds

algorithm. This work is to utilize the results of the Medicaid Assessment and Planning analysis. The legislature requests that by January 2011 the Department be prepared to present projections of future Medicaid funding requirements under our existing statute and regulations and be prepared to present and evaluate the consequences of viable policy alternatives that could be implemented to lower growth rates and reducing projections of future costs.

It is the intent of the legislature that the Department of Health and Social Services eliminate the requirement for narrative and financial quarterly reports for all grant recipients whose grants are $50,000 or less. This is an unnecessary burden and is not a requirement of the federal grants.

It is the intent of the legislature that the Department of Health and Social Services make a single 'upfront' payment for any grant award that is $50,000 or less and includes a signature of the grantee certifying compliance with the terms of the grant with their approved application. Signature of the grantee would also certify that if a final report certifying completion of the grant requirements is not filed, future grants will not be considered for that grantee until all requirements of prior grants are completed satisfactorily. In the event a grantee is deemed ineligible for a future grant consideration due to improper filing of final reports, the grantee will be informed about the department's procedures for future consideration of grant eligibility. The department will establish procedures to consider retroactivity for specific grant consideration or express that the retroactivity cannot be considered for certain grants during the selection process.

It is the intent of the legislature that the Department of Health and Social Services continue the Medicaid Reform work to improve efficiency and slow the need for General Funds in the Medicaid program. Specifically, but not exclusively, the Department is to:

1) Complete the evaluation of possible changes to program design, determine waiver changes necessary to secure federal funding and report back to the First Session of the 27th Alaska Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and resources needed to accomplish the work.

2) Develop and implement public provider reimbursement methodologies and payment rates that will further the goals of Medicaid Reform.

3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our ability to provide Medicaid services through Tribal Health Organizations.

	Allocations	Appropriation Items	General Funds	Other Funds
It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.				
It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.				
Alaska Pioneer Homes		**41,292,000**	**32,064,800**	**9,227,200**
It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.				
It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.				
Alaska Pioneer Homes Management	1,437,400			
Pioneer Homes	39,840,900			
Pioneers Homes Advisory Board	13,700			
Behavioral Health		**160,349,500**	**20,173,200**	**140,176,300**
AK Fetal Alcohol Syndrome Program	1,409,000			
Alcohol Safety Action Program (ASAP)	2,585,700			
Behavioral Health Medicaid Services	109,891,800			
Behavioral Health Grants	5,685,500			
It is the intent of the legislature that the department continue developing policies and				

	Allocations	Appropriation Items	General Funds	Other Funds
procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate to reconcile and compare grant recipient performances across the array of providers and services involved.				
Behavioral Health Administration	6,681,600			
Community Action Prevention & Intervention Grants	3,783,000			
Rural Services and Suicide Prevention	785,900			
Psychiatric Emergency Services	1,714,400			
Services to the Seriously Mentally Ill	2,184,000			
Services for Severely Emotionally Disturbed Youth	1,382,100			
Alaska Psychiatric Institute	24,096,400			
Alaska Psychiatric Institute Advisory Board	10,000			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	140,100			
Children's Services		**127,626,000**	**70,707,800**	**56,918,200**

	Allocations	Appropriation Items	General Funds	Other Funds
Children's Medicaid Services	10,658,600			
Children's Services Management	7,006,900			
Children's Services Training	1,824,800			
Front Line Social Workers	40,160,100			
Family Preservation	12,628,800			
Foster Care Base Rate	17,246,000			
Foster Care Augmented Rate	1,176,100			
Foster Care Special Need	5,565,800			
Subsidized Adoptions & Guardianship	23,401,600			
Residential Child Care	3,311,900			
Infant Learning Program Grants	4,095,700			
Children's Trust Programs	549,700			
Health Care Services		**808,572,100**	**248,960,300**	**559,611,800**
Adult Preventative Dental Medicaid Services	8,278,400			

It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over spend authority granted by authorizing statute and adjust benefits available to individual participants as necessary to maintain and conduct the program throughout the entire fiscal year.

Medicaid Services	750,611,900			
Catastrophic and Chronic Illness Assistance (AS 47.08)	1,471,000			
Health Facilities Survey	1,994,300			
Medical Assistance Administration	37,110,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Rate Review	2,370,700			
Health Planning and Infrastructure	4,581,800			
Community Health Grants	2,153,900			
Juvenile Justice		**50,932,200**	**47,615,700**	**3,316,500**
McLaughlin Youth Center	16,276,800			
Mat-Su Youth Facility	2,020,100			
Kenai Peninsula Youth Facility	1,697,700			
Fairbanks Youth Facility	4,400,800			
Bethel Youth Facility	3,502,500			
Nome Youth Facility	2,383,700			
Johnson Youth Center	3,541,100			
Ketchikan Regional Youth Facility	1,630,500			
Probation Services	13,331,000			
Delinquency Prevention	1,300,000			
Youth Courts	848,000			
Public Assistance		**289,634,400**	**155,225,600**	**134,408,800**
Alaska Temporary Assistance Program	25,159,500			
Adult Public Assistance	57,881,400			

It is the intent of the legislature that the Interim Assistance cash payments be restricted to those individuals who agree to repay the State of Alaska in the event Supplementary Security Income (SSI) does not determine the individual eligible for cash assistance. It is the intent of the Legislature that the Department of Health and Social Services make all attempts possible to recover the Interim Assistance cash payments in the event an individual is not SSI eligible after receiving Interim Assistance.

Child Care Benefits	48,805,900			
General Relief Assistance	1,655,400			
Tribal Assistance Programs	14,845,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Senior Benefits Payment Program	20,473,500			
Permanent Fund Dividend Hold Harmless	13,584,700			
Energy Assistance Program	17,346,200			
Public Assistance Administration	4,411,600			
Public Assistance Field Services	36,218,900			

It is the intent of the legislature that there shall be no fee agents engaged in activities within 50 road miles of any public assistance office.

Fraud Investigation	1,838,900			
Quality Control	1,803,400			
Work Services	16,044,900			
Women, Infants and Children	29,565,100			
Public Health		**99,267,400**	**52,508,100**	**46,759,300**
Injury Prevention/Emergency Medical Services	4,096,500			
Nursing	27,803,300			
Women, Children and Family Health	9,023,800			
Public Health Administrative Services	2,214,400			
Preparedness Program	5,371,900			
Certification and Licensing	5,356,200			
Chronic Disease Prevention and Health Promotion	11,929,900			
Epidemiology	10,863,600			
Bureau of Vital Statistics	2,800,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Emergency Medical Services Grants	2,820,600			
State Medical Examiner	2,550,600			
Public Health Laboratories	6,622,600			
Tobacco Prevention and Control	7,813,300			
Senior and Disabilities Services		**441,995,600**	**172,407,800**	**269,587,800**
General Relief/Temporary Assisted Living	6,548,400			

It is the intent of the legislature that regulations related to the General Relief / Temporary Assisted Living program be reviewed and revised as needed to minimize the length of time that the state provides housing alternatives and assure the services are provided only to intended beneficiaries who are actually experiencing harm, abuse or neglect. The department should educate care coordinators and direct service providers about who should be referred and when they are correctly referred to the program in order that referring agents correctly match consumer needs with the program services intended by the department.

Senior and Disabilities Medicaid Services	403,034,100			
Senior and Disabilities Services Administration	12,677,900			
Senior Community Based Grants	9,876,100			

It is the intent of the legislature that funding in the FY 2011 budget for Senior Community Based Grants be used to invest in successful home and community based supports provided by grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures.

Senior Residential Services	815,000			
Community Developmental Disabilities Grants	6,727,000			
Commission on Aging	366,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Governor's Council on Disabilities and Special Education	1,950,500			
Departmental Support Services		**46,252,600**	**17,566,700**	**28,685,900**
Public Affairs	1,588,500			
Quality Assurance and Audit	1,174,600			
Commissioner's Office	2,071,300			

It is the intent of the legislature that the Department of Health and Social Services complete the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid providers:

1. Develop regulations addressing the use of extrapolation methodology following an audit of Medicaid providers that clearly defines the difference between actual overpayment of funds to a provider and ministerial omission or clerical billing error that does not result in overpayment to the provider. The extrapolation methodology will also define percentage of 'safe harbor' overpayment rates for which extrapolation methodology will be applied.

2. Develop training standards and definitions regarding ministerial and billing errors versus overpayments. Include the use of those standards and definitions in the State's audit contracts.

All audits initiated after the effective date of this intent and resulting in findings of overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.

It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.

It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2010.

Assessment and Planning	250,000			
Administrative Support Services	9,708,000			
Hearings and Appeals	965,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Medicaid School Based Administrative Claims	5,543,800			
Facilities Management	1,242,800			
Information Technology Services	14,658,500			
Facilities Maintenance	2,454,900			
Pioneers' Homes Facilities Maintenance	2,125,000			
HSS State Facilities Rent	4,470,200			
Human Services Community Matching Grant		**1,485,300**	**1,485,300**	
Human Services Community Matching Grant	1,485,300			
Community Initiative Matching Grants		**688,100**	**675,700**	**12,400**
Community Initiative Matching Grants (non-statutory grants)	688,100			
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
Commissioner and Administrative Services		**21,599,000**	**6,885,800**	**14,713,200**
Commissioner's Office	1,067,800			
Alaska Labor Relations Agency	509,900			
Management Services	3,259,000			

The amount allocated for Management Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

	Allocations	Appropriation Items	General Funds	Other Funds
Human Resources	846,500			
Leasing	3,335,500			
Data Processing	7,250,700			
Labor Market Information	5,329,600			
Workers' Compensation		**11,595,600**	**11,595,600**	
Workers' Compensation	5,165,200			
Workers' Compensation Appeals Commission	553,100			
Workers' Compensation Benefits Guaranty Fund	280,000			
Second Injury Fund	3,978,400			
Fishermens Fund	1,618,900			
Labor Standards and Safety		**10,613,000**	**6,618,400**	**3,994,600**
Wage and Hour Administration	2,218,600			
Mechanical Inspection	2,671,300			
Occupational Safety and Health	5,597,300			
Alaska Safety Advisory Council	125,800			

The amount allocated for the Alaska Safety Advisory Council includes the unexpended and unobligated balance on June 30, 2010, of the Department of Labor and Workforce Development, Alaska Safety Advisory Council receipts under AS 18.60.840.

Employment Security		**60,207,400**	**3,928,300**	**56,279,100**
Employment and Training Services	28,749,000			
Unemployment Insurance	27,943,300			
Adult Basic Education	3,515,100			
Business Partnerships		**48,414,600**	**18,380,500**	**30,034,100**
Workforce Investment Board	853,100			
Business Services	40,099,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Kotzebue Technical Center Operations Grant	1,536,300			
Southwest Alaska Vocational and Education Center Operations Grant	507,100			
Yuut Elitnaurviat, Inc. People's Learning Center Operations Grant	936,300			
Northwest Alaska Career and Technical Center	712,100			
Delta Career Advancement Center	312,100			
New Frontier Vocational Technical Center	208,100			
Construction Academy Training	3,250,000			

It is the intent of the legislature that the Construction Academy pursue other sources of funding during FY2011, to include applying for State Training and Employment Program funding and pursuing becoming an Eligible Training Provider to receive federal Workforce Investment Act funding.

Vocational Rehabilitation		**24,880,400**	**5,370,000**	**19,510,400**
Vocational Rehabilitation Administration	1,567,200			

The amount allocated for Vocational Rehabilitation Administration includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

Client Services	14,335,000			
Independent Living Rehabilitation	1,759,100			
Disability Determination	5,161,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Special Projects	1,196,400			
Assistive Technology	633,000			
Americans With Disabilities Act (ADA)	228,400			

The amount allocated for the Americans with Disabilities Act includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts collected by the Department of Labor and Workforce Development for cost allocation of the Americans with Disabilities Act.

Alaska Vocational Technical Center		**12,614,300**	**9,441,000**	**3,173,300**
Alaska Vocational Technical Center	11,056,200			

The amount allocated for the Alaska Vocational Technical Center includes the unexpended and unobligated balance on June 30, 2010, of contributions received by the Alaska Vocational Technical Center under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045.

It is the intent of the legislature that by January 15, 2010, the Department of Labor provide a report , by fiscal year, of the number and amounts of federal grants obtained in AVTEC for the past 5 years and for FY2011.

AVTEC Facilities Maintenance	1,558,100			

* * * * * * * * * *

*** * * * * Department of Law * * * * ***

* * * * * * * * * *

Criminal Division		**28,467,100**	**24,482,500**	**3,984,600**
First Judicial District	1,902,600			
Second Judicial District	1,382,300			
Third Judicial District: Anchorage	7,009,000			
Third Judicial District: Outside Anchorage	4,895,400			
Fourth Judicial District	5,224,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Criminal Justice Litigation	2,550,100			
Criminal Appeals/Special Litigation	5,502,800			

The amount appropriated for Criminal Appeals/Special Litigation includes the unexpended and unobligated balance on June 30, 2010, of federal grants to the Department of Law that address domestic violence and/or sexual assault.

Civil Division		**43,297,000**	**22,514,600**	**20,782,400**
Deputy Attorney General's Office	916,100			
Child Protection	5,169,000			
Collections and Support	2,708,600			
Commercial and Fair Business	4,825,200			

The amount allocated for Commercial and Fair Business includes the unexpended and unobligated balance on June 30, 2010, of designated program receipts of the Department of Law, Commercial and Fair Business section, that are required by the terms of a settlement or judgment to be spent by the state for consumer education or consumer protection.

Environmental Law	2,118,700
Human Services	1,615,000
Labor and State Affairs	5,813,600
Legislation/Regulations	854,000
Natural Resources	3,282,700
Oil, Gas and Mining	5,088,800
Opinions, Appeals and Ethics	1,824,500
Regulatory Affairs Public Advocacy	1,543,500
Timekeeping and Litigation Support	1,706,500
Torts & Workers'	3,462,200

	Allocations	Appropriation Items	General Funds	Other Funds
Compensation				
Transportation Section	2,368,600			
Administration and Support		**3,476,300**	**2,198,000**	**1,278,300**
Office of the Attorney General	651,100			
Administrative Services	2,338,200			
Dimond Courthouse Public Building Fund	487,000			
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Military and Veteran's Affairs		**47,487,700**	**10,670,700**	**36,817,000**
Office of the Commissioner	3,991,100			
Homeland Security and Emergency Management	9,087,300			
Local Emergency Planning Committee	300,000			
National Guard Military Headquarters	815,100			
Army Guard Facilities Maintenance	12,295,100			
Air Guard Facilities Maintenance	7,361,100			
Alaska Military Youth Academy	10,197,900			
Veterans' Services	1,082,100			
Alaska Statewide Emergency Communications	2,033,000			
State Active Duty	325,000			
Alaska National Guard		**961,200**	**961,200**	

	Allocations	Appropriation Items	General Funds	Other Funds
Benefits				
Educational Benefits	80,000			
Retirement Benefits	881,200			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Resource Development		**92,332,100**	**57,896,800**	**34,435,300**
Commissioner's Office	1,177,500			
Administrative Services	2,543,400			

The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Natural Resource's federal indirect cost plan for expenditures incurred by the Department of Natural Resources.

Information Resource Management	4,211,400			
Oil & Gas Development	13,519,600			
Petroleum Systems Integrity Office	1,044,100			
Pipeline Coordinator	7,612,000			
Gas Pipeline Implementation	685,300			
Alaska Coastal and Ocean Management	4,393,700			
Large Project Permitting	3,742,100			
Claims, Permits & Leases	10,750,300			

It is the intent of the legislature that the Department of Natural Resources submit the draft plan for the Guide Concession Area Program to the legislature for review prior to final implementation.

Land Sales & Municipal Entitlements	5,125,800			
Title Acquisition & Defense	2,808,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Water Development	1,926,000			
Director's Office/Mining, Land, & Water	439,900			
Forest Management and Development	6,114,300			

The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2010, of the timber receipts account (AS 38.05.110).

Non-Emergency Hazard Mitigation Projects	710,500			
Geological Development	8,427,000			
Recorder's Office/Uniform Commercial Code	4,470,400			
Agricultural Development	2,108,000			
North Latitude Plant Material Center	2,070,500			

It is the intent of the legislature that the Department of Natural Resources explore options to expand the domestic production and export of seed potatoes, including a totally private sector initiative, and report their findings to the legislature before February 1, 2011.

Agriculture Revolving Loan Program Administration	2,480,000			
Conservation and Development Board	116,000			
Public Services Office	495,800			
Trustee Council Projects	427,400			
Interdepartmental Information Technology Chargeback	906,600			
Human Resources Chargeback	929,500			
DNR Facilities Rent and Chargeback	2,792,500			
Facilities Maintenance	300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Mental Health Trust Lands Administration	4,200			
State Public Domain & Public Access		**602,900**	**527,200**	**75,700**
Citizen's Advisory Commission on Federal Areas	254,900			
RS 2477/Navigability Assertions and Litigation Support	348,000			
Fire Suppression		**28,810,900**	**21,832,900**	**6,978,000**
Fire Suppression Preparedness	17,138,000			
Fire Suppression Activity	11,672,900			
Parks and Recreation Management		**14,560,200**	**8,338,700**	**6,221,500**
State Historic Preservation Program	2,224,200			

The amount allocated for the State Historic Preservation Program includes up to $15,500 general fund program receipt authorization from the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.35.380.

Parks Management	8,690,300			

The amount allocated for Parks Management includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.21.026.

Parks & Recreation Access	3,645,700			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Fire and Life Safety		**5,839,400**	**4,501,500**	**1,337,900**
Fire and Life Safety Operations	2,881,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Training and Education Bureau	2,958,000			
Alaska Fire Standards Council		**486,100**	**232,200**	**253,900**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.				
Alaska Fire Standards Council	486,100			
Alaska State Troopers		**119,439,800**	**103,037,300**	**16,402,500**
It is the intent of the legislature that the Department of Public Safety provide additional state trooper coverage for international border communities to help meet Federal and Homeland Security requirements.				
Special Projects	11,163,100			
Alaska State Troopers Director's Office	365,400			
Alaska Bureau of Judicial Services	9,292,100			
Prisoner Transportation	2,604,200			
Search and Rescue	577,900			
Rural Trooper Housing	2,680,100			
Narcotics Task Force	3,988,700			
Alaska State Trooper Detachments	51,179,400			
Alaska Bureau of Investigation	5,695,400			
Alaska Bureau of Alcohol and Drug Enforcement	3,263,500			
Alaska Wildlife Troopers	18,941,700			
Alaska Wildlife Troopers Aircraft Section	5,313,800			
Alaska Wildlife Troopers	2,930,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Marine Enforcement				
Alaska Wildlife Troopers	368,200			
Director's Office				
Alaska Wildlife Troopers	1,075,500			
Investigations				
Village Public Safety		**11,062,500**	**10,891,000**	**171,500**
Officer Program				
VPSO Contracts	10,621,900			
VPSO Support	440,600			
Alaska Police Standards		**1,166,700**	**1,166,700**	
Council				
The amount appropriated by this appropriation includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS 18.65.220(7).				
Alaska Police Standards	1,166,700			
Council				
Council on Domestic Violence		**13,855,500**	**8,850,000**	**5,005,500**
and Sexual Assault				
Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual Assault may be used to fund operations and grant administration.				
Council on Domestic	13,655,500			
Violence and Sexual Assault				
Batterers Intervention	200,000			
Program				
Statewide Support		**23,838,000**	**17,203,600**	**6,634,400**
Commissioner's Office	1,469,700			
Training Academy	2,348,100			
Administrative Services	3,795,200			
Alaska Wing Civil Air	553,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Patrol				
Alcoholic Beverage Control Board	1,432,100			
Alaska Public Safety Information Network	3,299,200			
Alaska Criminal Records and Identification	5,721,300			

The amount allocated for Alaska Criminal Records and Identification includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected by the Department of Public Safety from the Alaska automated fingerprint system under AS 44.41.025(b).

Laboratory Services	5,218,900			
Statewide Facility Maintenance		**608,800**		**608,800**
Facility Maintenance	608,800			
DPS State Facilities Rent		**114,400**	**114,400**	
DPS State Facilities Rent	114,400			
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Taxation and Treasury		**70,491,400**	**24,443,100**	**46,048,300**
Tax Division	13,920,900			
Treasury Division	6,401,600			
Unclaimed Property	355,200			
Alaska Retirement Management Board	7,969,900			
Alaska Retirement Management Board Custody and Management Fees	34,022,900			
Permanent Fund Dividend Division	7,820,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Child Support Services		**25,031,900**	**6,955,500**	**18,076,400**
Child Support Services Division	25,031,900			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under the state's share of child support collections for reimbursement of the cost of the Alaska temporary assistance program as provided under AS 25.27.120.

Administration and Support		**2,832,700**	**783,700**	**2,049,000**
Commissioner's Office	926,000			
Administrative Services	1,564,700			
State Facilities Rent	342,000			
Alaska Natural Gas Development Authority		**317,200**	**317,200**	
Gas Authority Operations	317,200			
Alaska Mental Health Trust Authority		**564,500**	**116,400**	**448,100**
Mental Health Trust Operations	30,000			
Long Term Care Ombudsman Office	534,500			
Alaska Municipal Bond Bank Authority		**829,300**	**829,300**	
AMBBA Operations	829,300			
Alaska Housing Finance Corporation		**54,905,800**		**54,905,800**
AHFC Operations	54,505,800			
Anchorage State Office Building	400,000			
Alaska Permanent Fund Corporation		**86,206,400**		**86,206,400**
APFC Operations	10,031,400			

	Allocations	Appropriation Items	General Funds	Other Funds
APFC Custody and Management Fees	76,175,000			
*****			*****	
***** Department of Transportation & Public Facilities *****				
*****			*****	
Administration and Support		**43,585,100**	**20,997,700**	**22,587,400**
Commissioner's Office	1,782,300			
Contracting and Appeals	307,100			
Equal Employment and Civil Rights	1,032,200			
Internal Review	1,040,900			
Transportation Management and Security	1,231,900			
Statewide Administrative Services	4,827,700			
Statewide Information Systems	4,131,200			
Leased Facilities	2,356,100			
Human Resources	2,663,900			
Statewide Procurement	1,332,300			
Central Region Support Services	1,043,300			
Northern Region Support Services	1,378,700			
Southeast Region Support Services	872,400			
Statewide Aviation	2,980,200			
International Airport Systems Office	843,300			
Program Development	4,739,800			

Per AS 19.10.075(b), this allocation includes $58,500 representing an amount equal to 50% of

	Allocations	Appropriation Items	General Funds	Other Funds
the fines collected under AS 28.90.030 during the fiscal year ending June 30, 2009.				
Central Region Planning	1,869,200			
Northern Region Planning	1,822,000			
Southeast Region Planning	608,600			
Measurement Standards & Commercial Vehicle Enforcement	6,722,000			
The amount allocated for Measurement Standards and Commercial Vehicle Enforcement includes the unexpended and unobligated balance on June 30, 2010, of the Unified Carrier Registration Program receipts collected by the Department of Transportation and Public Facilities.				
Design, Engineering and Construction		**104,454,200**	**5,443,100**	**99,011,100**
Statewide Public Facilities	3,849,200			
Statewide Design and Engineering Services	10,237,500			
Central Design and Engineering Services	20,372,700			
Northern Design and Engineering Services	16,275,300			
Southeast Design and Engineering Services	9,881,500			
Central Region Construction and CIP Support	18,995,500			
Northern Region Construction and CIP Support	15,699,000			
Southeast Region Construction	7,817,600			
Knik Arm Bridge/Toll Authority	1,325,900			

	Allocations	Appropriation Items	General Funds	Other Funds
State Equipment Fleet		**29,200,900**		**29,200,900**
State Equipment Fleet	29,200,900			
Highways, Aviation and Facilities		**159,981,600**	**138,289,800**	**21,691,800**
Central Region Facilities	7,797,300			
Northern Region Facilities	12,350,600			
Southeast Region Facilities	1,437,100			
Traffic Signal Management	1,682,200			
Central Region Highways and Aviation	50,664,600			
Northern Region Highways and Aviation	66,057,800			
Southeast Region Highways and Aviation	15,621,800			
The amounts allocated for highways and aviation shall lapse into the general fund on August 31, 2011.				
Whittier Access and Tunnel	4,370,200			
The amount allocated for Whittier Access and Tunnel includes the unexpended and unobligated balance on June 30, 2010, of the Whittier Tunnel toll receipts collected by the Department of Transportation and Public Facilities under AS 19.05.040(11).				
International Airports		**69,965,700**		**69,965,700**
Anchorage Airport Administration	7,605,400			
Anchorage Airport Facilities	19,750,400			
Anchorage Airport Field and Equipment Maintenance	11,936,700			
Anchorage Airport Operations	5,387,900			
Anchorage Airport Safety	11,166,300			
Fairbanks Airport	1,795,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Administration				
Fairbanks Airport Facilities	3,115,200			
Fairbanks Airport Field and Equipment Maintenance	3,542,000			
Fairbanks Airport Operations	1,240,700			
Fairbanks Airport Safety	4,425,300			
Marine Highway System		**135,059,300**	**133,415,700**	**1,643,600**
Marine Vessel Operations	115,949,800			
Marine Engineering	3,115,200			
Overhaul	1,698,400			
Reservations and Marketing	3,138,300			
Marine Shore Operations	7,300,900			

It is the intent of the legislature that the Alaska Marine Highway System go out for competitive bid for services needed for the southern most terminus of the Alaska Marine Highway System. AMHS shall seek proposals for required terminal infrastructure located between Seattle, Washington and Bellingham Washington. During this period AMHS will continue to deliver service to Bellingham under the existing contract that became effective in October of 2009.

Vessel Operations Management	3,856,700			

* * * * * * * * * *

* * * * * **University of Alaska** * * * * *

* * * * * * * * * *

University of Alaska		**845,318,700**	**638,067,200**	**207,251,500**

It is the intent of the legislature that future requests by the University of Alaska for Unrestricted General Funds move toward a long-term goal of 125% of Actual University Receipts for the most recently closed fiscal year.

Budget Reductions/Additions - Systemwide	15,839,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide Services	35,854,500			
Office of Information Technology	19,327,500			
Systemwide Education and Outreach	10,967,800			
Anchorage Campus	244,916,800			
Kenai Peninsula College	11,672,600			
Kodiak College	4,287,200			
Matanuska-Susitna College	9,151,700			
Prince William Sound Community College	7,072,800			
Small Business Development Center	887,200			
Fairbanks Campus	236,220,200			
Fairbanks Organized Research	139,130,800			
Bristol Bay Campus	3,621,400			
Chukchi Campus	2,047,400			
College of Rural and Community Development	13,515,400			
Interior-Aleutians Campus	5,139,000			
Kuskokwim Campus	6,177,300			
Northwest Campus	2,909,800			
Tanana Valley Campus	12,691,800			
Cooperative Extension Service	8,681,600			
Juneau Campus	42,854,800			
Ketchikan Campus	4,971,100			
Sitka Campus	7,380,400			

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * Alaska Court System * * * * *			
	* * * * *	* * * * *		
Alaska Court System		**91,432,500**	**89,025,900**	**2,406,600**
Appellate Courts	6,519,000			
Trial Courts	74,737,300			
Administration and Support	9,731,800			
Therapeutic Courts	444,400			
Commission on Judicial		**366,900**	**366,900**	
Conduct				
Commission on Judicial Conduct	366,900			
Judicial Council		**1,073,000**	**1,073,000**	
Judicial Council	1,073,000			
	* * * * *	* * * * *		
	* * * * * Alaska Legislature * * * * *			
	* * * * *	* * * * *		
Budget and Audit Committee		**19,135,100**	**18,835,100**	**300,000**
Legislative Audit	4,679,600			
Legislative Finance	8,358,000			
Committee Expenses	5,882,300			
Legislature State Facilities Rent	215,200			
Legislative Council		**36,529,700**	**36,416,700**	**113,000**
Salaries and Allowances	6,584,900			
Administrative Services	12,319,000			
Session Expenses	9,589,200			
Council and Subcommittees	1,896,900			
Legal and Research Services	3,942,300			
Select Committee on Ethics	217,000			

It is the intent of the legislature that no salary increments will be made for the position of

	Allocations	Appropriation Items	General Funds	Other Funds
Administrator in the Select Committee on Ethics until the Legislative Council has reviewed and revised the position's minimum employee qualifications to include an appropriate level of formal legal education and proficiency in the interpretation and application of statute.				
Office of Victims Rights	916,200			
Ombudsman	1,064,200			
Legislative Operating Budget		**11,848,200**	**11,848,200**	
Legislative Operating Budget	11,848,200			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1002	Federal Receipts	3,048,400
1004	Unrestricted General Fund Receipts	72,055,400
1005	General Fund/Program Receipts	16,143,500
1007	Interagency Receipts	114,909,700
1017	Group Health and Life Benefits Fund	19,115,900
1023	FICA Administration Fund Account	141,400
1029	Public Employees Retirement Trust Fund	7,010,300
1033	Federal Surplus Property Revolving Fund	385,200
1034	Teachers Retirement Trust Fund	2,722,600
1042	Judicial Retirement System	117,700
1045	National Guard Retirement System	207,600
1061	Capital Improvement Project Receipts	1,981,400
1081	Information Services Fund	35,759,100
1108	Statutory Designated Program Receipts	775,700
1147	Public Building Fund	14,703,100
1162	Alaska Oil & Gas Conservation Commission Receipts	5,550,600
1171	PFD Appropriations in lieu of Dividends to Criminals	1,883,500
1212	Federal Stimulus: ARRA 2009	500,000
*** Total Agency Funding ***		$297,011,100
Department of Commerce, Community and Economic Development		
1002	Federal Receipts	65,330,500
1003	General Fund Match	824,700
1004	Unrestricted General Fund Receipts	18,893,000
1005	General Fund/Program Receipts	14,439,700
1007	Interagency Receipts	15,243,700

1036	Commercial Fishing Loan Fund	3,788,100
1040	Real Estate Surety Fund	280,700
1061	Capital Improvement Project Receipts	6,940,300
1062	Power Project Fund	1,056,500
1070	Fisheries Enhancement Revolving Loan Fund	564,500
1074	Bulk Fuel Revolving Loan Fund	53,700
1101	Alaska Aerospace Development Corporation Revolving Fund	522,900
1102	Alaska Industrial Development & Export Authority Receipts	4,876,900
1107	Alaska Energy Authority Corporate Receipts	1,067,100
1108	Statutory Designated Program Receipts	474,800
1141	Regulatory Commission of Alaska Receipts	8,210,600
1156	Receipt Supported Services	15,393,200
1164	Rural Development Initiative Fund	52,500
1170	Small Business Economic Development Revolving Loan Fund	50,700
1200	Vehicle Rental Tax Receipts	4,912,800
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
1212	Federal Stimulus: ARRA 2009	192,100
1216	Boat Registration Fees	136,900
*** Total Agency Funding ***		$163,428,200
Department of Corrections		
1002	Federal Receipts	3,003,400
1003	General Fund Match	128,400
1004	Unrestricted General Fund Receipts	210,948,300
1005	General Fund/Program Receipts	7,681,200
1007	Interagency Receipts	12,938,900
1054	State Training & Employment Program	150,000
1061	Capital Improvement Project Receipts	519,800

1	1108	Statutory Designated Program Receipts	300,000
2	1171	PFD Appropriations in lieu of Dividends to	10,037,000
3		Criminals	
4	*** Total Agency Funding ***		$245,707,000
5	**Department of Education and Early Development**		
6	1002	Federal Receipts	193,886,500
7	1003	General Fund Match	947,100
8	1004	Unrestricted General Fund Receipts	54,605,400
9	1005	General Fund/Program Receipts	1,163,400
10	1007	Interagency Receipts	8,995,500
11	1014	Donated Commodity/Handling Fee Account	352,800
12	1043	Federal Impact Aid for K-12 Schools	20,791,000
13	1066	Public School Trust Fund	10,700,000
14	1106	Alaska Commission on Postsecondary	12,405,800
15		Education Receipts	
16	1108	Statutory Designated Program Receipts	902,800
17	1145	Art in Public Places Fund	30,000
18	1151	Technical Vocational Education Program	416,200
19		Receipts	
20	*** Total Agency Funding ***		$305,196,500
21	**Department of Environmental Conservation**		
22	1002	Federal Receipts	22,157,100
23	1003	General Fund Match	4,352,200
24	1004	Unrestricted General Fund Receipts	13,687,000
25	1005	General Fund/Program Receipts	5,654,000
26	1007	Interagency Receipts	1,603,300
27	1018	Exxon Valdez Oil Spill Trust	96,900
28	1052	Oil/Hazardous Release Prevention & Response	14,097,900
29		Fund	
30	1061	Capital Improvement Project Receipts	4,108,100
31	1075	Alaska Clean Water Fund	67,400

1093	Clean Air Protection Fund	4,264,000
1108	Statutory Designated Program Receipts	225,300
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1205	Berth Fees for the Ocean Ranger Program	4,041,100
*** Total Agency Funding ***		$75,534,000
Department of Fish and Game		
1002	Federal Receipts	60,433,900
1003	General Fund Match	422,600
1004	Unrestricted General Fund Receipts	60,617,400
1005	General Fund/Program Receipts	3,057,900
1007	Interagency Receipts	15,066,000
1018	Exxon Valdez Oil Spill Trust	4,148,800
1024	Fish and Game Fund	23,593,200
1055	Inter-Agency/Oil & Hazardous Waste	123,500
1061	Capital Improvement Project Receipts	6,007,200
1108	Statutory Designated Program Receipts	7,456,500
1109	Test Fisheries Receipts	1,600,000
1199	Alaska Sport Fishing Enterprise Account	500,000
1201	Commercial Fisheries Entry Commission Receipts	3,908,200
1212	Federal Stimulus: ARRA 2009	50,000
*** Total Agency Funding ***		$186,985,200
Office of the Governor		
1002	Federal Receipts	189,900
1004	Unrestricted General Fund Receipts	26,634,500
1005	General Fund/Program Receipts	4,900
1061	Capital Improvement Project Receipts	754,100
*** Total Agency Funding ***		$27,583,400
Department of Health and Social Services		
1002	Federal Receipts	1,043,386,500

1003	General Fund Match	433,771,400
1004	Unrestricted General Fund Receipts	337,720,100
1005	General Fund/Program Receipts	23,876,800
1007	Interagency Receipts	59,597,600
1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
1050	Permanent Fund Dividend Fund	13,584,700
1061	Capital Improvement Project Receipts	5,664,000
1098	Children's Trust Earnings	399,700
1099	Children's Trust Principal	150,000
1108	Statutory Designated Program Receipts	20,301,300
1168	Tobacco Use Education and Cessation Fund	9,888,300
1212	Federal Stimulus: ARRA 2009	119,752,800
*** Total Agency Funding ***		$2,068,095,200
Department of Labor and Workforce Development		
1002	Federal Receipts	95,869,900
1003	General Fund Match	6,667,200
1004	Unrestricted General Fund Receipts	21,579,400
1005	General Fund/Program Receipts	2,833,900
1007	Interagency Receipts	25,301,800
1031	Second Injury Fund Reserve Account	3,978,200
1032	Fishermen's Fund	1,618,900
1049	Training and Building Fund	798,900
1054	State Training & Employment Program	8,526,200
1061	Capital Improvement Project Receipts	310,900
1108	Statutory Designated Program Receipts	596,000
1117	Vocational Rehabilitation Small Business Enterprise Fund	325,000
1151	Technical Vocational Education Program Receipts	5,282,000
1157	Workers Safety and Compensation	8,720,600

		Administration Account	
	1172	Building Safety Account	1,934,300
	1203	Workers Compensation Benefits Guarantee Fund	280,000
	1212	Federal Stimulus: ARRA 2009	5,301,100
	*** Total Agency Funding ***		$189,924,300
Department of Law			
	1002	Federal Receipts	2,095,400
	1003	General Fund Match	178,300
	1004	Unrestricted General Fund Receipts	46,655,700
	1005	General Fund/Program Receipts	652,600
	1007	Interagency Receipts	21,165,000
	1055	Inter-Agency/Oil & Hazardous Waste	554,400
	1061	Capital Improvement Project Receipts	106,200
	1105	Permanent Fund Gross Receipts	1,477,600
	1108	Statutory Designated Program Receipts	646,700
	1141	Regulatory Commission of Alaska Receipts	1,543,500
	1168	Tobacco Use Education and Cessation Fund	165,000
	*** Total Agency Funding ***		$75,240,400
Department of Military and Veterans Affairs			
	1002	Federal Receipts	23,476,900
	1003	General Fund Match	4,645,300
	1004	Unrestricted General Fund Receipts	6,958,200
	1005	General Fund/Program Receipts	28,400
	1007	Interagency Receipts	11,788,900
	1061	Capital Improvement Project Receipts	1,116,200
	1108	Statutory Designated Program Receipts	435,000
	*** Total Agency Funding ***		$48,448,900
Department of Natural Resources			
	1002	Federal Receipts	16,593,200
	1003	General Fund Match	2,165,000

1	1004	Unrestricted General Fund Receipts	61,968,300
2	1005	General Fund/Program Receipts	6,306,200
3	1007	Interagency Receipts	7,579,200
4	1018	Exxon Valdez Oil Spill Trust	417,400
5	1021	Agricultural Revolving Loan Fund	2,480,000
6	1055	Inter-Agency/Oil & Hazardous Waste	71,500
7	1061	Capital Improvement Project Receipts	5,336,000
8	1105	Permanent Fund Gross Receipts	5,167,400
9	1108	Statutory Designated Program Receipts	12,345,800
10	1153	State Land Disposal Income Fund	7,194,000
11	1154	Shore Fisheries Development Lease Program	365,800
12	1155	Timber Sale Receipts	832,200
13	1156	Receipt Supported Services	4,470,400
14	1200	Vehicle Rental Tax Receipts	2,813,700
15	1216	Boat Registration Fees	200,000
16	*** Total Agency Funding ***		$136,306,100
17	**Department of Public Safety**		
18	1002	Federal Receipts	12,277,300
19	1003	General Fund Match	655,100
20	1004	Unrestricted General Fund Receipts	130,415,500
21	1005	General Fund/Program Receipts	7,319,400
22	1007	Interagency Receipts	8,529,800
23	1055	Inter-Agency/Oil & Hazardous Waste	49,000
24	1061	Capital Improvement Project Receipts	9,279,300
25	1108	Statutory Designated Program Receipts	253,900
26	1171	PFD Appropriations in lieu of Dividends to	7,606,700
27		Criminals	
28	1212	Federal Stimulus: ARRA 2009	25,200
29	*** Total Agency Funding ***		$176,411,200
30	**Department of Revenue**		
31	1002	Federal Receipts	37,683,800

1	1003	General Fund Match	6,275,500
2	1004	Unrestricted General Fund Receipts	17,638,500
3	1005	General Fund/Program Receipts	800,300
4	1007	Interagency Receipts	5,590,100
5	1016	CSSD Federal Incentive Payments	1,800,000
6	1017	Group Health and Life Benefits Fund	1,667,600
7	1027	International Airports Revenue Fund	32,100
8	1029	Public Employees Retirement Trust Fund	25,995,900
9	1034	Teachers Retirement Trust Fund	13,409,800
10	1042	Judicial Retirement System	375,300
11	1045	National Guard Retirement System	243,400
12	1046	Education Loan Fund	54,900
13	1050	Permanent Fund Dividend Fund	7,585,000
14	1061	Capital Improvement Project Receipts	2,361,000
15	1066	Public School Trust Fund	104,800
16	1098	Children's Trust Earnings	15,200
17	1103	Alaska Housing Finance Corporation Receipts	30,458,400
18	1104	Alaska Municipal Bond Bank Receipts	829,300
19	1105	Permanent Fund Gross Receipts	86,288,500
20	1108	Statutory Designated Program Receipts	465,900
21	1133	CSSD Administrative Cost Reimbursement	1,283,300
22	1156	Receipt Supported Services	35,800
23	1169	Power Cost Equalization Endowment Fund	160,800
24	1192	Mine Reclamation Trust Fund	24,000
25	*** Total Agency Funding ***		$241,179,200
26	**Department of Transportation & Public Facilities**		
27	1002	Federal Receipts	3,752,300
28	1004	Unrestricted General Fund Receipts	235,089,400
29	1005	General Fund/Program Receipts	8,277,400
30	1007	Interagency Receipts	3,977,800
31	1026	Highways Equipment Working Capital Fund	29,902,300

1027	International Airports Revenue Fund	70,827,000
1061	Capital Improvement Project Receipts	132,678,100
1076	Alaska Marine Highway System Fund	54,411,100
1108	Statutory Designated Program Receipts	462,800
1156	Receipt Supported Services	50,000
1200	Vehicle Rental Tax Receipts	318,400
1207	Regional Cruise Ship Impact Fund	500,000
1214	Whittier Tunnel Tolls	1,750,200
1215	Unified Carrier Registration Receipts	250,000
*** Total Agency Funding ***		$542,246,800
University of Alaska		
1002	Federal Receipts	132,798,700
1003	General Fund Match	4,777,300
1004	Unrestricted General Fund Receipts	327,768,300
1007	Interagency Receipts	15,301,100
1048	University of Alaska Restricted Receipts	300,319,700
1061	Capital Improvement Project Receipts	7,630,700
1151	Technical Vocational Education Program Receipts	5,201,900
1174	University of Alaska Intra-Agency Transfers	51,521,000
*** Total Agency Funding ***		$845,318,700
Alaska Court System		
1002	Federal Receipts	1,466,000
1004	Unrestricted General Fund Receipts	90,465,800
1007	Interagency Receipts	646,000
1108	Statutory Designated Program Receipts	85,000
1133	CSSD Administrative Cost Reimbursement	209,600
*** Total Agency Funding ***		$92,872,400
Alaska Legislature		
1004	Unrestricted General Fund Receipts	66,314,600
1005	General Fund/Program Receipts	78,600

1007	Interagency Receipts	413,000
1171	PFD Appropriations in lieu of Dividends to Criminals	706,800
*** Total Agency Funding ***		$67,513,000
* * * * * Total Budget * * * * *		$5,785,001,600

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	465,810,100
1004	Unrestricted General Fund Receipts	1,800,014,800
1104	Alaska Municipal Bond Bank Receipts	829,300
Total Unrestricted General Funds		$2,266,654,200
Designated General Funds		
1005	General Fund/Program Receipts	98,318,200
1021	Agricultural Revolving Loan Fund	2,480,000
1031	Second Injury Fund Reserve Account	3,978,200
1032	Fishermen's Fund	1,618,900
1036	Commercial Fishing Loan Fund	3,788,100
1048	University of Alaska Restricted Receipts	300,319,700
1049	Training and Building Fund	798,900
1050	Permanent Fund Dividend Fund	21,169,700
1052	Oil/Hazardous Release Prevention & Response Fund	14,097,900
1054	State Training & Employment Program	8,676,200
1062	Power Project Fund	1,056,500
1066	Public School Trust Fund	10,804,800
1070	Fisheries Enhancement Revolving Loan Fund	564,500
1074	Bulk Fuel Revolving Loan Fund	53,700
1076	Alaska Marine Highway System Fund	54,411,100
1098	Children's Trust Earnings	414,900
1099	Children's Trust Principal	150,000
1109	Test Fisheries Receipts	1,600,000
1141	Regulatory Commission of Alaska Receipts	9,754,100
1151	Technical Vocational Education Program Receipts	10,900,100

1153	State Land Disposal Income Fund	7,194,000
1154	Shore Fisheries Development Lease Program	365,800
1155	Timber Sale Receipts	832,200
1156	Receipt Supported Services	19,949,400
1157	Workers Safety and Compensation Administration Account	8,720,600
1162	Alaska Oil & Gas Conservation Commission Receipts	5,550,600
1164	Rural Development Initiative Fund	52,500
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1168	Tobacco Use Education and Cessation Fund	10,053,300
1169	Power Cost Equalization Endowment Fund	160,800
1170	Small Business Economic Development Revolving Loan Fund	50,700
1171	PFD Appropriations in lieu of Dividends to Criminals	20,234,000
1172	Building Safety Account	1,934,300
1200	Vehicle Rental Tax Receipts	8,044,900
1201	Commercial Fisheries Entry Commission Receipts	3,908,200
1203	Workers Compensation Benefits Guarantee Fund	280,000
1205	Berth Fees for the Ocean Ranger Program	4,041,100
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
Total Designated General Funds		$637,629,900
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	20,783,500
1018	Exxon Valdez Oil Spill Trust	4,663,100
1023	FICA Administration Fund Account	141,400

1	1024	Fish and Game Fund	23,593,200
2	1027	International Airports Revenue Fund	70,859,100
3	1029	Public Employees Retirement Trust Fund	33,006,200
4	1034	Teachers Retirement Trust Fund	16,132,400
5	1040	Real Estate Surety Fund	280,700
6	1042	Judicial Retirement System	493,000
7	1045	National Guard Retirement System	451,000
8	1046	Education Loan Fund	54,900
9	1093	Clean Air Protection Fund	4,264,000
10	1101	Alaska Aerospace Development Corporation	522,900
11		Revolving Fund	
12	1102	Alaska Industrial Development & Export	4,876,900
13		Authority Receipts	
14	1103	Alaska Housing Finance Corporation Receipts	30,458,400
15	1105	Permanent Fund Gross Receipts	92,933,500
16	1106	Alaska Commission on Postsecondary	12,405,800
17		Education Receipts	
18	1107	Alaska Energy Authority Corporate Receipts	1,067,100
19	1108	Statutory Designated Program Receipts	45,727,500
20	1117	Vocational Rehabilitation Small Business	325,000
21		Enterprise Fund	
22	1192	Mine Reclamation Trust Fund	24,000
23	1199	Alaska Sport Fishing Enterprise Account	500,000
24	1207	Regional Cruise Ship Impact Fund	500,000
25	1214	Whittier Tunnel Tolls	1,750,200
26	1215	Unified Carrier Registration Receipts	250,000
27	1216	Boat Registration Fees	336,900
28	***Total Other Non-Duplicated Funds***		$366,400,700
29	**Federal Funds**		
30	1002	Federal Receipts	1,717,449,700
31	1013	Alcoholism and Drug Abuse Revolving Loan	2,000

	Fund	
1014	Donated Commodity/Handling Fee Account	352,800
1016	CSSD Federal Incentive Payments	1,800,000
1033	Federal Surplus Property Revolving Fund	385,200
1043	Federal Impact Aid for K-12 Schools	20,791,000
1075	Alaska Clean Water Fund	67,400
1133	CSSD Administrative Cost Reimbursement	1,492,900
1212	Federal Stimulus: ARRA 2009	125,821,200
Total Federal Funds		$1,868,162,200
Duplicated Funds		
1007	Interagency Receipts	328,647,400
1026	Highways Equipment Working Capital Fund	29,902,300
1055	Inter-Agency/Oil & Hazardous Waste	798,400
1061	Capital Improvement Project Receipts	184,793,300
1081	Information Services Fund	35,759,100
1145	Art in Public Places Fund	30,000
1147	Public Building Fund	14,703,100
1174	University of Alaska Intra-Agency Transfers	51,521,000
Total Duplicated Funds		$646,154,600

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** FINDINGS. The legislature finds that the state will realize savings in the amount of $114,081,600 during the fiscal year ending June 30, 2011, through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that will be used to offset appropriations from the general fund made in this Act.

* **Sec. 5.** RATIFICATION OF SMALL AMOUNTS IN STATE ACCOUNTING SYSTEM. The appropriation to each department under this Act for the fiscal year ending June 30, 2011, is reduced to reverse negative account balances for the department in the state accounting system in amounts of $500 or less for each prior fiscal year in which a negative account balance of $500 or less exists. It is the intent of the legislature that the office of management and budget report to the legislature the amounts appropriated under this section.

* **Sec. 6.** LEGISLATIVE INTENT. It is the intent of the legislature that the amounts appropriated by this Act are the full amounts that will be appropriated for those purposes for the fiscal year ending June 30, 2011.

* **Sec. 7.** COSTS OF JOB RECLASSIFICATIONS. The money appropriated in this Act includes the amount necessary to pay the costs of personal services because of reclassification of job classes during the fiscal year ending June 30, 2011.

* **Sec. 8.** PERSONAL SERVICES TRANSFERS. It is the intent of the legislature that agencies restrict transfers to and from the personal services line. It is the intent of the legislature that the office of management and budget submit a report to the legislature on January 15, 2011, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the first half of the fiscal year ending June 30, 2011. It is the intent of the legislature that the office of management and budget submit a report to the legislature on August 1, 2011, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the second half of the fiscal year ending June 30, 2011.

* **Sec. 9.** ALASKA AEROSPACE CORPORATION. Federal receipts and other corporate receipts of the Alaska Aerospace Corporation received during the fiscal year ending June 30, 2011, that are in excess of the amount appropriated in sec. 1 of this Act are appropriated to the Alaska Aerospace Corporation for operations during the fiscal year ending June 30, 2011.

* **Sec. 10.** ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that $42,549,257 of the adjusted net

income from the second preceding fiscal year will be available during the fiscal year ending June 30, 2011, for appropriation.

(b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

(1) $1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;

(2) $2,592,558 for debt service on the bonds described under ch. 1, SSSLA 2002;

(3) $2,548,195 for debt service on the bonds authorized under sec. 4, ch. 120, SLA 2004.

(c) After deductions for the items set out in (b) of this section, $36,408,504 of the remainder of the amount set out in (a) of this section is available for appropriation.

(d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska capital income fund (AS 37.05.565).

(e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during the fiscal year ending June 30, 2011, and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the board of directors.

(f) The sum of $36,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2011.

* **Sec. 11.** ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2011, estimated to be $637,000,000, is appropriated from the earnings reserve account

(AS 37.13.145) to the dividend fund (AS 43.23.045) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2011.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2011, estimated to be $886,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.

(c) The amount required to be deposited in the Alaska permanent fund under AS 37.13.010(a)(1) and (2) during the fiscal year ending June 30, 2011, is appropriated to the principal of the Alaska permanent fund in satisfaction of that requirement.

*** Sec. 12.** ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. (a) The sum of $23,423,000 has been declared available by the Alaska Industrial Development and Export Authority board of directors under AS 44.88.088 for appropriation as the dividend for the fiscal year ending June 30, 2011, from the unrestricted balance in the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

(b) After deductions for appropriations made for operating and capital purposes, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska capital income fund (AS 37.05.565).

*** Sec. 13.** DEPARTMENT OF ADMINISTRATION. The amount necessary to fund the uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated from that account to the Department of Administration for those uses during the fiscal year ending June 30, 2011.

*** Sec. 14.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The unexpended and unobligated balance of federal money apportioned to the state as national forest income that the Department of Commerce, Community, and Economic Development determines would lapse into the unrestricted portion of the general fund June 30, 2011, under AS 41.15.180(j) is appropriated as follows:

(1) up to $170,000 is appropriated to the Department of Transportation and Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for the fiscal year ending June 30, 2011;

(2) the balance remaining after the appropriation made by (1) of this

subsection is appropriated to home rule cities, first class cities, second class cities, a municipality organized under federal law, or regional educational attendance areas entitled to payment from the national forest income for the fiscal year ending June 30, 2011, to be allocated among the recipients of national forest income according to their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30, 2011.

(b) If the amount necessary to make national forest receipts payments under AS 41.15.180 exceeds the amount appropriated for that purpose in sec. 1 of this Act, the amount necessary to make national forest receipt payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, national forest receipts allocation, for the fiscal year ending June 30, 2011.

(c) An amount equal to the salmon enhancement tax collected under AS 43.76.001 - 43.76.028 in calendar year 2009 and deposited in the general fund under AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in the fiscal year ending June 30, 2011, to qualified regional associations operating within a region designated under AS 16.10.375.

(d) An amount equal to the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2009 and deposited in the general fund under AS 43.76.380(d) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in the fiscal year ending June 30, 2011, to qualified regional seafood development associations.

(e) The sum of $23,673,600 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2011.

(f) If the amount appropriated in (e) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be $12,626,400, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year

ending June 30, 2011.

(g) If the amount necessary to make payment in lieu of taxes payments under 3 AAC 152 exceeds the amount appropriated for that purpose in sec. 1 of this Act, the amount necessary to make payment in lieu of taxes payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, payment in lieu of taxes allocation, for the fiscal year ending June 30, 2011.

* **Sec. 15.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The sum of $1,200,000 is appropriated from the general fund to the Department of Health and Social Services, office of children's services, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts from P.L. 111-5 (American Recovery and Reinvestment Act of 2009) appropriated in sec. 1 of this Act for state Medicaid programs for the fiscal year ending June 30, 2011, is not available to the state in the amount appropriated, the appropriation of federal receipts is reduced by the unavailable amount, and the difference between the amount of federal receipts appropriated and the amount received is appropriated from the general fund to the Department of Health and Social Services for Medicaid programs for the fiscal year ending June 30, 2011.

* **Sec. 16.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amounts appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated for that purpose from that fund to the Department of Labor and Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30, 2011.

(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated for that purpose from that fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2011.

(c) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated for that purpose in

sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated for that purpose from that fund to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2011.

(d) If the amount of contributions received by the Alaska Vocational Technical Center under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045 during the fiscal year ending June 30, 2011, exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional contributions are appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, Alaska Vocational Technical Center allocation, for the fiscal year ending June 30, 2011.

*** Sec. 17.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. Five percent of the market value of the average ending balances in the Alaska veterans' memorial endowment fund (AS 37.14.700) for the fiscal years ending June 30, 2008, June 30, 2009, and June 30, 2010, estimated to be $12,800, is appropriated from the Alaska veterans' memorial endowment fund to the Department of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal year ending June 30, 2011.

*** Sec. 18.** DEPARTMENT OF NATURAL RESOURCES. (a) Federal receipts received for fire suppression during the fiscal year ending June 30, 2011, estimated to be $2,000,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2011.

(b) The sum of $1,000,000 is appropriated from federal receipts to the Department of Natural Resources, state public domain and public access, RS 2477/Navigability Assertions and Litigation Support allocation, for state participation in the United States Department of the Interior Bureau of Land Management navigable water identification project, for the fiscal years ending June 30, 2011, and June 30, 2012.

(c) The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2011, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources.

(d) The interest earned during the fiscal year ending June 30, 2011, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet

under lease with the Department of Natural Resources, estimated to be $250,000, is appropriated from the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal year ending June 30, 2011.

* **Sec. 19.** DEPARTMENT OF PUBLIC SAFETY. (a) The sum of $1,393,200 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts received by the Department of Public Safety from the justice assistance grant program during the fiscal year ending June 30, 2011, for drug and alcohol enforcement efforts exceeds $1,289,100, the appropriation in (a) of this section is reduced by the amount by which the federal receipts exceed $1,289,100.

(c) The sum of $1,270,000 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, special projects, for rural alcohol interdiction efforts for the fiscal year ending June 30, 2011.

(d) If federal receipts are received by the Department of Public Safety for the rural alcohol interdiction program during the fiscal year ending June 30, 2011, the appropriation in (c) of this section is reduced by the amount of the federal receipts.

* **Sec. 20.** DEPARTMENT OF REVENUE. (a) If the amount of the federal incentive payments (AS 25.27.125) received by the child support services agency for the fiscal year ending June 30, 2011, that may be used by the state to match federal receipts for child support enforcement is less than $1,800,000, an amount equal to 66 percent of the difference between the incentive payments used to match federal receipts and $1,800,000 is appropriated from the general fund to the Department of Revenue, child support services agency, for child support enforcement for the fiscal year ending June 30, 2011.

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), estimated to be $46,000, are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.

* **Sec. 21.** OFFICE OF THE GOVERNOR. (a) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on August 1, 2010, the amount of money corresponding to the 2011 fiscal year-to-date average price, rounded to the nearest

dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs for the fiscal year ending June 30, 2011.

(b) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on December 1, 2010, the amount of money corresponding to the 2011 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs for the fiscal year ending June 30, 2011.

(c) The following table shall be used in determining the amount of the appropriations in (a) and (b) of this section:

2011 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
$90 or more	$27,500,000
89	27,000,000
88	26,500,000
87	26,000,000
86	25,500,000
85	25,000,000
84	24,500,000
83	24,000,000
82	23,500,000
81	23,000,000
80	22,500,000
79	22,000,000
78	21,500,000
77	21,000,000
76	20,500,000

75		20,000,000
74		19,500,000
73		19,000,000
72		18,500,000
71		18,000,000
70		17,500,000
69		17,000,000
68		16,500,000
67		16,000,000
66		15,500,000
65		15,000,000
64		14,500,000
63		14,000,000
62		13,500,000
61		13,000,000
60		12,500,000
59		12,000,000
58		11,500,000
57		11,000,000
56		10,500,000
55		10,000,000
54		9,500,000
53		9,000,000
52		8,500,000
51		8,000,000
50		7,500,000
49		7,000,000
48		6,500,000
47		6,000,000
46		5,500,000
45		5,000,000

44	4,500,000
43	4,000,000
42	3,500,000
41	3,000,000
40	2,500,000
39	2,000,000
38	1,500,000
37	1,000,000
36	500,000
35	0

(d) The governor shall allocate amounts appropriated in (a) and (b) of this section as follows:

(1) to the Department of Transportation and Public Facilities, 65 percent of the total plus or minus 10 percent;

(2) to the University of Alaska, eight percent of the total plus or minus three percent;

(3) to the Department of Health and Social Services and the Department of Corrections, not more than five percent each of the total amount appropriated;

(4) to any other state agency, not more than four percent of the total amount appropriated;

(5) the aggregate amount allocated may not exceed 100 percent of the appropriation.

* **Sec. 22.** UNIVERSITY OF ALASKA. The amount of the fees collected under AS 28.10.421(d) during the fiscal year ending June 30, 2010, for the issuance of special request university plates, less the cost of issuing the license plates, estimated to be $2,000, is appropriated from the general fund to the University of Alaska for support of alumni programs at the campuses of the university for the fiscal year ending June 30, 2011.

* **Sec. 23.** BOND CLAIMS. The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2011, for the purpose of reclaiming the state, federal, or private

land affected by a use covered by the bond.

*** Sec. 24.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the Alaska marine highway system fund described in AS 19.65.060(a), and receipts of the University of Alaska as described in AS 37.05.146(b)(2) that are received during the fiscal year ending June 30, 2011, and that exceed the amounts appropriated by this Act, are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, fall short of the amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 25.** FUND TRANSFERS. (a) The federal funds received by the state under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 not appropriated for grants under AS 37.05.530(d) are appropriated as follows:

(1) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska) and the public school trust fund (AS 37.14.110(a)), according to AS 37.05.530(g)(1) and (2); and

(2) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), the public school trust fund (AS 37.14.110(a)), and the power cost equalization and rural electric capitalization fund (AS 42.45.100(a)), according to AS 37.05.530(g)(3).

(b) The following amounts are appropriated to the oil and hazardous substance release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release

prevention and response fund (AS 46.08.010(a)) from the sources indicated:

(1) the balance of the oil and hazardous substance release prevention mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2010, estimated to be $3,209,500, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, estimated to be $8,400,000 from the surcharge levied under AS 43.55.300.

(c) The following amounts are appropriated to the oil and hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010) from the following sources:

(1) the balance of the oil and hazardous substance release response mitigation account (AS 46.08.025(b)) in the general fund on July 1, 2010, estimated to be $30,000, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, from the surcharge levied under AS 43.55.201, estimated to be $2,100,000.

(d) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2011, estimated to be $35,000, are appropriated to the Alaska children's trust (AS 37.14.200):

(1) fees collected under AS 18.50.225, less the cost of supplies, for the issuance of birth certificates;

(2) fees collected under AS 18.50.272, less the cost of supplies, for the issuance of heirloom marriage certificates;

(3) fees collected under AS 28.10.421(d) for the issuance of special request Alaska children's trust license plates, less the cost of issuing the license plates.

(e) The loan origination fees collected by the Alaska Commission on Postsecondary Education for the fiscal year ending June 30, 2011, are appropriated to the origination fee account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210) of the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u).

(f) The balance of the mine reclamation trust fund income account (AS 37.14.800(a)) on June 30, 2010, and money deposited in that account during the fiscal year ending June 30, 2011, estimated to be $50,000, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a)) for the fiscal year ending June 30, 2011.

(g) The sum of $15,660,000 is appropriated to the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from the following sources:

Alaska clean water fund revenue bond receipts	$ 2,700,000
Federal receipts	12,960,000

(h) The sum of $13,092,200 is appropriated to the Alaska drinking water fund (AS 46.03.036) for the Alaska drinking water loan program from the following sources:

Alaska drinking water fund revenue bond receipts	$ 2,963,000
Federal receipts	10,129,200

(i) The amount of municipal bond bank receipts determined under AS 44.85.270(h) to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year ending June 30, 2010, estimated to be $819,800, is appropriated to the Alaska municipal bond bank authority reserve fund (AS 44.85.270).

(j) An amount equal to the bulk fuel revolving loan fund fees established under AS 42.45.250(j) and collected under AS 42.45.250(k) from July 1, 2009, through June 30, 2010, estimated to be $45,000, is appropriated from the general fund to the bulk fuel revolving loan fund (AS 42.45.250(a)).

(k) The sum of $7,000,000 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and game revenue bond redemption fund (AS 37.15.770).

(*l*) An amount equal to the federal receipts deposited in the Alaska sport fishing enterprise account (AS 16.05.130(e)), not to exceed $1,644,800, as reimbursement for the federally allowable portion of the principal balance payment on the sport fishing revenue bonds series 2006 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

(m) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal bond bank authority reserve fund (AS 44.85.270), 2005 general bond resolution reserve, because of a default by a borrower, an amount equal to the amount drawn from the reserve is appropriated from the general fund to the Alaska municipal bond bank authority reserve fund (AS 44.85.270).

(n) The sum of $1,130,982,400 is appropriated from the general fund to the public education fund (AS 14.17.300).

* **Sec. 26.** FUND CAPITALIZATION. (a) The amount of federal receipts received for disaster relief during the fiscal year ending June 30, 2011, estimated to be $9,000,000, is appropriated to the disaster relief fund (AS 26.23.300(a)).

(b) The sum of $7,500,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

(c) The amount received under AS 18.67.162 as program receipts, estimated to be $21,000, including donations and recoveries of or reimbursement for awards made from the crime victim compensation fund, during the fiscal year ending June 30, 2011, is appropriated to the crime victim compensation fund (AS 18.67.162).

(d) If the balance of the oil and gas tax credit fund (AS 43.55.028) is insufficient to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 that are presented for purchase, the amount by which the tax credit certificates presented for purchase exceeds the balance of the fund, estimated to be $180,000,000, is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028).

(e) An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the general fund to the community revenue sharing fund (AS 29.60.850).

* **Sec. 27.** RETAINED FEES AND BANKCARD SERVICE FEES. (a) The amount retained to compensate the collector or trustee of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the agency authorized by law to generate the revenue. In this subsection, "collector or trustee" includes vendors retained by the state on a contingency fee basis.

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, from the funds and accounts in which the payments received by the state are deposited.

(c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that

purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 and AS 47.12.170 by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.

* **Sec. 28.** RETIREMENT SYSTEM FUNDING. (a) The sum of $190,850,258 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the teachers' retirement system as an additional state contribution under AS 14.25.085 for the fiscal year ending June 30, 2011.

(b) The sum of $165,841,171 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the public employees' retirement system as an additional state contribution under AS 39.35.280 for the fiscal year ending June 30, 2011.

(c) The sum of $84,175 is appropriated from the general fund to the Department of Military and Veterans' Affairs for deposit in the defined benefit plan account in the Alaska National Guard and Alaska Naval Militia retirement system for the purpose of funding the Alaska National Guard and Alaska Naval Militia retirement system under AS 26.05.226 for the fiscal year ending June 30, 2011.

(d) The sum of $788,937 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the judicial retirement system for the purpose of funding the judicial retirement system under AS 22.25.046 for the fiscal year ending June 30, 2011.

* **Sec. 29.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association.

(b) The operating budget appropriations made to the University of Alaska in this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

*** Sec. 30.** SHARED TAXES AND FEES. (a) The amount necessary to refund to local governments their share of taxes and fees collected in the listed fiscal years under the following programs is appropriated to the Department of Revenue from the general fund for payment to local governments in the fiscal year ending June 30, 2011:

REVENUE SOURCE	FISCAL YEAR COLLECTED
Fisheries business tax (AS 43.75)	2010
Fishery resource landing tax (AS 43.77)	2010
Aviation fuel tax (AS 43.40.010)	2011
Electric and telephone cooperative tax (AS 10.25.570)	2011
Liquor license fee (AS 04.11)	2011

(b) The amount necessary to pay the first five ports of call their share of the tax collected under AS 43.52.220 in calendar year 2010 according to AS 43.52.230(b), estimated to be $8,500,000, is appropriated from the commercial vessel passenger tax account

(AS 43.52.230(a)) to the Department of Revenue for payment to the port of call during the fiscal year ending June 30, 2011.

(c) It is the intent of the legislature that the payments to local governments set out in (a) and (b) of this section may be assigned by a local government to another state agency.

* **Sec. 31.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2011, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for payment of principal and interest on those bonds for the fiscal year ending June 30, 2011.

(c) The sum of $7,066,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2003A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(d) The sum of $42,300 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2003A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(e) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011, after the payments in (c) and (d) of this section, estimated to be $23,090,800, is appropriated from the general fund to the state bond committee for that purpose.

(f) The sum of $374,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project fund for state guaranteed transportation revenue anticipation bonds, series 2003B, for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation

revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011.

(g) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011, after the payment in (f) of this section, estimated to be $12,353,300, is appropriated from federal receipts to the state bond committee for that purpose.

(h) The sum of $1;902,400 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(i) The sum of $2,278,900 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2009A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2009A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(j) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011, after the payments made in (h) and (i) of this section, estimated to be $6,650,800, is appropriated from the general fund to the state bond committee for that purpose.

(k) The sum of $1,039,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011(a)) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(*l*) The sum of $34,000 is appropriated from the general fund to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(m) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011, after the payments made in (k) and (*l*) of this section, estimated to be

$3,927,000, is appropriated from the general fund to the state bond committee for that purpose.

(n) The sum of $50,047,900 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2011, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430(a))	$46,847,900
Passenger facility charge	3,200,000

(o) The sum of $2,710,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(p) The sum of $2,973,200 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(q) The amount necessary for payment of lease payments and trustee fees relating to certificates of participation issued for real property for the fiscal year ending June 30, 2011, estimated to be $7,841,100, is appropriated from the general fund to the state bond committee for that purpose.

(r) The sum of $168,400 is appropriated from the debt retirement fund (AS 37.15.011) to the state bond committee for trustee fees and lease payments related to certificates of participation issued for real property for the Fairbanks virology laboratory replacement, for the fiscal year ending June 30, 2011.

(s) The sum of $3,467,100 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage for the fiscal year ending June 30, 2011.

(t) The sum of $22,924,500 is appropriated from the general fund to the Department of Administration for payment of obligations and fees for the following facilities for the fiscal

year ending June 30, 2011:

FACILITY	ALLOCATION
(1) Anchorage Jail	$ 5,108,000
(2) Goose Creek Correctional Center	17,816,500

(u) The sum of $3,303,500 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Linny Pacillo Parking Garage in Anchorage, for the fiscal year ending June 30, 2011.

(v) The sum of $106,258,500 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2011, from the following sources:

General fund	$85,058,500
School Fund (AS 43.50.140)	21,200,000

(w) The sum of $5,707,302 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 2011, for payment of debt service on outstanding debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the following projects:

AGENCY AND PROJECT	APPROPRIATION AMOUNT
(1) University of Alaska	$1,409,822
Anchorage Community and Technical College Center	
Juneau Readiness Center/UAS Joint Facility	
(2) Department of Transportation and Public Facilities	
(A) Nome (port facility addition and renovation)	127,000
(B) Matanuska-Susitna Borough (deep water port and road upgrade)	752,450
(C) Aleutians East Borough/False Pass (small boat harbor)	101,840
(D) Lake and Peninsula Borough/Chignik (dock project)	119,844
(E) City of Fairbanks (fire headquarters station replacement)	869,765

(F) City of Valdez (harbor renovations) 222,868
(G) Aleutians East Borough/Akutan (small boat harbor) 465,868
(H) Fairbanks North Star Borough (Eielson AFB Schools, major maintenance and upgrades) 342,990
(3) Alaska Energy Authority
(A) Kodiak Electric Association (Nyman combined cycle cogeneration plant) 943,676
(B) Copper Valley Electric Association (cogeneration projects) 351,179

(x) The sum of $7,500,000 is appropriated from the Alaska fish and game revenue bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds for the fiscal year ending June 30, 2011. It is the intent of the legislature that the sum of $2,200,000 of the appropriation made by this subsection be used for early redemption of the bonds.

* **Sec. 32.** BUDGET RESERVE FUND. If the unrestricted state revenue available for appropriation in fiscal year 2011 is insufficient to cover general fund appropriations made for fiscal year 2011, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540(a)) to the general fund.

* **Sec. 33.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Unrestricted interest earned on investment of the general fund balances for the fiscal year ending June 30, 2011, is appropriated to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska). The appropriation made by this subsection is intended to compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for any lost earnings caused by use of the fund's balance to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2011, in anticipation of receiving unrestricted general fund revenue. The amount appropriated by this subsection may not exceed an amount equal to the earnings lost by the budget reserve fund as the result of the use of money from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to permit expenditure of operating and capital

appropriations in the fiscal year ending June 30, 2011, in anticipation of receiving unrestricted general fund revenue.

(b) The sum of $2,060,000 is appropriated from the general fund to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2011.

*** Sec. 34.** LAPSE EXTENSION OF APPROPRIATIONS. (a) Section 61(c), ch. 30, SLA 2007, is repealed and reenacted to read:

(c) The appropriation made in sec. 18(b), ch. 30, SLA 2007, lapses June 30, 2010, and the appropriation made in sec. 19(a), ch. 30, SLA 2007, lapses June 30, 2011.

(b) Section 16(b), ch. 17, SLA 2009, is amended to read:

(b) The appropriations made in secs. 1 and 14**, ch. 17, SLA 2009,** [OF THIS ACT] lapse June 30, **2011** [2010].

(c) The estimated amounts subject to the lapse extension under (b) of this section by department are as follows:

Department of Commerce, Community, and Economic Development	$ 200,000
Department of Education and Early Development	64,350,000
Department of Health and Social Services	5,478,300
Department of Labor and Workforce Development	6,102,700
Department of Public Safety	5,873,900
Department of Revenue	297,000
Total	$82,301,900

(d) The appropriation made to the Office of the Governor, commissions and special offices, redistricting planning committee allocation, in sec. 1, ch. 12, SLA 2009, page 16, line 28, and allocated on page 16, lines 30 - 31, lapses June 30, 2011.

*** Sec. 35.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 10(d), 11, 12(b), 25, 26, and 28 of this Act are for the capitalization of funds and do not lapse.

*** Sec. 36.** RETROACTIVITY. Those portions of the appropriations made in sec. 1 of this Act that appropriate either the unexpended and unobligated balance of specific fiscal year 2010 program receipts or the unexpended and unobligated balance on June 30, 2010, of a

specified account are retroactive to June 30, 2010, solely for the purpose of carrying forward a prior fiscal year balance.

* **Sec. 37.** Sections 34 and 36 of this Act take effect June 30, 2010.

* **Sec. 38.** Except as provided in sec. 37 of this Act, this Act takes effect July 1, 2010.

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

MEMORANDUM

DATE: March 1, 2010

TO: House Finance Committee Members

FROM: Representative Mike Hawker, Co-Chairman

RE: Operating Budget HFC CS – Today's Meeting Resources

Attached are the Operating Budget HFC CS 300 (\M version) and the Mental Health Budget HFC CS 302 (\P version) that include the work performed by budget subcommittees. At today's HFC meeting we will review and adopt these bill versions as working documents.

The following reports are included in this transmittal summarizing the monetary changes made in these bills.

Agency Summary – General Funds
A Summary of Gas Line Appropriation Requests
Agency Summary – Numbers and Language
Agency Summary – Language Only

Revisions of significance to the language section in the HFC CS will also be reviewed during today's meeting.

The CS bill versions being brought forward today incorporate all of the recommendations forwarded by the budget subcommittees. Complete subcommittee close-out reports and other detailed budget information documents are posted on the Legislative Finance web site at www.legfin.state.ak.us under the "FY 2011 House Subcommittee Operating Budget Reports" link.

Subcommittee Chairs should be prepared to respond to any questions that arise regarding their close-outs.

Several funds source transactions related to proper classification of General Fund Program Receipts, Statutory Designated Program Receipts and Receipt Supported Services are also included in the CS bills. These changes pretty much finalize the implementation of the budget clarification project, completing the task of bringing all general funds sources back "on budget." These final budget clarification fund source changes are implemented before subcommittee actions directly to the Governor's amended request in the BCPFdChg column in the summary reports. Detail transactions are available from Legislative Finance.

Public testimony on the operating budget bills will be taken as follows:

Tuesday, March 2, 2010 — House Finance Room 519 – 1:30 PM

HB 300 - APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 302 - APPROP: MENTAL HEALTH BUDGET

Public Testimony**

1:30 – 2:30 p.m.	Juneau
2:45 – 3:45 p.m.	Bethel, Kotzebue, Barrow, Nome, Delta Junction, Offnets
4:00 – 5:15 p.m.	Anchorage

Wednesday, March 3, 2010 — House Finance Room 519 – 1:30 PM

HB 300 - APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 302 - APPROP: MENTAL HEALTH BUDGET

Public Testimony**

1:30 – 2:45 pm	Fairbanks
3:00 – 4:00 p.m.	Sitka, Wrangell, Petersburg, Dillingham, Cordova
4:15 – 5:00 p.m.	Homer, Kenai, Valdez, Ketchikan, Kodiak, Seward, Matsu, Glennallen , Tok

The CS bill versions being offered today should be used as the basis for any further amendment proposals. In order to be considered, proposed amendments should be submitted to my office by 4:00 PM on Thursday, March 4, 2010. The current work plan is to take up amendments and begin committee deliberations on these bills on Monday, March 8, 2010 during our 1:30pm meeting.

Adopted 1/29/10

26-GH2823\S
Bailey
1/26/10

CS FOR HOUSE BILL NO. 300(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Centralized Administrative Services		**71,848,700**	**13,380,100**	**58,468,600**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 2, line 12, and collected in the Department of Administration's federally approved cost allocation plans.

Office of Administrative Hearings	1,563,900
DOA Leases	1,814,900
Office of the Commissioner	948,100
Administrative Services	2,334,300
DOA Information Technology Support	1,248,200
Finance	8,592,100
E-Travel	2,940,700
Personnel	15,502,900
Labor Relations	1,289,200
Purchasing	1,241,700
Property Management	958,000
Central Mail	3,427,700
Centralized Human Resources	281,700

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits	14,216,700			
Group Health Insurance	15,100,400			
Labor Agreements	50,000			
Miscellaneous Items				
Centralized ETS Services	338,200			
Leases		**48,390,800**	**59,300**	**48,331,500**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 3, line 15, and collected in the Department of Administration's federally approved cost allocation plans.				
Leases	47,182,700			
Lease Administration	1,208,100			
State Owned Facilities		**17,403,200**	**1,394,100**	**16,009,100**
Facilities	15,258,700			
Facilities Administration	1,389,700			
Non-Public Building Fund Facilities	754,800			
Administration State Facilities Rent		**1,538,800**	**1,468,600**	**70,200**
Administration State Facilities Rent	1,538,800			
Special Systems		**2,548,100**	**2,548,100**	
Unlicensed Vessel Participant Annuity Retirement Plan	50,000			
Elected Public Officers Retirement System Benefits	2,498,100			
Enterprise Technology Services		**45,965,200**	**8,010,300**	**37,954,900**
State of Alaska Telecommunications System	5,468,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Land Mobile Radio	1,300,000			
Enterprise Technology Services	39,196,300			
Information Services Fund		**55,000**		**55,000**
Information Services Fund	55,000			
This appropriation to the Information Services Fund capitalizes a fund and does not lapse.				
Public Communications Services		**4,622,200**	**4,298,500**	**323,700**
Public Broadcasting Commission	54,200			
Public Broadcasting - Radio	2,869,900			
Public Broadcasting - T.V.	527,100			
Satellite Infrastructure	1,171,000			
AIRRES Grant		**100,000**	**100,000**	
AIRRES Grant	100,000			
Risk Management		**36,926,900**		**36,926,900**
Risk Management	36,926,900			
Alaska Oil and Gas Conservation Commission		**5,686,300**	**5,550,600**	**135,700**
Alaska Oil and Gas Conservation Commission	5,686,300			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts of the Department of Administration, Alaska Oil and Gas Conservation Commission receipts account for regulatory cost charges under AS 31.05.093 and permit fees under AS 31.05.090.				
Legal and Advocacy Services		**40,987,200**	**39,777,600**	**1,209,600**
Therapeutic Courts Support Services	65,000			
Office of Public Advocacy	19,663,300			
Public Defender Agency	21,258,900			
Violent Crimes Compensation		**2,545,600**	**1,885,500**	**660,100**

	Allocations	Appropriation Items	General Funds	Other Funds
Board				
Violent Crimes Compensation Board	2,545,600			
Alaska Public Offices Commission		**1,301,200**	**1,301,200**	
Alaska Public Offices Commission	1,301,200			
Motor Vehicles		**15,136,200**	**14,590,500**	**545,700**
Motor Vehicles	15,136,200			
General Services Facilities Maintenance		**39,700**		**39,700**
General Services Facilities Maintenance	39,700			
ITG Facilities Maintenance		**23,000**		**23,000**
ETS Facilities Maintenance	23,000			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Executive Administration		**5,371,300**	**1,361,000**	**4,010,300**
Commissioner's Office	933,900			
Administrative Services	4,437,400			
Community Assistance & Economic Development		**13,597,700**	**8,563,200**	**5,034,500**
Community and Regional Affairs	10,326,500			
Office of Economic Development	3,271,200			
Revenue Sharing		**30,973,400**		**30,973,400**
Payment in Lieu of Taxes (PILT)	10,100,000			
National Forest Receipts	17,273,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Fisheries Taxes	3,600,000			
Qualified Trade Association Contract		**9,000,000**	**9,000,000**	
Qualified Trade Association Contract	9,000,000			
Investments		**4,582,300**	**4,578,100**	**4,200**
Investments	4,582,300			
Alaska Aerospace Corporation		**28,721,400**		**28,721,400**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the federal and corporate receipts of the Department of Commerce, Community, and Economic Development, Alaska Aerospace Corporation.				
Alaska Aerospace Corporation	4,491,500			
Alaska Aerospace Corporation Facilities Maintenance	24,229,900			
Alaska Industrial Development and Export Authority		**11,506,300**		**11,506,300**
Alaska Industrial Development and Export Authority	11,244,300			
Alaska Industrial Development Corporation Facilities Maintenance	262,000			
Alaska Energy Authority		**7,818,700**	**2,042,200**	**5,776,500**
Alaska Energy Authority Owned Facilities	1,067,100			
Alaska Energy Authority Rural Energy Operations	5,591,500			
Alaska Energy Authority	100,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Technical Assistance				
Statewide Project Development, Alternative Energy and Efficiency	1,059,400			
Alaska Seafood Marketing Institute		**18,712,200**	**13,212,200**	**5,500,000**
Alaska Seafood Marketing Institute	18,712,200			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska Seafood Marketing Institute.

Banking and Securities		**3,264,300**	**3,264,300**	
Banking and Securities	3,264,300			
Insurance Operations		**6,816,600**	**6,691,300**	**125,300**
Insurance Operations	6,816,600			

The amount appropriated by this appropriation includes up to $1,000,000 of the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, division of insurance, program receipts from license fees and service fees.

Corporations, Business and Professional Licensing		**10,907,600**	**9,816,200**	**1,091,400**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of business license receipts under AS 43.70.030; receipts from the fees under AS 08.01.065(a), (c), and (f) - (i); and corporations receipts collected under AS 10.06, AS 10.15, AS 10.20, AS 10.25, AS 10.35, AS 10.40, AS 10.45, AS 10.50, AS 32.06, AS 32.11, and AS 45.50.

Corporations, Business and Professional Licensing	10,907,600			
Regulatory Commission of Alaska		**8,542,700**	**8,210,600**	**332,100**

	Allocations	Appropriation Items	General Funds	Other Funds
Regulatory Commission of Alaska	8,542,700			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, Regulatory Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286.

DCED State Facilities Rent		**1,345,200**	**585,000**	**760,200**
DCED State Facilities Rent	1,345,200			
Serve Alaska		**3,509,700**	**121,700**	**3,388,000**
Serve Alaska	3,509,700			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Administration and Support		**6,577,300**	**6,465,900**	**111,400**
Office of the Commissioner	1,283,900			
Administrative Services	2,703,700			
Information Technology MIS	2,001,000			
Research and Records	298,800			
DOC State Facilities Rent	289,900			
Population Management		**206,528,700**	**187,759,000**	**18,769,700**
Correctional Academy	981,600			
Facility-Capital Improvement Unit	548,500			
Prison System Expansion	501,000			
Facility Maintenance	12,280,500			
Classification and Furlough	1,161,600			
Out-of-State Contractual	21,866,100			
Offender Habilitation Programs	1,497,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Institution Director's Office	997,200			
Prison Employment Program	2,285,600			

The amount allocated for Prison Employment Program includes the unexpended and unobligated balance on June 30, 2010, of the Department of Corrections receipts collected under AS 37.05.146(c)(80).

Inmate Transportation	2,139,600			
Point of Arrest	628,700			
Anchorage Correctional Complex	24,003,000			
Anvil Mountain Correctional Center	5,109,700			
Combined Hiland Mountain Correctional Center	10,281,900			
Fairbanks Correctional Center	9,365,100			
Goose Creek Correctional Center	518,600			
Ketchikan Correctional Center	3,756,500			
Lemon Creek Correctional Center	7,914,800			
Matanuska-Susitna Correctional Center	4,030,500			
Palmer Correctional Center	11,922,000			
Spring Creek Correctional Center	18,740,900			
Wildwood Correctional Center	12,995,400			
Yukon-Kuskokwim Correctional Center	5,528,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Point MacKenzie Correctional Farm	3,656,300			
Probation and Parole Director's Office	741,000			
Statewide Probation and Parole	13,409,100			
Electronic Monitoring	2,182,700			
Community Jails	6,415,400			
Community Residential Centers	20,277,900			
Parole Board	791,900			
Inmate Health Care		**29,750,800**	**29,454,000**	**296,800**
Behavioral Health Care	5,213,500			
Physical Health Care	24,537,300			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**45,411,600**	**24,620,600**	**20,791,000**
Foundation Program	33,491,000			
Boarding Home Grants	1,690,800			
Youth in Detention	1,100,000			
Special Schools	3,303,000			
Alaska Challenge Youth Academy	5,826,800			
Education Support Services		**6,804,700**	**4,865,400**	**1,939,300**
Executive Administration	2,456,400			
Administrative Services	1,385,800			
Information Services	658,900			
School Finance & Facilities	2,303,600			
Teaching and Learning Support		**278,209,600**	**21,135,900**	**257,073,700**
Student and School	229,320,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Achievement				
Statewide Mentoring Program	4,500,000			
Teacher Certification	701,900			

The amount allocated for Teacher Certification includes the unexpended and unobligated balance on June 30, 2010, of the Department of Education and Early Development receipts from teacher certification fees under AS 14.20.020(c).

Child Nutrition	35,630,700			
Early Learning Coordination	8,056,400			
Commissions and Boards		**1,954,500**	**972,700**	**981,800**
Professional Teaching Practices Commission	277,100			
Alaska State Council on the Arts	1,677,400			
Mt. Edgecumbe Boarding School		**7,424,200**	**3,909,500**	**3,514,700**
Mt. Edgecumbe Boarding School	7,424,200			
State Facilities Maintenance		**3,156,600**	**2,045,800**	**1,110,800**
State Facilities Maintenance	1,084,800			
EED State Facilities Rent	2,071,800			
Alaska Library and Museums		**8,844,700**	**7,247,400**	**1,597,300**
Library Operations	5,846,000			
Archives	1,117,000			
Museum Operations	1,881,700			
Alaska Postsecondary Education Commission		**16,270,600**	**2,964,800**	**13,305,800**
Program Administration & Operations	13,305,800			
WWAMI Medical Education	2,964,800			

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Environmental Conservation *****				
*****			*****	
Administration		**7,727,600**	**4,794,000**	**2,933,600**
Office of the Commissioner	1,012,700			
Administrative Services	4,744,800			
The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Environmental Conservation's federal approved indirect cost allocation plan for expenditures incurred by the Department of Environmental Conservation.				
State Support Services	1,970,100			
DEC Buildings Maintenance and Operations		**507,800**	**507,800**	
DEC Buildings Maintenance and Operations	507,800			
Environmental Health		**26,247,100**	**13,018,600**	**13,228,500**
Environmental Health Director	336,900			
Food Safety & Sanitation	3,968,600			
Laboratory Services	3,328,300			
Drinking Water	6,713,200			
Solid Waste Management	2,226,300			
Air Quality Director	259,400			
Air Quality	9,414,400			
The amount allocated for Air Quality includes the unexpended and unobligated balance on June 30, 2010, of the Department of Environmental Conservation, Division of Air Quality receipt supported services from fees collected under AS 46.14.240 and AS 46.14.250.				
Spill Prevention and Response		**17,525,800**	**13,179,100**	**4,346,700**
Spill Prevention and Response Director	269,800			
Contaminated Sites Program	7,209,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Industry Preparedness and Pipeline Operations	4,536,000			
Prevention and Emergency Response	4,040,200			
Response Fund Administration	1,470,500			
Water		**23,538,400**	**11,562,000**	**11,976,400**
Water Quality	15,927,400			
Facility Construction	7,611,000			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		

The amount appropriated for the Department of Fish and Game includes the unexpended and unobligated balance on June 30, 2010 of receipts collected under the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the Department of Fish and Game.

Commercial Fisheries		**61,669,800**	**43,056,800**	**18,613,000**

The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(15).

Commercial Fisheries	61,669,800			

The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balances on June 30, 2010, of the Department of Fish and Game, Commercial Fisheries Special Projects, receipt supported services from taxes on dive fishery products.

Sport Fisheries		**47,521,200**	**3,757,300**	**43,763,900**
Sport Fisheries	47,521,200			
Wildlife Conservation		**41,323,800**	**6,295,900**	**35,027,900**
Wildlife Conservation	29,049,400			
Wildlife Conservation Special Projects	11,660,300			
Hunter Education Public	614,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Shooting Ranges				
Administration and Support		**28,091,300**	**9,159,900**	**18,931,400**
Commissioner's Office	1,790,600			
Administrative Services	11,356,900			
Fish and Game Boards and Advisory Committees	1,653,900			
State Subsistence	5,526,200			
EVOS Trustee Council	3,624,900			
State Facilities Maintenance	1,608,800			
Fish and Game State Facilities Rent	2,530,000			
Habitat		**5,930,900**	**3,450,100**	**2,480,800**
Habitat	5,930,900			
Commercial Fisheries Entry Commission		**4,022,600**	**3,908,200**	**114,400**
Commercial Fisheries Entry Commission	4,022,600			

The amount appropriated for Commercial Fisheries Entry Commission includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game, Commercial Fisheries Entry Commission program receipts from licenses, permits and other fees.

* * * * * * * * * *

*** * * * * Office of the Governor * * * * ***

* * * * * * * * * *

Commissions/Special Offices		**3,144,500**	**2,954,600**	**189,900**
Human Rights Commission	2,144,500			
Redistricting Planning	1,000,000			
Executive Operations		**13,053,100**	**12,958,100**	**95,000**
Executive Office	10,598,800			
Governor's House	485,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Contingency Fund	800,000			
Lieutenant Governor	1,169,000			
Office of the Governor State Facilities Rent		**998,300**	**998,300**	
Governor's Office State Facilities Rent	526,200			
Governor's Office Leasing	472,100			
Office of Management and Budget		**2,598,400**	**2,598,400**	
Office of Management and Budget	2,598,400			
Elections		**7,884,100**	**7,130,000**	**754,100**
Elections	7,884,100			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Alaska Pioneer Homes		**41,292,000**	**32,064,800**	**9,227,200**
Alaska Pioneer Homes Management	1,437,400			
Pioneer Homes	39,840,900			
Pioneers Homes Advisory Board	13,700			
Behavioral Health		**153,727,200**	**20,173,200**	**133,554,000**
AK Fetal Alcohol Syndrome Program	1,409,000			
Alcohol Safety Action Program (ASAP)	2,585,700			
Behavioral Health Medicaid Services	103,269,500			
Behavioral Health Grants	5,685,500			
Behavioral Health	6,681,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Administration				
Community Action Prevention & Intervention Grants	3,783,000			
Rural Services and Suicide Prevention	785,900			
Psychiatric Emergency Services	1,714,400			
Services to the Seriously Mentally Ill	2,184,000			
Services for Severely Emotionally Disturbed Youth	1,382,100			
Alaska Psychiatric Institute	24,096,400			
Alaska Psychiatric Institute Advisory Board	10,000			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	140,100			
Children's Services		**130,194,600**	**72,220,800**	**57,973,800**
Children's Medicaid Services	10,658,600			
Children's Services Management	7,171,900			
Children's Services Training	1,824,800			
Front Line Social Workers	41,115,400			
Family Preservation	12,628,800			
Foster Care Base Rate	17,246,000			
Foster Care Augmented Rate	1,176,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Foster Care Special Need	5,515,800			
Subsidized Adoptions & Guardianship	23,401,600			
Residential Child Care	3,311,900			
Infant Learning Program Grants	5,594,000			
Children's Trust Programs	549,700			
Health Care Services		**737,987,200**	**218,587,200**	**519,400,000**
Adult Preventative Dental Medicaid Services	8,192,800			
Medicaid Services	681,493,600			
Catastrophic and Chronic Illness Assistance (AS 47.08)	1,471,000			
Health Facilities Survey	1,994,300			
Medical Assistance Administration	37,590,100			
Rate Review	2,370,700			
Health Planning and Infrastructure	2,720,800			
Community Health Grants	2,153,900			
Juvenile Justice		**50,932,200**	**47,615,700**	**3,316,500**
McLaughlin Youth Center	16,276,800			
Mat-Su Youth Facility	2,020,100			
Kenai Peninsula Youth Facility	1,697,700			
Fairbanks Youth Facility	4,400,800			
Bethel Youth Facility	3,502,500			
Nome Youth Facility	2,383,700			
Johnson Youth Center	3,541,100			
Ketchikan Regional Youth	1,630,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Facility				
Probation Services	13,331,000			
Delinquency Prevention	1,300,000			
Youth Courts	848,000			
Public Assistance		**291,634,400**	**153,725,600**	**137,908,800**
Alaska Temporary Assistance Program	25,159,500			
Adult Public Assistance	56,381,400			
Child Care Benefits	52,305,900			
General Relief Assistance	1,655,400			
Tribal Assistance Programs	14,845,000			
Senior Benefits Payment Program	20,473,500			
Permanent Fund Dividend Hold Harmless	13,584,700			
Energy Assistance Program	17,346,200			
Public Assistance Administration	4,411,600			
Public Assistance Field Services	36,218,900			
Fraud Investigation	1,838,900			
Quality Control	1,803,400			
Work Services	16,044,900			
Women, Infants and Children	29,565,100			
Public Health		**95,747,900**	**52,259,400**	**43,488,500**
Injury Prevention/Emergency Medical Services	4,096,500			
Nursing	27,803,300			
Women, Children and Family	9,371,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Health				
Public Health	2,214,400			
Administrative Services				
Preparedness Program	5,371,900			
Certification and Licensing	5,356,200			
Chronic Disease Prevention	8,184,100			
and Health Promotion				
Epidemiology	10,863,600			
Bureau of Vital Statistics	2,679,200			
Emergency Medical Services	2,820,600			
Grants				
State Medical Examiner	2,550,600			
Public Health Laboratories	6,622,600			
Tobacco Prevention and	7,813,300			
Control				
Senior and Disabilities		**418,461,600**	**161,956,400**	**256,505,200**
Services				
General Relief/Temporary	2,748,400			
Assisted Living				
Senior and Disabilities	384,242,100			
Medicaid Services				
Senior and Disabilities	11,735,900			
Services Administration				
Senior Community Based	9,876,100			
Grants				
Senior Residential Services	815,000			
Community Developmental	6,727,000			
Disabilities Grants				
Commission on Aging	366,600			
Governor's Council on	1,950,500			
Disabilities and Special				

	Allocations	Appropriation Items	General Funds	Other Funds
Education				
Departmental Support		**47,690,100**	**19,125,700**	**28,564,400**
Services				
Public Affairs	1,588,500			
Quality Assurance and Audit	1,174,600			
Commissioner's Office	2,071,300			
Assessment and Planning	250,000			
Administrative Support Services	9,708,000			
Hearings and Appeals	965,000			
Medicaid School Based Administrative Claims	6,243,800			
Facilities Management	1,242,800			
Information Technology Services	15,396,000			
Facilities Maintenance	2,454,900			
Pioneers' Homes Facilities Maintenance	2,125,000			
HSS State Facilities Rent	4,470,200			
Human Services Community Matching Grant		**1,485,300**	**1,485,300**	
Human Services Community Matching Grant	1,485,300			
Community Initiative		**688,100**	**675,700**	**12,400**
Matching Grants				
Community Initiative Matching Grants (non-statutory grants)	688,100			
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	

	Allocations	Appropriation Items	General Funds	Other Funds
Commissioner and Administrative Services		**21,646,500**	**6,933,300**	**14,713,200**
Commissioner's Office	1,067,800			
Alaska Labor Relations Agency	509,900			
Management Services	3,259,000			

The amount allocated for Management Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

Human Resources	846,500			
Leasing	3,335,500			
Data Processing	7,250,700			
Labor Market Information	5,377,100			
Workers' Compensation and Safety		**22,208,600**	**18,214,000**	**3,994,600**
Workers' Compensation	5,165,200			
Workers' Compensation Appeals Commission	553,100			
Workers' Compensation Benefits Guaranty Fund	280,000			
Second Injury Fund	3,978,400			
Fishermens Fund	1,618,900			
Wage and Hour Administration	2,218,600			
Mechanical Inspection	2,671,300			
Occupational Safety and Health	5,597,300			
Alaska Safety Advisory Council	125,800			

The amount allocated for the Alaska Safety Advisory Council includes the unexpended and

	Allocations	Appropriation Items	General Funds	Other Funds
unobligated balance on June 30, 2010, of the Department of Labor and Workforce Development, Alaska Safety Advisory Council receipts under AS 18.60.840.				
Workforce Development		**108,384,700**	**24,892,000**	**83,492,700**
Employment and Training Services	30,749,000			
Unemployment Insurance	24,107,900			
Adult Basic Education	3,515,100			
Workforce Investment Board	938,100			
Business Services	41,362,600			
Kotzebue Technical Center Operations Grant	1,536,300			
Southwest Alaska Vocational and Education Center Operations Grant	507,100			
Yuut Elitnaurviat, Inc. People's Learning Center Operations Grant	936,300			
Northwest Alaska Career and Technical Center	712,100			
Delta Career Advancement Center	312,100			
New Frontier Vocational Technical Center	208,100			
Construction Academy Training	3,500,000			
Vocational Rehabilitation		**25,390,400**	**5,370,000**	**20,020,400**
Vocational Rehabilitation Administration	1,567,200			
The amount allocated for Vocational Rehabilitation Administration includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for				

	Allocations	Appropriation Items	General Funds	Other Funds
expenditures incurred by the Department of Labor and Workforce Development.				
Client Services	14,795,000			
Independent Living Rehabilitation	1,809,100			
Disability Determination	5,161,300			
Special Projects	1,196,400			
Assistive Technology	633,000			
Americans With Disabilities Act (ADA)	228,400			
The amount allocated for the Americans with Disabilities Act includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts collected by the Department of Labor and Workforce Development for cost allocation of the Americans with Disabilities Act.				
Alaska Vocational Technical Center		**12,614,300**	**9,441,000**	**3,173,300**
Alaska Vocational Technical Center	11,056,200			
The amount allocated for the Alaska Vocational Technical Center includes the unexpended and unobligated balance on June 30, 2010, of the Department of Labor and Workforce Development, Alaska Vocational Technical Center receipts under AS 43.20.014(a)(3).				
AVTEC Facilities Maintenance	1,558,100			
* * * * *		* * * * *		
* * * * * **Department of Law** * * * * *				
* * * * *		* * * * *		
Criminal Division		**30,174,100**	**26,689,500**	**3,484,600**
First Judicial District	1,902,600			
Second Judicial District	1,562,400			
Third Judicial District: Anchorage	7,344,600			
Third Judicial District: Outside Anchorage	5,050,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fourth Judicial District	5,521,000			
Criminal Justice Litigation	2,750,100			
Criminal Appeals/Special Litigation	6,043,400			
Civil Division		**50,682,000**	**29,899,600**	**20,782,400**
Deputy Attorney General's Office	916,100			
Child Protection	5,219,000			
Collections and Support	2,708,600			
Commercial and Fair Business	4,660,200			

The amount allocated for Commercial and Fair Business includes the unexpended and unobligated balance on June 30, 2010, of designated program receipts of the Department of Law, Commercial and Fair Business section, that are required by the terms of a settlement or judgment to be spent by the state for consumer education or consumer protection.

Environmental Law	2,118,700
Human Services	1,615,000
Labor and State Affairs	5,813,600
Legislation/Regulations	854,000
Natural Resources	3,282,700
BP Corrosion	4,000,000
Oil, Gas and Mining	8,588,800
Opinions, Appeals and Ethics	1,824,500
Regulatory Affairs Public Advocacy	1,543,500
Timekeeping and Litigation Support	1,706,500
Torts & Workers' Compensation	3,462,200

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation Section	2,368,600			
Administration and Support		**3,476,300**	**2,198,000**	**1,278,300**
Office of the Attorney General	651,100			
Administrative Services	2,338,200			
Dimond Courthouse Public Building Fund	487,000			
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Military and Veteran's Affairs		**47,487,700**	**10,670,700**	**36,817,000**
Office of the Commissioner	3,991,100			
Homeland Security and Emergency Management	9,087,300			
Local Emergency Planning Committee	300,000			
National Guard Military Headquarters	815,100			
Army Guard Facilities Maintenance	12,295,100			
Air Guard Facilities Maintenance	7,361,100			
Alaska Military Youth Academy	10,197,900			
Veterans' Services	1,082,100			
Alaska Statewide Emergency Communications	2,033,000			
State Active Duty	325,000			
Alaska National Guard Benefits		**961,200**	**961,200**	

	Allocations	Appropriation Items	General Funds	Other Funds
Educational Benefits	80,000			
Retirement Benefits	881,200			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**92,957,600**	**58,757,700**	**34,199,900**
Commissioner's Office	1,177,500			
Administrative Services	2,543,400			

The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Natural Resource's federal indirect cost plan for expenditures incurred by the Department of Natural Resources.

Information Resource Management	4,563,000			
Oil & Gas Development	13,719,600			
Petroleum Systems Integrity Office	1,044,100			
Pipeline Coordinator	7,612,000			
Gas Pipeline Implementation	685,300			
Alaska Coastal and Ocean Management	4,393,700			
Large Project Permitting	3,502,100			
Claims, Permits & Leases	11,000,300			
Land Sales & Municipal Entitlements	5,105,200			
Title Acquisition & Defense	2,808,300			
Water Development	1,926,000			
Director's Office/Mining, Land, & Water	439,900			
Forest Management and	6,114,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Development				
The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2010, of the timber receipts account (AS 38.05.110).				
Non-Emergency Hazard Mitigation Projects	710,500			
Geological Development	8,427,000			
Recorder's Office/Uniform Commercial Code	4,470,400			
Agricultural Development	2,229,500			
North Latitude Plant Material Center	2,070,500			
Agriculture Revolving Loan Program Administration	2,480,000			
Conservation and Development Board	116,000			
Public Services Office	495,800			
Trustee Council Projects	442,000			
Interdepartmental Information Technology Chargeback	855,000			
Human Resources Chargeback	929,500			
DNR Facilities Rent and Chargeback	2,792,500			
Facilities Maintenance	300,000			
Mental Health Trust Lands Administration	4,200			
State Public Domain & Public Access		**602,900**	**527,200**	**75,700**
Citizen's Advisory Commission on Federal Areas	254,900			

	Allocations	Appropriation Items	General Funds	Other Funds
RS 2477/Navigability Assertions and Litigation Support	348,000			
Fire Suppression		**28,810,900**	**21,832,900**	**6,978,000**
Fire Suppression Preparedness	17,138,000			
Fire Suppression Activity	11,672,900			
Parks and Recreation Management		**14,560,200**	**8,538,700**	**6,021,500**
State Historic Preservation Program	2,224,200			

The amount allocated for the State Historic Preservation Program includes up to $15,500 general fund program receipt authorization from the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.35.380.

Parks Management	8,690,300			

The amount allocated for Parks Management includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.21.026.

Parks & Recreation Access	3,645,700			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Fire and Life Safety		**5,839,400**	**3,557,500**	**2,281,900**
Fire and Life Safety Operations	2,881,400			
Training and Education Bureau	2,958,000			
Alaska Fire Standards Council		**486,100**	**232,200**	**253,900**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.

Alaska Fire Standards	486,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Council				
Alaska State Troopers		**125,235,800**	**102,502,500**	**22,733,300**
Special Projects	11,163,100			
Alaska State Troopers Director's Office	365,400			
Alaska Bureau of Judicial Services	9,292,100			
Prisoner Transportation	2,304,200			
Search and Rescue	577,900			
Rural Trooper Housing	2,680,100			
Narcotics Task Force	9,359,700			
Alaska State Trooper Detachments	51,904,400			
Alaska Bureau of Investigation	5,695,400			
Alaska Bureau of Alcohol and Drug Enforcement	3,263,500			
Alaska Wildlife Troopers	18,941,700			
Alaska Wildlife Troopers Aircraft Section	5,313,800			
Alaska Wildlife Troopers Marine Enforcement	2,930,800			
Alaska Wildlife Troopers Director's Office	368,200			
Alaska Wildlife Troopers Investigations	1,075,500			
Village Public Safety Officer Program		**11,062,500**	**10,891,000**	**171,500**
VPSO Contracts	10,621,900			
VPSO Support	440,600			
Alaska Police Standards		**1,166,700**	**1,166,700**	

	Allocations	Appropriation Items	General Funds	Other Funds
Council				
The amount appropriated by this appropriation includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS 18.65.220(7).				
Alaska Police Standards Council	1,166,700			
Council on Domestic Violence and Sexual Assault		**14,261,400**	**8,850,000**	**5,411,400**
Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual Assault may be used to fund operations and grant administration.				
Council on Domestic Violence and Sexual Assault	14,061,400			
Batterers Intervention Program	200,000			
Statewide Support		**23,838,000**	**17,133,600**	**6,704,400**
Commissioner's Office	1,469,700			
Training Academy	2,348,100			
Administrative Services	3,795,200			
Alaska Wing Civil Air Patrol	553,500			
Alcoholic Beverage Control Board	1,432,100			
Alaska Public Safety Information Network	3,299,200			
Alaska Criminal Records and Identification	5,721,300			
The amount allocated for Alaska Criminal Records and Identification includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected by the				

	Allocations	Appropriation Items	General Funds	Other Funds
Department of Public Safety from the Alaska automated fingerprint system under AS 44.41.025(b).				
Laboratory Services	5,218,900			
Statewide Facility Maintenance		**608,800**		**608,800**
Facility Maintenance	608,800			
DPS State Facilities Rent		**114,400**	**114,400**	
DPS State Facilities Rent	114,400			
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Taxation and Treasury		**70,834,400**	**24,376,100**	**46,458,300**
Tax Division	13,920,900			
Treasury Division	6,181,600			
Unclaimed Property	355,200			
Alaska Retirement Management Board	7,749,900			
Alaska Retirement Management Board Custody and Management Fees	34,872,900			
Permanent Fund Dividend Division	7,753,900			
Child Support Services		**25,328,900**	**6,955,500**	**18,373,400**
Child Support Services Division	25,328,900			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under the state's share of child support collections for reimbursement of the cost of the Alaska temporary assistance program as provided under AS 25.27.120.				
Administration and Support		**2,832,700**	**783,700**	**2,049,000**
Commissioner's Office	926,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Administrative Services	1,564,700			
State Facilities Rent	342,000			
Alaska Natural Gas Development Authority		**317,200**	**317,200**	
Gas Authority Operations	317,200			
Alaska Mental Health Trust Authority		**564,500**	**116,400**	**448,100**
Mental Health Trust Operations	30,000			
Long Term Care Ombudsman Office	534,500			
Alaska Municipal Bond Bank Authority		**829,300**	**829,300**	
AMBBA Operations	829,300			
Alaska Housing Finance Corporation		**55,135,100**		**55,135,100**
AHFC Operations	54,735,100			
Anchorage State Office Building	400,000			
Alaska Permanent Fund Corporation		**78,882,600**		**78,882,600**
APFC Operations	10,707,600			
APFC Custody and Management Fees	68,175,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation & Public Facilities** * * * * *				
* * * * *			* * * * *	
Administration and Support		**43,665,100**	**21,327,700**	**22,337,400**
Commissioner's Office	1,782,300			
Contracting and Appeals	307,100			
Equal Employment and Civil	1,032,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Rights				
Internal Review	1,040,900			
Transportation Management and Security	1,261,900			
Statewide Administrative Services	4,827,700			
Statewide Information Systems	4,131,200			
Leased Facilities	2,356,100			
Human Resources	2,663,900			
Statewide Procurement	1,332,300			
Central Region Support Services	1,043,300			
Northern Region Support Services	1,378,700			
Southeast Region Support Services	872,400			
Statewide Aviation	3,030,200			
International Airport Systems Office	843,300			
Program Development	4,739,800			

Per AS 19.10.075(b), this allocation includes $58,500 representing an amount equal to 50% of the fines collected under AS 28.90.030 during the fiscal year ending June 30, 2009.

Central Region Planning	1,869,200			
Northern Region Planning	1,822,000			
Southeast Region Planning	608,600			
Measurement Standards & Commercial Vehicle Enforcement	6,722,000			

The amount allocated for Measurement Standards and Commercial Vehicle Enforcement includes the unexpended and unobligated balance on June 30, 2010, of the Unified Carrier

	Allocations	Appropriation Items	General Funds	Other Funds
Registration Program receipts collected by the Department of Transportation and Public Facilities.				
Design, Engineering and Construction		**104,404,200**	**4,735,000**	**99,669,200**
Statewide Public Facilities	3,849,200			
Statewide Design and Engineering Services	10,237,500			
Central Design and Engineering Services	20,372,700			
Northern Design and Engineering Services	16,275,300			
Southeast Design and Engineering Services	9,831,500			
Central Region Construction and CIP Support	18,995,500			
Northern Region Construction and CIP Support	15,699,000			
Southeast Region Construction	7,817,600			
Knik Arm Bridge/Toll Authority	1,325,900			
State Equipment Fleet		**29,200,900**		**29,200,900**
State Equipment Fleet	29,200,900			
Highways, Aviation and Facilities		**160,270,600**	**140,148,000**	**20,122,600**
Central Region Facilities	7,797,300			
Northern Region Facilities	12,457,600			
Southeast Region Facilities	1,437,100			
Traffic Signal Management	1,682,200			
Central Region Highways and	50,821,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Aviation				
Northern Region Highways and Aviation	66,057,800			
Southeast Region Highways and Aviation	15,646,800			

The amounts allocated for highways and aviation shall lapse into the general fund on August 31, 2011.

Whittier Access and Tunnel	4,370,200			

The amount allocated for Whittier Access and Tunnel includes the unexpended and unobligated balance on June 30, 2010, of the Whittier Tunnel toll receipts collected by the Department of Transportation and Public Facilities under AS 19.05.040(11).

International Airports		**69,965,700**		**69,965,700**
Anchorage Airport Administration	7,605,400			
Anchorage Airport Facilities	19,750,400			
Anchorage Airport Field and Equipment Maintenance	11,936,700			
Anchorage Airport Operations	5,387,900			
Anchorage Airport Safety	11,166,300			
Fairbanks Airport Administration	1,795,800			
Fairbanks Airport Facilities	3,115,200			
Fairbanks Airport Field and Equipment Maintenance	3,542,000			
Fairbanks Airport Operations	1,240,700			
Fairbanks Airport Safety	4,425,300			
Marine Highway System		**135,309,300**	**133,665,700**	**1,643,600**

	Allocations	Appropriation Items	General Funds	Other Funds
Marine Vessel Operations	116,199,800			
Marine Engineering	3,115,200			
Overhaul	1,698,400			
Reservations and Marketing	3,138,300			
Marine Shore Operations	7,300,900			
Vessel Operations Management	3,856,700			
*****		*****		
***** University of Alaska *****				
*****		*****		
Budget Reductions/Additions		**430,500**	**430,500**	
Budget Reductions/Additions - Systemwide	430,500			
Statewide Programs and Services		**67,297,200**	**54,460,900**	**12,836,300**
Statewide Services	36,108,500			
Office of Information Technology	20,122,800			
Systemwide Education and Outreach	11,065,900			
University of Alaska Anchorage		**280,818,100**	**236,550,700**	**44,267,400**
Anchorage Campus	248,300,700			
Kenai Peninsula College	11,799,000			
Kodiak College	4,329,000			
Matanuska-Susitna College	9,252,600			
Prince William Sound Community College	7,136,800			
Small Business Development Center		**891,200**	**891,200**	
Small Business Development	891,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Center				
University of Alaska		**383,424,000**	**255,660,800**	**127,763,200**
Fairbanks				
Fairbanks Campus	241,535,900			
Fairbanks Organized Research	141,888,100			
University of Alaska		**56,851,500**	**42,092,400**	**14,759,100**
Community Campuses				
Bristol Bay Campus	3,653,200			
Chukchi Campus	2,070,600			
College of Rural and Community Development	13,531,000			
Interior-Aleutians Campus	5,180,400			
Kuskokwim Campus	6,277,000			
Northwest Campus	2,935,100			
Tanana Valley Campus	12,717,400			
Cooperative Extension Service	10,486,800			
University of Alaska		**55,845,000**	**48,219,500**	**7,625,500**
Southeast				
Juneau Campus	43,385,000			
Ketchikan Campus	5,032,100			
Sitka Campus	7,427,900			
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		
Alaska Court System		**95,276,900**	**92,995,300**	**2,281,600**
Budget requests from agencies of the Judicial Branch are transmitted as requested.				
Appellate Courts	6,642,300			
Trial Courts	77,932,000			
Administration and Support	10,258,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Therapeutic Courts	444,400			
Commission on Judicial Conduct		**376,900**	**376,900**	
Commission on Judicial Conduct	376,900			
Judicial Council		**1,098,000**	**1,098,000**	
Judicial Council	1,098,000			
* * * * *		* * * * *		
* * * * * **Alaska Legislature** * * * * *				
* * * * *		* * * * *		
Budget and Audit Committee		**19,685,100**	**19,435,100**	**250,000**
Legislative Audit	4,629,600			
Legislative Finance	8,358,000			
Committee Expenses	6,483,400			
Legislature State Facilities Rent	214,100			
Legislative Council		**37,055,700**	**36,965,700**	**90,000**
Salaries and Allowances	6,244,000			
Administrative Services	12,240,100			
Session Expenses	9,589,200			
Council and Subcommittees	2,842,700			
Legal and Research Services	3,942,300			
Select Committee on Ethics	217,000			
Office of Victims Rights	916,200			
Ombudsman	1,064,200			
Legislative Operating Budget		**11,848,200**	**11,848,200**	
Legislative Operating Budget	11,848,200			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 39)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1002	Federal Receipts	3,048,400
1004	Unrestricted General Fund Receipts	70,818,700
1005	General Fund/Program Receipts	1,403,000
1007	Interagency Receipts	114,646,400
1017	Group Health and Life Benefits Fund	19,148,400
1023	FICA Administration Fund Account	142,000
1029	Public Employees Retirement Trust Fund	7,072,000
1033	Federal Surplus Property Revolving Fund	385,200
1034	Teachers Retirement Trust Fund	2,744,800
1040	Real Estate Surety Fund	100
1042	Judicial Retirement System	118,400
1045	National Guard Retirement System	208,700
1061	Capital Improvement Project Receipts	1,981,400
1081	Information Services Fund	35,759,100
1108	Statutory Designated Program Receipts	795,700
1147	Public Building Fund	14,703,100
1156	Receipt Supported Services	14,688,800
1162	Alaska Oil & Gas Conservation Commission Receipts	5,568,400
1171	PFD Appropriations in lieu of Dividends to Criminals	1,885,500
*** Total Agency Funding ***		$295,118,100
Department of Commerce, Community and Economic Development		
1002	Federal Receipts	65,830,500
1003	General Fund Match	824,700
1004	Unrestricted General Fund Receipts	14,792,400
1005	General Fund/Program Receipts	18,700

1007	Interagency Receipts	16,041,000
1036	Commercial Fishing Loan Fund	3,788,100
1040	Real Estate Surety Fund	280,700
1061	Capital Improvement Project Receipts	6,940,300
1062	Power Project Fund	1,056,500
1070	Fisheries Enhancement Revolving Loan Fund	564,500
1074	Bulk Fuel Revolving Loan Fund	53,700
1101	Alaska Aerospace Development Corporation Revolving Fund	522,900
1102	Alaska Industrial Development & Export Authority Receipts	5,674,200
1107	Alaska Energy Authority Corporate Receipts	1,067,100
1108	Statutory Designated Program Receipts	474,800
1141	Regulatory Commission of Alaska Receipts	8,210,600
1156	Receipt Supported Services	27,699,900
1164	Rural Development Initiative Fund	52,500
1170	Small Business Economic Development Revolving Loan Fund	50,700
1175	Business License & Corporation Filing Fees and Taxes	4,942,400
1195	Special Vehicle Registration Receipts	136,900
1200	Vehicle Rental Tax Receipts	4,912,800
1208	Bulk Fuel Bridge Loan Fund	219,100
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
1212	Federal Stimulus: ARRA 2009	392,100
*** Total Agency Funding ***		$164,669,400
Department of Corrections		
1002	Federal Receipts	3,003,400
1003	General Fund Match	128,400
1004	Unrestricted General Fund Receipts	208,248,100

1005	General Fund/Program Receipts	85,000
1007	Interagency Receipts	12,938,900
1061	Capital Improvement Project Receipts	519,800
1108	Statutory Designated Program Receipts	2,715,800
1156	Receipt Supported Services	5,180,400
1171	PFD Appropriations in lieu of Dividends to Criminals	10,037,000
*** Total Agency Funding ***		$242,856,800
Department of Education and Early Development		
1002	Federal Receipts	193,886,500
1003	General Fund Match	947,100
1004	Unrestricted General Fund Receipts	54,535,400
1005	General Fund/Program Receipts	73,900
1007	Interagency Receipts	7,595,500
1014	Donated Commodity/Handling Fee Account	352,800
1043	Federal Impact Aid for K-12 Schools	20,791,000
1066	Public School Trust Fund	10,700,000
1106	Alaska Commission on Postsecondary Education Receipts	12,405,800
1108	Statutory Designated Program Receipts	902,800
1145	Art in Public Places Fund	30,000
1151	Technical Vocational Education Program Receipts	416,200
1156	Receipt Supported Services	1,089,500
1212	Federal Stimulus: ARRA 2009	64,350,000
*** Total Agency Funding ***		$368,076,500
Department of Environmental Conservation		
1002	Federal Receipts	22,157,100
1003	General Fund Match	4,352,200
1004	Unrestricted General Fund Receipts	13,736,600
1005	General Fund/Program Receipts	1,626,100

1007	Interagency Receipts	1,566,400
1018	Exxon Valdez Oil Spill Trust	96,900
1052	Oil/Hazardous Release Prevention & Response Fund	14,097,900
1061	Capital Improvement Project Receipts	4,108,100
1075	Alaska Clean Water Fund	67,400
1093	Clean Air Protection Fund	4,264,000
1108	Statutory Designated Program Receipts	225,300
1156	Receipt Supported Services	4,027,900
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1205	Berth Fees for the Ocean Ranger Program	4,041,100
*** Total Agency Funding ***		$75,546,700
Department of Fish and Game		
1002	Federal Receipts	60,733,900
1003	General Fund Match	422,600
1004	Unrestricted General Fund Receipts	57,635,400
1005	General Fund/Program Receipts	17,900
1007	Interagency Receipts	14,926,000
1018	Exxon Valdez Oil Spill Trust	4,538,800
1024	Fish and Game Fund	24,444,500
1036	Commercial Fishing Loan Fund	1,326,300
1055	Inter-Agency/Oil & Hazardous Waste	123,500
1061	Capital Improvement Project Receipts	6,007,200
1108	Statutory Designated Program Receipts	7,607,500
1109	Test Fisheries Receipts	2,524,400
1156	Receipt Supported Services	505,700
1194	Fish and Game Nondedicated Receipts	1,682,000
1199	Alaska Sport Fishing Enterprise Account	500,000
1201	Commercial Fisheries Entry Commission Receipts	5,513,900

1212	Federal Stimulus: ARRA 2009	50,000
*** Total Agency Funding ***		$188,559,600
Office of the Governor		
1002	Federal Receipts	189,900
1004	Unrestricted General Fund Receipts	26,634,500
1005	General Fund/Program Receipts	4,900
1061	Capital Improvement Project Receipts	754,100
1108	Statutory Designated Program Receipts	95,000
*** Total Agency Funding ***		$27,678,400
Department of Health and Social Services		
1002	Federal Receipts	1,012,779,200
1003	General Fund Match	396,857,900
1004	Unrestricted General Fund Receipts	334,689,700
1007	Interagency Receipts	56,001,100
1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
1050	Permanent Fund Dividend Fund	13,584,700
1061	Capital Improvement Project Receipts	5,664,000
1098	Children's Trust Earnings	399,700
1099	Children's Trust Principal	150,000
1108	Statutory Designated Program Receipts	18,491,300
1156	Receipt Supported Services	24,319,500
1168	Tobacco Use Education and Cessation Fund	9,888,300
1212	Federal Stimulus: ARRA 2009	97,013,200
*** Total Agency Funding ***		$1,969,840,600
Department of Labor and Workforce Development		
1002	Federal Receipts	91,869,900
1003	General Fund Match	6,667,200
1004	Unrestricted General Fund Receipts	22,546,900
1005	General Fund/Program Receipts	86,500
1007	Interagency Receipts	25,301,800

1031	Second Injury Fund Reserve Account	3,978,200
1032	Fishermen's Fund	1,618,900
1049	Training and Building Fund	1,048,900
1054	State Training & Employment Program	10,026,200
1061	Capital Improvement Project Receipts	310,900
1108	Statutory Designated Program Receipts	682,800
1117	Vocational Rehabilitation Small Business Enterprise Fund	325,000
1151	Technical Vocational Education Program Receipts	5,282,000
1156	Receipt Supported Services	2,660,600
1157	Workers Safety and Compensation Administration Account	8,720,600
1172	Building Safety Account	1,934,300
1203	Workers Compensation Benefits Guarantee Fund	280,000
1212	Federal Stimulus: ARRA 2009	6,903,800
*** Total Agency Funding ***		$190,244,500
Department of Law		
1002	Federal Receipts	1,595,400
1003	General Fund Match	178,300
1004	Unrestricted General Fund Receipts	56,412,700
1005	General Fund/Program Receipts	652,600
1007	Interagency Receipts	21,165,000
1055	Inter-Agency/Oil & Hazardous Waste	554,400
1061	Capital Improvement Project Receipts	106,200
1105	Permanent Fund Corporation Receipts	1,477,600
1108	Statutory Designated Program Receipts	646,700
1141	Regulatory Commission of Alaska Receipts	1,543,500
*** Total Agency Funding ***		$84,332,400
Department of Military and Veterans Affairs		

1002	Federal Receipts	23,476,900
1003	General Fund Match	2,898,900
1004	Unrestricted General Fund Receipts	8,704,600
1005	General Fund/Program Receipts	28,400
1007	Interagency Receipts	11,788,900
1061	Capital Improvement Project Receipts	1,116,200
1108	Statutory Designated Program Receipts	435,000
*** Total Agency Funding ***		$48,448,900
Department of Natural Resources		
1002	Federal Receipts	16,343,200
1003	General Fund Match	2,165,000
1004	Unrestricted General Fund Receipts	62,599,800
1005	General Fund/Program Receipts	3,675,900
1007	Interagency Receipts	7,579,200
1018	Exxon Valdez Oil Spill Trust	432,000
1021	Agricultural Revolving Loan Fund	2,480,000
1055	Inter-Agency/Oil & Hazardous Waste	71,500
1061	Capital Improvement Project Receipts	5,336,000
1105	Permanent Fund Corporation Receipts	5,167,400
1108	Statutory Designated Program Receipts	12,345,800
1153	State Land Disposal Income Fund	7,173,400
1154	Shore Fisheries Development Lease Program	365,800
1155	Timber Sale Receipts	832,200
1156	Receipt Supported Services	7,350,700
1200	Vehicle Rental Tax Receipts	3,013,700
*** Total Agency Funding ***		$136,931,600
Department of Public Safety		
1002	Federal Receipts	12,277,300
1003	General Fund Match	655,100
1004	Unrestricted General Fund Receipts	130,865,700
1005	General Fund/Program Receipts	1,333,900

1	1007	Interagency Receipts	8,529,800
2	1055	Inter-Agency/Oil & Hazardous Waste	49,000
3	1061	Capital Improvement Project Receipts	9,279,300
4	1108	Statutory Designated Program Receipts	1,999,000
5	1152	Alaska Fire Standards Council Receipts	253,900
6	1156	Receipt Supported Services	3,986,500
7	1171	PFD Appropriations in lieu of Dividends to	7,606,700
8		Criminals	
9	1212	Federal Stimulus: ARRA 2009	5,776,900
10	*** Total Agency Funding ***		$182,613,100
11	**Department of Revenue**		
12	1002	Federal Receipts	36,650,300
13	1003	General Fund Match	400,000
14	1004	Unrestricted General Fund Receipts	17,133,200
15	1005	General Fund/Program Receipts	800,300
16	1007	Interagency Receipts	5,370,100
17	1016	CSSD Federal Incentive Payments	1,800,000
18	1017	Group Health and Life Benefits Fund	1,628,900
19	1027	International Airports Revenue Fund	32,100
20	1029	Public Employees Retirement Trust Fund	26,456,000
21	1034	Teachers Retirement Trust Fund	13,611,100
22	1042	Judicial Retirement System	381,100
23	1045	National Guard Retirement System	244,900
24	1046	Education Loan Fund	54,900
25	1050	Permanent Fund Dividend Fund	7,518,000
26	1061	Capital Improvement Project Receipts	2,361,000
27	1066	Public School Trust Fund	104,800
28	1098	Children's Trust Earnings	15,200
29	1103	Alaska Housing Finance Corporation Receipts	30,687,700
30	1104	Alaska Municipal Bond Bank Receipts	829,300
31	1105	Permanent Fund Corporation Receipts	78,964,700

1	1108	Statutory Designated Program Receipts	465,900
2	1133	CSSD Administrative Cost Reimbursement	1,283,300
3	1156	Receipt Supported Services	6,416,600
4	1169	Power Cost Equalization Endowment Fund	160,800
5	1192	Mine Reclamation Trust Fund	24,000
6	1212	Federal Stimulus: ARRA 2009	1,330,500
7	*** Total Agency Funding ***		$234,724,700
8	**Department of Transportation & Public Facilities**		
9	1002	Federal Receipts	3,752,300
10	1004	Unrestricted General Fund Receipts	235,443,400
11	1005	General Fund/Program Receipts	39,000
12	1007	Interagency Receipts	4,105,800
13	1026	Highways Equipment Working Capital Fund	29,902,300
14	1027	International Airports Revenue Fund	70,827,000
15	1061	Capital Improvement Project Receipts	132,550,100
16	1076	Alaska Marine Highway System Fund	54,214,500
17	1108	Statutory Designated Program Receipts	1,301,900
18	1156	Receipt Supported Services	9,479,500
19	1200	Vehicle Rental Tax Receipts	700,000
20	1207	Regional Cruise Ship Impact Fund	500,000
21	*** Total Agency Funding ***		$542,815,800
22	**University of Alaska**		
23	1002	Federal Receipts	132,798,700
24	1003	General Fund Match	4,777,300
25	1004	Unrestricted General Fund Receipts	328,544,600
26	1007	Interagency Receipts	15,301,100
27	1048	University of Alaska Restricted Receipts	299,782,200
28	1061	Capital Improvement Project Receipts	7,630,700
29	1151	Technical Vocational Education Program	5,201,900
30		Receipts	
31	1174	University of Alaska Intra-Agency Transfers	51,521,000

*** Total Agency Funding ***		$845,557,500
Alaska Court System		
1002	Federal Receipts	1,466,000
1004	Unrestricted General Fund Receipts	94,470,200
1007	Interagency Receipts	521,000
1108	Statutory Designated Program Receipts	85,000
1133	CSSD Administrative Cost Reimbursement	209,600
*** Total Agency Funding ***		$96,751,800
Alaska Legislature		
1004	Unrestricted General Fund Receipts	67,467,200
1005	General Fund/Program Receipts	75,000
1007	Interagency Receipts	340,000
1171	PFD Appropriations in lieu of Dividends to Criminals	706,800
*** Total Agency Funding ***		$68,589,000
* * * * * Total Budget * * * * *		$5,763,355,400

(SECTION 3 OF THIS ACT BEGINS ON PAGE 49)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source			Amount
General Funds			
	1003	General Fund Match	421,274,700
	1004	Unrestricted General Fund Receipts	1,805,279,100
	1005	General Fund/Program Receipts	9,921,100
	1021	Agricultural Revolving Loan Fund	2,480,000
	1031	Second Injury Fund Reserve Account	3,978,200
	1032	Fishermen's Fund	1,618,900
	1036	Commercial Fishing Loan Fund	5,114,400
	1048	University of Alaska Restricted Receipts	299,782,200
	1049	Training and Building Fund	1,048,900
	1050	Permanent Fund Dividend Fund	21,102,700
	1052	Oil/Hazardous Release Prevention & Response Fund	14,097,900
	1054	State Training & Employment Program	10,026,200
	1062	Power Project Fund	1,056,500
	1066	Public School Trust Fund	10,804,800
	1070	Fisheries Enhancement Revolving Loan Fund	564,500
	1074	Bulk Fuel Revolving Loan Fund	53,700
	1076	Alaska Marine Highway System Fund	54,214,500
	1098	Children's Trust Earnings	414,900
	1099	Children's Trust Principal	150,000
	1104	Alaska Municipal Bond Bank Receipts	829,300
	1109	Test Fisheries Receipts	2,524,400
	1141	Regulatory Commission of Alaska Receipts	9,754,100
	1151	Technical Vocational Education Program Receipts	10,900,100
	1153	State Land Disposal Income Fund	7,173,400
	1154	Shore Fisheries Development Lease Program	365,800

1155	Timber Sale Receipts	832,200
1156	Receipt Supported Services	107,405,600
1157	Workers Safety and Compensation Administration Account	8,720,600
1162	Alaska Oil & Gas Conservation Commission Receipts	5,568,400
1164	Rural Development Initiative Fund	52,500
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1168	Tobacco Use Education and Cessation Fund	9,888,300
1169	Power Cost Equalization Endowment Fund	160,800
1170	Small Business Economic Development Revolving Loan Fund	50,700
1171	PFD Appropriations in lieu of Dividends to Criminals	20,236,000
1172	Building Safety Account	1,934,300
1175	Business License & Corporation Filing Fees and Taxes	4,942,400
1194	Fish and Game Nondedicated Receipts	1,682,000
1195	Special Vehicle Registration Receipts	136,900
1200	Vehicle Rental Tax Receipts	8,626,500
1201	Commercial Fisheries Entry Commission Receipts	5,513,900
1203	Workers Compensation Benefits Guarantee Fund	280,000
1205	Berth Fees for the Ocean Ranger Program	4,041,100
1208	Bulk Fuel Bridge Loan Fund	219,100
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
Total General Funds		$2,876,123,600
Federal Funds		

1002	Federal Receipts	1,681,858,900
1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
1014	Donated Commodity/Handling Fee Account	352,800
1016	CSSD Federal Incentive Payments	1,800,000
1033	Federal Surplus Property Revolving Fund	385,200
1043	Federal Impact Aid for K-12 Schools	20,791,000
1075	Alaska Clean Water Fund	67,400
1133	CSSD Administrative Cost Reimbursement	1,492,900
1212	Federal Stimulus: ARRA 2009	175,816,500
Total Federal Funds		$1,882,566,700
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	20,777,300
1018	Exxon Valdez Oil Spill Trust	5,067,700
1023	FICA Administration Fund Account	142,000
1024	Fish and Game Fund	24,444,500
1027	International Airports Revenue Fund	70,859,100
1029	Public Employees Retirement Trust Fund	33,528,000
1034	Teachers Retirement Trust Fund	16,355,900
1040	Real Estate Surety Fund	280,800
1042	Judicial Retirement System	499,500
1045	National Guard Retirement System	453,600
1046	Education Loan Fund	54,900
1093	Clean Air Protection Fund	4,264,000
1101	Alaska Aerospace Development Corporation Revolving Fund	522,900
1102	Alaska Industrial Development & Export Authority Receipts	5,674,200
1103	Alaska Housing Finance Corporation Receipts	30,687,700
1105	Permanent Fund Corporation Receipts	85,609,700
1106	Alaska Commission on Postsecondary	12,405,800

		Education Receipts	
	1107	Alaska Energy Authority Corporate Receipts	1,067,100
	1108	Statutory Designated Program Receipts	49,270,300
	1117	Vocational Rehabilitation Small Business	325,000
		Enterprise Fund	
	1152	Alaska Fire Standards Council Receipts	253,900
	1192	Mine Reclamation Trust Fund	24,000
	1199	Alaska Sport Fishing Enterprise Account	500,000
	1207	Regional Cruise Ship Impact Fund	500,000
	Total Other Non-Duplicated Funds		$363,567,900
	Duplicated Funds		
	1007	Interagency Receipts	323,718,000
	1026	Highways Equipment Working Capital Fund	29,902,300
	1055	Inter-Agency/Oil & Hazardous Waste	798,400
	1061	Capital Improvement Project Receipts	184,665,300
	1081	Information Services Fund	35,759,100
	1145	Art in Public Places Fund	30,000
	1147	Public Building Fund	14,703,100
	1174	University of Alaska Intra-Agency Transfers	51,521,000
	Total Duplicated Funds		$641,097,200

(SECTION 4 OF THIS ACT BEGINS ON PAGE 53)

*** Sec. 4.** ALASKA AEROSPACE CORPORATION. Federal receipts and other corporate receipts of the Alaska Aerospace Corporation received during the fiscal year ending June 30, 2011, that are in excess of the amount appropriated in sec. 1 of this Act are appropriated to the Alaska Aerospace Corporation for operations during the fiscal year ending June 30, 2011.

*** Sec. 5.** ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that $42,549,257 of the adjusted net income from the second preceding fiscal year will be available in fiscal year 2011 for payment of debt service, appropriation in this Act, appropriation for capital projects, and transfer to the Alaska debt retirement fund (AS 37.15.011(a)).

(b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

(1) $1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;

(2) $2,592,558 for debt service on the bonds authorized under ch. 1, SSSLA 2002;

(3) $2,548,195 for debt service on the bonds authorized under sec. 4, ch. 120, SLA 2004.

(c) After deductions for the items set out in (b) of this section, $36,408,504 of the remainder of the amount set out in (a) of this section is available for appropriation for capital projects.

(d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska debt retirement fund (AS 37.15.011(a)).

(e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during fiscal year 2011 and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and

senior housing revolving fund (AS 18.56.710(a)) in accordance with procedures adopted by the board of directors.

(f) The sum of $800,000,000 is appropriated from the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710(a)) under (e) of this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2011, for housing loan programs not subsidized by the corporation.

(g) The sum of $30,000,000 is appropriated from the portion of the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710(a)) under (e) of this section that is derived from arbitrage earnings to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2011, for housing loan programs and projects subsidized by the corporation.

(h) The sum of $36,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2011.

* **Sec. 6.** ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2011, is appropriated from the earnings reserve account (AS 37.13.145(a)) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends, and for administrative and associated costs for the fiscal year ending June 30, 2011.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during fiscal year 2011 is appropriated from the earnings reserve account (AS 37.13.145(a)) to the principal of the Alaska permanent fund.

(c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during fiscal year 2011 is appropriated to the principal of the Alaska permanent fund in satisfaction of that requirement.

* **Sec. 7.** ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. (a) The sum of $23,423,000 has been declared available by the Alaska Industrial Development and Export Authority board of directors for appropriation as the fiscal year 2011 dividend

from the unrestricted balance in the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

(b) After deductions for appropriations made for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska debt retirement fund (AS 37.15.011(a)).

*** Sec. 8.** DEPARTMENT OF ADMINISTRATION. The amount necessary to fund the uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated from that account to the Department of Administration for those uses during the fiscal year ending June 30, 2011.

*** Sec. 9.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The unexpended and unobligated balance of federal money apportioned to the state as national forest income that the Department of Commerce, Community, and Economic Development determines would lapse into the unrestricted portion of the general fund June 30, 2011, under AS 41.15.180(j) is appropriated as follows:

(1) up to $170,000 is appropriated to the Department of Transportation and Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for the fiscal year ending June 30, 2011;

(2) the balance remaining after the appropriation made by (1) of this subsection is appropriated to home rule cities, first class cities, second class cities, a municipality organized under federal law, or regional educational attendance areas entitled to payment from the national forest income for the fiscal year ending June 30, 2011, to be allocated among the recipients of national forest income according to their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30, 2011.

(b) An amount equal to the salmon enhancement tax collected under AS 43.76.010 - 43.76.028 in calendar year 2009 and deposited in the general fund under AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2011 to qualified regional associations operating within a region designated under AS 16.10.375.

(c) An amount equal to the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2009 and deposited in the general fund under AS 43.76.380(d) is

appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2011 to qualified regional seafood development associations.

(d) The sum of $23,673,600 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2011.

(e) If the amount appropriated in (d) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be $12,626,400 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2011.

(f) If the amount necessary to make national forest receipts payments under AS 41.15.180 exceeds the amount appropriated in sec. 1 of this Act, the amount necessary to make national forest receipt payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, national forest receipts allocation, for the fiscal year ending June 30, 2011.

(g) If the amount necessary to make payment in lieu of taxes payments under 3 AAC 152 exceeds the amount appropriated in sec. 1 of this Act, the amount necessary to make payment in lieu of taxes payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, payment in lieu of taxes allocation, for the fiscal year ending June 30, 2011.

* **Sec. 10.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $1,200,000 is appropriated from the general fund to the Department of Health and Social Services, office of children's services, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2011.

* **Sec. 11.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amounts appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce

Development, fishermen's fund allocation, for the fiscal year ending June 30, 2011.

(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated from the second injury fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2011.

(c) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2011.

(d) If the amount of designated program receipts received under AS 43.20.014(a)(3) and deposited in the vocational education account (AS 37.10.200) during the fiscal year ending June 30, 2011, exceeds the amount appropriated in sec. 1 of this Act for purposes described in AS 37.10.200, the additional designated program receipts are appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, Alaska Vocational Technical Center allocation, for the fiscal year ending June 30, 2011.

* **Sec. 12.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. Five percent of the market value of the average ending balances in the Alaska veterans' memorial endowment fund (AS 37.14.700) for the fiscal years ending June 30, 2008, June 30, 2009, and June 30, 2010, is appropriated from the Alaska veterans' memorial endowment fund to the Department of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal year ending June 30, 2011.

* **Sec. 13.** DEPARTMENT OF NATURAL RESOURCES. (a) Federal receipts received for fire suppression during the fiscal year ending June 30, 2011, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2011.

(b) The sum of $1,000,000 is appropriated from federal receipts to the Department of Natural Resources, RS 2477/Navigability Assertions and Litigation Support allocation, for the United States Department of the Interior, Bureau of Land Management navigable water identification project, for the fiscal years ending June 30, 2011, and June 30, 2012.

*** Sec. 14.** DEPARTMENT OF PUBLIC SAFETY. (a) The sum of $1,393,200 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts received by the Department of Public Safety from the justice assistance grant program during the fiscal year ending June 30, 2011, for drug and alcohol enforcement efforts exceeds $1,289,100, the appropriation in (a) of this section is reduced by the amount by which the federal receipts exceed $1,289,100.

(c) The sum of $1,270,000 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, special projects, for rural alcohol interdiction efforts for the fiscal year ending June 30, 2011.

(d) If federal receipts are received by the Department of Public Safety for the rural alcohol interdiction program during the fiscal year ending June 30, 2011, the appropriation in (c) of this section is reduced by the amount of the federal receipts.

*** Sec. 15.** DEPARTMENT OF REVENUE. (a) The minimum amount of program receipts received for the fiscal year ending June 30, 2011, by the child support services agency that is required to secure the federal funding appropriated from those program receipts for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.

*** Sec. 16.** OFFICE OF THE GOVERNOR. (a) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on August 1, 2010, the amount of money corresponding to the 2011 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the office of the governor for distribution to state agencies to offset increased fuel and utility costs.

(b) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on December 1, 2010, the amount of money corresponding to the 2011

fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the office of the governor for distribution to state agencies to offset increased fuel and utility costs.

(c) The following table shall be used in determining the amount of the appropriations in (a) and (b) of this section:

2011 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
$90 or more	$27,500,000
89	27,000,000
88	26,500,000
87	26,000,000
86	25,500,000
85	25,000,000
84	24,500,000
83	24,000,000
82	23,500,000
81	23,000,000
80	22,500,000
79	22,000,000
78	21,500,000
77	21,000,000
76	20,500,000
75	20,000,000
74	19,500,000
73	19,000,000
72	18,500,000
71	18,000,000
70	17,500,000

1	69	17,000,000
2	68	16,500,000
3	67	16,000,000
4	66	15,500,000
5	65	15,000,000
6	64	14,500,000
7	63	14,000,000
8	62	13,500,000
9	61	13,000,000
10	60	12,500,000
11	59	12,000,000
12	58	11,500,000
13	57	11,000,000
14	56	10,500,000
15	55	10,000,000
16	54	9,500,000
17	53	9,000,000
18	52	8,500,000
19	51	8,000,000
20	50	7,500,000
21	49	7,000,000
22	48	6,500,000
23	47	6,000,000
24	46	5,500,000
25	45	5,000,000
26	44	4,500,000
27	43	4,000,000
28	42	3,500,000
29	41	3,000,000
30	40	2,500,000
31	39	2,000,000

38	1,500,000
37	1,000,000
36	500,000
35	0

(d) It is the intent of the legislature that a payment under (a) or (b) of this section be used to offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2011.

(e) The governor shall allocate amounts appropriated in (a) and (b) of this section as follows:

(1) to the Department of Transportation and Public Facilities, 65 percent of the total plus or minus 10 percent;

(2) to the University of Alaska, eight percent of the total plus or minus three percent;

(3) to the Department of Health and Social Services and the Department of Corrections, not more than five percent each of the total amount appropriated;

(4) to any other state agency, not more than four percent of the total amount appropriated;

(5) the aggregate amount allocated may not exceed 100 percent of the appropriation.

(f) The sum of $6,500,000 is appropriated from receipts of the Alaska Housing Capital Corporation created under AS 18.56.086 to the office of the governor for the development of an in-state natural gas pipeline.

* **Sec. 17.** UNIVERSITY OF ALASKA. The amount of the fees collected under AS 28.10.421(d) during the fiscal year ending June 30, 2010, for the issuance of special request university plates, less the cost of issuing the license plates, is appropriated from the general fund to the University of Alaska for support of alumni programs at the campuses of the university for the fiscal year ending June 30, 2011.

* **Sec. 18.** BOND CLAIMS. The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2011, for the purpose of reclaiming the state, federal, or private land affected by a use covered

by the bond.

*** Sec. 19.** GAS PIPELINE DEVELOPMENT. The following amounts are appropriated to the named department and components from receipts of the Alaska Housing Capital Corporation created under AS 18.56.086 in the amounts stated for work associated with development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT AND COMPONENT	APPROPRIATION AMOUNT
(1) Administration	
Alaska Oil and Gas Conservation Commission	$1,150,900
(2) Law	
Oil, gas, and mining	2,500,000
(3) Natural Resources	
Gas pipeline implementation	4,217,500
(4) Revenue	
Tax Division	1,100,000
Natural gas commercialization	1,550,000

*** Sec. 20.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the Alaska marine highway system fund described in AS 19.65.060(a), receipts of the University of Alaska as described in AS 37.05.146(b)(2), and receipts of the Alaska Fire Standards Council described in AS 37.05.146(b)(5) that are received during the fiscal year ending June 30, 2011, and that exceed the amounts appropriated by this Act, are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, fall short of the

amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 21.** FUND TRANSFERS. (a) The federal funds received by the state under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 not appropriated for grants under AS 37.05.530(d) are appropriated as follows:

(1) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska) and the public school trust fund (AS 37.14.110(a)), according to AS 37.05.530(g)(1) and (2); and

(2) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), the public school trust fund (AS 37.14.110(a)), and the power cost equalization and rural electric capitalization fund (AS 42.45.100(a)), according to AS 37.05.530(g)(3).

(b) The following amounts of revenue collected during the fiscal year ending June 30, 2011, are appropriated to the fish and game fund (AS 16.05.100):

(1) receipts from the sale of crewmember fishing licenses (AS 16.05.480(a)) that are not deposited into the fishermen's fund under AS 23.35.060;

(2) range fees collected at shooting ranges operated by the Department of Fish and Game (AS 16.05.050(a)(15));

(3) fees collected at boating and angling access sites described in AS 16.05.050(a)(6) and managed by the Department of Natural Resources, division of parks and outdoor recreation, under a cooperative agreement;

(4) receipts from the sale of waterfowl conservation stamp limited edition prints (AS 16.05.826(a));

(5) fees collected for sanctuary access permits (AS 16.05.050(a)(15)).

(c) The following amounts are appropriated to the oil and hazardous substance release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) from the sources indicated:

(1) the balance of the oil and hazardous substance release prevention mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2010, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, estimated to

be $8,300,000 from the surcharge levied under AS 43.55.300.

(d) The following amounts are appropriated to the oil and hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010) from the following sources:

(1) the balance of the oil and hazardous substance release response mitigation account (AS 46.08.025(b)) in the general fund on July 1, 2010, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, from the surcharge levied under AS 43.55.201.

(e) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2011, are appropriated to the Alaska children's trust (AS 37.14.200(a)):

(1) fees collected under AS 18.50.225, less the cost of supplies, for the issuance of birth certificates;

(2) fees collected under AS 18.50.272, less the cost of supplies, for the issuance of heirloom marriage certificates;

(3) fees collected under AS 28.10.421(d) for the issuance of special request Alaska children's trust license plates, less the cost of issuing the license plates.

(f) The loan origination fees collected by the Alaska Commission on Postsecondary Education for the fiscal year ending June 30, 2011, are appropriated to the origination fee account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210(a)) of the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u).

(g) The amount of federal receipts received for disaster relief during the fiscal year ending June 30, 2011, is appropriated to the disaster relief fund (AS 26.23.300(a)).

(h) The sum of $7,500,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

(i) The balance of the mine reclamation trust fund income account (AS 37.14.800(a)) on June 30, 2010, and money deposited in that account during the fiscal year ending June 30, 2011, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a)) for the fiscal year ending June 30, 2011. The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2011, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural

Resources.

(j) The sum of $15,660,000 is appropriated to the Alaska clean water fund (AS 46.03.032(a)) for the Alaska clean water loan program from the following sources:

Alaska clean water fund revenue bond receipts	$2,700,000
Federal receipts	12,960,000

(k) The sum of $13,092,200 is appropriated to the Alaska drinking water fund (AS 46.03.036(a)) for the Alaska drinking water loan program from the following sources:

Alaska drinking water fund revenue bond receipts	$2,963,000
Federal receipts	10,129,200

(*l*) The amount of municipal bond bank receipts determined under AS 44.85.270(h) to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year ending June 30, 2010, is appropriated to the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

(m) An amount equal to the bulk fuel revolving loan fund fees established under AS 42.45.250(j) and collected under AS 42.45.250(k) from July 1, 2009, through June 30, 2010, estimated to be $45,000, are appropriated from the general fund to the bulk fuel revolving loan fund (AS 42.45.250(a)).

(n) The sum of $7,000,000 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and game revenue bond redemption fund (AS 37.15.770).

(o) An amount equal to the federal receipts deposited in the Alaska sport fishing enterprise account (AS 16.05.130(e)), not to exceed $1,644,800, as reimbursement for the federally allowable portion of the principal balance payment on the sport fishing revenue bonds series 2006 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

(p) The amount received under AS 18.67.162 as program receipts, including donations and recoveries of or reimbursement for awards made from the fund, during the fiscal year ending June 30, 2011, is appropriated to the crime victim compensation fund (AS 18.67.162).

(q) If the balance of the oil and gas tax credit fund (AS 43.55.028) is insufficient to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax

credit certificates issued under AS 43.55.025 that are presented for purchase, the amount by which the tax credit certificates presented for purchase exceeds the balance of the fund is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028).

(r) An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the general fund to the community revenue sharing fund (AS 29.60.850(a)).

(s) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)), 2005 general bond resolution reserve, because of a default by a borrower, an amount equal to the amount drawn from the reserve is appropriated from the general fund to the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

(t) The sum of $1,130,982,400 is appropriated from the general fund to the public education fund (AS 14.17.300).

* **Sec. 22.** RETAINED FEES AND BANKCARD SERVICE FEES. (a) The amount retained to compensate the collector or trustee of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the agency authorized by law to generate the revenue. In this subsection, "collector or trustee" includes vendors retained by the state on a contingency fee basis.

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, from the funds and accounts in which the payments received by the state are deposited.

(c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.

* **Sec. 23.** RETIREMENT SYSTEM FUNDING. (a) The sum of $190,850,258 is appropriated from the general fund to the Department of Administration for deposit in the

defined benefit plan account in the teachers' retirement system as an additional state contribution under AS 14.25.085 for the fiscal year ending June 30, 2011.

(b) The sum of $165,841,171 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the public employees' retirement system as an additional state contribution under AS 39.35.280 for the fiscal year ending June 30, 2011.

(c) The sum of $84,175 is appropriated from the general fund to the Department of Military and Veterans' Affairs for deposit in the defined benefit plan account in the Alaska National Guard and Alaska Naval Militia retirement system for the purpose of funding the Alaska National Guard and Alaska Naval Militia retirement system under AS 26.05.226 for the fiscal year ending June 30, 2011.

(d) The sum of $788,937 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the judicial retirement system for the purpose of funding the judicial retirement system under AS 22.25.046 for the fiscal year ending June 30, 2011.

* **Sec. 24.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association.

(b) The operating budget appropriations made to the University of Alaska in this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011,

for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (b) of this section is not ratified by the membership of the respective collecting bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

*** Sec. 25.** SHARED TAXES AND FEES. (a) The amount necessary to refund to local governments their share of taxes and fees collected in the listed fiscal years under the following programs is appropriated to the Department of Revenue from the general fund for payment to local governments in fiscal year 2011:

REVENUE SOURCE	FISCAL YEAR COLLECTED
Fisheries business tax (AS 43.75)	2010
Fishery resource landing tax (AS 43.77)	2010
Aviation fuel tax (AS 43.40.010)	2011
Electric and telephone cooperative tax (AS 10.25.570)	2011
Liquor license fee (AS 04.11)	2011

(b) The amount necessary to pay the first five ports of call their share of the tax collected under AS 43.52.220 in calendar year 2010 according to AS 43.52.230(b) is appropriated from the commercial vessel passenger tax account (AS 43.52.230(a)) to the Department of Revenue for payment to the port of call during the fiscal year ending June 30, 2011.

(c) It is the intent of the legislature that the payments to local governments set out in (a) and (b) of this section may be assigned by a local government to another state agency.

*** Sec. 26.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2011, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for payment of principal and interest on those bonds for the fiscal year ending June 30, 2011.

(c) The sum of $7,066,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2003A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(d) The sum of $42,300 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2003A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(e) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A for the fiscal year ending June 30, 2011, after the payments in (c) and (d) of this section, estimated to be $23,090,800, is appropriated to the state bond committee from the general fund for that purpose.

(f) The sum of $374,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project fund for state guaranteed transportation revenue anticipation bonds, series 2003B, for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011.

(g) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011, after the payment in (f) of this section, estimated to

be $12,353,300, is appropriated to the state bond committee from federal receipts for that purpose.

(h) The sum of $1,902,400 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(i) The sum of $2,278,900 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2009A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2009A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(j) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A for the fiscal year ending June 30, 2011, after the payments made in (h) and (i) of this section, estimated to be $6,650,800, is appropriated to the state bond committee from the general fund for that purpose.

(k) The sum of $1,039,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011(a)) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(*l*) The sum of $34,000 is appropriated to the state bond committee from investment loss trust fund (AS 37.14.300(a)) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(m) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A for the fiscal year ending June 30, 2011, after the payments made in (k) and (*l*) of this section, estimated to be $3,927,000, is appropriated to the state bond committee from the general fund for that purpose.

(n) The sum of $50,047,900 is appropriated to the state bond committee for payment

of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2011, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430(a))	$46,847,900
Passenger facility charge	3,200,000

(o) The sum of $2,710,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032(a)) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565(a)) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(p) The sum of $2,973,200 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036(a)) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565(a)) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(q) The amount necessary for payment of lease payments and trustee fees relating to certificates of participation issued for real property for the fiscal year ending June 30, 2011, estimated to be $12,326,200, is appropriated to the state bond committee from the general fund for that purpose.

(r) The sum of $3,467,100 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2011, for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

(s) The sum of $22,924,500 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2011, for payment of obligations and fees for the following facilities:

FACILITY	ALLOCATION
(1) Anchorage Jail	$5,108,000
(2) Goose Creek Correctional Center	17,816,500

(t) The sum of $3,303,500 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Linny Pacillo Parking Garage in Anchorage, for the fiscal year ending June 30, 2011.

(u) The sum of $106,258,500 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 from the following sources:

General fund	$85,058,500
School Fund (AS 43.50.140)	21,200,000

(v) The sum of $5,707,302 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 2011, for payment of debt service on outstanding debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the following projects:

AGENCY AND PROJECT	APPROPRIATION AMOUNT
(1) University of Alaska	$1,409,822
Anchorage Community and Technical College Center	
Juneau Readiness Center/UAS Joint Facility	
(2) Department of Transportation and Public Facilities	
(A) Nome (port facility addition and renovation)	127,000
(B) Matanuska-Susitna Borough (deep water port and road upgrade)	752,450
(C) Aleutians East Borough/False Pass (small boat harbor)	101,840
(D) Lake and Peninsula Borough/Chignik (dock project)	119,844
(E) City of Fairbanks (fire headquarters station replacement)	869,765
(F) City of Valdez (harbor renovations)	222,868
(G) Aleutians East Borough/Akutan (small boat harbor)	465,868
(H) Fairbanks North Star Borough (Eielson AFB Schools, major maintenance and upgrades)	342,990

(3) Alaska Energy Authority

(A) Kodiak Electric Association (Nyman combined cycle cogeneration plant)	943,676
(B) Copper Valley Electric Association (cogeneration projects)	351,179

(w) The sum of $7,500,000 is appropriated from the Alaska fish and game revenue bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds. It is the intent of the legislature that the sum of $2,200,000 of the appropriation made by this subsection be used for early redemption of the bonds.

* **Sec. 27.** GOVERNOR'S PERFORMANCE SCHOLARSHIP FUND; CONTINGENCY. (a) The sum of $400,000,000 is appropriated from the general fund to the governor's performance scholarship fund for the fiscal year ending June 30, 2011.

(b) The appropriation made by (a) of this section is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a bill establishing the Governor's performance scholarship fund.

* **Sec. 28.** BUDGET RESERVE FUND. If the unrestricted state revenue available for appropriation in fiscal year 2011 is insufficient to cover general fund appropriations made for fiscal year 2011, the amount necessary to balance revenue and general fund appropriations is appropriated to the general fund from the budget reserve fund (AS 37.05.540(a)).

* **Sec. 29.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2010 that are made from subfunds and accounts other than the operating general fund (state accounting system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay appropriations from the budget reserve fund are appropriated from the budget reserve fund to the subfunds and accounts from which those funds were transferred.

(b) Unrestricted interest earned on investment of the general fund balances for the fiscal year ending June 30, 2011, is appropriated to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska). The appropriation made by this subsection is intended to compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for any lost earnings caused by use of the fund's balance to permit expenditure of operating and

capital appropriations in the fiscal year ending June 30, 2011, in anticipation of receiving unrestricted general fund revenue. The amount appropriated by this subsection may not exceed an amount equal to the earnings lost by the budget reserve fund as the result of the use of money from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2011, in anticipation of receiving unrestricted general fund revenue.

(c) The sum of $2,060,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2011.

(d) The appropriations made by (a) and (c) of this section are made under art. IX, sec. 17(c), Constitution of the State of Alaska.

*** Sec. 30.** LAPSE EXTENSION OF APPROPRIATIONS. (a) The appropriation made in sec. 19(a) of ch. 30, SLA 2007, lapses June 30, 2011.

(b) The appropriations made in secs. 1 and 14 of ch. 17, SLA 2009, lapse June 30, 2011.

*** Sec. 31.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 6, 21, and 23 of this Act are for the capitalization of funds and do not lapse.

*** Sec. 32.** RETROACTIVITY. Those portions of the appropriations made in sec. 1 of this Act that appropriate either the unexpended and unobligated balance of specific fiscal year 2010 program receipts or the unexpended and unobligated balance on June 30, 2010, of a specified account are retroactive to June 30, 2010, solely for the purpose of carrying forward a prior fiscal year balance.

*** Sec. 33.** Sections 30 and 32 of this Act take effect June 30, 2010.

*** Sec. 34.** Except as provided in sec. 33 of this Act, this Act takes effect July 1, 2010.

(1)

OPERATING BUDGET AMENDMENT

Adopted
3/26/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT: Various—as shown in the table below
ADD: $17,055.3 UGF (1004) Unrestricted general funds
DELETE: $15,000.0 UGF (1004) Unrestricted general funds (estimate)

Agency	Amount Added to Base
Department of Administration	22.8
Department of Corrections	2,655.3
Department of Education and Early Development	57.2
Department of Environmental Conservation	37.8
Department of Fish and Game	77.7
Department of Health and Social Services	600.0
Department of Labor and Workforce Development	35.3
Department of Military and Veterans Affairs	327.3
Department of Natural Resources	68.0
Department of Public Safety	273.9
Department of Transportation & Public Facilities	11,250.0
University of Alaska	1,650.0
Total Unrestricted General (UGF)	**17,055.3**

EXPLANATION: This amendment revises the amounts appropriated under the "fuel trigger" provisions of section 22 by increasing the trigger start point from $36 to $51 dollars. This change reduces the projected annual appropriations for high fuel costs by $15 million annually at any oil price above $51. The reduction appears in budget reports as a revised estimate of the impact of section 22. The actual impact will depend upon fuel prices during FY11.

The amendment also distributes $15 million to various agencies to offset the reduction in funding through the trigger mechanism. That $15 million is distributed to agencies in the same manner and amount as occurred in FY10 under the August 1 trigger mechanism. In addition, $2,053,300 is appropriated to the Department of Corrections in order to align available funding for utilities with documented expenditures. The $17.05 million will be added to agency base budgets.

The intent of the amendment is to shift funding from contingency (trigger) to base in recognition of sustained high oil prices. The amendment reduces the projected trigger appropriations from $42 million to $27 million.

(1)

26-GH2823\U.5
Bailey
3/25/10

AMENDMENT

OFFERED IN THE SENATE

TO: SCS CSHB 300(FIN), Draft Version "U"

Page 68, line 20:

Delete "$35"

Insert "$50"

Page 68, line 22, following "section":

Insert ", estimated to be $13,500,000,"

Page 68, line 26:

Delete "$35"

Insert "$50"

Page 68, line 28, following "section":

Insert ", estimated to be $13,500,000,"

Page 69, line 6, through page 70, line 30:

Delete all material and insert:

"$90 or more	$20,000,000
89	19,500,000
88	19,000,000
87	18,500,000
86	18,000,000
85	17,500,000
84	17,000,000

(1)

1	83	16,500,000
2	82	16,000,000
3	81	15,500,000
4	80	15,000,000
5	79	14,500,000
6	78	14,000,000
7	77	13,500,000
8	76	13,000,000
9	75	12,500,000
10	74	12,000,000
11	73	11,500,000
12	72	11,000,000
13	71	10,500,000
14	70	10,000,000
15	69	9,500,000
16	68	9,000,000
17	67	8,500,000
18	66	8,000,000
19	65	7,500,000
20	64	7,000,000
21	63	6,500,000
22	62	6,000,000
23	61	5,500,000
24	60	5,000,000
25	59	4,500,000
26	58	4,000,000
27	57	3,500,000
28	56	3,000,000
29	55	2,500,000
30	54	2,000,000
31	53	1,500,000

1	52	1,000,000
2	51	500,000
3	50	0"

(2)

Adopted
3/26/10
No Obj.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/ SCS CSHB 302(FIN)

OFFERED BY: Senator Hoffman

STATEWIDE GENERAL FUND TRAVEL REDUCTION

DEPARTMENT	10% Reduction	Senate Amendment Reduction	House Amendment Reduction	Senate less House
Administration	(112.0)	(112.0)	(112.0)	-
Commerce, Community & Econ Dev	(135.2)	(135.2)	(135.2)	-
Corrections	(197.4)	-	(197.4)	197.4
Education & Early Dev	(68.4)	(27.4)	(68.4)	41.0
Environmental Conservation	(115.9)	(115.9)	(115.9)	-
Fish and Game	(191.5)	(174.3)	(191.5)	17.2
Governor	(107.9)	(107.9)	(107.9)	-
Health & Social Services	(311.0)	(311.0)	(311.0)	-
Labor & Workforce Dev	(66.4)	(66.4)	(66.4)	-
Law	(118.4)	(58.2)	(118.4)	60.2
Military & Veterans Affairs	(17.2)	(17.2)	(17.2)	-
Natural Resources	(192.2)	(192.2)	(192.2)	-
Public Safety	(509.5)	-		-
Revenue	(48.1)	(48.1)	(48.1)	-
Transportation	(422.9)	(422.9)	(422.9)	-
University of Alaska	(1,496.8)	-		-
Alaska Court System	(171.9)	-	(171.9)	171.9
Legislature	(387.7)	(387.7)	(387.7)	-
TOTAL	**(4,670.4)**	**(2,176.4)**	**(2,664.1)**	**487.7**

Explanation: This amendment reduces travel authorization in allocations with budgeted travel and with general funds. Because the budget does not identify line items by fund source, the following method was used to determine the amount of travel that is reduced in each allocation.

Ratio of each general fund code (UGF and DGF) in the House CS to the total FY11 allocation's funding	X	10% of the FY09 actual travel expenditures	=	Amount of the travel reduction

Departments exempted from the Senate's travel reduction: Corrections, University, Public Safety and the Alaska Court System.

Revisions to the across-the-board travel reduction were implemented in the following agencies:

- **Education and Early Development:** A 50 percent reduction was taken from the Senate CS travel line in the Executive Administration allocation. All other allocations were held harmless.

- **Law:** Funding for witness travel (totaling $60.2) was not cut.
- **Fish and Game Boards and Advisory Committees:** Exempt travel for members of the Board of Fisheries and the Board of Game to attend meetings; and for travel associated with 60 advisory committee meetings and participation of advisory committee representatives at the Board of Fisheries and the Board of Game meetings.

(3)

TECHNICAL OPERATING BUDGET AMENDMENT

Adopted
3/26/11
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT: Corrections

APPROPRIATION: Population Management
ALLOCATION: Institution Director's Office

DELETE: 8,000.0 General Funds (1004)
100.0 Federal Receipts (1002)

EXPLANATION: The FY10 supplemental bill includes FY11 wage, health insurance, and geographical differential increases for the Alaska Correctional Officers Association (ACOA) Bargaining Unit. This amendment removes the duplicated appropriation from the operating bill.

DEPARTMENT: Corrections

APPROPRIATION: Inmate Health Care

INSERT INTENT: It is the intent of the legislature that the Department of Corrections develop and implement cost containment strategies regarding the provision of health care, and that the Department report results of their efforts to the legislature by January 31, 2011.

DEPARTMENT: Health and Social Services

DELETE: Intent language at the department level

Sec. 1, Page 18, Lines 9-11 SCS CSHB 300(FIN)
Sec. 1, Page 4, Lines 23-25 SCS CSHB 302(FIN)

It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.

EXPLANATION: Intent language at the department level was duplicated. This amendment removes the duplicated intent language from the Senate Operating and Mental Health bills.

DEPARTMENT: Health and Social Services

APPROPRIATION: Community Initiative Matching Grants
ALLOCATION: Community Initiative Matching Grants

DELETE: $250.0 General Funds (1004)

APPROPRIATION: Human Services Community Matching Grants
ALLOCATION: Human Services Community Matching Grants

ADD: $250.0 General Funds (1004)

EXPLANATION: Due to an error, funds were added to the wrong grant program. This amendment corrects that error. The funds are intended for the Human Services Community Matching Grant program.

DEPARTMENT: Law

APPROPRIATION: Civil Division
ALLOCATION: BP Corrosion

Place the BP Corrosion allocation in a separate appropriation.

EXPLANATION: Funding for litigation regarding oil pipeline corrosion has been in a separate appropriation in prior years in order to prevent the funding from being used for other purposes. The Department requested that the funding be moved to an allocation within the Civil Division. This amendment matches the House structure—retaining the separate appropriation within the Department of Law.

DEPARTMENT: Fish and Game

APPROPRIATION: Sport Fisheries
ALLOCATION: Sport Fisheries

TRANSFER IN: 342.6 General Funds (1004)

APPROPRIATION: Commercial Fisheries
ALLOCATION: Central Region Fisheries Management

TRANSFER OUT: 342.6 General Funds (1004)

EXPLANATION: The Department of Fish and Game has indicated that two projects included in the Senate Subcommittee budget need to be moved from Central Region Fisheries Management to Sport Fisheries. These projects are the Alexander Creek Pike Control (127.6) and the Susitna River Fish Passage Restoration (215.0).

DEPARTMENT: Fish and Game

APPROPRIATION: Commercial Fisheries
ALLOCATION: Central Region Fisheries Management

DELETE: 75.0 General Funds (1004)

EXPLANATION: This amendment removes 75.0 from the operating budget for the following two projects: the Kasilof River Smolt out migration counts (25.0); and the Big Lake Smolt outmigration count (50.0). Because funding for these projects is needed before July 1, 2010, these projects will be included in the FY10 supplemental budget.

DEPARTMENT: University of Alaska

APPROPRIATION: Budget Reductions/Additions
ALLOCATION : Budget Reductions/Additions - Systemwide

ADD INTENT: It is the intent of the legislature that the University provide a report to the legislature by February 1, 2011 that specifies the amount of money transferred from and to each allocation in reference to the 3% transfer of federal receipts, unrestricted general funds, and university receipts into the Budget Reductions/Additions - Systemwide appropriation.

EXPLANATION:

A total of $22.5 million (3% of federal receipts, unrestricted general funds, and university receipts) was transferred out of University of Alaska allocations (except for the Small Business Development Center) and transferred into the Budget Reductions/Additions – Systemwide allocation to increase flexibility while retaining multiple appropriations. As needed, these funds may be transferred out to various appropriations/allocations as programs develop and budgets are solidified in the FY11 Management Plan.

(3)

26-GH2823\U.8
Bailey
3/25/10

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HOFFMAN

TO: SCS CSHB 300(FIN), Draft Version "U"

Page 67, line 6, following "from":

Insert "interest held in"

Page 67, line 7:

Delete "year"

Insert "years"

Page 67, line 7, following "2011":

Insert ", through June 30, 2014"

(3)

26-GH2823\U.4
Bailey
3/24/10

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HOFFMAN

TO: SCS CSHB 300(FIN), Draft Version "U"

Page 61, line 23:

Delete "August 1"

Insert "October 1"

Page 61, line 25, following "2011.":

Insert "The report submitted on October 1, 2011, should include transfers that occur as a result of the reappropriation of operating appropriations for the fiscal year ending June 30, 2011."

Explanation: Changing the date of the personal services report from August 1 to October 1 will enable OMB to incorporate personal services transfers that occur during the reappropriation period (which ends August 31). This will result in a more accurate report to the legislature.

(4)

OPERATING BUDGET AMENDMENT

Adopted
3/24/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Insert Legislator

DELETE ENTIRE LANGUAGE SECTION 19. GAS PIPELINE DEVELOPMENT. (page 8, lines 8-24)

Explanation: Replace Governor's Oil and Gas Language appropriations with the following numbers in Section 1 of the bill.

Agency	Allocation	Transaction	Gov Request	House	House Contingent	Total House	Senate
AOGCC	AK Oil & Gas Conservation Comm	AOGCC Gasline Funding	1,150.9	-	-	-	-
Governor	AK Resources Marketing and Development	In-State Natural Gas Pipeline Development	6,500.0	-	-	-	6,500.0
Law	Oil, Gas and Mining	Outside Counsel and Experts	2,500.0	750.0	1,750.0	2,500.0	2,500.0
DNR	Gas Pipeline Implementation	Financial Assessments and Modeling	2,300.0	690.0	1,610.0	2,300.0	2,300.0
DNR	Gas Pipeline Implementation	Outreach and Public Education	477.5	143.3	334.3	477.5	477.5
DNR	Gas Pipeline Implementation	Professional and Support Staff	1,440.0	432.0	1,008.0	1,440.0	1,440.0
DOR	Tax Division	AGIA Info Reporting System	300.0	150.0	-	150.0	300.0
DOR	Tax Division	Four Commercial Analyst Positions	800.0	-	-	-	800.0
DOR	Natural Gas Commercialization	Fiscal Systems Analysis	1,500.0	415.0	1,085.0	1,500.0	1,500.0
DOR	Natural Gas Commercialization	AGIA Fund Audit	50.0	50.0	-	50.0	50.0
		TOTAL	17,018.4	2,630.3	5,787.3	8,417.5	15,867.5

DEPARTMENT: Governor

APPROPRIATION: Executive Operations
ALLOCATION: AK Resources Marketing and Development

ADD: $6,500.0 General Funds (1004) – IncOTI

Explanation: To continue work related to the development of an in-state natural gas pipeline.

DEPARTMENT: Law

APPROPRIATION: Civil Division
ALLOCATION: Oil, Gas, and Mining

ADD: $2,500.0 General Funds (1004) – IncOTI

Explanation: Legal Support

(4)

DEPARTMENT: Natural Resources

APPROPRIATION: Resource Development
ALLOCATION: Gas Pipeline Implementation

ADD: 4,217.5 General Funds (1004) – IncOTI
Four Permanent Full Time Positions

Explanation: This funding will pay for professional and support staff for capacity ($1,440.0 & 4 pcns) and for AGIA implementation ($2,777.5).

DEPARTMENT: Revenue

APPROPRIATION: Administration and Support
ALLOCATION: Natural Gas Commercialization

ADD: $1,500.0 General Funds (1004) - IncOTI

Explanation: Contractual fiscal systems analysis

APPROPRIATION: Taxation and Treasury
ALLOCATION: Tax Division

ADD: $300.0 General Funds (1004) – IncOTI

Explanation: AGIA information reporting system development

APPROPRIATION: Taxation and Treasury
ALLOCATION: Tax Division

ADD: $800.0 General Funds (1004) – Inc
Four Permanent Full Time Positions

Explanation: Four Commercial Analyst positions.

(5)

OPERATING BUDGET AMENDMENT

Adopted
3/24/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Lyman Hoffman

Domestic Violence and Sexual Assault Prevention Initiative Amendment Summary

Department	Appropriation/Allocation	Title	Positions	Total (Unrestricted General Funds)
Education & Early Develop	Teaching and Learning Support/Student and School Achievement	Health & Personal Safety Prevention Coordinator	1	200.0
Health & Social Services	Behavioral Health/Behavioral Health Grants	Family Wellness Warriors Initiative		400.0
Health & Social Services	Behavioral Health/Community Action, Prevention, & Intervention Grants	Multi-disciplinary Rural Community Pilot Project		1,350.0
Health & Social Services	Behavioral Health/Behavioral Health Grants	Trauma-Informed Training for Behavioral Health Providers		200.0
Health & Social Services	Children's Services/Family Preservation	Children's Advocacy Center Expansion		40.0
Public Safety	Domestic Violence & Sexual Assault/Domestic Violence & Sexual Assault	Batterer's Intervention Evaluation and Investigation of Evidence Based Practice - ***one time funding***		100.0
Public Safety	Domestic Violence & Sexual Assault/Domestic Violence & Sexual Assault	Planning Grants, Victimization Study & Evaluation		350.0
Public Safety	Domestic Violence & Sexual Assault/Domestic Violence & Sexual Assault	Universal Public Education Marketing Campaign		300.0
Public Safety	Domestic Violence & Sexual Assault/Domestic Violence & Sexual Assault	Pro-Bono Attorney Clearinghouse		60.0
		Total	1	3,000.0

EXPLANATION: The State of Alaska struggles to combat appalling levels of sexual assault. According to the publication "Crimes in the United States, 2006" (the annual FBI compilation of crime statistics), Alaska has a sexual assault rate of 76 per 100,000. This is over twice the national average. 48% of these sexual assaults are handled by C Detachment, Division of the Alaska State Troopers, located in Bethel. In 2005, the number of reported rapes in Bethel (population 6,468) was the same as Anchorage (population 279,243).

This amendment is the first step of a Domestic Violence/Sexual Assault (DV/SA) initiative that ramps up (over a 10-year period) prevention, victims' services, investigations and prosecutions to significantly reduce the incidence of these crimes.

A permanent, full-time, policy-level position to coordinate the related activities of multiple state agencies and nonprofits is a central element of the initiative. That position is included in version U of the bill, so is not part of this amendment.

DEPARTMENT: Department of Education & Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Student and School Achievement

ADD: $200.0 GF 1004 and 1 PFT

EXPLANATION: Health & Personal Safety Prevention Coordinator - This position within the Department of Education and Early Development will work in partnership with the Council on Domestic Violence & Sexual Assault to establish guidelines for school-based health and personal safety education programs. In addition, this position will work with school districts across Alaska to encourage and support their adoption of school-based health and personal safety education programs.

DEPARTMENT: Department of Health & Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Behavioral Health Grants

ADD: $400.0 GF 1004

EXPLANATION: Family Wellness Warriors Initiative (FWWI) - This funding will be used to implement intervention strategies (developed by Southcentral Foundation, FWWI) in Dillingham and Bethel. FWWI is a movement that brings together leaders of the Alaska Native Community, the Faith community, regional corporations and agencies, health care providers and others to help restore wellness to the Alaska Native community; with special emphasis on addressing all forms of family violence.

ALLOCATION: Community Action, Prevention, & Intervention Grants

ADD: $1,350.0 GF 1004

EXPLANATION: Multi-disciplinary Rural Community Pilot Project - This initiative will identify a rural community interested in developing a model multi-disciplinary approach addressing DV/SA from a broad community perspective. The pilot project will use a planning process such as the Strategic Prevention Framework to conduct a community assessment and a review/assessment of available and missing community resources. Based on the first two assessments, the funding will be used to develop a plan for addressing DV/SA in a comprehensive manner, implement identified evidence-based strategies and evaluate these strategies through measurable outcomes.

ALLOCATION: Behavioral Health Grants

ADD: $200.0 GF 1004

EXPLANATION: Trauma-Informed Training for Behavioral Health Providers - Trauma is recognized as a significant factor in a wide range of health, behavioral health and social problems including heart disease, cancer, chronic lung disease, mental health and substance abuse disorders, violence victimization and perpetration, self-injury, homelessness, prostitution and delinquency and criminal behavior. This initiative will implement a specialized trauma-informed curriculum to assure that community-based behavioral health providers integrate an understanding of trauma into their programs and therapeutic approaches.

APPROPRIATION: Children's Services

ALLOCATION: Family Preservation

ADD: $40.0 GF 1004

EXPLANATION: Children's Advocacy Center Expansion - These funds will assist the community of Kodiak to develop a Children's Advocacy Center, which will aid children and families impacted by child sexual assault/abuse.

DEPARTMENT: Department of Public Safety

APPROPRIATION: Domestic Violence and Sexual Assault

ALLOCATION: Domestic Violence and Sexual Assault

ADD: $100.0 GF 1004 ***one time funding***

EXPLANATION: Batterer's Intervention Evaluation and Investigation of Evidence Based Practice – Recognizing the need for improved attention and service to individuals who perpetrate domestic violence against another person, this component will review current Batterer's Intervention Programs (BIP) and research national evidence-based programs and practices that are being used in other states. Through this research, recommendations will be made for improving Alaska's outcomes for perpetrators of DV/SA.

ALLOCATION: Domestic Violence and Sexual Assault

ADD: $350.0 GF 1004

EXPLANATION: Planning, Victimization Study & Evaluation - A portion of the funds will be available to the DVSA Coordinator for planning. Remaining funds will be used in partnership with the UAA Alaska Justice Center to construct a process to collect data to establish baseline rate of domestic violence in Alaska. Funding will also be used to design and conduct an evaluation of the success of the DV/SA Initiative.

(5)

ALLOCATION: Domestic Violence and Sexual Assault

ADD: $300.0 GF 1004

EXPLANATION: Universal Public Education Marketing Campaign – This funding will be used to develop and implement a strategy for changing public perception (knowledge, attitudes, beliefs and behaviors) related to domestic violence and sexual assault via a universal, multi-strategy public education campaign using print, radio, TV and internet.

ALLOCATION: Domestic Violence and Sexual Assault

ADD: $60.0 GF 1004

EXPLANATION: Pro-Bono Attorney Clearinghouse - This funding will contribute to the existing successful Legal Advocacy Project Pro Bono Program of the Alaska Network on Domestic Violence and Sexual Assault by establishing a clearinghouse for attorneys across Alaska who want to assist indigent victims with legal issues, mentor less experienced attorneys who have agreed to take a case, answer the legal information and referral hotline, and assist with legal research.

(6)

Adopted
3/24/10
No Obj.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Lyman Hoffman

DEPARTMENT: Health and Social Services
APPROPRIATION: Departmental Support Services
ALLOCATION: Medicaid School Based Claims

DELETE: $5,543,800 Federal Receipts (1002)

ADD: Intent at the allocation level:

> It is the intent of the legislature that the Department explain the Medicaid school based claim program to all school districts in Alaska and encourage them to participate in the program.

ADD: language section on page 2

EXPLANATION: This amendment addresses problems associated with federal receipt authority that has been used to "refinance" various programs (by spreading anticipated federal reimbursement for Medicaid school based claims to those programs, replacing general funds). The federal revenue failed to materialize, causing ratifications amounting to several million dollars of general funds.

The reimbursement amounts are unrestricted federal funds that should not be mixed with regular federal receipts. The receipts will be coded as *unrestricted* federal receipts (code 1188) rather than as regular federal receipts (code 1002). Although the funds are unrestricted, the federal government strongly suggests that the money go to K-12 education.

The amendment removes $5,543,800 in restricted federal receipts from the Medicaid School Based Claims allocation and appropriates the funding in the same amount with unrestricted federal receipts.

Language sections will appropriate the amount received for reimbursement of Medicaid School Based Claims, estimated to be $5,543,800, as follows:

- $215,000 for program operating costs;
- An estimated $2.7 million to school districts participating in the program; and
- An estimated $2.7 million to the K-12 foundation program for distribution to all school districts via the foundation formula.

The fiscal impact of the amendment includes replacing $2.7 million of general funds transferred from the Public Education Fund to the K-12 program with these federal receipts, thereby reducing general fund expenditures by $2.7 million. Although the use of federal receipts in K-12 would allow a reduction of the general fund deposit to the Public Education Fund, that step is not taken in this amendment.

(6)

26-GH2823\U.9
Bailey
3/26/10

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HOFFMAN

TO: SCS CSHB 300(FIN), Draft Version "U"

Page 65, following line 22:

Insert a new subsection to read:

"(c) The amount of federal receipts received during the fiscal year ending June 30, 2011, as reimbursement for school-based Medicaid claims, estimated to be $5,543,800, is appropriated for the fiscal year ending June 30, 2011, as follows:

(1) the sum of $215,000 is appropriated to the Department of Health and Social Services, Medicaid school-based claims allocation, for operating expenses;

(2) after deducting the amount appropriated in (1) of this subsection, 50 percent of the remainder is appropriated to the Department of Health and Social Services, Medicaid school-based claims allocation, for distribution to school districts participating in the Medicaid school-based claims program;

(3) after deducting the amount appropriated in (1) and (2) of this subsection, the remainder is appropriated to the Department of Education and Early Development, K-12 support, foundation program allocation for distribution to school districts through the foundation formula."

764

3

(7)

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

Adopted 3/24/10 No Obj.

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Lyman Hoffman

Transfer In $ 2,366.5 to Alaska Court System/Therapeutic Courts

DEPARTMENT: Alaska Court System
APPROPRIATION: Therapeutic Courts **(new appropriation)**
ALLOCATION: Therapeutic Courts

TRANSFER IN:	General Funds 1004	$1,354.0
	GF/MH 1037	$ 357.2
	MHTAAR 1092	$ 138.0
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 517.3

ADD: **Intent**

It is the intent of the legislature that the Court System contract to purchase services associated with therapeutic courts in amounts it determines are in the best interest of operating therapeutic courts efficiently and effectively. Contract amounts should stem from the amounts transferred from other agencies into this appropriation.

EXPLANATION: In an effort to enhance coordination and accountability for the Therapeutic Courts programs, this amendment will consolidate all funding for Therapeutic Courts into a new appropriation in the Alaska Court System. Funds will be transferred from the Departments of Administration ($355.0), Corrections ($252.2), Health and Social Services ($1,394.6) and Law ($364.7).

ADD: **1 PFT**

EXPLANATION: For three years, the Court System has supported the Bethel Case Coordinator as a limited duration position. Because of this position's "limited duration" status, it was off-budget and not included in the Court System's position count. This amendment recognizes this position as a permanent full-time position.

(7)

Transfer Out $ 355.0

DEPARTMENT: Department of Administration
APPROPRIATION: Legal & Advocacy Services
ALLOCATION: Public Defender Agency

TRANSFER OUT: $290.0 General Funds 1004
ADD: $290.0 I/A Receipts 1007

ALLOCATION: Therapeutic Courts Support Services

TRANSFER OUT: $65.0 General Funds 1004

Transfer Out $ 252.2

DEPARTMENT: Department of Corrections
APPROPRIATION: Inmate Health Care
ALLOCATION: Behavioral Health Care

TRANSFER OUT: $207.2 GF/MH 1037
ADD: $207.2 I/A Receipts 1007

APPROPRIATION: Population Management
ALLOCATION: Statewide Probation and Parole

TRANSFER OUT: $45.0 General Funds 1004

(7)

Transfer Out $1,394.6

DEPARTMENT: Department of Health & Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Behavioral Health Grants

TRANSFER OUT:	General Funds 1004	$ 272.0
	GF/MH 1037	$ 150.0
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 450.0
ADD:	$872.0 I/A Receipts 1007	

ALLOCATION: Alcohol Safety Action Program (ASAP)

TRANSFER OUT:	General Funds 1004	$ 317.3
	MHTAAR 1092	$ 138.0
	Alcohol and Other Drug Abuse Treatment & Prevention Fund 1180	$ 67.3
ADD:	$390.4 I/A Receipts 1007	

Transfer Out $ 364.7

DEPARTMENT: Department of Law
APPROPRIATION: Criminal Division
ALLOCATION: 3rd Judicial District/Anchorage

TRANSFER OUT: $300.3 General Funds 1004
ADD: $300.3 I/A Receipts 1007

ALLOCATION: 4th Judicial District

TRANSFER OUT: $64.4 GF 1004
ADD: $64.4 I/A Receipts 1007

(8)

OPERATING BUDGET AMENDMENT

Adopted
3/26/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Hoffman

DEPARTMENT:	Transportation and Public Facilities
APPROPRIATION:	Highways, Aviation and Facilities
ALLOCATION:	Central Region Highways and Aviation

ADD: $2,233.4 General Funds (1004)

Explanation: Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Storm Sewer System (MS4) permit. The MS4 permit went into effect on February 1, 2010. The Department is required to comply with this permit in its entirety beginning in FY11. The Governor's initial request was for $1,682.0. Subsequent to the amendment deadline, RFP contract awards came in an additional $551.4 higher for a total need of $2,233.4.

(9)

OPERATING BUDGET AMENDMENT

Adopted
3/26/11
No Obj.

OFFERED IN: The Senate Finance Committee

TO: CSHB 300(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Department Support Svcs.
ALLOCATION:	Information Technology

ADD: $512.5 General Fund (1004)

EXPLANATION: Combined with funding included in the Senate CS, this amendment provides a total of $1 million of the Governor's $1,475.0 GF request.

The proposed budget included three specific requests: two requests were to correct funding problems with the mix of funds available for support of department IT efforts and the third request was to cover increased costs which are being experienced for new software maintenance and ETS costs for our mainframe EIS system which supports our eligibility system for Medicaid and other public assistance programs as well as produces assistance payments for the many programs operated through our Division of Public Assistance.

Proposed funding:	Governor	Senate
Unrealizable federal receipts	$750.0 GF	$375.0 GF
Replace HCS RSA funding	$225.0 GF	$112.5 GF
Cost Inc Software, EIS, etc.	$500.0 GF	$0 GF
Total	1475.0 GF	487.5 GF

The Department has been working to correct many deficiencies in the operating budget that have caused overspending in prior years because the mix of funds attributed to the program operations have not accurately reflected the actual amounts that can be collected from federal programs. In addition, the Department direct billed some expenses to divisions that are not allowed under our cost allocation plan which guides all federal revenue collections. The Governor's proposed budget was developed to partially remedy this problem. Because the IT budget includes primarily staffing costs and fixed contractual costs, the result of our inability to obtain adequate funding to maintain our operation will be the elimination of current staff. We have developed an attachment that

(9)

better outlines the systems supported throughout the department and what is potentially at risk if our IT efforts are inadequate to address department needs.

(10)

OPERATING BUDGET AMENDMENT

Adopted
3/26/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS for CS HB 300(FIN)/SCSHB 302(FIN)

OFFERED BY:

DEPARTMENT: Law
APPROPRIATION: Civil Division
ALLOCATION: Transportation Section

ADD: $200.0 General Funds (1004)

EXPLANATION:
The Alaska Marine Highway System (AMHS) must file a lawsuit against the contractor responsible for the design and construction of the fast ferries Fairweather and Chenega. The suit will also name the companies responsible for the vessels' propulsion systems. AMHS must file suit now before the expiration of the statute of limitations.

Since AMHS accepted delivery of the vessels in 2004 and 2005, the propulsion systems have been subject to recurrent problems. Typical of the problems encountered with the vessels was the massive overhaul required on the Fairweather beginning in February 2006 at Ketchikan Ship and Drydock. All four diesel engines had hairline cracks in their steel sleeves, and there were additional problems with bull gears, shafts and bearings. If not addressed, the propulsion system problems will require continued maintenance, which will disrupt service, and will shorten the expected lifespan of the engines.

The lawsuit is against Robert E. Derecktor, Inc., the contractor responsible for the design and construction of the ferries, and against MTU Friedrichshafen, GmbH and MTU Detroit Diesel, Inc., the entities responsible for the vessels' propulsion systems.

(11)

OPERATING BUDGET AMENDMENT

Adopted
3/22/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senators Ellis, Egan

EXPLANATION: This amendment will add $200.0 to continue funding Partners for Progress, which provides support services for Alaska's therapeutic courts. Partners for Progress has been an essential part of Alaska's therapeutic court system for 11 years, and provides crucial services that the Alaska Court System is unable to fulfill. It is a proven, evidence-based program that reduces recidivism and crime in communities across the state while saving the state money.

DEPARTMENT: Alaska Court System
APPROPRIATION: Therapeutic Courts (new appropriation)
ALLOCATION: Therapeutic Courts

Add: General Funds – 1004 $200.0

DEPARTMENT: Department of Health and Human Services
APPROPRIATION: Behavioral Health
ALLOCATION: Alcohol and Substance Abuse Programs

Add: I/A Receipts – 1007 $200.0

OPERATING BUDGET AMENDMENT

(12)

OFFERED IN: The Senate Finance Committee

Adopted 3/24/10 No Obj.

TO: SCSHB 300(FIN)/SCSHB 302(FIN)

OFFERED BY: Senator Dennis Egan

APPORTION TRANSCRIPT COSTS FOR GRAND JURY PROCEEDINGS TO APPROPRIATE AGENCIES

EXPLANATION: This amendment covers the increased costs the Alaska Court System faces for transcribing criminal proceedings. It will apportion funding increases for grand jury transcripts among the Departments of Administration, Law and the Court System based on actual transcript requests in 2009. At present, transcription funding is centralized within the Alaska Court System.

DEPARTMENT: Department of Administration
APPROPRIATION: Legal & Advocacy Services
ALLOCATION: Public Defender Agency

ADD: $64.3 Unrestricted General Funds 1004

ALLOCATION: Office of Public Advocacy

ADD: $53.8 Unrestricted General Funds 1004

DEPARTMENT: Department of Law
APPROPRIATION: Criminal Division
ALLOCATION: Criminal Justice Litigation

ADD: $30.4 Unrestricted General Funds 1004

DEPARTMENT: Alaska Court System
APPROPRIATION: Alaska Court System
ALLOCATION: Trial Courts

ADD: $148.5 I/A Receipts 1007

ADD: **Intent**

It is the intent of the Legislature that the FY 12 budget will appropriate all transcription funding to the agencies that order those transcripts from the Alaska Court System.

(13)

OPERATING BUDGET AMENDMENT

Adopted
3/24/10
No Obj.

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Huggins

DEPARTMENT: Department of Environmental Conservation
APPROPRIATION: Water
ALLOCATION: Water Quality

ADD: Intent Language found on Page 14, Lines 5-7:

"It is also the intent of the legislature that measures to address sanitation or habitat concerns shall not reduce or restrict opportunities for the public to access and participate in these fisheries."

Therefore, the intent language should now read:

"It is the intent of the legislature that the Departments of Environmental Conservation, Fish and Game, and Natural Resources work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront. It is also the intent of the legislature that measures to address sanitation or habitat concerns shall not reduce or restrict opportunities for the public to access and participate in these fisheries."

EXPLANATION: While maintaining a safe and attractive riverfront on the Kenai and Kasilof rivers is a commendable goal, this language could be construed as a means to reduce or restrict opportunities for the public to access and participate in the fisheries on these waterways in the future.

Some habitat management and simple mitigation measures are what are needed at this time. The beaches below the mean high-water mark are public domain – access and camping should not be cut off in the process of addressing sanitation and habitat concerns. The personal use fisheries are of a relatively short duration and any impacts can be mitigated without interfering with the traditional use of public lands and waters or with fish harvesting.

I believe the original language included in the Senate CS is far too broad in scope and should be narrowed to clarify the intent is to preserve and protect public access and use of the fisheries.

(19)

Withdrawn

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Dennis Egan

DEPARTMENT: Fish and Game
APPROPRIATION: Wildlife Conservation
ALLOCATION: Wildlife Conservation

DELETE: 160.8; Unrestricted General Funds (1004) and the Division Director (PCN 11-2001)

EXPLANATION: State government functions best when high level decision makers reside and conduct the bulk of their duties in the capital. Locating this important position in Juneau has served the department well for nearly twenty years, and the legislature and the public have received no convincing explanation as to how moving the job will enhance the management of Alaska's wildlife.

(15)

Adopted
3/26/10
No Obj.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS for CS HB 300(FIN)/HB 302

OFFERED BY:

DEPARTMENT: Statewide
APPROPRIATION:
ALLOCATION:

EXPLANATION:

Amend Section 30(a) in HB300 and Section 9(a) in HB302 as follows:

* **Sec. 24.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association;

(6) Public Employees Local 71, for the labor trades and crafts unit; and

(7) Teachers' Education Association of Mount Edgecumbe .

(15)

Bargaining Unit Agreements

	Monetary Terms	FY 2010	FY 2011
Teachers' Education Association of Mt. Edgecumbe			
	FY2010 lump sum appropriation to the Department of Administration to the NEA Health Trust	12.8	
	5% Sitka, Alaska geographic differential beginning July 1, 2010		93.8
	Beginning July 1, 2010, bargaining unit members will be returned to the State's Select Benefits Health Insurance program with a monthly health benefit of $1,088.00 per member.		70.5
	Lump Sum to Group Health and Life Benefits fund for reserves, as determined by Buck Consultants		54.1
	TOTAL TEAME	**12.8**	**218.4**
	231.2		
Labor, Trades and Crafts Unit			
	A lump sum payment for bargaining unit members ranging from $903 to $2,066, depending on the wage grade of the employee. Bargaining unit members who are seasonal or part time employees will have the lump sum payment reduced by 50%.	2,868.4	
	Payment of state's contribution for the FY2010 health insurance - from $870 to $913 per employee per month. LTC health trust has been fronting these costs.	800.0	
	Effective July 1, 2010, a conversion to a new wage schedule similar to that of the majority of State employees		4,564.1
	Health benefits increase to $1,088 per member per month.		4,210.2
	TOTAL LTC	**3,668.4**	**8,774.3**
	12,442.7		

Adopted
3/24/10

BUDGET AMENDMENT
FY 2011 operating

DEPARTMENT: Statewide
ADD: $8,774,300
FUNDING SOURCE: Multiple fund sources per change records submitted electronically to the legislative Finance Division and as detailed on the attachment.

EXPLANATION:
The Labor, Trades, and Crafts bargaining unit has reached a tentative agreement with the state for fiscal years FY2010-FY2012.

In FY2011, there will be a conversion to a new wage schedule similar to that of the majority of state employees. Health Insurance will increase to $1,088 per employee per month.

(15)

BUDGET AMENDMENT
FY 2011 Operating

DEPARTMENT:	Education and Early Development
APPROPRIATION:	Mt. Edgecumbe Boarding School
ALLOCATION:	Mt. Edgecumbe Boarding School
ADD:	$21.9 General Funds (1004)
	$142.4 Interagency Receipts (1007)

EXPLANATION:

The State of Alaska's Department of Administration has reached an agreement on a three-year successor contract with the Teachers' Education Association of Mt. Edgecumbe (TEAME) covering the period of July 1, 2009 through June 30, 2012.

The agreement contains the following FY 2011 provisions:

- 5% Sitka, Alaska geographic differential beginning July 1, 2010.
- Beginning July 1, 2010, bargaining unit members will be returned to the State's Select Benefits Health Insurance program with a monthly health benefit of $1,088.00 per member.

This amendment funds these agreement provisions.

DEPARTMENT:	Fund Transfers
APPROPRIATION:	Fund Transfers
ALLOCATION:	Group Health and Life Benefits Fund
ADD:	$54.1 General Funds (1004)

The sum of $54,054 is appropriated from the general fund to the Group Health and Life Fund in the Department of Administration, division of retirement and benefits, as a lump sum payment for health benefits reserves, to implement the terms of the collective bargaining agreement for the Teachers' Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2011.

The TEAME bargaining unit is returning to the State's Select Benefits Health Insurance program. This is the agreed upon amount to be deposited to the State Health Plan for reserves.

BUDGET AMENDMENT
FY 2010 Supplemental

DEPARTMENT: Administration
APPROPRIATION: Centralized Administrative Services

ALLOCATION: Office of the Commissioner
ADD: $12.8 General Funds (1004)

EXPLANATION:
The sum of $12,770 is appropriated from the general fund to the Department of Administration, office of the commissioner, as a lump sum payment to the union directed health trust, to implement the terms of the collective bargaining agreement for the Teachers' Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2010.

Last week the State reached an agreement with the Teachers' Education Association of Mt. Edgecumbe (TEAME). The TEAME agreement covers FY10 – FY12.

Since the TEAME agreement is retroactive to the beginning of FY10, a supplemental is requested for $12, 770 General Funds for the Department of Administration, office of the commissioner, to pay the agreed upon FY10 insurance costs to the NEA Health Trust.

HB

302

<target><bill>HB 302</bill><subject>HB 302</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: January 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/9/10

The FINANCE Committee considered: **HB 302**

HOUSE BILL NO. 302
"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HB 302 APPROP: MENTAL HEALTH BUDGET

Recommends it be replaced with | | HCS *or* |X| CS *for* HB 302 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **|X| Same Title | | New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Mike Kelly	KELLY	X			
Walt Foster	Foster	X			
Anna L Fairclough	FAIRCLOUGH	X			
Mike Doogan	DOOGAN	X			
[illegible]	Gara	✓			
[illegible]	Joule	✓			
Hyla Salmon	Salmon	X			
[illegible]	Low	✓			
Chair: [illegible]	Stoltze	2			
Chair: [illegible]	Hawker	X			

Adopted 3/1/10

26-GH2825\P
Bailey
2/27/10

CS FOR HOUSE BILL NO. 302(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Legal and Advocacy Services		**2,041,600**	**1,890,300**	**151,300**
Office of Public Advocacy	1,739,200			
Public Defender Agency	302,400			
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Inmate Health Care		**5,562,400**	**5,188,400**	**374,000**
Behavioral Health Care	5,562,400			
Offender Habilitation		**1,611,500**	**1,611,500**	

It is the intent of the legislature that the Department of Corrections will provide detailed information to the legislature on a quarterly basis regarding the success of the Offender Habilitation programs with a strong focus on performance and outcomes.

Substance Abuse Treatment Program	1,611,500			
*****			*****	
***** **Department of Education and Early Development** *****				
*****			*****	
Teaching and Learning Support		**551,800**	**339,800**	**212,000**
Student and School Achievement	551,800			

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *		* * * * *	
* * * * * Department of Health and Social Services * * * * *			
* * * * *		* * * * *	

It is the intent of the legislature that the Department continues to aggressively pursue Medicaid cost containment initiatives. Efforts should continue where the Department believes additional cost containment is possible including further efforts to contain travel expenses. The Department must continue efforts imposing regulations controlling and materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be continued utilizing existing resources to impose regulations screening applicants for Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The department must address the entire matrix of optional Medicaid services, reimbursement rates and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is to utilize the results of the Medicaid Assessment and Planning analysis. The legislature requests that by January 2011 the Department be prepared to present projections of future Medicaid funding requirements under our existing statute and regulations and be prepared to present and evaluate the consequences of viable policy alternatives that could be implemented to lower growth rates and reducing projections of future costs.

It is the intent of the legislature that the Department of Health and Social Services eliminate the requirement for narrative and financial quarterly reports for all grant recipients whose grants are $50,000 or less. This is an unnecessary burden and is not a requirement of the federal grants.

It is the intent of the legislature that the Department of Health and Social Services make a single 'upfront' payment for any grant award that is $50,000 or less and includes a signature of the grantee certifying compliance with the terms of the grant with their approved application. Signature of the grantee would also certify that if a final report certifying completion of the grant requirements is not filed, future grants will not be considered for that grantee until all requirements of prior grants are completed satisfactorily. In the event a grantee is deemed ineligible for a future grant consideration due to improper filing of final reports, the grantee will be informed about the department's procedures for future consideration of grant eligibility. The department will establish procedures to consider retroactivity for specific grant consideration or express that the retroactivity cannot be considered for certain grants during

	Appropriation	General	Other
Allocations	Items	Funds	Funds

the selection process.

It is the intent of the legislature that the Department of Health and Social Services continue the Medicaid Reform work to improve efficiency and slow the need for General Funds in the Medicaid program. Specifically, but not exclusively, the Department is to:

1) Complete the evaluation of possible changes to program design, determine waiver changes necessary to secure federal funding and report back to the First Session of the 27th Alaska Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and resources needed to accomplish the work.

2) Develop and implement public provider reimbursement methodologies and payment rates that will further the goals of Medicaid Reform.

3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our ability to provide Medicaid services through Tribal Health Organizations.

It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.

It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.

Alaska Pioneer Homes		**13,763,300**	**13,763,300**

It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.

It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.

Alaska Pioneer Homes	64,300	
Management		

	Allocations	Appropriation Items	General Funds	Other Funds
Pioneer Homes	13,699,000			
Behavioral Health		**132,576,400**	**128,374,100**	**4,202,300**
AK Fetal Alcohol Syndrome Program	288,100			
Alcohol Safety Action Program (ASAP)	1,188,300			
Behavioral Health Medicaid Services	53,166,500			
Behavioral Health Grants	27,125,600			

It is the intent of the legislature that the department continue developing policies and procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate to reconcile and compare grant recipient performances across the array of providers and services involved.

Behavioral Health Administration	3,939,100			
Community Action Prevention & Intervention Grants	1,547,200			
Rural Services and Suicide Prevention	2,135,700			
Psychiatric Emergency Services	6,687,600			
Services to the Seriously Mentally Ill	13,524,200			
Designated Evaluation and	3,867,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Treatment				
Services for Severely Emotionally Disturbed Youth	12,247,200			
Alaska Psychiatric Institute	5,854,200			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	922,600			
Suicide Prevention Council	82,800			
Children's Services		**13,589,700**	**13,059,700**	**530,000**
Children's Medicaid Services	2,903,800			
Children's Services Management	69,600			
Front Line Social Workers	148,600			
Family Preservation	425,000			
Foster Care Augmented Rate	500,000			
Foster Care Special Need	747,900			
Residential Child Care	3,238,100			
Infant Learning Program Grants	5,556,700			
Health Care Services		**817,000**	**350,000**	**467,000**
Health Planning and Infrastructure	817,000			
Juvenile Justice		**1,055,100**	**865,900**	**189,200**
McLaughlin Youth Center	654,700			
Fairbanks Youth Facility	103,700			
Bethel Youth Facility	57,100			
Probation Services	239,600			
Public Assistance		**13,200**	**13,200**	

	Allocations	Appropriation Items	General Funds	Other Funds
Public Assistance Administration	13,200			
Public Health		**1,047,900**	**972,900**	**75,000**
Nursing	98,300			
Women, Children and Family Health	828,800			
Certification and Licensing	120,800			
Senior and Disabilities Services		**15,272,400**	**14,104,200**	**1,168,200**
General Relief/Temporary Assisted Living	740,300			

It is the intent of the legislature that regulations related to the General Relief / Temporary Assisted Living program be reviewed and revised as needed to minimize the length of time that the state provides housing alternatives and assure the services are provided only to intended beneficiaries who are actually experiencing harm, abuse or neglect. The department should educate care coordinators and direct service providers about who should be referred and when they are correctly referred to the program in order that referring agents correctly match consumer needs with the program services intended by the department.

Senior and Disabilities Services Administration	2,942,400
Senior Community Based Grants	2,809,100

It is the intent of the legislature that funding in the FY 2011 budget for Senior Community Based Grants be used to invest in successful home and community based supports provided by grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures.

Community Developmental Disabilities Grants	7,924,800
Commission on Aging	117,400
Governor's Council on Disabilities and Special	738,400

	Allocations	Appropriation Items	General Funds	Other Funds
Education				
Departmental Support Services		**1,463,800**	**1,403,800**	**60,000**
Commissioner's Office	167,800			

It is the intent of the legislature that the Department of Health and Social Services complete the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid providers:

1. Develop regulations addressing the use of extrapolation methodology following an audit of Medicaid providers that clearly defines the difference between actual overpayment of funds to a provider and ministerial omission or clerical billing error that does not result in overpayment to the provider. The extrapolation methodology will also define percentage of 'safe harbor' overpayment rates for which extrapolation methodology will be applied.

2. Develop training standards and definitions regarding ministerial and billing errors versus overpayments. Include the use of those standards and definitions in the State's audit contracts.

All audits initiated after the effective date of this intent and resulting in findings of overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.

It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.

It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2010.

Administrative Support Services	91,400			
Information Technology Services	854,600			
HSS State Facilities Rent	350,000			

* * * * * * * * * *

* * * * * **Department of Law** * * * * *

* * * * * * * * * *

	Allocations	Appropriation Items	General Funds	Other Funds
Civil Division		**86,000**	**86,000**	
Human Services	86,000			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**2,360,000**		**2,360,000**
Mental Health Trust Lands Administration	2,360,000			
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
Alaska Mental Health Trust Authority		**2,758,300**		**2,758,300**
Mental Health Trust Operations	2,758,300			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
University of Alaska		**2,299,000**	**605,800**	**1,693,200**
It is the intent of the legislature that future requests by the University of Alaska for Unrestricted General Funds move toward a long-term goal of 125% of Actual University Receipts for the most recently closed fiscal year.				
Statewide Services	817,700			
Anchorage Campus	1,393,800			
Fairbanks Campus	87,500			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**1,800,900**	**845,600**	**955,300**
Trial Courts	227,000			
Therapeutic Courts	1,573,900			

	Appropriation	General	Other
Allocations	**Items**	**Funds**	**Funds**

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1037	General Fund / Mental Health	1,890,300
1092	Mental Health Trust Authority Authorized Receipts	151,300
*** Total Agency Funding ***		$2,041,600
Department of Corrections		
1037	General Fund / Mental Health	6,799,900
1092	Mental Health Trust Authority Authorized Receipts	374,000
*** Total Agency Funding ***		$7,173,900
Department of Education and Early Development		
1037	General Fund / Mental Health	339,800
1092	Mental Health Trust Authority Authorized Receipts	212,000
*** Total Agency Funding ***		$551,800
Department of Health and Social Services		
1037	General Fund / Mental Health	152,987,200
1092	Mental Health Trust Authority Authorized Receipts	6,691,700
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
*** Total Agency Funding ***		$179,598,800
Department of Law		
1037	General Fund / Mental Health	86,000
*** Total Agency Funding ***		$86,000
Department of Natural Resources		
1092	Mental Health Trust Authority Authorized Receipts	2,360,000

*** Total Agency Funding ***		$2,360,000
Department of Revenue		
1094	Mental Health Trust Administration	2,758,300
*** Total Agency Funding ***		$2,758,300
University of Alaska		
1037	General Fund / Mental Health	605,800
1092	Mental Health Trust Authority Authorized Receipts	1,693,200
*** Total Agency Funding ***		$2,299,000
Alaska Court System		
1037	General Fund / Mental Health	845,600
1092	Mental Health Trust Authority Authorized Receipts	955,300
*** Total Agency Funding ***		$1,800,900
* * * * * Total Budget * * * * *		$198,670,300

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1037 General Fund / Mental Health	163,554,600
Total Unrestricted General Funds	$163,554,600
Designated General Funds	
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
Total Designated General Funds	$19,919,900
Other Non-Duplicated Funds	
1092 Mental Health Trust Authority Authorized Receipts	12,437,500
1094 Mental Health Trust Administration	2,758,300
Total Other Non-Duplicated Funds	$15,195,800
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds	Funds
*****		*****	
***** **Department of Health and Social Services** *****			
*****		*****	
MH Housing - Home Modification and Upgrades to Retain Housing (HD 1-40)		1,050,000	750,000	300,000
MH Housing - Pre-development, Anchorage Assets Building (HD 1-40)		500,000	500,000	
*****		*****	
***** **Department of Natural Resources** *****			
*****		*****	
Mental Health Trust Facilities Maintenance (HD 1-40)		350,000		350,000
*****		*****	
***** **Department of Revenue** *****			
*****		*****	
Alaska Housing Finance Corporation			
AHFC Beneficiary and Special Needs Housing (HD 1-40)		1,750,000	1,750,000	
MH AHFC Homeless Assistance Program (HD		10,000,000	6,850,000	3,150,000

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
	* * * * *		* * * * *	
	* * * * * **Department of Transportation/Public Facilities** * * * * *			
	* * * * *		* * * * *	
MH Coordinated Transportation and Vehicles (HD 1-40)		1,050,000	800,000	250,000

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health and Social Services	
1037 General Fund / Mental Health	1,000,000
1092 Mental Health Trust Authority Authorized Receipts	300,000
1139 Alaska Housing Finance Corporation Dividend	250,000
*** Total Agency Funding ***	$1,550,000
Department of Natural Resources	
1092 Mental Health Trust Authority Authorized Receipts	350,000
*** Total Agency Funding ***	$350,000
Department of Revenue	
1002 Federal Receipts	2,000,000
1037 General Fund / Mental Health	500,000
1092 Mental Health Trust Authority Authorized Receipts	1,150,000
1139 Alaska Housing Finance Corporation Dividend	5,100,000
1140 Alaska Industrial Development and Export Authority Dividend	3,000,000
*** Total Agency Funding ***	$11,750,000
Department of Transportation/Public Facilities	
1037 General Fund / Mental Health	800,000
1092 Mental Health Trust Authority Authorized Receipts	250,000
*** Total Agency Funding ***	$1,050,000
* * * * * Total Budget * * * * *	$14,700,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 6.** PURPOSE. In accordance with AS 37.14.003 and 37.14.005, the appropriations made by this Act are for the state's integrated comprehensive mental health program.

*** Sec. 7.** NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the amounts appropriated by this Act are appropriated conditioned upon compliance with the program review provisions of AS 37.07.080(h).

(b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 8.** SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following collective bargaining agreements:

(1) Marine Engineers' Beneficial Association, representing licensed engineers employed by the Alaska marine highway system;

(2) Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit;

(3) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(4) Public Safety Employees Association, representing regularly commissioned public safety officers;

(5) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing employees of the Alaska Vocational Technical Center.

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

(d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) and (b) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

*** Sec. 9.** This Act takes effect July 1, 2010.

Adopted 1/27/10

26-GH2825\S
Bailey
1/26/10

CS FOR HOUSE BILL NO. 302(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Legal and Advocacy Services		**2,041,600**	**1,890,300**	**151,300**
Office of Public Advocacy	1,739,200			
Public Defender Agency	302,400			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Inmate Health Care		**7,173,900**	**6,799,900**	**374,000**
Behavioral Health Care	7,173,900			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Teaching and Learning Support		**551,800**	**339,800**	**212,000**
Student and School Achievement	551,800			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Alaska Pioneer Homes		**13,763,300**	**13,763,300**	
Alaska Pioneer Homes Management	64,300			
Pioneer Homes	13,699,000			
Behavioral Health		**129,330,500**	**125,328,200**	**4,002,300**

	Allocations	Appropriation Items	General Funds	Other Funds
AK Fetal Alcohol Syndrome Program	288,100			
Alcohol Safety Action Program (ASAP)	1,188,300			
Behavioral Health Medicaid Services	49,295,600			
Behavioral Health Grants	27,325,600			
Behavioral Health Administration	4,039,100			
Community Action Prevention & Intervention Grants	1,047,200			
Rural Services and Suicide Prevention	2,135,700			
Psychiatric Emergency Services	6,687,600			
Services to the Seriously Mentally Ill	13,774,200			
Designated Evaluation and Treatment	3,867,300			
Services for Severely Emotionally Disturbed Youth	12,522,200			
Alaska Psychiatric Institute	6,154,200			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	922,600			
Suicide Prevention Council	82,800			
Children's Services		**13,664,700**	**13,134,700**	**530,000**
Children's Medicaid	2,903,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Services				
Children's Services Management	69,600			
Front Line Social Workers	148,600			
Family Preservation	500,000			
Foster Care Augmented Rate	500,000			
Foster Care Special Need	747,900			
Residential Child Care	3,238,100			
Infant Learning Program Grants	5,556,700			
Health Care Services		**667,000**	**350,000**	**317,000**
Health Planning and Infrastructure	667,000			
Juvenile Justice		**1,055,100**	**865,900**	**189,200**
McLaughlin Youth Center	654,700			
Fairbanks Youth Facility	103,700			
Bethel Youth Facility	57,100			
Probation Services	239,600			
Public Assistance		**13,200**	**13,200**	
Public Assistance Administration	13,200			
Public Health		**1,047,900**	**972,900**	**75,000**
Nursing	98,300			
Women, Children and Family Health	828,800			
Certification and Licensing	120,800			
Senior and Disabilities Services		**15,272,400**	**14,104,200**	**1,168,200**
General Relief/Temporary Assisted Living	740,300			
Senior and Disabilities	2,942,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Services Administration				
Senior Community Based Grants	2,809,100			
Community Developmental Disabilities Grants	7,924,800			
Commission on Aging	117,400			
Governor's Council on Disabilities and Special Education	738,400			
Departmental Support Services		**1,463,800**	**1,403,800**	**60,000**
Commissioner's Office	167,800			
Administrative Support Services	91,400			
Information Technology Services	854,600			
HSS State Facilities Rent	350,000			
*****		*****		
***** **Department of Law** *****				
*****		*****		
Civil Division		**86,000**	**86,000**	
Human Services	86,000			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**2,360,000**		**2,360,000**
Mental Health Trust Lands Administration	2,360,000			
*****		*****		
***** **Department of Revenue** *****				
*****		*****		

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Mental Health Trust Authority		**2,849,800**	**91,500**	**2,758,300**
Mental Health Trust Operations	2,758,300			
Long Term Care Ombudsman Office	91,500			
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Statewide Programs and Services		**817,700**	**405,000**	**412,700**
Statewide Services	817,700			
University of Alaska Anchorage		**1,393,800**	**200,800**	**1,193,000**
Anchorage Campus	1,393,800			
University of Alaska Fairbanks		**87,500**		**87,500**
Fairbanks Campus	87,500			
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		
Alaska Court System		**1,800,900**	**845,600**	**955,300**
Budget requests from agencies of the Judicial Branch are transmitted as requested.				
Trial Courts	227,000			
Therapeutic Courts	1,573,900			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 7)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1037	General Fund / Mental Health	1,890,300
1092	Mental Health Trust Authority Authorized Receipts	151,300
*** Total Agency Funding ***		$2,041,600
Department of Corrections		
1037	General Fund / Mental Health	6,799,900
1092	Mental Health Trust Authority Authorized Receipts	374,000
*** Total Agency Funding ***		$7,173,900
Department of Education and Early Development		
1037	General Fund / Mental Health	339,800
1092	Mental Health Trust Authority Authorized Receipts	212,000
*** Total Agency Funding ***		$551,800
Department of Health and Social Services		
1037	General Fund / Mental Health	150,016,300
1092	Mental Health Trust Authority Authorized Receipts	6,341,700
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
*** Total Agency Funding ***		$176,277,900
Department of Law		
1037	General Fund / Mental Health	86,000
*** Total Agency Funding ***		$86,000
Department of Natural Resources		
1092	Mental Health Trust Authority Authorized Receipts	2,360,000

*** Total Agency Funding ***		$2,360,000
Department of Revenue		
1037	General Fund / Mental Health	91,500
1094	Mental Health Trust Administration	2,758,300
*** Total Agency Funding ***		$2,849,800
University of Alaska		
1037	General Fund / Mental Health	605,800
1092	Mental Health Trust Authority Authorized Receipts	1,693,200
*** Total Agency Funding ***		$2,299,000
Alaska Court System		
1037	General Fund / Mental Health	845,600
1092	Mental Health Trust Authority Authorized Receipts	955,300
*** Total Agency Funding ***		$1,800,900
* * * * * Total Budget * * * * *		$195,440,900

(SECTION 3 OF THIS ACT BEGINS ON PAGE 9)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1037	General Fund / Mental Health	160,675,200
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
Total General Funds		$180,595,100
Federal Funds		
Total Federal Funds		$0
Other Non-Duplicated Funds		
1092	Mental Health Trust Authority Authorized Receipts	12,087,500
1094	Mental Health Trust Administration	2,758,300
Total Other Non-Duplicated Funds		$14,845,800
Duplicated Funds		
Total Duplicated Funds		$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 10)

* **Sec. 4.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation Allocations	Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
MH Deferred Maintenance and Accessibility Improvements (HD 1-40)		500,000	500,000	
MH Housing - Home Modification and Upgrades to Retain Housing (HD 1-40)		1,050,000	750,000	300,000
MH Housing - Pre-development, Anchorage Assets Building (HD 1-40)		500,000	500,000	
* * * * *			* * * * *	
* * * * * **Department of Natural Resources** * * * * *				
* * * * *			* * * * *	
Mental Health Trust Facilities Maintenance (HD 1-40)		350,000		350,000
* * * * *			* * * * *	
* * * * * **Department of Revenue** * * * * *				
* * * * *			* * * * *	
Alaska Housing Finance Corporation				
AHFC Beneficiary and		1,750,000	1,750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Special Needs Housing (HD 1-40)				
MH AHFC Homeless Assistance Program (HD 1-40)		10,000,000	6,850,000	3,150,000
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
MH Coordinated Transportation and Vehicles (HD 1-40)		1,050,000	800,000	250,000

(SECTION 5 OF THIS ACT BEGINS ON PAGE 12)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health and Social Services	
1037 General Fund / Mental Health	1,500,000
1092 Mental Health Trust Authority Authorized Receipts	300,000
1139 Alaska Housing Finance Corporation Dividend	250,000
*** Total Agency Funding ***	$2,050,000
Department of Natural Resources	
1092 Mental Health Trust Authority Authorized Receipts	350,000
*** Total Agency Funding ***	$350,000
Department of Revenue	
1002 Federal Receipts	2,000,000
1037 General Fund / Mental Health	500,000
1092 Mental Health Trust Authority Authorized Receipts	1,150,000
1139 Alaska Housing Finance Corporation Dividend	5,100,000
1140 Alaska Industrial Development and Export Authority Dividend	3,000,000
*** Total Agency Funding ***	$11,750,000
Department of Transportation/Public Facilities	
1037 General Fund / Mental Health	800,000
1092 Mental Health Trust Authority Authorized Receipts	250,000
*** Total Agency Funding ***	$1,050,000
* * * * * Total Budget * * * * *	$15,200,000

(SECTION 6 OF THIS ACT BEGINS ON PAGE 13)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source		Amount
General Funds		
1037	General Fund / Mental Health	2,800,000
1139	Alaska Housing Finance Corporation Dividend	5,350,000
1140	Alaska Industrial Development and Export Authority Dividend	3,000,000
Total General Funds		$11,150,000
Federal Funds		
1002	Federal Receipts	2,000,000
Total Federal Funds		$2,000,000
Other Non-Duplicated Funds		
1092	Mental Health Trust Authority Authorized Receipts	2,050,000
Total Other Non-Duplicated Funds		$2,050,000
Duplicated Funds		
Total Duplicated Funds		$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 14)

*** Sec. 7.** PURPOSE. In accordance with AS 37.14.003 and 37.14.005, the appropriations made by this Act are for the state's integrated comprehensive mental health program.

*** Sec. 8.** NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the amounts appropriated by this Act are appropriated conditioned upon compliance with the program review provisions of AS 37.07.080(h).

(b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 9.** SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following collective bargaining agreements:

(1) Marine Engineers Beneficial Association, representing licensed engineers employed by the Alaska marine highway system;

(2) Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit;

(3) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(4) Public Safety Employees Association, representing regularly commissioned public safety officers;

(5) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing employees of the Alaska Vocational Technical Center.

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

(d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) and (b) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

*** Sec. 10.** This Act takes effect July 1, 2010.

26-GH2825\S
Bailey
1/26/10

CS FOR HOUSE BILL NO. 302(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Legal and Advocacy Services		**2,041,600**	**1,890,300**	**151,300**
Office of Public Advocacy	1,739,200			
Public Defender Agency	302,400			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Inmate Health Care		**7,173,900**	**6,799,900**	**374,000**
Behavioral Health Care	7,173,900			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Teaching and Learning Support		**551,800**	**339,800**	**212,000**
Student and School Achievement	551,800			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Alaska Pioneer Homes		**13,763,300**	**13,763,300**	
Alaska Pioneer Homes Management	64,300			
Pioneer Homes	13,699,000			
Behavioral Health		**129,330,500**	**125,328,200**	**4,002,300**

	Allocations	Appropriation Items	General Funds	Other Funds
AK Fetal Alcohol Syndrome Program	288,100			
Alcohol Safety Action Program (ASAP)	1,188,300			
Behavioral Health Medicaid Services	49,295,600			
Behavioral Health Grants	27,325,600			
Behavioral Health Administration	4,039,100			
Community Action Prevention & Intervention Grants	1,047,200			
Rural Services and Suicide Prevention	2,135,700			
Psychiatric Emergency Services	6,687,600			
Services to the Seriously Mentally Ill	13,774,200			
Designated Evaluation and Treatment	3,867,300			
Services for Severely Emotionally Disturbed Youth	12,522,200			
Alaska Psychiatric Institute	6,154,200			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	922,600			
Suicide Prevention Council	82,800			
Children's Services		**13,664,700**	**13,134,700**	**530,000**
Children's Medicaid	2,903,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Services				
Children's Services Management	69,600			
Front Line Social Workers	148,600			
Family Preservation	500,000			
Foster Care Augmented Rate	500,000			
Foster Care Special Need	747,900			
Residential Child Care	3,238,100			
Infant Learning Program Grants	5,556,700			
Health Care Services		**667,000**	**350,000**	**317,000**
Health Planning and Infrastructure	667,000			
Juvenile Justice		**1,055,100**	**865,900**	**189,200**
McLaughlin Youth Center	654,700			
Fairbanks Youth Facility	103,700			
Bethel Youth Facility	57,100			
Probation Services	239,600			
Public Assistance		**13,200**	**13,200**	
Public Assistance Administration	13,200			
Public Health		**1,047,900**	**972,900**	**75,000**
Nursing	98,300			
Women, Children and Family Health	828,800			
Certification and Licensing	120,800			
Senior and Disabilities Services		**15,272,400**	**14,104,200**	**1,168,200**
General Relief/Temporary Assisted Living	740,300			
Senior and Disabilities	2,942,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Services Administration				
Senior Community Based Grants	2,809,100			
Community Developmental Disabilities Grants	7,924,800			
Commission on Aging	117,400			
Governor's Council on Disabilities and Special Education	738,400			
Departmental Support Services		**1,463,800**	**1,403,800**	**60,000**
Commissioner's Office	167,800			
Administrative Support Services	91,400			
Information Technology Services	854,600			
HSS State Facilities Rent	350,000			
*****		*****		
***** **Department of Law** *****				
*****		*****		
Civil Division		**86,000**	**86,000**	
Human Services	86,000			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**2,360,000**		**2,360,000**
Mental Health Trust Lands Administration	2,360,000			
*****		*****		
***** **Department of Revenue** *****				
*****		*****		

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Mental Health Trust Authority		**2,849,800**	**91,500**	**2,758,300**
Mental Health Trust Operations	2,758,300			
Long Term Care Ombudsman Office	91,500			
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Statewide Programs and Services		**817,700**	**405,000**	**412,700**
Statewide Services	817,700			
University of Alaska Anchorage		**1,393,800**	**200,800**	**1,193,000**
Anchorage Campus	1,393,800			
University of Alaska Fairbanks		**87,500**		**87,500**
Fairbanks Campus	87,500			
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		
Alaska Court System		**1,800,900**	**845,600**	**955,300**
Budget requests from agencies of the Judicial Branch are transmitted as requested.				
Trial Courts	227,000			
Therapeutic Courts	1,573,900			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 7)

*** Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1037	General Fund / Mental Health	1,890,300
1092	Mental Health Trust Authority Authorized Receipts	151,300
*** Total Agency Funding ***		$2,041,600
Department of Corrections		
1037	General Fund / Mental Health	6,799,900
1092	Mental Health Trust Authority Authorized Receipts	374,000
*** Total Agency Funding ***		$7,173,900
Department of Education and Early Development		
1037	General Fund / Mental Health	339,800
1092	Mental Health Trust Authority Authorized Receipts	212,000
*** Total Agency Funding ***		$551,800
Department of Health and Social Services		
1037	General Fund / Mental Health	150,016,300
1092	Mental Health Trust Authority Authorized Receipts	6,341,700
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
*** Total Agency Funding ***		$176,277,900
Department of Law		
1037	General Fund / Mental Health	86,000
*** Total Agency Funding ***		$86,000
Department of Natural Resources		
1092	Mental Health Trust Authority Authorized Receipts	2,360,000

*** Total Agency Funding ***		$2,360,000
Department of Revenue		
1037	General Fund / Mental Health	91,500
1094	Mental Health Trust Administration	2,758,300
*** Total Agency Funding ***		$2,849,800
University of Alaska		
1037	General Fund / Mental Health	605,800
1092	Mental Health Trust Authority Authorized Receipts	1,693,200
*** Total Agency Funding ***		$2,299,000
Alaska Court System		
1037	General Fund / Mental Health	845,600
1092	Mental Health Trust Authority Authorized Receipts	955,300
*** Total Agency Funding ***		$1,800,900
* * * * * Total Budget * * * * *		$195,440,900

(SECTION 3 OF THIS ACT BEGINS ON PAGE 9)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1037	General Fund / Mental Health	160,675,200
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
Total General Funds		$180,595,100
Federal Funds		
Total Federal Funds		$0
Other Non-Duplicated Funds		
1092	Mental Health Trust Authority Authorized Receipts	12,087,500
1094	Mental Health Trust Administration	2,758,300
Total Other Non-Duplicated Funds		$14,845,800
Duplicated Funds		
Total Duplicated Funds		$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 10)

* **Sec. 4.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
MH Deferred Maintenance and Accessibility Improvements (HD 1-40)		500,000	500,000	
MH Housing - Home Modification and Upgrades to Retain Housing (HD 1-40)		1,050,000	750,000	300,000
MH Housing - Pre-development, Anchorage Assets Building (HD 1-40)		500,000	500,000	
* * * * *			* * * * *	
* * * * * **Department of Natural Resources** * * * * *				
* * * * *			* * * * *	
Mental Health Trust Facilities Maintenance (HD 1-40)		350,000		350,000
* * * * *			* * * * *	
* * * * * **Department of Revenue** * * * * *				
* * * * *			* * * * *	
Alaska Housing Finance Corporation				
AHFC Beneficiary and		1,750,000	1,750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Special Needs Housing (HD 1-40)				
MH AHFC Homeless Assistance Program (HD 1-40)		10,000,000	6,850,000	3,150,000
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
MH Coordinated Transportation and Vehicles (HD 1-40)		1,050,000	800,000	250,000

(SECTION 5 OF THIS ACT BEGINS ON PAGE 12)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health and Social Services	
1037 General Fund / Mental Health	1,500,000
1092 Mental Health Trust Authority Authorized Receipts	300,000
1139 Alaska Housing Finance Corporation Dividend	250,000
*** Total Agency Funding ***	$2,050,000
Department of Natural Resources	
1092 Mental Health Trust Authority Authorized Receipts	350,000
*** Total Agency Funding ***	$350,000
Department of Revenue	
1002 Federal Receipts	2,000,000
1037 General Fund / Mental Health	500,000
1092 Mental Health Trust Authority Authorized Receipts	1,150,000
1139 Alaska Housing Finance Corporation Dividend	5,100,000
1140 Alaska Industrial Development and Export Authority Dividend	3,000,000
*** Total Agency Funding ***	$11,750,000
Department of Transportation/Public Facilities	
1037 General Fund / Mental Health	800,000
1092 Mental Health Trust Authority Authorized Receipts	250,000
*** Total Agency Funding ***	$1,050,000
* * * * * Total Budget * * * * *	$15,200,000

(SECTION 6 OF THIS ACT BEGINS ON PAGE 13)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source		Amount
General Funds		
1037	General Fund / Mental Health	2,800,000
1139	Alaska Housing Finance Corporation Dividend	5,350,000
1140	Alaska Industrial Development and Export Authority Dividend	3,000,000
Total General Funds		$11,150,000
Federal Funds		
1002	Federal Receipts	2,000,000
Total Federal Funds		$2,000,000
Other Non-Duplicated Funds		
1092	Mental Health Trust Authority Authorized Receipts	2,050,000
Total Other Non-Duplicated Funds		$2,050,000
Duplicated Funds		
Total Duplicated Funds		$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 14)

*** Sec. 7.** PURPOSE. In accordance with AS 37.14.003 and 37.14.005, the appropriations made by this Act are for the state's integrated comprehensive mental health program.

*** Sec. 8.** NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the amounts appropriated by this Act are appropriated conditioned upon compliance with the program review provisions of AS 37.07.080(h).

(b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 9.** SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following collective bargaining agreements:

(1) Marine Engineers Beneficial Association, representing licensed engineers employed by the Alaska marine highway system;

(2) Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit;

(3) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(4) Public Safety Employees Association, representing regularly commissioned public safety officers;

(5) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing employees of the Alaska Vocational Technical Center.

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

(d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) and (b) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

*** Sec. 10.** This Act takes effect July 1, 2010.

HB 312

<target><bill>HB 312</bill><subject>HB 312</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB312
() Publish Date:

Identifier (file name): HB312-OOG-DOE-2-3-10
Dept. Affected: OOG
Title: An Act authorizing an advisory vote on use of Alaska permanent fund earnings for an in-state natural gas pipeline
RDU: Elections
Component: Elections
Sponsor: Representatives Chenault, Ramras
Requester: House Resources Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this legislation would require the advisory vote to appear on the 2010 primary or general election ballot. The cost of providing information about the advisory vote in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/3/10, 9:26am
Approved by: Linda Perez, Director — Date 2/3/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 312(RES)
(H) Publish Date: 2/5/10

Identifier (file name): HB312-REV-TAX-02-02-10
Title: ADVISORY VOTE ON IN-STATE GAS PIPELINE
Sponsor: Representative Chenault
Requester: House Resources

Dept. Affected: Revenue
RDU: Treasury and Taxation
Component: Tax Division
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1105 APFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The advisory vote would have a zero fiscal impact on the Tax Division of the Department of Revenue.

Prepared by: Cherie Nienhuis, Petroleum Economist
Division: Tax Division
Phone: 907-269-1019
Date/Time: 2/2/10

Approved by: Ginger Blaisdell, Director
Administrative Services Division
Date: 2/2/10; 10:24am

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 312(RES)
(H) Publish Date: 2/5/10

Identifier (file name): HB312-REV-APFC-02-01-10
Dept. Affected: Revenue
Title: ADVISORY VOTE ON IN-STATE GAS PIPELINE
RDU: AK Permanent Fund Corporation
Component: AK Permanent Fund Corporation
Sponsor: Representative Chenault
Requester: House Resources
Component Number: 109

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1105 APFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes an advisory vote regarding use of Permanent Fund earnings to help pay the costs of constructing an in-state natural gas pipeline. It would not affect the operations of the APFC.

Prepared by: Laura Achee
Phone 907-796-1522
Division: Alaska Permanent Fund Corporation
Date/Time 2/1/10
Approved by: Ginger Blaisdell, Director
Date 2/1/10; 12:39pm
Administrative Services Division

(Revised 11/6/2009 OMB)

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE

SPONSOR STATEMENT
COMMITTEE SUBSTITUTE for HOUSE BILL 312 (RES)
"An Act authorizing an advisory vote on use of Alaska permanent fund earnings for an in-state natural gas pipeline; and providing for an effective date."

House Bill 312 places an advisory vote on the primary election ballot the question of using permanent fund earnings, after dividends are paid and the fund is inflation proofed, to help offset the costs of an in-state natural gas pipeline.

I view this option as a potential piece of the puzzle in putting together a financing plan for possible state participation in an in-state gasline. With all the discussion of energy needs throughout the state, it is time that the Legislature and the Administration begin to focus on one or two viable projects. It is my hope that we can focus state funding on one or two of these projects rather than taking a shotgun approach and partially fund a large number of concepts that may or may not bear fruition in the future. Providing natural gas to Alaskans first will be a huge first step in creating jobs, providing a long term source of energy and creating economic opportunities.

This bill was drafted to ensure that dividends are paid and the Permanent Fund is inflation proofed prior to using earnings. That part of the question needs to be particularly emphasized. I do not want Alaskans to believe or think this advisory vote is a raid on the earnings of the Permanent Fund. A positive vote would allow the state to use earnings from the Permanent Fund that is funded from resource development within the state. I believe that future generations of Alaskans will benefit from making an energy investment now while still keeping their benefits from the Permanent Fund.

Representative.Mike.Chenault@legis.state.ak.us

Alaska Permanent Fund Corporation
P. O. Box 115500 Juneau, AK 99811-5500
Tel: (907) 796-1500 Fax: (907) 586-2057

Permanent Fund Earnings Reserve year-end balance by fiscal year (in millions)

1978	$ 0.0
1979	$ 0.0
1980	$ 0.0
1981	$ 58.7
1982	$ 243.8
1983	$ 353.8
1984	$ 557.3
1985	$ 763.3
1986	$ 1,264.4
1987	$ 529.4
1988	$ 591.3
1989	$ 635.4

1990	$ 604.7
1991	$ 581.5
1992	$ 645.2
1993	$ 965.4
1994	$ 1,116.6
1995	$ 1,202.6
1996	$ 103.4
1997	$ 107.1
1998	$ 1,388.9
1999	$ 2,590.4

2000	$ 2,972.5
2001	$ 2,383.8
2002	$ 1,135.8
2003	$ 100.0
2004	$ 858.6
2005	$ 1,439.8
2006	$ 2,584.7
2007	$ 4,131.6
2008	$ 5,320.7
2009	$ 420.0

Helen Phillips

From: Tom Wright
Sent: Friday, February 05, 2010 10:00 AM
To: House Finance Legislation
Attachments: Sponsor Statement.pdf; HB312-OOG-DOE-2-3-10.pdf; HB312-REV-APFC-02-01-10 Advisory Vote on In-State Gas.pdf; HB312-REV-TAX-02-02-10 Advisory Vote on In-State Gas.pdf; ERA balance.pdf; Perm Fund Balances.pdf; Hearing Request-FIN.pdf

The only person that I am aware that may testify is Laura Achee from the Permanent Fund Corporation. Please call me if you need additional materials or have any questions regarding this request.

Tom Wright
Staff, Speaker's Office
Speaker of the House Mike Chenault
465-6618

Director of Communications, APFC

Donnie

FYI
for TODAY

Alaska Permanent Fund - Historical Totals

Growth of Fund Principal (Contributions & Appropriations)										Total Fund Value		
All dollars in millions												
	State		Special appropriations				8G Escrow					Total
Fiscal	Mineral		Special App	Transfer From	Settlement	Inflation	Principal		Total	Unrealized Earnings	Realized Earnings	Ending Market
Year	Revenues	Other	From Gen Fund	Realized ER	Earnings	Transfer	Principal	Earnings	Principal	Balance	Balance	Value
1978	54.5								54.5	(0.0)	0.0	54.5
1979	83.8	0.2							138.5	(0.7)	0.0	137.9
1980	344.4					0.3			483.2	10.6	0.0	493.8
1981	385.1		900.0			0.2			1,768.6	19.5	58.7	1,846.8
1982	400.5		800.0			0.0			2,969.1	68.4	243.8	3,281.3
1983	421.0		400.0			231.2			4,021.2	54.3	353.8	4,429.4
1984	366.2		300.0			150.9			4,838.3	(351.0)	557.3	5,044.7
1985	368.0	0.0	300.0			234.6			5,740.9	250.0	763.3	6,754.2
1986	323.4	0.0				216.4			6,280.8	937.0	1,264.4	8,482.1
1987	170.6	0.0		1,264.4		148.1			7,863.9	532.5	529.4	8,925.7
1988	417.9	0.0				302.9	15.8		8,600.4	297.5	591.3	9,489.3
1989	228.4	0.0				360.2		0.7	9,189.7	746.8	635.4	10,572.0
1990	267.1	0.0				454.0		1.5	9,912.3	970.5	604.7	11,487.6
1991	435.0					558.8		1.6	10,907.8	967.5	581.5	12,456.8
1992	337.8					476.9		1.8	11,724.4	2,385.9	645.2	14,755.4
1993	315.3				4.6	362.5		1.9	12,408.6	2,090.4	965.4	15,464.5
1994	209.6				5.6	372.3		2.2	12,998.4	1,108.3	1,116.6	15,223.3
1995	318.1				6.1	347.6		2.0	13,672.3	1,706.5	1,202.6	16,581.4
1996	263.7			1,842.1	18.4	407.1		1.9	16,205.6	2,084.0	103.4	18,393.1
1997	308.4			803.0	21.4	485.6		3.5	17,827.6	3,169.0	107.1	21,103.6
1998	230.5				31.3	422.7		4.0	18,516.0	3,971.4	1,388.9	23,876.3
1999	155.5				36.1	288.2		5.2	19,000.9	3,540.8	2,590.4	25,132.2
2000	310.5	15.8		276.4	30.3	422.9	(15.8)	(26.4)	20,014.6	3,528.8	2,972.5	26,516.0
2001	339.3			0.0	7.7	685.9		0.0	21,047.6	1,383.6	2,383.8	24,815.0
2002	257.7				[illegible]	602.3		0.0	21,884.2	505.2	1,135.8	23,525.2
2003	397.6			354.2		352.1		0.0	22,988.0	1,106.3	100.0	24,194.3
2004	353.1			[illegible]	14.7	524.1	0.0	0.0	23,525.7	3,015.5	858.6	27,399.8
2005	480.5				0.0	641.0			24,647.2	3,874.6	1,439.8	29,961.5
2006	601.1					855.9			26,104.2	4,220.7	2,584.7	32,909.6
2007	532.3					860.4			27,496.9	6,197.6	4,131.6	37,826.1
2008	844.3					807.7			29,148.9	2,064.3	5,320.7	36,533.9
2009	651.4					1,144.3			30,944.7	(1,448.6)	420.0	29,916.0
Subtotal	$11,172.8	$16.0	$2,700.0	$4,185.9	$152.9	$12,717.1	$0.0	$0.0	$30,944.7	-$1,448.6	$420.0	$29,916.0
Grand Total	$11,188.8			$7,038.8		$12,717.1			$30,944.7	-$1,448.6	$420.0	$29,916.0

Note: Total year end market values from FY78 - FY96 are unaudited. Financial statements were not required to record unrealized gains and losses until FY97. Total ending market values do not include other small funds (ASTF, ITBE, AMHTA) under management.

Sources of Principal Summary since inception		
Mineral revenue	11,188.8	36.2%
Special appropriations	7,038.8	22.7%
Inflation proofing	12,717.1	41.1%
Total	30,944.7	100.0%

Note: In FY03 the legislature made a special appropriation from realized earnings reserve to principal of $354.2 million. In FY04 this will be reclassified as pre FY04 inflation proofing according to the FY04 supplemental budget bill. Note: slight differences due to rounding

Prepared by Alaska Permanent Fund Corporation: January, 2010

HB 314

<target><bill>HB 314</bill><subject>HB 314</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 26, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/22/10

The FINANCE Committee considered: **HOUSE BILL NO. 314**

"An Act relating to fees and charges for medical treatment or services, the crime of unsworn falsification, investigations, and penalties as they relate to workers' compensation; and providing for an effective date."
HB 314-WORKERS' COMPENSATION

Recommends it be replaced with [ ] HCS *or* [X] CS for HB 314 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
LAW	1			✓
LWF	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Mike Hawgan	Doogan			✓	
[illegible]	Gara	/			
[illegible]	Austerman	1		X	
[illegible]	Thom	✓			
[illegible]	FOSTER	✓			
[illegible]	KELLY	✓			
Anna Fairclough	FAIRCLOUGH	✱			
[illegible]	Salmon			X	
Chair:					
Chair: [illegible]	Stoltze	✓			

HB 314
Summary of Changes
Version \A to Version \R (JUD)

During hearings in House Judiciary, HB 314 was amended.

Amendment \A.3 was adopted unanimously.

Amendment \A.3 deleted Section 1 of the bill. Because of this, the title was changed.

AS 23.30.250(a) was amended to make offenses listed in 250(a) workers' compensation fraud. Workers' compensation fraud and may be punishable under AS 11.

In Section 2 of the bill, the new subsection (D) was amended include category III charges as well as medical supplies, injections, emergency transportation and other medically related services. It also added a provision that the costs must reflect the cost in the geographical area where the services are provided and is at the 90th percentile.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 314
(H) Publish Date: 2/5/10

Identifier (file name): HB314-Law-Crim-01-29-10
Title: An Act relating to workers' compensation
Sponsor: Labor & Commerce
Requester: Labor & Commerce

Dept. Affected: Law
RDU: Criminal
Component: Criminal Justice Litigation
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill amends the existing statutes to provide that a person commits the crime of unsworn falsification in the first degree if the person submits a false written or recorded statement that the person does not believe to be true in an application for worker compensation benefits. This bill provides that the fee or other charge for medical treatment or service under the Workers' Compensation Act provided on or after December 31, 2010 may not exceed fees established by the board and include recent category I and category II codes published by the American Medical Association. The department does not anticipate any significant fiscal impact.

Prepared by: Eileen Donahue, Division Operations Manager
Phone (907)465-5427
Division: Administrative Services Division
Date/Time 1/29/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 1/29/2010

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 314
(H) Publish Date: 2/5/10

Identifier (file name): HB314-DOLWD-WC-01-28-10
Title: Workers' Compensation
Sponsor: House Labor & Commerce
Requester: House Labor & Commerce

Dept. Affected: Labor and Workforce Development
RDU: Workers' Compensation
Component: Workers' Compensation
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	75.0		75.0	75.0	75.0	75.0	75.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**75.0**	**0.0**	**75.0**	**75.0**	**75.0**	**75.0**	**75.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account	75.0		75.0	75.0	75.0	75.0	75.0
TOTAL	**75.0**	**0.0**	**75.0**	**75.0**	**75.0**	**75.0**	**75.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Anticipated costs are based on estimated contractual charges for a vendor to produce a workers' compensation medical fee schedule for the State of Alaska.

Prepared by: Trena Heikes, Director — Phone 465-6045
Division: Workers' Compensation — Date/Time 1/28/10 3:47 PM
Approved by: Click Bishop, Commissioner — Date 1/28/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

CS FOR HOUSE BILL NO. 314(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to fees and charges for medical treatment or services, civil damages, and penalties as they relate to workers' compensation; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 23.30.097(a) is amended to read:

(a) All fees and other charges for medical treatment or service are subject to regulation by the board consistent with this section. A fee or other charge for medical treatment or service may not exceed the lowest of

(1) the usual, customary, and reasonable fees for the treatment or service in the community in which it is rendered, for treatment or service

(A) provided before August 1, 2007, not to exceed the fees in the board's fee schedule dated December 1, 2004;

(B) provided on or after August 1, 2007, but before March 31, 2009, not to exceed the fees otherwise applicable in (A) of this paragraph

adjusted by the percentage change from 2004 to 2006 in the medical care component of the Consumer Price Index for all urban consumers compiled by the United States Department of Labor, Bureau of Labor Statistics;

(C) provided on or after March 31, 2009, but before December 31, 2010, not to exceed the fees otherwise applicable in (A) of this paragraph adjusted by the percentage change from 2004 to 2008 in the medical care component of the Consumer Price Index for all urban consumers compiled by the United States Department of Labor, Bureau of Labor Statistics;

(D) provided on or after December 31, 2010, not to exceed the fees or other charges as specified in a fee schedule established by the board and adopted by reference in regulation; the fee schedule must be based on statistically credible data, including charges for the most recent category I, II, and III medical services maintained by the American Medical Association and the Health Care Procedure Coding System for medical supplies, injections, emergency transportation, and other medically related services, and must result in a schedule that

(i) reflects the cost in the geographical area where services are provided; and

(ii) is at the 90th percentile;

(2) the fee or charge for the treatment or service when provided to the general public; or

(3) the fee or charge for the treatment or service negotiated by the provider and the employer under (c) of this section.

*** Sec. 2.** AS 23.30.250(a) is amended to read:

(a) A person who (1) knowingly makes a false or misleading statement, representation, or submission related to a benefit under this chapter; (2) knowingly assists, abets, solicits, or conspires in making a false or misleading submission affecting the payment, coverage, or other benefit under this chapter; (3) knowingly misclassifies employees or engages in deceptive leasing practices for the purpose of evading full payment of workers' compensation insurance premiums; or (4) employs or contracts with a person or firm to coerce or encourage an individual to file a

fraudulent compensation claim [IS CIVILLY LIABLE TO A PERSON ADVERSELY AFFECTED BY THE CONDUCT, IS GUILTY OF THEFT BY DECEPTION AS DEFINED IN AS 11.46.180, AND] may be **prosecuted under AS 11** [PUNISHED AS PROVIDED BY AS 11.46.120 - 11.46.150].

*** Sec. 3.** AS 23.30.250(c) is repealed and reenacted to read:

(c) In addition to criminal penalties under this section, a person who violates this chapter is liable in a civil action brought by or on behalf of a person for compensatory damages as a result of the violation and an award of three times the amount of compensatory damages resulting from the violation, subject to adjustment under AS 09.17, and an award of reasonable attorney fees.

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

Adopted 3/22/10

26-LS1354\R.1
Bailey
3/9/10

AMENDMENT #1

STOLTZE
BY Request

OFFERED IN THE HOUSE

TO: CSHB 314(JUD)

Page 1, line 2:

Delete "**investigations,**"

Page 2, line 24, through page 3, line 6:

Delete all material and insert:

"*** Sec. 2.** AS 23.30.250(a) is amended to read:

(a) A person who (1) knowingly makes a false or misleading statement, representation, or submission related to a benefit under this chapter; (2) knowingly assists, abets, solicits, or conspires in making a false or misleading submission affecting the payment, coverage, or other benefit under this chapter; (3) knowingly misclassifies employees or engages in deceptive leasing practices for the purpose of evading full payment of workers' compensation insurance premiums; or (4) employs or contracts with a person or firm to coerce or encourage an individual to file a fraudulent compensation claim [IS CIVILLY LIABLE TO A PERSON ADVERSELY AFFECTED BY THE CONDUCT, IS GUILTY OF THEFT BY DECEPTION AS DEFINED IN AS 11.46.180, AND] may be **prosecuted under AS 11** [PUNISHED AS PROVIDED BY AS 11.46.120 - 11.46.150]."

Page 3, lines 13 - 28:

Delete all material.

Renumber the following bill section accordingly.

Adopted 3/22/10 Conceptual

Amd # 2 to HB 314 (JUD)

Gara

At ~~p.~~ p 3 lines 9-10, delete "who suffers Economic" and replace with "for compensatory"

At p.3 line 10 replace "for" with "and"

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON
Chairman
State Capitol, Room 17
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sponsor Statement

Committee Substitute for House Bill 314 (JUD)

"An Act relating to fees and charges for medical treatment or services, civil damages investigations, and penalties as they relate to workers' compensation; and providing for an effective date."

At the time of passage in 2005 of the revisions to the workers' compensation system, it was contemplated that the interested stakeholders, including the Workers' Compensation Legislative Task Force and the Medical Services Review Committee, would propose legislation acceptable to the various stakeholders before August 1, 2007. This proposal was to replace the repealed Usual, Customary and Reasonable (UCR) methodology for setting maximum fees for medical treatment and services under the Alaska Workers' Compensation Act. A replacement was not proposed and the repeal would have resulted in fees for medical treatment and services in workers' compensation matters going uncapped until such time as the law was changed to remedy the situation.

There have been two previous extensions to the workers' compensation schedule of fees for medical treatment and services in place since 2004 with adjustments made based on the Medical Component of the Consumer Price Index. The existing extension will expire on December 31, 2010. HB 314 proposes a full fee schedule again be established which would include the procedure codes that have been developed since the 2004 schedule was adopted as well as category II and III codes. The fee schedule would be constructed on the same basis as prior schedules using statistically credible data

The bill also clarifies that making false statements related to benefits or engaging in deceptive behaviors will constitute workers' compensation fraud and may be prosecuted under AS 11 – Criminal Law

I urge your support of this bill.

J. Michael James, MD
Larry A. Levine, MD
Michel L. Gevaert MD
Shawn P. Johnston, MD
Sean D. Taylor, MD
Robert F. Valeritz MD
Shawna H. Wilson, ANP-C
Brandy Moates Atkins, DNP, FNP-C
Linda D. Holmes, ANP
James L. Glenn, PA-C, ATC

alaska spine institute

The Honorable Kurt Olson
Alaska House of Representatives
House Labor & Commerce Committee
State Capitol, Room 24-A
Juneau, AK 99801-1182

February 2, 2010

Dear Chairman Olson:

The physicians at Alaska Spine Institute have concerns regarding HB 314 - **"An Act relating to fees and charges for medical treatment or services, the crime of unsworn falsification, investigations, and penalties as they relate to workers' compensation; and providing for an effective date."**

First, we are concerned with the new language in Section 2, page2, lines 14-21/ Subsection AS23.30.097 (a) (1) (D). The new subsection reads:

provided on or after December 31, 2010, not to exceed the fees or other charges as specified in a usual, customary, and referenced in regulation; the fee schedule must include the most recent Current Procedural Terminology codes for both category I and category II medical treatment or other services published by the American Medical Association; not withstanding AS 44.62.010 - 44.62.290, the board shall update the schedule annually by order;

This revised language provides "the board" with an undefined and unlimited scope of authority to make changes and establish policy with respect to the medical fee schedule.

There are no specifications re: the personnel who constitute board members or their special areas of interest. Those medical providers and practices who will be most impacted by the decisions of the "board" may not be adequately represented in this body.

3801 University Lake Drive · Anchorage, Alaska 99508 · (907) 563-8876 · Toll free: 1-866-637-3422 · Fax (907)762-6390
www.alaskaSPINEinstitute.com
Satellite Offices: Wasilla · Soldotna – *Central Peninsula General Hospital*

Diplomates American Board of Physical Medicine and Rehabilitation · Diplomates American Board of Electrodiagnostic Medicine
Certified Subspecialty Pain Medicine ABPMR · Diplomates American Board of Pain Medicine · Certified Independent Medical Examiner
Diplomate American Board of Anesthesiology · Certified Subspecialty Pain Medicine ABMS

850

Copy on file

In addition, there are no listed frequencies as to how often the fee schedule can be or is required to be changed or updated. Further, there is no information as to how "board" representatives are selected or replaced should this be needed.

There are no provisions for making appeals to the "board's" determinations about fee schedule decisions as the language provided gives them compete authority to make these determinations. The "board" could in one year utilize the usual, reasonable and customary fees for this area using Ingenix but could then elect to use another standard for setting the fee schedule in another year such as a Medicare based fee schedule.

This would severely limit most medical practices in their ability to forecast financial risks associated with adding new equipment and new procedures and limit their ability to provide Alaska's injured workers the most current treatment technologies allowing them to remain in the state for care v/s traveling to other locations outside of Alaska.

Although we understand the need to address the fee schedule due to rising insurance costs to employers, significant changes in the medical fee schedule that include unilateral control by the "board" may limit access to local physicians in the same fashion that Medicare, Medicaid and Federal Workers' Compensation have impacted access. There are few medical providers willing to accept a new patient with Federal Workers' Compensation as the payer and these patients must travel outside Alaska for even simple procedures such as carpal tunnel release.

Second, Alaska Spine Institute has no objections to the update of the CPT (current procedural terminology) codes as this is long overdue. The code list has not been updated for many years and many new codes have been added or new procedures have been assigned codes from the AMA (American Medical Association) that are not reflected on the Alaska Workers' Compensation Fee Schedule.

However, there is no provision outlining which of these codes, both existing ones and additionally added ones, will be considered covered and reimbursable by the States' workers' compensation carriers. Will this then fall under the "board's" scope of authority to make these decisions?

Finally, the MSRC (Medical Services Review Committee) was formed under Gov. Murkowski's administration and was tasked with taking on this complex issue to provide their recommendations to the administration.

The MSRC worked for many months to review the issues and review several options to help create their report to the administration. Many of them volunteered time during the work week and on their own time as well to review an extensive reference manual that was created for them and to perform independent research on what other states were doing with regard to Worker's Compensation. It is unfortunate that none of the committee's recommendations are included in HB 314.

We appreciate your attention to, and consideration of, the concerns we have raised regarding this measure.

Respectfully,

Michel L. Gevaert, MD

On Behalf of:

J. Michael James, MD Larry A. Levine, MD Shawn P. Johnston, MD

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON
Chairman
State Capitol, Room 124
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sectional Analysis

Committee Substitute for House Bill 314 (JUD)

"An Act relating to fees and charges for medical treatment or services, civil damages, investigations, and penalties as they relate to workers' compensation; and providing for an effective date."

This is a summary only. Note that this sectional analysis should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 23.30.097(a) to provide that after December 31, 2010, the fee may not exceed the usual, customary and reasonable charges in a fee schedule adopted by the board which must include the most recent Current Procedural Terminology codes maintained by the American Medical Association for category I, II and III medical services and the Health Care Procedure Coding System for medical supplies, injections, emergency transportations and other medically related services. The fee schedule must reflect the cost in the geographical area where services are provided and is set at the 90th percentile.

Section 2. Amends AS 23.30.250(a) to clarify that the behaviors outlined are workers' compensation fraud which may be punished under AS 11.46.120 – 11.46.150 (criminal law).

Section 3. Amends AS 23.30.250 (c) clarifies that in addition to criminal penalties, a violation of this chapter may result in civil liability with an award of three times the amount of compensatory damages

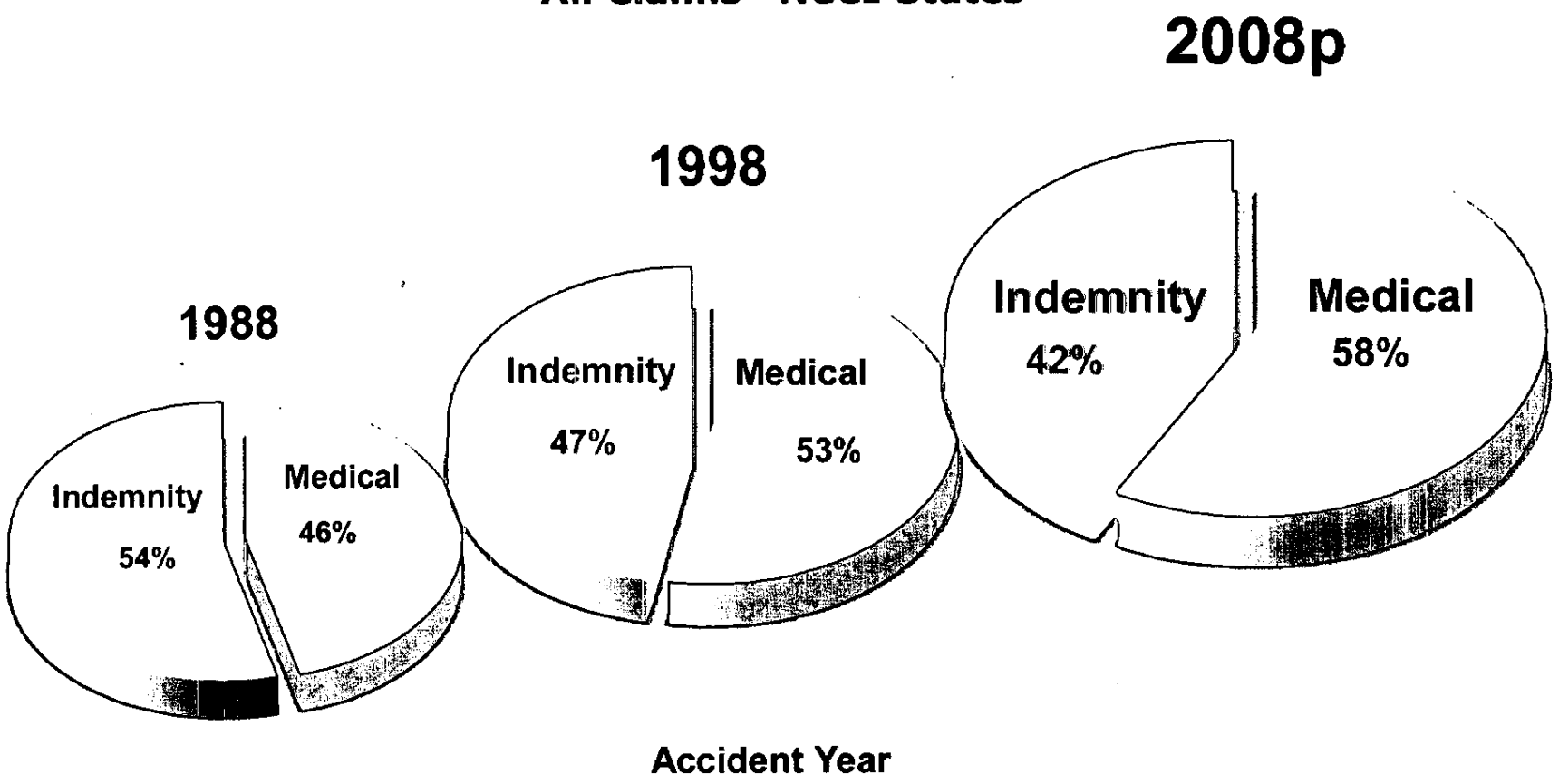
Section 4. Amends AS 23.30.280(a) to change the specific statute citation of AS 23.30.250 to "this chapter" to broaden the investigative authority to the entire chapter.

Section 5. Amends AS 23.30.280(b) to delete reference to AS 23.30.250(a) to broaden the reporting of fraudulent acts to the employer.

Section 6. Provides for an immediate effective date under AS 01.10.070(c)

Workers Compensation Medical Losses Are More Than Half of Total Losses

All Claims—NCCI States



2008p: Preliminary based on data valued as of 12/31/2008
1988, 1998: Based on data through 12/31/2007, developed to ultimate
Based on the states where NCCI provides ratemaking services, including state funds
Excludes high deductible policies

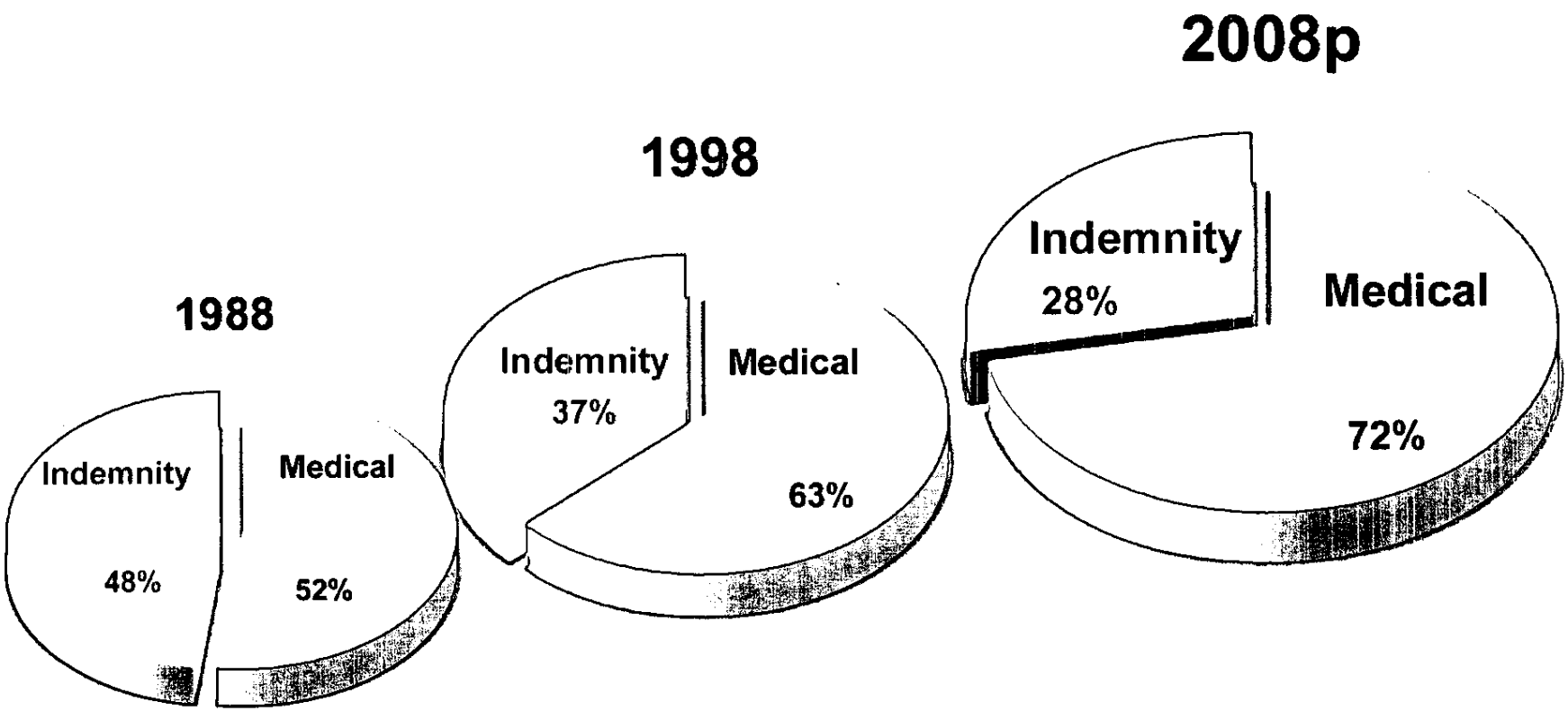
© Copyright 2009 National Council on Compensation Insurance, Inc. All Rights Reserved.

NCCI

copy on file

Workers Compensation Benefit Split in Alaska

All Claims—Alaska



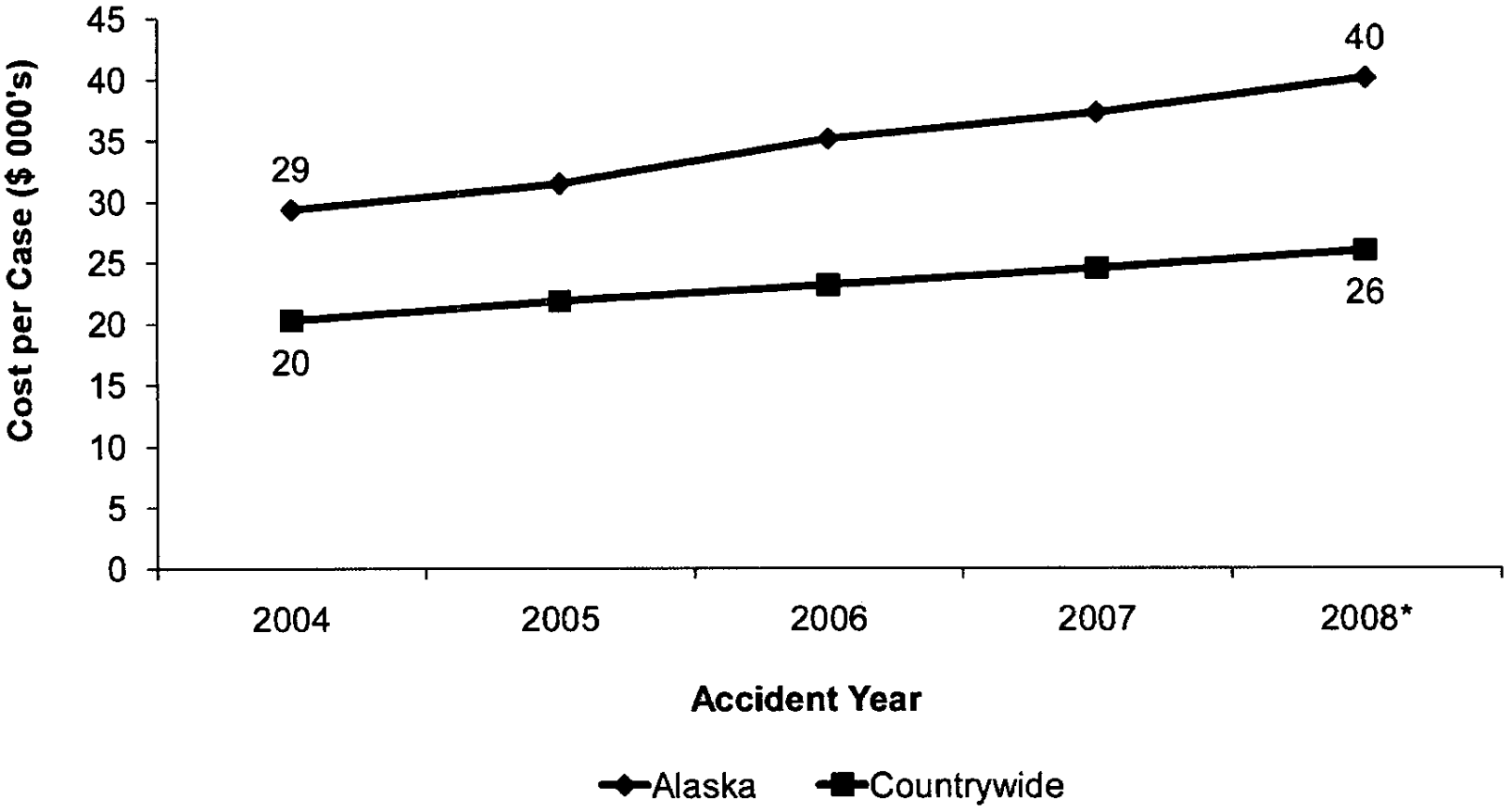
2008p: Preliminary based on data valued as of 12/31/2008
1988, 1998: Based on data through 12/31/2007, developed to ultimate
Based on the states where NCCI provides ratemaking services, including state funds
Excludes high deductible policies

© Copyright 2009 National Council on Compensation Insurance, Inc. All Rights Reserved.

NCCI

copy in file

Alaska Medical Average Cost per Case vs. Countrywide



* Countrywide figure is preliminary
Source: NCCI financial data valued as of 12/31/08

© Copyright 2009 National Council on Compensation Insurance, Inc. All Rights Reserved.

Copy on file

Table 1. Workers' compensation premium rate ranking

2008 ranking	2006 ranking	State	Index rate	Percent of study median	Effective date
1	1	Alaska	3.97	176%	January 1, 2008
2	5	Montana	3.50	155%	July 1, 2007
3	12	Ohio	3.32	147%	July 1, 2007
4	7	Vermont	3.14	139%	April 1, 2007
5	8	Maine	3.04	135%	January 1, 2008
7	3	Delaware	2.96	131%	December 1, 2007
7	4	Kentucky	2.96	131%	October 1, 2007
8	9	Alabama	2.90	129%	March 1, 2007
9	13	Oklahoma	2.89	128%	8/1/07 State Fund, 1/1/08 Private
10	21	Illinois	2.79	124%	January 1, 2008
11	11	Louisiana	2.76	122%	October 1, 2007
12	25	South Carolina	2.74	121%	May 7, 2007
13	2	California	2.72	121%	January 1, 2008
14	19	New Hampshire	2.70	120%	January 1, 2008
15	18	Pennsylvania	2.68	119%	April 1, 2007
16	23	New Jersey	2.66	118%	January 1, 2008
17	17	Texas	2.61	116%	January 1, 2008
18	30	Nevada	2.58	115%	March 1, 2007
19	10	New York	2.55	113%	October 1, 2007
20	14	Connecticut	2.46	109%	January 1, 2008
21	26	Tennessee	2.44	108%	July 1, 2007
22	37	North Carolina	2.43	108%	April 1, 2007
24	21	Minnesota	2.33	103%	January 1, 2008
24	32	Mississippi	2.33	103%	March 1, 2007
25	41	Georgia	2.29	102%	August 3, 2007
26	22	Rhode Island	2.26	100%	February 1, 2007
28	6	Florida	2.20	98%	January 1, 2008
28	25	Missouri	2.20	97%	January 1, 2008
29	16	District of Columbia	2.16	96%	November 1, 2007
32	27	New Mexico	2.15	95%	January 1, 2008
32	39	Michigan	2.15	95%	January 1, 2007
32	33	Nebraska	2.15	95%	February 1, 2007
34	35	Wisconsin	2.12	94%	October 1, 2007
34	32	Idaho	2.12	94%	January 1, 2008
36	15	Hawaii	2.08	92%	January 1, 2008
36	44	South Dakota	2.08	92%	July 1, 2007
37	29	Wyoming	2.06	91%	January 1, 2008
38	37	Washington	1.98	88%	January 1, 2008
39	**42**	**OREGON**	**1.88**	**83%**	**January 1, 2008**
41	34	West Virginia	1.86	83%	July 1, 2007
41	45	Iowa	1.86	82%	January 1, 2008
42	43	Kansas	1.77	78%	January 1, 2008
43	29	Colorado	1.76	78%	January 1, 2008
44	40	Maryland	1.72	76%	January 1, 2008
45	46	Arizona	1.67	74%	January 1, 2008
46	38	Utah	1.63	72%	December 1, 2007
47	48	Arkansas	1.61	71%	January 1, 2008
48	49	Virginia	1.43	63%	April 1, 2007
49	47	Massachusetts	1.39	62%	September 1, 2007
50	50	Indiana	1.23	55%	January 1, 2008
51	51	North Dakota	1.08	48%	July 1, 2007

Source: Research and Analysis Section, Information Management Division, Oregon Department of Consumer and Business Services (10/2008)

submitted by Linda Hall, Director of Div of Insurance

Copy on file

8 AAC 45.082. Medical treatment

(a) The employer's obligation to furnish medical treatment under AS 23.30.095 extends only to medical and dental services furnished by providers, unless otherwise ordered by the board after a hearing or consented to by the employer. The board will not order the employer to pay expenses incurred by an employee without the approval required by this subsection.

(b) In this section "provider" means any person or facility as defined in AS 47.08.140 and licensed under AS 08 to furnish medical or dental services, and includes an out-of-state person or facility that meets the requirements of this section and is otherwise qualified to be licensed under AS 08.

(c) Physicians may be changed as follows:

(1) An employee injured before July 1, 1988, may change treating physicians at any time without board approval by notifying the employer and the board of the change. Notice must be given in writing within 14 days after the change of treating physicians. If, after a hearing, the board finds that the employee's repeated changes were frivolous or unreasonable, the board will, in its discretion, refuse to order payment by the employer.

(2) Except as otherwise provided in this subsection, an employee injured on or after July 1, 1988, designates an attending physician by getting treatment, advice, an opinion, or any type of service from a physician for the injury. If an employee gets service from a physician at a clinic, all the physicians in the same clinic who provide service to the employee are considered the employee's attending physician. An employee does not designate a physician as an attending physician if the employee gets service

(A) at a hospital or an emergency care facility;

(B) from a physician

(i) whose name was given to the employee by the employer and the employee does not designate that physician as the attending physician;

(ii) whom the employer directed the employee to see and the employee does not designate that physician as the attending physician; or

(iii) whose appointment was set, scheduled, or arranged by the employer, and the employee does not designate that physician as the attending physician.

(3) For an employee injured on or after July 1, 1988, an employer's choice of physician is made by having a physician or panel of physicians selected by the employer give an oral or written opinion and advice after examining the employee, the employee's medical records, or an oral or written summary of the employee's medical records. To constitute a panel, for purposes of this paragraph, the panel must complete its examination, but not necessarily the report, within five days after the first physician sees the employee. If more than five days pass between the time the

first and last physicians see the employee, the physicians do not constitute a panel, but rather a change of physicians.

(4) Regardless of an employee's date of injury, the following is not a change of an attending physician:

(A) the employee moves a distance of 50 miles or more from the attending physician and the employee does not get services from the attending physician after moving; the first physician providing services to the employee after the employee moves is a substitution of physicians and not a change of attending physicians;

(B) the attending physician dies, moves the physician's practice 50 miles or more from the employee, or refuses to provide services to the employee; the first physician providing services to the employer thereafter is a substitution of physicians and not a change of attending physicians;

(C) the employer suggests, directs, or schedules an appointment with a physician other than the attending physician, the other physician provides services to the employee, and the employee does not designate in writing that physician as the attending physician;

(D) the employee requests in writing that the employer consent to a change of attending physicians, the employer does not give written consent or denial to the employee within 14 days after receiving the request, and thereafter the employee gets services from another physician.

(d) Medical bills for an employee's treatment are due and payable within 30 days after the date the employer received the medical provider's bill and a completed report on form 07-6102. Unless the employer controverts the prescription charges or transportation expenses, an employer shall reimburse an employee's prescription charges or transportation expenses for medical treatment within 30 days after the employer received the medical provider's completed report on form 07-6102 and an itemization of the prescription numbers or an itemization of the dates of travel, destination, and transportation expenses for each date of travel. If the employer controverts

(1) a medical bill or if the medical bill is not paid in full as billed, the employer shall notify the employee and medical provider in writing the reasons for not paying all or a part of the bill or the reason for delay in payment within 30 days after receipt of the bill and completed report on form 07-6102;

(2) a prescription or transportation expense reimbursement request in full, the employer shall notify the employee in writing the reason for not paying all or a part of the request or the reason for delay within the time allowed in this section in which to make payment; if the employer makes a partial payment, the employer shall also itemize in writing the prescription or transportation expense requests not paid.

(e) A written treatment plan under AS 23.30.095 is required for payment of services provided on an outpatient basis for an injury that occurs on or after July 1, 1988. A written treatment plan is not required before providing services while the employee is hospitalized.

(f) If an injury occurs on or after July 1, 1988, and requires continuing and multiple treatments of a similar nature, the standards for payment for frequency of outpatient treatment for the injury will be as follows. Except as provided in (h) of this section, payment for a course of treatment for the injury may not exceed more than three treatments per week for the first month, two treatments per week for the second and third months, one treatment per week for the fourth and fifth months, and one treatment per month for the sixth through twelfth months. Upon request, and in accordance with AS 23.30.095 (c), the board will, in its discretion, approve payment for more frequent treatments.

(g) The board will, in its discretion, require the employer to pay for treatments that exceed the frequency standards in (f) of this section only if the board finds that

(1) the written treatment plan was given to the employer and employee within 14 days after treatments began;

(2) the treatments improved or are likely to improve the employee's conditions; and

(3) a preponderance of the medical evidence supports a conclusion that the board's frequency standards are unreasonable considering the nature of the employee's injury.

(h) An employee or employer may choose to pay for a course of treatments that exceeds the frequency standards in (f) of this section even though payment is not required by the board or by AS 23.30.095 .

(i) Fees for medical treatment are determined as follows:

(1) The fee may not exceed the physician's actual fee or the usual, customary, and reasonable fee as determined under this subsection, whichever is lower.

(2) The board will publish annually a bulletin for the *"Workers' Compensation Manual,"* published by the department which gives the name and address of the organization whose schedule of providers' charge data must be used in determining the usual, customary, and reasonable fee for medical treatment or services for injuries that occur on or after July 1, 1988. The manual, and the organization's name and address are available upon request from the division.

(3) The usual, customary, and reasonable fee must be determined based on the 90th percentile of the range of charges for similar services reported to the organization described in (2) of this subsection. The organization charge data must be used as follows:

(A) The organization's annual publication of the schedule of usual, customary, and reasonable fees in effect at the time the employee received the treatment must be used. However, if the

organization publishes the schedule semi-annually, then the semi-annual publication for the period in which the employee received treatment must be used.

(B) If the community in which services were rendered is not included in the organization's data, or if the type of treatment the employee received is not included in the organization's data for the community in which services were rendered, the usual and customary fee must be based on the data reported for the community nearest to the community in which the services were rendered to the employee.

(C) If the type of treatment or service the employee received is not included in the organization's data and the employer has evidence that the fee exceeds the usual, customary, and reasonable fee charged in the community for the treatment or services rendered, the employer shall pay the physician based on the employer's evidence. In accordance with AS 23.30.110 and 8 AAC 45.070, the physician may request a hearing for a board determination of the usual, customary, and reasonable fee in the community for the treatment or service, and the board will determine and award the usual, customary, and reasonable fee.

History: Eff. 5/28/83, Register 86; am 12/14/86, Register 100; am 7/1/88, Register 107; am 10/28/88, Register 108; am 3/16/90, Register 113; am 7/20/97, Register 143; am 7/2/98, Register 146; am 2/3/2001, Register 157

Authority: AS 23.30.005

ASMA

Draft Language
HB 314 Sec. 2.

* Sec. 2. AS23.30.097(a) is repealed and reenacted to read:

(a) All fees and other charges for medical treatment or service are subject to regulation by the board consistent with this section. A fee or other charge for medical treatment or service provided on or after December 31, 2010 may not exceed the lowest of the actual fee or charge submitted for a medical treatment or service, the fee or charge for the medical treatment or service when provided to the general public, or the fee or charge for the medical treatment or service at the 90th percentile for fees or charges submitted from the community in which care rendered for the associated Category I Current Procedural Terminology Code as published by the American Medical Association; but not, in any event, to exceed a fee or charge for the medical service or treatment negotiated by the provider and the employer under (c) of this section. The board must either develop or designate a source for a database that contains the submitted fees associated with each Category I Current Procedural Terminology code published by the American Medical Association and adopt that by regulation. The database must contain:

(1) data for each community in Alaska, but may, if statistically credible amounts of data do not exist for a community, include data from other communities in an amount sufficient to provide statistically credible data. However, the data from each community used must be adjusted by an appropriate factor that reflects the difference in the cost of rendering care in those other communities. Likewise, if statistically credible data does not exist for any Category I Current Procedural Terminology Code in Alaska, data from outside of Alaska may be included in an amount necessary to provide for statistically credible data but an adjustment must be made to that data for the difference in the Consumer Price Index for all Urban Consumers as compiled by the United States Department of Labor, Bureau of Labor Statistics for the area outside Alaska to that of Anchorage;

(2) the database for each ensuing calendar year must include those submitted fees or charges for each Category I Current Procedural Terminology Code for the most recent, previous twelve month period, and for an amount of additional months necessary to produce statistically credible data should twelve months of data not provide an amount of statistically credible data; and

(3) Category II Current Procedural Terminology Codes published by the American Medical Association must be incorporated into the database and captured for each Category I Current Procedural Terminology Code for which fees or charges are submitted for a medical treatment or service.

2/1/10

ASMA

Draft Language
HB 314 Sec. 7.

Sec. 7. This Act takes effect immediately under AS.01.10.070(c) except that payments under Sec. 2. will only apply to those medical treatments or services provided on or after December 31, 2010.

2/1/10

submitted by Konrad Jackson
on behalf of House Labor & Commerce Committee

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 1, 2010

Honorable Kurt Olson
State of Alaska
House of Representatives
Chair, House Labor and Commerce Committee
State Capitol, Room 24
Juneau, AK 99801

RE: HB 314 – Workers Compensation

Dear Representative Olson:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA's members are comprised of primarily, independently practicing physicians who practice in all types of subspecialties. Some of whom treat a substantial number of patients injured on the job and many other who treat few to no injured members. Those physicians who treat the few still have a keen interest in the Workers Compensation system in their capacity as employers. Indeed, those physicians with large numbers of injured workers in their practices have a keen interest as both care giver and as an employer.

ASMA will limit its comments to Sec. 2 of HB 314 and opposes the adoption of that section as currently written. Below, is a short description of ASMA's concerns about the current language and attached is draft language which will help to alleviate those concerns.

Since 2005 a "band aid" approach has been utilized to adjust the usual, customary, and reasonable fee schedule for physician payment. The fees have been frozen at the schedule in place on 12/1/2004, or increased by the percentage change in the Consumer Price Index. The latest was a percentage change in the CPI between 2008 and 2004 applied to that same fee schedule for dates of service stating 4/1/2009 and going through 12/30/2010. Now comes HB 314 which includes Sec. 2 which establishes the physician payment methodology for dates of service beginning 12/31/2010 and on into the future.

ASMA believes the language in Sec. 2 is not as clear as it could be and that the Legislature has the opportunity to make the payment methodology more efficacious and to make the policy decisions that are in your purview. Below is an outline for the changes that ASMA recommends and attached is draft language that would accommodate those changes.

1. define the appropriate fee as the lowest of:
   a. the physician's actual charge or fee for the service or treatment;

b. the charge or fee for the service or treatment when provided to the general public;
c. the charge or fee for the service or treatment for all fees or charges submitted for the associated Category I Current Procedural Terminology code at the 90th percentile; or
d. the charge or fee for the treatment or service negotiated by the provider and the employer under AS 23.30.097(c);

Note: This eliminates the terms "usual, customary, and reasonable" fee as no definition exists anyway in AS23.30 or in 8AAC45.082(i). Also, the 90th percentile is currently found in 8AAC45.082(i)(3).

2. direct the Board to either develop or designate a source (and adopt it by promulgating a regulation) for a database of current fees or charges for each Category I Current Procedural Terminology code that:
   a. includes the charges or fees submitted by Alaska physicians;
   b. includes the most recent 12 months of submitted charges but would allow for either older data to be included in order to have a statistically credible amount of data, or to allow submitted charges to be included from outside of Alaska in order to have a statistically credible amount of data. However, those charges from outside of Alaska need to be adjusted for the cost differential by a ratio of the CPI in Alaska versus where the fees came from; and

   Note: It is assumed that the database is continually updated as Alaska submitted charges or fees are added. Therefore, no direction for an annual update, per se, is necessary. However, a review of the statistical credibility of the data probably needs to be reviewed annually and adjusted accordingly. It is recommended that setting of the percentile be a policy call made by the Legislature.

3. direct that the Board, should it determine that it wishes to change its designated source for the database, that it needs to accomplish though the promulgation of a regulation.

ASMA will not provide comments regarding the establishment of the percentile (currently the 90th percentile) other than in general terms. To provide a specific recommendation, ASMA would have to have collected fee or charge data from its member physicians. It is generally, prohibited from doing so by federal anti-trust law. ASMA expects that individual physicians will provide you comments related to that policy decision. However, ASMA recommends that the Legislature makes this policy call as it is an extremely important one. If the percentile is set too low, physicians could limit their practice as far as caring for injured workers in Alaska. This has happened regarding access to care for injured federal workers under the Federal Workers Compensation system and for Medicare beneficiaries.

Thank you for the opportunity to provide testimony on HB 314. ASMA and I stand ready to assist you in addressing this most important issue.

Sincerely,

Brion J Beerle

By: Brion Beerle, MD, President
For: Alaska State Medical Association

RECEIVED
FEB 01 2010

NFIB
The Voice of Small Business

ALASKA

January 31, 2010

The Honorable Kurt Olson
State Capitol Building
Juneau, Alaska 99801-1182

Dear Representative Olson:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House bill 314 concerning the workers compensation program. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

HB 314 establishes a fee schedule for the Workers Compensation Program. We believe that this is a prudent first step toward reforming the program to reduce costs and improve the program.

As you know, the workers compensation premiums in Alaska are the highest in the nation. If we expect the program to continue to provide benefits without bankrupting employers, we must move to reduce the program costs and thus the premiums.

NFIB/AK members very much appreciate your willingness to begin addressing this critical problem.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council

National Federation of Independent Business – ALASKA
P. O. Box 34761•Juneau, AK 99803-4761•907 723 6667•www.NFIB.com

Konrad Jackson

From: Michael McNamara [mmcnamara@akhanddoc.com]
Sent: Wednesday, February 03, 2010 2:40 PM
To: Rep. Kurt Olson
Subject: HB 314 Workman's Comp

Honorable Kurt Olson,

Dear Representative Olson,

I am an orthopedic Surgeon in Anchorage and have been the President of the advisory board for Alaska Surgical Center for eight years. My practice consists of approximately 30-40% W/C patients. I have reviewed Dr Brion Beerle' letter to you, regarding HB 314, representing the Alaska State Medical Association. As a representative of 34 partners in the Alaska Surgical Center, I feel that the letter from Dr Beerle well represents most surgeons and physicians in our community that care for W/C patients. Please recognize that those of us that care for W/C patients expend a significant amount of extra time and energy to care for W/C patients especially regarding the excessive paperwork requirements that follow these patients. Reduction in reimbursement will only jeopardize patient's access to care. Please review the ASMA recommendations and consider them seriously.

Sincerely and respectfully,

Mike G McNamara MD
Hand, Elbow and Shoulder Surgery

February 3, 2010

State Representative Kurt Olson
State Capitol, Room 24-A
Juneau, AK 99801-1182
(907) 465-2693
(907) 465-3835

RECEIVED
FEB 04 2010

RE: House Bill 314 Amendments

Dear Chairman Olson,

It has come to my attention that there is to be a hearing this afternoon on House Bill 314. As a physical therapist in Alaska I am very concerned about the proposed addition of subsection (D) to Sec.2 AS23.30.097 (a) (1) as it is currently written in House Bill 314. My concern is specifically with the wording found on page 2, lines 14-17, where Workman's Compensation fees are, "not to exceed the fees or other charges as specified in a usual, customary, and reasonable fee schedule established by the board and adopted by reference in regulation".

The consequences of House Bill 314 would be a detrimental to Alaska's workers injured on the job and the health care professionals providing them with care. House Bill 314 would grant a great deal of power to this Board with the sovereignty to set fees without any basis other than "usual, customary, and reasonable". This wording is far too vague for such an important issue. It lacks an explanation of basis for fees, composition of board members, frequency of change for fees, or the process to appeal the fees determined by the board. At the very least, this board should have to recognize an established standard for fees, such as those from the United States Department of Labor. Failure to do so will drastically affect the care of injured workers and the providers that care for them.

Please do not allow House Bill 314 to be added into Alaska's Statutes. It has no place

Sincerely,

Paul Carlson, PT
PO Box 91451
Anchorage, AK 99509
(907) 770-3637

HB 315

<target><bill>HB 315</bill><subject>HB 315</subject><comm>HFIN26</comm></target>

2-23-10

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January – April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May – December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax: 907-283-2763

Official Business

Sponsor Statement

HB 315 – Public Accounting

Today's businesses often have locations in multiple states and compliance responsibilities in multiple jurisdictions. Forty-five states recognize this fact and allow Certified Public Accountants (CPAs) the mobility necessary to operate in such a climate. Alaska does not. Certified Public Accountants licensed and located in another state are barred from serving clients in Alaska without obtaining a license and registering with the Alaska State Board of Public Accountancy.

House Bill 315 would change this fact, updating Alaska's uniform accountancy statues to allow for CPA mobility. Mobility is the ability of a licensee to gain a practice privilege outside his principle place of business without additional licensing or fees. It allows licensed CPAs and CPA firms to practice across state jurisdictions with greater ease and is key to keeping Alaska's CPAs and CPA firms nationally competitive.

In addition to allowing for greater mobility, HB 315 alters the ownership requirements for public accounting firms. The accounting profession consists of more than just CPAs, non-CPA professionals often provide vital services for accounting firms. While these non-accountants enhance the firm's ability to serve their clients, Alaska law bars them from having any ownership in a CPA firm. Under current state law, public accounting firms can only be owned by CPAs. Alaska is one of only five states with such stringent requirements; most states allow non-CPAs to own a minority interest. House Bill 315 brings Alaska into line with the vast majority of states which allow non CPAs to have minority ownership in CPA firms. Such a change puts Alaskan CPA firms on equal footing with those firms practicing in Alaska under out-of- state permits.

Passage of HB 315 will allow consumers to receive timely services from CPAs best suited for the job, regardless of location and without the hindrance of filings, forms, and increased costs that currently typify the system. The bill will ensure that CPA firms in the state are able to provide the best services to their clients and remain competitive with non-Alaskan firms operating in the state under out-of-state permits.

I respectfully ask for your consideration of this bill and look forward to hearing your questions and concerns.

Email: Representative_Kurt_Olson@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 17, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 2·23·10

The FINANCE Committee considered: **HOUSE BILL NO. 315**

"An Act relating to public accounting; and providing for an effective date."

HB 315-PUBLIC ACCOUNTING

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Olson	✓			
	Foster	✓			
	Gara	✓			
	Doogan	✓			
	KELLY	X			
	Jabe	X			
	FAIRCLOUGH	✓			
	Salmon	✓			
Chair:	Hawker	✓			
Chair:	STOLTZE	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 315
(H) Publish Date: 2/17/10

Identifier (file name): HB315-CED-CBPL-2-11-10
Dept. Affected: DCCED
Title: Public Accounting
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: House Labor and Commerce Committee
Requester: House Labor and Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

House Bill 315 amends the Public Accounting statutes, AS 08.04, providing for out-of-state exemption and practice privileges in Alaska. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/11/2010 12:25PM
Approved by: Emil Notti, Commissioner
Date 2/11/2010
Department of Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

2-23-10

Alaska Society of Certified Public Accountants
Resolution 2-1-2010

WHEREAS, mobility of the certified public accountant's license provides for mobility between the 54 licensing jurisdictions in the United States of America, its territories and possessions, and serves to protect the public interest by providing a process for disciplinary procedures across the jurisdictions, and

WHEREAS, providing for simple majority firm ownership of CPA firms aligns firm-ownership requirements with the national standard set forth in the Uniform Accountancy Act and enhances fair competitive advantage between firms licensed within and outside of Alaska,

THEREFORE BE IT RESOLVED, that the Board of the Alaska Society of Certified Public Accountants supports SB 227 and HB 315.

2-23-10

AICPA

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated June 2009

State	Enacted	Effective
Alabama	May 2009	October 2009
Alaska	Legislation anticipated in 2010	
Arizona	June 2008	September 2008
Arkansas	February 2009	July 2009
California	Legislation Anticipated in 2010	
Colorado	May 2008	August 2008
Commonwealth of Northern Marianas		
Connecticut	May 2008	May 2008
District of Columbia		
Delaware	August 2008	August 2008
Florida	May 2009	July 2009
Georgia*		July 2009
Guam		
Hawaii	Legislation anticipated in 2010	
Idaho	March 2008	July 2008
Illinois	August 2007	January 2008
Indiana	May 2007	July 2007
Iowa	April 2008	July 2009
Kansas	March 2009	November 2009
Kentucky	April 2008	July 2008
Louisiana	December 2007	December 2007
Maine	June 2007	September 2007
Maryland	May 2008	October 2008
Massachusetts	HB 80	Legislation Pending
Michigan	June 2008	June 2008
Minnesota	April 2008	April 2008
Mississippi	March 2008	July 2009
Missouri	2008	2008

AICPA State Regulation and Legislation Team

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated May 2009

State	Enacted	Effective
Montana	April 2009	October 2009
Nebraska	February 2009	September 2010
Nevada	April 2009	July 2009
New Hampshire	HB 256	
New Jersey	July 2008	July 2009
New Mexico	February 2008	May 2008
New York		
North Carolina	SB 647/HB 911	Legislation Pending
North Dakota	April 2008	August 2009
Ohio	1961	1961
Oklahoma	April 2009	April 2009
Oregon	SB 867	Awaiting Governor Signature
Pennsylvania		September 2008
Puerto Rico		
Rhode Island	July 2007	July 2007
South Carolina	June 2008	June 2008
South Dakota	March 2009	July 2009
Tennessee	April 2007	April 2007
Texas	June 2007	June 2007
Utah	March 2008	May 2008
Vermont	May 2009	July 2009
Virginia	January 1999	July 1999
Virgin Islands		
Washington	March 2008	June 2008
West Virginia	March 2008	June 2008
Wisconsin	April 2006	April 2006
Wyoming	March 2009	July 2009

Currently Georgia and Pennsylvania law grants mobility privileges only for CPAs from states that have passed mobility.

Currently in Effect 29
Effective at a Future Date 15
TOTAL 44

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated May 2009

AICPA State Regulation and Legislation Team

2-23-10

AICPA

Mobility for CPAs
Frequently Asked Questions

What is mobility?

- Practice mobility for CPAs is the ability of a licensee to gain a practice privilege outside of their home state without getting an additional license in another state where they will be serving a client.

Why is mobility important to CPAs and businesses in your state?

- Because the electronic age makes conducting business across state borders an everyday occurrence, there is a critical need for states to adopt a uniform mobility system that will allow licensed CPAs to provide services across state lines without unnecessary burdens that do not protect the public interest.

What is being done to correct the current system?

- Prior to this initiative, each state had its own rules, regulations and requirements to allow out-of-state CPAs to provide services in that state, resulting in a patchwork system that was inefficient and increasingly difficult to navigate.

- The American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) analyzed the system for gaining practice privileges across state lines and concluded it simply was not working.

- The AICPA along with NASBA have been working with the state boards of accountancy and the state CPA societies across the country to gain a uniform interstate mobility provision through the Uniform Accountancy Act since 2007. Since that date over half of the states have enacted a uniform provision.

What is the solution?

- Uniform adoption of the substantial equivalency provision included in the *Uniform Accountancy Act* (the model bill for CPA regulation written and endorsed jointly by AICPA and NASBA) will create a system similar to the nation's driver license that will provide CPAs with mobility while retaining and strengthening state boards' ability to protect the public interest.

Why is a uniform mobility provision important in your state and to other states across the country?

- Compliance and enforcement of the existing system was almost impossible, with multiple, cumbersome processes and disparities in requirements. Business realities, including an increase in interstate commerce and virtual technologies require a uniform system that allows fluid practice across state lines.

- Implementation of a uniform provision would allow consumers to receive timely services from the CPA best suited to the job, regardless of location, without the hindrances of unnecessary filings, forms and increased costs that do not protect the public interest.

- Businesses today are often located in multiple states and have compliance responsibilities in multiple jurisdictions and a uniform process will give CPAs the flexibility to better serve these clients.

- This initiative is only successful if it is passed in all states. It is the "good neighbor theory" we all have to do it for one another.

How will State Boards of Accountancy regulate CPAs operating in their state if mobility provisions are adopted?

- State Boards of Accountancy will gain automatic jurisdiction over all CPAs practicing in their state, enabling states to discipline out-of-state licenses, whether they are registered or licensed in the state.

- The substantial equivalency provision of the Uniform Accountancy Act was written jointly by NASBA and AICPA, and is strongly supported by both organizations as the best path to a uniform mobility system with enhanced public protection.

Are states taking action to implement mobility legislation?

- Over 40 states have adopted a CPA mobility provision.

For More Information:

- **http://www.aicpa.org/Legislative+Activities+and+State+Licensing+Issues/Mobility+and+State+Licensing+Issues/.**

Is your state addressing the mobility issue for CPAs?

- Nearly all remaining jurisdictions have indicated there support of moving towards mobility in the 2010.
- Please contact your state CPA society for additional information or AICPA's State Regulation and Legislation team:

Sheri B. Bango Cavaney, CAE
Vice President – Practice Mobility and State Regulatory & Legislative Affairs
sbango@aicpa.org

Aaron Castelo
Senior Manager, State Legislation
acastelo@aicpa.org

Ann Pallasch
Manager, Mobility State Regulation & Legislation
apallasch@aicpa.org

Suzanne Jolicoeur
Manager, State Regulatory Outreach
sjolicoeur@aicpa.org

Updated May 11, 2009
AICPA State Regulation and Legislation Team

2-23-10

Mobility and State Licensing Issues

- Mobility Update
- Summary of State Activity on CPA Mobility
- Mobility Legislation Frequently Asked Questions
- Mobility Reference Materials
- Uniform Accountancy Act
- State Licensing Issues
- Mobility Implemenation
- Articles

There is significant momentum across the country to enact a uniform practice mobility system for certified public accountants (CPAs) and CPA firms. A majority of states are in the process of considering this concept. View an overview of the activity.

Practice mobility for CPAs is the ability of a licensee to gain a practice privilege outside of his or her home jurisdiction without obtaining an additional license in another state where he or she will be serving a client or an employer.

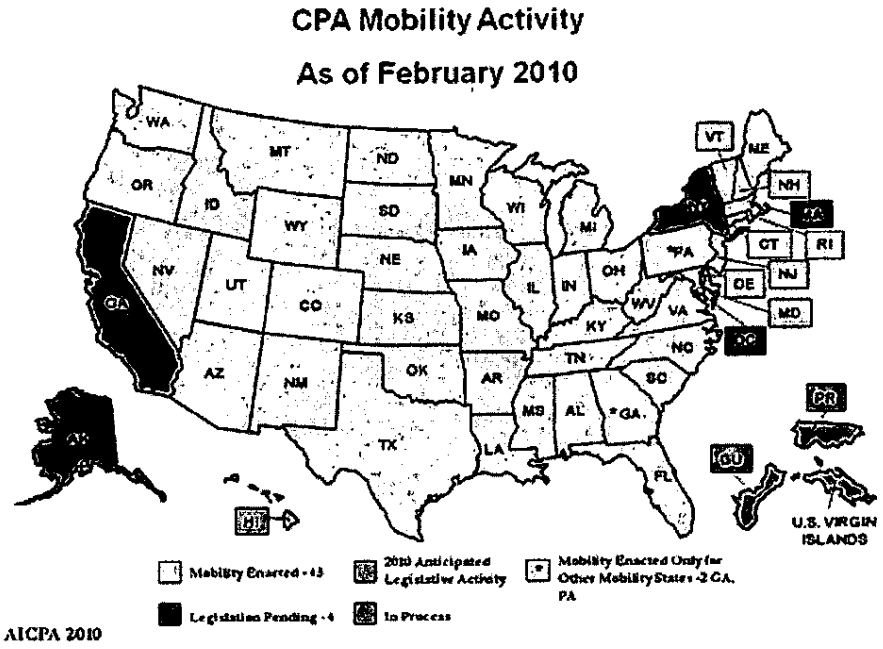
Because the electronic age makes conducting business across state borders an everyday occurrence, a *national effort* is underway to adopt a uniform system that will allow licensed CPAs the ability to provide services across state lines without being subject to unnecessary burdens that do not protect the public interest.

This uniform approach is endorsed by the AICPA and the National Association of State Boards of Accountancy (NASBA), the national organization of state boards of accountancy, through a provision in the AICPA/NASBA Uniform Accountancy Act (UAA) – Fifth Edition. The provision specifically allows for interstate practice by CPAs whose home jurisdiction or who individually meets the UAA licensure standard.

This provision provides the right balance of trust and public protection. Removing notification is being coupled with automatic jurisdiction. By removing boundaries to practice in the U.S., CPAs will be able to more readily serve individuals and businesses in need of their expertise. At the same time, the state board of accountancy's ability to discipline under the provision is enhanced and is based on the CPA and the CPA firm's performance of public accounting services, either physically, electronically or otherwise within a state, rather than restricting the board's authority to only those holding a state's license.

Prior to 2007, when this national effort was undertaken, four states had already eliminated notification and added automatic consent to enforcement (Ohio, Missouri, Virginia, and Wisconsin). In both Ohio and Virginia, states that have the longest history with this concept, there is no documented lapse in public protection.

Mobility Update
As of February 2010



Mobility Reference Materials

- For information about licensing requirements in other states, you can access the accountancy statutes and regulations directly from most states' board of accountancy Web sites. Find information about a specific state (simply locate the state on the map to link to the board of accountancy Web site in that state).
- For information about states that have enacted mobility, an additional clickable map is available to view individual state mobility implementation.

  Mobility Implementation FAQs

State Licensing Issues
For questions concerning the "Mobility Initiative" or any other legislative information please contact the following AICPA staff members:

Sheri Bango Cavaney - Vice President, Practice Mobility & State Regulatory & Legislative Affairs

Ann Pallasch - Manager, Mobility & State Regulation & Legislation

Aaron Castelo - Senior Manager, State Legislation

Suzanne Jolicoeur - Manager, State Regulatory Outreach

To ensure that you can receive email messages from the AICPA, remember to update your member profile. Also, add the AICPA's email domains ("aicpa.org" and "email.aicpa.org") to your Sender Safe List, or contact your IT administrator to update your firm's email software.

©2006-2009 The American Institute of Certified Public Accountants, ISO 9001 Certified
AICPA Privacy Policy and Copyright Information | Jobs at the AICPA | Contact Us
AICPA, 1211 Avenue of the Americas, New York, NY 10036

Trustwave
Trusted Commerce
Click to Validate

2.23.10

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 3, 2010

SUBJECT: Sectional summary of HB 315 relating to public accounting (Work Order No. 26-LS1380\A)

TO: Representative Kurt Olson
Attn: Jennifer Senette

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 08.04.020(b) of the section dealing with the appointment and qualifications of members of the Board of Public Accountancy to reflect the new out-of-state exemption category added by the bill.

Section 2. Amends AS 08.04.075 (substantial equivalency) to require the board to determine whether the education, examination, and experience qualifications of another state or an individual are substantially equivalent to the national standard or to a board-established standard. Replaces "applicant" with "individual." Directs that the order in which the education, examination, or experience requirements were attained be disregarded.

Section 3. Amends AS 08.04.100 (certificates) to add the out-of-state exemption added by the bill.

Section 4. Amends AS 08.04.200 (use of CPA title by individual) to cover individuals with licenses or practice privileges.

Section 5. Rewrites AS 08.04.240(a). Directs the board to grant a permit to engage in the practice of public accounting to a partnership if the partnership applies and meets the listed requirements.

Section 6. Rewrites AS 08.04.240(b). Directs the board to grant a permit to engage in the practice of public accounting to a corporation that is organized for the practice of public accounting, if the corporation applies and meets the listed requirements.

Section 7. Amends AS 08.04.240(c) to add an individual with a practice privilege to the individuals who may make an affidavit necessary for a permit application under the section.

Section 8. Rewrites AS 08.04.240(d). Directs the board to grant a permit to engage in the practice of public accounting to a limited liability company engaged in the state in the practice of public accounting, if the company applies and meets the listed requirements.

Section 9. Amends AS 08.04.240(g). In the subsection that indicates when the board must renew a permit or a renewal, amends the requirements for renewal to limit the office maintenance requirement to offices located in this state, to limit certain continuing education and quality review requirements to individuals required to be CPAs of this state, and to specify some of the requirements that must be complied with.

Section 10. Adds new subsections to AS 08.04.240.
Sec. 08.04.240(i) indicates, with regard to permit issuance under the section, under what conditions a partnership, limited liability company, corporation, or other legal entity may include owners who are not certified public accountants.

Sec. 08.04.240(j) directs a legal entity that does not comply with (i) after it has received or renewed a permit to take corrective action within a reasonable time. Directs the board to determine what is a "reasonable time."

Section 11. Amends AS 08.04.370 (use of CPA title by legal entity). In this section, which indicates when "certified public accountant" may be used by persons who are not individuals, substitutes "legal entity" for "organization" and covers holders of a permit or out-of-state exemption unless the supervision requirement of AS 08.04.360 is satisfied.

Section 12. Changes the cross references at the beginning of AS 08.04.380 (waiver of requirements) to reflect the rewriting of AS 08.04.240.

Section 13. Rewrites AS 08.04.420 so that it just covers practice privileges. Indicates when an individual who is licensed in another state but not licensed in this state may engage in the practice of public accounting in this state under a practice privilege. If the individual is not a sole practitioner, restricts how the individual may provide certain services. Indicates that an individual who may practice under a practice privilege is not required to provide a notice, a fee, or documentation to the board.

Section 14. Adds two new sections, sec. 08.04.421 and 08.04.422.
Sec. 08.04.421(a). Addresses out-of-state permits and exemptions. Prohibits a legal entity that does not have an office in this state, that is authorized to practice public accounting in another state, and that performs designated functions for a client whose home office is located in this state from engaging in the practice of public accounting in this state without an out-of-state permit. Describes what a legal entity must submit to the board to obtain the out-of-state permit.

Sec. 08.04.421(b). Allows a legal entity that performs designated services but not designated functions for a client whose home office is located in this state to engage in the practice of public accounting in this state under an out-of-state exemption if the legal entity meets certain requirements.

Sec. 08.04.421(c). Allows a legal entity that does not have an office in this state, that is authorized to practice public accounting in another state, and that does not perform designated functions or designated services for a client whose home office is located in this state to engage in the practice of public accounting in this state under an out-of-state exemption if the performance of the services meets certain requirements.

Sec. 08.04.421(d). Requires the board to give notice of the denial of an out-of-state permit under (a) to the applying legal entity.

Sec. 08.04.421(e). Requires the board to establish by regulation the period for which an out-of-state permit under (a) is valid, but the initial term may not exceed three years. Allows the board to renew an out-of-state permit and to set by regulation renewal terms and length.

Sec. 08.04.421(f). States that a legal entity who may operate under an out-of-state exemption is not required to provide a notice, a fee, or documentation to the board. Allows the person to practice by mail, by telephone, by electronic means, or in person.

Sec. 08.04.421(g). Defines "designated service" for the section.

Sec. 08.04.422 (conditions of practice privileges, out-of-state permits, and out-of-state exemptions). Indicates that persons with practice privileges, out-of-state permits, or out-of-state exemptions and legal entities that hire individuals with practice privileges consent to the jurisdiction and disciplinary authority of the board, agree to comply with AS 08.04, agree to stop engaging in the practice of public accounting if the license from the state of the person's principal place of business becomes invalid, and consent to the state board that issued the individual's license being the person's agent for the service of process.

Section 15. Amends AS 08.04.440 (effect of failure to obtain license or permit). Deletes practice privileges from the coverage of the section.

Section 16. Amends AS 08.04.450 (revocation, suspension, or refusal to renew). Adds out-of-state exemptions to the section. Deletes practice privileges from (1). In (3), adds a failure to take corrective action regarding ownership as a basis for board action. In (11), with regard to the reference state for discipline, changes to the state where the act was committed.

Section 17. Adds a new subsection to AS 08.04.450. Directs the board to investigate a complaint made by the accountancy regulatory body of another state.

Section 18. Makes a technical change to AS 08.04.490 (reinstatement).

Section 19. Amends AS 08.04.500(b) (individuals posing as CPAs). Clarifies that the subsection covers a sole practitioner acting as a sole practitioner in the individual's home state. Expands the subsection to cover other titles allowed under (a) of the section.

Section 20. Amends AS 08.04.505 (issuance of reports), to cover persons holding out-of-state exemptions.

Section 21. Amends AS 08.04.510 (legal entities posing as CPAs). Makes technical change to "legal entity" throughout. In (a), adds legal entities holding out-of-state exemptions to the coverage of the section. Amends (b) to cover legal entities holding permits under AS 08.04.421 or out-of-state exemptions. Expands (b) to cover other titles allowed under (a) of the section.

Section 22. Amends AS 08.04.520 (individual posing as public accountant). Removes permits (not applicable to individuals).

Section 23. Amends AS 08.04.530 (partnership, limited liability company, or corporation posing as public accountant). Adds holders of out-of-state exemptions to the coverage of the section and makes a related drafting change.

Section 24. Amends AS 08.04.540 (use of deceptive title or abbreviation). Makes a change to "legal entity" in the provision prohibiting the use of deceptive titles or abbreviations. Allows persons with licenses, permits, out-of-state exemptions, or practice privileges to hold themselves out as accountants or auditors under certain conditions.

Section 25. Clarifies that AS 08.04.560 (individual assumption of title) does not require that the individual have an office in this state.

Section 26. Amends AS 08.04.580 (partnership posing as accountants or auditors) to add a partnership that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 27. Amends AS 08.04.590 (use of title with corporate name) to add a partnership that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 28. Amends AS 08.04.595 (limited liability company use of title) to add a limited liability company that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 29. Amends AS 08.04.598 (other legal entity's use of title). Makes change to "legal entity." Adds a person who holds an out-of-state exemption to the persons who are not subject to the prohibition in the section.

Section 30. Amends AS 08.04.600 (disclosure of lack of license or permit) to add out-of-state exemption holders to the list of persons who are not subject to the prohibitions in the section.

Section 31. Amends AS 08.04.610 (deceptive use of title or designation) to make the shift to the term, "legal entity." Amends to add persons who hold out-of-state exemptions to the persons who are not subject to the section's prohibition.

Section 32. Amends AS 08.04.620 (exceptions) to add, in paragraph (1), persons holding out-of-state exemptions to the persons for whom an individual without a license or practice privilege may work under certain conditions. In paragraph (3), adds an out-of-state exemption to the list of state approvals that would allow certain persons holding certificates, licenses, or degrees from a foreign country to satisfy the requirements for indicating that their public accounting services are available to the public.

Section 33. Amends AS 08.04.662(a) (confidential communications) to cover persons who hold out-of-state exemptions.

Section 34. Amends AS 08.04.680(1) to rewrite the definition of the term, "attest function," for the chapter.

Section 35. Amends AS 08.04.680(9). Changes the cross references in the definition of "permit" to reflect changes made in the bill.

Section 36. Rewrites AS 08.04.680(12) to change the definition of "principal place of business."

Section 37. Amends AS 08.04.680(14) to change an exception from the definition of "report."

Section 38. Amends AS 08.04.680 to add definitions of "compilation service," "designated function," "home office," and "out-of-state exemption" for the chapter.

Section 39. Repeals AS 08.04.085 (regulations regarding attest functions).

Section 40. Provides transitional provisions authorizing the Board of Public Accountancy to adopt regulations to implement the bill.

Section 41. Provides transitional provisions to indicate the effect of the bill on current permittees and practice privilege holders.

Section 42. Gives sec. 40 an immediate effective date.

Section 43. Makes the bill, except sec. 40, effective January 1, 2011.

If I may be of further assistance, please advise.

TLB:ljw
10-056.ljw

HB 316

<target><bill>HB 316</bill><subject>HB 316</subject><comm>HFIN26</comm></target>

26-GH2812\R.2
Luckhaupt
3/30/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 316(JUD)

Page 8, line 3:

Delete "or a lesser included offense"

889

26-GH2812\R.3
Luckhaupt
3/30/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 316(JUD)

Page 8, line 3, following "offense;":
Insert "and"

Page 8, line 6:
Delete "and"

Page 8, lines 7 - 10:
Delete all material.

Page 9, lines 1 - 4:
Delete all material.

Renumber the following paragraphs accordingly.

Page 9, lines 21 - 22:
Delete "(A) is not inconsistent with a defense presented at trial; and
(B)"

890

AMENDMENT #3

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 316(JUD)

Page 9, line 30, following "innocent;":

Insert "and"

Page 10, lines 2 - 3:

Delete "; and

(12) the application is timely as described in AS 12.73.040"

Page 10, lines 12 - 19:

Delete all material.

Page 16, lines 24 - 26:

Delete all material.

26-GH2812\R.5
Luckhaupt
3/30/10

AMENDMENT #4

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 316(JUD)

Page 11, line 6, following "expense":

Insert "except that the court may waive some or all of these expenses based on the applicant's ability to pay"

892

Conceptual **AMENDMENT #5**

OFFERED IN THE HOUSE

By Gara
By Request

TO: HB 316

Page 9, line 14:

Delete "best"

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 316
(H) Publish Date: 1/27/10

Identifier (file name): 0812-DOA-OPA-12-15-09
Dept. Affected: DOA
Title: An Act relating to post-conviction DNA testing . . .
RDU: Legal and Advocacy Services
Component: Office of Public Advocacy
Sponsor
Requester: Governor
Component Number: 43

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would create a procedure for DNA testing in post-conviction cases where a defendant was convicted of a crime under AS 11.41. The bill also creates a procedure for preserving and destroying physical evidence as well as a task force for standards for preservation of evidence. Because OPA handles all of the conflicts of interest from the Public Defender Agency, including any claims by clients that they received ineffective assistance of counsel from their PDA trial attorney, the agency receives a substantial portion of the post-conviction relief assignments. It is possible that cases filed under this new procedure could increase the attorney and support staff workload. Additionally, the agency must rely upon private contractors to handle a portion of these cases when the agency staff has a conflict of interest. The agency does not predict a significant fiscal impact as a resut of this statute and therefore submits a zero fiscal note.

Prepared by: Rachel Levitt, Director
Phone 907-269-3504
Division: Office of Public Advocacy
Date/Time 12/23/2009, 4:00 PM
Approved by: Rachael Petro, Deputy Commissioner
Date 12/23/2009
Department of Administration

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 316
(H) Publish Date: 1/27/10

Identifier (file name): 0812-DOA-PDA-12-15-09
Dept. Affected: Administration
Title: An Act relating to post-conviction DNA testing.....
RDU: Legal and Advocacy Services
Component: Public Defender Agency
Sponsor
Requester: Governor
Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Contractual	0.0		0.0	0.0	0.0	0.0	0.0
Supplies	0.0		0.0	0.0	0.0	0.0	0.0
Equipment	0.0		0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0		0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See attached page

Prepared by: Quinlan Steiner, Director — Phone 907 334-4414
Division: Public Defender Agency — Date/Time 12/23/2009, 4:00 PM
Approved by: Rachael Petro, Deputy Commissioner — Date 12/23/2009
Department of Administration

(Revised 10/13/2009 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 316

ANALYSIS CONTINUATION

This bill creates procedures for obtaining post-conviction DNA testing, for preserving physical evidence, for destroying physical evidence, and creates a task force on standards for preservation of evidence.

It is expected that the Agency will receive new post-conviction appointments. The Innocence Project has recieved approximately 130 requests for assistance from convicted defendants asserting claims of innocence over the past 4 years. Additionally, the bill requires all petitioners whose convictions were entered before a certain date to file a petition by July 1, 2013. This is expected to increase the number of applications within the first three years of the bill.

The new appointments could increase costs due to attorney review and paralegal resources that must be applied to process the cases. It is difficult to predict how many cases or the level of review that will be required, but the Agency does not predict a significnat increase and therefore submits a zero fiscal note.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 316
(H) Publish Date: 1/27/10

Identifier (file name): JU2009200812
Dept. Affected: DOC
Title "Act relating to post-conviction DNA testing; preservation of evidence, DNA identification registration system to post-conviction ..."
RDU Adminstration & Support
Component Office of the Commissioner
Sponsor Rules Committee
Requester Governor
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation relates to post-conviction deoxyribonucleic acid (DNA) testing, preservation of certain evidence, and to the DNA identification registrations system to post-conviction relief procedures.

Passage of this legislation should have no fiscal impact on the Department of Corrections current DNA testing process.

Prepared by: Leslie Houston, Director
Phone (907) 465-3339
Division Administration and Support
Date/Time 1/4/2010 0730 AM
Approved by: Dwayne Peeples, Deputy Commissioner
Date 1/4/2010
Department of Corrections

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: HB 316
(H) Publish Date: 1/27/10

Identifier (file name): 0812-DPS-SCDL-12-30-09
Title "An Act relating to post-conviction DNA testing
Sponsor Rules Committee
Requester Governor

Dept. Affected: Public Safety
RDU Statewide Support
Component Scientific Crime Detection Laboratory
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This proposed legislation would require post-conviction DNA testing for those who meet the legal requirements, allow for the preservation of certain evidence for possible future forensic testing, and requests amendments to the DNA identification registration system statute, 44.41.035, all of which would directly affect the State Crime Laboratory. The bill also contains proposals that would not affect the Crime Lab.

The State Crime Lab has hired and trained three new Forensic Technicians in the past year. With this addition in personnel the Evidence Section has been able to implement new procedures that have significantly reduced evidence turnaround time. Intensive inventory and focus on the creation of valuable space has brought that Section (cont.)

Prepared by: Orin Dym
Division Scientific Crime Detection Laboratory
Phone (907) 269-5743
Date/Time 12/31/09 8:10 AM

Approved by: Joe Masters, Commissioner
Department of Public Safety
Date 12/31/2009

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 316

ANALYSIS CONTINUATION

forward in anticipation of a possible increase in evidence retention and submissions for analysis due to proposed legislation. These actions are believed to be sufficient to handle the increase in submissions should this proposed legislation become law and is believed to be able to carry the laboratory forward approximately 2-4 years before fiscal impact would become likely.

Because it is not understood just how much of an increase in evidence submissions for analysis and for retention the laboratory will ultimately see, it may be that a revised fiscal note will become necessary in the future; however, at this time the Department does not foresee a fiscal impact beyond its current needs.

The Section (s) revision to 44.41.035 speaks to the authority of the Department of Public Safety to obtain a subsequent DNA sample should the original sample not provide a profile adequate for database entry. Although the frequency of samples failing to provide sufficient information is relatively small, this is a critical concern and this addition to the statute would provide resolution. Because the number of subsequent sample requests is determined to be low, the laboratory does not anticipate fiscal impact resulting from passage of this amendment.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: HB 316
(H) Publish Date: 1/27/10

Identifier (file name): 0812-Law-Crim-12-31-09
Dept. Affected: Law
Title: An Act relating to post-conviction DNA
RDU: Administration and Support
Component: Office of the Attorney General
Sponsor: Rules Committee
Requester: Governor
Component Number: 2162

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	4.0		2.0				
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**4.0**	**0.0**	**2.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	4.0		2.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**4.0**	**0.0**	**2.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill relates to post-conviction DNA testing, preservation of certain evidence, and to the DNA identification system to post-conviction relief procedures.

Anticipated costs to the Department include:
Costs associated with one day quarterly meetings. The travel costs assumes that two of the positions will be reimbursed for their travel costs at approximately $1,000 per meeting.

The fiscal note anticipates the report to be delivered electronically to the governor and legislature.

Prepared by: Eileen Donahue, Division Operations Manager
Phone (907)465-5427
Division: Administrative Services Division
Date/Time 12/31/09 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 12/31/2009

(Revised 10/13/2009 OMB)

900

HOUSE FINANCE COMMITTEE

HB 316 – POST-CONVICTION DNA TESTING; EVIDENCE

SIGN-IN

NAME: Quinlan Steiner

Dept./Company: Public Defender Agency Title: Director

Email: _____ Phone: _____

Do you wish to testify? X Yes ___No X Respond To Questions

NAME: Orin Dym

Dept./Company: State, DPS - Crime Lab Title: Forensic Lab. Manager

Email: orin.dym@alaska.gov Phone: 907-269-5743

Do you wish to testify? ___Yes ___No X Respond To Questions

NAME: _____

Dept./Company: _____ Title: _____

Email: _____ Phone: _____

Do you wish to testify? ___Yes ___No ___Respond To Questions

NAME: _____

Dept./Company: _____ Title: _____

Email: _____ Phone: _____

Do you wish to testify? ___Yes ___No ___Respond To Questions

NAME: _____

Dept./Company: _____ Title: _____

Email: _____ Phone: _____

Do you wish to testify? ___Yes ___No ___Respond To Questions

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Physical: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

CS FOR HOUSE BILL 316(JUD)
EVIDENCE RETENTION AND
POST-CONVICTION DNA TESTING
Sectional Analysis

Sections 1 and 2 are conforming amendments to clarify that the evidence retention provisions in the bill take precedence over the provisions of AS 12.36.010 – 12.36.090 that address disposition of evidence in various circumstances, including disposal of unclaimed property.

Section 3 proposes a new statute in AS 12.36, Preservation of Evidence, that would require municipal police departments, the Department of Public Safety, the Department of Law, and the Alaska Court System to preserve both physical evidence and biological evidence for the periods described below. The highlights include:

- The retention requirements apply to an investigation and prosecution of homicide (murder, manslaughter, and criminally negligent homicide), sexual assault in the first degree, and sexual abuse in the first degree.

  Because this is a new (and unfunded) duty imposed on municipal agencies in addition to state agencies, the bill was drafted to apply to a limited number of offenses; the offenses are the most likely to include evidence with DNA as part of the investigation and prosecution.

- Requires evidence (not including biological material) to be retained until the expiration of the prosecution, including the time for completing an appeal (including time for applying for review to the United States Supreme Court) or the litigation of any post-conviction relief application.

  The bill allows agencies to preserve samples of evidence if the item itself is impractical or hazardous to preserve. It recognizes that municipal police agencies will have varying storage capacity; that is, a rural agency may have a smaller storage ability that a larger municipality. The bill requires each agency to adopt written policies addressing removal and preservation of samples.

- Requires biological material to be retained by an agency until the defendant is unconditionally discharged for the crime (including any period of probation or parole), the period the person is required to register as a sex offender, or until the period for retention of physical evidence have expired, whichever is longer.

  Biological material is defined to include the contents of a sexual assault examination kit, all human bodily material collected in the investigation, slides, swabs, or test tubes containing human bodily material, and swabs or cuttings from other evidence that contain human bodily material.

- The bill adopts a procedure for an agency, after notice to the parties and their attorneys, to dispose of or return evidence or biological material if no party objects to the disposal or return of the evidence or biological material. If there is an objection, it allows the agency to request the court to allow the disposal or return of evidence or biological material.

- The remedy for an agency's failure to preserve evidence and biological material is left to the court. However, a court may not reverse or otherwise vacate a conviction based solely on a good faith violation of the new law.

- The bill prohibits a person from bringing a civil action against an agency for a good faith failure to abide by the new requirements.

Section 4 requires that a person who seeks post-conviction DNA testing to support a claim of innocence to bring the application for testing under AS 12.73, proposed in the bill.

Section 5 clarifies practice in the area of post-conviction relief by putting in statute the common law rule that requires an applicant to plead a prima facie case for post-conviction relief, and the court make a finding that a prima facie case has been pled before the state responds. Then the parties may pursue discovery on the matter. *State v. Jones*, 759 P.2d 558, 565-566.

Section 6 adopts procedures for post-conviction DNA testing. These include the following:

- **Sec. 12.73.010** sets out the information that must be included in an application for post-conviction DNA testing. The applicant must file

  - An affidavit by the applicant that states

- that the applicant did not commit the crime for which he was convicted or any lesser included offense;
- that the applicant did not solicit another person to commit, or aid or abet another person in planning or committing, the offense or any lesser included offense;
- that the applicant did not admit or concede guilt for the offense in any official proceeding; the entry of a plea of guilty or nolo contendere is not considered an admission or concession of guilt for purposes of this requirement;

- An affidavit by the applicant or the applicant's lawyer stating the results of each DNA test already performed on evidence in the prosecution of the defendant;
- An affidavit by the applicant or the applicant's lawyer describing previous efforts to obtain DNA testing;
- An affidavit by the applicant's trial lawyer stating the reason the DNA testing was not requested at the trial level, or an affidavit stating the efforts taken to obtain this affidavit.

- **Sec. 12.73.020** provides the standards for when a court may order post-conviction DNA testing. These include:
  - The applicant was convicted of a felony against a person (AS 11.41);
  - Completion of the affidavits required by AS 12.73.010 have been submitted;
  - The applicant has not admitted or conceded guilt in an official proceeding; again entry of a plea of guilty or nolo contendere is not considered an admission or concession for this sectional;
  - The evidence was obtained as part of an investigation of the crime;
  - Either
    - The evidence has not been tested;

- The evidence has been previously tested, the applicant is requesting a more probative test; or
- The court determines that granting the application is in the best interest of justice;

- The evidence has been retained under conditions that ensure that it has not changed in a way that would undermine the accuracy of the test;
- The applicant proposes a defense theory not inconsistent with the defense at trial, and that would establish innocence;
- If the defendant was convicted at trial, the identity of the perpetrator was an issue;
- There is a reasonable probability that the testing requested will produce new evidence that would support the new defense theory and could establish innocence;
- The applicant consents to give a DNA sample and to have that sample entered into the DNA identification registration system; and
- The application is timely.

- **Sec. 12.73.030** allows for summary dismissal by the court if the application does not include the information required. If the application is not summarily dismissed the prosecuting authority has 45 days to file a response.
- **Sec. 12.73.040** adopts presumptions regarding timeliness. There is a presumption that filing an application within three years after conviction is timely; this may be rebutted if the application is repetitive. There is a presumption that an application filed later is untimely; this may be rebutted for any good cause.
- **Sec. 12.73.050** adopts procedures for collecting DNA samples. It also provides that the testing must be performed at a laboratory operated by the state or approved by the state. The cost of testing will be paid for by the state; if the applicant requests additional testing, the applicant must pay for it, and it must be performed at an accredited laboratory or one approved by the Department of Public Safety.

- **Sec. 12.73.060** clarifies that the prosecution and an applicant may stipulate to DNA testing without following the procedures in the bill.

- **Sec. 12.73.070** includes definitions for the new chapter.

Section 7 provides that an indigent applicant is entitled to representation by the Public Defender Agency in bringing an application for post-conviction DNA testing.

Sections 8 – 12 make clarifying amendments to the DNA identification registration system statutes. The bill clarifies that a minor must be 16 years of age or older at the time of offense for the minor's DNA to be entered into the database. It also requires that the Department of Public Safety remove a DNA sample entered into the database if the individual was found not guilty for the offense that was the basis of the DNA entry. The bill also makes several draft changes to improve the readability of the law.

Section 13 provides that a DNA sample from the registration system may be used in a criminal investigation if it was mistakenly in the system, if the error was made in good faith. Section 13 also clarifies that if a sample does not include sufficient material to obtain an accurate identification, another sample may be taken.

Section 14 notes the effect the bill has on Rule 35.1, Alaska Rules of Criminal Procedure.

Section 15 creates a task force to consider and recommend standards for preservation of evidence. The task force would consist of the attorney general, the commissioner of public safety, a chief of police from a community not on the state's road system, a chief of police from a municipal department, the state medical examiner, representatives from the crime laboratory and the court system, the victims' advocate, the public defender, a member of the Alaska senate, a member of the Alaska house of representatives; a representative of the office of public advocacy, and a representative of the Alaska Native Justice Center.

The task force's work would be to recommend standards for collection, storage, organization, cataloging, disposal, return to owners, and retrieval of evidence; identify sources of financial help for implementing the standards; and recommend minimum qualification and training of persons responsible for storing evidence. After completing its work, the task force will report its recommendations to the legislature.

Sections 16 – 19 include applicability and effective date provisions.

Helen Phillips

From: Rep. Bill Stoltze
Sent: Wednesday, March 24, 2010 6:19 PM
To: House Finance Legislation
Subject: FW: HB 316
Attachments: FINANCECOMMITTEELETTER.doc

Please add to the packet. Thanks

From: info@alaskainnocence.org [mailto:info@alaskainnocence.org]
Sent: Wednesday, March 24, 2010 5:18 PM
To: Rep. Bill Stoltze
Cc: Rep. Mike Hawker; Rep. Alan Austerman; Rep. Anna Fairclough; Rep. Reggie Joule; Rep. Mike Kelly; Rep. Mike Doogan; Rep. Neal Foster; Rep. Les Gara; Rep. Woodie Salmon; Rep. Bill Thomas
Subject: HB 316

Dear Representative Stoltze and Members of the House Finance Committee:

My name is Bill Oberly and I am the Executive Director of the Alaska Innocence Project. I will be providing oral testimony on HB 316 at the hearing tomorrow, March 25, 2010. However, in an attempt to keep that testimony short and concise, I have attached a more complete written testimony to this e-mail.

The Alaska Innocence Project is very interested in passage of fair and workable post-conviction DNA testing bill. I believe our proposed amendments to the current version of HB 316 will go a long way to insuring that is done.

Thank you for the opportunity to present this to you.

Bill Oberly
Executive Director
Alaska Innocence Project
907-279-0454
info@alaskainnocence.org

ALASKA INNOCENCE PROJECT

WRITTEN TESTIMONY IN SUPPORT OF ORAL TESTIMONY OF
WILLIAM B. OBERLY, EXECUTIVE DIRECTOR
ALASKA INNOCENCE PROJECT
BEFORE THE ALASKA HOUSE FINANCE COMMITTEE
HB 316 – AN ACT RELATING TO POST-CONVICTION DNA TESTING
MARCH 25, 2010

Thank you to the House Finance Committee for giving me the opportunity to give oral testimony and to submit this written document in support of those comments on HB 316.

Access to post-conviction DNA testing is among the most important issues for the Alaska Innocence Project. We thank Governor Parnell for recognizing the importance of this issue by proposing a bill dealing with this subject. However, the Alaska Innocence Project cannot support HB 316 as it is currently written. The effect of HB 316 as currently written is to drastically limit access to DNA testing in Alaska. A number of modifications will need to be made before this bill is in line with the current approach to DNA testing accepted in the rest of the country.

In this letter I will try and describe the specific areas of HB 316 which serve to deny DNA testing to individuals with innocence claims in the state of Alaska. I will discuss the sections of the bill in the order of significance and impact on innocence claims. If these sections are removed from the bill, HB 316 will then provide a procedure for wrongfully convicted Alaskans to obtain post-conviction DNA testing to establish their innocence.

The first area of concern is the prohibitions on testing contained in this bill. The combined effect of these prohibitions is to deny virtually every person currently in prison who would seek DNA testing. This approach flies directly in the face of current thinking, which was described by Senator Patrick Leahy when he sponsored the federal Innocence Protection Act. "The criminal justice system should err on the side of permitting testing, in light of the low cost of DNA testing and the high cost of keeping the wrong person locked up."

The most serious prohibition on testing in HB 316 is contained on page 10, lines 11 through 23 of the bill in Sec. 12.73.040, entitled Timeliness. This section establishes a presumption of untimeliness if an application for post-conviction testing is not filed within three years. This restriction will prohibit most, if not all, innocent individuals who are currently incarcerated from obtaining the testing necessary to establish their innocence. This section would make post-conviction DNA testing claims in Alaska much more limited then under the current process of

P.O. BOX 201656 • ANCHORAGE, ALASKA • 99520-1656
EMAIL: INFO@ALASKAINNOCENCE.ORG
WEB: WWW.ALASKAINNOCENCE.ORG
(907) 279-0454

post-conviction claims based on newly discovered evidence. Time limitations ignore the fact that without proper preservation standards and requirements, as well as state of the art identification methods, exculpatory DNA evidence may only be located after years have elapsed. It should be remembered that, unlike other forms of evidence, DNA evidence is not less reliable as time goes by, one of the main reasons for limiting the time within which to bring new evidence motions based on other evidence. Establishing that an incarcerated individual is actually innocent of the crime for which they have been convicted should not be limited by arbitrary time limits.

Page 9 section (5) at lines 2 through13. This section prohibits an individual from seeking testing if evidence was not subjected to DNA testing at the trial level or a more probative method of DNA testing was not used, and the applicant waived the testing or the applicant's lawyer did not test for tactical reasons. This section denies the reality of the real world that bad lawyering is one of the most common causes of wrongful convictions. Since we are dealing with claims of actual innocence, it would be improper to deny an individual the opportunity to perform the most accurate tests on evidence to establish innocence because a trial lawyer made a bad decision, or couldn't afford a test. The problem is compounded in this bill by allowing the trial lawyer to cover the bad decision by requiring an affidavit from the trial lawyer explaining their actions. It is presumed under this bill that if a lawyer chooses to spend the limited resources available in a defense case on other then DNA testing, this decision will preclude post-conviction testing to establish that an individual is innocent. In our system of justice, innocence should not be able to be waived.

Page 8 subsection (C) at lines 5 through 7 and section (3) at lines 29 through 30. These sections make post-conviction DNA testing unavailable to anyone who admits or concedes guilt in any official proceeding or whose statement of guilt was the basis of the conviction. This section, again, denies hard facts we have learned from the 249 DNA exonerations nationwide, that 25% of those exonerations have involved an innocent individual who admitted their guilt or pled guilty to the crime. While the State has amended its original version of HB 316 to exclude those people who pled guilty or no contest to a charge, the bill continues to prevent any individual who has made an admission under oath at any point in a case from obtaining DNA testing. This category of wrongfully convicted individuals is largely represented by the most vulnerable in society; young people, people with mental disabilities, those most susceptible to suggestion. Rather then protecting the vulnerable in our society, this bill aims to take advantage of them. Form is clearly more important then justice when a law takes advantage of our most vulnerable citizens.

Page 9 section (10) at lines 24 through 29. This section of the bill calls for the court considering a post-conviction DNA testing request to guess at the outcome of the requested testing based on the court's view of other evidence. Other states and the federal government, when establishing a standard for the court to apply to the requested evidence, reasonably assume a favorable result of the testing for the petitioner, and then have the court decide if that would establish a reasonable probability that the petitioner would not have been convicted. This long established standard does not require a judge to try and guess what the result of the requested DNA testing might be. Rather, it reasonably asks a court to decide whether a favorable test result would be significant in the outcome of the case.

Page 3 section (d), lines 29 through 31. Also page 11, lines 17 through 18. This term of the bill calls for the person requesting evidence be tested pay for its retrieval. This is a concept totally unique to the Alaska post-conviction DNA testing process. Not one statute passed by any other state or the federal government imagines such a requirement. An irony in including this section where it is in the bill is that it follows a section which requires an agency holding preserved evidence to produce an inventory of that evidence. It must be presumed that the agency will actually confirm they have each of the items on the inventory before providing it. Under this bill, after physically confirming they have each piece of evidence, the holding agency will then get to turn around and charge for going back again and collecting it. A more reasonable approach would envision the agency putting the evidence in a convenient place at the time of preparing the inventory, thus performing their work more efficiently, while doing away with the need to charge to collect evidence. A serious impact of this section will be that some individuals will be precluded from obtaining the evidence due to an inability to pay this tax on their right to DNA testing. The section is particularly offensive since evidence does not belong to one side or the other, but rather to the people. Charging a person claiming innocence to collect the evidence is inconsistent with this concept.

Page 2 lines 25 through 31 through page 3 lines 1 through 6. This section sets deadlines for destruction of evidence obtained during the investigation of a case rather then allows the Task Force which is established at the end of the bill to study the issue and make recommendations. SB110 also established a task force with a wide ranging mandate to study evidence preservation issues, including the issue of proper retention. Reasonably, one of the issues that task force was to report back on was destruction deadlines. HB316 also establishes a task force but, without any study, also creates time limits for destruction. This does not seem to be making the best use of the task force created.

As an example of why more study might be necessary, this section also seems to allow for destruction of evidence if a challenge to the conviction is filed in federal district court. The section defining "direct review" mentions only judgment on appeal, petition for hearing and review by the United States Supreme Court. A task force studying this issue and making recommendations would most likely recommend evidence be retained during the pendency of a habeas action filed in federal district court.

The concerns listed above set out serious shortfalls in the contents of HB 316. If these sections are allowed to remain in the bill, unchanged, not only would post-conviction DNA testing be more difficult for the wrongfully convicted in Alaska to obtain then it currently is, it would be more difficult then anywhere else in the country. I urge the committee to correct these problems by removing the language of HB 316 set out above before the bill is passed out of committee. If the sections I have identified are removed from HB 316, the bill will then actually provide innocent individuals with a procedure to obtain post-conviction DNA testing of potentially exculpatory evidence. Alaska will have a bill that works.

Thank you for allowing me to address this very important legislation. If the committee has any questions on any matters arising from HB 316 which I might help answer, please don't hesitate to contact me.

William B. Oberly
Executive Director
Alaska Innocence Project

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

January 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that adopts procedures for post-conviction deoxyribonucleic acid (DNA) testing and evidence retention.

This bill will adopt standards for evidence retention and disposal. As well as procedures for post conviction DNA testing and address changes in the DNA identification registration system.

The United States Supreme Court recently upheld Alaska's post-conviction procedures against a challenge based on due process of the law. In the District Attorney's Office for the *Third Judicial District v. Osborne,* 129 S. Ct. 2308 (2009), the court found Alaska's post-conviction relief statutes and procedures to be constitutional. While our current law is legally satisfactory, provide statutory guidance for granting post-conviction DNA testing will allow policy makers to adopt the most reasonable balance for ensuring that a person is not mistakenly convicted, and at the same time will protect the vast majority of convictions that are correct.

A person who has been convicted of a crime, and whose conviction has been upheld on appeal, has already had adequate opportunity to argue legal issues arising at trial and on appeal. The post-conviction DNA testing procedure should be limited to cases where the person reasonably claims that the wrong person was convicted. The bill provides for post-conviction DNA testing when there is a reasonable probability that the testing would produce evidence that could conclusively establish that the applicant is innocent.

The bill addresses retention of physical evidence and biological material in homicide, sexual assault, and abuse cases, and provides standards that may vary according to the community and the law enforcement resources of that community. A small community may be unable to retain large items of evidence in a criminal prosecution, but it can preserve samples of the evidence for use in future DNA testing or other post-conviction procedures. A larger community may have more space for evidence retention, and would be able to keep more of the original evidence rather than cutting representative samples of it. The bill also includes a procedure in which a law enforcement agency,

after giving notice to all parties, may dispose of physical evidence and biological material if there is no objection to the disposition.

In addition to keeping evidence so that it may be used at a later date, law enforcement and other agencies, such as courts and prosecution offices, must safeguard it so that it is useful for possible future testing. The bill authorizes the establishment of a task force to include law enforcement, prosecutors, the court system, a representative from the crime laboratory, and the medical examiner to develop policies and procedures for maintaining evidence in a way that will protect and safeguard against tampering or degradation. Standards for evidence collection and retention will be established as well.

Although the Alaska post-conviction law has been upheld by the United States Supreme Court, standards for evidence retention and a procedure for post-conviction DNA testing will strengthen the current law and provide one more protection in our justice system.

I urge your prompt and favorable consideration of this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

Helen Phillips

From: Ben Mulligan
Sent: Friday, April 02, 2010 3:35 PM
To: House Finance Legislation
Subject: FW: Austerman/HB316-Q's re:"System"

Would you please add this to the members folder for HB 316?

Thank you.

-----Original Message-----
From: Stancliff, Sue M (DPS) [mailto:sue.stancliff@alaska.gov]
Sent: Wednesday, March 31, 2010 1:09 PM
To: Cliff Stone
Subject: Austerman/HB316-Q's re:"System"

On page 13, lines 5-14 of the CS it states; "may request the Department of Public Safety to destroy the material in the system regarding the person or minor under the provisions described in (i) of this section."

The questions are these:

1. What is meant by the term "system?"

The system refers to the CODIS (Combined DNA Index System)database and the LIMS (Laboratory Information Management System) used by the laboratory. The CODIS database contains the actual DNA profile, identified by a unique numeric identifier. The LIMS contains the personal information assigned to the unique numeric identifier (i.e. name, DOB, APSIN #, place of birth, race and gender). When a sample is "expunged" the DNA profile is deleted from CODIS, the record in LIMS is secured (name and APSIN removed) and the sample (blood or buccal) is destroyed.

2. Is it exclusively APSIN or are there other elements of the system?

The DNA Identification Registration System and the Laboratory Information Management System are separate from the APSIN database.

3. Who has access to the system?

Access to the CODIS database is restricted to DNA personnel who have completed training and received clearance from the FBI. Access to the LIMS is restricted to laboratory personnel.

4. What protocols are in place to ensure that outdated info is purged completely from the system?

The laboratory has a procedure that is followed to expunge records from

CODIS and LIMS (in accordance with state statute and federal law). A checklist is maintained (by the CODIS Administrator) for each expunged sample. When a record is purged as the result of a court ordered expungement, a letter indicating compliance is sent to the originator of the request.

HB

317

<target><bill>HB 317</bill><subject>HB 317</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

CSHB 317(EDC)

Forward Funding of Education and Increasing Funding for Vocational Education

Sponsor Statement

HB 317 forward funds education by setting in statute a $125 increase in the Base Student Allocation (BSA) for the next two years. The bill also increases block funding to School Districts by 1.5% for the next two fiscal years and extends Consumer Price Index (CPI) adjustments to the formula for funding pupil transportation.

In 2008 the legislature instituted recommendations of the Joint Legislative Education Funding Task Force which included a three year increase in the BSA of $100 each year. HB 317 extends this concept for an additional two years by setting in statute an increase in the BSA of $125 for FY2012 and FY2013. The increase in block grant funding will bring the special education, gifted and talented, vocational education and bilingual education block grants from 20% of BSA (current) to 21.5% for FY2012 and 23% for FY2013. HB317 also extends the Anchorage CPI adjustment to pupil transportation established in 2008 by the Education Funding Task Force and amends it from "changes" to "increases" to guard against any potential decrease in the CPI. The total increase in state funding to school districts for the next two fiscal years is less than $60 million, which is consistent with the past three years of increases in education funding.

Letting School Districts know the amount of their funding in advance allows them to plan their budgets and avoids the destructive teacher layoff/re-hire cycle that has happened in the past. The intent of the increase to block funding is to allow school districts to direct more funds to career technical or vocational education. A letter of intent reflecting this sentiment accompanies the bill. Alaska needs to prepare and engage our students who are interested in skilled labor for the developing needs of our state.

HB 317 confirms to Alaskans, educators and parents the legislature's commitment to fund education by forward funding education for the next three years. It also recognizes the responsibility of the State and school districts to develop vocational education resources in Alaska's schools.

Staff Contact, Katie Koester (907)-465-2028
CSHB 317 (EDC)/S
2/15/2010

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

Summary of changes between CSHB 317(EDC)v.S and HB 317v.E

There are two changes between HB 317v.E and the Education Committee Substitute before the House Finance Committee, CSHB 317(EDC)v.S

1. The original bill (HB 317v.E) forward funds education for three years by applying a $125 annual increase to the Base Student Allocation (BSA) until FY2013. The House Education Committee eliminated the third year, shortening the BSA increases to apply on to FY2011 and FY2012 (CSHB 317(EDC)v.S).

2. The original bill (HB 317v.E) increases block funding for special education, gifted and talented education, vocational education and bilingual education services by 1.5% in FY2011. The committee substitute extends this increase an additional fiscal year for a total 3% increase by FY2012 (CSHB 317(EDC)v.S).

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

Letter of intent: HB 317

Introduced By: SEATON

Date: February 10, 2010

It is the intent of the legislature that the increases in block funding for education in AS.14.17.420(a)(1) as amended by HB 317 are meant to enhance a district's ability to offer career technical/vocational education as an addition to other funds that a district applies to career technical/vocational education. The increase is not to be interpreted as the *only* funds a district can designate for career technical/vocational education.

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/14/10

The FINANCE Committee considered: **HOUSE BILL NO. 317**

"An Act increasing the special needs funding and base student allocation for public schools, and extending the adjustment for student transportation funding; and providing for an effective date."
HB 317-EDUC. FUNDING: BASIC/SPEC NEEDS/TRANSPORT

Recommends it be replaced with [ ] HCS *or* [X] CS for HB 317 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
EED	1	✓		
EED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
	Doogan			✓	
	FOSTER			✓	
Anna Fairclough	FAIRCLOUGH	✓			
	Gara				✓
	AUSTERMAN			X	
	KELLY			✓	
	Salmon	X			
Chair:	Stoltze	X			
Chair:	Hawker	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-AMYA-2-5-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component AK Challenge Youth Academy
Component Number 2837

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	187.7	187.7	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**187.7**	**187.7**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	187.7	187.7	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**187.7**	**187.7**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the Alaska Challenge Youth Academy:
FY2012 BSA increase of $125 to $5,805.
FY2013 BSA increases of $125 to $5,930.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

ALASKA MILITARY YOUTH ACADEMY

FY2011 Projection

189 x $5680 x 7 =	7,514,640
297 x $5680 x 60% =	1,012,176
less $2,700,000	(2,700,000)
TOTAL $	**5,826,816**

FY12 Projection

189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY12 Change over FY11	**$**	**187,650**

NOTES:

HB317 increases BSA from $5680 to $5805 in FY12

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

ALASKA MILITARY YOUTH ACADEMY

FY2012 Projection	
189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY13 Projection	
189 x $5930 x 7 =	7,845,390
297 x $5930 x 60% =	1,056,726
less $2,700,000	(2,700,000)
TOTAL $	**6,202,116**

FY12 Change over FY11	**$**	**187,650**

NOTES:

HB317 increases BSA from $5805 to $5930 in FY13

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 2
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-ESS-2-8-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component Foundation Program
Component Number 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the foundation formula:
FY2012 special needs funding factor of 1.20 to 1.215; BSA increase of $125 to $5,805.
FY2013 speical needs funding factor of 1.215 to 1.230; BSA increases of $125 to $5,930.

In addition the Pupil Transportation language has been altered to use only increases to the CPI-U for all urban consumers for the Anchorage metropolitan area rather than changes. If there is a reduction in the CPI-U then the pupil transportation grants will be unaffected.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

School Districts	FY2012 - SPED add on from 1.20 to 1.215	BSA Increased by $125 to $5805	Total Increase
ALASKA GATEWAY	78,434	149,842	**228,276**
ALEUTIAN REGION	17,942	33,549	**51,491**
ALEUTIANS EAST BOROUGH	81,965	147,355	**229,320**
ANCHORAGE	4,536,807	9,333,439	**13,870,246**
ANNETTE ISLAND	45,283	85,420	**130,703**
BERING STRAIT	443,434	814,281	**1,257,715**
BRISTOL BAY BOROUGH	32,467	60,961	**93,428**
CHATHAM	37,024	71,302	**108,326**
CHUGACH	10,205	29,832	**40,037**
COPPER RIVER	86,181	167,151	**253,332**
CORDOVA CITY	53,372	102,944	**156,316**
CRAIG CITY	45,626	127,419	**173,045**
DELTA/GREELY	112,895	233,650	**346,545**
DENALI BOROUGH	45,910	104,881	**150,791**
DILLINGHAM CITY	72,567	137,263	**209,830**
FAIRBANKS NORTH STAR BOROUGH	1,486,828	3,258,327	**4,745,155**
GALENA CITY	45,283	420,530	**465,813**
HAINES BOROUGH	43,575	91,794	**135,369**
HOONAH CITY	22,499	44,843	**67,342**
HYDABURG CITY	13,498	25,605	**39,103**
IDITAROD AREA	59,921	116,523	**176,444**
JUNEAU BOROUGH	538,955	1,149,286	**1,688,241**
KAKE CITY	16,975	35,082	**52,057**
KASHUNAMIUT	60,605	114,175	**174,780**
KENAI PENINSULA BOROUGH	1,017,761	2,048,173	**3,065,934**
KETCHIKAN GATEWAY BOROUGH	263,270	510,320	**773,590**
KLAWOCK CITY	23,125	46,023	**69,148**
KODIAK ISLAND BOROUGH	334,184	645,286	**979,470**
KUSPUK	93,984	170,306	**264,290**
LAKE AND PENINSULA BOROUGH	122,579	222,763	**345,342**
LOWER KUSKOKWIM	829,736	1,565,831	**2,395,567**
LOWER YUKON	457,047	836,830	**1,293,877**
MATANUSKA-SUSITNA BOROUGH	1,596,132	3,438,192	**5,034,324**
NENANA CITY	35,998	145,235	**181,233**
NOME CITY	112,041	209,939	**321,980**
NORTH SLOPE BOROUGH	332,532	605,738	**938,270**
NORTHWEST ARCTIC BOROUGH	409,713	767,229	**1,176,942**
PELICAN CITY	2,979	5,254	**8,233**
PETERSBURG CITY	75,699	154,032	**229,731**
PRIBILOF	24,664	43,904	**68,568**
SAINT MARY'S	37,708	71,875	**109,583**
SITKA BOROUGH	157,722	335,881	**493,603**
SKAGWAY CITY	14,126	28,318	**42,444**
SOUTHEAST ISLAND	52,174	98,173	**150,347**
SOUTHWEST REGION	154,019	288,323	**442,342**
TANANA	12,701	24,167	**36,868**
UNALASKA CITY	67,897	122,313	**190,210**
VALDEZ CITY	85,497	166,644	**252,141**
WRANGELL PUBLIC	44,998	96,338	**141,336**
YAKUTAT	21,303	37,929	**59,232**
YUKON FLATS	93,529	174,288	**267,817**
YUKON/KOYUKUK	87,946	276,157	**364,103**
YUPIIT	108,850	198,283	**307,133**
Mt. Edgecumbe	49,384	87,704	**137,088**
TOTAL	**14,707,549**	**30,276,902**	**44,984,451**

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_$125BSA_FY12&13_SPED1.215&1.23_2-5-10UPDATE.xlsx]FY12 Proj. Funding Increase

School Districts	FY2012 - SPED add on from 1.215 to 1.230	FY2013 - BSA Increased by $125 to $5930	Total Increase
ALASKA GATEWAY	82,076	154,917	**236,993**
ALEUTIAN REGION	18,569	34,333	**52,902**
ALEUTIANS EAST BOROUGH	86,849	154,609	**241,458**
ANCHORAGE	4,636,310	9,432,999	**14,069,309**
ANNETTE ISLAND	47,732	88,928	**136,660**
BERING STRAIT	466,961	848,296	**1,315,257**
BRISTOL BAY BOROUGH	33,762	62,760	**96,522**
CHATHAM	39,234	74,616	**113,850**
CHUGACH	10,636	30,381	**41,017**
COPPER RIVER	89,178	170,951	**260,129**
CORDOVA CITY	55,299	105,535	**160,834**
CRAIG CITY	47,500	130,013	**177,513**
DELTA/GREELY	116,827	238,780	**355,607**
DENALI BOROUGH	46,918	105,888	**152,806**
DILLINGHAM CITY	74,684	139,833	**214,517**
FAIRBANKS NORTH STAR BOROUGH	1,523,705	3,298,479	**4,822,184**
GALENA CITY	46,394	421,701	**468,095**
HAINES BOROUGH	45,462	94,353	**139,815**
HOONAH CITY	23,750	46,619	**70,369**
HYDABURG CITY	14,261	26,735	**40,996**
IDITAROD AREA	62,809	120,654	**183,463**
JUNEAU BOROUGH	558,584	1,174,857	**1,733,441**
KAKE CITY	18,045	36,655	**54,700**
KASHUNAMIUT	62,983	117,421	**180,404**
KENAI PENINSULA BOROUGH	1,058,083	2,102,329	**3,160,412**
KETCHIKAN GATEWAY BOROUGH	274,227	525,175	**799,402**
KLAWOCK CITY	24,332	47,649	**71,981**
KODIAK ISLAND BOROUGH	347,689	663,544	**1,011,233**
KUSPUK	98,083	175,957	**274,040**
LAKE AND PENINSULA BOROUGH	128,702	231,476	**360,178**
LOWER KUSKOKWIM	858,249	1,602,213	**2,460,462**
LOWER YUKON	480,523	870,503	**1,351,026**
MATANUSKA-SUSITNA BOROUGH	1,640,416	3,489,417	**5,129,833**
NENANA CITY	36,964	146,366	**183,330**
NOME CITY	115,605	214,362	**329,967**
NORTH SLOPE BOROUGH	346,640	624,963	**971,603**
NORTHWEST ARCTIC BOROUGH	426,854	790,650	**1,217,504**
PELICAN CITY	3,044	5,396	**8,440**
PETERSBURG CITY	79,224	158,944	**238,168**
PRIBILOF	25,729	45,358	**71,087**
SAINT MARY'S	39,350	74,151	**113,501**
SITKA BOROUGH	164,210	344,665	**508,875**
SKAGWAY CITY	14,437	28,692	**43,129**
SOUTHEAST ISLAND	54,659	101,650	**156,309**
SOUTHWEST REGION	160,369	297,063	**457,432**
TANANA	13,214	24,928	**38,142**
UNALASKA CITY	70,491	125,784	**196,275**
VALDEZ CITY	87,897	169,446	**257,343**
WRANGELL PUBLIC	46,742	98,672	**145,414**
YAKUTAT	22,527	39,662	**62,189**
YUKON FLATS	98,142	180,912	**279,054**
YUKON/KOYUKUK	91,855	281,612	**373,467**
YUPIIT	113,218	204,258	**317,476**
Mt. Edgecumbe	51,400	90,451	**141,851**
TOTAL	**15,181,403**	**30,866,561**	**46,047,964**

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

Letter of intent: HB 317

Introduced By: SEATON

Date: February 10, 2010

It is the intent of the legislature that the increases in block funding for education in AS.14.17.420(a)(1) as amended by HB 317 are meant to enhance a district's ability to offer career technical/vocational education as an addition to other funds that a district applies to career technical/vocational education. The increase is not to be interpreted as the *only* funds a district can designate for career technical/vocational education.

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 12, 2010 — FURTHER REFERRALS:

Date of Committee Action: 4/14/10

The FINANCE Committee considered: HOUSE BILL NO. 317

"An Act increasing the special needs funding and base student allocation for public schools, and extending the adjustment for student transportation funding; and providing for an effective date."

HB 317-EDUC. FUNDING: BASIC/SPEC NEEDS/TRANSPORT

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 317 (FIN)

For Senate Bills with new title: [ ] *Technical Title* [ ] *New Title: HCR*_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____ Committee
[✓] Letter of Intent Edu Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
EED	1	✓		
EED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
	Doogan			✓	
	FOSTER			✓	
Anna Fairclough	FAIRCLOUGH	✓			
	Gara				✓
	Austerman			X	
	KELLY			✓	
	Salmon	X			
Chair:	Stoltze	X			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-AMYA-2-5-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component AK Challenge Youth Academy
Component Number 2837

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	187.7	187.7	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	0.0	0.0	187.7	187.7	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	187.7	187.7	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	187.7	187.7	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the Alaska Challenge Youth Academy:
FY2012 BSA increase of $125 to $5,805.
FY2013 BSA increases of $125 to $5,930.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

ALASKA MILITARY YOUTH ACADEMY

FY2011 Projection

189 x $5680 x 7 =	7,514,640
297 x $5680 x 60% =	1,012,176
less $2,700,000	(2,700,000)
TOTAL $	**5,826,816**

FY12 Projection

189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY12 Change over FY11	**$**	**187,650**

NOTES:

HB317 increases BSA from $5680 to $5805 in FY12

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

ALASKA MILITARY YOUTH ACADEMY

FY2012 Projection

189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY13 Projection

189 x $5930 x 7 =	7,845,390
297 x $5930 x 60% =	1,056,726
less $2,700,000	(2,700,000)
TOTAL $	**6,202,116**

FY12 Change over FY11	**$**	**187,650**

NOTES:

HB317 increases BSA from $5805 to $5930 in FY13

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 2
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-ESS-2-8-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component Foundation Program
Component Number 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the foundation formula:
FY2012 special needs funding factor of 1.20 to 1.215; BSA increase of $125 to $5,805.
FY2013 speical needs funding factor of 1.215 to 1.230; BSA increases of $125 to $5,930.

In addition the Pupil Transportation language has been altered to use only increases to the CPI-U for all urban consumers for the Anchorage metropolitan area rather than changes. If there is a reduction in the CPI-U then the pupil transportation grants will be unaffected.

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance
Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner
Date 2/5/2010

School Districts	FY2012 - SPED add on from 1.20 to 1.215	BSA Increased by $125 to $5805	Total Increase
ALASKA GATEWAY	78,434	149,842	**228,276**
ALEUTIAN REGION	17,942	33,549	**51,491**
ALEUTIANS EAST BOROUGH	81,965	147,355	**229,320**
ANCHORAGE	4,536,807	9,333,439	**13,870,246**
ANNETTE ISLAND	45,283	85,420	**130,703**
BERING STRAIT	443,434	814,281	**1,257,715**
BRISTOL BAY BOROUGH	32,467	60,961	**93,428**
CHATHAM	37,024	71,302	**108,326**
CHUGACH	10,205	29,832	**40,037**
COPPER RIVER	86,181	167,151	**253,332**
CORDOVA CITY	53,372	102,944	**156,316**
CRAIG CITY	45,626	127,419	**173,045**
DELTA/GREELY	112,895	233,650	**346,545**
DENALI BOROUGH	45,910	104,881	**150,791**
DILLINGHAM CITY	72,567	137,263	**209,830**
FAIRBANKS NORTH STAR BOROUGH	1,486,828	3,258,327	**4,745,155**
GALENA CITY	45,283	420,530	**465,813**
HAINES BOROUGH	43,575	91,794	**135,369**
HOONAH CITY	22,499	44,843	**67,342**
HYDABURG CITY	13,498	25,605	**39,103**
IDITAROD AREA	59,921	116,523	**176,444**
JUNEAU BOROUGH	538,955	1,149,286	**1,688,241**
KAKE CITY	16,975	35,082	**52,057**
KASHUNAMIUT	60,605	114,175	**174,780**
KENAI PENINSULA BOROUGH	1,017,761	2,048,173	**3,065,934**
KETCHIKAN GATEWAY BOROUGH	263,270	510,320	**773,590**
KLAWOCK CITY	23,125	46,023	**69,148**
KODIAK ISLAND BOROUGH	334,184	645,286	**979,470**
KUSPUK	93,984	170,306	**264,290**
LAKE AND PENINSULA BOROUGH	122,579	222,763	**345,342**
LOWER KUSKOKWIM	829,736	1,565,831	**2,395,567**
LOWER YUKON	457,047	836,830	**1,293,877**
MATANUSKA-SUSITNA BOROUGH	1,596,132	3,438,192	**5,034,324**
NENANA CITY	35,998	145,235	**181,233**
NOME CITY	112,041	209,939	**321,980**
NORTH SLOPE BOROUGH	332,532	605,738	**938,270**
NORTHWEST ARCTIC BOROUGH	409,713	767,229	**1,176,942**
PELICAN CITY	2,979	5,254	**8,233**
PETERSBURG CITY	75,699	154,032	**229,731**
PRIBILOF	24,664	43,904	**68,568**
SAINT MARY'S	37,708	71,875	**109,583**
SITKA BOROUGH	157,722	335,881	**493,603**
SKAGWAY CITY	14,126	28,318	**42,444**
SOUTHEAST ISLAND	52,174	98,173	**150,347**
SOUTHWEST REGION	154,019	288,323	**442,342**
TANANA	12,701	24,167	**36,868**
UNALASKA CITY	67,897	122,313	**190,210**
VALDEZ CITY	85,497	166,644	**252,141**
WRANGELL PUBLIC	44,998	96,338	**141,336**
YAKUTAT	21,303	37,929	**59,232**
YUKON FLATS	93,529	174,288	**267,817**
YUKON/KOYUKUK	87,946	276,157	**364,103**
YUPIIT	108,850	198,283	**307,133**
Mt. Edgecumbe	49,384	87,704	**137,088**
TOTAL	**14,707,549**	**30,276,902**	**44,984,451**

G:\DistSup\311Foundation\FiscalNotes\HB317\[HB317_SF_$125BSA_FY12&13_SPED1.215&1.23_2-5-10UPDATE.xls]FY12 Proj Funding Increase

School Districts	FY2012 - SPED add on from 1.215 to 1.230	FY2013 - BSA Increased by $125 to $5930	Total Increase
ALASKA GATEWAY	82,076	154,917	**236,993**
ALEUTIAN REGION	18,569	34,333	**52,902**
ALEUTIANS EAST BOROUGH	86,849	154,609	**241,458**
ANCHORAGE	4,636,310	9,432,999	**14,069,309**
ANNETTE ISLAND	47,732	88,928	**136,660**
BERING STRAIT	466,961	848,296	**1,315,257**
BRISTOL BAY BOROUGH	33,762	62,760	**96,522**
CHATHAM	39,234	74,616	**113,850**
CHUGACH	10,636	30,381	**41,017**
COPPER RIVER	89,178	170,951	**260,129**
CORDOVA CITY	55,299	105,535	**160,834**
CRAIG CITY	47,500	130,013	**177,513**
DELTA/GREELY	116,827	238,780	**355,607**
DENALI BOROUGH	46,918	105,888	**152,806**
DILLINGHAM CITY	74,684	139,833	**214,517**
FAIRBANKS NORTH STAR BOROUGH	1,523,705	3,298,479	**4,822,184**
GALENA CITY	46,394	421,701	**468,095**
HAINES BOROUGH	45,462	94,353	**139,815**
HOONAH CITY	23,750	46,619	**70,369**
HYDABURG CITY	14,261	26,735	**40,996**
IDITAROD AREA	62,809	120,654	**183,463**
JUNEAU BOROUGH	558,584	1,174,857	**1,733,441**
KAKE CITY	18,045	36,655	**54,700**
KASHUNAMIUT	62,983	117,421	**180,404**
KENAI PENINSULA BOROUGH	1,058,083	2,102,329	**3,160,412**
KETCHIKAN GATEWAY BOROUGH	274,227	525,175	**799,402**
KLAWOCK CITY	24,332	47,649	**71,981**
KODIAK ISLAND BOROUGH	347,689	663,544	**1,011,233**
KUSPUK	98,083	175,957	**274,040**
LAKE AND PENINSULA BOROUGH	128,702	231,476	**360,178**
LOWER KUSKOKWIM	858,249	1,602,213	**2,460,462**
LOWER YUKON	480,523	870,503	**1,351,026**
MATANUSKA-SUSITNA BOROUGH	1,640,416	3,489,417	**5,129,833**
NENANA CITY	36,964	146,366	**183,330**
NOME CITY	115,605	214,362	**329,967**
NORTH SLOPE BOROUGH	346,640	624,963	**971,603**
NORTHWEST ARCTIC BOROUGH	426,854	790,650	**1,217,504**
PELICAN CITY	3,044	5,396	**8,440**
PETERSBURG CITY	79,224	158,944	**238,168**
PRIBILOF	25,729	45,358	**71,087**
SAINT MARY'S	39,350	74,151	**113,501**
SITKA BOROUGH	164,210	344,665	**508,875**
SKAGWAY CITY	14,437	28,692	**43,129**
SOUTHEAST ISLAND	54,659	101,650	**156,309**
SOUTHWEST REGION	160,369	297,063	**457,432**
TANANA	13,214	24,928	**38,142**
UNALASKA CITY	70,491	125,784	**196,275**
VALDEZ CITY	87,897	169,446	**257,343**
WRANGELL PUBLIC	46,742	98,672	**145,414**
YAKUTAT	22,527	39,662	**62,189**
YUKON FLATS	98,142	180,912	**279,054**
YUKON/KOYUKUK	91,855	281,612	**373,467**
YUPIIT	113,218	204,258	**317,476**
Mt. Edgecumbe	51,400	90,451	**141,851**
TOTAL	**15,181,403**	**30,866,561**	**46,047,964**

G:\Dist\Sup\$11Foundation Fiscal Notes\HB317\[HB317_SF_$*25BSA_FY12&13_SPED1.215&1.23 2-5-10UPDATE.xlsx]FY13 Proj Funding Increase

CS FOR HOUSE BILL NO. 317(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act increasing the special needs funding and base student allocation for public schools, and extending the adjustment for student transportation funding; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.17.420(a), as amended by sec. 6, ch. 9, SLA 2008, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of **1.215** [1.20] shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is

enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13.

*** Sec. 2.** AS 14.17.420(a), as amended by sec. 6, ch. 9, SLA 2008, and by sec. 1 of this Act, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of **1.23** [1.215] shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13.

*** Sec. 3.** AS 14.17.470, as amended by sec. 10, ch. 9, SLA 2008, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,805** [$5,680].

*** Sec. 4.** AS 14.17.470, as amended by sec. 10, ch. 9, SLA 2008, and by sec. 3 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,930** [$5,805].

*** Sec. 5.** Section 11, ch. 9, SLA 2008, is amended to read:

Sec. 11. AS 14.09.010(c), added by sec. 2**, ch. 9, SLA 2008** [OF THIS ACT], is repealed June 30, **2013** [2011].

*** Sec. 6.** Sections 1 and 3 of this Act take effect July 1, 2011.

*** Sec. 7.** Sections 2 and 4 of this Act take effect July 1, 2012.

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

Letter of intent: HB 317

Introduced By: SEATON

Date: February 10, 2010

It is the intent of the legislature that the increases in block funding for education in AS.14.17.420(a)(1) as amended by HB 317 are meant to enhance a district's ability to offer career technical/vocational education as an addition to other funds that a district applies to career technical/vocational education. The increase is not to be interpreted as the *only* funds a district can designate for career technical/vocational education.

State Capitol, Room 102, Juneau, AK 99801 - Phone 465-3923 - Fax 465-3472 - Toll Free (800) 665-2689
Representative Paul Seaton@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-AMYA-2-5-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component AK Challenge Youth Academy
Component Number 2837

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	187.7	187.7	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**187.7**	**187.7**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	187.7	187.7	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**187.7**	**187.7**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the Alaska Challenge Youth Academy:
FY2012 BSA increase of $125 to $5,805.
FY2013 BSA increases of $125 to $5,930.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

ALASKA MILITARY YOUTH ACADEMY

FY2011 Projection	
189 x $5680 x 7 =	7,514,640
297 x $5680 x 60% =	1,012,176
less $2,700,000	(2,700,000)
TOTAL $	**5,826,816**

FY12 Projection	
189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY12 Change over FY11	**$ 187,650**

NOTES:

HB317 increases BSA from $5680 to $5805 in FY12

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

ALASKA MILITARY YOUTH ACADEMY

FY2012 Projection	
189 x $5805 x 7 =	7,680,015
297 x $5805 x 60% =	1,034,451
less $2,700,000	(2,700,000)
TOTAL $	**6,014,466**

FY13 Projection	
189 x $5930 x 7 =	7,845,390
297 x $5930 x 60% =	1,056,726
less $2,700,000	(2,700,000)
TOTAL $	**6,202,116**

FY12 Change over FY11	**$**	**187,650**

NOTES:

HB317 increases BSA from $5805 to $5930 in FY13

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_AMYA_BSAincreases.xlsx]

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 2
Bill Version: CSHB 317(EDC)
(H) Publish Date: 2/12/10

Identifier (file name): HB317-EED-ESS-2-8-10
Title "An Act increasing the special needs funding and base student Allocation for public schools, and extending the adjustment for student...."
Sponsor House Education Committee
Requester House Education Committee

Dept. Affected: Education & Early Development
RDU K-12 Support
Component Foundation Program
Component Number 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	44,984.5	46,048.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**44,984.5**	**46,048.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 317 beginning in FY 2012 the following increases will affect the foundation formula:
FY2012 special needs funding factor of 1.20 to 1.215; BSA increase of $125 to $5,805.
FY2013 speical needs funding factor of 1.215 to 1.230; BSA increases of $125 to $5,930.

In addition the Pupil Transportation language has been altered to use only increases to the CPI-U for all urban consumers for the Anchorage metropolitan area rather than changes. If there is a reduction in the CPI-U then the pupil transportation grants will be unaffected.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 2/5/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

School Districts	FY2012 - SPED add on from 1.20 to 1.215	BSA Increased by $125 to $5805	Total Increase
ALASKA GATEWAY	78,434	149,842	**228,276**
ALEUTIAN REGION	17,942	33,549	**51,491**
ALEUTIANS EAST BOROUGH	81,965	147,355	**229,320**
ANCHORAGE	4,536,807	9,333,439	**13,870,246**
ANNETTE ISLAND	45,283	85,420	**130,703**
BERING STRAIT	443,434	814,281	**1,257,715**
BRISTOL BAY BOROUGH	32,467	60,961	**93,428**
CHATHAM	37,024	71,302	**108,326**
CHUGACH	10,205	29,832	**40,037**
COPPER RIVER	86,181	167,151	**253,332**
CORDOVA CITY	53,372	102,944	**156,316**
CRAIG CITY	45,626	127,419	**173,045**
DELTA/GREELY	112,895	233,650	**346,545**
DENALI BOROUGH	45,910	104,881	**150,791**
DILLINGHAM CITY	72,567	137,263	**209,830**
FAIRBANKS NORTH STAR BOROUGH	1,486,828	3,258,327	**4,745,155**
GALENA CITY	45,283	420,530	**465,813**
HAINES BOROUGH	43,575	91,794	**135,369**
HOONAH CITY	22,499	44,843	**67,342**
HYDABURG CITY	13,498	25,605	**39,103**
IDITAROD AREA	59,921	116,523	**176,444**
JUNEAU BOROUGH	538,955	1,149,286	**1,688,241**
KAKE CITY	16,975	35,082	**52,057**
KASHUNAMIUT	60,605	114,175	**174,780**
KENAI PENINSULA BOROUGH	1,017,761	2,048,173	**3,065,934**
KETCHIKAN GATEWAY BOROUGH	263,270	510,320	**773,590**
KLAWOCK CITY	23,125	46,023	**69,148**
KODIAK ISLAND BOROUGH	334,184	645,286	**979,470**
KUSPUK	93,984	170,306	**264,290**
LAKE AND PENINSULA BOROUGH	122,579	222,763	**345,342**
LOWER KUSKOKWIM	829,736	1,565,831	**2,395,567**
LOWER YUKON	457,047	836,830	**1,293,877**
MATANUSKA-SUSITNA BOROUGH	1,596,132	3,438,192	**5,034,324**
NENANA CITY	35,998	145,235	**181,233**
NOME CITY	112,041	209,939	**321,980**
NORTH SLOPE BOROUGH	332,532	605,738	**938,270**
NORTHWEST ARCTIC BOROUGH	409,713	767,229	**1,176,942**
PELICAN CITY	2,979	5,254	**8,233**
PETERSBURG CITY	75,699	154,032	**229,731**
PRIBILOF	24,664	43,904	**68,568**
SAINT MARY'S	37,708	71,875	**109,583**
SITKA BOROUGH	157,722	335,881	**493,603**
SKAGWAY CITY	14,126	28,318	**42,444**
SOUTHEAST ISLAND	52,174	98,173	**150,347**
SOUTHWEST REGION	154,019	288,323	**442,342**
TANANA	12,701	24,167	**36,868**
UNALASKA CITY	67,897	122,313	**190,210**
VALDEZ CITY	85,497	166,644	**252,141**
WRANGELL PUBLIC	44,998	96,338	**141,336**
YAKUTAT	21,303	37,929	**59,232**
YUKON FLATS	93,529	174,288	**267,817**
YUKON/KOYUKUK	87,946	276,157	**364,103**
YUPIIT	108,850	198,283	**307,133**
Mt. Edgecumbe	49,384	87,704	**137,088**
TOTAL	**14,707,549**	**30,276,902**	**44,984,451**

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_$125BSA_FY12&13_SPED1.215&1.23_2-5-10UPDATE.xlsx]FY12 Proj. Funding Increase

School Districts	FY2012 - SPED add on from 1.215 to 1.230	FY2013 - BSA Increased by $125 to $5930	Total Increase
ALASKA GATEWAY	82,076	154,917	**236,993**
ALEUTIAN REGION	18,569	34,333	**52,902**
ALEUTIANS EAST BOROUGH	86,849	154,609	**241,458**
ANCHORAGE	4,636,310	9,432,999	**14,069,309**
ANNETTE ISLAND	47,732	88,928	**136,660**
BERING STRAIT	466,961	848,296	**1,315,257**
BRISTOL BAY BOROUGH	33,762	62,760	**96,522**
CHATHAM	39,234	74,616	**113,850**
CHUGACH	10,636	30,381	**41,017**
COPPER RIVER	89,178	170,951	**260,129**
CORDOVA CITY	55,299	105,535	**160,834**
CRAIG CITY	47,500	130,013	**177,513**
DELTA/GREELY	116,827	238,780	**355,607**
DENALI BOROUGH	46,918	105,888	**152,806**
DILLINGHAM CITY	74,684	139,833	**214,517**
FAIRBANKS NORTH STAR BOROUGH	1,523,705	3,298,479	**4,822,184**
GALENA CITY	46,394	421,701	**468,095**
HAINES BOROUGH	45,462	94,353	**139,815**
HOONAH CITY	23,750	46,619	**70,369**
HYDABURG CITY	14,261	26,735	**40,996**
IDITAROD AREA	62,809	120,654	**183,463**
JUNEAU BOROUGH	558,584	1,174,857	**1,733,441**
KAKE CITY	18,045	36,655	**54,700**
KASHUNAMIUT	62,983	117,421	**180,404**
KENAI PENINSULA BOROUGH	1,058,083	2,102,329	**3,160,412**
KETCHIKAN GATEWAY BOROUGH	274,227	525,175	**799,402**
KLAWOCK CITY	24,332	47,649	**71,981**
KODIAK ISLAND BOROUGH	347,689	663,544	**1,011,233**
KUSPUK	98,083	175,957	**274,040**
LAKE AND PENINSULA BOROUGH	128,702	231,476	**360,178**
LOWER KUSKOKWIM	858,249	1,602,213	**2,460,462**
LOWER YUKON	480,523	870,503	**1,351,026**
MATANUSKA-SUSITNA BOROUGH	1,640,416	3,489,417	**5,129,833**
NENANA CITY	36,964	146,366	**183,330**
NOME CITY	115,605	214,362	**329,967**
NORTH SLOPE BOROUGH	346,640	624,963	**971,603**
NORTHWEST ARCTIC BOROUGH	426,854	790,650	**1,217,504**
PELICAN CITY	3,044	5,396	**8,440**
PETERSBURG CITY	79,224	158,944	**238,168**
PRIBILOF	25,729	45,358	**71,087**
SAINT MARY'S	39,350	74,151	**113,501**
SITKA BOROUGH	164,210	344,665	**508,875**
SKAGWAY CITY	14,437	28,692	**43,129**
SOUTHEAST ISLAND	54,659	101,650	**156,309**
SOUTHWEST REGION	160,369	297,063	**457,432**
TANANA	13,214	24,928	**38,142**
UNALASKA CITY	70,491	125,784	**196,275**
VALDEZ CITY	87,897	169,446	**257,343**
WRANGELL PUBLIC	46,742	98,672	**145,414**
YAKUTAT	22,527	39,662	**62,189**
YUKON FLATS	98,142	180,912	**279,054**
YUKON/KOYUKUK	91,855	281,612	**373,467**
YUPIIT	113,218	204,258	**317,476**
Mt. Edgecumbe	51,400	90,451	**141,851**
TOTAL	**15,181,403**	**30,866,561**	**46,047,964**

G:\DistSup\$11Foundation\FiscalNotes\HB317\[HB317_SF_$125BSA_FY12&13_SPED1.215&1.23_2-5-10UPDATE.xlsx]FY13 Proj. Funding Increase

Adopted 4/14/10

26-LS1378\P
Mischel
4/13/10

CS FOR HOUSE BILL NO. 317(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act increasing the special needs funding and base student allocation for public schools, and extending the adjustment for student transportation funding; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.17.420(a), as amended by sec. 6, ch. 9, SLA 2008, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of **1.215** [1.20] shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is

enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13.

*** Sec. 2.** AS 14.17.420(a), as amended by sec. 6, ch. 9, SLA 2008, and by sec. 1 of this Act, is amended to read:

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of **1.23** [1.215] shall be applied as set out in AS 14.17.410(b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by 13.

*** Sec. 3.** AS 14.17.470, as amended by sec. 10, ch. 9, SLA 2008, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,805** [$5,680].

*** Sec. 4.** AS 14.17.470, as amended by sec. 10, ch. 9, SLA 2008, and by sec. 3 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is **$5,930** [$5,805].

*** Sec. 5.** Sections 1 and 3 of this Act take effect July 1, 2011.

*** Sec. 6.** Sections 2 and 4 of this Act take effect July 1, 2012.

Adopted 4/14/10 #3

CONCEPTUAL AMENDMENT

Stalstee

OFFERED IN HOUSE FINANCE **BY REPRESENTATIVE** Hawker

To: Draft CS for HB 317 (FIN) 26-LS1378\P

Page 2, following line 24 Insert:

Sec. 7. Section 11, ch. 9, SLA 2008, is amended to read:

Sec. 11 AS 14.09.010(c), added by sec. 2, **ch. 9, SLA 2008** [OF THIS ACT] is replealed June 30, 2013 [2011].

NEW AMENDMENT #2

Failed 4/14/10

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 317 (FIN)

Page 2, line 17:

Delete "**$5,805**"

Insert "**5,830**"

Page 2, lines 21-22:

Delete "**5,930** [$5,805]"

Insert "**5,980** [$5,830]"

Inflation Proofing the Base Student Allocation

Distributed by Rep. Gara

The current scheduled increase to the BSA in FY 11 is $100 raising it to $5,680. HB 317 proposes to change the annual BSA increase to $125. But inflation has outpaced both the $100 and $125 increases in recent years. In Anchorage, the cost of living has risen, on average, by 2.7% over the past three years. The FY 10 and FY 11 increases of $100 reflect an approximate 1.8% annual BSA increase and the proposed $125 annual increases would be approximately a 2.2% increase.

Actual BSA Increases Compared to an Inflation-Adjusted Increase

	Actual BSA Increase	Actual Total BSA	Inflation Adjusted Increase	Inflation Adjusted Total
FY 09	$100	$5,480	$145	$5,525
FY 10	$100	$5,580	$148	$5,628

Future Inflation-Adjusted BSA Increases (assuming a 3-year average 2.7% inflation rate)

	BSA Increase to Match CPI (2.7%)	BSA
FY 11	$151	$5,731
FY 12	$155	$5,886
FY 13	$159	$6,045

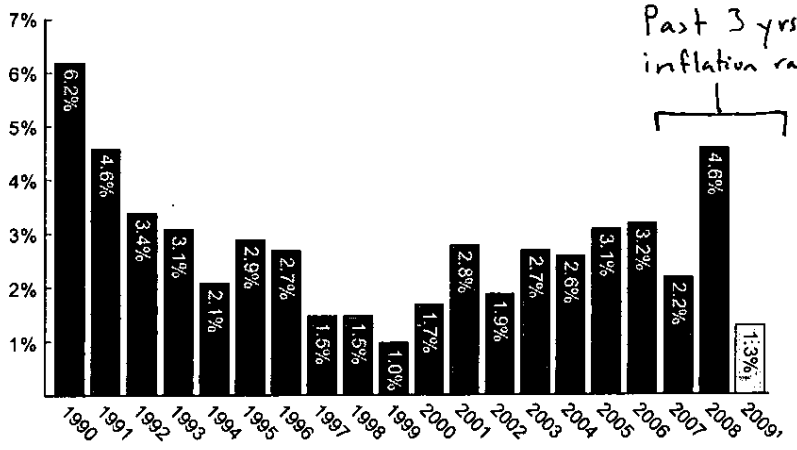
The Cost of Living in Alaska

By Neal Fried and Dan Robinson, Economists

Volatile energy prices and a new geographic study

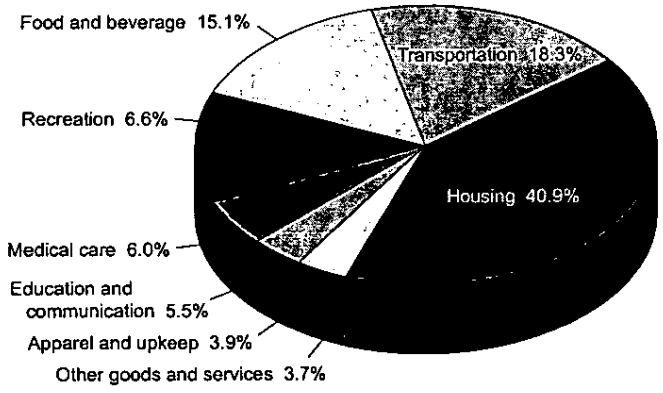
In Alaska, oil prices are usually discussed in the context of their impact on state revenue and budgets. With no state sales or income taxes, oil generates the dominant share of what state government spends.

1 Energy Accounts for Recent Volatility
Change in Anchorage CPI-U, 1990 to 2009



[1] The CPI for 2009 is the percent increase in the index from the first half of 2008 to the first half of 2009. All of the other percentages are the average of the index increases from the first and second halves of the previous years.
Source: U.S. Department of Labor, Bureau of Labor Statistics

2 Most is Spent on Housing
CPI weighting, December 2008



Source: U.S. Department of Labor, Bureau of Labor Statistics

But oil prices also have a large effect on consumer prices in a state where heating homes and transporting goods are major expenses. Oil prices shot up above $140 in 2008 before falling back to around $30 later in the same year. That unprecedented volatility affected Alaskans' household expenses in a variety of ways.

Two ways to look at the cost of living

There are two basic ways to look at the cost of living. One is to examine the changes in prices over time. For that, the Consumer Price Index[1] is the most frequently used. It's referred to generically as the inflation rate and is used to adjust salaries and rents, among other things, so they keep pace with inflation.

The other way to measure the cost of living is to compare the costs of different locations during the same time period. This is the type of information that helps a person trying to decide whether it makes economic sense to relocate from one city to another or a company trying to equalize wages for employees in different cities. There are a variety of these types of measures available.

High 2008 inflation, then a big drop in 2009

The Anchorage CPI[2] rose 4.6 percent in 2008 – the highest annual increase since 1991 – be-

[1] All references to the CPI in this article are to the CPI-U (Consumer Price Index for all Urban Consumers), produced by the U.S. Department of Labor's Bureau of Labor Statistics unless otherwise specified.
[2] Anchorage is the only Alaska city for which a consumer price index is calculated. A national CPI is produced every month and monthly CPI data are also available for the nation's four Census regions (Northeast, Midwest, South and West) and for three major metropolitan areas. Data for 11 smaller metropolitan areas are produced every two months. Anchorage is in a group of 13 smaller metropolitan areas for which data are published every six months.

2010 HOUSE FINANCE
VOTE CALL

DATE: _____

Amendment: Amend #2

MEMBER	Favor	Oppose
REP. SALMON		✓
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE		
REP. KELLY		✓
REP. HAWKER		✓
REP. STOLTZE		✓
	3	7 3

YEA _____

NAY 7

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/14/10

Amendment: New Amend #2

MEMBER	Favor	Oppose
REP. KELLY		✓
REP. SALMON		PASS
REP. THOMAS		
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE		
REP. STOLTZE		✓
REP. HAWKER		✓

YEA _____

NAY _____

Failed

NEW AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 317 (FIN)

N Y

Page 2, line 17:

Delete "**$5,805**"

Insert "**5,830**"

Page 2, lines 21-22:

Delete "**5,930** [$5,805]"

Insert "**5,980** [$5,830]"

Inflation Proofing the Base Student Allocation

Distributed by Rep. Gara

The current scheduled increase to the BSA in FY 11 is $100 raising it to $5,680. HB 317 proposes to change the annual BSA increase to $125. But inflation has outpaced both the $100 and $125 increases in recent years. In Anchorage, the cost of living has risen, on average, by 2.7% over the past three years. The FY 10 and FY 11 increases of $100 reflect an approximate 1.8% annual BSA increase and the proposed $125 annual increases would be approximately a 2.2% increase.

Actual BSA Increases Compared to an Inflation-Adjusted Increase

	Actual BSA Increase	Actual Total BSA	Inflation Adjusted Increase	Inflation Adjusted Total
FY 09	$100	$5,480	$145	$5,525
FY 10	$100	$5,580	$148	$5,628

Future Inflation-Adjusted BSA Increases (assuming a 3-year average 2.7% inflation rate)

	BSA Increase to Match CPI (2.7%)	BSA
FY 11	$151	$5,731
FY 12	$155	$5,886
FY 13	$159	$6,045

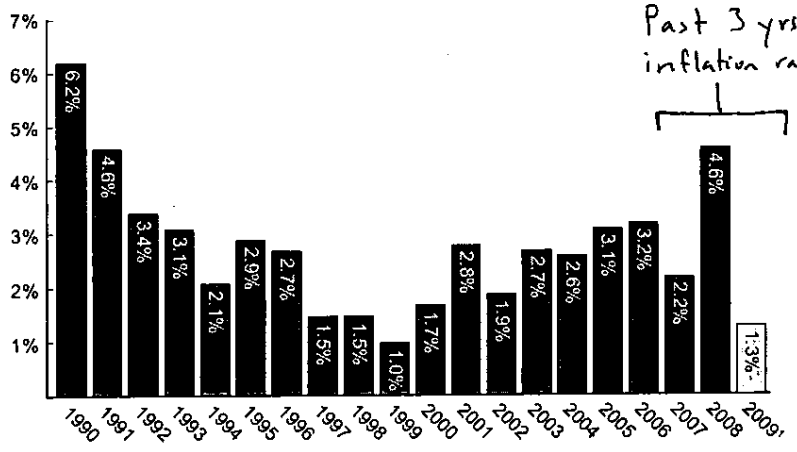
The Cost of Living in Alaska

By Neal Fried, and Dan Robinson, Economists

Volatile energy prices and a new geographic study

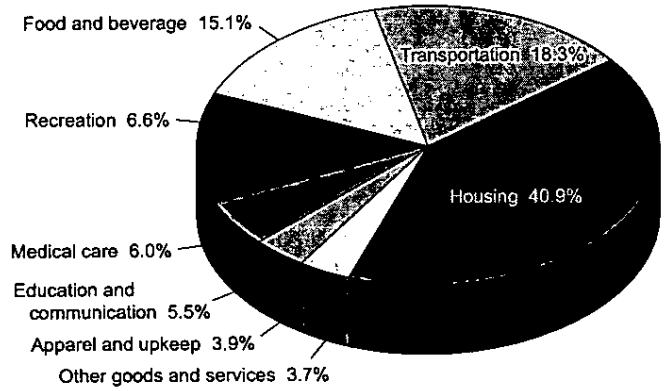
In Alaska, oil prices are usually discussed in the context of their impact on state revenue and budgets. With no state sales or income taxes, oil generates the dominant share of what state government spends.

1 Energy Accounts for Recent Volatility
Change in Anchorage CPI-U, 1990 to 2009



¹ The CPI for 2009 is the percent increase in the index from the first half of 2008 to the first half of 2009. All of the other percentages are the average of the index increases from the first and second halves of the previous years.
Source: U.S. Department of Labor, Bureau of Labor Statistics

2 Most is Spent on Housing
CPI weighting, December 2008



Source: U.S. Department of Labor, Bureau of Labor Statistics

But oil prices also have a large effect on consumer prices in a state where heating homes and transporting goods are major expenses. Oil prices shot up above $140 in 2008 before falling back to around $30 later in the same year. That unprecedented volatility affected Alaskans' household expenses in a variety of ways.

Two ways to look at the cost of living

There are two basic ways to look at the cost of living. One is to examine the changes in prices over time. For that, the Consumer Price Index[1] is the most frequently used. It's referred to generically as the inflation rate and is used to adjust salaries and rents, among other things, so they keep pace with inflation.

The other way to measure the cost of living is to compare the costs of different locations during the same time period. This is the type of information that helps a person trying to decide whether it makes economic sense to relocate from one city to another or a company trying to equalize wages for employees in different cities. There are a variety of these types of measures available.

High 2008 inflation, then a big drop in 2009

The Anchorage CPI[2] rose 4.6 percent in 2008 – the highest annual increase since 1991 – be-

[1] All references to the CPI in this article are to the CPI-U (Consumer Price Index for all Urban Consumers), produced by the U.S. Department of Labor's Bureau of Labor Statistics unless otherwise specified.
[2] Anchorage is the only Alaska city for which a consumer price index is calculated. A national CPI is produced every month and monthly CPI data are also available for the nation's four Census regions (Northeast, Midwest, South and West) and for three major metropolitan areas. Data for 11 smaller metropolitan areas are produced every two months. Anchorage is in a group of 13 smaller metropolitan areas for which data are published every six months.

HOUSE FINANCE COMMITTEE

HB 317 – EDUC. FUNDING: BASIC/SPEC/NEEDS/TRANSPORT

SIGN-IN

NAME: Carl Rose

Dept./Company: AASB Title: Exec Dire

Email: crose@aasb.org Phone: 6-1083

Do you wish to testify? ✓Yes ___No ___Respond To Questions

NAME: MARY A. FRANCIS

Dept./Company: ACSA Title: EXEC. DIR.

Email: mary-acsa@gci.net Phone:

Do you wish to testify? ✓Yes ___No ___Respond To Questions

NAME: Andi Story

Dept./Company: Juneau School Board Title: Vice President

Email: andimike@ak.net Phone: 789-4292

Do you wish to testify? X Yes ___No ___Respond To Questions

NAME: DAVE JONES

Dept./Company: KENAI PENINSULA BOR S.D Title: ASST. SUPT

Email: DJONES2@KPBSD.K12.AK.US Phone: 539-5959

Do you wish to testify? ✓Yes ___No ___Respond To Questions

NAME: Amy Lujan

Dept./Company: AK Assoc of School Business Officials Title: Executive Director

Email: alawbo@gci.net Phone: 500-9086

Do you wish to testify? X Yes ___No ___Respond To Questions

26-LS1378\S.1
Mischel
3/30/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 317(EDC)

Page 2, following line 25:

Insert a new bill section to read:

"* **Sec. 5.** AS 14.17.470 is amended by adding a new subsection to read:

(b) Beginning July 1, 2011, the base student allocation established under (a) of this section shall be adjusted annually on October 1 according to increases in the Consumer Price Index for all urban consumers of the Anchorage metropolitan area compiled by the United States Department of Labor, Bureau of Labor Statistics. The index for 1982 to 1984 is the reference base index for an adjustment made under this subsection."

Renumber the following bill sections accordingly.

Page 2, line 28, following "**allocation.**"

Insert "**(a)**"

Page 3, line 3:

Delete "5"

Insert "6"

Amendment #1
Conceptual #2
Gara -
not brought
forward

Conceptual AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: CSHB 317 (~~EDC~~ EDC)

Page 2, line 24:

Delete "$5,805"

Insert "$5,830"

Page 2, line 28:

Delete "$5,930"

Insert "$5,980"

Percent Increase to FY11 BSA of $5680

	$125	$150	$165
FY12	2.20%	2.64%	2.90%
FY13	2.11%	2.51%	2.75%

Distributed by Rep. Gara

Department of Education and Early Development
Updated 2/5/2010
FY2012

Prepared by School Finance

School Districts	HB273 1/4 increase of remaining 50% ISER	HB317 FY2012 - SPED add on from 1.20 to 1.215	HB317 BSA Increased by $125 to $5805	FY2012 Total Increase
ALASKA GATEWAY	157,381	78,434	149,842	**385,657**
ALEUTIAN REGION	21,075	17,942	33,549	**72,566**
ALEUTIANS EAST BOROUGH	237,579	81,965	147,355	**466,899**
ANCHORAGE	0	4,536,807	9,333,439	**13,870,246**
ANNETTE ISLAND	112,325	45,283	85,420	**243,028**
BERING STRAIT	1,089,473	443,434	814,281	**2,347,188**
BRISTOL BAY BOROUGH	50,295	32,467	60,961	**143,723**
CHATHAM	114,148	37,024	71,302	**222,474**
CHUGACH	25,063	10,205	29,832	**65,100**
COPPER RIVER	98,883	86,181	167,151	**352,215**
CORDOVA CITY	62,314	53,372	102,944	**218,630**
CRAIG CITY	81,681	45,626	127,419	**254,726**
DELTA/GREELY	127,989	112,895	233,650	**474,534**
DENALI BOROUGH	8,544	45,910	104,881	**159,335**
DILLINGHAM CITY	54,511	72,567	137,263	**264,341**
FAIRBANKS NORTH STAR BOROUGH	428,567	1,486,828	3,258,327	**5,173,722**
GALENA CITY	14,410	45,283	420,530	**480,223**
HAINES BOROUGH	73,307	43,575	91,794	**208,676**
HOONAH CITY	63,397	22,499	44,843	**130,739**
HYDABURG CITY	44,941	13,498	25,605	**84,044**
IDITAROD AREA	129,242	59,921	116,523	**305,686**
JUNEAU BOROUGH	682,153	538,955	1,149,286	**2,370,394**
KAKE CITY	61,232	16,975	35,082	**113,289**
KASHUNAMIUT	93,300	60,605	114,175	**268,080**
KENAI PENINSULA BOROUGH	1,475,778	1,017,761	2,048,173	**4,541,712**
KETCHIKAN GATEWAY BOROUGH	395,018	263,270	510,320	**1,168,608**
KLAWOCK CITY	54,567	23,125	46,023	**123,715**
KODIAK ISLAND BOROUGH	550,574	334,184	645,286	**1,530,044**
KUSPUK	182,841	93,984	170,306	**447,131**
LAKE AND PENINSULA BOROUGH	282,522	122,579	222,763	**627,864**
LOWER KUSKOKWIM	888,634	829,736	1,565,831	**3,284,201**
LOWER YUKON	1,120,517	457,047	836,830	**2,414,394**
MATANUSKA-SUSITNA BOROUGH	930,101	1,596,132	3,438,192	**5,964,425**
NENANA CITY	20,163	35,998	145,235	**201,396**
NOME CITY	112,098	112,041	209,939	**434,078**
NORTH SLOPE BOROUGH	552,967	332,532	605,738	**1,491,237**
NORTHWEST ARCTIC BOROUGH	655,097	409,713	767,229	**1,832,039**
PELICAN CITY	6,493	2,979	5,254	**14,726**
PETERSBURG CITY	160,286	75,699	154,032	**390,017**
PRIBILOF	42,607	24,664	43,904	**111,175**
SAINT MARY'S	67,498	37,708	71,875	**177,081**
SITKA BOROUGH	277,453	157,722	335,881	**771,056**
SKAGWAY CITY	4,727	14,126	28,318	**47,171**
SOUTHEAST ISLAND	91,021	52,174	98,173	**241,368**
SOUTHWEST REGION	248,630	154,019	288,323	**690,972**
TANANA	23,639	12,701	24,167	**60,507**
UNALASKA CITY	93,073	67,897	122,313	**283,283**
VALDEZ CITY	62,771	85,497	166,644	**314,912**
WRANGELL PUBLIC	65,504	44,998	96,338	**206,840**
YAKUTAT	62,143	21,303	37,929	**121,375**
YUKON FLATS	214,170	93,529	174,288	**481,987**
YUKON/KOYUKUK	175,095	87,946	276,157	**539,198**
YUPIIT	170,994	108,850	198,283	**478,127**
Mt. Edgecumbe	82,192	49,384	87,704	**219,280**
TOTAL	**12,900,983**	**14,707,549**	**30,276,902**	**57,885,434**

Department of Education and Early Development
Updated 2/5/2010
FY2013

Prepared by School Finance

School Districts	HB273 1/4 increase of remaining 50% ISER - final	HB317 FY2013 - SPED add on from 1.215 to 1.230	HB317 FY2013 - BSA Increased by $125 to $5930	FY2013 Total Increase
ALASKA GATEWAY	154,580	82,076	154,917	**391,573**
ALEUTIAN REGION	17,960	18,569	34,333	**70,862**
ALEUTIANS EAST BOROUGH	251,374	86,849	154,609	**492,832**
ANCHORAGE	0	4,636,310	9,432,999	**14,069,309**
ANNETTE ISLAND	115,804	47,732	88,928	**252,464**
BERING STRAIT	1,118,968	466,961	848,296	**2,434,225**
BRISTOL BAY BOROUGH	50,088	33,762	62,760	**146,610**
CHATHAM	115,279	39,234	74,616	**229,129**
CHUGACH	15,002	10,636	30,381	**56,019**
COPPER RIVER	87,932	89,178	170,951	**348,061**
CORDOVA CITY	65,482	55,299	105,535	**226,316**
CRAIG CITY	73,470	47,500	130,013	**250,983**
DELTA/GREELY	122,277	116,827	238,780	**477,884**
DENALI BOROUGH	0	46,918	105,888	**152,806**
DILLINGHAM CITY	45,072	74,684	139,833	**259,589**
FAIRBANKS NORTH STAR BOROUGH	346,653	1,523,705	3,298,479	**5,168,837**
GALENA CITY	8,163	46,394	421,701	**476,258**
HAINES BOROUGH	73,820	45,462	94,353	**213,635**
HOONAH CITY	59,068	23,750	46,619	**129,437**
HYDABURG CITY	38,426	14,261	26,735	**79,422**
IDITAROD AREA	129,798	62,809	120,654	**313,261**
JUNEAU BOROUGH	633,246	558,584	1,174,857	**2,366,687**
KAKE CITY	55,277	18,045	36,655	**109,977**
KASHUNAMIUT	88,340	62,983	117,421	**268,744**
KENAI PENINSULA BOROUGH	1,466,380	1,058,083	2,102,329	**4,626,792**
KETCHIKAN GATEWAY BOROUGH	418,258	274,227	525,175	**1,217,660**
KLAWOCK CITY	51,487	24,332	47,649	**123,468**
KODIAK ISLAND BOROUGH	503,390	347,689	663,544	**1,514,623**
KUSPUK	165,309	98,083	175,957	**439,349**
LAKE AND PENINSULA BOROUGH	277,555	128,702	231,476	**637,733**
LOWER KUSKOKWIM	837,448	858,249	1,602,213	**3,297,910**
LOWER YUKON	1,089,406	480,523	870,503	**2,440,432**
MATANUSKA-SUSITNA BOROUGH	746,368	1,640,416	3,489,417	**5,876,201**
NENANA CITY	15,744	36,964	146,366	**199,074**
NOME CITY	90,556	115,605	214,362	**420,523**
NORTH SLOPE BOROUGH	549,630	346,640	624,963	**1,521,233**
NORTHWEST ARCTIC BOROUGH	664,968	426,854	790,650	**1,882,472**
PELICAN CITY	3,539	3,044	5,396	**11,979**
PETERSBURG CITY	149,740	79,224	158,944	**387,908**
PRIBILOF	42,042	25,729	45,358	**113,129**
SAINT MARY'S	66,765	39,350	74,151	**180,266**
SITKA BOROUGH	245,252	164,210	344,665	**754,127**
SKAGWAY CITY	3,032	14,437	28,692	**46,161**
SOUTHEAST ISLAND	107,465	54,659	101,650	**263,774**
SOUTHWEST REGION	247,117	160,369	297,063	**704,549**
TANANA	22,274	13,214	24,928	**60,416**
UNALASKA CITY	91,313	70,491	125,784	**287,588**
VALDEZ CITY	42,684	87,897	169,446	**300,027**
WRANGELL PUBLIC	62,100	46,742	98,672	**207,514**
YAKUTAT	58,252	22,527	39,662	**120,441**
YUKON FLATS	210,673	98,142	180,912	**489,727**
YUKON/KOYUKUK	162,452	91,855	281,612	**535,919**
YUPIIT	165,251	113,218	204,258	**482,727**
Mt. Edgecumbe	76,678	51,400	90,451	**218,529**
TOTAL	**12,299,207**	**15,181,403**	**30,866,561**	**58,347,171**

The Department of Education and Early Development – School Finance.
Response to House Education Committee Questions of 2/1/2010/

- #1 Does Alaska Military Youth Academy (AMYA) receive more or less funding than other residential programs?

The AMYA program is not of the same type as some other residential programs, for example the program serves all drop outs and runs two sessions of students (spring and fall) each year. State aid per ADM compares approximately: $18,249 (Galena); $20,703 (Lower Kuskokwim); $18,139 (Nenana); $19,441 (Mt Edgecumbe); and $27,756 plus $2,361-post residential mentoring for a separate pool of students (AMYA).

- #2 How does AMYA schedule the residential portion?

There are two 22 week residential sessions each year. Funding is provided once based on the October residential count. For example, the FY2010 count funded 209 ADM, this represents 209 students in the first session and a different 209 students in the second session. Residential is "24/7" students do not leave the campus.

- #3 Are pupil transportation contracts tied to the CPI?

Some contracts (Anchorage, Mat su, and Kodiak) adjust up and down with the CPI. Other districts have in house programs or contracts that do not adjust up and down with CPI.

- #4 How did total categorical funding for Voc Ed under the old formula compare to adding 1.5% to the current 20% special needs block grant?

1998, prior categorical funding for Voc Ed was 1.08% of total basic need.

Based on 2012 projections, adding .015% to the special needs factor for a total of 1.215% equates to 1.07% of basic need intended towards Career and Technical.

Adding a second .015% to the special needs factor for a total of 1.23% equates to 2.14% of basic need intended towards Career and Technical.

EED 2/11/2010
Summary Data FY2010 Residential Program Comparative Revenues
FY2010 Projected Data

	Galena		
	Residential ADM	Revenues	Residential per ADM
Foundation State Aid	163.7	2,044,982	12,492
State GF Residential Boarding Home	159	915,360	5,757
(Dec 1 residential count paid for 159 students)			
Total Support per residential ADM, not including Capital			$ 18,249

	Lower Kuskokwim		
	Residential ADM	Revenues	Residential per ADM
Foundation State Aid	29.5	471,130	15,971
State GF Residential Boarding Home	10	47,322	4,732
(Dec 1 residential count paid for 10 students)			
Total Support per residential ADM, not including Capital			$ 20,703

	Nenana		
	Residential ADM	Revenues	Residential per ADM
Foundation State Aid	84	1,086,771	12,938
State GF Residential Boarding Home	84	436,917	5,201
Total Support per residential ADM, not including Capital			$ 18,139

	Mt Edgecumbe		
	Residential ADM	Revenues	Residential per ADM
Foundation State Aid	395.85	3,023,382	7,638
State GF Residential Boarding Home	395.85	3,971,800	10,034
State receipted Federal Impact Aid	395.85	700,647	1,770
Total Support per residential ADM, not including Capital			$ 19,441

ADM: Residential 209, post residential mentoring/education 266	Alaska Military Youth Academy		
	Residential ADM	Revenues	Residential per ADM
Foundation State Aid - residential w education program	209	8,163,540	39,060
Federal Grant Reduction	209	(2,362,500)	(11,304)
Total Support per residential ADM, not including Capital			27,756
Non residential component, after program mentoring			
Foundation State Aid - non residential	266	890,568	3,348
Federal Grant Reduction	266	(262,500)	(987)
Total Support per non residential/mentoring ADM			2,361

Note:
Does not include formula grants such as NCLB, Special Education, etc.. Does not include separate capital project funding.

Subject: Pupil Transportation - CPI increase impact

After a few telephone discussions about the contract language in different district contracts, I found out the following.

Anchorage, MatSu, and Kodiak all have language in their current contracts that have adjustments to their contract prices based on the ANC CPI index whether it goes up or down. Additional language in each also states that the increase will be 4% or the CPI whichever is less, with a cap of 6%.

Kenai has language in their contract that has no increases over the life of the contract. They have taken on the burden of paying for all fuel in the contract instead of building in an increase.

All of the above contracts expire on June 30, 2011 and will be up for renewal/bid.

page 3/5

Subject: AMYA...info

As requested.

I spoke with James Jones, Deputy Director at the military youth academy, (907)384-6105.
The academy runs 2 sessions of 22week or 5 ½ months, in a year.
The dates of those programs are: Oct 1 to Feb. 28 and April 1 to August 31.

The student attend the residential program for those 22 weeks and do not leave campus at all. It is 7 days a week 24 hours a day. Following the program the cadet leaves or graduates from the residential program/academy and then becomes a non-residential that works with a mentor that they check in with once a week and also once a month with academy, too.

EED
School Finance

VOCATIONAL EDUCATION/ CAREER & TECHNICAL INCREASES TO THE 1.20 SPECIAL NEEDS FACTOR

FY1998 Categorical Funding		1.215 BSA at $5680		1.230 BSA at $5680	
8,575,990 / 795,018,978	1.08%	14,707,549 / 1,376,845,060	1.07%	29,888,952 / 1,398,953,329	2.14%

G:\DistSup\$11Foundation\FiscalNotes\HB317\[VocEdAddOn_ComparedtoBasicNeed_2-4-10.xlsx]Sheet1

Katie Koester

From: Rep. Paul Seaton
Sent: Friday, January 29, 2010 3:16 PM
To: Katie Koester
Subject: FW: HB 317

-----Original Message-----
From: Friedman_Jeff [mailto:Friedman_Jeff@asdk12.org]
Sent: Thursday, January 28, 2010 3:57 PM
To: Rep. Paul Seaton
Cc: Rep. Cathy Munoz; Rep. Bryce Edgmon; Representative_we_keller@legis.state.ak.us; represenative_peggy_wilson@legis.state.ak.us; Rep. Bob Buch; Rep. Berta Gardner; Comeau_Carol; Steele_Tim; Olson_Robin
Subject: HB 317

Chair Seaton and Committee Members:

I am writing to express my personal support of HB 317. This bill will increase the block grant funding for vocational education, gifted and talented, special education, and bilingual services by 1.5 percentage points. The current block grant is insufficient to cover all of our current costs, so this small increase is definitely needed.

HB 317 will also provide advance, programed increases to the Base Student Allocation. For the last three years, we have been able to count on known increases when planning our budget. This has been a huge success from my point of view.

Jeff Friedman
Anchorage School Board
1534 D Street
Anchorage, AK 99501
907-742-4699 (Home)

Mary Francis

Position Statement 09-15

Career and Technical Education

The Alaska Council of School Administrators supports the reestablishment of categorical Career and Technical Education funding to ensure our K-12 schools have the tools to prepare a workforce trained in 21st century work skills and to provide a viable mechanism to increase graduation rates by reengaging disenfranchised students in their high school education.

- Increased funding in Career and Technical Education professional development opportunities is critical to ensure CTE teachers can meet the wide array of learning needs of our students while also demonstrating content mastery through methods appropriate to their areas of expertise, utilizing industry-based credentials.

- All students need a strong array of reading, comprehension, reasoning, problem-solving and personal skills to be ready to enter the world of meaningful postsecondary education and training or to enter the high-skilled workplace.

- A strong and well-articulated Career and Technical Education model is critical to supporting high K-12 educational standards and Alaska's economic stability and growth.

Adopted by the Alaska Council of School Administrators (AASA, AAESP and AASSP) October 2009

Mary Francis

Position Statement 09-1

Increase to Base Student Allocation

The Alaska Council of School Administrators requests that the Legislature establish and fund a base student allocation beyond the amount currently in law.

- Increased energy costs, increases in health care costs, general labor expenses and other costs continue to result in funding pressures in school districts.
- Many districts project FY 11 staff and program cuts; the negative effects on student education would be mitigated by this additional funding.
- Provide adequate and equitable funding to all districts.

Adopted by the Alaska Council of School Administrators
October and December 2009

Louie Flora

From: Al Weinberg [alweinberg@hydaburg.k12.ak.us]
Sent: Saturday, January 30, 2010 1:11 PM
To: Louie Flora
Subject: RE: House Education Committee schedule

Hydaburg City School District supports HB317.

Al Weinberg, Superintendent
HYDABURG CITY SCHOOL DISTRICT

From: Louie Flora [mailto:Louie_Flora@legis.state.ak.us]
Sent: Thursday, January 28, 2010 4:54 PM
To: lhsclaf+houseeducationcommittee@legis.state.ak.us; lhsclaf+educationlist@legis.state.ak.us; lhsclaf+liolist@legis.state.ak.us
Subject: House Education Committee schedule

Attached and posted below is the schedule for House Education Committee next week.

Louie Flora
House Education Committee Aide,
Representative Paul Seaton, Chair
(907) 465-3923

Monday, February 1st Room 106 at 8:00 a.m.

*+ HB 317 EDUC. FUNDING: BASIC/SPEC NEEDS/TRANSPORT
=+ HB 235 PROF STUDENT EXCHANGE LOAN FORGIVENESS
=+HB 206 HIGH SCHOOL ASSESSM'T/POSTSECONDARY CLASS

<bills previously heard/scheduled>

Wednesday, February 3rd Room 124 at 8:00 a.m.
(Joint With Senate Education)

+ Overview – Governor's Performance Scholarship
*+HB 297 POSTSECONDARY SCHOLARSHIPS

Friday, February 5th Room 106 at 8:00 a.m.

<bills previously heard/scheduled>

+ <teleconferenced>

Department of Education and Early Development
Prepared 1/28/2010
At the request of Finance Sub Committee

Prepared by School Finance

School Districts	FY2011 - 2.9% CPI-U = $165 Increase to BSA
ALASKA GATEWAY	191,080
ALEUTIAN REGION	43,200
ALEUTIANS EAST BOROUGH	185,108
ANCHORAGE	12,188,718
ANNETTE ISLAND	108,126
BERING STRAIT	1,030,736
BRISTOL BAY BOROUGH	78,128
CHATHAM	89,826
CHUGACH	38,681
COPPER RIVER	215,377
CORDOVA CITY	132,612
CRAIG CITY	164,638
DELTA/GREELY	301,518
DENALI BOROUGH	136,874
DILLINGHAM CITY	177,576
FAIRBANKS NORTH STAR BOROUGH	4,245,005
GALENA CITY	553,334
HAINES BOROUGH	117,844
HOONAH CITY	56,887
HYDABURG CITY	32,267
IDITAROD AREA	148,444
JUNEAU BOROUGH	1,481,535
KAKE CITY	44,303
KASHUNAMIUT	146,396
KENAI PENINSULA BOROUGH	2,631,076
KETCHIKAN GATEWAY BOROUGH	654,837
KLAWOCK CITY	58,557
KODIAK ISLAND BOROUGH	826,805
KUSPUK	217,209
LAKE AND PENINSULA BOROUGH	282,447
LOWER KUSKOKWIM	2,017,117
LOWER YUKON	1,060,342
MATANUSKA-SUSITNA BOROUGH	4,464,365
NENANA CITY	190,103
NOME CITY	270,798
NORTH SLOPE BOROUGH	774,142
NORTHWEST ARCTIC BOROUGH	982,821
PELICAN CITY	6,736
PETERSBURG CITY	196,655
PRIBILOF	56,064
SAINT MARY'S	91,913
SITKA BOROUGH	431,003
SKAGWAY CITY	36,860
SOUTHEAST ISLAND	124,985
SOUTHWEST REGION	369,001
TANANA	30,928
UNALASKA CITY	156,712
VALDEZ CITY	215,788
WRANGELL PUBLIC	124,032
YAKUTAT	47,784
YUKON FLATS	221,460
YUKON/KOYUKUK	357,214
YUPIIT	253,813
Mt. Edgecumbe	111,902
TOTAL	**39,171,682**

G:\DistSup\$11Foundation\LegRequest\[FinanceSubCom_FY11$200BSA_CPI-U2 9%_1-28-2010.xlsx]

HB 319

<target><bill>HB 319</bill><subject>HB 319</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 2·16·10

The FINANCE Committee considered: **HOUSE BILL NO. 319**

"An Act relating to firearms."

HB 319-FIREARMS

Recommends it be replaced with [ ] HCS *or* [✓] CS *for* HB 319 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [✓] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DPS				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
LAW	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	KELLY	X			
	THOMAS	✓			
	DOOGAN	X			
	AUSTERMAN	X			
Anna S. Fairclough	FAIRCLOUGH	X			
Chair:	STOLTZE	X			
Chair:	Hawker	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 319
() Publish Date:

Identifier (file name): CSHB319-DPS-R&I-02-16-10
Title "An Act relating to firearms"
Sponsor Representative Hawker
Requester House Finance Committee

Dept. Affected: Public Safety
RDU Statewide Support
Component Records & Identification
Component Number 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This proposed legislation will require the Department of Public Safety (DPS) to provide written notice of expiration via first class mail to concealed handgun permit holders at least 90 days before the expiration of their permit.

A permit is not required to carry a concealed handgun in Alaska but DPS makes them available to citizens of Alaska. Because the permit is not required in Alaska, some permit holders forget to renew their permits before the expiration date resulting in higher fees for the permit holder.

A concealed handgun permit is valid for five years from the date of issue. Prior to 10/07/2009, the permit renewal date was based on the date the permit was originally issued. (cont.)

Prepared by: Dave Schade — Phone (907) 269-0202
Division Statewide Services — Date/Time 2/17/10 11:05 AM
Approved by: Joe Masters — Date 2/17/2010
Commissioner

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 319

ANALYSIS CONTINUATION

During the 2009 legislative session, HB 201 was passed which provides that permits issued/renewed on or after 10/07/2009 shall expire on the permittee's birthdate in the fifth year following issuance/renewal. HB 201 was a direct effort to assist permit holders with remembering to renew their concealed handgun permit by synchronizing their permit expiration date with their birthdate. The legislation proposed under Section 1 of HB 319 furthers this effort.

Records for concealed handgun permit holders are maintained in the concealed handgun permit (CHP) database which sends information to the Alaska Public Safety Information Network (APSIN). Programming changes to both the CHP database and APSIN will be required to systematically identify those permits expiring within 90 days and to automatically generate, print, and save notices of expiration and to update the CHP database to display the date the letter was generated. Automating the notification process will ensure all permit holders receive timely notice of expiration of their permit as this legislation proposes.

The programming changes will be implemented during the process of the APSIN redesign and upgrades. Section 1 (e) of the bill has an effective date of July 1, 2012, thus allowing time for the redesign to be in place.

The cost of one software license at $899. Based on an average of 1,535 renewal notices per year, the cost of supplies (paper, envelopes, and postage) is estimated to be $900 per year. The cost of the license and supplies will be absorbed within the departments budget.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 319(JUD)
(H) Publish Date: 2/12/10

Identifier (file name): HB319-LAW-CRIM-02-04-10
Dept. Affected: Law
Title: An Act relating to firearms
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Representative(s) Hawker, Chenault, Johnson, Dahlstrom, Neuman, Harris, Kelly, Gatto
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill amends the statute relating to hand gun permits requiring Department of Public Safety to mail a notice to a permittee at least 90 days before expiration of the permit. The bill clarifies that a permittee is not required to return or surrender a permit upon expiration and a permittee may not represent an expired permit as valid unless the holder has submitted a timely renewal form. A permittee may not renew a permit if the permittee is not a resident of the state at time of renewal. This bill provides that the chief law enforcement officer in Alaska jurisdictions to execute within 30 days federal firearms forms required for the transfer of a firearm.

Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/4/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/4/2010

(Revised 11/6/2009 OMB)

Adopted 2.16.10

CONCEPTUAL AMENDMENT 1

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER
TO: CS HB 319 (JUD) [26-LS1273\S]

ADD an effective date of July 1, 2012 for section 1 (e).
(Page 1, lines 4-5)

INTENT: To require the Department of Public Safety to mail a 90 day notice of expiration to permit holders starting July 1, 2012.

what file

#2 Adopted 2-16-10

26-LS1273\S.1
Luckhaupt
2/15/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CSHB 319(JUD)

Page 1, following line 2:

Insert new bill sections to read:

"* **Section 1.** AS 18.65.700(a) is amended to read:

(a) The department shall issue a permit to carry a concealed handgun to a person who

(1) applies in person at an office of the Alaska State Troopers;

(2) qualifies under AS 18.65.705;

(3) submits **on an** [A COMPLETED] application [ON A] form **approved** [PROVIDED] by the department [, THAT PROVIDES] the information required under AS 18.65.705 and 18.65.710; [WITH EACH APPLICATION FORM PROVIDED BY THE DEPARTMENT,] the department shall **post on the department's website** [PROVIDE A COPY OF] the state laws and regulations relating to concealed handguns, which must include a concise summary of where, when, and by whom a handgun can be carried under state and federal law **and shall, on request, mail a copy of the regulations and summary to an applicant or permittee**;

(4) submits one complete set of fingerprints in the format approved by the department that is of sufficient quality so that the fingerprints may be processed; the fingerprints must be taken by a person, group, or agency approved by the department; the department shall maintain a list of persons, groups, or agencies approved to take fingerprints and shall provide the list to the public upon request; the fingerprints shall be used to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400;

(5) submits evidence of successful completion of a handgun course as provided in AS 18.65.715;

(6) provides one frontal view color photograph of the person taken within the preceding 30 days that includes the head and shoulders of the person and is of a size specified by the department;

(7) shows a valid Alaska driver's license or identification card at the time of application;

(8) does not suffer a physical infirmity that prevents the safe handling of a handgun; and

(9) pays the application fee required by AS 18.65.720.

* **Sec. 2.** AS 18.65.725(a) is amended to read:

(a) A permittee shall apply for renewal of a permit to carry a concealed handgun within 90 days before the expiration of the permit**, on a** [AND SHALL PRESENT A COMPLETE] renewal form **approved** [PROVIDED] by the department. The renewal form must include

(1) any change in the information originally submitted under AS 18.65.710;

(2) a statement that the person remains qualified to receive and hold a permit to carry a concealed handgun under AS 18.65.705;

(3) one frontal view photograph of the person taken within the preceding 30 days that includes the head and shoulders of the person and is of a size specified by the department;

(4) the renewal fee required under AS 18.65.720; and

(5) the warning listed in AS 18.65.710(a)(6)."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 3**"

Renumber the following bill sections accordingly.

Will be replaced 2-14-10

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 319(JUD)
(H) Publish Date: 2/12/10

Identifier (file name): HB319-DPS-R&I-02-05-10
Title "An Act relating to firearms"
Sponsor Representative Hawker
Requester House Judiciary Committee

Dept. Affected: Public Safety
RDU Statewide Support
Component Records & Identification
Component Number 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	37.0						
Supplies	0.9		0.9	0.9	0.9	0.9	0.9
Equipment	0.9						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**38.8**	**0.0**	**0.9**	**0.9**	**0.9**	**0.9**	**0.9**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	38.8		0.9	0.9	0.9	0.9	0.9
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**38.8**	**0.0**	**0.9**	**0.9**	**0.9**	**0.9**	**0.9**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This proposed legislation will require the Department of Public Safety (DPS) to provide written notice of expiration via first class mail to concealed handgun permit holders at least 90 days before the expiration of their permit.

A permit is not required to carry a concealed handgun in Alaska but DPS makes them available to citizens of Alaska. Because the permit is not required in Alaska, some permit holders forget to renew their permits before the expiration date resulting in higher fees for the permit holder.

A concealed handgun permit is valid for five years from the date of issue. Prior to 10/07/2009, the permit renewal date was based on the date the permit was originally issued. (cont.)

Prepared by: David Schade — Phone (907) 269-0202
Division Statewide Services — Date/Time 2/9/10 12:18 PM
Approved by: Joe Masters — Date 2/9/2010
Commissioner

(Revised 11/6/2009 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 319(JUD)

ANALYSIS CONTINUATION

During the 2009 legislative session, HB 201 was passed which provides that permits issued/renewed on or after 10/07/2009 shall expire on the permittee's birthdate in the fifth year following issuance/renewal. HB 201 was a direct effort to assist permit holders with remembering to renew their concealed handgun permit by synchronizing their permit expiration date with their birthdate. The legislation proposed under Section 1 of HB 319 furthers this effort.

Records for concealed handgun permit holders are maintained in the concealed handgun permit (CHP) database which sends information to the Alaska Public Safety Information Network (APSIN). Programming changes to both the CHP database and APSIN will be required to systematically identify those permits exipiring within 90 days and to automatically generate, print, and save notices of expiration and to update the CHP database to display the date the letter was generated. Automating the notification process will ensure all permit holders receive timely notice of expiration of their permit as this legislation proposes.

The one-time programming changes for both systems are estimated to take 370 hours of programming at $100/hr, plus the cost of one software license at $899.

Based on an average of 1,535 renewal notices per year, the cost of supplies (paper, envelopes, and postage) is estimated to be $900 per year.

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 319
Sponsor Statement

"An Act relating to firearms."

In Alaska, anyone who is 21 years of age or older and legally allowed to own a firearm is allowed to carry it concealed without a permit. However, there are still people who obtain Alaska Concealed Handgun Permits (ACHP) for other reasons, including reciprocity with other states. In the past few years, a few glitches in the permit system have come to light.

House Bill 319 makes the following changes to the statutes regarding an ACHP permit:

- Clarifies that a permit does not have to be surrendered when it expires or when a permit holder moves out of the state;
- clarifies that an expired permit can be displayed, as long as the permit holder is not claiming that it is a valid permit; and
- requires the Department of Public Safety to mail a notice to the permit holder at least 90 days prior to the expiration of a permit.

HB 319 also requires the chief law enforcement officer (CLEO) in Alaska jurisdictions to complete, in a timely manner, the required certification on an application to the Bureau of Alcohol Tobacco, Firearms and Explosives (BATFE) for approval to transfer a firearm registered under the National Firearms Act (NFA) of 1934 to a person who is qualified under state law to possess the firearm.

The CLEO certification is a mandatory step in the BATFE transfer process and unjustified delays in processing or refusal to cooperate compromise Second Amendment rights.

House Bill 319 makes commonsense changes to our ACHP statutes and ensures that NFA firearms transfers are not inappropriately obstructed.

Staff Contact: Juli Lucky 465-4949

2/3/2010 8:33 AM

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HB 319
Sectional Analysis
Prepared by Representative Mike Hawker's Office

Section 1: Adds two new sections to AS 18.65.725 (Alaska Concealed Handgun Permit renewal):

(e) Requires the department to send, via first class mail to the permittee, a notice that their permit is expiring. The notice must be sent at least 90 days prior to the permit expiration, which is the beginning of the renewal period.

(f) Clarifies that a person does not become ineligible to hold a permit and does not need to surrender the permit if he or she ceases to be a resident of the state. Alaska residency is still a requirement to obtain or renew a permit.

Section 2: Clarifies that a person can display an expired permit, but cannot represent it as valid, and that an expired permit does not need to be surrendered to the department.

Section 3: Requires the local law enforcement certification section of a Bureau of Alcohol, Tobacco, Firearms and Explosives firearm transfer application to be completed by the appropriate law enforcement officer within 30 days of submission by a person who is legally qualified to own the firearm.

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 319
"An Act relating to firearms."
Summary of Changes

The House Judiciary Committee made the following change:

Page 1, line 4, following "The department shall":
DELETED "provide a permittee with"
INSERTED "mail the permittee a"

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HB 319
Background Information
Prepared by Representative Mike Hawker's Office

Section 3 of House Bill 319 requires the local law enforcement certification section of a Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) firearm transfer application to be completed by the appropriate law enforcement officer within 30 days of submission by a person who is legally qualified to own the firearm. Attached is a copy of the BATFE firearm transfer application, also known as a "Form 4." Section 17 (highlighted on page 2 of the attached form) is the local law enforcement certification section that would have to be completed.

2/3/2010 9:11 AM

OMB No. 1140-0014 (10/31/2007)

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

Application for Tax Paid Transfer and Registration of Firearm

ATF Control Number

2a. Transferee's Name and Address *(Including tradename, if any) (See instruction 2)*

2b. County

3a. Transferor's Name and Address *(Including trade name, if any) (Executors: see instruction 2k)*

3b. Transferor's Telephone Number and Area Code

3c. If Applicable: Decedent's Name, Address, and Date of Death

Submit in Duplicate to:
National Firearms Act Branch
Bureau of Alcohol, Tobacco, Firearms and Explosives, P.O. Box 73201
Chicago, Il 60673-7201

1. Type of Transfer *(Check one)*
☐ $5 ☐ $200
Submit with your application a check or money order for the appropriate amount made payable to the Bureau of Alcohol, Tobacco, Firearms and Explosives. Upon approval of this application, this office will acquire, affix and cancel the required "National Firearms Act" stamp for you. *(See instructions 2h, 2i and 3.)*

3d. Number, Street, City, State and Zip Code of Residence *(or Firearms Business Premises)* if Different from Item 3a.

The above-named and undersigned transferor hereby makes application as required by Section 5812 of the National Firearms Act to transfer and register the firearm described below to the transferee.

4. Description of Firearm *(Complete items a through h)*

a. Name and Address of Manufacturer and/or Importer of Firearm	b. Type of Firearm *(See instruction 1c)*	c. Caliber, Gauge or Size *(Specify)*	d. Model		
			Length *(Inches)*	e. Of Barrel:	f. Overall:
			g. Serial Number		

h. Additional Description or Data Appearing on Firearm *(Attach additional sheet if necessary)*

5. Transferee's Federal Firearms License *(If any)*
(Give complete 15-digit number) (See instruction 2b)

First 6 digits	2 digits	2 digits	5 digits

6. Transferee's Special (Occupational) Tax Status *(If any)*

a. Employer Identification Number	b. Class

7. Transferor's Federal Firearms License *(If any)*
(Give complete 15-digit number) (See instruction 2b)

First 6 digits	2 digits	2 digits	5 digits

8. Transferor's Special (Occupational) Tax Status *(If any)*

a. Employer Identification Number	b. Class

Under Penalties of Perjury, I Declare that I have examined this application, and to the best of my knowledge and belief it is true, correct and complete, and that the transfer of the described firearm to the transferee and receipt and possession of it by the transferee are not prohibited by the provisions of Chapter 44, Title 18, United States Code; Chapter 53, Title 26, United States Code; or Title VII of the Omnibus Crime Control and Safe Streets Act, as amended; or any provisions of State or local law.

9. Consent to Disclosure of Information to Transferee *(See instruction 8).* **I Do** or **Do Not** *(Circle one)* Authorize ATF to Provide Information Relating to this Application to the Above-Named Transferee.

10. Signature of Transferor *(or authorized official)*	11. Name and Title of Authorized Official *(Print or type)*	12. Date

The Space Below is for the use of the Bureau of Alcohol, Tobacco, Firearms and Explosives

By authority of the Director, This Application has been Examined, and the Transfer and Registration of the Firearm Described herein and the Interstate Movement of that Firearm, when Applicable, to the Transferee are:

Stamp Denomination

☐ Approved *(with the following conditions, if any)*

☐ Disapproved *(For the following reasons)*

Signature of Authorized ATF Official

Date

ATF Form 4 (5320.4)
Revised November 2004

985

Transferee Information

The following questions must be answered by any transferee who is **not** a Federal firearms licensee or government agency. The transferee shall give full details on a separate sheet for all "YES" answers. *(See instruction 2d)*

13. Are You:	Yes	No	14. Have You:	Yes	No
a. Charged by information or under indictment in any court for a crime punishable by imprisonment for a term exceeding one year?			a. Been convicted in any court of a crime for which the judge could have imprisoned you for more than one year, even if the judge actually gave you a shorter sentence?		
b. A **fugitive** from justice?					
c. An alien who is **illegally** or unlawfully in the United States?			b. Been discharged from the armed forces under **dishonorable** conditions?		
d. Under 21 years of age?			c. Been adjudicated mentally defective or been committed to a mental institution?		
e. An unlawful user of or addicted to, marijuana, or any depressant, stimulant, or narcotic drug, or any other controlled substance?			d. Renounced your United States citizenship?		
f. Subject to a court order restraining you from harassing, stalking or threatening an intimate partner or child of such partner?			e. Been convicted in any court of a misdemeanor crime of domestic violence? This includes any misdemeanor conviction involving the use or attempted use of physical force committed by a current or former spouse, parent, or guardian of the victim, or by a person with a similar relationship with the victim.		

15. Transferee's Certification *(See instruction 2e)*

I, _____, have a reasonable necessity to
(Name of Transferee)
possess the machinegun, short-barreled rifle, short-barreled shotgun, or destructive device described on this application for the following reason(s) _____

_____

and my possession of the device or weapon would be consistent with public safety (18 U.S.C. 922(b) (4) and 27 CFR 478.98).

UNDER PENALTIES OF PERJURY, I declare that I have examined this application and the documents submitted in support thereof, and to the best of my knowledge and belief it is true, correct and complete.

_____ _____
(Signature of Transferee) *(Date)*

16. Photograph

Affix
Recent Photograph Here
(A[illegible])

Law Enforcement Certification Section

17. Law Enforcement Certification *(See instruction 2e)*

I certify that I am the chief law enforcement officer of the organization named below having jurisdiction in the area of residence of

_____. I have no information indicating that the transferee will use the firearm or device
(Name of Transferee)
described on this application for other than lawful purposes. I have no information that the receipt or possession of the firearm or device described in item 4 would be place the transferee in violation of State or local law.

_____ _____
(Signature and Title of Chief Law Enforcement Officer) *(Date)*

_____
(Organization and Street Address)

_____
(County) *(Telephone Number)*

Important Information for Currently Registered Firearms

If this registration document evidences the current registration of the firearm described on it, please note the following information.

Estate Procedures: For procedures regarding the transfer of firearms in an estate resulting from the death of the registrant identified in item 2a, the executor should contact the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226.

Change of Address: Unless currently licensed under the Gun Control Act, the registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, of any change to the address in Item 2a.

Change of Description: The registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, of any change to the description of the firearm in Item 4.

Interstate Movement: If the firearm identified in item 4 is a machinegun, short-barreled rifle, short-barreled shotgun, or destructive device, the registrant may be required by 18 U.S.C. § 922(a)(4) to obtain permission from ATF prior to any transportation in interstate or foreign commerce.

Restrictions on Possession: Any restriction *(see approval block on face of form)* on the possession of the firearm identified in item 4 continues with the further transfer of the firearm.

Persons Prohibited from Possessing Firearms: If the registrant becomes prohibited by 18 U.S.C. § 922 from possessing a firearm, the registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, immediately upon becoming prohibited for guidance on the disposal of the firearm.

Proof of Registration: This approved application is the registrant's proof of registration and it shall be made available to any ATF officer upon request.

Instructions

1. **Definitions**

   a. **National Firearms Act (NFA).** Title 26, United States Code, Chapter 53. The implementing regulations are found in Title 27, Code of Federal Regulations, Part 479.

   b. **Gun Control Act (GCA).** Title 18, United States Code, Chapter 44. The implementing regulations are found in Title 27, Code of Federal Regulations, Part 478.

   c. **Firearm.** The term "firearm" means: (1) a shotgun having a barrel or barrels of less than 18 inches in length; (2) a weapon made from a shotgun if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 18 inches in length; (3) a rifle having a barrel or barrels of less than 16 inches in length; (4) a weapon made from a rifle if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 16 inches in length; (5) any other weapon as defined in 18 U.S.C. § 5845(e); (6) a machinegun; (7) a muffler or silencer for any firearm whether or not such firearm is included within this definition; and (8) a destructive device.

   d. **Person.** The term "person" means a partnership, company, association, trust, estate, or corporation, as well as a natural person.

   e. **Employer Identification Number (EIN).** Required of taxpayer filing special (occupational) tax returns under 27 CFR § 479.35.

   f. **SPECIAL (OCCUPATIONAL) TAX.** Required by the NFA to be paid by a Federal firearms licensee engaged in the business of manufacturing (Class 2), importing (Class 1), or dealing (Class 3) in NFA firearms.

   g. **Federal Firearms License.** A license issued under the provisions of the GCA to manufacture, import or deal in firearms.

   h. **ATF Officer.** An officer or employee of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) authorized to perform any function relating to the administration of the NFA.

   i. **Transfer.** Selling, assigning, pledging, leasing, loaning, giving away, or otherwise disposing of a firearm.

   j. **Transferor.** The registered owner of a firearm who is applying to transfer it.

   k. **Transferee.** The person acquiring the firearm.

   l. **Misdemeanor Crime of Domestic Violence.** A crime that is a misdemeanor under Federal or State law and has, as an element, the use or attempted use of physical force, or the threatened use of a deadly weapon, committed by a current or former spouse, parent, or guardian of the victim, by a person with whom the victim shares a child in common, by a person who is co-habiting with or has cohabited with the victim as a spouse, parent, or guardian. The term includes all misdemeanors that involve the use or attempted use of physical force *(e.g., simple assault, assault and battery)*, if the offense is committed by one of the defined parties. The person is NOT considered to have been convicted of such crime unless the person was represented by a lawyer or gave up the right to a lawyer, and, if the person was entitled to a jury trial, was tried by a jury or gave up the right to a jury trial.

2. **Preparation of Application**

   a. **Authority.** As provided by 26 U.S.C. §§ 5811 and 5812, any person seeking to transfer a firearm tax paid must complete, in duplicate, an application on this form for each firearm. The transferor must furnish all the information called for on this application form.

   b. **Federal Firearms Licensees.** If the transferor or transferee is licensed under the GCA, the name, trade name *(if any)*, and address shall be identified on the ATF Form 4 as they appear on the license. If item 6 is completed, the entity identified must be the same as the entity identified in item 5. For example, **if item 5 identified a sole proprietor, item 6 cannot identify a corporation.** This also applies for the completion of items 7 and 8.

   c. **Transferee Qualifications.** If the transferee is an individual and not licensed under the GCA, the questions in items 13 and 14 must be answered.

   d. **Transferee Certification.** Item 15 must be completed by the transferee if:

      (1) the firearm to be transferred is a machinegun, short-barreled rifle, short-barreled shotgun, or destructive device;
      (2) the transferor is licensed under the GCA to deal in such device or firearm; and
      (3) the transferee is not licensed under the GCA to deal in such device or firearm.

   e. **Law Enforcement Certification.** Item 17 must be completed for an individual transferee, unless the transferee is licensed as a manufacturer, importer, or dealer under the GCA and is a special *(occupational)* taxpayer under the NFA at the time of the submission of the application for transfer. The chief law enforcement officer is considered to be the Chief of Police for the transferee's city or town of residence; the Sheriff for the transferee's county of residence; the Head of the State Police for the transferee's State of residence; a State or local district attorney or prosecutor having jurisdiction in the transferee's area of residence; or another person whose certification is acceptable to the Director, Bureau of Alcohol, Tobacco, Firearms and Explosives. If someone has specific delegated authority to sign on behalf of the Chief of Police, Sheriff, etc., this fact must be noted by printing the Chief's, Sheriff's, or other authorized official's name and title, followed by the word "by" and the full signature and title of the delegated person. The certificate must be dated no more than one year prior to the date of receipt of the application.

   f. **Photographs and Fingerprints.** An individual transferee, except if licensed as a manufacturer, importer, or dealer under the GCA, must (1) attach to Item 16, a 2 inch x 2 inch photograph of the frontal view of the transferee taken within 6 months prior to the date of the application and (2) attach two properly completed FBI Forms FD-258 *(Fingerprint Card with blue lines)* to the application. The fingerprints must be clear for accurate classification and taken by someone properly equipped to take them.

   g. **Signatures.** All signatures required on ATF Form 4 must be original in ink on both copies.

   h. **Remittance.** A check or money order, made payable to the Bureau of Alcohol, Tobacco, Firearms and Explosives, in the amount for the appropriate rate of tax *(see instruction 2i)* must be submitted with the ATF Form 4. Do not send cash.

   i. **Rate of Tax.** The tax on the transfer of any NFA firearm is $200.00, except that the tax is $5.00 on the transfer of a firearm classified as "any other weapon."

   j. **Photocopies, Computer Generated Versions, or Downloaded Version from ATF Website.** The ATF Form 4 may be photocopied, computer-generated *(as long as it is in the same format and contains all required information)*, or downloaded from the ATF website *(www.atf.gov)*. Please note the instructions on the website.

   k. **Estates.** If the firearm is being transferred from an estate, item 3a shall reflect: the executor's name, title *(executor (or executrix, administrator, administratrix)* of the estate of *(name))*, and the executor's address. Item 3c shall reflect the address of the decedent and the date of death. *(see the ATF Internet website at **www.atf.gov** for additional information about transfers from estates.)*

   l. **Submission.** All requested informtion must be entered in blue or black ink and must be legible. Send both copies of the ATF Form 4 and attachments to the address located in the upper right hand corner on the face side of the ATF Form 4. The return of the application or sending it to any other address will only delay the processing.

   m. **State or Local Permit.** If a State or local permit or license is required for the transferee prior to acquisition of the firearm, a copy of the permit must be included with the application.

3. **Approval of Application.** Upon approval of an application, the NFA Branch will affix the appropriate NFA transfer tax stamp, cancel it, and return the approved copy with the stamp affixed to the transferor for delivery with the firearm to the transferee. Since the approval of the application effectuates registration of the firearm to the transferee, the physical transfer of the firearm must be completed immediately; however, the transferor must not transfer the firearm until the application has been approved and received. If the physical transfer of the firearm cannot be completed immediately, the transferor must contact the NFA Branch with the specifics.

4. **Withdrawal of Application.** The transferor may withdraw an application prior to approval subsequent to a written request. The NFA Branch will arrange for a refund of the taxpaid.

5. **Cancellation of Approved Application.** The transferor may cancel an approved application only if the physical transfer of the firearm has not been completed. The transferor must return the approved application with the tax stamp affixed with a written request for cancellation, citing the need and that the physicaltransfer of the firearm did not take place. The NFA Branch will arrange for a refund of the tax paid.

6. **Disapproval of Application.** If the application is disapproved, the NFA Branch will note the reason for disapproval on the application and return one copy of the ATF Form 4 to the transferor. The NFA Branch will arrange for a refund of the tax paid.

7. **Reasons for Disapproval.** 26 U.S.C. § 5812 provides that applications shall be denied if the transfer, receipt, or possession of the firearm would place the transferee in violation of law.

   a. **State or Local Law.** If State or local law prohibits the receipt or possession of the firearm being transferred, the application will be disapproved.

   b. **Persons Prohibited from Receiving a Firearm.** The application will be disapproved if the transferee is a person prohibited from receiving a firearm by 18 U.S.C. § 922(g), which provides that it shall be unlawful for any person—

      (1) who has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;
      (2) who is a fugitive from justice;
      (3) who is an unlawful user of or addicted to any controlled substance;
      (4) who has been adjudicated as a mental defective or who has been committed to a mental institution;
      (5) who, being an alien, is illegally or unlawfully in the United States or except as provided in 18 U.S.C. 922(y)(2), has been admitted to the United States under a non-immigrant visa *(as that term is defined in 8 U.S.C. 1101(a)(26))*;
      (6) who has been discharged from the Armed Forces under dishonorable conditions;
      (7) who, having been a citizen of the United States, has renounced his citizenship;
      (8) who is subject to a court order that—

         (A) was issued after a hearing of which such person received actual notice, and at which such person had an opportunity to participate;
         (B) restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and
         (C) (I) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; or (II) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury, or

      (9) who has been convicted in any court of a crime of domestic violence; to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.

8. **Status Inquiries and Questions.** Information relating to the NFA and other firearms laws is available at the ATF Internet website at **www.atf.gov**. Any inquiry relating to the status of an application to transfer an NFA firearm or about procedures in general should be directed to the NFA Branch at (202) 927-8330. Please be aware that any dissemination by ATF of information relating to the application to register an NFA firearm must conform with the restrictions in 26 U.S.C. § 6103. The opportunity provided in item 8 to authorize ATF to disclose information is intended to enable ATF to respond to inquiries by the transferee regarding the application. The failure to complete item 8 will be considered a declination of authorization to release the information.

9. **Penalties.** Any person who violates or fails to comply with any of the requirements of the NFA shall, upon conviction, be fined not more than $10,000 or be imprisoned for not more than 10 years, or both. Any firearm involved in a violation of the NFA shall be subject to seizure and forfeiture. It is unlawful for any person to make or cause the making of a false entry on any application or record required by the NFA knowing such entry to be false.

10. **Compliance with the Gun Control Act.** All provisions of the GCA must also be complied with, including the recordkeeping requirements for licensees and the retention of ATF Form 4473 (5300.9) by licensees for dispositions to non-licensees.

Privacy Act Information

The following information is provided pursuant to Section 3 of the Privacy Act of 1974 (5 U.S.C. § 552(e)(3)):

1. **Authority.** Solicitation of this information is made pursuant to the National Firearms Act (26 U.S.C. § 5812). Disclosure of this information by the applicant is mandatory for transfer of an NFA firearm, unless the transfer is otherwise exempt from tax.

2. **Purpose.** To insure payment of the tax imposed by 26 U.S.C. § 5811; to insure that the transfer would not be in violation of law; and to effect registration of the firearm.

3. **Routine Uses.** The information will be used by ATF to make the determinations set forth in paragraph 2. In addition, to effect registration of the firearm, information as to the identification of the firearm, date of registration, and the identification and address of person entitled to possess the firearm will be entered into the National Firearms Registration and Transfer Record. No information obtained from an application, registration, or records required to be submitted by a natural person in order to comply with any provision of the National Firearms Act or regulations issued thereunder, shall, except in connection with prosecution or other action for furnishing false information, be used, directly or indirectly, as evidence against that person in any criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application. The information from this application may only be disclosed to Federal authorities for purposes of prosecution for violation of the National Firearms Act.

4. **Effects of not Supplying Information Requested.** Failure to supply complete information will delay processing and may cause denial of the application.

Paperwork Reduction Act Notice

This information request is in accordance with the Paperwork Reduction Act of 1995. The information your provide is used in applying to transfer serviceable firearms taxpaid to persons other than special taxpayers qualified to deal in NFA firearms or government entities. Data is used to identify transferor, transferee, and firearm, and to ensure legality for transfer under Federal, State and local laws. The furnishing of this information is mandatory. *(26 U.S.C. § 5812)*

The estimated average burden associated with this collection of information is 4 hour(s) per respondent or recordkeeper, depending on individual circum-stances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

CONFIRMATION COMMITTEE REPORT

Action date: 2·16·10

The **Finance Committee** has reviewed the qualifications of the following Governor's appointee(s) as shown on the attached Referral for Confirmation form(s) and recommends that the name(s) be forwarded to a joint session for consideration:

This does not reflect intent by any of the members to vote for or against this individual during any further sessions for the purposes of confirmation.

Signature:	Printed Last Name
	Thomas
	Gara
	KELLY
	Austerman
	Salmon
	Foster
Anna L. Fairclough	FAIRCLOUGH
Co-Chair:	STOLTZE
Co-Chair:	Hawker

Please attach appointee Referral for Confirmation form(s) and return to the Chief Clerk's office.

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

State Capitol, Room 216
Juneau, AK 99801-1182
Phone: (907) 465-3725
Fax: (907) 465-5334

Official Business

REFERRAL FOR CONFIRMATION

Date Referred: February 3, 2010

Committee: Finance

Alaska Mental Health Trust Authority Board of Trustees
Mary Jane Michael – Anchorage
Appointed: 3/1/2009
Reappointed: 3/1/2010 Term Expires: 3/1/2015

Action Date: 2·16·10
(Same date as on the accompanying signature page)

Note: Attach to a signature page and return to the Chief Clerk's office.

990

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

State Capitol, Room 216
Juneau, AK 99801-1182
Phone: (907) 465-3725
Fax: (907) 465-5334

Official Business

REFERRAL FOR CONFIRMATION

Date Referred: February 3, 2010

Committee: Finance

Alaska Mental Health Trust Authority Board of Trustees
Laraine L. Derr – Juneau
Appointed: 10/19/2005
Reappointed: 3/1/2010 Term Expires: 3/1/2015

Action Date: 2·16·10
(Same date as on the accompanying signature page)

Note: Attach to a signature page and return to the Chief Clerk's office.

991

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

State Capitol, Room 216
Juneau, AK 99801-1182
Phone: (907) 465-3725
Fax: (907) 465-5334

Official Business

REFERRAL FOR CONFIRMATION

Date Referred: February 3, 2010

Committee: Finance

Alaska Mental Health Trust Authority Board of Trustees
Carlton R. Smith – Juneau
Appointed: 3/1/2010 Term Expires: 3/1/2014

Action Date: 2·16·10
(Same date as on the accompanying signature page)

Note: Attach to a signature page and return to the Chief Clerk's office.

HB

324

<target><bill>HB 324</bill><subject>HB
324</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 1, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that revises State bail statutes and provides better direction to judicial officers in making decisions about the release of a person charged with a crime.

A judicial officer's decision to release or detain a person who has been charged with a crime is critical to the justice system and the safety of the community. The guidance currently provided in the State's bail statutes was in effect before statehood, and is in many respects outdated. The bill includes a general revision of the procedures and standards in AS 12.30.

Although the bill retains many of the general guidelines in current law for release of persons charged with crimes, there are important differences that would greatly improve the safety of Alaskans. For example, in cases where a person is charged with a serious crime such as sexual assault, the bill would adopt a rebuttable presumption that no release condition or combination of release conditions would assure the appearance of the defendant or the safety of others. This would result in a more serious inquiry into the release conditions that would reasonably assure that the person charged would appear in court and would not pose a danger to the victim or the public.

The bill would impose standards on persons who may serve as a third-party custodian for a defendant. Appointment of a third-party custodian is useful in certain cases, but only if the custodian takes their duties seriously. The bill requires a person to appear in court and acknowledge the responsibilities of a custodian, and be notified that failure to undertake these responsibilities can result in the custodian being charged with a crime or being held in contempt. It also prohibits a person from serving as a custodian if the person is a witness in the defendant's case, has recent criminal convictions, or is on probation.

Under current law, a person found guilty of an unclassified or class A felony may not be released before sentencing or during an appeal. The bill extends this prohibition to include persons convicted of a sexual felony, or of a class B or C felony if the person has a previous felony conviction within

the past 10 years. There are several reasons for these changes. First, a person convicted of a sexual felony is subject to a potential maximum term of imprisonment of 99 years, and for that reason poses a higher flight risk. Second, the high recidivism rate for sex offenders raises the danger to the public if the person is released. Further, the provision addressing persons convicted of a class B or C felony with a prior conviction responds to a decision by the Alaska Court of Appeals, *Bourdon v. State*, 28 P.3d 319 (Alaska App. 2001). *Bourdon* found the current law on release of persons with prior convictions to violate the equal protection clause of the Alaska Constitution. The bill corrects the concerns noted by the court in *Bourdon*.

The bill also would clarify how to deal with material witnesses that are unlikely to appear for trial even if served with a subpoena. Under current law a material witness may be arrested. Currently, there are no standards allowing for release from confinement. This bill would allow the witness to be released after providing deposition.

Current law requires a person who is arrested for a crime to be brought before a judicial officer within 24 hours of arrest. Many states and the federal law require the first appearance within 48 hours, and this deadline is proposed in the bill. There are good reasons for the change. Forty-eight hours would allow the prosecutor adequate time to see the police report, make informed charging decisions, and to make more rational bail arguments to the judicial officer. It would also allow time to contact a victim for input about whether the defendant would present a danger if released without particular conditions. A victim has a right to be heard at a bail hearing; 48 hours gives the prosecution time to make this right meaningful.

The bill addresses the safety of a victim of domestic violence by adopting tough standards for when a domestic violence offender may return to the victim's residence. The current statute forbids an offender from returning to the victim's residence. However, this prohibition was overturned by the court in *Williams v. State*, 151 P.3d 460 (Alaska App. 2006). The court found that the absolute prohibition violated the constitutional guarantee of equal protection of the law. In response to *Williams*, the bill adopts standards for the court to apply in deciding whether it is safe and appropriate to allow the person to return to the home of the victim. These standards emphasize the safety of the victim.

Passage of this bill would protect all Alaskans, and particularly many of our most vulnerable friends and neighbors. I urge your prompt and favorable consideration of this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 29, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/12/10

The FINANCE Committee considered: **HOUSE BILL NO. 324**

"An Act relating to the crime of failure to appear; relating to arrest for violating certain conditions of release; relating to release before trial, before sentence, and pending appeal; relating to material witnesses; relating to temporary release; relating to release on a petition to revoke probation; relating to the first appearance before a judicial officer after arrest; relating to service of process for domestic violence protective orders; making conforming amendments; amending Rules 5 and 41, Alaska Rules of Criminal Procedure, and Rules 206 and 603, Alaska Rules of Appellate Procedure; and providing for an effective date."

HB 324-FAILURE TO APPEAR; RELEASE PROCEDURES

Recommends it be replaced with [ ] HCS *or* [✓] CS for HB 324 (FIN)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[✓] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM				✓
HFIN/CRT				✓

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DPS	5			✓
LAW	4			✓
COR	3			✓
ADM	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	2			
				✓	
Mike Doogan	DOOGAN	✓			
	Joule	✓		·	
	FOSTER			✓	
Anna Fairclough	FAIRCLOUGH	✓			
	KELLY	✓			
	Salmon	X		·	
Chair:					
Chair:	Hawker	*			

996

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 324(FIN)**
() Publish Date:

Identifier (file name): CSHB324(FIN)-04-12-10
Dept. Affected:
Title: FAILURE TO APPEAR; RELEASE PROCEDURES
RDU: Alaska Court System
Component: Trial Courts
Sponsor: House Rules Committee by Request of the Governor
Requester: House Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/12/2010 6:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/12/2010

(Revised 9/10/2008 OMB)

997

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB324(JUD)
() Publish Date:

Identifier (file name): CSHB324(JUD)-DOA-PDA-04-12-10
Dept. Affected: DOA
Title: An Act relating to the crime of failure to appear; relating to arrest for violating certain conditions of release . . . .
RDU: Legal and Advocacy Services
Component: Public Defender Agency
Sponsor: HRLS by Request
Requester: HFIN
Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See attached analysis page 2.

Prepared by: Quinlan Steiner, Director
Phone 907 334-4414
Division: Public Defender Agency
Date/Time 04/12/10, 9:30 AM
Approved by: Rachael Petro, Deputy Commissioner
Department of Administration
Date 4/12/2010

(Revised 11/6/2009 OMB)

998

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB324(JUD)

ANALYSIS CONTINUATION

This bill revises the procedures and standards of the bail statutes, moves the substantive crime of failure to appear from Title 12 to Title 11, and eliminates the culpable mental state for failure to appear.

The bill creates a rebuttable presumption that may be overcome by a preponderance of evidence that no release condition or combination of release conditions would reasonably assure the appearance of a person or the safety of others for certain higher level offenses. The bill also imposes stricter standards on who may act as a third-party custodian. It also provides that a person found guilty of a sexual felony, or of a class B or C felony with a prior felony conviction, may not be released pending sentence or appeal.

The bill changes current law on the time limit for bringing an arrestee before a judicial officer from 24 hours to 48 hours; changes the law that prohibits a court from allowing a person charged with a crime involving domestic violence from returning to the residence of the victim adopting standards for court to apply in deciding whether it is appropriate to allow the person to return to the home of the victim.

The agency does not predict a significant fiscal impact as a result of the proposed statute. Accordingly, the agency submits a zero fiscal note.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 324(JUD)
(H) Publish Date: 3/29/10

Identifier (file name): HB324-DPS-AST-03-24-10
Dept. Affected: Public Safety
Title: "An Act relating to failure to appear, release conditions, material witnesses, and domestic violence prohibitions."
RDU: Alaska State Troopers
Component: AST Detachments
Sponsor: Rules by Request of the Governor
Requester: House Judiciary
Component Number: 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would revise Alaska's bail law in the following ways: Changes the burden of proof in a bail hearing for persons considered a flight risk or a danger to others, moves the crime of failure to appear to Title 11 and changes the culpable mental state, for serious crimes adopts a presumption that no release condition(s) would assure the appearance of the person or safety of others, imposes a stricter standard on who may be a third party custodian, changes the deadline for bringing a person before a judicial officer from 24 to 48 hours, allows for a material witness to be arrested, changes domestic violence law to comply with current case law.

Passage of this legislation will not significantly change the daily operations of the department. This legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial — Phone 907-247-4480
Division: Alaska State Troopers — Date/Time 3/24/10 10:00 AM
Approved by: Joseph Masters, Commissioner — Date 3/24/2010
Department of Public Safety

(Revised 11/6/2009 OMB)

1000

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: HB 324
(H) Publish Date: 2/3/10

Identifier (file name): 0910-Law-Crim-01-08-10
Dept. Affected: Law
Title: An act relating to the crime of failure to appear; arrest for violating certain conditions of release and timing of release.
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Rules
Requester: Governor
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The bill is a revision of out-of-date bail statutes. For persons who present a higher flight risk or greater danger to the community the bill requires that the offender must establish that they may be released with conditions that will reasonably assure their appearance and the safety of the community. It will change from 24 to 48 hours the deadline for bringing a person before a judicial officer after arrest. This should result in better charging decisions, more coherent bail arguments, and ultimately fewer bail hearings. It will also reduce the number of bail hearings on holidays and weekends. The fiscal impact will be positive but there is no way of quantifying this.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 1/8/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 1/8/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 324
(H) Publish Date: 2/3/10

Identifier (file name): "An act relating to the crime of failure to appear;
Title: relating to arrest for violating certain conditions of release...."

Dept. Affected: DOC
RDU: Adminstration & Support
Component: Office of the Commissioner

Sponsor: Rules Committee
Requester: Governor

Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
SEE PAGE 2

Prepared by: Leslie Houston, Director — Phone (907) 465-3339
Division: Administration and Support — Date/Time 1/8/10 2:00 PM
Approved by: Dwayne Peeples, Deputy Commissioner — Date 1/8/2010
Department of Corrections

(Revised 11/6/2009 OMB)

1002

FISCAL NOTE #3

STATE OF ALASKA **BILL NO.** HB 324
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

This legislation relates to the crime of failure to appear, arrest for violating certain conditions of release, release before trial, before sentence, and pending appeal, material witnesses, temporary release, petition to revoke probation, first appearances, and domestive violence protective orders.

DOC projects there will be a shift of burden from the sentenced facilities to the State and Community Jails that house the unsentenced population during the adjudication process. While the total impact of the mandays of incarceration may not be significant when calculating time served for those convicted, there will be a significant increased number of mandays in the small jails. It is difficult for DOC to quantify the impact due to the multiple variables under this scenario, e.g. transportation costs from rural areas, medical costs based on need, plea bargains, dismissed cases, etc.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 324
(H) Publish Date: 2/3/10

Identifier (file name): 0910-DOA-OPA-12-10-09
Dept. Affected: DOA
Title: An Act relating to the crime of failure to appear; relating to arrest for violating certain conditions of release . . . .
RDU: Legal and Advocacy Services
Component: Office of Public Advocacy
Sponsor: Rules Committee
Requester: Governor
Component Number: 43

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill makes changes and additions to the statutes applicable to bail in criminal cases , reduces the proof requirements to obtain convictions for failure to appear, expands the circumstances under which a material witness may be detained, and increases the maximum amount of time between arrest and initial appearance before a judicial officer from twenty-four to forty-eight hours.

Analysis continued on the second page.

Prepared by: Rachel Levitt, Director — Phone 907 269-3504
Division: Office of Public Advocacy — Date/Time 12/10/09, 4:30 p.m.
Approved by: Rachael Petro, Deputy Commissioner — Date 12/15/2009
Department of Administration

(Revised 10/13/2009 OMB)

1004

FISCAL NOTE #1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 324

ANALYSIS CONTINUATION

Among the changes to the bail statutes, the bill includes a list of mandatory conditions of release for all defendants and a list of additional conditions of release that the court may impose. Under this legislation, a defendant will not be given a second bail review until the Court System provides information regarding a defendant's previous criminal charges and history of compliance with release. The bill will also codify a rebuttable presumption against release in certain categories of pretrial cases. Additionally, it will exclude certain categories of people from becoming third party custodians.

The agency does not predict a significant fiscal impact as a result of the proposed statute. Accordingly, the agency submits a zero fiscal note.

Adopted 4/12/10

26-GH2910\S
Luckhaupt
4/11/10

CS FOR HOUSE BILL NO. 324(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the crime of failure to appear; relating to arrest for violating certain conditions of release; relating to release before trial, before sentence, and pending appeal; relating to material witnesses; relating to temporary release; relating to release on a petition to revoke probation; relating to the first appearance before a judicial officer after arrest; relating to service of process for domestic violence protective orders; making conforming amendments; amending Rules 5 and 41, Alaska Rules of Criminal Procedure, and Rules 206 and 603, Alaska Rules of Appellate Procedure; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 11.56 is amended by adding a new section to read:

Sec. 11.56.730. Failure to appear. (a) A person commits the crime of failure to appear if the person

New Text Underlined [DELETED TEXT BRACKETED]

L
1006

(1) is released under the provisions of AS 12.30;

(2) knows that the person is required to appear before a court or judicial officer at the time and place of a scheduled hearing; and

(3) with criminal negligence does not appear before the court or judicial officer at the time and place of the scheduled hearing.

(b) In a prosecution for failure to appear under (a) of this section, it is an affirmative defense that unforeseeable circumstances, outside the person's control, prevented the person from appearing before the court or judicial officer at the time and place of the scheduled hearing, and the person contacted the court orally and in writing immediately upon being able to make the contact.

(c) A person who commits failure to appear incurs a forfeiture of any security for any appearance of the person that was given or pledged to the court for the person's release, and is guilty of a

(1) class C felony if the person was released in connection with a charge of a felony, or while awaiting sentence or appeal after conviction of a felony;

(2) class A misdemeanor if the person was released in connection with a

(A) charge of a misdemeanor, or while awaiting sentence or appeal after conviction of a misdemeanor; or

(B) requirement to appear as a material witness in a criminal proceeding.

*** Sec. 2.** AS 12.25.030(b) is amended to read:

(b) In addition to the authority granted by (a) of this section, a peace officer

(1) shall make an arrest under the circumstances described in AS 18.65.530;

(2) without a warrant may arrest a person if the officer has probable cause to believe the person has, either in or outside the presence of the officer,

(A) committed a crime involving domestic violence, whether the crime is a felony or a misdemeanor; in this subparagraph, "crime involving domestic violence" has the meaning given in AS 18.66.990;

(B) committed the crime of violating a protective order in

violation of AS 11.56.740; or

(C) violated a condition of release imposed under **AS 12.30.016(e)** [AS 12.30.025] or 12.30.027;

(3) without a warrant may arrest a person when the peace officer has **probable** [REASONABLE] cause for believing that the person has

(A) committed a crime under or violated conditions imposed as part of the person's release before trial on misdemeanor charges brought under AS 11.41.270;

(B) violated AS 04.16.050 or an ordinance with similar elements; however, unless there is a lawful reason for further detention, a person who is under [THE AGE OF] 18 **years of age** and who has been arrested for violating AS 04.16.050 or an ordinance with similar elements shall be cited for the offense and released to the person's parent, guardian, or legal custodian; or

(C) violated conditions imposed as part of the person's release **under the provisions of AS 12.30** [BEFORE TRIAL ON FELONY CHARGES BROUGHT UNDER AS 11.41.410 - 11.41.458].

*** Sec. 3.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.006. Release procedures. (a) At the first appearance before a judicial officer, a person charged with an offense shall be released or detained under the provisions of this chapter.

(b) At the first appearance before a judicial officer, a person who is charged with a felony may be detained up to 48 hours for the prosecuting authority to demonstrate that release of the person under AS 12.30.011(a) would not reasonably assure the appearance of the person or will pose a danger to the victim, other persons, or the community.

(c) A person who remains in custody 48 hours after appearing before a judicial officer because of inability to meet the conditions of release shall, upon application, be entitled to have the conditions reviewed by the judicial officer who imposed them. If the judicial officer who imposed the conditions of release is not available, any judicial officer in the judicial district may review the conditions.

(d) If a person remains in custody after review of conditions by a judicial officer under (c) of this section, the person may request a subsequent review of conditions. Unless the prosecuting authority stipulates otherwise or the person has been incarcerated for a period equal to the maximum sentence for the most serious charge for which the person is being held, a judicial officer may not schedule a bail review hearing under this subsection unless

(1) the person provides to the court and the prosecuting authority a written statement that new information not considered at the previous review will be presented at the hearing; the statement must include a description of the information and the reason the information was not presented at a previous hearing; in this paragraph, "new information" does not include the inability to post the required bail;

(2) the prosecuting authority and any surety, if applicable, have at least 48 hours' written notice before the time set for the review requested under this subsection; the defendant shall notify the surety; and

(3) at least seven days have elapsed between the previous review and the time set for the requested review.

(e) A judicial officer may solicit comments by the victim or a parent or guardian of a minor victim who is present at the bail review hearing and wishes to comment. The judicial officer shall consider those comments and any response by the person before making a decision concerning the release of the person.

(f) The judicial officer shall issue written or oral findings that explain the reasons the officer imposed the particular conditions of release or modifications or additions to conditions previously imposed. The judicial officer shall inform the person that a law enforcement officer may arrest the person without a warrant for violation of the court's order establishing conditions of release.

(g) Information offered or introduced at a bail hearing to determine conditions of release need not conform to the rules governing the admissibility of evidence.

*** Sec. 4.** AS 12.30 is amended by adding new sections to read:

Sec. 12.30.011. Release before trial. (a) Except as otherwise provided in this chapter, a judicial officer shall order a person charged with an offense to be released on the person's personal recognizance or upon execution of an unsecured appearance

bond, on the condition that the person

(1) obey all court orders and all federal, state, and local laws;

(2) appear in court when ordered;

(3) if represented, maintain contact with the person's lawyer; and

(4) notify the person's lawyer, who shall notify the prosecuting authority and the court, not more than 24 hours after the person changes residence.

(b) If a judicial officer determines that the release under (a) of this section will not reasonably assure the appearance of the person or will pose a danger to the victim, other persons, or the community, the officer shall impose the least restrictive condition or conditions that will reasonably assure the person's appearance and protect the victim, other persons, and the community. In addition to conditions under (a) of this section, the judicial officer may, singly or in combination,

(1) require the execution of an appearance bond in a specified amount of cash to be deposited into the registry of the court, in a sum not to exceed 10 percent of the amount of the bond;

(2) require the execution of a bail bond with sufficient solvent sureties or the deposit of cash;

(3) require the execution of a performance bond in a specified amount of cash to be deposited in the registry of the court;

(4) place restrictions on the person's travel, association, or residence;

(5) order the person to refrain from possessing a deadly weapon on the person or in the person's vehicle or residence;

(6) require the person to maintain employment, or if unemployed, actively seek employment;

(7) require the person to notify the person's lawyer and the prosecuting authority within two business days after any change in employment;

(8) require the person to avoid all contact with a victim, a potential witness, or a codefendant;

(9) require the person to refrain from the consumption and possession of alcoholic beverages;

(10) require the person to refrain from the use of a controlled substance

as defined by AS 11.71, unless prescribed by a licensed health care provider with prescriptive authority;

(11) require the person to be physically inside the person's residence, or in the residence of the person's third-party custodian, at time periods set by the court;

(12) require the person to keep regular contact with a law enforcement officer or agency;

(13) order the person to refrain from entering or remaining in premises licensed under AS 04;

(14) place the person in the custody of an individual who agrees to serve as a third-party custodian of the person as provided in AS 12.30.021;

(15) if the person is under the treatment of a licensed health care provider, order the person to follow the provider's treatment recommendations;

(16) order the person to take medication that has been prescribed for the person by a licensed health care provider with prescriptive authority;

(17) order the person to comply with any other condition that is reasonably necessary to assure the appearance of the person and to assure the safety of the victim, other persons, and the community.

(c) In determining the conditions of release under this chapter, the court shall consider the following:

(1) the nature and circumstances of the offense charged;

(2) the weight of the evidence against the person;

(3) the nature and extent of the person's family ties and relationships;

(4) the person's employment status and history;

(5) the length and character of the person's past and present residence;

(6) the person's record of convictions;

(7) the person's record of appearance at court proceedings;

(8) assets available to the person to meet monetary conditions of release;

(9) the person's reputation, character, and mental condition;

(10) the effect of the offense on the victim, any threats made to the

victim, and the danger that the person poses to the victim;

(11) any other facts that are relevant to the person's appearance or the person's danger to the victim, other persons, or the community.

(d) In making a finding regarding the release of a person under this chapter,

(1) except as otherwise provided in this chapter, the burden of proof is on the prosecuting authority that a person charged with an offense should be detained or released with conditions described in (b) of this section or AS 12.30.016;

(2) there is a rebuttable presumption that no condition or combination of conditions will reasonably assure the appearance of the person or the safety of the victim, other persons, or the community, if the person is

(A) charged with an unclassified felony, a class A felony, a sexual felony, or a felony under AS 28.35.30 or 28.35.032;

(B) charged with a felony crime against a person under AS 11.41, was previously convicted of a felony crime against a person under AS 11.41 in this state or a similar offense in another jurisdiction, and less than five years have elapsed between the date of the person's unconditional discharge on the immediately preceding offense and the commission of the present offense;

(C) charged with a felony offense committed while the person was on release under this chapter for a charge or conviction of another offense;

(D) charged with a crime involving domestic violence, and has been convicted in the previous five years of a crime involving domestic violence in this state or a similar offense in another jurisdiction;

(E) arrested in connection with an accusation that the person committed a felony outside the state or is a fugitive from justice from another jurisdiction, and the court is considering release under AS 12.70.

Sec. 12.30.016. Release before trial in certain cases. (a) A judicial officer may impose, in addition to those required or authorized under AS 12.30.011, conditions of release for offenses described in this section, if necessary to reasonably assure the person's appearance or the safety of the victim, other persons, or the community.

(b) In a prosecution charging a violation of AS 04.11.010, 04.11.499, AS 28.35.030, or 28.35.032, a judicial officer may order the person

(1) to refrain from

(A) consuming alcohol beverages; or

(B) possessing on the person, in the person's residence, or in any vehicle or other property over which the person has control, alcoholic beverages;

(2) to submit to a search without a warrant of the person, the person's personal property, the person's residence, or any vehicle or other property over which the person has control, for the presence of alcoholic beverages by a peace officer who has reasonable suspicion that the person is violating the conditions of the person's release by possessing alcoholic beverages;

(3) to submit to a breath test when requested by a law enforcement officer;

(4) to provide a sample for a urinalysis or blood test when requested by a law enforcement officer;

(5) to take a drug or combination of drugs intended to prevent substance abuse;

(6) to follow any treatment plan imposed by the court under AS 28.35.028.

(c) In a prosecution charging a violation of AS 11.71 or AS 11.73, a judicial officer may order the person

(1) to refrain from

(A) consuming a controlled substance; or

(B) possessing on the person, in the person's residence, or in any vehicle or other property over which the person has control, a controlled substance or drug paraphernalia;

(2) to submit to a search without a warrant of the person, the person's personal property, the person's residence, or any vehicle or other property over which the person has control, for the presence of a controlled substance or drug paraphernalia by a peace officer who has reasonable suspicion that the person is violating the terms

of the person's release by possessing controlled substances or drug paraphernalia;

(3) to enroll in a random drug testing program, at the person's expense, to detect the presence of a controlled substance, with testing to occur not less than once a week, and with the results being submitted to the court and the prosecuting authority;

(4) to refrain from entering or remaining in a place where a controlled substance is being used, manufactured, grown, or distributed;

(5) to refrain from being physically present, within a two-block area of, or within a designated area near, the location where the alleged offense occurred or at other designated places, unless the person actually resides within that area; or

(6) to refrain from the use or possession of an inhalant.

(d) In a prosecution charging misconduct involving a controlled substance under AS 11.71.020(a)(2) for the manufacture of methamphetamine, or its salts, isomers, or salts of isomers, if the person has been previously convicted in this or another jurisdiction of a crime involving the manufacturing, delivering, or possessing methamphetamine, or its salts, isomers, or salts of isomers, a judicial officer shall require the posting of a minimum of $250,000 cash bond before the person may be released. The judicial officer may reduce this requirement if the person proves to the satisfaction of the officer that the person's only role in the offense was as an aider or abettor and that the person did not stand to benefit financially from the manufacturing.

(e) In a prosecution charging the crime of stalking that is not a crime involving domestic violence, a judicial officer may order the person to

(1) follow the provisions of any protective order to which the person is respondent;

(2) refrain from contacting in any manner, including by telephone or electronic communication, the victim;

(3) engage in counseling; if available in the community, the judicial officer shall require that counseling ordered include counseling about alternatives to aggressive behavior.

(f) In a prosecution charging a crime under AS 11.41.410 - 11.41.458, a judicial officer

(1) may order the person to have no contact with the victim except as specifically allowed by the court;

(2) may order the person to reside in a place where the person is not likely to come into contact with the victim of the offense;

(3) may order the person to have no contact with any person under 18 years of age except in the normal course of business in a public place;

(4) shall assure that the victim and the parent or guardian of a minor victim have been notified by a law enforcement agency or the prosecuting authority of a hearing where release is being considered, or that a reasonable effort at notification has been made; and

(5) shall solicit comments from the victim or a parent or guardian of the minor victim who is present and wishes to comment, and consider those comments before making a decision concerning the release of the person.

* **Sec. 5.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.021. Third-party custodians. (a) In addition to other conditions imposed under AS 12.30.011 or 12.30.016, a judicial officer may appoint a third-party custodian if the officer finds that the appointment will, singly or in combination with other conditions, reasonably assure the person's appearance and the safety of the victim, other persons, and the community.

(b) A judicial officer may appoint an individual as a third-party custodian if the proposed custodian

(1) provides information to the judicial officer about the proposed custodian's residence, occupation, ties to the community, and relationship with the person, and provides any other information requested by the judicial officer;

(2) is physically able to perform the duties of custodian of the person;

(3) personally, by telephone, or by other technology approved by the court, appears in court with the person and acknowledges to the judicial officer orally and in writing that the proposed custodian

(A) understands the duties of custodian and agrees to perform them; the proposed custodian must specifically agree to immediately report in accordance with the terms of the order if the person released has violated a

condition of release; and

(B) understands that failure to perform those duties may result in the custodian being held criminally liable under AS 09.50.010 or AS 11.56.758.

(c) A judicial officer may not appoint a person as a third-party custodian if

(1) the proposed custodian is acting as a third-party custodian for another person;

(2) the proposed custodian has been convicted in the previous three years of a crime under AS 11.41 or a similar crime in this or another jurisdiction;

(3) criminal charges are pending in this state or another jurisdiction against the proposed custodian;

(4) the proposed custodian is on probation in this state or another jurisdiction for an offense;

(5) the proposed custodian may be called as a witness in the prosecution of the person;

(6) the proposed custodian resides out of state; however a nonresident may serve as a custodian if the nonresident resides in the state while serving as custodian.

*** Sec. 6.** AS 12.30.027(a) is amended to read:

(a) Before ordering release before or after trial, or pending appeal, of a person charged with or convicted of a crime involving domestic violence, the **judicial officer** [COURT] shall consider the safety of the [ALLEGED] victim or other household member. To protect the [ALLEGED] victim, household member, **other persons,** and the **community** [PUBLIC] and to reasonably assure the person's appearance, the **judicial officer shall impose conditions required under AS 12.30.011, and** [COURT] may impose [BAIL AND] any of the conditions authorized under **AS 12.30.011** [AS 12.30.020], any of the provisions of AS 18.66.100(c)(1) - (7) and (11), and any other condition necessary to protect the [ALLEGED] victim, household member, **other persons,** and the **community** [PUBLIC], and to ensure the appearance of the person in court, including ordering the person to refrain from the consumption of alcohol.

* **Sec. 7.** AS 12.30.027(b) is amended to read:

(b) A **judicial officer** [COURT] may not order or permit a person released under (a) of this section to return to the residence **or place of employment** of the [ALLEGED] victim or the residence **or place of employment** of a petitioner who has a protective order directed to the person and issued or filed under AS 18.66.100 - 18.66.180 **unless**

(1) 20 days have elapsed following the date the person was arrested;

(2) the victim or petitioner consents to the person's return to the residence or place of employment;

(3) the person does not have a prior conviction for an offense under AS 11.41 that is a crime involving domestic violence; and

(4) the court finds by clear and convincing evidence that the return to the residence or place of employment does not pose a danger to the victim or petitioner.

* **Sec. 8.** AS 12.30.030 is repealed and reenacted to read:

Sec. 12.30.030. Appeal from conditions of release. (a) If a person remains in custody after a review provided for in AS 12.30.006(c) or (d), an appeal may be taken to the court having appellate jurisdiction over the court imposing the conditions. The appellate court shall affirm the order unless it finds that the lower court abused its discretion.

(b) If the appellate court finds that the lower court abused its discretion, the appellate court may modify the order, remand the matter for further proceedings, or remand the matter directing entry of the appropriate order, including release under AS 12.30.011(a). The appeal shall be determined promptly.

* **Sec. 9.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.031. Temporary release. (a) A person either before trial or after conviction who is detained under this chapter may be released temporarily if

(1) the person is being held in connection with a misdemeanor or class B or C felony;

(2) the release is requested because of the

(A) death of an immediate family member of the person;

(B) birth of the person's child if the defendant executes an affidavit of paternity before the release;

(C) person's need for a mental health or substance abuse assessment that the court finds cannot be accommodated in the facility or telephonically; or

(D) person's need for a medical or dental examination required for acceptance into a residential treatment facility; and

(3) the court solicits information from the Department of Corrections regarding the defendant's conduct while incarcerated and considers that information when making a decision under this subsection.

(b) If a court orders temporary release of a person under (a) of this section, the court shall order the person to appear in court during normal business hours at the end of the period of temporary release and before the person is returned to a correctional facility.

*** Sec. 10.** AS 12.30.040 is repealed and reenacted to read:

Sec. 12.30.040. Release before sentence; release after conviction. (a) Except as provided in (b) of this section, a person who has been convicted of an offense and is awaiting sentence or who has filed an appeal may be released under the provisions of this chapter if the person establishes, by clear and convincing evidence, that the person can be released under conditions that will reasonably assure the appearance of the person and the safety of the victim, other persons, and the community.

(b) A person may not be released under (a) of this section if the person has been convicted of an offense that is

(1) an unclassified or class A felony;

(2) a sexual felony;

(3) a class B felony if the person has been convicted within the previous 10 years of a felony committed in this state or a similar offense committed in another jurisdiction; or

(4) a felony in violation of AS 11.41, and the person has been found guilty but mentally ill.

(c) A person who has been convicted of an offense and who has filed an application for post-conviction relief may not be released under this section until the court enters an order vacating all convictions against the person. A person who has prevailed in an application for post-conviction relief may seek release before trial in accordance with the provisions of this chapter.

*** Sec. 11.** AS 12.30.050 is repealed and reenacted to read:

Sec. 12.30.050. Release of material witnesses. (a) If the prosecution or defense establishes by affidavit or other evidence that the testimony of a person is material in a criminal proceeding, and that it may be impracticable to secure the presence of the person by subpoena, a judicial officer may order the arrest of the person and consider the release or detention of the person under the provisions of AS 12.30.011.

(b) A material witness may not be detained because of inability to comply with any condition of release if the testimony of the witness can adequately be secured by deposition, unless further detention is necessary to prevent a failure of justice.

(c) Release of a material witness under (a) of this section may be delayed for a reasonable period of time for the deposition of the witness to be taken.

*** Sec. 12.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.055. Persons appearing on petition to revoke. A person who is in custody in connection with a petition to revoke probation for a felony crime against a person under AS 11.41 does not have a right to be released under this chapter. A judicial officer may, however, release the person under the provisions of this chapter, if it is established by a preponderance of the evidence that the proposed release conditions will reasonably assure the appearance of the person and the safety of the victim, other persons, and the community.

*** Sec. 13.** AS 12.30.075(a) is amended to read:

(a) Cash or other security posted by a **person** [DEFENDANT] under **AS 12.30.011** [AS 12.30.020] that would otherwise be forfeited shall be held by the court in trust for the benefit of the victim if, within 30 days after an order of the court establishing a failure to appear or a violation of conditions of release, the prosecuting authority gives notice that restitution may be requested as part of the sentence if the

person [DEFENDANT] is convicted.

*** Sec. 14.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.078. Conviction occurrence. In this chapter, a conviction occurs at the time the person is found guilty, either by plea or verdict, of the offense.

*** Sec. 15.** AS 12.30.080 is amended by adding new paragraphs to read:

(3) "crime involving domestic violence" has the meaning given in AS 18.66.990;

(4) "knowingly" has the meaning given in AS 11.81.900;

(5) "peace officer" has the meaning given in AS 11.81.900;

(6) "sexual felony" has the meaning given in AS 12.55.185;

(7) "stalking" means a violation of AS 11.41.260 or 11.41.270.

*** Sec. 16.** AS 12.55.155(c)(12) is amended to read:

(12) the defendant was on release under **AS 12.30** [AS 12.30.020 OR 12.30.040] for another felony charge or conviction or for a misdemeanor charge or conviction having assault as a necessary element;

*** Sec. 17.** AS 12.80.060(g)(2) is amended to read:

(2) "offense" means conduct subjecting a person to arrest as an adult offender, or as a juvenile charged as an adult,

(A) due to a violation of a federal or state criminal law, or municipal criminal ordinance;

(B) under AS 12.25.180;

(C) under **AS 11.56.730** [AS 12.30.060]; or

(D) under AS 12.70.

*** Sec. 18.** AS 18.65.530(a) is amended to read:

(a) Except as provided in (b) or (c) of this section, a peace officer, with or without a warrant, shall arrest a person if the officer has probable cause to believe the person has, either in or outside the presence of the officer, within the previous 12 hours,

(1) committed domestic violence, except an offense under AS 11.41.100 - 11.41.130, whether the crime is a felony or a misdemeanor;

(2) committed the crime of violating a protective order in violation of

AS 11.56.740;

(3) violated a condition of release imposed under **AS 12.30.016(e) or (f) or 12.30.027** [AS 12.30.025, 12.30.027, OR 12.30.029].

*** Sec. 19.** AS 18.66.160(a) is amended to read:

(a) **Unless, on the record in court, the person has already been provided a copy of the court's order, process** [PROCESS] issued under this chapter shall be promptly served and executed. If process is to be served upon a person believed to be present or residing in a municipality, as defined in AS 29.71.800, or in an unincorporated community, process shall be served by a peace officer of that municipality or unincorporated community who has jurisdiction within the area of service. If a peace officer of the municipality or unincorporated community who has jurisdiction is not available, a superior court, district court, or magistrate may designate any other peace officer to serve and execute process. A state peace officer shall serve process in any area that is not within the jurisdiction of a peace officer of a municipality or unincorporated community. A peace officer shall use every reasonable means to serve process issued under this chapter. **A judge may not order a peace officer to serve a petition that has been denied by the court.**

*** Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 5(a)(1), Alaska Rules of Criminal Procedure, is amended to read:

(a) **Appearance Before the Judge or Magistrate.**

(1) Except when the person arrested is issued a citation for a misdemeanor or a violation and immediately thereafter released, the arrested person shall be taken before the nearest available judge or magistrate without unnecessary delay. This appearance may be accomplished by the use of telephonic or television equipment pursuant to Criminal Rules 38.1 and 38.2. **Necessary** [UNNECESSARY] delay within the meaning of this paragraph (a) is defined as a period not to exceed **forty-eight** [TWENTY-FOUR] hours after arrest, including Sundays and holidays.

*** Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 5(a)(2), Alaska Rules of Criminal Procedure, is amended to read:

(2) If

(i) The judge or magistrate commits the arrested person to jail for a purpose other than to serve a sentence, and

(ii) The jail is situated in a different community from the place where the judge or magistrate committed the arrested person to jail, and

(iii) The arrested person is not represented by counsel, and

(iv) The arrested person has not previously had a bail review, and

(v) The arrested person has no date, time and place established for his or her next court appearance, then the arrested person shall be taken before a judge or magistrate in the community where the jail is located within **forty-eight** [TWENTY-FOUR] hours of the person's detention in that jail

(aa) in order for bail to be reviewed, and

(bb) in order to determine if the person is represented by counsel, and

(cc) in order for [THE] counsel to be appointed, if appropriate.

*** Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(a), Alaska Rules of Criminal Procedure, is amended to read:

(a) **Admission to Bail.** The defendant in a criminal proceeding is entitled to be admitted to bail pursuant to **AS 12.30.006 - 12.30.080** [AS 12.30.010 -12.30.080].

*** Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(b), Alaska Rules of Criminal Procedure, is amended to read:

(b) **Types of Bonds.** The court may require:

(1) the execution of an unsecured appearance bond in an amount specified, under the criteria set forth in **AS 12.30.011** [AS 12.30.010(a)];

(2) the execution of an appearance bond in a specified amount and the deposit in the registry of the court, in cash [or other security], of a sum not to exceed 10 percent of the amount of the bond;

(3) the execution of a bail bond with sufficient solvent sureties or the deposit of cash; or

(4) the execution of a performance bond in a specified amount and the deposit in the registry of the court of cash [or other security].

*** Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(c), Alaska Rules of Criminal Procedure, is amended to read:

(c) **Separate Bonds.** If a performance bond is required, it must be enforced separately from any appearance or bail bond.

(1) Appearance in court may not be a condition of a performance bond. **A court may not order that an appearance bond be concurrent with an appearance bond in a pending case unless the surety who posed the first appearance bond approves.**

(2) The court may not change a performance or appearance bail requirement without agreement by the surety, unless

(A) the surety waives the requirement for agreement in advance and in writing; or

(B) the court, in writing, finds that the change in the condition of bail poses no increase in risk of loss to the surety and the court sets out in writing the reason for finding that there is no increase in the risk of loss to the surety.

*** Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 206(b), Alaska Rules of Appellate Procedure, is amended to read:

(b) **Release Pending Appeal.** When an appeal on the merits is pending, an appeal under **AS 12.30.030** [AS 12.30.030(b)] from an order refusing bail pending appeal or imposing conditions of release pending appeal shall be in the form of a motion filed in the merit appeal. The motion must be filed with the clerk of the appellate courts within 30 days after the date of the notice of the order from which review is sought. Date of notice is defined in Civil Rule 58.1(c) and Criminal Rule 32.3(c). The motion shall comply with Rule 503, and shall contain specific factual information relevant to **AS 12.30.011(c)** [AS 12.30.020(c)], including but not limited to the following:

(1) The full name of the appellant; the trial court case number; the offenses of which the appellant was convicted, if applicable; the date of sentencing; and the complete terms of the sentence;

(2) That application for release pending appeal has been made to the trial court, the reasons given by the trial court for denying the application in whole or in part, and facts and reasons demonstrating why the action of the trial court on the application was erroneous or an abuse of discretion;

(3) A concise statement of the question or questions to be raised on the appeal with a showing that the question or questions were raised in the trial court;

(4) Family: marital status; length of marriage; children, and their ages; other relatives in the area of residence;

(5) Employment and financial circumstances: name of employer at time of arrest and during pre-trial release; type of work; how long so employed; and offer or promise of employment if released pending appeal; assets of the appellant or of relatives or friends relevant to the ability to post money bail;

(6) Health: history of mental illness, alcoholism, or addiction to drugs, if any;

(7) Residence: length of residence in the city or town in which the appellant resided at the time of arrest;

(8) Criminal history: criminal convictions within ten years prior to the present arrest; if the appellant has ever forfeited bail, or had release, probation, or parole revoked, the date, the name and location of the court, and a brief description of

the circumstances; whether the present offense was committed while the appellant was on bail or other release or on probation or parole; any other criminal charges pending against the appellant at the time [OF] the motion is filed.

*** Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 603(b), Alaska Rules of Appellate Procedure, is amended to read:

(b) **Criminal Appeals.** If a sentence of imprisonment is imposed, **the court may admit the defendant to bail and stay the sentence as provided by law and by these rules** [ADMISSION TO BAIL WILL BE ALLOWED AND THE SENTENCE STAYED], pending appeal. A sentence to pay a fine or a fine and costs may be stayed, if an appeal is taken, by the district judge or magistrate or by the superior court upon such terms as the court deems proper. During appeal the court may require the defendant to deposit the whole or any part of the fine and costs in the registry of the superior court, or to give bond for the payment thereof, or to submit to an examination of assets, and it may make an appropriate order to restrain the defendant from dissipating his or her assets. An order placing the defendant on probation will be stayed if an appeal is taken.

*** Sec. 27.** AS 12.30.010, 12.30.020, 12.30.023, 12.30.025, 12.30.027(g), 12.30.029, and 12.30.060 are repealed.

*** Sec. 28.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) AS 11.56.730, enacted in sec. 1 of this Act, applies to acts committed on or after the effective date of this Act.

(b) The amendments to AS 12.25.030(b) made by sec. 2 of this Act apply to arrests for violation of conditions of release occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(c) AS 12.30.006 - 12.30.021, enacted in secs. 3 - 5 of this Act; AS 12.30.030, repealed and reenacted in sec. 8 of this Act; AS 12.30.031, enacted in sec. 9 of this Act; AS 12.30.040, repealed and reenacted in sec. 10 of this Act; AS 12.30.055, enacted in sec. 12 of this Act; and AS 12.30.078, enacted in sec. 14 of this Act apply to bail proceedings

occurring on and after the effective date of this Act for offenses occurring on or after the effective date of this Act.

(d) AS 12.30.050, repealed and reenacted in sec. 11 of this Act, applies to bail proceedings occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(e) The amendments to AS 12.30.027(a) and (b) made by secs. 6 and 7 of this Act; to AS 12.30.075 made by sec. 13 of this Act and to 12.30.080 made by sec. 15 of this Act apply to bail proceedings occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(f) The amendments to Rule 5, Alaska Rules of Criminal Procedure, made by secs. 20 and 21 of this Act apply to offenses occurring on or after the effective date of this Act.

(g) The amendment to Rule 41(c), Alaska Rules of Criminal Procedure, made by sec. 24 of this Act applies to bail proceedings occurring on or after the effective date of this Act.

(h) The amendment to Rule 603(b), Alaska Rules of Criminal Procedure, made by sec. 26 of this Act applies to convictions occurring on or after the effective date of this Act.

*** Sec. 29.** This Act takes effect July 1, 2010.

P.01

TRANSACTION REPORT

APR-12-2010 MON 02:16 PM

FOR: house finance 4656813

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
APR-12	02:15 PM	4652029	42"	1	FAX TX	OK	496	

TOTAL : 42S PAGES: 1

Adopted 4/12/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: House CS for CSSB 110 (JUD)

Page 8, lines 19-20:

Delete "(A) is not inconsistent with a defense presented at trial; and

(B)"

26-GH2910\S
Luckhaupt
4/11/10

Adopted 4/12/10

CS FOR HOUSE BILL NO. 324(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the crime of failure to appear; relating to arrest for violating certain conditions of release; relating to release before trial, before sentence, and pending appeal; relating to material witnesses; relating to temporary release; relating to release on a petition to revoke probation; relating to the first appearance before a judicial officer after arrest; relating to service of process for domestic violence protective orders; making conforming amendments; amending Rules 5 and 41, Alaska Rules of Criminal Procedure, and Rules 206 and 603, Alaska Rules of Appellate Procedure; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 11.56 is amended by adding a new section to read:

Sec. 11.56.730. Failure to appear. (a) A person commits the crime of failure to appear if the person

(1) is released under the provisions of AS 12.30;

(2) knows that the person is required to appear before a court or judicial officer at the time and place of a scheduled hearing; and

(3) with criminal negligence does not appear before the court or judicial officer at the time and place of the scheduled hearing.

(b) In a prosecution for failure to appear under (a) of this section, it is an affirmative defense that unforeseeable circumstances, outside the person's control, prevented the person from appearing before the court or judicial officer at the time and place of the scheduled hearing, and the person contacted the court orally and in writing immediately upon being able to make the contact.

(c) A person who commits failure to appear incurs a forfeiture of any security for any appearance of the person that was given or pledged to the court for the person's release, and is guilty of a

(1) class C felony if the person was released in connection with a charge of a felony, or while awaiting sentence or appeal after conviction of a felony;

(2) class A misdemeanor if the person was released in connection with a

(A) charge of a misdemeanor, or while awaiting sentence or appeal after conviction of a misdemeanor; or

(B) requirement to appear as a material witness in a criminal proceeding.

*** Sec. 2.** AS 12.25.030(b) is amended to read:

(b) In addition to the authority granted by (a) of this section, a peace officer

(1) shall make an arrest under the circumstances described in AS 18.65.530;

(2) without a warrant may arrest a person if the officer has probable cause to believe the person has, either in or outside the presence of the officer,

(A) committed a crime involving domestic violence, whether the crime is a felony or a misdemeanor; in this subparagraph, "crime involving domestic violence" has the meaning given in AS 18.66.990;

(B) committed the crime of violating a protective order in

violation of AS 11.56.740; or

(C) violated a condition of release imposed under **AS 12.30.016(e)** [AS 12.30.025] or 12.30.027;

(3) without a warrant may arrest a person when the peace officer has **probable** [REASONABLE] cause for believing that the person has

(A) committed a crime under or violated conditions imposed as part of the person's release before trial on misdemeanor charges brought under AS 11.41.270;

(B) violated AS 04.16.050 or an ordinance with similar elements; however, unless there is a lawful reason for further detention, a person who is under [THE AGE OF] 18 **years of age** and who has been arrested for violating AS 04.16.050 or an ordinance with similar elements shall be cited for the offense and released to the person's parent, guardian, or legal custodian; or

(C) violated conditions imposed as part of the person's release **under the provisions of AS 12.30** [BEFORE TRIAL ON FELONY CHARGES BROUGHT UNDER AS 11.41.410 - 11.41.458].

* **Sec. 3.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.006. Release procedures. (a) At the first appearance before a judicial officer, a person charged with an offense shall be released or detained under the provisions of this chapter.

(b) At the first appearance before a judicial officer, a person who is charged with a felony may be detained up to 48 hours for the prosecuting authority to demonstrate that release of the person under AS 12.30.011(a) would not reasonably assure the appearance of the person or will pose a danger to the victim, other persons, or the community.

(c) A person who remains in custody 48 hours after appearing before a judicial officer because of inability to meet the conditions of release shall, upon application, be entitled to have the conditions reviewed by the judicial officer who imposed them. If the judicial officer who imposed the conditions of release is not available, any judicial officer in the judicial district may review the conditions.

(d) If a person remains in custody after review of conditions by a judicial officer under (c) of this section, the person may request a subsequent review of conditions. Unless the prosecuting authority stipulates otherwise or the person has been incarcerated for a period equal to the maximum sentence for the most serious charge for which the person is being held, a judicial officer may not schedule a bail review hearing under this subsection unless

(1) the person provides to the court and the prosecuting authority a written statement that new information not considered at the previous review will be presented at the hearing; the statement must include a description of the information and the reason the information was not presented at a previous hearing; in this paragraph, "new information" does not include the inability to post the required bail;

(2) the prosecuting authority and any surety, if applicable, have at least 48 hours' written notice before the time set for the review requested under this subsection; the defendant shall notify the surety; and

(3) at least seven days have elapsed between the previous review and the time set for the requested review.

(e) A judicial officer may solicit comments by the victim or a parent or guardian of a minor victim who is present at the bail review hearing and wishes to comment. The judicial officer shall consider those comments and any response by the person before making a decision concerning the release of the person.

(f) The judicial officer shall issue written or oral findings that explain the reasons the officer imposed the particular conditions of release or modifications or additions to conditions previously imposed. The judicial officer shall inform the person that a law enforcement officer may arrest the person without a warrant for violation of the court's order establishing conditions of release.

(g) Information offered or introduced at a bail hearing to determine conditions of release need not conform to the rules governing the admissibility of evidence.

* **Sec. 4.** AS 12.30 is amended by adding new sections to read:

Sec. 12.30.011. Release before trial. (a) Except as otherwise provided in this chapter, a judicial officer shall order a person charged with an offense to be released on the person's personal recognizance or upon execution of an unsecured appearance

bond, on the condition that the person

(1) obey all court orders and all federal, state, and local laws;

(2) appear in court when ordered;

(3) if represented, maintain contact with the person's lawyer; and

(4) notify the person's lawyer, who shall notify the prosecuting authority and the court, not more than 24 hours after the person changes residence.

(b) If a judicial officer determines that the release under (a) of this section will not reasonably assure the appearance of the person or will pose a danger to the victim, other persons, or the community, the officer shall impose the least restrictive condition or conditions that will reasonably assure the person's appearance and protect the victim, other persons, and the community. In addition to conditions under (a) of this section, the judicial officer may, singly or in combination,

(1) require the execution of an appearance bond in a specified amount of cash to be deposited into the registry of the court, in a sum not to exceed 10 percent of the amount of the bond;

(2) require the execution of a bail bond with sufficient solvent sureties or the deposit of cash;

(3) require the execution of a performance bond in a specified amount of cash to be deposited in the registry of the court;

(4) place restrictions on the person's travel, association, or residence;

(5) order the person to refrain from possessing a deadly weapon on the person or in the person's vehicle or residence;

(6) require the person to maintain employment, or if unemployed, actively seek employment;

(7) require the person to notify the person's lawyer and the prosecuting authority within two business days after any change in employment;

(8) require the person to avoid all contact with a victim, a potential witness, or a codefendant;

(9) require the person to refrain from the consumption and possession of alcoholic beverages;

(10) require the person to refrain from the use of a controlled substance

as defined by AS 11.71, unless prescribed by a licensed health care provider with prescriptive authority;

(11) require the person to be physically inside the person's residence, or in the residence of the person's third-party custodian, at time periods set by the court;

(12) require the person to keep regular contact with a law enforcement officer or agency;

(13) order the person to refrain from entering or remaining in premises licensed under AS 04;

(14) place the person in the custody of an individual who agrees to serve as a third-party custodian of the person as provided in AS 12.30.021;

(15) if the person is under the treatment of a licensed health care provider, order the person to follow the provider's treatment recommendations;

(16) order the person to take medication that has been prescribed for the person by a licensed health care provider with prescriptive authority;

(17) order the person to comply with any other condition that is reasonably necessary to assure the appearance of the person and to assure the safety of the victim, other persons, and the community.

(c) In determining the conditions of release under this chapter, the court shall consider the following:

(1) the nature and circumstances of the offense charged;

(2) the weight of the evidence against the person;

(3) the nature and extent of the person's family ties and relationships;

(4) the person's employment status and history;

(5) the length and character of the person's past and present residence;

(6) the person's record of convictions;

(7) the person's record of appearance at court proceedings;

(8) assets available to the person to meet monetary conditions of release;

(9) the person's reputation, character, and mental condition;

(10) the effect of the offense on the victim, any threats made to the

victim, and the danger that the person poses to the victim;

(11) any other facts that are relevant to the person's appearance or the person's danger to the victim, other persons, or the community.

(d) In making a finding regarding the release of a person under this chapter,

(1) except as otherwise provided in this chapter, the burden of proof is on the prosecuting authority that a person charged with an offense should be detained or released with conditions described in (b) of this section or AS 12.30.016;

(2) there is a rebuttable presumption that no condition or combination of conditions will reasonably assure the appearance of the person or the safety of the victim, other persons, or the community, if the person is

(A) charged with an unclassified felony, a class A felony, a sexual felony, or a felony under AS 28.35.30 or 28.35.032;

(B) charged with a felony crime against a person under AS 11.41, was previously convicted of a felony crime against a person under AS 11.41 in this state or a similar offense in another jurisdiction, and less than five years have elapsed between the date of the person's unconditional discharge on the immediately preceding offense and the commission of the present offense;

(C) charged with a felony offense committed while the person was on release under this chapter for a charge or conviction of another offense;

(D) charged with a crime involving domestic violence, and has been convicted in the previous five years of a crime involving domestic violence in this state or a similar offense in another jurisdiction;

(E) arrested in connection with an accusation that the person committed a felony outside the state or is a fugitive from justice from another jurisdiction, and the court is considering release under AS 12.70.

Sec. 12.30.016. Release before trial in certain cases. (a) A judicial officer may impose, in addition to those required or authorized under AS 12.30.011, conditions of release for offenses described in this section, if necessary to reasonably assure the person's appearance or the safety of the victim, other persons, or the community.

(b) In a prosecution charging a violation of AS 04.11.010, 04.11.499, AS 28.35.030, or 28.35.032, a judicial officer may order the person

(1) to refrain from

(A) consuming alcohol beverages; or

(B) possessing on the person, in the person's residence, or in any vehicle or other property over which the person has control, alcoholic beverages;

(2) to submit to a search without a warrant of the person, the person's personal property, the person's residence, or any vehicle or other property over which the person has control, for the presence of alcoholic beverages by a peace officer who has reasonable suspicion that the person is violating the conditions of the person's release by possessing alcoholic beverages;

(3) to submit to a breath test when requested by a law enforcement officer;

(4) to provide a sample for a urinalysis or blood test when requested by a law enforcement officer;

(5) to take a drug or combination of drugs intended to prevent substance abuse;

(6) to follow any treatment plan imposed by the court under AS 28.35.028.

(c) In a prosecution charging a violation of AS 11.71 or AS 11.73, a judicial officer may order the person

(1) to refrain from

(A) consuming a controlled substance; or

(B) possessing on the person, in the person's residence, or in any vehicle or other property over which the person has control, a controlled substance or drug paraphernalia;

(2) to submit to a search without a warrant of the person, the person's personal property, the person's residence, or any vehicle or other property over which the person has control, for the presence of a controlled substance or drug paraphernalia by a peace officer who has reasonable suspicion that the person is violating the terms

of the person's release by possessing controlled substances or drug paraphernalia;

(3) to enroll in a random drug testing program, at the person's expense, to detect the presence of a controlled substance, with testing to occur not less than once a week, and with the results being submitted to the court and the prosecuting authority;

(4) to refrain from entering or remaining in a place where a controlled substance is being used, manufactured, grown, or distributed;

(5) to refrain from being physically present, within a two-block area of, or within a designated area near, the location where the alleged offense occurred or at other designated places, unless the person actually resides within that area; or

(6) to refrain from the use or possession of an inhalant.

(d) In a prosecution charging misconduct involving a controlled substance under AS 11.71.020(a)(2) for the manufacture of methamphetamine, or its salts, isomers, or salts of isomers, if the person has been previously convicted in this or another jurisdiction of a crime involving the manufacturing, delivering, or possessing methamphetamine, or its salts, isomers, or salts of isomers, a judicial officer shall require the posting of a minimum of $250,000 cash bond before the person may be released. The judicial officer may reduce this requirement if the person proves to the satisfaction of the officer that the person's only role in the offense was as an aider or abettor and that the person did not stand to benefit financially from the manufacturing.

(e) In a prosecution charging the crime of stalking that is not a crime involving domestic violence, a judicial officer may order the person to

(1) follow the provisions of any protective order to which the person is respondent;

(2) refrain from contacting in any manner, including by telephone or electronic communication, the victim;

(3) engage in counseling; if available in the community, the judicial officer shall require that counseling ordered include counseling about alternatives to aggressive behavior.

(f) In a prosecution charging a crime under AS 11.41.410 - 11.41.458, a judicial officer

(1) may order the person to have no contact with the victim except as specifically allowed by the court;

(2) may order the person to reside in a place where the person is not likely to come into contact with the victim of the offense;

(3) may order the person to have no contact with any person under 18 years of age except in the normal course of business in a public place;

(4) shall assure that the victim and the parent or guardian of a minor victim have been notified by a law enforcement agency or the prosecuting authority of a hearing where release is being considered, or that a reasonable effort at notification has been made; and

(5) shall solicit comments from the victim or a parent or guardian of the minor victim who is present and wishes to comment, and consider those comments before making a decision concerning the release of the person.

* **Sec. 5.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.021. Third-party custodians. (a) In addition to other conditions imposed under AS 12.30.011 or 12.30.016, a judicial officer may appoint a third-party custodian if the officer finds that the appointment will, singly or in combination with other conditions, reasonably assure the person's appearance and the safety of the victim, other persons, and the community.

(b) A judicial officer may appoint an individual as a third-party custodian if the proposed custodian

(1) provides information to the judicial officer about the proposed custodian's residence, occupation, ties to the community, and relationship with the person, and provides any other information requested by the judicial officer;

(2) is physically able to perform the duties of custodian of the person;

(3) personally, by telephone, or by other technology approved by the court, appears in court with the person and acknowledges to the judicial officer orally and in writing that the proposed custodian

(A) understands the duties of custodian and agrees to perform them; the proposed custodian must specifically agree to immediately report in accordance with the terms of the order if the person released has violated a

condition of release; and

(B) understands that failure to perform those duties may result in the custodian being held criminally liable under AS 09.50.010 or AS 11.56.758.

(c) A judicial officer may not appoint a person as a third-party custodian if

(1) the proposed custodian is acting as a third-party custodian for another person;

(2) the proposed custodian has been convicted in the previous three years of a crime under AS 11.41 or a similar crime in this or another jurisdiction;

(3) criminal charges are pending in this state or another jurisdiction against the proposed custodian;

(4) the proposed custodian is on probation in this state or another jurisdiction for an offense;

(5) the proposed custodian may be called as a witness in the prosecution of the person;

(6) the proposed custodian resides out of state; however a nonresident may serve as a custodian if the nonresident resides in the state while serving as custodian.

*** Sec. 6.** AS 12.30.027(a) is amended to read:

(a) Before ordering release before or after trial, or pending appeal, of a person charged with or convicted of a crime involving domestic violence, the **judicial officer** [COURT] shall consider the safety of the [ALLEGED] victim or other household member. To protect the [ALLEGED] victim, household member, **other persons,** and the **community** [PUBLIC] and to reasonably assure the person's appearance, the **judicial officer shall impose conditions required under AS 12.30.011, and** [COURT] may impose [BAIL AND] any of the conditions authorized under **AS 12.30.011** [AS 12.30.020], any of the provisions of AS 18.66.100(c)(1) - (7) and (11), and any other condition necessary to protect the [ALLEGED] victim, household member, **other persons,** and the **community** [PUBLIC], and to ensure the appearance of the person in court, including ordering the person to refrain from the consumption of alcohol.

* **Sec. 7.** AS 12.30.027(b) is amended to read:

(b) A **judicial officer** [COURT] may not order or permit a person released under (a) of this section to return to the residence **or place of employment** of the [ALLEGED] victim or the residence **or place of employment** of a petitioner who has a protective order directed to the person and issued or filed under AS 18.66.100 - 18.66.180 **unless**

(1) 20 days have elapsed following the date the person was arrested;

(2) the victim or petitioner consents to the person's return to the residence or place of employment;

(3) the person does not have a prior conviction for an offense under AS 11.41 that is a crime involving domestic violence; and

(4) the court finds by clear and convincing evidence that the return to the residence or place of employment does not pose a danger to the victim or petitioner.

* **Sec. 8.** AS 12.30.030 is repealed and reenacted to read:

Sec. 12.30.030. Appeal from conditions of release. (a) If a person remains in custody after a review provided for in AS 12.30.006(c) or (d), an appeal may be taken to the court having appellate jurisdiction over the court imposing the conditions. The appellate court shall affirm the order unless it finds that the lower court abused its discretion.

(b) If the appellate court finds that the lower court abused its discretion, the appellate court may modify the order, remand the matter for further proceedings, or remand the matter directing entry of the appropriate order, including release under AS 12.30.011(a). The appeal shall be determined promptly.

* **Sec. 9.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.031. Temporary release. (a) A person either before trial or after conviction who is detained under this chapter may be released temporarily if

(1) the person is being held in connection with a misdemeanor or class B or C felony;

(2) the release is requested because of the

(A) death of an immediate family member of the person;

(B) birth of the person's child if the defendant executes an affidavit of paternity before the release;

(C) person's need for a mental health or substance abuse assessment that the court finds cannot be accommodated in the facility or telephonically; or

(D) person's need for a medical or dental examination required for acceptance into a residential treatment facility; and

(3) the court solicits information from the Department of Corrections regarding the defendant's conduct while incarcerated and considers that information when making a decision under this subsection.

(b) If a court orders temporary release of a person under (a) of this section, the court shall order the person to appear in court during normal business hours at the end of the period of temporary release and before the person is returned to a correctional facility.

* **Sec. 10.** AS 12.30.040 is repealed and reenacted to read:

Sec. 12.30.040. Release before sentence; release after conviction. (a) Except as provided in (b) of this section, a person who has been convicted of an offense and is awaiting sentence or who has filed an appeal may be released under the provisions of this chapter if the person establishes, by clear and convincing evidence, that the person can be released under conditions that will reasonably assure the appearance of the person and the safety of the victim, other persons, and the community.

(b) A person may not be released under (a) of this section if the person has been convicted of an offense that is

(1) an unclassified or class A felony;

(2) a sexual felony;

(3) a class B felony if the person has been convicted within the previous 10 years of a felony committed in this state or a similar offense committed in another jurisdiction; or

(4) a felony in violation of AS 11.41, and the person has been found guilty but mentally ill.

(c) A person who has been convicted of an offense and who has filed an application for post-conviction relief may not be released under this section until the court enters an order vacating all convictions against the person. A person who has prevailed in an application for post-conviction relief may seek release before trial in accordance with the provisions of this chapter.

* **Sec. 11.** AS 12.30.050 is repealed and reenacted to read:

Sec. 12.30.050. Release of material witnesses. (a) If the prosecution or defense establishes by affidavit or other evidence that the testimony of a person is material in a criminal proceeding, and that it may be impracticable to secure the presence of the person by subpoena, a judicial officer may order the arrest of the person and consider the release or detention of the person under the provisions of AS 12.30.011.

(b) A material witness may not be detained because of inability to comply with any condition of release if the testimony of the witness can adequately be secured by deposition, unless further detention is necessary to prevent a failure of justice.

(c) Release of a material witness under (a) of this section may be delayed for a reasonable period of time for the deposition of the witness to be taken.

* **Sec. 12.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.055. Persons appearing on petition to revoke. A person who is in custody in connection with a petition to revoke probation for a felony crime against a person under AS 11.41 does not have a right to be released under this chapter. A judicial officer may, however, release the person under the provisions of this chapter, if it is established by a preponderance of the evidence that the proposed release conditions will reasonably assure the appearance of the person and the safety of the victim, other persons, and the community.

* **Sec. 13.** AS 12.30.075(a) is amended to read:

(a) Cash or other security posted by a **person** [DEFENDANT] under **AS 12.30.011** [AS 12.30.020] that would otherwise be forfeited shall be held by the court in trust for the benefit of the victim if, within 30 days after an order of the court establishing a failure to appear or a violation of conditions of release, the prosecuting authority gives notice that restitution may be requested as part of the sentence if the

person [DEFENDANT] is convicted.

*** Sec. 14.** AS 12.30 is amended by adding a new section to read:

Sec. 12.30.078. Conviction occurrence. In this chapter, a conviction occurs at the time the person is found guilty, either by plea or verdict, of the offense.

*** Sec. 15.** AS 12.30.080 is amended by adding new paragraphs to read:

(3) "crime involving domestic violence" has the meaning given in AS 18.66.990;

(4) "knowingly" has the meaning given in AS 11.81.900;

(5) "peace officer" has the meaning given in AS 11.81.900;

(6) "sexual felony" has the meaning given in AS 12.55.185;

(7) "stalking" means a violation of AS 11.41.260 or 11.41.270.

*** Sec. 16.** AS 12.55.155(c)(12) is amended to read:

(12) the defendant was on release under **AS 12.30** [AS 12.30.020 OR 12.30.040] for another felony charge or conviction or for a misdemeanor charge or conviction having assault as a necessary element;

*** Sec. 17.** AS 12.80.060(g)(2) is amended to read:

(2) "offense" means conduct subjecting a person to arrest as an adult offender, or as a juvenile charged as an adult,

(A) due to a violation of a federal or state criminal law, or municipal criminal ordinance;

(B) under AS 12.25.180;

(C) under **AS 11.56.730** [AS 12.30.060]; or

(D) under AS 12.70.

*** Sec. 18.** AS 18.65.530(a) is amended to read:

(a) Except as provided in (b) or (c) of this section, a peace officer, with or without a warrant, shall arrest a person if the officer has probable cause to believe the person has, either in or outside the presence of the officer, within the previous 12 hours,

(1) committed domestic violence, except an offense under AS 11.41.100 - 11.41.130, whether the crime is a felony or a misdemeanor;

(2) committed the crime of violating a protective order in violation of

AS 11.56.740;

(3) violated a condition of release imposed under **AS 12.30.016(e) or (f) or 12.30.027** [AS 12.30.025, 12.30.027, OR 12.30.029].

*** Sec. 19.** AS 18.66.160(a) is amended to read:

(a) **Unless, on the record in court, the person has already been provided a copy of the court's order, process** [PROCESS] issued under this chapter shall be promptly served and executed. If process is to be served upon a person believed to be present or residing in a municipality, as defined in AS 29.71.800, or in an unincorporated community, process shall be served by a peace officer of that municipality or unincorporated community who has jurisdiction within the area of service. If a peace officer of the municipality or unincorporated community who has jurisdiction is not available, a superior court, district court, or magistrate may designate any other peace officer to serve and execute process. A state peace officer shall serve process in any area that is not within the jurisdiction of a peace officer of a municipality or unincorporated community. A peace officer shall use every reasonable means to serve process issued under this chapter. **A judge may not order a peace officer to serve a petition that has been denied by the court.**

*** Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 5(a)(1), Alaska Rules of Criminal Procedure, is amended to read:

(a) **Appearance Before the Judge or Magistrate.**

(1) Except when the person arrested is issued a citation for a misdemeanor or a violation and immediately thereafter released, the arrested person shall be taken before the nearest available judge or magistrate without unnecessary delay. This appearance may be accomplished by the use of telephonic or television equipment pursuant to Criminal Rules 38.1 and 38.2. **Necessary** [UNNECESSARY] delay within the meaning of this paragraph (a) is defined as a period not to exceed **forty-eight** [TWENTY-FOUR] hours after arrest, including Sundays and holidays.

*** Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 5(a)(2), Alaska Rules of Criminal Procedure, is amended to read:

(2) If

(i) The judge or magistrate commits the arrested person to jail for a purpose other than to serve a sentence, and

(ii) The jail is situated in a different community from the place where the judge or magistrate committed the arrested person to jail, and

(iii) The arrested person is not represented by counsel, and

(iv) The arrested person has not previously had a bail review, and

(v) The arrested person has no date, time and place established for his or her next court appearance, then the arrested person shall be taken before a judge or magistrate in the community where the jail is located within **forty-eight** [TWENTY-FOUR] hours of the person's detention in that jail

(aa) in order for bail to be reviewed, and

(bb) in order to determine if the person is represented by counsel, and

(cc) in order for [THE] counsel to be appointed, if appropriate.

*** Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(a), Alaska Rules of Criminal Procedure, is amended to read:

(a) **Admission to Bail.** The defendant in a criminal proceeding is entitled to be admitted to bail pursuant to **AS 12.30.006 - 12.30.080** [AS 12.30.010 -12.30.080].

*** Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(b), Alaska Rules of Criminal Procedure, is amended to read:

(b) **Types of Bonds.** The court may require:

(1) the execution of an unsecured appearance bond in an amount specified, under the criteria set forth in **AS 12.30.011** [AS 12.30.010(a)];

(2) the execution of an appearance bond in a specified amount and the deposit in the registry of the court, in cash [or other security], of a sum not to exceed 10 percent of the amount of the bond;

(3) the execution of a bail bond with sufficient solvent sureties or the deposit of cash; or

(4) the execution of a performance bond in a specified amount and the deposit in the registry of the court of cash [or other security].

* **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 41(c), Alaska Rules of Criminal Procedure, is amended to read:

(c) **Separate Bonds.** If a performance bond is required, it must be enforced separately from any appearance or bail bond.

(1) Appearance in court may not be a condition of a performance bond. **A court may not order that an appearance bond be concurrent with an appearance bond in a pending case unless the surety who posed the first appearance bond approves.**

(2) The court may not change a performance or appearance bail requirement without agreement by the surety, unless

(A) the surety waives the requirement for agreement in advance and in writing; or

(B) the court, in writing, finds that the change in the condition of bail poses no increase in risk of loss to the surety and the court sets out in writing the reason for finding that there is no increase in the risk of loss to the surety.

* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 206(b), Alaska Rules of Appellate Procedure, is amended to read:

(b) **Release Pending Appeal.** When an appeal on the merits is pending, an appeal under **AS 12.30.030** [AS 12.30.030(b)] from an order refusing bail pending appeal or imposing conditions of release pending appeal shall be in the form of a motion filed in the merit appeal. The motion must be filed with the clerk of the appellate courts within 30 days after the date of the notice of the order from which review is sought. Date of notice is defined in Civil Rule 58.1(c) and Criminal Rule 32.3(c). The motion shall comply with Rule 503, and shall contain specific factual information relevant to **AS 12.30.011(c)** [AS 12.30.020(c)], including but not limited to the following:

(1) The full name of the appellant; the trial court case number; the offenses of which the appellant was convicted, if applicable; the date of sentencing; and the complete terms of the sentence;

(2) That application for release pending appeal has been made to the trial court, the reasons given by the trial court for denying the application in whole or in part, and facts and reasons demonstrating why the action of the trial court on the application was erroneous or an abuse of discretion;

(3) A concise statement of the question or questions to be raised on the appeal with a showing that the question or questions were raised in the trial court;

(4) Family: marital status; length of marriage; children, and their ages; other relatives in the area of residence;

(5) Employment and financial circumstances: name of employer at time of arrest and during pre-trial release; type of work; how long so employed; and offer or promise of employment if released pending appeal; assets of the appellant or of relatives or friends relevant to the ability to post money bail;

(6) Health: history of mental illness, alcoholism, or addiction to drugs, if any;

(7) Residence: length of residence in the city or town in which the appellant resided at the time of arrest;

(8) Criminal history: criminal convictions within ten years prior to the present arrest; if the appellant has ever forfeited bail, or had release, probation, or parole revoked, the date, the name and location of the court, and a brief description of

the circumstances; whether the present offense was committed while the appellant was on bail or other release or on probation or parole; any other criminal charges pending against the appellant at the time [OF] the motion is filed.

*** Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 603(b), Alaska Rules of Appellate Procedure, is amended to read:

(b) **Criminal Appeals.** If a sentence of imprisonment is imposed, **the court may admit the defendant to bail and stay the sentence as provided by law and by these rules** [ADMISSION TO BAIL WILL BE ALLOWED AND THE SENTENCE STAYED], pending appeal. A sentence to pay a fine or a fine and costs may be stayed, if an appeal is taken, by the district judge or magistrate or by the superior court upon such terms as the court deems proper. During appeal the court may require the defendant to deposit the whole or any part of the fine and costs in the registry of the superior court, or to give bond for the payment thereof, or to submit to an examination of assets, and it may make an appropriate order to restrain the defendant from dissipating his or her assets. An order placing the defendant on probation will be stayed if an appeal is taken.

*** Sec. 27.** AS 12.30.010, 12.30.020, 12.30.023, 12.30.025, 12.30.027(g), 12.30.029, and 12.30.060 are repealed.

*** Sec. 28.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) AS 11.56.730, enacted in sec. 1 of this Act, applies to acts committed on or after the effective date of this Act.

(b) The amendments to AS 12.25.030(b) made by sec. 2 of this Act apply to arrests for violation of conditions of release occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(c) AS 12.30.006 - 12.30.021, enacted in secs. 3 - 5 of this Act; AS 12.30.030, repealed and reenacted in sec. 8 of this Act; AS 12.30.031, enacted in sec. 9 of this Act; AS 12.30.040, repealed and reenacted in sec. 10 of this Act; AS 12.30.055, enacted in sec. 12 of this Act; and AS 12.30.078, enacted in sec. 14 of this Act apply to bail proceedings

occurring on and after the effective date of this Act for offenses occurring on or after the effective date of this Act.

(d) AS 12.30.050, repealed and reenacted in sec. 11 of this Act, applies to bail proceedings occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(e) The amendments to AS 12.30.027(a) and (b) made by secs. 6 and 7 of this Act; to AS 12.30.075 made by sec. 13 of this Act and to 12.30.080 made by sec. 15 of this Act apply to bail proceedings occurring on or after the effective date of this Act for offenses occurring before, on, or after the effective date of this Act.

(f) The amendments to Rule 5, Alaska Rules of Criminal Procedure, made by secs. 20 and 21 of this Act apply to offenses occurring on or after the effective date of this Act.

(g) The amendment to Rule 41(c), Alaska Rules of Criminal Procedure, made by sec. 24 of this Act applies to bail proceedings occurring on or after the effective date of this Act.

(h) The amendment to Rule 603(b), Alaska Rules of Criminal Procedure, made by sec. 26 of this Act applies to convictions occurring on or after the effective date of this Act.

*** Sec. 29.** This Act takes effect July 1, 2010.

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION CENTRAL OFFICE

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Physical: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

26-GH2910\E

CSHB 324 (BAIL REFORM)
Sectional Analysis

Section 1 of the bill moves the crime of failure to appear at a court appearance from Title 12 to Title 11. The proposed law is similar to current law with one exception -- it provides that if a person knows that he or she is required to appear, the prosecution does not have to prove an additional culpable mental state regarding the conduct of not appearing. It also provides an affirmative defense that the defendant, due to unforeseeable circumstances outside his or her control, was prevented from appearing at the hearing, and that the defendant notified the court orally and in writing immediately upon being able to make the contact.

The penalties are the same as under current law.

Section 2 includes a conforming amendment to AS 12.25.030(b). It changes the standard for a law enforcement officer to make an arrest without a warrant in certain cases from "reasonable cause" to "probable cause". The standard in AS 12.25.030(b) would then be the same as in AS 12.25.030(a). Reasonable cause and probable cause are similar.

Section 2 also allows a law enforcement officer to arrest a person for violation of conditions of release if the officer has probable cause to believe the person has violated conditions in connection with release under AS 12.30. Law enforcement supports this change because it avoids, for example, an officer having to get an arrest warrant for a person if the person is ordered not to drink alcohol and is found intoxicated.

Section 3 adopts a new section, AS 12.20.006, that describes release procedures for a person charged with a crime. Although the procedures are similar to those under various sections of existing law, there are a few differences, which include:

- Before the third and subsequent bail hearings, current law and the bill require that certain prerequisites are met – such as seven days elapse between bail hearings unless certain other factors are present. Current law requires 48 hours notice to the prosecuting authority, and the bill requires

1049

the same notice, but it also requires 48 hours notice to any surety involved so that the surety has an opportunity to attend the hearing.

- The bill specifically requires the person being released to sign an agreement that describes the terms of the release and includes the person's promise to abide by the terms.

- The bill eliminates a provision in current law that allows a judicial officer to change, add to, or eliminate conditions of release at any time. The law already provides a process for asking the court to change conditions, and allowing a change at any time, without following the required procedures, has the potential of being unfair to the defendant, the prosecuting authority, or to the victim.

Section 4 revises the law addressing release before trial of a person charged with a crime. Proposed AS 12.30.011 adopts standards and conditions for release in general, and AS 12.30.016 adopts standards and conditions for release for specific crimes.

Proposed **AS 12.30.011** first adopts conditions that must he imposed on all persons released pending trial. They are very general – including a requirement that the person obey all laws, appear in court when ordered, and keep in contact with the person's attorney.

- Subsection (b) provides conditions that a court may impose on a person charged with a crime if, in the court's discretion the condition will reasonably assure the person's appearance and the safety of the victim, other persons, and the community. Many of these conditions are in current law. Others are included in federal bail law. Several were suggested by a retired judge who is doing contract work for the court system. There is also a general authorization for additional reasonable conditions.

- Subsection (c) describes the various circumstances that the court should consider in deciding what conditions are reasonable to impose on the person. These are similar to current law.

- Subsection (d) provides the evidentiary burdens that a court must apply in making a decision about the release of a person. Generally, the burden of proof is on the prosecuting authority to establish that particular conditions are reasonable to assure the defendant's appearance and the safety of the victim and others. However, the bill proposes a rebuttable presumption, that no condition or combination of conditions will assure the defendant's appearance or the safety of the victim or others if (1) the defendant is charged with an unclassified felony, a class A felony, or a sexual felony;

(2) the person is charged with a felony, has a previous conviction for a felony, and less that five years have elapsed since his or her unconditional release for the prior conviction; (3) the offense was committed while the defendant was on release for another offense; (4) the charge is for a crime involving domestic violence, and the defendant has been convicted within the previous five years of a crime involving domestic violence; or (5) the defendant has been arrested in connection with a felony warrant from another state that alleges that the defendant is a fugitive from justice from that state.

Proposed **AS 12.30.016** adopts conditions that may be imposed in particular cases. These conditions are in addition to the general conditions authorized under AS 12.30.011(a) and (b). Most of these additional conditions are found in current law.

- Subsection (b) provides additional conditions that may be imposed on persons charged with Title 04 violations such as selling alcohol without a license or bootlegging, and with drunk driving and refusal to submit to a breath test. These conditions include, for example, a judicial officer ordering a person to submit to a breath test when requested to do so by a law enforcement officer.

- Subsection (c) provides additional conditions that may be imposed on a person charged with violation of the drug laws, and include, for example, prohibiting the person from entering or remaining in a place where a controlled substance is being used, manufactured, grown, or distributed.

- Subsection (d) is a provision that was enacted in 2006, that adopts a mandatory requirement of $250,000 cash bond for a person charged with manufacturing methamphetamine, unless the defendant proves to the court that his or her role was only as an aider or abettor and that the defendant did not stand to gain financially from the offense.

- Subsection (e) adopts specific conditions for a person charged with stalking that is not a crime involving domestic violence. The conditions are similar to those in current law.

- Subsection (f) adopts specific conditions that a court may impose on a person charged with a sex offense. The conditions are similar to current law, except that it adds a condition that the court may order the defendant to have no contact with person under 18 years of age, except for contact made during the normal course of business in a public place. It requires the court, as does current law, to assure that the victim has been notified of the

hearing or reasonable efforts to do so have been made, and to consider the victim's comments in making a release decision.

Section 5 adopts standards for the appointment of a third-party custodian for a person released before trial. It requires a court to obtain information about the proposed custodian including the person's ties to the community and his or her relationship with the defendant. It also sets minimum standards for custodians such as requiring the person to be physically able to perform the duties of custodian, and requires the person to agree to report immediately if the defendant has violated conditions. The bill also prohibits a person from acting as third-party custodian under certain circumstances, such as if the person may be called as a witness in the case, the person is on probation, or resides out of state.

Section 6 amends the statute addressing the general release conditions of a person charged with a crime involving domestic violence by conforming it to the language used in the newly adopted sections of the bill. It does not include a substantive change.

Section 7 amends the law that prohibits a court from allowing a person charged with a crime involving domestic violence from returning to the residence of the victim or to the residence of a person who has a protective order directed at the defendant. This prohibition was found to violate equal protection of the law in *Williams v. State*, 151 P.3d 460 (Alaska App. 2006). This section is in response to *Williams*, and would overturn it to the extent that it would prohibit a person from returning to the residence of the victim unless certain conditions were met. These include requiring that 20 days have elapsed since the arrest, the victim or petitioner consents to the return, the defendant does not have a prior conviction for a domestic violence crime against a person, and the defendant establish by clear and convincing evidence that return to the residence does not pose a danger to the victim or petitioner.

Section 8 rewrites the provision addressing appeal from conditions of release. Current law and the bill provide specific procedures for requesting the court to change conditions of release. The bill does not reenact the provision in current law that allows the court that imposed the conditions to hear at any time a motion to amend the release order. Rather, the bill requires the person to follow the procedures provided in the bill for asking the court to amend conditions.

The appeal procedure from the trial court's bail decision is similar in the bill to current law. The standard for review is the same as current law – the appellate court shall affirm the lower court unless it finds that the lower court abused its discretion. The bill allows the appellate court to modify the order, remand the case for further proceedings, or to direct the entry of an appropriate release order. This is also similar to current law.

Section 9 adds a new section addressing the temporary release of a person for an emergency such as the death of a family member. It is similar to current law under AS 12.30.010(a).

Section 10 addresses the release of persons who have been found guilty but not yet sentenced or whose conviction is being appealed. It allows release under the general provisions of AS 12.30, but it requires the person seeking release to establish by clear and convincing evidence that the release sought will reasonably assure the person's appearance and the safety of the victim, other persons, and the community.

Under current law certain defendants may not be released after being found guilty, including a person convicted of an unclassified or class A felony. The current statute also prohibits release of persons convicted of class B or C felonies if they have a previous conviction for certain serious felonies. This later category was found by the court of appeals to violate the constitutional guarantee of equal protection of law. *Bourdon v. State*, 28 P. 3d 319 (Alaska App. 2001). The bill would prohibit release of a person found guilty of all sexual felonies, and a person found guilty of a class B felony who has been convicted of a felony in the prior 10 years. It avoids the problem in *Bourdon* by applying the prohibition to all persons convicted of class B felonies who have a conviction of a felony in the previous 10 years.

Section 11 makes clarifying changes to the law for the retention or release of a material witness who is not expected to respond to a subpoena to appear. The bill does not change the substance of current law to a great degree. It does, however, specify that the court may order a material witness who is not expected to respond to a subpoena to be arrested and released under the bail law. As does current law, it allows a material witness to be detained for enough time to take a deposition and then released, unless justice requires the person be personally present at trial.

Section 12 specifies that a person who is in custody in connection with a petition to revoke probation does not have a right to release under AS 12.30. This is the same as current law. *Burt v. State*, 823 P.2d 14 (Alaska App. 1991). However, a probationer may request release under AS 12.30. The bill provides that the probationer must establish by a preponderance of evidence that conditions on his or her release will reasonably assure the appearance of the probationer and the safety of the victim, other persons, and the community.

Section 13 is a conforming amendment to current law.

Section 14 provides that for purposes of the bail statutes, a conviction occurs at the time a person is found guilty, either by verdict of by plea.

Section 15 adds definitions to the bill.

Sections 16 – 18 are conforming amendments.

Section 19 provides that service of domestic violence protective orders on respondents need not by made by law enforcement officers if the respondent has already been served with the protective order on the record in court. It also specifies that when a judicial officer has denied a petition for a protective order, the order denying the petition need not be served on anyone.

Sections 20 and 21 amend Rule 5, Alaska Rules of Criminal Procedure. Current law requires a person who has been arrested to be brought before a judicial officer within 24 hours of being arrested. The bill changes this from 24 hours to 48 hours. Although the preferred procedure is to have persons arrested be brought as soon as possible before a judicial officer, the change in the deadline will give prosecutors and the police more time to gather information to provide the court in making a release decision, and allows more time to locate and inform the victim of the right to be present at release hearings.

Sections 22 and 23 are conforming amendments.

Section 24 amends Rule 41(c), Alaska Rules of Criminal Procedure, by providing that a court may not change or add to a bond requirement without the agreement of the surety.

Section 25 is a conforming amendment.

Section 26 amends Rule 603(b), Alaska Rules of Appellate Procedure, to clarify that release of a person whose conviction is being appealed may be allowed as provided by the provisions of AS 12.30.

Sections 27 – 29 include the repealers, the applicability sections, and the effective date provision.

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Delivery: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

March 10, 2010

Hon. Jay Ramras
Chair, House Judiciary Committee
Alaska State Capitol, Room 118
Juneau, Alaska 99801

Re: House Bill 324 – Bail Reform

Dear Chairman Ramras:

I am writing first to thank you for the thoughtful and thorough hearings that you held for HB 298 (sexual assault and abuse) and HB 316 (evidence retention and post-conviction DNA testing). I am also writing to ask again that you consider scheduling House Bill 324, the bail reform bill, for a hearing in the House Judiciary Committee. I hope you will not think we are too demanding, but there are good reasons to hear the bail bill: in addition to protection of the public and other victims, victims of sexual assault and sexual abuse will greatly benefit from the passage of the bill. Although bail reform is not directly targeted at sexual assault or sexual abuse in the state, the bill would provide additional protection to victims of these crimes.

The Problems with current law:

Our bail laws date back to 1966. It is clear that when the legislature adopted these statutes, times were not as difficult as present. For example, unless a person has been convicted of an unclassified felony or a class A felony, our bail laws allow a person found guilty of any other crime, either by plea or by verdict, to be released pending imposition of sentence or during an appeal. The following scenarios are only a few of many examples of the danger that can result from the application of the current law.

> Larry Berryhill, IJU-07-992CR, was convicted of two counts of Sexual Abuse of a Minor in the Second Degree for having sexual contact with a young boy who worked for him at his lodge in Gustavus. After being found guilty, and over the state's objection, the court released him on an unsecured signature bond, in lieu of posting bail, in the amount of $25,000. Mr. Berryhill did not appear for his sentencing. Alaska State Troopers and law enforcement agents from other states

(Mr. Berryhill had committed similar crimes in other states) found that Mr. Berryhill had fled to Argentina, and was vacationing in New Zealand and Europe when he should have appeared in court for his sentencing. Mr. Berryhill died before the Troopers were able to arrest him. He did not spend a single day in jail for his sexual abuse of that young boy.

Michael Williams, 3AN-10-166CR, has been convicted of a felony five times, two of the felonies were federal armed bank robbery convictions from the late 1980s. In January, 2008, he was charged with the Robbery in the First Degree for a home invasion robbery with multiple victims. The state proceeded with the prosecution under the three strikes law – with a 99 year sentence possible if convicted. This potential sentence is higher than most people convicted of homicide would receive. Over the state's objection, bail was set at $5,000 cash appearance bond and a third party custodian was appointed. The state requested several times that his bail be increased, but were unsuccessful. Mr. Williams skipped out soon after release, and a bench warrant was issued for his arrest. He has not been found.

James Spencer, 3AN-09-2113CR, was charged with Robbery in the First Degree after confronting a Carr's employee with a handgun. Over the state's objection, his bail was set at $1,000 cash performance bond, and $5,000 cash or corporate appearance bond. Last week, Mr. Spenser was arrested and charged with a new Robbery in the First Degree for an armed robbery at the Burger King (3AN010-2471CR).

Jack Lee Espinoza, Jr., 3AN-10-2113CR, was charged with two counts of Robbery in the First Degree. He had been convicted of more than 10 crimes in the past, several of them were felonies. Over the state's objection, Mr. Espinoza had been released on bail of $2,500 cash or corporate appearance bond and ankle monitoring. Within 48 hours of his release, Mr. Espinoza had cut off his ankle monitor, and with another person committed another armed robbery at a trailer in Anchorage. The victim was shot, allegedly by the other person, during the robbery.

How HB 324 will help avoid these problems

Section 10 of HB 324 (page 13, beginning at line 26) provides that a person found guilty of a sexual felony may not be released pending imposition of sentence or appeal. The legislature has raised the maximum term of imprisonment for a person convicted of a sexual felony to 99 years; with that maximum term the danger of flight is high. Additionally, the

danger of sex offenders victimizing others is significant. Mr. Berryhill would not have been released after being found guilty of sexual abuse under HB 324.

HB 324 is similar to federal law in part because it would adopt a presumption, that is rebuttable, that no combination of conditions or monetary bail would ensure the safety of the public and the appearance of the defendant in cases where the person is either charged with an unclassified or a class A felony (similar to current law), or the defendant is a higher risk of flight or danger to the public (new in HB 324). The bill provides that other persons with higher risk include the following:

- persons charged with a felony who have a prior felony conviction and less that five years have elapsed since unconditional release for the prior felony;
- persons charged with a crime committed while the person was on release for another charge or conviction;
- persons charged with a domestic violence crime if the person has a conviction for a domestic violence crime within the previous five years;
- persons arrested in connection with a felony charge or conviction out of state and the person is fugitive from the other jurisdiction.

The individuals described in the scenarios above (except for Mr. Berryhill), would have burden of going forward under HB 324 with suggestion for release conditions. For example, Mr. Williams would have to present information and suggestions for conditions of release that would satisfy a judicial officer that he would not be a danger to the public and he would not be a flight risk. Mr. Williams still has the constitutional right to have bail set for him.

Additionally, HB 324 would adopt standards for third party custodians so that, for example, a person charged with crimes, on probation, or with recent convictions could not act as a third party custodian. HB 324 would require a judicial officer to do basic screening of a person before appointing the person as a custodian. Defendants have taken advantage of third party custodians in the past. There have been advertisements on Craig's list for third party custodians (see attached).

Misconceptions about HB 324

We have heard several comments about HB 324 that are simply not accurate. For example, the bill changes the deadline for the first appearance before a court of a person arrested from 24 to 48 hours. This change has been described as contrary to the practice of a

majority of other states. As can be seen by the attached memorandum and chart, Alaska is one of only three states who require a first appearance within 24 hours. The remaining states have later deadlines. There are many good reasons to change this deadline. It would give all parties a chance to gather information for better informed bail hearings. Even more important is that victims in Alaska have a constitutional right to appear at arraignments and bail hearings. Often we are unable to notify them of a hearing that must be held within 24 hours of arrest; other times the victim is still in the hospital at this time. The change to a 48 hour deadline will help the system make the victim's right to be present much more meaningful.

We also have heard people say that HB 324 would prohibit certain people from being released on bail. This is not correct. Defendants have a constitutional right to have bail set for their release. HB 324 simply changes certain procedures for the courts to follow in setting bail. In doing so, it would protect the public and discourage bail jumping much better than does current law.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: Richard A. Svobodny
Deputy Attorney General

MEMORANDUM

STATE OF ALASKA

Department of Law - Criminal Division

To: Senate Judiciary Committee

Date: March 1, 2010

Thru: Richard Svobodny, Deputy Attorney General
Anne Carpeneti, Assistant Attorney General

From: Susan S. McLean SMc
Director, Criminal Division

Subject: **Other State Rules - First Appearance After Arrest**

General Considerations

The Fourth Amendment requires that a person must be released from custody after 48 hours if a court has not determined that there is probable cause for the arrest. *County of Riverside v. McLaughlin*, 500 U.S. 44, 57-59, 111 S.Ct. 1661, 1670-1671 (1991). Violation of the rule is but one factor to consider in determining whether to suppress a defendant's in-custody statements.

- Since probable cause (and the amount of bail) must be determined before an arrest warrant issues, a probable cause determination only applies to warrantless arrests.
- Since probable cause may be determined on the basis of affidavits and sworn testimony after a warrantless arrest, the defendant's presence is not required at a probable cause hearing.
- Many states require appearance before a magistrate without unnecessary delay, but most courts have not defined "without unnecessary delay" as a specific amount of time, and determine meaning on a case by case basis.

Only 3 of the 24 states which set specific time limits mandate appearance within 24 actual hours of arrest.

Summary - First Appearance Following Warrantless Arrest, By Total Number of States

3 states - 24 hours, calculated including weekends and holidays (AK, FL, MD)
1 state - 24 hours, weekends and holidays *may* be included or excluded (WA)
6 states - 24 hours, calculated *excluding* weekends and holidays (AZ, CT, DE, ID, MA, NH)

1 state - 36 hours, calculated *excluding* day of arrest, Sundays and holidays (MN)

7 states- 48 hours, including weekends and holidays (AL, AR, GA, HI, MS, NE, TX)
1 state - 48 hours, *excluding* Sunday, holiday, and days when court not in session (CA)
1 state - 48 hours, *excluding* Saturday, Sunday and holidays (ME)
1 state - 48 hours if 1st appearance is combined w/prob. cause hearing (court decision) (WI)

2 states - 72 hours, including weekends and holidays (NJ, WY)
1 state - 72 hours, *excluding* Saturday, Sunday and holidays (LA)
1 state - 72 hours is "without delay", if probable cause w/in 48 hours (court decision) (TN)
21 states - "without unnecessary delay" (CO, IL, IA, KS, KY, MI, MT, NV, NM, NY, NC, ND, OH, OK, OR, PA, RI, SD, UT, VT, WV)

2 states - "forthwith" (SC, VA)

1 state - "promptly" (repealed a 24- hour rule in 1995) (IN)

1 state - person must be released if not "charged" within 20 hours, but no provision for first appearance (MO)

State Time Limits for Initial Appearance Before Magistrate

State	Time Limit	Authority	Statutory language/construction
Alabama	48 hours - Warrantless arrest 72 hours - Arrest w/ warrant	Ala. R. Crim. P. 4.3(a)(1)(iii) Ala. R. Crim. P. 4.3(b)(2)(i)	
Alaska	24 hours, including weekends and holidays	Alaska R. Crim. P. 5(a)(1)	
Arizona	24 hours, excluding Sat., Sun and holidays	Ariz. R. Crim. P. 4.1(b) and Ariz. R. Crim. P. 1.3	*See, State v. Watkins,* 2008 WL 3171651 * 3 (Ariz. App. Aug.5, 2008) (Sat. Sun. and legal holiday excluded from calculation of 24 hrs; citing Rules 4.1(b) and 1.3))
Arkansas	48 hours Case law suggests that exception may exist for weekends and holidays	Ark. R. Crim. P. 4.1(e)	*See, Larson v. Dorney,*__ F.Supp.__, Slip. Op. 2009WL 903392 *4 (W.D. Ark, April 1, 2009)(delay between arrest on Good Friday and appearance on Monday was "as promptly as calendar would allow")
California	48 hours, excluding Sundays and holidays. If 48 hours expires when court is not in session, then next judicial day.	CA Penal Code § 825(a)(1) CA Penal Code § 825(a)(2)	
Colorado	without unnecessary delay	CRSA. § 16-2-112 Colo. R. Crim. P. 5	
Connecticut	24 hours, excluding Sat., Sun. and holidays	CRS 54-1(g) Conn. Practice Book R. 37-1	Statutory language "promptly before the court sitting next regularly" means the next court day, excluding weekends and holidays. *State v. Pirowski,* 11 Conn. App. 238,240, 526 A.2d 562 (1998)
Delaware	24 hours, excluding Sundays and holidays	11 Del. C. § 1909	
Florida	24 hours, including weekends and holidays	Fla. R. Crim. P 3.130	
Georgia	48 hours –warrantless arrest 72 hours – arrest with warrant	Ga. Uniform St. Ct. R. 26.1 Ga. St § 17-4-62; Ga. St § 117-4-26	
Hawaii	48 hours	H.R.S. 803-9(5)	
Idaho	24 hours, excluding Sat., Sun. and holidays	I.C.R. Rule 5(b)	
Illinois	without unnecessary delay	I.L.C.S. § 109-1	*See, People v. Willis,* 831 N.E.2d, 531, 538 (Ill., 2005) Ill Court cites *McLaughlin* as requiring 48 hours, but delay is only one factor to be examined in deciding whether confession is voluntary. Court has not otherwise defined "unnecessary delay".

Indiana	" promptly" 24 hr. rule repealed, 1995 Ct. decision implies that more than 48 hours can pass before initial appearance before magistrate	Ind. Code § 35-33-7-1	*See, State v. Larson*, 776 N.W.2d, 254, 258 (Ind. 2009) – probable cause must be determined with 48 hours, but can be based on hearsay and written testimony. "Arrested person has no right to be physically present at probable cause hearing." Ind. law does not provide for a specific period of time in defining how "promptly" a person is brought before magistrate
Iowa	without unnecessary delay	I.C.A. 804.22	
Kansas	without unnecessary delay	KSA 2003 Supp. 22- 2901	*See, State v. Carrow*, 2006 WL 399251 *4 (Kan. App., Feb. 17, 2006) - cites *McLaughlin* as defining "without unreasonable delay" to mean that period of delay "cannot be longer than 48 hours, excluding weekends and holidays"
Kentucky	without unnecessary delay	Ky. R. Crim. P. 3.02(2)	
Louisiana	72 hours excluding Sat., Sun, holidays	LSA – C.Cr. P. Art. 230-1(A)	
	48 hours probable cause hearing, which is not adversarial and conducted without presence of defendant	LSA –C. Cr. P. Art. 230.2(A)	
Maine	48 hours, excluding Sat., Sun and holidays	Me. R. Crim. P. 5(a)	
Maryland	24 hours, including weekends and holidays	Md. Rule 4-212(e) and (f)	Although statute does not specifically state "including weekends", it is clear from case law. *See, e.g., Odum v. State*, 846 A. 2d 145 (Md. App. 2004)
Massachusetts	24 hours, excluding weekends and holidays (see judicial interpretation re probable cause determination)	Mass. R. Crim. P. 7	"accused shall be brought before court then in session, and, if not at its next session". Language at the court's "next session" suggests that if an accused is arrested on Friday, the next session would be a regular court day. *See, Jenkins v. Chief Justice of Dist. Court Dept.*, 619 N.E.2d 324, 337,339 (Mass, 1993) holding that probable cause must be determined within 24 hours but that the determination may be made ex parte upon written documents.
Michigan	without unnecessary delay	M.C.L.A. § 764.13	
Minnesota	36 hours, excluding day of arrest, Sun and holidays	49 M.S.A. R. Crim. P. 4.02(5)	

Mississippi	without unnecessary delay, within 48 hours	M.C.A. 99-3-17 Uniform Cnty and Cir R 6.03	
Missouri	None – must be charged within 20 hours, but no requirement of personal appearance	V.Ann.Mo.C. Art. 544.170	All persons who are arrested without warrant shall be released if not charged and held by warrant within 20 hours of arrest
Montana	without unnecessary delay	MCA 46-7-101	*See, St. v. Brown*, 933 P.2d 672, 675-676 (Mont. 1999) acknowledging *McLaughlin* 48 hour time limit for probable cause determination, and holding that to be one factor in deciding voluntariness of confession.
Nebraska	48 hours	Neb. Crim. Rule 5.1(b)(1)	
Nevada	without unnecessary delay -warrantless arrest 72 hours- arrest with warrant	N.R.S. 171-1771 N.R.S. 171-178	*See, Powell v. State*, 930 P.2d 1123 (Nev. 1997), acknowledging that *McLaughlin* requires probable cause hearing within 48 hours
New Hampshire	24 hours, excluding Sat., Sun. and holidays	N.R.S. § 594:20(a)	
New Jersey	72 hours, provided that complaint showing probable cause is filed within 12 hours of arrest	N.J. Crim. Rules 3:4-1 and 3:4-2	
New Mexico	without unnecessary delay	NMSA § 31-1-5	
New York	without unnecessary delay	McKinney's CPL § 140.20 sub1	
North Carolina	without unnecessary delay	N.C.G.S.A. § 15A-511	
North Dakota	without unnecessary delay	N.D.C.C. 2906-25 N.D. Crim. Rule 5(a)	
Ohio	without unnecessary delay	O.R.C. § 29.35.05 Ohio Crim. Rule 4(e)	
Oklahoma	without unnecessary delay	22 Okl. Stat. Ann. § 181	*See, Black v. State, 871 P.2d 35, 39 (Okl.Cr.1994).* Citing *McLaughlin*, court recognized that delay longer than 48 hours in taking defendant to probable cause hearing is unreasonable.
Oregon	without unnecessary delay		
Pennsylvania	without unnecessary delay	Pa.R.Crim.P. 519	
Rhode Island	without unnecessary delay (unless charged w/ offense under RI Gen Law. 12.13.1.1*)	Super. R. Crim. P., Rule 5 Dist. R. Crim. P., Rule 9	*Unless charged w/ offense under RI Gen Laws, 12.13.1.1 (charges carrying life sentence or firearm offenses committed by persons previously convicted of offense carrying life sentence), in which case 48 hrs., excluding Sat., Sun. and holidays
South Carolina	Shall be forthwith carried before a magistrate and a warrant of arrest procured	S.C. Code 1976§ 22-5-200	

South Dakota	without unnecessary delay	SDCL § 23A-4-1	*State v. Larson*, 776 N.W. 2d 254, 258 (S.D., 2009) persons arrested without warrant are constitutionally entitled to probable cause determination within 24 hours.
Tennessee	"without unnecessary delay" – Judicially defined – 72 hours for appearance before magistrate 48 hrs for probable cause, but hearing unnecessary	Tenn. R. Crim. P. 5(a)	Due process is violated if probable cause is not determined within 48 hours, but a full adversarial hearing is not necessary. If an individual is not brought before a magistrate within 72 hours there has been an unnecessary delay within the definition of Tenn. R. Crim. P. 5.1. *State v. Carter*, 16 SW 762, 766 (Tenn. 2000)
Texas	48 hours	V.Ann. Tex. C.C.P. Art 14.06	
Utah	without unnecessary delay- 48 hours probable cause, but arrestee need not be present	U.C.A. 1953 § 77-723 Utah Criminal Rule 7	
Vermont	without unnecessary delay	Vt. R. Crim. P. 3(g)	
Virginia	"forthwith"	Va. Code Ann. § 19.2-82	Accused and officer appear together "forwith" for probable cause hearing. Does not apply to arrests with warrant
Washington	(Warrantless arrest only) 24 hours, including weekends and holidays 48 hours prob. cause, but hearing not required	Wash. Cr.RLJ 3.2.1 (c) Wash. Cr.RLJ 3.2.1(a)	"must be brought before a court of limited jurisdiction as soon as practicable after the detention is commenced, but in any event before the close of business on the next court day." Sat, Sun and holidays may be considered court days
West Virginia	Without unnecessary delay	W.Va. Code Sex. 62-1-5 W.Va. R. Crim. P. 5	
Wisconsin	Within a reasonable time Judicial definition - 48 hours implicitly the reasonable time	W.S.A. § 970.01	If the initial appearance also serves as the *Riverside* probable-cause hearing it must be held within 48 hours barring extraordinary circumstances. In cases where a defendant's *Riverside (v. McLaughlin)* determination was properly made in a proceeding prior to the initial appearance, court looks at the individual circumstances of the case to determine a "reasonable time" from the defendant's arrest *State v. Evans*, 522 N.W. 2d, 554, 563 (Wis. App., 1994) (Held: 4 days over a weekend not unreasonable)
Wyoming	without unnecessary delay and in no event more than 72 hours	W. R Crim P 5(a)	

From: Henderson, Robert E (LAW)
Sent: Tuesday, January 19, 2010 5:09 PM
To: Carpeneti, R Anne D (LAW); Svobodny, Richard (LAW)
Cc: Novak, John J (LAW)
Subject: FW: Third Party Custodian Craigslist ad

Annie and Rick:

Laurie Eller is an LOA in our office who saw the craigslist posting asking someone to come forward as a TPC.

Robert E. Henderson
Assistant District Attorney
907.269.6300 (office)
907.269.6321 (fax)

From: Eller, Laurie A (LAW)
Sent: Tuesday, January 19, 2010 5:00 PM
To: Henderson, Robert E (LAW)
Subject: Third Party Custodian Craigslist ad

Rob, I finally remembered to look for that Craigslist ad from last summer about someone wanting to pay for a TPC. I found it and it is shown below. Let me know if I can be of further help. ☺

Date: 2009-08-24, 11:19AM AKDT
Reply to: job-k7j6y-1339990957@craigslist.org [Errors when replying to ads?]

Looking for third party in court case , court case is non violent, non-sexual,non- abusive. Its is a Misdeamoner , but requires THIRD PARTY for 30 days until next court date. Will pay handsomely$$$$$$

- Location: ANCHORAGE
- Compensation: Will Pay Handsomely$$$$$$$$$
- Principals only. Recruiters, please don't contact this job poster.
- Please, no phone calls about this job!
- Please do not contact job poster about other services, products or commercial interests.

PostingID: 1339990957

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Delivery: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

March 10, 2010

Hon. Jay Ramras
Chair, House Judiciary Committee
Alaska State Capitol, Room 118
Juneau, Alaska 99801

Re: House Bill 324 – Bail Reform

Dear Chairman Ramras:

I am writing first to thank you for the thoughtful and thorough hearings that you held for HB 298 (sexual assault and abuse) and HB 316 (evidence retention and post-conviction DNA testing). I am also writing to ask again that you consider scheduling House Bill 324, the bail reform bill, for a hearing in the House Judiciary Committee. I hope you will not think we are too demanding, but there are good reasons to hear the bail bill: in addition to protection of the public and other victims, victims of sexual assault and sexual abuse will greatly benefit from the passage of the bill. Although bail reform is not directly targeted at sexual assault or sexual abuse in the state, the bill would provide additional protection to victims of these crimes.

The Problems with current law:

Our bail laws date back to 1966. It is clear that when the legislature adopted these statutes, times were not as difficult as present. For example, unless a person has been convicted of an unclassified felony or a class A felony, our bail laws allow a person found guilty of any other crime, either by plea or by verdict, to be released pending imposition of sentence or during an appeal. The following scenarios are only a few of many examples of the danger that can result from the application of the current law.

> Larry Berryhill, IJU-07-992CR, was convicted of two counts of Sexual Abuse of a Minor in the Second Degree for having sexual contact with a young boy who worked for him at his lodge in Gustavus. After being found guilty, and over the state's objection, the court released him on an unsecured signature bond, in lieu of posting bail, in the amount of $25,000. Mr. Berryhill did not appear for his sentencing. Alaska State Troopers and law enforcement agents from other states

(Mr. Berryhill had committed similar crimes in other states) found that Mr. Berryhill had fled to Argentina, and was vacationing in New Zealand and Europe when he should have appeared in court for his sentencing. Mr. Berryhill died before the Troopers were able to arrest him. He did not spend a single day in jail for his sexual abuse of that young boy.

Michael Williams, 3AN-10-166CR, has been convicted of a felony five times, two of the felonies were federal armed bank robbery convictions from the late 1980s. In January, 2008, he was charged with the Robbery in the First Degree for a home invasion robbery with multiple victims. The state proceeded with the prosecution under the three strikes law – with a 99 year sentence possible if convicted. This potential sentence is higher than most people convicted of homicide would receive. Over the state's objection, bail was set at $5,000 cash appearance bond and a third party custodian was appointed. The state requested several times that his bail be increased, but were unsuccessful. Mr. Williams skipped out soon after release, and a bench warrant was issued for his arrest. He has not been found.

James Spencer, 3AN-09-2113CR, was charged with Robbery in the First Degree after confronting a Carr's employee with a handgun. Over the state's objection, his bail was set at $1,000 cash performance bond, and $5,000 cash or corporate appearance bond. Last week, Mr. Spenser was arrested and charged with a new Robbery in the First Degree for an armed robbery at the Burger King (3AN010-2471CR).

Jack Lee Espinoza, Jr., 3AN-10-2113CR, was charged with two counts of Robbery in the First Degree. He had been convicted of more than 10 crimes in the past, several of them were felonies. Over the state's objection, Mr. Espinoza had been released on bail of $2,500 cash or corporate appearance bond and ankle monitoring. Within 48 hours of his release, Mr. Espinoza had cut off his ankle monitor, and with another person committed another armed robbery at a trailer in Anchorage. The victim was shot, allegedly by the other person, during the robbery.

How HB 324 will help avoid these problems

Section 10 of HB 324 (page 13, beginning at line 26) provides that a person found guilty of a sexual felony may not be released pending imposition of sentence or appeal. The legislature has raised the maximum term of imprisonment for a person convicted of a sexual felony to 99 years; with that maximum term the danger of flight is high. Additionally, the

danger of sex offenders victimizing others is significant. Mr. Berryhill would not have been released after being found guilty of sexual abuse under HB 324.

HB 324 is similar to federal law in part because it would adopt a presumption, that is rebuttable, that no combination of conditions or monetary bail would ensure the safety of the public and the appearance of the defendant in cases where the person is either charged with an unclassified or a class A felony (similar to current law), or the defendant is a higher risk of flight or danger to the public (new in HB 324). The bill provides that other persons with higher risk include the following:

- persons charged with a felony who have a prior felony conviction and less that five years have elapsed since unconditional release for the prior felony;
- persons charged with a crime committed while the person was on release for another charge or conviction;
- persons charged with a domestic violence crime if the person has a conviction for a domestic violence crime within the previous five years;
- persons arrested in connection with a felony charge or conviction out of state and the person is fugitive from the other jurisdiction.

The individuals described in the scenarios above (except for Mr. Berryhill), would have burden of going forward under HB 324 with suggestion for release conditions. For example, Mr. Williams would have to present information and suggestions for conditions of release that would satisfy a judicial officer that he would not be a danger to the public and he would not be a flight risk. Mr. Williams still has the constitutional right to have bail set for him.

Additionally, HB 324 would adopt standards for third party custodians so that, for example, a person charged with crimes, on probation, or with recent convictions could not act as a third party custodian. HB 324 would require a judicial officer to do basic screening of a person before appointing the person as a custodian. Defendants have taken advantage of third party custodians in the past. There have been advertisements on Craig's list for third party custodians (see attached).

Misconceptions about HB 324

We have heard several comments about HB 324 that are simply not accurate. For example, the bill changes the deadline for the first appearance before a court of a person arrested from 24 to 48 hours. This change has been described as contrary to the practice of a

majority of other states. As can be seen by the attached memorandum and chart, Alaska is one of only three states who require a first appearance within 24 hours. The remaining states have later deadlines. There are many good reasons to change this deadline. It would give all parties a chance to gather information for better informed bail hearings. Even more important is that victims in Alaska have a constitutional right to appear at arraignments and bail hearings. Often we are unable to notify them of a hearing that must be held within 24 hours of arrest; other times the victim is still in the hospital at this time. The change to a 48 hour deadline will help the system make the victim's right to be present much more meaningful.

We also have heard people say that HB 324 would prohibit certain people from being released on bail. This is not correct. Defendants have a constitutional right to have bail set for their release. HB 324 simply changes certain procedures for the courts to follow in setting bail. In doing so, it would protect the public and discourage bail jumping much better than does current law.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: Richard A. Svobodny
Deputy Attorney General

MEMORANDUM

STATE OF ALASKA

Department of Law - Criminal Division

To: Senate Judiciary Committee

Date: March 1, 2010

Thru: Richard Svobodny, Deputy Attorney General
Anne Carpeneti, Assistant Attorney General

From: Susan S. McLean SMc
Director, Criminal Division

Subject: **Other State Rules - First Appearance After Arrest**

General Considerations

The Fourth Amendment requires that a person must be released from custody after 48 hours if a court has not determined that there is probable cause for the arrest. *County of Riverside v. McLaughlin*, 500 U.S. 44, 57-59, 111 S.Ct. 1661, 1670-1671 (1991). Violation of the rule is but one factor to consider in determining whether to suppress a defendant's in-custody statements.

- Since probable cause (and the amount of bail) must be determined before an arrest warrant issues, a probable cause determination only applies to warrantless arrests.
- Since probable cause may be determined on the basis of affidavits and sworn testimony after a warrantless arrest, the defendant's presence is not required at a probable cause hearing.
- Many states require appearance before a magistrate without unnecessary delay, but most courts have not defined "without unnecessary delay" as a specific amount of time, and determine meaning on a case by case basis.

Only 3 of the 24 states which set specific time limits mandate appearance within 24 actual hours of arrest.

Summary - First Appearance Following Warrantless Arrest, By Total Number of States

3 states - 24 hours, calculated including weekends and holidays (AK, FL, MD)
1 state - 24 hours, weekends and holidays *may* be included or excluded (WA)
6 states - 24 hours, calculated *excluding* weekends and holidays (AZ, CT, DE, ID, MA, NH)

1 state - 36 hours, calculated *excluding* day of arrest, Sundays and holidays (MN)

7 states- 48 hours, including weekends and holidays (AL, AR, GA, HI, MS, NE, TX)
1 state - 48 hours, *excluding* Sunday, holiday, and days when court not in session (CA)
1 state - 48 hours, *excluding* Saturday, Sunday and holidays (ME)
1 state - 48 hours if 1st appearance is combined w/prob. cause hearing (court decision) (WI)

2 states - 72 hours, including weekends and holidays (NJ, WY)
1 state - 72 hours, *excluding* Saturday, Sunday and holidays (LA)
1 state - 72 hours is "without delay", if probable cause w/in 48 hours (court decision) (TN)
21 states - "without unnecessary delay" (CO, IL, IA, KS, KY, MI, MT, NV, NM, NY, NC, ND, OH, OK, OR, PA, RI, SD, UT, VT, WV)

2 states - "forthwith" (SC, VA)

1 state - "promptly" (repealed a 24- hour rule in 1995) (IN)

1 state - person must be released if not "charged" within 20 hours, but no provision for first appearance (MO)

State Time Limits for Initial Appearance Before Magistrate

State	Time Limit	Authority	Statutory language/construction
Alabama	48 hours - Warrantless arrest 72 hours - Arrest w/ warrant	Ala. R Crim. P. 4.3(a)(1)(iii) Ala. R. Crim. P. 4.3(b)(2)(i)	
Alaska	24 hours, including weekends and holidays	Alaska R. Crim. P. 5(a)(1)	
Arizona	24 hours, excluding Sat., Sun and holidays	Ariz. R. Crim. P. 4.1(b) and Ariz. R. Crim. P. 1.3	*See, State v. Watkins,* 2008 WL 3171651 * 3 (Ariz. App. Aug.5, 2008) (Sat. Sun. and legal holiday excluded from calculation of 24 hrs; citing Rules 4.1(b) and 1.3))
Arkansas	48 hours Case law suggests that exception may exist for weekends and holidays	Ark. R. Crim. P. 4.1(e)	*See, Larson v. Dorney,*__ F.Supp.__, Slip. Op. 2009WL 903392 *4 (W.D. Ark, April 1, 2009)(delay between arrest on Good Friday and appearance on Monday was "as promptly as calendar would allow")
California	48 hours, excluding Sundays and holidays. If 48 hours expires when court is not in session, then next judicial day.	CA Penal Code § 825(a)(1) CA Penal Code § 825(a)(2)	
Colorado	without unnecessary delay	CRSA. § 16-2-112 Colo. R. Crim. P. 5	
Connecticut	24 hours, excluding Sat., Sun. and holidays	CRS 54-1(g) Conn. Practice Book R. 37-1	Statutory language "promptly before the court sitting next regularly" means the next court day, excluding weekends and holidays. *State v. Pirowski,* 11 Conn. App. 238,240, 526 A.2d 562 (1996)
Delaware	24 hours, excluding Sundays and holidays	11 Del. C. § 1909	
Florida	24 hours, including weekends and holidays	Fla. R. Crim. P 3.130	
Georgia	48 hours –warrantless arrest 72 hours – arrest with warrant	Ga. Uniform St. Ct. R. 26.1 Ga. St § 17-4-62; Ga. St § 117-4-26	
Hawaii	48 hours	H.R.S. 803-9(5)	
Idaho	24 hours, excluding Sat., Sun. and holidays	I.C.R. Rule 5(b)	
Illinois	without unnecessary delay	I.L.C.S. § 109-1	*See, People v. Willis,* 831 N E.2d, 531, 538 (Ill., 2005) Ill Court cites *McLaughlin* as requiring 48 hours, but delay is only one factor to be examined in deciding whether confession is voluntary. Court has not otherwise defined "unnecessary delay".

Indiana	" promptly" 24 hr. rule repealed, 1995 Ct. decision implies that more than 48 hours can pass before initial appearance before magistrate	Ind. Code § 35-33-7-1	*See, State v. Larson*, 776 N.W.2d, 254, 258 (Ind. 2009) – probable cause must be determined with 48 hours, but can be based on hearsay and written testimony. "Arrested person has no right to be physically present at probable cause hearing." Ind. law does not provide for a specific period of time in defining how "promptly" a person is brought before magistrate
Iowa	without unnecessary delay	I.C.A. 804.22	
Kansas	without unnecessary delay	KSA 2003 Supp. 22- 2901	*See, State v. Carrow*, 2006 WL 399251 *4 (Kan. App., Feb. 17, 2006) - cites *McLaughlin* as defining "without unreasonable delay" to mean that period of delay "cannot be longer than 48 hours, excluding weekends and holidays"
Kentucky	without unnecessary delay	Ky. R. Crim. P. 3.02(2)	
Louisiana	72 hours excluding Sat., Sun, holidays 48 hours probable cause hearing, which is not adversarial and conducted without presence of defendant	LSA – C.Cr. P. Art. 230-1(A) LSA –C. Cr. P. Art. 230.2(A)	
Maine	48 hours, excluding Sat., Sun and holidays	Me. R. Crim. P. 5(a)	
Maryland	24 hours, including weekends and holidays	Md. Rule 4-212(e) and (f)	Although statute does not specifically state "including weekends", it is clear from case law. *See, e.g., Odum v. State*, 846 A. 2d 145 (Md. App. 2004)
Massachusetts	24 hours, excluding weekends and holidays (see judicial interpretation re probable cause determination)	Mass. R. Crim. P. 7	"accused shall be brought before court then in session, and, if not at its next session". Language at the court's "next session" suggests that if an accused is arrested on Friday, the next session would be a regular court day. *See, Jenkins v. Chief Justice of Dist. Court Dept.*, 619 N.E.2d 324, 337,339 (Mass, 1993) holding that probable cause must be determined within 24 hours but that the determination may be made ex parte upon written documents.
Michigan	without unnecessary delay	M.C.L.A. § 764.13	
Minnesota	36 hours, excluding day of arrest, Sun and holidays	49 M.S.A. R. Crim. P. 4.02(5)	

Mississippi	without unnecessary delay, within 48 hours	M.C.A. 99-3-17 Uniform Cnty and Cir R 6.03	
Missouri	None – must be charged within 20 hours, but no requirement of personal appearance	V.Ann.Mo.C. Art. 544.170	All persons who are arrested without warrant shall be released if not charged and held by warrant within 20 hours of arrest
Montana	without unnecessary delay	MCA 46-7-101	*See, St. v. Brown*, 933 P.2d 672, 675-676 (Mont. 1999) acknowledging *McLaughlin* 48 hour time limit for probable cause determination, and holding that to be one factor in deciding voluntariness of confession.
Nebraska	48 hours	Neb. Crim. Rule 5.1(b)(1)	
Nevada	without unnecessary delay -warrantless arrest 72 hours- arrest with warrant	N.R.S. 171-1771 N.R.S. 171-178	*See, Powell v. State*, 930 P.2d 1123 (Nev. 1997), acknowledging that *McLaughlin* requires probable cause hearing within 48 hours
New Hampshire	24 hours, excluding Sat., Sun. and holidays	N.R.S. § 594:20(a)	
New Jersey	72 hours, provided that complaint showing probable cause is filed within 12 hours of arrest	N.J. Crim. Rules 3:4-1 and 3:4-2	
New Mexico	without unnecessary delay	NMSA § 31-1-5	
New York	without unnecessary delay	McKinney's CPL § 140.20 sub1	
North Carolina	without unnecessary delay	N.C.G.S.A. § 15A-511	
North Dakota	without unnecessary delay	N.D.C.C. 2906-25 N.D. Crim. Rule 5(a)	
Ohio	without unnecessary delay	O.R.C. § 29.35.05 Ohio Crim. Rule 4(e)	
Oklahoma	without unnecessary delay	22 Okl. Stat. Ann. § 181	*See, Black v. State, 871 P.2d 35, 39 (Okl.Cr.1994).*Citing *McLaughlin*, court recognized that delay longer than 48 hours in taking defendant to probable cause hearing is unreasonable.
Oregon	without unnecessary delay		
Pennsylvania	without unnecessary delay	Pa.R.Crim.P. 519	
Rhode Island	without unnecessary delay (unless charged w/ offense under RI Gen Law. 12.13.1.1*)	Super. R. Crim. P., Rule 5 Dist. R. Crim. P., Rule 9	*Unless charged w/ offense under RI Gen Laws, 12.13.1.1 (charges carrying life sentence or firearm offenses committed by persons previously convicted of offense carrying life sentence), in which case 48 hrs., excluding Sat., Sun. and holidays
South Carolina	Shall be forthwith carried before a magistrate and a warrant of arrest procured	S.C. Code 1976§ 22-5-200	

South Dakota	without unnecessary delay	SDCL § 23A-4-1	*State v. Larson*, 776 N.W. 2d 254, 258 (S.D., 2009) persons arrested without warrant are constitutionally entitled to probable cause determination within 24 hours.
Tennessee	"without unnecessary delay" – Judicially defined – 72 hours for appearance before magistrate 48 hrs for probable cause, but hearing unnecessary	Tenn. R. Crim. P. 5(a)	Due process is violated if probable cause is not determined within 48 hours, but a full adversarial hearing is not necessary. If an individual is not brought before a magistrate within 72 hours there has been an unnecessary delay within the definition of Tenn. R. Crim. P. 5.1. *State v. Carter*, 16 SW 762, 766 (Tenn. 2000)
Texas	48 hours	V.Ann. Tex. C.C.P. Art 14.06	
Utah	without unnecessary delay- 48 hours probable cause, but arrestee need not be present	U.C.A. 1953 § 77-723 Utah Criminal Rule 7	
Vermont	without unnecessary delay	Vt. R. Crim. P. 3(g)	
Virginia	"forthwith"	Va. Code Ann. § 19.2-82	Accused and officer appear together "forwith" for probable cause hearing. Does not apply to arrests with warrant
Washington	(Warrantless arrest only) 24 hours, including weekends and holidays 48 hours prob. cause, but hearing not required	Wash. Cr.RLJ 3.2.1 (c) Wash. Cr.RLJ 3.2.1(a)	"must be brought before a court of limited jurisdiction as soon as practicable after the detention is commenced, but in any event before the close of business on the next court day." Sat, Sun and holidays may be considered court days
West Virginia	Without unnecessary delay	W.Va. Code Sex. 62-1-5 W.Va. R. Crim. P. 5	
Wisconsin	Within a reasonable time Judicial definition - 48 hours implicitly the reasonable time	W.S.A. § 970.01	If the initial appearance also serves as the *Riverside* probable-cause hearing it must be held within 48 hours barring extraordinary circumstances. In cases where a defendant's *Riverside (v. McLaughlin)* determination was properly made in a proceeding prior to the initial appearance, court looks at the individual circumstances of the case to determine a "reasonable time" from the defendant's arrest *State v. Evans*, 522 N.W. 2d, 554, 563 (Wis. App., 1994) (Held: 4 days over a weekend not unreasonable)
Wyoming	without unnecessary delay and in no event more than 72 hours	W. R Crim P 5(a)	

From: Henderson, Robert E (LAW)
Sent: Tuesday, January 19, 2010 5:09 PM
To: Carpeneti, R Anne D (LAW); Svobodny, Richard (LAW)
Cc: Novak, John J (LAW)
Subject: FW: Third Party Custodian Craigslist ad

Annie and Rick:

Laurie Eller is an LOA in our office who saw the craigslist posting asking someone to come forward as a TPC.

Robert E. Henderson
Assistant District Attorney
907.269.6300 (office)
907.269.6321 (fax)

From: Eller, Laurie A (LAW)
Sent: Tuesday, January 19, 2010 5:00 PM
To: Henderson, Robert E (LAW)
Subject: Third Party Custodian Craigslist ad

Rob, I finally remembered to look for that Craigslist ad from last summer about someone wanting to pay for a TPC. I found it and it is shown below. Let me know if I can be of further help. ☺

Date: 2009-08-24, 11:19AM AKDT
Reply to: job-k7j6y-1339990957@craigslist.org [Errors when replying to ads?]

Looking for third party in court case , court case is non violent, non-sexual,non- abusive. Its is a Misdeamoner , but requires THIRD PARTY for 30 days until next court date. Will pay handsomely$$$$$$

- Location: ANCHORAGE
- Compensation: Will Pay Handsomely$$$$$$$$$
- Principals only. Recruiters, please don't contact this job poster.
- Please, no phone calls about this job!
- Please do not contact job poster about other services, products or commercial interests.

PostingID: 1339990957

Jane Pierson

From: Cindy Smith
Sent: Thursday, March 04, 2010 8:55 AM
To: Jane Pierson
Subject: FW: Court Statiscs for Bail Bill
Attachments: cases w charges filed in fy09.pdf; ptrp actions fy09 - criminal cases.pdf

Fyi.

From: [redacted] [mailto:dwooliver@courts.state.ak.us]
Sent: Wednesday, March 03, 2010 2:12 PM
To: Carpeneti, R Anne D (LAW); Svobodny, Richard (LAW); Peeples, Dwayne B (DOC); Steiner, Quinlan G (DOA); Levitt, Rachel E (DOA); Cindy Smith; McLean, Susan S (LAW)
Subject: Court Statiscs for Bail Bill

Hello all. Our tech people have gone through our CourtView courts (all courts except those in the first district; first district cases are not included in these numbers) and come up with numbers for the various categories of offenses that will be subject to the rebuttable presumption of no bail. Now I have to figure out how to make sense of all of it. We have broken down the numbers by category, but because there will be a lot of overlap (for example a person counted in the category for any of the particular offense categories may also be counted in the category of persons subject to a petition to revoke probation), we can't just add up the categories and come to a number. Once I go through all of this I will let you know how I plan to assess the impact. Please let me know if you have any questions or comments about these data. Doug

These data are arranged by statute reference in sections 4 and 12 of the bill.

AS 12.30.011(d)(2)(A): See attached. Note that there is a difference between the number of offenses and the number of cases. I think that we need to look at the number of cases because one person may be charged with more than one offense that would trigger the presumption. I think that once the presumption is triggered, the presumption attaches and other offenses don't need to be counted.

AS 12.30.011(d)(2)(B): There were 4,134 defendants charged with a felony (other than a felony from the bill's list of specific offenses) during FY09.
Of those, **1,403** had been convicted of a felony in the prior 10 years. (7/1/1998 or later) This was our measure of those who commit a felony within five years of the date of their unconditional discharge. We can't directly track by unconditional discharge date, but we can track by conviction date. This search assumed that each felony defendant served 5 years probation and thus five years following their unconditional discharge would be ten years from the date of their conviction. Some of the periods of probation will be longer than 5 years and some less, but this was the average we settled on. This number does not include those with an out-of-state conviction

AS 12.30.011(d)(2)(C): We don't have a way to track those who commit an offense while on bail from an earlier charge.

AS 12.30.011(d)(2)(D): There were 3148 defendants charged with a DV related crime during FY09. Of those, **919** were previously convicted of a DV related crime in the prior 5 years.

AS 12.30.011(d)(2)(E): In CourtView locations during FY09 there were 96 cases where the defendant was charge with the following: AS12.70.120: Arrest Prior To Requisition (Fugitive from Justice)

AS 12.30.055 (in section 12 of the bill): See attached.

Alaska Court System

Cases/Charges Filed for Specified Action Codes

CourtView Locations

FY09

Charge Description	# of Cases Charged
AS11.41.100: Murder 1	4
AS11.41.100(a)(1)(A): Murder 1-Intent To Cause Death	26
AS11.41.100(a)(2): Murder 1- Repeat Phys Injury To Child	1
AS11.41.100(att): Attempted Murder 1	10
AS11.41.110: Murder 2	1
AS11.41.110(a)(1): Murder 2-Intend Serious Injury	13
AS11.41.110(a)(2): Murder 2-Extreme Indifference	7
AS11.41.110(a)(3): Murder 2-Felony Murder	8
AS11.41.120: Manslaughter	1
AS11.41.120(a)(1): Manslaughter -Death Not Murder 1 Or 2	7
AS11.41.120(a)(1): Manslaughter	1
AS11.41.160: Manslaughter of Unborn Child	1
AS11.41.200: Assault 1	18
AS11.41.200(a)(1): Assault 1- Serious Injury, Weapon	101
AS11.41.200(a)(2): Assault 1- Serious Injury, Intent	17
AS11.41.200(a)(3): Assault 1- Serious Injury, Extreme Indif	5
AS11.41.200(a)(4): Assault 1- Serious Injury, Weap, Repeat	1
AS11.41.280(a)(2): Assault Unborn Child 1 - w/ intent	1
AS11.41.300(a): Kidnapping	10
AS11.41.300(a)(1)(B): Kidnapping- Use Victim As Shield/Hostage	1
AS11.41.300(a)(1)(C): Kidnapping- Injury Or Sexual Assault	31
AS11.41.300(a)(1)(c): Kidnapping	2
AS11.41.300(a)(1)(E): Kidnapping- To Commit Felony Or Escape	4
AS11.41.300(a)(1)(e): Kidnapping	1
AS11.41.300(a)(2)(B): Kidnapping- Risk Of Serious Injury	4
AS11.41.410: Sexual Assault 1	2
AS11.41.410(a)(1): Sex Assault 1- Penetrate w/o Consent	57
AS11.41.410(a)(2): Sex Assault 1- Att. Penetrate, Injure	1
AS11.41.420: Sexual Assault 2	3
AS11.41.420(a)(1): Sex Assault 2- Contact w/o Consent	48
AS11.41.420(a)(3): Sex Assault 2- Penetrate Incap Victim	26
AS11.41.425: Sexual Assault 3	2
AS11.41.425(a)(1)(A): Sex Assault 3- Contact w/ Ment Incapable	1
AS11.41.425(a)(1)(B): Sex Assault 3- Contact w/ Incapacitated	6
AS11.41.425(a)(1)(C): Sex Assault 3- Contact w/ Unaware Victim	2
AS11.41.434(a)(1): Sex Abuse Minor 1- Penetrate Vic Undr 13	28
AS11.41.434(a)(2): Sex Abuse Minor 1-Penetr Own Chld Undr 18	8
AS11.41.434(a)(3)(A): Sex Abuse Minor 1-Penetr Undr 16, Hshold	4
AS11.41.434(a)(3)(B): Sex Abuse Minor 1-Auth Fig Penetr Undr 16	3
AS11.41.436: Sexual Abuse Of Minor 2	4
AS11.41.436(a)(1): Sex Abuse Minor 2- Penetrate, Vic 13-15	37
AS11.41.436(a)(2): Sex Abuse Minor 2-Contact, Vict Undr 13	29
AS11.41.436(a)(3): Sex Abuse Minor 2- Contact, By Parent	8
AS11.41.436(a)(5)(A): Sex Abuse Minor 2-Contact Undr 16, Hshld	2
AS11.41.436(a)(5)(B): Sex Abuse Minor 2-Auth Fig Cntact Undr 16	1
AS11.41.436(a)(6): Sex Abuse Minor 2-Auth Fig 18 yrs+	2
AS11.41.438: Sexual Abuse of Minor 3	11
AS11.41.450(a)(1): Incest- Penetr Ancestor Or Descendant	3

inted 3/2/2010 at 8:28 am

Alaska Court System

Cases/Charges Filed for Specified Action Codes

CourtView Locations

FY09

Charge Description	# of Cases Charged
AS11.41.450(a)(1): Incest	2
AS11.41.450(a)(2): Incest- Penetr Brother Or Sister	4
AS11.41.450(a)(3): Incest- Penetr Uncle, Aunt, Neph Or Niece	1
AS11.41.452(d): Online Enticement of a Minor	1
AS11.41.455(a)(7): Exploit Minor-Make Porn, Sado/Masochism	1
AS11.41.455(b): Exploit Minor-Make Porn, Parent Allows	1
AS11.41.458: Indecent Exposure 1	1
AS11.41.458(a)(1): Indecent Exp 1-vic under 16, masturbate	2
AS11.41.500: Robbery 1	9
AS11.41.500(a)(1): Robbery 1- Armed w/ Deadly Weapon	70
AS11.41.500(a)(2): Robbery 1- Use Weapon	9
AS11.41.500(a)(3): Robbery 1- Cause/ Attempt Serious Injury	18
AS11.46.400: Arson 1- Danger Of Serious Injury	8
AS11.56.300: Escape 1	1
AS11.61.190(a)(1): Misc/Weapons 1- Involving Drug Crime	3
AS11.61.190(a)(2): Misc/Weapons 1- From Vehicle	10
AS11.71.010: Misconduct- Controlled Substance 1	1
AS11.71.010(a)(1): Cntrld Substc 1-Deliv 1A To Minor	2
AS11.71.010(a)(2): Cntrld Substc 1-Dliv II/IIIA To Minr, Age Diff 3+	1
AS11.71.020: Misconduct-Controlled Substance 2	20
AS11.71.020(a)(1): Cntrld Substc 2- Manuf/Deliv IA	80
AS11.71.020(a)(2): Cntrld Substc 2- Manuf Meth	1
AS11.71.020(a)(2)(A): MICS 2- Manuf Meth	2
AS11.71.020(a)(3): MICS 2- Poss Precursor, Intnd Make Meth	3
AS11.71.020(a)(4): MICS 2- Poss Chem, Intnd Make Meth	1
AS11.71.020(a)(4)(A): MICS 2- Poss Chem, Intnd Make Meth	2
AS11.71.020(a)(6)(B): Cntrld Substc 2 - Deliver Listed Chem	1

Total number of cases: 610

NOTE: One case could have more then one charge but is only counted once in this total.

Total Number of Charges: 1374

End of Report

inted 3/2/2010 at 8:28 am

Petitions to Revoke Probation - Criminal Cases

Fiscal Year: 2009
CourtView Locations

	Petition to Revoke Probation	PTRP - ASAP	PTRP - Community Work Service	PTRP - DV Interv. Program	PTRP - New Criminal Charge	PTRP - Restitution	PTRP- Volunteers of America	Total
Felony	5,579	213	85	9	91	1	2	5,980
Misdemeanor	5,262	2,251	1,947	113	541	8	819	10,941
Total	10,841	2,464	2,032	122	632	9	821	16,921

March 22, 2010

AMERICAN CIVIL LIBERTIES UNION OF ALASKA
1057 W. Fireweed, Suite 207
Anchorage, AK 99503
(907) 258-0044
(907) 258-0288 (fax)
WWW.AKCLU.ORG

OFFICERS AND DIRECTORS
SUSAN WINGROVE, Anchorage
PRESIDENT

RICH CURTNER, Anchorage
VICE PRESIDENT

LLOYD EGGAN, Anchorage
TREASURER

TONY STRONG, Juneau
SECRETARY

WILLIE ANDERSON, Juneau
AFFIRMATIVE ACTION OFFICER

KIRSTEN BEY, Nome
PAUL GRANT, Juneau
SCOTT HENDERSON, Anchorage
MICHAEL KING, Anchorage
CONNIE OZER, Anchorage
JOHN NEVILLE, Anchorage
GALEN PAINE, Sitka
STEPHANIE PAWLOWSKI, Anchorage
JUNE PINNELL-STEPHENS, Fairbanks
JIM WHITAKER, Fairbanks
NADINE WINTERS, Fairbanks

ZACH FICK, Anchorage
NOELANI KAMAHELE, Anchorage
STUDENT ADVISORS

The Honorable Jay Ramras
Chair, House Judiciary Committee
Alaska State House of Representatives
State Capitol, Room 118
Juneau, AK 99801-1182

Re: House Bill 324
Constitutional Issues

Chair Ramras:

Thank you for the opportunity to submit written testimony regarding House Bill 324. The American Civil Liberties Union of Alaska represents thousands of members and activists throughout the State of Alaska who seek to preserve and expand individual freedoms and civil liberties guaranteed under the United States and Alaska Constitutions. From that perspective, we have several concerns with the proposed legislation.

Section 4 Unconstitutional Restrictions on Pre-Trial Release

Section Four of the Bill proposes a new section AS 12.30.011 with a myriad of constitutional infirmities.

The Alaska Constitution states that "an accused is entitled . . . to be released on bail, except for capital offenses when the proof is evident or the presumption great." Alaska Const., Art. I, Sec. 11. Subsection (d) of Section 4 of the Bill, however, proposes that for a wide group of defendants ***the court should presume, subject to rebuttal by the defendant, that no amount of bail and no conditions of release will ensure the appearance of the defendant and protect the victim and the public***. The language used for the presumption, that "no condition or combination of conditions will reasonably assure" public safety or the defendant's appearance, is a phrase used to

describe the basis by which a judge can deny bail entirely to a defendant. *See, e.g.*, 18 U.S.C.A. § 3142(e)(1); Pa. Const. Art. 1, § 14.

While the proposed new statutory language does not specifically state that those who cannot be safely released shall be held without bail, the language leaves no clear alternative. Thus ***it proposes to impermissibly negate the dictates of the Alaska Constitution and to deny bail entirely to many defendants***, while imposing on them the burden to refute the denial of bail. The categories of defendants to whom this denial would apply includes those arrested for class A or unclassified felonies, any sexual felony, anyone previously convicted of a felony except if the complete term (including any parole or probation term) had terminated more than five years ago, anyone also under charge in another case, anyone arrested for a domestic violence charge who had previously been convicted of a domestic violence charge within the last five years, or anyone arrested "in connection with" an allegation of commission of an offense outside the state or being a fugitive from justice in another state.

The Alaska Supreme Court has clearly and unequivocally held that the outright denial of bail violates the Alaska Constitution. *Martin v. State*, 517 P.2d 1389 (Alaska 1974) (holding that the refusal of bail to a person arrested on a charge of forgery who had three outstanding cases of forgery against him violated both Alaska statutes and Article I, Section 11 of the Alaska Constitution). In fact, the *Martin* court discussed a very similar argument by the Department of Law in these terms:

> "The State urges that these amendments [to the bail statutes] permit the detention of defendants without bail when the judicial officer determines that the defendant 'will pose a danger to other persons and the community.' . . . The legislature could not, of course, infringe upon the constitutional right of bail. . . . *[A] legislative enactment expressly permitting the detention of persons without right to bail would be unconstitutional unless a constitutional amendment were adopted.*" *Martin*, 517 P.2d at 1396-97 (emphasis added).

Should the plain language of Article I, Section 11 be insufficient to inform the State that pretrial bail is a right not subject revocation by the legislature or the courts, the history of the enactment of the bail clauses to the Alaska Constitution should make clear that any and all defendants should receive a bail hearing. Victor Fischer, delegate to the Constitutional Convention, commented during the convention that the phrase "when the proof is evident and the presumption great" had been enacted in Alaska, as in other states, to show that even defendants in capital offenses should generally be eligible for bail: "The actual determination of when a person is released on bail, if charged with a capital offense, is still up to the judge." 2 Proceedings of the Alaska Constitutional Convention 1344-45 (Jan. 6, 1956) *cited in State v. Wassillie*, 606 P.2d 1279, 1282 (Alaska 1980).

If the Constitutional Convention drafted Article I, Section 11 with the intent that even those charged with capital cases should receive a bail hearing, then the Governor's bill that defendants

charged with felonies should be presumed **not** to be eligible for bail must surely violate the terms of the bail clauses of the Alaska Constitution. The proposed amendments in Section 4 of H.B. 324 do not pass constitutional review, as they contradict both the language of Article I, Section 11, which vests all defendants except those in capital cases with the right to bail, and the Supreme Court's analysis in *Martin*.

Even were a finding that "no condition or combination of conditions" support release somehow constitutional, the burden-shifting provision of the statute is inappropriate in the context of a bail hearing conducted within hours of arrest. These hearings may be conducted in the absence of counsel; even where the defendant obtains counsel within a few hours of arrest, defense counsel will not likely be capable of carrying the burden to show that the defendant is not a danger and not likely to fail to appear. *See Stack v. Boyle*, 342 U.S. 1, 11 (1951) (stating that an initial bail hearing "must be done in haste – the defendant may be taken by surprise, counsel has just been engaged, or for other reasons the bail is fixed without that full inquiry and consideration which the matter deserves," Jackson, J., concurring). Bearing that burden would require witnesses and documentation on the defense side, resources likely impossible for even a privately retained counsel.

The ACLU of Alaska requests that this Committee delete or appropriately revise these clearly unconstitutional provisions in HB 324.

Section 4 Improper Proposed Expansion of Court Authority

The primary purpose of bail is to ensure the appearance of the accused. A judge may consider public safety or the safety of individuals in setting conditions for release. However, beyond specific findings relating to an individual defendant and specific reasons for concern that he may fail to appear or endanger others, **a judge does not have more interest in supervising an arrestee, who is presumed innocent, than he does over a member of the general public**. *U.S. v. Scott*, 450 F.3d 863, 874 (9th Cir. 2006).

Thus, certain provision in Section Four, subsection (b) of H.B. 324 violate the constitutional protections regarding granting of bail. Subsection (b)(6) permitting a judge to "require the person to maintain employment, or if unemployed, actively seek employment" has no bearing on either the likelihood of the individual to appear in court nor on any danger posed to the victim or the public. Pretrial supervision is not a period of "pre-probation" when the State may broadly supervise an accused. The State's legitimate interests are limited to ensuring public safety and ensuring the appearance of the accused. These kinds of provisions infringe on the right of the defendant to be considered an innocent person. Excessive bail conditions, unjustified by traditional state interests, resemble probationary supervision and thus constitute unconstitutional punishment prior to adjudication.

While other provisions in subsection (b) could have conceivable use in specific individual cases, the long list of bail conditions set forth essentially invites judges to overuse them. Prohibitions

on the use of alcohol and entry to licensed premises, for instance, are currently imposed excessively and frequently without the individualized inquiry required in *Scott*. Overuse of alcohol-related restrictions for Alaska Native defendants has been a basis of criticism for ethnic disparities in the criminal justice system. Instead of minimizing these existing disparities, H.B. 324 would institutionalize them.

Another area of particular concern in the enumerated bail conditions are two provisions relating to health care, subsections (b)(15) and (b)(16) which purport to permit a judge to require a defendant to adhere to courses of psychiatric and medical treatment and to compel a defendant to take prescription medications. The right to bodily privacy is an integral part of the right to privacy under the Alaska Constitution. Allowing the criminal justice system to shortcut the elaborate existing framework by which a person may be committed to psychiatric care would present serious constitutional problems. For instance, in a commitment proceeding, the individual has a right to notice of what treatment specifically has been proposed and then may line up appropriate experts to contest the treatment plan. Under this statute, the defendant has no notice of such a request, no opportunity to bring appropriate experts to court, and thus no way to contest whether the proposed plan of treatment is proper or not. The bill also invites an infringement of the right to privacy in one's medical information and records, since a judge must naturally inquire into the current medical and psychiatric treatment of the accused in order to ensure that the orders are carried out. In order to make sense, the provisions relating to medical care presuppose exposure of the accused's sensitive medical information in open court.

Again, given these important constitutional interests, the ACLU recommends the Committee delete or revise Section 4, subsection (b) of HB 324.

Section One's Proposed Addition of AS Sec. 11.56.730
Offends the Due Process Clause of the Alaska Constitution

Section One of H.B. 324 proposes creation of the offense of "failure to appear," and requires the state to show no mental state other than the knowledge that one should have been in court. Thus, a person could be convicted of a serious felony for inadvertently or accidentally failing to appear.

Generally, the criminal law requires "not only the doing of some act by the person to be held liable, but also the existence of a guilty mind *during the commission of the act." Speidel v. State*, 460 P.2d 77, 80 (Alaska 1969) (emphasis added). The Alaska courts have held that, for major felonies, a mental state requirement is mandatory, while some ***minor*** offenses, such as hunting or public health related offenses may be strict liability offenses without a mental state requirement. *Speidel*, 460 P.2d 77 (holding that the statute declaring the failure to return a car to be a crime, regardless of mental state, violated due process); *see also State v. Guest*, 583 P.2d 836 (Alaska 1978); *State v. Fremgen*, 914 P.2d 1244 (Alaska 1996). In some cases, the courts have avoided declaring a statute unconstitutional by creating a mental state requirement where a statute has no provision for mental state. *Kimoktoak v. State*, 584 P.2d 25 (Alaska 1978); *Alex v. State*, 484

P.2d 677 (Alaska 1971). However, given the explicit statement that no mental state is required in Section One, the courts would not be able to avoid the constitutional conflict and must rule the statute unconstitutional.

On a policy basis, the Committee should consider the impact of H.B. 324 on the prison population of the state. The ACLU of Alaska's recent review of the prison system showed that over the past seven years the population of prisoners in custody for most types of crimes (e.g., property offenses, offenses against the person, sex offenses) has remained largely stable. The expansion of the prison population from 2002 to 2008 was due almost exclusively to the *tripling* of the number of prisoners incarcerated for two types of offenses: for violations of probation and parole and for public order and administration offenses. Public order and administration offenses include victimless offenses relating to criminal justice administration, and the largest group of these offenders consists of those serving time for failure to appear in court. The state can hardly argue in the face of a tripling of the number of offenders incarcerated on those types of offenses that the judiciary has been too lenient on those who fail to appear. Passing this bill will ensure an even greater expansion in the Alaska prison population as a result of more prosecutions and more convictions for failures to appear.

The Committee should also take note that the equivalent federal rule, as well as many state rules, requires a showing that the defendant ***"deliberately" or "willfully"*** missed court. *Hutchison v. State*, 27 P.3d 774, 777-79 (Alaska App. 2001) (noting that the federal bail statute, 18 U.S.C. § 3150, as well as Connecticut, California, and Illinois statutes, require a showing of "willful" failure to appear). Given that the federal court system and several large state court systems do not find themselves facing large numbers of non-appearing defendants, even when only "willful" failures to appear are prosecuted, the current, stricter Alaska standard of "knowing" failure to appear should adequately ensure appearance of defendants.

The Committee should also consider the potential negative effects of this policy on judicial efficiency. As the law stands now, a defendant who misses court through neglect or confusion has a strong interest in appearing in court immediately upon realizing the mistake to have his bench warrant lifted, since that response will tend to show an innocent mental state and a sincere desire to participate in the court process. Under the proposed bill, a defendant who misses court through neglect or confusion will face the same penalty for turning himself in the next day as if he disappears for the next six months. Creating a stiffer penalty and eliminating any meaningful defense will encourage those who do miss court to absent themselves from court indefinitely. No policy or penalty is ever going to prevent neglect, mistake, and confusion. A flexible, and in some cases forgiving, policy will serve judicial efficiency best.

Problematic Extension of Time for Bail Hearing

Section Three proposes to extend the window of detention prior to a bail hearing to 48 hours. Under current Alaska law, a defendant must be brought before a judicial officer within 24 hours.

Under *Gerstein v. Pugh*, a probable cause hearing must be held without unreasonable delay. 420 U.S. 103 (1975).

After a standard of 24 hours was adopted by most states and most circuits, a narrowly divided US Supreme Court stated that the initial appearance must be made only within 48 hours. *Riverside v. McLaughlin*, 500 U.S. 44 (1991). However, *Riverside* does not bind the states in their interpretation of their own constitutions. In one accounting of state responses to *Gerstein*, most states had concluded that 24 hours was the appropriate term under the case, and only seven states explicitly permitted more than 24 hours prior to an initial hearing. *Jenkins v. Chief Justice of Dist. Court Dept.*, 619 N.E.2d 324, 333-34 (Mass. 1993).

Since Alaska has guaranteed a 24-hour window for initial appearances for ***18 years*** since the *Riverside* decision, the state courts may be hard pressed to see why a 48-hour window would not likely permit "unreasonable delay." The Alaska courts have not yet had a chance to rule on the dimensions of the "speedy trial" provision of Article I, section 11 as it relates to initial appearances, since Rule 5 has long guaranteed a 24-hour window of appearance. The Supreme Court could very well decide that the state constitutional provisions relating to speedy trial and due process require a 24-hour window prior to initial appearance, just as the Massachusetts Supreme Court did in *Jenkins*.

Given that the currently existing rules of criminal procedure already provide an exception for defendants arrested far from urban centers and allow the prosecution to request a delay to gather more information where necessary for a bail hearing, the state's success over the last 18 years in providing a hearing within 24 hours strongly suggests that a delay of more than 24 hours would represent unnecessary delay, making the statute unconstitutional.

Unconstitutional Imposition of Warrantless Search

Section Four's proposed addition of A.S. Sec. 12.30.016 seeks to allow unconstitutional warrantless searches. Subsections (b)(2), (c)(2). Compared to probationers and parolees, the rights of pretrial defendants against unreasonable search and seizure are strong.

While comparatively little case law exists in Alaska courts, a recent Ninth Circuit case strongly endorsed the rights of pretrial defendants against warrantless searches. In *United States v. Scott*, the defendant had been arrested on drug charges and his release was conditioned on his "consent" to suspicionless search of his home and random drug tests. 450 F.3d 863 (9th Cir. 2006). After a positive urine test for methamphetamine, officers searched his home and found a shotgun. *Id.* at 866. The Ninth Circuit held that his consent was not valid, as he would have been placed in custody if he had declined. *Id.* at 870. Most importantly, the court said: "if a defendant is to be released subject to bail conditions that will help protect the community from the risk of crimes he might commit while on bail, the conditions must be justified by a showing that defendant poses a heightened risk of misbehaving while on bail. The government cannot, as it is

trying to do in this case, short-circuit the process by claiming that the arrest itself is sufficient to establish that the conditions are required." *Id.* at 874.

Creating a blanket rule that a court may impose bail conditions that violate rights against unreasonable search without requiring any kind of individualized finding would violate the rule enunciated in *Scott*. A provision that states that such conditions may only be imposed after a written finding of the reasons particular to the individual defendant as to why such bail conditions are necessary may render this section constitutional.

Overly Broad Imposition of Third Party Custodians

Section 5 of the Bill unconstitutionally proposes to limit a pre-trial defendant's liberty. A pretrial defendant enjoys a right to be considered innocent; he also enjoys a default right to his liberty. *Stack v. Boyle*, 342 U.S. 1. ("This traditional right to freedom before conviction permits the unhampered preparation of a defense, and serves to prevent the infliction of punishment prior to conviction. Unless this right to bail before trial is preserved, the presumption of innocence, secured only after centuries of struggle, would lose its meaning."). No showing of proof, no adversarial proceeding is required for the filing of a complaint. As such, the court should require a showing from the prosecution to impose a condition of bail on the accused. Yet the third-party custodian provision imposes no restraint on the court's authority.

Contrast, for instance, the language from Section 5, "a judicial officer may appoint a third-party custodian if the officer finds that the appointment will, singly or in combination with other conditions, reasonably assure the person's appearance and the safety of the victim, other persons, and the community" to the language from Section 4, "the officer shall impose *the least restrictive condition* or conditions that will reasonably assure the person's appearance." The term "least restrictive," or any sense that a bail condition should be "necessary" rather than simply the court's preference, is missing from Section 5.

Arguably, the imposition of a third party custodian requirement would enhance the likelihood of *any* defendant's appearance in court. However, the courts are not free to impose any quantity of bail they like or to impose any conditions that seem like a good idea. Such conditions may be imposed only when found to be necessary.

The Committee should note that in a recent Alaska Judicial Council survey on the criminal justice system, excessive and arbitrary use of the third-party custodian requirement was one of the most frequent complaints. The original purpose of the third-party requirement – to ensure that impoverished defendants incapable of making cash bail could be released in a manner that assured community safety and court appearance – has been almost totally lost. A third-party custodian is now often imposed as a matter of course, rather than after specific findings, and in addition to, not in lieu of, cash bail. To prevent more abuse, a court should be required to make specific, written findings as to why a third-party custodian is necessary.

Conclusion

We hope that the Judiciary Committee will note these are just some of the constitutional infirmities in House Bill 324.

While the ACLU of Alaska supports appropriate revisions to the criminal justice system to address the special circumstances of our State, and its evolving needs, this Bill is not well-crafted to vindicate the state's purposes.

The sections we have identified present substantial Constitutional problems and will likely entangle the state in lengthy and costly litigation, should H.B. 324 pass as currently written.

Thank you again for the opportunity to share our concerns. And please feel free to contact the undersigned should you require any additional information.

Sincerely,

Jeffrey Mittman
Executive Director
ACLU of Alaska

cc: Representative Nancy Dahlstrom, Vice-Chair
Representative Carl Gatto
Representative Bob Herron
Representative Bob Lynn
Representative Max Gruenberg
Representative Lindsey Holmes

HB

326

<target><bill>HB 326</bill><subject>HB
326</subject><comm>HFIN26</comm></target>

1088

2/9/10

DHSS
Schedule of School Based Services Financial information
SFYs 2003, 2004, 2005, 2006, 2007, 2008

SFY	Total Claimed	CMS Reimbursment	RSA'd DEED	Received by School districts	Retained by DHSS	CMS deferral	DHSS Ratification Request
2003	$ 12,960,687	$ 6,480,343.50	$ 3,160,152.00		$ 3,320,191.50	$ -	$ -
2004	$ 11,464,662	$ 5,732,331.00	$ 3,160,656.00		$ 2,571,675.00	$ 1,380,444.00	$ 1,380,444.00
2005	$ 12,293,029	$ 6,146,514.50	$ 1,124,356.00		$ 1,332,337.00	$ 3,689,826.00	$ 221,290.00
2006	$ 15,196,786	$ 7,598,393.00		$ 3,886,260.00	$ 3,712,133.00	$ 2,993,717.00	$ 2,283,323.00
2007	$ 11,129,978	$ 5,564,989.00		$ 3,528,259.00	$ 2,036,730.00	$ 2,866,516.00	$ 3,060,691.00
2008	$ 14,841,627	$ 7,420,814.00		$ 3,737,350.00	$ 3,683,464.00	$ 4,754,585.00	$ -
2009	No program was conducted.						

Notes:

SFY 2003/04/05	During SFY 2003/04/05, DHSS RSA'd the school district funds to DEED. In turn, DEED disbursed to School District.
SFY 2005	DHSS assumption is the CMS deferral of $3,689,826, includes claims from FFY 2004.
SFY 2007	Ratification request for SFY 2007 is for claims made during the first six months of the State fiscal year.
SFY 2007/2008	CMS currently has the period Jan. 1, 2007 thru June 30, 2008 under audit review. Initial indication from CMS is they expect repayment of $10 million paid to the state for claims during this time period and denial of the $4+ million claim deferred. The State continues to negotiate with CMS regarding these audit findings.

(copy on file)

Adopted 2/9/10

26-GH2827\R
Kane
2/8/10

CS FOR HOUSE BILL NO. 326(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Centralized Administrative Services		**85,000**	**85,000**	
Office of Administrative Hearings	85,000			
Special Systems		**250,000**	**250,000**	
Elected Public Officers Retirement System Benefits	250,000			
Legal and Advocacy Services		**1,692,600**	**1,665,000**	**27,600**
Office of Public Advocacy	892,600			
Public Defender Agency	800,000			
Motor Vehicles		**291,800**		**291,800**
Motor Vehicles	291,800			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Insurance Operations		**77,100**	**77,100**	
Insurance Operations	77,100			
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Population Management		**2,904,000**	**2,904,000**	
Institution Director's Office	2,409,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Wildwood Correctional Center	494,400			
Inmate Health Care		**4,650,100**	**4,650,100**	
Physical Health Care	4,650,100			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health		**260,000**	**260,000**	
Laboratory Services	260,000			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Wildlife Conservation				
Wildlife Conservation Special Projects	0			
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Elections		**477,000**	**477,000**	
Elections	477,000			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Behavioral Health		**8,545,100**	**4,166,800**	**4,378,300**
Behavioral Health Medicaid Services	8,545,100			
Children's Services		**1,120,300**	**1,120,300**	
Children's Services Management	165,000			
Front Line Social Workers	955,300			
Health Care Services		**71,587,400**	**34,267,700**	**37,319,700**

	Allocations	Appropriation Items	General Funds	Other Funds
Medicaid Services	70,616,300			
Health Facilities Survey	396,100			
Health Planning and Infrastructure	575,000			
Juvenile Justice		**566,600**	**566,600**	
McLaughlin Youth Center	266,600			
Probation Services	300,000			
Public Assistance		**2,300,000**		**2,300,000**
Energy Assistance Program	2,300,000			
Public Health		**647,800**	**647,800**	
Women, Children and Family Health	347,800			
State Medical Examiner	300,000			
Senior and Disabilities Services		**14,484,200**	**10,837,400**	**3,646,800**
General Relief/Temporary Assisted Living	3,800,000			
Senior and Disabilities Medicaid Services	9,209,200			
Senior and Disabilities Services Administration	1,475,000			
Departmental Support Services		**1,750,000**	**1,750,000**	
Medicaid School Based Administrative Claims	700,000			
Information Technology Services	1,050,000			
* * * * *		* * * * *		
* * * * * **Department of Law** * * * * *				
* * * * *		* * * * *		
Civil Division		**964,200**	**964,200**	

	Allocations	Appropriation Items	General Funds	Other Funds
Deputy Attorney General's Office	964,200			
*****		*****		
***** Department of Natural Resources *****				
*****		*****		
Resource Development		**622,600**	**622,600**	
Gas Pipeline Implementation	537,600			
Large Project Permitting	85,000			
Fire Suppression		**35,371,400**	**35,371,400**	
Fire Suppression Activity	35,371,400			
*****		*****		
***** Department of Public Safety *****				
*****		*****		
Alaska State Troopers		**766,500**	**669,500**	**97,000**
Special Projects	466,500			
Prisoner Transportation	300,000			
*****		*****		
***** Department of Revenue *****				
*****		*****		
Taxation and Treasury		**-655,900**	**94,100**	**-750,000**
Treasury Division	50,000			
Alaska Retirement Management Board	50,000			
Alaska Retirement Management Board Custody and Management Fees	-850,000			
Permanent Fund Dividend Division	94,100			
Child Support Services			**-217,700**	**217,700**
Child Support Services	0			

	Allocations	Appropriation Items	General Funds	Other Funds
Division				
Administration and Support		**160,100**	**160,100**	
Administrative Services	160,100			
* * * * *			* * * * *	
* * * * * **Department of Transportation & Public Facilities** * * * * *				
* * * * *			* * * * *	
Administration and Support		**235,500**	**235,500**	
Central Region Support Services	60,500			
Program Development	175,000			
State Equipment Fleet		**2,706,700**		**2,706,700**
State Equipment Fleet	2,706,700			
Highways, Aviation and Facilities		**1,335,800**	**1,335,800**	
Northern Region Facilities	99,900			
Central Region Highways and Aviation	606,000			
Northern Region Highways and Aviation	150,000			
Southeast Region Highways and Aviation	44,900			
Whittier Access and Tunnel	435,000			
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		
Alaska Court System		**35,500**	**35,500**	
Administration and Support	35,500			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1002 Federal Receipts	319,400
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,319,400
Department of Commerce, Community and Economic Development	
1156 Receipt Supported Services	77,100
*** Total Agency Funding ***	$77,100
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,554,100
*** Total Agency Funding ***	$7,554,100
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	260,000
*** Total Agency Funding ***	$260,000
Department of Fish and Game	
1018 Exxon Valdez Oil Spill Trust	-150,000
1108 Statutory Designated Program Receipts	150,000
*** Total Agency Funding ***	$0
Office of the Governor	
1004 Unrestricted General Fund Receipts	477,000
*** Total Agency Funding ***	$477,000
Department of Health and Social Services	
1002 Federal Receipts	37,248,700
1003 General Fund Match	40,039,000
1004 Unrestricted General Fund Receipts	9,150,800
1037 General Fund / Mental Health	4,166,800
1212 Federal Stimulus: ARRA 2009	10,396,100
*** Total Agency Funding ***	$101,001,400
Department of Law	

1004	Unrestricted General Fund Receipts	964,200
***	Total Agency Funding ***	$964,200
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	35,994,000
***	Total Agency Funding ***	$35,994,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	669,500
1212	Federal Stimulus: ARRA 2009	97,000
***	Total Agency Funding ***	$766,500
Department of Revenue		
1004	Unrestricted General Fund Receipts	160,100
1007	Interagency Receipts	50,000
1016	CSSD Federal Incentive Payments	217,700
1017	Group Health and Life Benefits Fund	8,800
1029	Public Employees Retirement Trust Fund	-556,300
1034	Teachers Retirement Trust Fund	-243,800
1042	Judicial Retirement System	-6,800
1045	National Guard Retirement System	-1,900
1050	Permanent Fund Dividend Fund	94,100
1156	Receipt Supported Services	-217,700
***	Total Agency Funding ***	$-495,800
Department of Transportation & Public Facilities		
1004	Unrestricted General Fund Receipts	1,571,300
1026	Highways Equipment Working Capital Fund	2,706,700
***	Total Agency Funding ***	$4,278,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	35,500
***	Total Agency Funding ***	$35,500
* * * * *	Total Budget * * * * *	$153,231,400

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 4 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation Allocations	Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
City of Kodiak: Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Fairbanks Correctional Center Heating System Replacement (HD 7-11)		2,500,000	2,500,000	
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)		350,000	350,000	
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Medicaid Management Information System Completion (HD 1-40)		14,990,300	6,208,000	8,782,300
* * * * *		* * * * *		
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *		* * * * *		
Alaska Marine Highway		4,000,000	4,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)				
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Skagway Land Purchase (HD 5)	407,000			
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Retroactive Asphalt Material Price Adjustment - Glenn/Bragaw Interchange (HD 17-32)	151,500			
Southeast Region Headquarters – Elevator Installation (HD 3-4)	450,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor	800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)				
Airport Improvement Program		**20,257,500**		**20,257,500**
Unalaska: Chemical Storage Building (HD 37)	1,230,000			
Kodiak: Chemical Storage Building (HD 36)	1,300,000			
Alaska International Airports System: Debt Defeasance (HD 1-40)	15,000,000			
King Cove: Airport Fencing (HD 37)	1,400,000			
Gustavus: Airport Runway Safety Area (HD 5)	500,000			
Nulato: Airport Improvements (HD 6)	827,500			
Emergency Repairs		**7,356,023**	**7,356,023**	
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Petersville Road Emergency	113,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Repairs (HD 13-16)				
Salmon River Road Emergency Repairs (HD 5)	425,262			
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Kodiak Flood Emergency Repairs (HD 36)	500,000			

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following sets out the funding by agency for the appropriations made in sec. 3 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	2,100,000
*** Total Agency Funding ***	$2,100,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Transportation/Public Facilities	
1002 Federal Receipts	5,257,500
1004 Unrestricted General Fund Receipts	16,077,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,334,623
* * * * * Total Budget * * * * *	$56,274,923

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 5.** FINDINGS REGARDING SECS. 1, 3, 6, 7, 8, 10, 12(a), AND 12(c) OF THIS ACT. The legislature finds that the State of Alaska has realized savings of the general fund of $99,162,200 through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009), and those savings, in part, are being used to finance the appropriations made from the general fund in secs. 1, 3, 6, 7, 8, 10, 12(a), and 12(c) of this Act.

*** Sec. 6.** DEPARTMENT OF CORRECTIONS. The sum of $3,335,000 is appropriated to the Department of Corrections to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010, from the following sources:

General fund	$3,302,300
Federal receipts	32,700

*** Sec. 7.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum of $180,000 is appropriated from the general fund to the Department of Education and Early Development, special schools, for transportation of students to receive services through the Alaska school for the deaf program for the fiscal year ending June 30, 2010.

*** Sec. 8.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $242.72 is appropriated from the general fund to the Department of Health and Social Services, division of juvenile justice, for payment of unpaid bills for services received in 2003 and 2004, for fiscal year ending June 30, 2010.

*** Sec. 9.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. The unexpended and unobligated balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 17, lines 4 - 5 (Office of the Governor, Branch-wide Oil & Gas Development) is reappropriated to the Department of Labor and Workforce Development, Alaska Workforce Investment Board, for gas pipeline activities for the fiscal year ending June 30, 2010.

*** Sec. 10.** DEPARTMENT OF LAW. (a) The sum of $28,864.77 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2010.

(b) The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2010, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2010.

*** Sec. 11.** DEPARTMENT OF NATURAL RESOURCES. (a) Section 10, ch. 29, SLA 2008, page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

(b) The proceeds from the sale of Department of Natural Resources aircraft and surplus aircraft parts and accessories, estimated to be $2,000,000, are appropriated from the general fund to the Department of Natural Resources for the purchase of replacement aircraft.

*** Sec. 12.** FUND TRANSFERS. (a) The sum of $1,116,986,600 is appropriated from the general fund to the public education fund (AS 14.17.300).

(b) The sum of $79,000 is appropriated from the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060) to the small business economic development revolving loan fund (AS 44.88.400).

(c) The sum of $5,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

*** Sec. 13.** RATIFICATIONS OF CERTAIN EXPENDITURES. (a) The expenditures by the Department of Natural Resources for fire suppression for the fiscal year ending June 30, 2009 (AR 37313-09 Fire General Fund), are ratified in the amount of $10,297,678.22.

(b) The following departmental expenditures made in fiscal years 2003, 2005, 2006, 2007, 2008, and 2009 are ratified to reverse the negative account balances in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which these expenditures were actually paid are amended by increasing those appropriations by the

amount listed, as follows:

Department of Commerce, Community, and Economic Development	
(1) AR 29605-08 Alaska Energy Authority Owned Facilities	$12.95
Department of Education and Early Development	
(2) AR 17722-07 Student and School Achievement	293.08
Department of Health and Social Services	
(3) AR 22708-03 DAS DMA Unbudgeted RSA for DAS Staff Support	140.40
(4) AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00
(5) AR 22736-03 DFYS DMA Unbudgeted RSA	.34
(6) AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54
(7) AR 23125-05 Behavioral Health Administration	5,482.79
(8) AR 23932-08 Health Planning and Infrastructure	633.78
(9) AR 23934-06 Information Technology Services	4.92
(10) AR 23610-05 Epidemiology	295,356.97
(11) AR 23608-05 Certification and Licensing	31,701.51
(12) AR 23315-04 Medicaid State Programs	1,380,444.00
(13) AR 23928-05 Medicaid School Based Administrative Claims	221,290.00
(14) AR 23928-06 Medicaid School Based Administrative Claims	2,283,323.00
(15) AR 23928-07 Medicaid School Based Administrative Claims	3,060,691.00
Alaska Court System	
(16) AR 76560-08 Domestic Violence VAWA RSA	322.50

(c) The following departmental expenditures made in fiscal years 2002, 2003, 2004, 2005, 2007, 2008, and 2009 are ratified to charge off uncollectable accounts receivables in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which these expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Corrections	
(1) AR 50662-05 Anchorage Correctional Complex	$409,334.19
(2) AR 50760-07 Probation and Parole Director's Office	2,661.22
Department of Education and Early Development	
(3) AR 18005-04 Program Administration	22,694.51
Department of Labor and Workforce Development	
(4) AR 28500-02 Employment Services	39.41
(5) AR 28190-05 Labor Market Information	290.99
(6) AR 28230-03 Independent Living Rehabilitation	649.53
(7) AR 28510-04 Unemployment Insurance	442.91
(8) AR 28510-05 Unemployment Insurance	14,592.60
(9) AR 28510-07 Unemployment Insurance	3,592.15
(10) AR 28510-08 Unemployment Insurance	150.00
(11) AR 27790-08 North Pacific Fisheries Disaster - Aid RSA	4,400.00
Department of Revenue	
(12) AR 15530-07 Long Term Care Ombudsman Office	7,004.19
Department of Transportation and Public Facilities	
(13) AR 61686-10 Federal Transit Administration Grants	2.18
(14) AR 58096-10 Cooperative Reimbursable Projects	29.65
(15) AR 58622-11 Cooperative Reimbursable Projects	.37
(16) AR 58662-11 Federal Transit Administration Grants	.72
(17) AR 59198-11 Alaska Marine Highway: Terminal - Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	.22
(18) AR 58640-10 Alaska Mobility Coalition	.13
(19) AR 60252-10 Cooperative Reimbursable Projects	.88
(20) AR 61219-12 Federal Transit Administration Grants	.17
(21) AR 61009-10 Federal Transit Administration Grants	14,254.03
(22) AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	.21
(23) AR 63203-10 Surface Transportation Preconstruction	.09

(24) AR 61613-10 Federal Transit Administration Grants	2.02
(25) AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06
(26) AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19
(27) AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98
(28) AR 62656-10 Cooperative Reimbursable Projects	.01

*** Sec. 14.** RETAINED FEES AND BANKCARD SERVICES. Section 22(b), ch. 12, SLA 2009, is amended to read:

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, and to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the payments received by the state are deposited.

*** Sec. 15.** STATE DEBT AND OTHER OBLIGATIONS. Section 26(i), ch. 12, SLA 2009, page 85, lines 9 - 14, is amended to read:

(i) The sum of $50,028,700 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2010, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	**$36,828,700**
(AS 37.15.430)	[$46,828,700]
Passenger facility charge	3,200,000
International Airports Construction Fund (AS 37.15.420)	**10,000,000**

*** Sec. 16.** AMENDMENT OF LAPSE OF CERTAIN FISCAL YEAR 2010 APPROPRIATIONS. Section 22(e), ch. 14, SLA 2009, is amended to read:

(e) The appropriations made by sec. 19 of this Act lapse **June 30, 2010** [FEBRUARY 28, 2010].

* **Sec. 17.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

(b) If the unrestricted state revenue available for appropriation in fiscal year 2010 is insufficient to cover general fund appropriations made for fiscal year 2010, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(c) Section 27(c), ch. 12, SLA 2009, is amended to read:

(c) The sum of $1,673,000 is appropriated from the **general fund** [BUDGET RESERVE FUND (ART. IX, SEC. 17, CONSTITUTION OF THE STATE OF ALASKA)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.

(d) Section 27(d), ch. 12, SLA 2009, is amended to read:

(d) The appropriations made by **(a)** [(a) AND (c)] of this section are made under art. IX, sec. 17(c), Constitution of the State of Alaska.

* **Sec. 18.** LAPSE OF APPROPRIATIONS. (a) The appropriations made by secs. 3 and 11 of this Act are for capital projects and lapse under AS 37.25.020.

(b) The appropriations made by sec. 12 of this Act are for the capitalization of funds and do not lapse.

* **Sec. 19.** REPEALER. Section 43(c), ch. 15, SLA 2009 is repealed.

* **Sec. 20.** Section 7 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect April 18, 2010.

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
1	1	Administration	Administrative Hearings	Tax appeal case cost increase - 27 open cases as of January 2010, driving a need to keep all Administrative Law Judge positions filled.	85.0				85.0
2	1	Administration	EPORS	Elected Public Officers' Retirement System - total of 38 members (retirees and survivors) - increased costs due to mandatory benefit increases based on the salaries of the position from which a member retired.	250.0				250.0
3	1	Administration	Office of Public Advocacy	Increased operating costs - During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%; child advocacy representation in Child in Need of Aid (CINA) cases, 20%; parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year. Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009.	865.0				865.0
4	1	Administration	Office of Public Advocacy	Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session.		27.6			27.6
5	1	Administration	Public Defender Agency	Increased operating costs - The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.	800.0				800.0
6	1	Administration	Motor Vehicles	Federally mandated programming improvements to the National Motor Vehicle Information System - funded via a Department of Justice grant.		100.0			100.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
7	1	Administration	Motor Vehicles	Purchase of current technology, digital driver's license printers to replace outdated and increasingly irreparable 2004-purchased printers.		191.8			191.8
8	1	Commerce, Community and Economic Development	Insurance Operations	Print, mail and legal costs have increased $300.0 in two years. The division is statutorily required to provide notification of changes in rules, regulations and policies to occupational licensees. The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.			77.1	Receipt Supported Services	77.1
9	1	Corrections	Institution Director's Office	Coverage of projected shortfalls in 24-hour facilities - fuel and utility costs, and commodities (inmate food, clothing, bedding, institutional cleaning supplies, etc.)	2,409.6				2,409.6
10	1	Corrections	Wildwood Correctional Center	Operating costs, Wildwood Correctional Center 32-bed prefabricated offender housing unit - opening February 2010 - covers partial-year costs for filling six existing vacant positions.	494.4				494.4
11	1	Corrections	Physical Health Care	The Department of Corrections is obligated to deliver essential medical care to incarcerated offenders. The department is requesting a supplemental of $4,650.1 for increased inmate health care costs that includes fees-for-service and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. There has been a dramatic increase in catastrophic cases in FY2010, as well as increases in general medical costs.	4,650.1				4,650.1
12	1	Environmental Conservation	Laboratory Services	Coverage of lab maintenance and service contract shortfalls, in lieu of elimination of 4-5 filled positions - an action which would seriously compromise public health and result in the likely shutdown of the State Lab within a year.	260.0				260.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
13	1	Fish and Game	Wildlife Conservation Special Projects	Decrease excess EVOS authority and increase Statutory Designated Program Receipts (SDPR) authority by $150.0 to a) accept two grants from the National Fish and Wildlife Foundation (NFWF) during the spring of 2009 to support the following research projects: Dall Sheep ecology within northern Alaska, and Reduce conflicts between Grizzly bears and old development within northern Alaska; and b) work with the Matanuska-Susitna Borough to complete some restroom improvements at Reflections Lake in the Palmer Hay Flats. EVOS funding is being reduced as the Harlequin Duck research by the division was not funded by the EVOS Trustee Council for new work during FY10.			0.0	EVOS (150.0) SDPR 150.0	0.0
14	1	Governor	Elections	Offset increased operating costs - coverage of costs for two filed petitions, Dept. Law legal fees for the Nick case, printing and supply purchases specific to the on-election-year, additional election worker training costs, increased postage and printing costs, and annual maintenance of optical scan units.	477.0				477.0
15	1	Health and Social Services	Behavioral Health Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	4,166.8	4,378.3			8,545.1
16	1	Health and Social Services	Children's Services Management	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	165.0				165.0
17	1	Health and Social Services	Front Line Social Workers	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	955.3				955.3
18	1	Health and Social Services	Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	33,296.6	37,319.7			70,616.3
19	1	Health and Social Services	Health Facilities Survey	Funding to cover shortfall, operating costs - provision of mandated state and federal oversight of state health facilities' licenses - renewal, denial, suspension or revocation as needed - to promote safe and adequate treatment of individuals in state facilities.	396.1				396.1

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
20	1	Health and Social Services	Health Planning and Infrastructure	Funding to replace loss of federal revenues - to cover provision of health care data and policy analysis related to access to services, health insurance coverage, utilization of services, health workforce and industry analysis - and management of the statutorily required Comprehensive Integrated Mental Health Plan.	575.0				575.0
21	1	Health and Social Services	McLaughlin Youth Center	Funding to cover projected shortfall, mandated client medical services costs - supplemental to be redistributed among four Division of Juvenile Justice facilities.	136.0				136.0
22	1	Health and Social Services	McLaughlin Youth Center	Funding to cover projected personal services shortfall due to higher than anticipated premium pay costs.	130.6				130.6
23	1	Health and Social Services	Probation Services	Funding to cover projected personal services shortfall due to an actual vacancy factor lower than budgeted, and need to cover a loss of SDPR revenues funding one position only through 12/31/09.	300.0				300.0
24	1	Health and Social Services	Energy Assistance Program	Increased federal authority to accept an increase in federal Low Income Home Energy Assistance Program revenues, as announced by the National Energy Assistance Director's Association.		2,300.0			2,300.0
25	1	Health and Social Services	Women, Children, and Family Health	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	347.8				347.8
26	1	Health and Social Services	State Medical Examiner	Unanticipated costs due to caseload increase - will cover one additional autopsy technician, one medical transcriptionist, and increased costs for body transport.	300.0				300.0
27	1	Health and Social Services	General Relief/Temporary Assisted Living	Additional funding to meet projected increase in both number of clients and service costs within the General Relief program - FY2010 actuals are 15% above those of FY2009 - applicant eligibility review and other cost containment measures in place.	3,800.0				3,800.0
28	1	Health and Social Services	Senior/Disabilities Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	6,152.4	3,056.8			9,209.2

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
29	1	Health and Social Services	Senior/Disabilities Services Administration	Costs associated with compliance with the Centers for Medicaid and Medicare Services' approved Corrective Action Plan - personal service costs for necessary nonpermanent positions, travel costs connected to conducting assessments under Medicaid Waivers, and modification of the management information system.	885.0	590.0			1,475.0
30	1	Health and Social Services	Medicaid School Based Administrative Claims	Replace unrealizable interagency receipts for unallowable costs under federally funded RSAs within the department, to stabilize funding for centralized Administrative Support Services.	700.0				700.0
31	1	Health and Social Services	Information Technology Services	Funding to replace uncollectible federal revenues and cover increased personal service costs for this centralized function - unfunded costs would otherwise either be passed to divisions, resulting in a displacement of core program services, or IT staffing and workload would have to be significantly cut.	1,050.0				1,050.0
32	1	Law	Deputy Attorney General's Office	Legal analysis and litigation on items not budgeted - Cruise ship study, Kaltag Supreme Court appeal, PERL bankruptcy, and others	964.2				964.2
33	1	Natural Resources	Gas Pipeline Implementation	The unanticipated agreement between TransCanada Corporation and ExxonMobil to work together to progress the Alaska Gasline Inducement Act (AGIA) Gas Pipeline Project has accelerated the pace of the project. There is currently not enough funding in the FY10 budget to fully fund the four positions in the office. With the faster pace of the project, due diligence contractual requirements have increased, meaning more travel. There may be increased need to represent the state's interest in Washington, D.C., as well as other locations. Competitive Benchmark Study - Competitive benchmarking will allow the state to better understand market and supply changes that have occurred since the AGIA finding that might affect the economic viability of the gasline. There is increased need for additional field work and other small contractual studies needed to ensure the state has the most up-to date and accurate data.	537.6				537.6
34	1	Natural Resources	Large Project Permitting	Completion of Environmental Impact Statements associated with proposed Outer Continental Shelf oil and gas leasing and exploration activities.	85.0				85.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
35	1	Natural Resources	Fire Suppression Activity	The funding included in the FY2010 budget of $6,712.5 for wildland fire suppression is a "placeholder" amount based on historical cost (SLA 2009, Ch 12, Sec 1, Pg. 34, Ln 7). The amount proved to be insufficient to address the heavy fire activity during the summer of 2009. On July 22, 2009, the Governor signed a Declaration of a Disaster Emergency to authorize the use of additional funds to continue fire suppression operations and activities. New declarations are issued every 30 days. The total of the those declarations for FY2010in excess of the FY2010 authorized budget is $35,371,400.	35,371.4				35,371.4
36	1	Public Safety	Special Projects	Authority for receipt of additional ARRA federal funding to augment personal services costs of a forensic examiner, provide training to investigators in combatting Internet crimes, and purchase computer forensic equipment.		97.0			97.0
37	1	Public Safety	Special Projects	Continue cold case investigations and illegal drug and alcohol enforcement.	369.5				369.5
38	1	Public Safety	Prisoner Transportation	Funding to cover projected shortfall in prisoner transportation costs - airline ticket and private charter costs, baggage fees, out-of-state extradition fees and state travel office fees - based on straight-line projection for the year from the past 6.5 months.	300.0				300.0
39	1	Revenue	Treasury Division	Establish partial-year funding and new state investment officer position, coinciding with a state investment strategy change to support an internal effort to begin active management of other public market investments. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.			50.0	I/A Receipts	50.0
40	1	Revenue	Alaska Retirement Management Board	Increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position requested by the Treasury Division. Approval of the new Investment Officer position and funding will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.			50.0	$8.8 Benefit Systems Receipts $28.3 PERS $12.5 TRS $0.3 JRS $0.1 NGRS	50.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
41	1	Revenue	Alaska Retirement Management Board Custody and Management Fees	Reduced authorization is requested to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate. The request represents the potential savings to the State by establishing and funding a new in-house Investment Officer in the Treasury Division to make asset allocation decisions rather than contracting with external managers.			(850.0)	($584.6) PERS ($256.3) TRS ($7.1) JRS ($2.0) NGRS	(850.0)
42	1	Revenue	Permanent Fund Dividend Division	Postage and printing costs for an unanticipated and necessary additional public outreach about the change from hard copy PFD applications to the web version. During this transitional year, however, the division has encountered the need for additional public notification and outreach about the changes that had not initially been anticipated.			94.1	Permanent Fund Dividend	94.1
43	1	Revenue	Child Support Services Division	One-time fund source change from Receipt Supported Services to federal incentive receipt authority. The Child Support Services Division (CSSD) earned additional federal incentive receipts in FFY2008 for meeting or exceeding federal performance standards. The division received notification on December 17, 2009 that additional FFY08 incentive dollars had been earned.		217.7	(217.7)	Receipt Supported Services	0.0
44	1	Revenue	Administrative Services	The Department of Revenue's servers crashed on 9/20/2009, affecting the Permanent Fund Dividend Application Information System (DAIS), the Tax Division's systems, and State Treasury systems. The need to bring all systems back online was critical. As a result, the department entered into an emergency agreement with Microsoft to provide problem resolution services and assist in bringing the systems back online.	60.1				60.1

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
45	1	Revenue	Administrative Services	The Department of Revenue maintains significant server and database infrastructures that include the Permanent Fund Dividend Division, the Tax Division, and the State Treasury Division. These systems use Microsoft Windows Server, SQL production and test databases VMware, and two NetApp storage filers in Juneau and Anchorage. In order for the department to provide the appropriate level of reliability and operational support, these systems need best practices defined and implemented for security, change control, documentation, backups, disaster recovery and planning. This request is to fund the following two contracts: Disaster Recovery and Security Procedures Backup Support - $70.0 Windows Server, SQL Server, and Help Desk Support - $30.0	100.0				100.0
46	1	Transportation and Public Facilities	Central Region Support Services	Legal Costs Related to Nikishka Beach Road Case The Department of Transportation and Public Facilities (DOT&PF) contends that Offshore Systems Kenai (OSK) is illegally engaged in the obstruction, control and closure of public access to and through Nikishka Beach Road which is a public road owned and operated by DOT&PF. OSK has established a guard shack and gate to prevent access to the road and beach in response to U.S. Coast Guard requirements that they secure and protect OSK's facility from trespass, vandalism, theft, etc. The case began in late FY08 and a trial has taken place; however the Judge has still not issued a ruling on the trial. We have incurred $45.5 in legal costs through December 2009. If a "Notice of Appeal" is not filed, the estimated amount needed for the Department of Law to complete post trial work is approximately $15.0 for a total of $60.5 in FY10.	60.5				60.5

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
47	1	Transportation and Public Facilities	Program Development	Road Weather Information System (RWIS) Maintenance Costs State funding will provide the resources to conduct critical maintenance work on the Department's Road Weather Information System (RWIS) program. The funding is necessary to maintain the RWIS software, equipment and a network of forty-nine (49) environmental sensor stations (ESS) strategically located along the highway system. Each ESS provides weather sensor data (temperature, wind speed, wind direction, relative humidity, pavement and sub-surface temperatures) and camera images. RWIS maintenance activities are not eligible for federal dollars and without adequate funding there is a potential risk of the entire RWIS network becoming inoperable.	175.0				175.0
48	1	Transportation and Public Facilities	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases Travel - Travel is required to support the repairs and preventative maintenance programs for vehicles and equipment at rural airports and highways. Due to the unprecedented increase in fuel costs, airfares throughout the state were increased, having a direct impact on maintaining existing services. Services - Costs continue stay at higher levels than currently reflected in the component's budget for the shipment of freight such as parts, commodities, vehicles and equipment, the mission of the program is seriously impacted. Additional costs for vendor repairs are also being passed along to the State by the contractors. Commodities - Fuel costs and necessary consumables paid by the State Equipment Fleet and billed to the corresponding executive branch agencies have increased substantially since FY07. An increase in budget authority is required based on the projected use of these services through historical data. Parts and other commodities used by the State have also increased in cost.			2,706.7	Highway Equipment Working Capital Fund	2,706.7
49	1	Transportation and Public Facilities	Northern Region Facilities	Galena Maintenance Facility Operating and Maintenance Costs The FY09 operating budget contained a $110.0 increment to maintain a maintenance building at Galena that was transferred to the Department from the U.S. Air Force. That funding level was based upon completion of some aggressive cost savings measures which would be accomplished as part of a capital project for energy improvements. The project is scheduled for completion in the summer of 2010. FY10 estimated expenditures are $209.9, leaving a projected shortfall of $99.9.	99.9				99.9

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
50	1	Transportation and Public Facilities	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Separate Storm Sewer System (MS4) Permit. The MS4 permit will go into effect on February 1, 2010. The EPA's MS4 permit increases the street sweeping requirements that are above and beyond the current MS4 permit, monitoring various aspects of the permit and reporting to EPA with regards to the permit. The FY2011 Governor's budget request includes $1,682.0 for these new ongoing requirements.	606.0				606.0
51	1	Transportation and Public Facilities	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for alleged infringement on their land and rights of way, we have incurred excessive costs again this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses.	150.0				150.0
52	1	Transportation and Public Facilities	Southeast Region Highways and Aviation	Transportation Security Agency Requirements - Door Lock System and Fingerprint Machine To continue to meet Transportation Security Agency requirements a new security access door lock system needs to be installed for the Sitka Airport Terminal. The control system for these doors is outdated and has become unreliable. A replacement system is estimated to cost $30.0. Transportation Security Administration regulations require the Department to fingerprint all badge holders at our certificated airports. The existing fingerprint machine is out of date and has become unreliable. A new machine is estimated to cost $14.9.	44.9				44.9

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
53	1	Transportation and Public Facilities	Whittier Access and Tunnel	Bid Protest Costs for Whittier Tunnel Operations Contract A bidder protested the award of a contract for operation of the Whittier Tunnel Toll Facility. This resulted in unplanned attorney and hearing officer costs which will continue until a settlement is reached. The Department of Law has billed $12.0 for attorney services through November 2009, and we estimate $8.0 of additional legal fees for the remainder of FY10. The Department of Administration has billed $11.7 for a hearing officer; we anticipate needing approximately $18.3 ($3.0 on average) for additional mediation services through June. It is unknown whether there will be additional expenses associated with this litigation such as potential settlement costs.	50.0				50.0
54	1	Transportation and Public Facilities	Whittier Access and Tunnel	Increased Operating Costs and Reduced Toll Revenue at the Whittier Tunnel Additional funding is necessary to fund the operation of the Whittier Tunnel Toll Facility for the remainder of FY10. Additional costs were incurred for cable repair, railroad crossing fees, increased State Equipment Fleet equipment replacement fees, CPI adjustments for the current contract, and additional roadway maintenance work leading up to the tunnel. In addition to increased costs, toll revenues have declined due to economic conditions, reduced cruise ship dockings, and gasoline prices.	385.0				385.0
55	1	Court System	Administration and Support	Appropriation of a settlement the State received on a claim for prepaid phone card long distance charges.	35.5				35.5
56	2			Sets out the funding by agency for the appropriations in Section 1.					
57	3	Commerce, Community and Economic Development	Capital	City of Kodiak: Public Safety Building Community Jail Completion The City of Kodiak requests a municipal grant for $2.1 million to finish the community jail portion of their new facility. The State contracts with the City of Kodiak for beds in their community jail. The $2.1 million amount is to finish out that portion of the new facility.	2,100.0				2,100.0
58	3	Corrections	Capital	Replacement of the failed fire alarm system located at the Combined Hiland Mountain Correctional Center, housing units I, II and III. Due to the system's age, repairs are no longer supported by the manufacturer. The department is meanwhile providing a 24/7 fire watch in lieu of the incalculable cost of relocating inmates to another site.	350.0				350.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
59	3	Corrections	Capital	Replacement of the Fairbanks Correctional Center frequently failing 1966 steam heating system, at the recommendation of a contracted engineer, with a hot water/glycol heating system that bears a lower cost of operation.	2,500.0				2,500.0
60	3	Health and Social Services	Capital	Medicaid Management Information System Completion.	6,208.0	8,782.3			14,990.3
61	3	Transportation and Public Facilities	Capital	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 21, lines 17 - 20), increasing the FY2010 appropriation to $10,000,000. Annual maintenance and overhaul on vessels and at terminals, particularly component or system failures which will impact service in the short term. Annual overhaul of vessels is necessary to pass United States Coast Guard (USGS) inspections and obtain a Certificate of Inspection (COI) necessary to operate.	4,000.0				4,000.0
62	3	**Transportation and Public Facilities**	**Capital**	**Airport Improvement Program - Appropriation Level**		**5,257.5**	**15,000.0**		**20,257.5**
63	3	Transportation and Public Facilities	Capital	Debt Defeasance - International Airports This is a new project request for FY2010. Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees. Both are required to meet all fiscal obligations and maintain fiscal integrity.	0.0	0.0	15,000.0	International Airport Revenue Fund	15,000.0
64	3	Transportation and Public Facilities	Capital	Gustavus: Airport Runway Safety Area This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 25, lines 10 - 11), increasing the FY2010 allocation to $10,500,000. The Gustavus Airport Runway Safety Area (RSA) does not meet Federal Aviation Administration (FAA) standards for the size of the area surrounding a runway that protects aircraft that land short, over-run, or veer off the paved runway surface. This project consists of the design and construction of an expanded RSA that will meet standards and improve safety for all aircraft operating at Gustavus. The engineer's estimate has been revised and advertising of the project is expected in mid-May, which would allow for construction during summer 2010.		500.0			500.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
65	3	Transportation and Public Facilities	Capital	King Cove: Airport Fencing This is a new project request for FY2010. The airport was recently reconstructed including installation of a new lighting system. The King Cove area borders on Izembek National Wildlife Refuge and experiences frequent visitation by brown bears. The new vertical elements of the lighting system are being subjected to intense ursine scrutiny as possible additions to their culinary menu. Resultant equipment damage is becoming excessive and a fencing project is needed to protect the Federal Aviation Administration funded investments and reduce maintenance costs. The engineer's estimate has been revised and advertising of the project is expected in mid-March with contract award expected in mid-May.		1,400.0			1,400.0
66	3	Transportation and Public Facilities	Capital	Kodiak: Chemical Storage Building This is a new project request for FY2010. This project will provide a safe storage and mixing area for liquid de-icing materials and equipment. Without the building and storage tanks to mix the dry urea for liquid application, the use of sand for runway de-icing will continue. New Alaska Airlines jets have a less-forgiving engine for sand or foreign object debris ingestion which could lead to engine failure. The need to switch from sand to chemical de-icing at Kodiak is further underscored by Central Region Maintenance and Operations' inability to obtain sand that meets the minimum specifications identified by the Federal Aviation Administration (FAA). The de-icing material storage facility will provide a controlled environment, thereby minimizing the possibility of a spill or handling accident. The engineer's estimate has been revised and advertising of the project is expected in mid-February with contract award expected in mid-April.		1,300.0			1,300.0
67	3	Transportation and Public Facilities	Capital	Nulato: Airport Improvements This is a new project request for FY2010. Resurface the airport operational surfaces, rehabilitate the access road, apply dust palliative, replace lighting, construct a snow removal equipment building, and other improvements as funds allow. This project is expected to be advertised in early March.		827.5			827.5

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
68	3	Transportation and Public Facilities	Capital	Unalaska: Chemical Storage Building This is a new project request for FY2010. This facility is needed in order to use the new de-icing vehicle already in place. The chemical de-icing material is needed to reduce the use of sand at the airport because Maintenance and Operations cannot obtain sand that meets the minimum specifications identified in the new Federal Aviation Administration Circular. Unalaska has frequent periods of zero traction ratings which result in closure of the airport. This building is needed to house the new specialized de-icing truck in a controlled environment minimizing the possibility of a spill or handling accident. The engineer's estimate has been revised and advertising of the project is expected in mid-February with contract award expected in mid-April.		1,230.0			1,230.0
69	3	**Transportation and Public Facilities**	**Capital**	**Emergency Repairs - Appropriation level**	**7,356.1**				**7,356.1**
70	3	Transportation and Public Facilities	Capital	Central Region Hightower Emergency Maintenance and Repairs This is a new project request for FY2010. Inspections of hightower lighting structures in Central Region have identified work that needs to be performed on 17 of these structures in order for them to remain structurally sound. This work includes welding repairs and foundation bolt tightening. The repairs will require the use of specialized equipment, crane services, materials, labor, and contracted welding/engineering support.	365.5				365.5
71	3	Transportation and Public Facilities	Capital	Dyea Road Washout Emergency Repair This is a new project request for FY2010. On August 28, 2009 the ADOT/PF Maintenance Foreman at our Skagway Station alerted us of erosion problems occurring along our Dyea Road adjacent to Taiya River. There are reported to be about 30 residents living beyond the erosion area. The roadway in this area is very narrow with rock wall on the one side and the river on the other. The area has been repaired several time over the years. The erosion caused several areas of the roadway to become very narrow and a major safety issue to the traveling public. Temporary barricades and notices were installed. All work was completed in a timely fashion, just prior to winter weather setting in.	101.6				101.6

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
72	3	Transportation and Public Facilities	Capital	Glenn Highway MP 63.5 Erosion Emergency Repairs This is a new project request for FY2010. The Matanuska River eroded into the roadway embankment approximately 400 feet in length, resulting in a 9-foot vertical drop close to the edge of the highway pavement, within one foot at some locations. Immediate repairs taken to preserve the integrity of the embankment and save the highway included placement of super sacks at the toe of the embankment to protect it from further erosion. Permanent repairs will include removal of temporary shore protection, removal of existing guardrail, and installation of new embankment and riprap rock armor for approximately 530 linear feet and installation of new guardrail.	1,125.0				1,125.0
73	3	Transportation and Public Facilities	Capital	Glenn Highway Slides at MP 101 and 115 Emergency Repairs This is a new project request for FY2010. Emergency repairs performed as a result of slides on the Glenn Highway at MP 101 and 115. MP 101 - A beaver dam failure on the uphill side of the Glenn Highway caused a slide with a large amount of water, gravel and debris overtopping the highway at MP 101 on July 9, 2009. M&O forces responded and initiated immediate repairs by removing debris and gravel from the road surface as well as removing debris from plugged culverts to allow the material to subside naturally. MP 115 - A slide with a large amount of water, mud, and debris overtopped the Glenn Highway am MP 115 on July 16, 2009. M&O forces responded and initiated immediate repairs by removing mud and debris from the highway and reestablished drainage features of the highway ditches.	225.0				225.0
74	3	Transportation and Public Facilities	Capital	Haines Highway MP 19 Slide Emergency Repairs This is a new project request for FY2010. On August 29, 2009 heavy rains in the Haines area created a gravel, rock and mud slide on, over, and across the Haines Highway from the adjacent hillside. This slide followed a creek bed down to the highway and clogged the culverts and closed the highway to traffic for approximately 4 hrs. Work was completed by ADOT/PF maintenance crews with some equipment rented from local sources. Material was hauled off, highway was cleaned, ditches and culverts were cleaned and re-established, and the upland creek bed was cleared of debris.	80.0				80.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
75	3	Transportation and Public Facilities	Capital	Kodiak Flood Emergency Repairs This is a new project request for FY2010. A major storm caused flooding and mudslides on Rezanof Drive, Anton Larsen Bay Road, Chiniak Highway and at the Kodiak Airport totaling approximately 2.3 million dollars. Damage on Anton Larsen Bay Road included replacement of failed culverts, reconstruction of sections of washed out roadway, and repairs to a portion of Red Cloud Bridge that had collapsed into the water. Rezanof Drive required cleaning of ditches, culverts and guardrail repair or replacement, debris removal and slope contouring. Chiniak Highway required culvert replacement, pavement repairs and ditch and culvert cleaning. Funding is requested for costs associated with the October 2009 declared emergency for flood damage on Kodiak Island that are not eligible for reimbursement by the Federal Highway Administration (FHWA) or the Federal Emergency Management Administration (FEMA).	500.0				500.0
76	3	Transportation and Public Facilities	Capital	Petersville Road Emergency Repairs This is a new project request for FY2010. In May of 2005, a section of Petersville Road near MP 14.5 at Kroto Creek failed. This section of road climbs along the side of the hill and is formed on steep embankments. Due to spring thaw and water a portion of the road embankment slid down the hill. Repair of the embankment failure by Central Region Maintenance and Operations forces is beyond what is considered maintenance. This supplemental request is needed to close the project.	113.7				113.7
77	3	Transportation and Public Facilities	Capital	Salmon River Road Emergency Repairs This is a new project request for FY2010. August rains and melting glaciers created a heavy river flow that eroded the banks of the Salmon River paralleling our Salmon River Road. This heavy flow washed out over 250 feet of roadway at Mile 7. This area had not been provided bank stabilization. The washout closed the road which at the time was providing access to crews working at a gold mine further up the road. The washout and continued erosion was threatening three power poles along the road. A closely coordinated effort by the ADOT/PF construction section, ADOT/PF maintenance section, the U.S. Forest Service and local private parties completed the project in a timely fashion.	425.3				425.3

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
78	3	Transportation and Public Facilities	Capital	Seward Airport Emergency Repair and Upgrade This is a new project request for FY2010. The Seward Airport Taxiway was damaged by flooding from the Resurrection River in July 2009. Emergency repairs were completed in August of 2009. The Taxiway's location is a low point in the airfield and is inundated with water every time the Resurrection River overflows its bank. A short term solution is to install 19 new 42" culverts alongside the three existing 42" culverts. If funding is not provided for permanent repairs, the State will have to continue performing emergency repairs along the taxiway when the Resurrection River floods. This will cause the taxiway to be shut down and impairs the usage for the Seward Airport.	2,020.0				2,020.0
79	3	Transportation and Public Facilities	Capital	Whittier Access Emergency Repairs This is a new project request for FY2010. A rockslide covered the Whittier Access Road on April 11, 2009 with approximately 40,000 cubic yards of rock causing a temporary closure, and the need for alternative transportation to and from the City of Whittier. Repairs needed to reopen the road included removing the rock, reestablishing the grade, replacing the guardrail and pavement, and installing concrete barriers.	2,400.0				2,400.0
80	3	**Transportation and Public Facilities**	**Capital**	**Highways and Facilities - Appropriation Level**	**3,021.1**				**3,021.1**
81	3	Transportation and Public Facilities	Capital	Coffman Cove Maintenance Station This is a new project request for FY2010. Beginning in 2008, Southeast Region Highways and Aviation assumed maintenance responsibility for the 22 mile long Coffman Cove Highway. The closest established maintenance station is at Klawock, approximately 57 miles from Coffman Cove, and too far away to provide efficient maintenance service. The original request in FY2009 underestimated the consultant design fees and construction contract cost, and did not account for construction engineering and administrative costs.	900.0				900.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
82	3	Transportation and Public Facilities	Capital	Ester Weigh Station Scale Replacement This is a new project request for FY2010. The Ester Weigh Scale has currently been removed form service due to inaccuracies in its measurements. The steel scale deck support system and steel scale mechanisms have deteriorated beyond the point of reasonable repair. The scale platform is closed and means have been utilized to prevent traffic from driving over this scale assembly for safety reasons. This project was originally requested last year as a supplemental for $120,000 in federal receive/expend authority. There were/are no federal funds available for this project and it should have been originally requested as general fund authority. The federal authority will be administratively lapsed at the end of the current fiscal year. This new request reflects the updated estimate to replace the scales and get the weigh station opened.	550.0				550.0
83	3	Transportation and Public Facilities	Capital	Klawock Maintenance Station – Door Replacement This is a new project request for FY2010. The initial project entailed replacing one unsafe door. On investigation by an overhead door technician, it was discovered three other doors have aged and deteriorated to a point replacement is required for safety reasons (doors falling out of control due to worn parts, thereby endangering Departmental staff).	60.0				60.0
84	3	Transportation and Public Facilities	Capital	Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 22, lines 8 - 11), increasing the FY2010 appropriation to $464,100. MSCVE plans to replace a high mileage 3/4-ton pickup truck with a 1-ton class dual rear wheel flatbed with a light duty crane. The 1-ton class test trucks originally built in 2003 have exceeded our expectations for increased device testing efficiency and employee safety and the light duty scale testing fleet will be replaced with this vehicle design over the next decade. Additional capital funds totaling $30,500 is being requested to accomplish this upgrade. In addition, MSCVE has recently purchased several vehicles with capital funds. These vehicles are replacing older vehicles that were not in the replacement program. A one-time supplemental to bring the replacement program current is being requested in the amount of $372,100.	402.6				402.6

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
85	3	Transportation and Public Facilities	Capital	Retroactive Asphalt Material Price Adjustment - Glenn/Bragaw Interchange This is a new project request for FY2010. Average rack price for asphalt cement in Alaska increased from $373/ton in January 2008, to a high of $710/ton in August that year. Although contractors typically plan for some increase in material costs throughout the life of a contract, they couldn't reasonably anticipate this level of inflation. In August 2008 the department committed to retroactively add an asphalt cement price adjustment, to share the unanticipated inflationary costs with the contractors. The state general funded Glenn / Bragaw project met the criteria for receiving this price adjustment; however the projects budget to complete construction does not have sufficient funding available to reimburse the contractor.	151.5				151.5
86	3	Transportation and Public Facilities	Capital	Skagway Land Purchase This is a new project request for FY2010. The Skagway Maintenance Station is situated on leased property. In 2008 the Department entered a new lease agreement for the Skagway maintenance station with an option to purchase the 2.23 acre property plus the adjoining 1.59 acre vacant property for a fair market value price of $513,412. The Department has secured $107,000 for the purchase of the property and is requesting an additional $407,000. The option to purchase expires on September 12, 2010. This is the last opportunity to fund the purchase at the negotiated price.	407.0				407.0
87	3	Transportation and Public Facilities	Capital	Southeast Region Headquarters – Elevator Installation This is a new project request for FY2010. Project includes design, building modifications and installation of a new elevator to bring the state-owned facility into compliance with the Americans with Disabilities Act. Southeast Region does not have sufficient available space to provide ADA accommodations for staff working on the 2nd floor to relocate their workspace to the 1st floor when temporary or permanent disabilities prohibit access to their normal workspace. This lack of space is compounded when relocation does take place due to separation of staff from coworkers. Additionally, public access to all sections on the 2nd floor is inhibited by the lack of adequate conveyance.	450.0				450.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
88	3	Transportation and Public Facilities	Capital	State Equipment Fleet Vehicle Lifts This is a new project request for FY2010. Replace the original vehicle lift in Haines, AK. The original lift does not have safety features to prevent damage to equipment and/or injury to staff tasked with using it. Funding will allow for the purchase and installation of equipment that has life-safety features that will support the Department in meeting safe workplace requirements.	100.0				100.0
89	3	Transportation and Public Facilities	Capital	**Regulatory Compliance - Appropriation Level**	**1,700.0**				**1,700.0**
90	3	Transportation and Public Facilities	Capital	Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement This is a new project request for FY2010. Project fulfills one of two conditions of a negotiated settlement, between the State of Alaska, Department of Transportation (DOT&PF) and the Environmental Protection Agency, for alleged violations of Section 404 of the Clean Water Act (CWA). The funding will be provided to a qualified, third party, non-profit established to preserve, for public benefit, land with significant natural, recreational, or cultural value on the Kenai Peninsula. The non-profit is to purchase and place conservation easements over properties that will preserve water quality and salmon habitat.	900.0				900.0
91	3	Transportation and Public Facilities	Capital	Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement This is a new project request for FY2010. Project fulfills one of two conditions of a negotiated settlement, between the State of Alaska, Department of Transportation (DOT&PF) and the Environmental Protection Agency, for alleged violations of Section 404 of the Clean Water Act (CWA). The funding will be utilized to plant and establish natural vegetation and monitor those planting at three sites along the Sterling Highway. The vegetation is to enhance and improve water quality and habitat.	800.0				800.0
92	4			Sets out the funding by agency for the appropriations in Section 3.					0.0
93	5	Findings		FY2010 savings from ARRA 2009 Medicaid provisions are applied to the GF supplementals appropriated in this Act.					0.0
94	6	Corrections	(multiple)	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010	3,302.3	32.7			3,335.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
95	7	Education and Early Development	Special Schools	Pupil transportation services from Mat-Su to the Alaska School for the Deaf, housed in the Russian Jack Elementary, Hanshew Middle School and East High School of the Anchorage area.	180.0				180.0
96	8	Health and Social Services	Probation Services	Miscellaneous claim to pay outstanding FY2004 medical bills for a minor in the custody of the Division of Juvenile Justice that received medical treatment from the Central Peninsula Hospital.	0.2				0.2
97	9	Labor and Workforce Development	Workforce Investment Board	Amend language - the unexpended/unobligated balance from Sec 1, Ch 27, SLA 2008, page 17, line 4 (Branch-wide Oil & Gas Development) is appropriated to Workforce Investment Board for continued work in FY2010.	85.0				85.0
98	10	Law	Deputy Attorney General's Office	Actual judgments and settlements finalized as of 1/11/2010.	28.9				28.9
99	11(a)	Natural Resources	Capital	Scope Change: Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1					0.0
100	11(b)	Natural Resources	Capital	Sale and Replacement of PC7 Aircraft for Wildland Firefighting. Language section to use the proceeds from the sale of aircraft, surplus aircraft parts, and engine escrows for the purchase of replacement aircraft.	2,000.0			General Fund Program Receipts	2,000.0
101	12(a)	Fund Transfer	Savings Public Education Fund	Fully capitalize the Public Education Fund for the projected FY2011 need for Foundation Formula $1,053,147.4 and Pupil Transportation $63,839.2.	1,116,986.6				1,116,986.6
102	12(b)	Fund Transfer	Small Business Economic Development RLF	Match for federal EDA funds transferred from the Kenai Peninsula Economic Development District - transfer $79.0 from Revolving Fund to Small Business Economic development Loan Fund - allows for receipt of $231.3 EDA federal grant funds.			79.0	AIDEA Receipts	79.0
103	12(c)	Fund Transfer	Disaster Relief Fund	Disaster relief funding - Kodiak Island flood, Pelican water system failure, Steward storm surge - plus fund replenishment in preparation for providing immediate assistance during spring floods and storms.	5,000.0				5,000.0
104	13	Ratifications (see below)							0.0
105	14	Retained Fees and Bankcard Services		Amends Section 22(b), ch. 12, SLA 2009 to include the Department of Law statutory authority for receipt of restitutions on juvenile cases.					0.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
106	15	Debt Service	International Airport Revenue Bonds	Alaska International Airport System Debt Defeasance Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees.	0.0	0.0	0.0	($10,000.0) International Airport Revenue Fund $10,000.0 International Airport Construction Fund	0.0
107	16	Governor	AK Resources Marketing and Development	Extend lapse date from 2/28/2010 to 6/30/2010 for SLA 2009 Ch 14, Sec. 19 - $8,289.0 for the development of an in-state natural gas pipeline - so that development work may continue.	0.0	0.0	0.0		0.0
108	17(a)	Savings	Constitutional Budget Reserve	Full Repayment of the Constitutional Budget Reserve The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).	401,617.0				401,617.0
109	17(b)		Budget Reserve Fund	Adds language to access the budget reserve fund (AS 37.05.540) to balance the FY2010 budget, if necessary.					0.0
110	17(c)	Revenue	Treasury Division	Fund Source Change for Constitutional Budget Reserve Fund Investment Management Section 27(c), ch. 12, SLA 2009, is amended to read: (c) The sum of $1,673,000 is appropriated from the general fund [budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.	1,673.0		(1,673.0)	Constitutional Budget Reserve Fund	0.0
111	18	Lapse of Appropriations							0.0
112	19	Repealer		Section 43(c), ch. 15, SLA 2009 is repealed. That section reads: (c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund. The administration is proposing to repay in full the amount owed to the constitutional budget reserve fund in FY2010, and does not want to draw any amount from the fund. Current calculations indicate the above section is not necessary.					0.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
113	20	Effective date - Section 7 is immediate upon passage of this Act.							0.0
114	21	Effective date of the balance of the Act is April 18, 2010.							0.0
115									
116				**Total of Supplemental Requests**	**1,661,150.5**	**62,351.4**	**15,316.2**		**1,738,818.1**
117									
118	**RATIFICATIONS**			**AR and AR Name**					
119	13(a)	Natural Resources	Fire Suppression Activity	AR 37313-09 Fire General Fund	10,297,678.22				10,297,678.22
120	13(b)(1)	Commerce, Community and Economic Development	Alaska Energy Authority Owned Facilities	AR 29605-08 Alaska Energy Authority Owned Facilities	12.95				12.95
121	13(b)(2)	Education and Early Development	Student and School Achievement	AR 17722-07 Student and School Achievement	293.08				293.08
122	13(b)(3)	Health and Social Services	Unbudgeted RSA	AR 22708-03 DAS DMA Unbudgeted RSA for Staff Support	140.40				140.40
123	13(b)(4)	Health and Social Services	Unbudgeted RSA	AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00				11.00
124	13(b)(5)	Health and Social Services	Unbudgeted RSA	22736-03 DFYS DMA Unbudgeted RSA	0.34				0.34
125	13(b)(6)	Health and Social Services	Unbudgeted RSA	AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54				259.54
126	13(b)(7)	Health and Social Services	Behavioral Health Administration	AR 23125-05 Behavioral Health Administration	5,482.79				5,482.79
127	13(b)(8)	Health and Social Services	Health Planning and Infrastructure	AR 23932-08 Health Planning and Infrastructure	633.78				633.78
128	13(b)(9)	Health and Social Services	Information Technology Services	AR 23934-06 Information Technology Services	4.92				4.92
129	13(b)(10)	Health and Social Services	Epidemiology	AR 23610-05 Epidemiology	295,356.97				295,356.97
130	13(b)(11)	Health and Social Services	Certification and Licensing	AR 23608-05 Certification and Licensing	31,701.51				31,701.51
131	13(b)(12)	Health and Social Services	Medicaid State Programs	AR 23315-04 Medicaid State Programs	1,380,444.00				1,380,444.00
132	13(b)(13)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-05 Medicaid School Based Administrative Claims	221,290.00				221,290.00
133	13(b)(13)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-06 Medicaid School Based Administrative Claims	2,283,323.00				2,283,323.00
134	13(b)(15)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-07 Medicaid School Based Administrative Claims	3,060,691.00				3,060,691.00
135	13(b)(16)	Alaska Court System	RSA	AR 76560-08 Domestic Violence VAWA RSA	322.50				322.50
136	13(c)(1)	Corrections	Anchorage Correctional Complex	AR 50662-05 Anchorage Correctional Complex	409,334.19				409,334.19
137	13(c)(2)	Corrections	Probation And Parole Director's Office	AR 50760-07 Probation And Parole Director's Office	2,661.22				2,661.22

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
138	13(c)(3)	Education and Early Development	Program Administration	AR 18005-04 Program Administration	22,694.51				22,694.51
139	13(c)(4)	Labor and Workforce Development	Employment Services	AR 28500-02 Employment Services	39.41				39.41
140	13(c)(5)	Labor and Workforce Development	Labor Market Information	AR 28190-05 Labor Market Information	290.99				290.99
141	13(c)(6)	Labor and Workforce Development	Independent Living Rehabilitation	AR 28230-03 Independent Living Rehabilitation	649.53				649.53
142	13(c)(7)	Labor and Workforce Development	Unemployment Insurance	AR 28510-04 Unemployment Insurance	442.91				442.91
143	13(c)(8)	Labor and Workforce Development	Unemployment Insurance	AR 28510-05 Unemployment Insurance	14,592.60				14,592.60
144	13(c)(9)	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	3,592.15				3,592.15
145	13(c)(10)	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	150.00				150.00
146	13(c)(11)	Labor and Workforce Development	Capital	AR 27790-08 North Pacific Fisheries Disaster – Aid RSA	4,400.00				4,400.00
147	13(c)(12)	Revenue	Long Term Care Ombudsman Office	AR 15530-07 Long Term Care Ombudsman Office	7,004.19				7,004.19
148	13(c)(13)	Transportation and Public Facilities	Capital	61686-10 Federal Transit Administration Grants	2.18				2.18
149	13(c)(13)	Transportation and Public Facilities	Capital	AR 58096-10 Cooperative Reimbursable Projects	29.65				29.65
150	13(c)(15)	Transportation and Public Facilities	Capital	AR 58622-11 Cooperative Reimbursable Projects	0.37				0.37
151	13(c)(16)	Transportation and Public Facilities	Capital	AR 58662-11 Federal Transit Administration Grants	0.72				0.72
152	13(c)(17)	Transportation and Public Facilities	Capital	AR 59198-11 Alaska Marine Highway: Terminal – Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	0.22				0.22
153	13(c)(18)	Transportation and Public Facilities	Capital	58640-10 Alaska Mobility Coalition	0.13				0.13
154	13(c)(19)	Transportation and Public Facilities	Capital	AR 60252-10 Cooperative Reimbursable Projects	0.88				0.88
155	13(c)(20)	Transportation and Public Facilities	Capital	AR 61219-12 Federal Transit Administration Grants	0.17				0.17
156	13(c)(21)	Transportation and Public Facilities	Capital	AR 61009-10 Federal Transit Administration Grants	14,254.03				14,254.03
157	13(c)(22)	Transportation and Public Facilities	Capital	AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	0.21				0.21
158	13(c)(23)	Transportation and Public Facilities	Capital	AR 63203-10 Surface Transportation Preconstruction	0.09				0.09
159	13(c)(24)	Transportation and Public Facilities	Capital	AR 61613-10 Federal Transit Administration Grants	2.02				2.02
160	13(c)(25)	Transportation and Public Facilities	Capital	AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06				205.06

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
161	13(c)(26)	Transportation and Public Facilities	Capital	AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19				1.19
162	13(c)(27)	Transportation and Public Facilities	Capital	AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98				1,062.98
163	13(c)(28)	Transportation and Public Facilities	Capital	AR 62656-10 Cooperative Reimbursable Projects	0.01				0.01

HOUSE COMMITTEE REPO

(11)
Date Referred to Committee: February 3, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/26/10

The FINANCE Committee considered: **HB 326**

HOUSE BILL NO. 326
"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

HB 326-SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 326 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Dugan	✓			
	Jaffe	✓			
	KELLY	✓			
	Austerman	X			
	Salmon	X			
	Foster	X			
	FAIRCLOUGH	✓			
Chair:	Stoltze	X			
Chair:	Hawker	✓			

Adopted 3/24/10

#1 Hawker

BUDGET AMENDMENT
FY 2010 Supplemental

CSHB 326(FIN)

DEPARTMENT: Administration
APPROPRIATION: Centralized Administrative Services

ALLOCATION: Office of the Commissioner
ADD: $12.8 General Funds (1004)

EXPLANATION:
The sum of $12,770 is appropriated from the general fund to the Department of Administration, office of the commissioner, as a lump sum payment to the union directed health trust, to implement the terms of the collective bargaining agreement for the Teachers' Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2010.

Last week the State reached an agreement with the Teachers' Education Association of Mt. Edgecumbe (TEAME). The TEAME agreement covers FY10 – FY12.

Since the TEAME agreement is retroactive to the beginning of FY10, a supplemental is requested for $12, 770 General Funds for the Department of Administration, office of the commissioner, to pay the agreed upon FY10 insurance costs to the NEA Health Trust.

Adopted 3/26/10

BUDGET AMENDMENT
FY 2010 supplemental

#2
Hawker

CSHB 326(FIN)

DEPARTMENT:	Statewide
ADD:	$3,668,400
FUNDING SOURCE:	Multiple fund sources per change records submitted electronically to the legislative Finance Division and as detailed on the attachment.

ADD Conditional Language:

The appropriations made in this section are contingent on ratification of the collective bargaining agreement by the membership of the Public Employees Local 71, for the labor, trades and crafts unit.

EXPLANATION:
The Labor, Trades, and Crafts bargaining unit has reached a tentative agreement with the state for fiscal years FY2010-FY2012.

In FY2010 there is a lump sum payment for bargaining unit members ranging from $903 to $2,066, depending on the wage grade of the employee. Bargaining unit members who are seasonal or part time employees will have the lump sum payment reduced by 50%.

There is a lump sum payment to the LTC Health Trust to cover the FY2010 state's contribution for health insurance, which 8increased from $870 to $913 per employee per month.

Bargaining Unit Agreements			
	Monetary Terms	**FY 2010**	**FY 2011**
Teachers' Education Association of Mt. Edgecumbe			
	FY2010 lump sum appropriation to the Department of Administration to the NEA Health Trust	12.8	
	5% Sitka, Alaska geographic differential beginning July 1, 2010		93.8
	Beginning July 1, 2010, bargaining unit members will be returned to the State's Select Benefits Health Insurance program with a monthly health benefit of $1,088.00 per member.		70.5
	Lump Sum to Group Health and Life Benefits fund for reserves, as determined by Buck Consultants		54.1
	TOTAL TEAME	**12.8**	**218.4**
	231.2		
Labor, Trades and Crafts Unit			
	A lump sum payment for bargaining unit members ranging from $903 to $2,066, depending on the wage grade of the employee. Bargaining unit members who are seasonal or part time employees will have the lump sum payment reduced by 50%.	2,868.4	
	Payment of state's contribution for the FY2010 health insurance - from $870 to $913 per employee per month. LTC health trust has been fronting these costs.	800.0	
	Effective July 1, 2010, a conversion to a new wage schedule similar to that of the majority of State employees		4,564.1
	Health benefits increase to $1,088 per member per month.		4,210.2
	TOTAL LTC	**3,668.4**	**8,774.3**
	12,442.7		

Adopted 3/26/10

#3
Howken

BUDGET AMENDMENT
FY 2010 supplemental

CSHB 326(FIN)

Page 10, Lines 6-10 **Delete all material**

EXPLANATION:
Grant to World Trade Center Alaska deleted from Supplemental Operating Budget.

FY10 Supplemental Bill--HB326

Shade indicates Change from Governor's Request

2/24/2010 Capital items removed
3/3/2010 fast track cap back in--formulas not checked
3/7/2010 removed fast-track cap & added HSS clawback
3/9/2010 sync up sheet, add ARLF, incorporate notes
3/15/2010 HSS revisions, add DOT, add Law
3/16/2010 cross check with system-match
3/19/2010 send out for review, still some open items
3/21/2010 numbers, lang & fund transfers total in sync w/decisions to date
3/22/2010 update transactions
3/23/2010 Reformat for distribution

Governor to House Finance

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	(3,841.7)	(269.1)	-	81.4	(4,029.4)
Operating	(4,441.7)	(94.1)	-	81.4	(4,454.4)
Transfers	600.0	(175.0)	-	-	425.0

Governor's Request

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,622,879.8	128.5	2,035.7	55,527.4	1,680,571.4
Operating	104,276.2	(46.5)	1,956.7	55,527.4	161,713.8
Transfers	1,518,603.6	175.0	79.0	-	1,518,857.6

House Finance Committee

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,619,038.1	(140.6)	2,035.7	55,608.8	1,676,542.0
Operating	99,834.5	(140.6)	1,956.7	55,608.8	157,259.4
Transfers	1,519,203.6	-	79.0	-	1,519,282.6

							Governor's Request					House Finance Committee				
Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
							104,276.2	(46.5)	1,956.7	55,527.4	161,713.8	99,834.5	(140.6)	1,956.7	55,608.8	157,259.4
1-Feb	1	Administration	Office of Administrative Hearings	Tax appeal case cost increase - 27 open cases as of January 2010, driving a need to keep all Administrative Law Judge positions filled.	1		85.0	-	-	-	85.0	85.0	-	-	-	85.0
1-Feb	1	Administration	Elected Public Officers Retirement System Benefits	Elected Public Officers' Retirement System - total of 38 members (retirees and survivors) - increased costs due to mandatory benefit increases based on the salaries of the position from which a member retired.	1		250.0	-	-	-	250.0	250.0	-	-	-	250.0
19-Mar	1	Administration	Office of Public Advocacy	Increased operating costs - During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%; child advocacy representation in Child in Need of Aid (CINA) cases, 20%; parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year. Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009. **3/19: GovAMD decrease of $315.0**	1		550.0	-	-	-	550.0	550.0	-	-	-	550.0
19-Mar	1	Administration	Office of Public Advocacy	Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session. **3/19: GovAMD increase of $17.0.**	1		-	-	-	44.6	44.6	-	-	-	44.6	44.6

copy on file 3/24/10

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321																			
322								Governor's Request						House Finance Committee					
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.6	(140.6)	1,956.7	55,608.8	157,259.4	
329	1-Feb	1	Administration	Public Defender Agency	Increased operating costs - The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.	1		800.0	-	-	-	800.0		800.0	-	-	-	800.0	
330	1-Feb	1	Administration	Motor Vehicles	Federally mandated programming improvements to the National Motor Vehicle Information System - funded via a Department of Justice grant.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
331	1-Feb	1	Administration	Motor Vehicles	Purchase of current technology, digital driver's license printers to replace outdated and increasingly irreparable 2004-purchased printers.	1		-	-	-	191.8	191.8		-	-	-	191.8	191.8	
332	1-Feb	1	Commerce, Community & Econ Dev	Insurance Operations	Print, mail and legal costs have increased $300.0 in two years. The division is statutorily required to provide notification of changes in rules, regulations and policies to occupational licensees. The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.	1		-	77.1	-	-	77.1		-	77.1	-	-	77.1	
333	1-Feb	1	Corrections	Institution Director's Office	Coverage of projected shortfalls in 24-hour facilities - fuel and utility costs, and commodities (inmate food, clothing, bedding, institutional cleaning supplies, etc.)	1		2,409.6	-	-	-	2,409.6		2,409.6	-	-	-	2,409.6	
334	1-Feb	1	Corrections	Wildwood Correctional Center	Operating costs, Wildwood Correctional Center 32-bed prefabricated offender housing unit - opening February 2010 - covers partial-year costs for filling six existing vacant positions.	1		494.4	-	-	-	494.4		494.4	-	-	-	494.4	
335	1-Feb	1	Corrections	Physical Health Care	The Department of Corrections is obligated to deliver essential medical care to incarcerated offenders. The department is requesting a supplemental of $4,650.1 for increased inmate health care costs that includes fees-for-service and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. There has been a dramatic increase in catastrophic cases in FY2010, as well as increases in general medical costs.	1		4,650.1	-	-	-	4,650.1		4,650.1	-	-	-	4,650.1	
336	1-Feb	1	Education & Early Dev	Special Schools	Pupil transportation services from Mat-Su to the Alaska School for the Deaf, housed in the Russian Jack Elementary, Hanshew Middle School and East High School of the Anchorage area. **Moved from language to numbers section.**	1		180.0	-	-	-	180.0		180.0	-	-	-	180.0	
337	1-Feb	1	Environmental Conservation	Laboratory Services	Coverage of lab maintenance and service contract shortfalls, in lieu of elimination of 4-5 filled positions - an action which would seriously compromise public health and result in the likely shutdown of the State Lab within a year.	0.5		260.0	-	-	-	260.0		[redacted]	-	-	-	[redacted]	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.5)	1,956.7	55,608.8	157,259.4	
338	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects	Decrease excess EVOS authority and increase Statutory Designated Program Receipts (SDPR) authority by $150.0 to a) accept two grants from the National Fish and Wildlife Foundation (NFWF) during the spring of 2009 to support the following research projects: Dall Sheep ecology within northern Alaska, and Reduce conflicts between Grizzly bears and old development within northern Alaska; and b) work with the Matanuska-Susitna Borough to complete some restroom improvements at Reflections Lake in the Palmer Hay Flats. EVOS funding is being reduced as the Harlequin Duck research by the division was not funded by the EVOS Trustee Council for new work during FY10.	1		-	-	(150.0)	-	(150.0)		-	-	(150.0)	-	(150.0)	
339	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects		1		-	-	150.0	-	150.0		-	-	150.0	-	150.0	
340	17-Feb	1	Fish and Game	Habitat	The Division of Habitat is seeking an FY2010 federal fund supplemental for remediation of a petroleum diesel spill that occurred in Helmet Creek on Adak Island on January 11, 2010. The additional authority will allow the division to accept national Pollution Funds Center funds from the U.S. Coast Guard and the Department of Commerce for natural Resource Damage Assessment (NRDA) work associated with this spill.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
341	22-Mar	1	Fish and Game	Central Region	Kasilof River Smolt Outmigration counts & the Big Lake Smolt outmigration count projects	1		-	-	-				75.0	-	-	-	75.0	
342	1-Feb	1	Governor	Elections	Offset increased operating costs - coverage of costs for two filed petitions, Dept. Law legal fees for the Nick case, printing and supply purchases specific to the on-election-year, additional election worker training costs, increased postage and printing costs, and annual maintenance of optical scan units.	1		477.0	-	-	-	477.0		477.0	-	-	-	477.0	
343	1-Feb	1	Health & Social Services	Children's Services Management	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		165.0	-	-	-	165.0		165.0	-	-	-	165.0	
344	1-Feb	1	Health & Social Services	Front Line Social Workers	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		955.3	-	-	-	955.3		955.3	-	-	-	955.3	
345	1-Feb	1	Health & Social Services	Health Facilities Survey	Funding to cover shortfall, operating costs - provision of mandated state and federal oversight of state health facilities' licenses - renewal, denial, suspension or revocation as needed - to promote safe and adequate treatment of individuals in state facilities.	1		396.1	-	-	-	396.1		396.1	-	-	-	396.1	
346	1-Feb	1	Health & Social Services	Health Planning and Infrastructure	Funding to replace loss of federal revenues - to cover provision of health care data and policy analysis related to access to services, health insurance coverage, utilization of services, health workforce and industry analysis - and management of the statutorily required Comprehensive Integrated Mental Health Plan.	1		575.0	-	-	-	575.0		575.0	-	-	-	575.0	
347	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected shortfall, mandated client medical services costs - supplemental to be redistributed among four Division of Juvenile Justice facilities.	1		136.0	-	-	-	136.0		136.0	-	-	-	136.0	
348	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected personal services shortfall due to higher than anticipated premium pay costs.	1		130.6	-	-	-	130.6		130.6	-	-	-	130.6	
349	1-Feb	1	Health & Social Services	Probation Services	Funding to cover projected personal services shortfall due to an actual vacancy factor lower than budgeted, and need to cover a loss of SDPR revenues funding one position only through 12/31/09.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
350	1-Feb	1	Health & Social Services	Energy Assistance Program	Increased federal authority to accept an increase in federal Low Income Home Energy Assistance Program revenues, as announced by the National Energy Assistance Director's Association.	1		-	-	-	2,300.0	2,300.0		-	-	-	2,300.0	2,300.0	
351	1-Feb	1	Health & Social Services	Women, Children and Family Health	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		347.8	-	-	-	347.8		347.8	-	-	-	347.8	
352	1-Feb	1	Health & Social Services	State Medical Examiner	Unanticipated costs due to caseload increase - will cover one additional autopsy technician, one medical transcriptionist, and increased costs for body transport.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	
353	1-Feb	1	Health & Social Services	General Relief/Temporary Assisted Living	Additional funding to meet projected increase in both number of clients and service costs within the General Relief program - FY2010 actuals are 15% above those of FY2009 - applicant eligibility review and other cost containment measures in place.	1		3,800.0	-	-	-	3,800.0		3,800.0	-	-	-	3,800.0	
354	1-Feb	1	Health & Social Services	Senior and Disabilities Services Administration	Costs associated with compliance with the Centers for Medicaid and Medicare Services' approved Corrective Action Plan - personal service costs for necessary nonpermanent positions, travel costs connected to conducting assessments under Medicaid Waivers, and modification of the management information system.	1		-	-	-	590.0	590.0		-	-	-	590.0	590.0	
355	1-Feb	1				1		590.0	-	-	-	590.0		590.0	-	-	-	590.0	
356	1-Feb	1				1		295.0	-	-	-	295.0		295.0	-	-	-	295.0	
357	8-Mar	1	Health & Social Services	Admin Support Services	Replace unrealizable interagency receipts for unallowable costs under federally funded RSAs within the department, to stabilize funding for centralized Administrative Support Services	0.5		700.0	-	-	-	700.0		350.0	-	-	-	350.0	
358	1-Feb	1	Health & Social Services	Information Technology Services	Funding to replace uncollectible federal revenues and cover increased personal service costs for this centralized function - unfunded costs would otherwise either be passed to divisions, resulting in a displacement of core program services, or IT staffing and workload would have to be significantly cut.	0.5		1,050.0	-	-	-	1,050.0		525.0	-	-	-	525.0	
359	1-Feb	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	3,492.2	3,492.2		-	-	-	3,492.2	3,492.2	
360	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $937.9**	1		-	-	-	1,824.0	1,824.0		-	-	-	1,824.0	1,824.0	
361	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $937.9**	1		3,228.9	-	-	-	3,228.9		3,228.9	-	-	-	3,228.9	
362	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $78.5**	1		(78.5)	-	-	-	(78.5)		(78.5)	-	-	-	(78.5)	
363	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $78.5**	1			-	-	78.5	78.5		-	-	-	78.5	78.5	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,627.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
364	19-Mar	1	Health & Social Services	Children's Medicaid Services	In analyzing year to date expenditures, the department has identified surplus general fund in the Children's Medicaid Services component. This Medicaid service is primarily for behavioral residential services that are being expended as part of the Bring the Kids Home effort, however the expansion is occurring at a slower pace than had been anticipated when the FY10 budget was developed. **3/19: GovAMD decrease of $2,200.0**	1		(2,200.0)	-	-		(2,200.0)		(2,200.0)	-	-	-	(2,200.0)	
385	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $37.6**	1		(37.6)	-	-	-	(37.6)		(37.6)	-	-	-	(37.6)	
366	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $37.6**	1			-	-	37.6	37.6		-	-	-	37.6	37.6	
367	5-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to retroactive FMAP increase related to Medicare Part D Clawback repayments to CMS.	1			-	-	-			(7,500.0)	-	-	-	(7,500.0)	
368	1-Feb	1	Health & Social Services	Health Care Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	29,823.3	29,823.3		-	-	-	29,823.3	29,823.3	
369	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $3,493.7**	1		-	-	-	10,990.1	10,990.1		-	-	-	10,990.1	10,990.1	
370	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $3,493.7**	1		29,802.9	-	-	-	29,802.9		29,802.9	-	-	-	29,802.9	
371	1-Feb	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	1,043.2	1,043.2		-	-	-	1,043.2	1,043.2	
372	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		-	-	-	4,564.7	4,564.7		-	-	-	4,564.7	4,564.7	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
373	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		3,601.3	-	-	-	3,601.3		3,601.3	-	-	-	3,601.3	
374	1-Feb	1	Law	Deputy Attorney General's Office	Legal analysis and litigation on items not budgeted - Cruise ship study, Kaltag Supreme Court appeal, PERL bankruptcy, and others. Gov's request reduced by $80.2 - Kaltag Supreme Court Appeal.	1		964.2	-	-	-	964.2		884.0	-	-	-	884.0	
375		1	Law	Civil Division Oil, Gas & Mining	Law reports a lapsing balance of $1.6 million that can be reappropriated.	1		-	-	-	-	-		(884.0)	-	-	-	(884.0)	
376	1-Feb	1	Natural Resources	Gas Pipeline Implementation	The unanticipated agreement between TransCanada Corporation and ExxonMobil to work together to progress the Alaska Gasline Inducement Act (AGIA) Gas Pipeline Project has accelerated the pace of the project. There is currently not enough funding in the FY10 budget to fully fund the four positions in the office. With the faster pace of the project, due diligence contractual requirements have increased, meaning more travel. There may be increased need to represent the state's interest in Washington, D.C., as well as other locations. Competitive Benchmark Study - Competitive benchmarking will allow the state to better understand market and supply changes that have occurred since the AGIA finding that might affect the economic viability of the gasline. There is increased need for additional field work and other small contractual studies needed to ensure the state has the most up-to date and accurate data.			537.6	-	-	-	537.6		0	-	-	-	0	
377	1-Feb	1	Natural Resources	Large Project Permitting	Completion of Environmental Impact Statements associated with proposed Outer Continental Shelf oil and gas leasing and exploration activities.	1		85.0	-	-	-	85.0		85.0	-	-	-	85.0	
378	1-Feb	1	Natural Resources	Fire Suppression Activity	The funding included in the FY2010 budget of $6,712.5 for wildland fire suppression is a "placeholder" amount based on historical cost (SLA 2009, Ch 12, Sec 1, Pg. 34, Ln 7). The amount proved to be insufficient to address the heavy fire activity during the summer of 2009. On July 22, 2009, the Governor signed a Declaration of a Disaster Emergency to authorize the use of additional funds to continue fire suppression operations and activities. New declarations are issued every 30 days. The total of the those declarations for FY2010in excess of the FY2010 authorized budget is $35,371,400.	1		35,371.4	-	-	-	35,371.4		35,371.4	-	-	-	35,371.4	
379	19-Mar	1	Public Safety	Special Projects	Continue cold case investigations and illegal drug and alcohol enforcement. **3/19: GovAMD decrease of $369.5, removing entire original request of $369.5.**	1		-	-	-	-	-		-	-	-	-	-	
380	1-Feb	1	Public Safety	Prisoner Transportation	Funding to cover projected shortfall in prisoner transportation costs - airline ticket and private charter costs, baggage fees, out-of-state extradition fees and state travel office fees - based on straight-line projection for the year from the past 6.5 months.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	

	B	D	E	F	G	K	M	N	O	P	Q	S	T	U	V	W
321							Governor's Request					House Finance Committee				
322																
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier	Unrestricted GF	Designated GF	Other State Funds	Federal	Total	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
324							104,276.2	(46.5)	1,956.7	55,527.4	161,713.8	99,834.5	(140.6)	1,956.7	55,608.8	157,259.4
381	1-Feb	1	Revenue	Treasury Division	Establish partial-year funding and new state investment officer position, coinciding with a state investment strategy change to support an internal effort to begin active management of other public market investments. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1	-	-	50.0	-	50.0	-	-	50.0	-	50.0
382	1-Feb	1	Revenue	Alaska Retirement Management Board	Increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position requested by the Treasury Division. Approval of the new Investment Officer position and funding will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1	-	-	8.8	-	8.8	-	-	8.8	-	8.8
383	1-Feb	1				1	-	-	28.3	-	28.3	-	-	28.3	-	28.3
384	1-Feb	1				1	-	-	12.5	-	12.5	-	-	12.5	-	12.5
385	1-Feb	1				1	-	-	0.3	-	0.3	-	-	0.3	-	0.3
386	1-Feb	1				1	-	-	0.1	-	0.1	-	-	0.1	-	0.1
387	1-Feb	1	Revenue	Alaska Retirement Management Board Custody and Management Fees	Reduced authorization is requested to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate. The request represents the potential savings to the State by establishing and funding a new in-house Investment Officer in the Treasury Division to make asset allocation decisions rather than contracting with external managers.	1	-	-	(584.6)	-	(584.6)	-	-	(584.6)	-	(584.6)
388	1-Feb	1					-	-	(256.3)	-	(256.3)	-	-	(256.3)	-	(256.3)
389	1-Feb	1					-	-	(7.1)	-	(7.1)	-	-	(7.1)	-	(7.1)
390	1-Feb	1					-	-	(2.0)	-	(2.0)	-	-	(2.0)	-	(2.0)
391	1-Feb	1	Revenue	Permanent Fund Dividend Division	Postage and printing costs for an unanticipated and necessary additional public outreach about the change from hard copy PFD applications to the web version. During this transitional year, however, the division has encountered the need for additional public notification and outreach about the changes that had not initially been anticipated.	0	-	94.1	-	-	94.1	-	[redacted]	-	-	[redacted]
392	1-Feb	1	Revenue	Child Support Services Division	One-time fund source change from Receipt Supported Services to federal incentive receipt authority. The Child Support Services Division (CSSD) earned additional federal incentive receipts in FFY2008 for meeting or exceeding federal performance standards. The division received notification on December 17, 2009 that additional FFY08 incentive dollars had been earned.	1	-	-	-	217.7	217.7	-	-	-	217.7	217.7
393	1-Feb	1					-	(217.7)	-	-	(217.7)	-	(217.7)	-	-	(217.7)
394	1-Feb	1	Revenue	Administrative Services	The Department of Revenue's servers crashed on 9/20/2009, affecting the Permanent Fund Dividend Application Information System (DAIS), the Tax Division's systems, and State Treasury systems. The need to bring all systems back online was critical. As a result, the department entered into an emergency agreement with Microsoft to provide problem resolution services and assist in bringing the systems back online.	1	60.1	-	-	-	60.1	60.1	-	-	-	60.1

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
395	1-Feb	1	Revenue	Administrative Services	The Department of Revenue maintains significant server and database infrastructures that include the Permanent Fund Dividend Division, the Tax Division, and the State Treasury Division. These systems use Microsoft Windows Server, SQL production and test databases VMware, and two NetApp storage filers in Juneau and Anchorage. In order for the department to provide the appropriate level of reliability and operational support, these systems need best practices defined and implemented for security, change control, documentation, backups, disaster recovery and planning. This request is to fund the following two contracts: Disaster Recovery and Security Procedures Backup Support - $70.0 Windows Server, SQL Server, and Help Desk Support - $30.0	0		100.0	-	-	-	100.0		-	-	-	-	-	
396	1-Feb	1	Transportation	Central Region Support Services	Legal Costs Related to Nikishka Beach Road Case The Department of Transportation and Public Facilities (DOT&PF) contends that Offshore Systems Kenai (OSK) is illegally engaged in the obstruction, control and closure of public access to and through Nikishka Beach Road which is a public road owned and operated by DOT&PF. OSK has established a guard shack and gate to prevent access to the road and beach in response to U.S. Coast Guard requirements that they secure and protect OSK's facility from trespass, vandalism, theft, etc. The case began in late FY08 and a trial has taken place; however the Judge has still not issued a ruling on the trial. We have incurred $45.5 in legal costs through December 2009. If a "Notice of Appeal" is not filed, the estimated amount needed for the Department of Law to complete post trial work is approximately $15.0 for a total of $60.5 in FY10.	0		60.5	-	-	-	60.5		-	-	-	-	-	
397	19-Mar	1	Transportation	Central Region Support Services	Central Region Support Services is requesting $240.0 GF supplemental funding for additional costs related to the Environmental Protection Agency's (EPA) enforcement action against the Department of Transportation and Public Facilities. Sec 28(e), Ch 11 SLA 08 P105 L29 (SB256), as amended by Section 14(k) of Ch 14 SLA 09 P22 L14 (HB113), provided $500.0 as a multi-year operating appropriation for defense costs related to EPA's allegations of multiple violations of the Clean Water Act. The unspent amount of $173.9 carried into FY10. Projected expenses for FY10 are $413.9, leaving a shortfall of approximately $240.0 primarily for Department of Law expenses. The Department anticipates that negotiations will continue, however, it is unknown at this time when a settlement may be reached. If a settlement cannot be reached, pre-trial motions will be taken to move the case forward to trial which increase costs substantially. Additional funding will be needed if the case goes to trial. **3/19: GovAMD increase of $240.0**	1		240.0	-	-	-	240.0		240.0	-	-	-	240.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,698.8	157,259.4	
398	1-Feb	1	Transportation	Program Development	Road Weather Information System (RWIS) Maintenance Costs State funding will provide the resources to conduct critical maintenance work on the Department's Road Weather Information System (RWIS) program. The funding is necessary to maintain the RWIS software, equipment and a network of forty-nine (49) environmental sensor stations (ESS) strategically located along the highway system. Each ESS provides weather sensor data (temperature, wind speed, wind direction, relative humidity, pavement and sub-surface temperatures) and camera images. RWIS maintenance activities are not eligible for federal dollars and without adequate funding there is a potential risk of the entire RWIS network becoming inoperable.	0.571428571		175.0	-	-	-	175.0		100.0	-	-	-	100.0	
399	19-Mar	1	Transportation	Statewide Design and Engineering Services	Clean Water Act Compliance The department's actions, or inactions, resulting from repair work in response to the flooding on the Kenai Peninsula in 2002 and storm water violations involving Department of Transportation and Public Facilities contractors on three Central region projects in 2005 and 2006, resulted in non-compliance allegations by federal agencies. Under the current schedule of proposed settlement terms, the department will be required to meet compliance requirements by mid June 2010. In order to meet these requirements, the department requests $553.0 in general funds for storm water staff training, annual reporting requirement and related costs, and a civil penalty. **3/19: GovAMD $553.0**	1		553.0	-	-	-	553.0		298.5	-	-	-	298.5	
400	1-Feb	1	Transportation -	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases Travel - Travel is required to support the repairs and preventative maintenance programs for vehicles and equipment at rural airports and highways. Due to the unprecedented increase in fuel costs, airfares throughout the state were increased, having a direct impact on maintaining existing services. Services - Costs continue stay at higher levels than currently reflected in the component's budget for the shipment of freight such as parts, commodities, vehicles and equipment, the mission of the program is seriously impacted. Additional costs for vendor repairs are also being passed along to the State by the contractors. Commodities - Fuel costs and necessary consumables paid by the State Equipment Fleet and billed to the corresponding executive branch agencies have increased substantially since FY07. An increase in budget authority is required based on the projected use of these services through historical data. Parts and other commodities used by the State have also increased in cost.	1		-	-	2,706.7	-	2,706.7		-	-	2,706.7	-	2,706.7	
401	1-Feb	1	Transportation	Northern Region Facilities	Galena Maintenance Facility Operating and Maintenance Costs The FY09 operating budget contained a $110.0 increment to maintain a maintenance building at Galena that was transferred to the Department from the U.S. Air Force. That funding level was based upon completion of some aggressive cost savings measures which would be accomplished as part of a capital project for energy improvements. The project is scheduled for completion in the summer of 2010. FY10 estimated expenditures are $209.9, leaving a projected shortfall of $99.9.	1		99.9	-	-	-	99.9		99.9	-	-	-	99.9	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
402	19-Mar	1	Transportation -	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Separate Storm Sewer System (MS4) Permit. The MS4 permit will go into effect on February 1, 2010. The EPA's MS4 permit increases the street sweeping requirements that are above and beyond the current MS4 permit, monitoring various aspects of the permit and reporting to EPA with regards to the permit. The FY2011 Governor's budget request includes $1,682.0 for these new ongoing requirements. **3/19: GovAMD increase of $432.0**	0.5		1,038.1	-	-	-	1,038.1		519.0	-	-	-	519.0	
403	1-Feb	1	Transportation	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for alleged infringement on their land and rights of way, we have incurred excessive costs again this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses.	0		150.0	-	-	-	150.0		0	-	-	-	0	
404	1-Feb	1	Transportation	Southeast Region Highways and Aviation	Transportation Security Agency Requirements - Door Lock System and Fingerprint Machine To continue to meet Transportation Security Agency requirements a new security access door lock system needs to be installed for the Sitka Airport Terminal. The control system for these doors is outdated and has become unreliable. A replacement system is estimated to cost $30.0. Transportation Security Administration regulations require the Department to fingerprint all badge holders at our certificated airports. The existing fingerprint machine is out of date and has become unreliable. A new machine is estimated to cost $14.9.	1		44.9	-	-	-	44.9		44.9	-	-	-	44.9	
405	1-Feb	1	Transportation	Whittier Access and Tunnel	Bid Protest Costs for Whittier Tunnel Operations Contract A bidder protested the award of a contract for operation of the Whittier Tunnel Toll Facility. This resulted in unplanned attorney and hearing officer costs which will continue until a settlement is reached. The Department of Law has billed $12.0 for attorney services through November 2009, and we estimate $8.0 of additional legal fees for the remainder of FY10. The Department of Administration has billed $11.7 for a hearing officer; we anticipate needing approximately $18.3 ($3.0 on average) for additional mediation services through June. It is unknown whether there will be additional expenses associated with this litigation such as potential settlement costs.	1		50.0	-	-	-	50.0		50.0	-	-	-	50.0	
406	1-Feb	1	Transportation	Whittier Access and Tunnel	Increased Operating Costs and Reduced Toll Revenue at the Whittier Tunnel Additional funding is necessary to fund the operation of the Whittier Tunnel Toll Facility for the remainder of FY10. Additional costs were incurred for cable repair, railroad crossing fees, increased State Equipment Fleet equipment replacement fees, CPI adjustments for the current contract, and additional roadway maintenance work leading up to the tunnel. In addition to increased costs, toll revenues have declined due to economic conditions, reduced cruise ship dockings, and gasoline prices.	1		385.0	-	-	-	385.0		385.0	-	-	-	385.0	
407	1-Feb	1	Alaska Court System	Administration and Support	Appropriation of a settlement the State received on a claim for prepaid phone card long distance charges.	1		35.5	-	-	-	35.5		35.5	-	-	-	35.5	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
408	1-Feb	2			Sets out the funding by agency for the appropriations in Section 1.														
409	22-Mar	4	Community, Commerce and Economic Development	Community & Regional Affairs	Grant to the World Trade Center to fund events occuring in FY10 and FY11	1			-	-	-			250.0	-	-	-	250.0	
410	1-Feb	5	Corrections	Correctional Academy	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010	1		9.0	-	-	-	9.0		9.0	-	-	-	9.0	
411	1-Feb	5	Corrections	Inmate Transportation		1		23.8	-	-	-	23.8		23.8	-	-	-	23.8	
412	1-Feb	5	Corrections	Anchorage Correctional Complex		1		-	-	-	32.7	32.7		-	-	-	32.7	32.7	
413	1-Feb	5	Corrections	Anchorage Correctional Complex		1		436.9	-	-	-	436.9		436.9	-	-	-	436.9	
414	1-Feb	5	Corrections	Anvil Mountain Correctional Center		1		97.6	-	-	-	97.6		97.6	-	-	-	97.6	
415	1-Feb	5	Corrections	Combined Hiland Mountain Correctional Center		1		205.6	-	-	-	205.6		205.6	-	-	-	205.6	
416	1-Feb	5	Corrections	Fairbanks Correctional Center		1		277.0	-	-	-	277.0		277.0	-	-	-	277.0	
417	1-Feb	5	Corrections	Ketchikan Correctional Center		1		175.7	-	-	-	175.7		175.7	-	-	-	175.7	
418	1-Feb	5	Corrections	Lemon Creek Correctional Center		1		156.7	-	-	-	156.7		156.7	-	-	-	156.7	
419	1-Feb	5	Corrections	Matanuska-Susitna Correctional Center		1		88.1	-	-	-	88.1		88.1	-	-	-	88.1	
420	1-Feb	5	Corrections	Palmer Correctional Center		1		230.9	-	-	-	230.9		230.9	-	-	-	230.9	
421	1-Feb	5	Corrections	Spring Creek Correctional Center		1		1,205.0	-	-	-	1,205.0		1,205.0	-	-	-	1,205.0	
422	1-Feb	5	Corrections	Wildwood Correctional Center		1		235.7	-	-	-	235.7		235.7	-	-	-	235.7	
423	1-Feb	5	Corrections	Yukon-Kuskokwim Correctional Center		1		103.8	-	-	-	103.8		103.8	-	-	-	103.8	
424	1-Feb	5	Corrections	Point MacKenzie Correctional Farm		1		56.5	-	-	-	56.5		56.5	-	-	-	56.5	
425	1-Feb	5	Corrections	Institution Director's Office	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2011.	1			-	-	-			7,048.2	-	-	-	7,048.2	
426	1-Feb	5	Corrections	Institution Director's Office	114.1	1			-	-	-			-	-	-	81.4	81.4	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
427	1-Feb	6	Health & Social Services	Probation Services	Miscellaneous claim to pay outstanding FY2004 medical bills for a minor in the custody of the Division of Juvenile Justice that received medical treatment from the Central Peninsula Hospital.	1		0.2	-	-	-	0.2		0.2	-	-	-	0.2	
428	1-Feb	7	Labor & Workforce Dev	Workforce Investment Board	Amend language - the unexpended/unobligated balance from Sec 1, Ch 27, SLA 2008, page 17, line 4 (Branch-wide Oil & Gas Development) is appropriated to Workforce Investment Board for continued work in FY2010. **No new money--reappropriation**	0		85.0	-	-	-	85.0		0	-	-	-	0	
429	19-Mar	8	Law	Deputy Attorney General's Office	Total actual judgments and settlements finalized as of 3/11/2010. **3/19: GovAMD increase of $1,158.0**	1		1,424.6	-	-	-	1,424.6		1,424.6	-	-	-	1,424.6	
430	19-Mar	9	Natural Resources	Claims permits and leases	The Kasilof Beach and Personal use fishery is lacking funding for contractual services for dumpsters and portapotties for this upcoming season. **Multi-year appropriation: FY10 and FY11 (June 15 - August 7th)**	1			-	-	-			40.0	-	-	-	40.0	
431	1-Feb	10	Public Safety	Special Projects	Authority for receipt of additional ARRA federal funding to augment personal services costs of a forensic examiner, provide training to investigators in combating Internet crimes, and purchase computer forensic equipment. **Multi-year FY10 and FY11**	1		-	-	-	97.0	97.0		-	-	-	97.0	97.0	
432	1-Feb	11	Fund Capitalization	Disaster Relief Fund	Disaster relief funding - Kodiak Island flood. Pelican water system failure, Seward storm surge - plus fund replenishment in preparation for providing immediate assistance during spring floods and storms.	1		5,000.0	-	-	-	5,000.0		5,000.0	-	-	-	5,000.0	
433	22-Mar	12	Natural Resources	Agriculture Revolving Loan Program Administration	Amend "Sec. 18(b), Ch. 30, SLA07, P148, L16 (FY07-FY10) . "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1					-			(600.0)	-	-	-	(600.0)	
434	1-Feb	14			Amends Section 22(b), ch. 12, SLA 2009 to include the Department of Law statutory authority for receipt of restitutions on juvenile cases.	1													
435	1-Feb	15	Debt Service	International Airport Revenue Bonds	Alaska International Airport System Debt Defeasance Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees.	1		-	-	(10,000.0)	-	(10,000.0)		-	-	(10,000.0)	-	(10,000.0)	
436	1-Feb	15				1		-	-	10,000.0	-	10,000.0		-	-	10,000.0	-	10,000.0	
437	22-Mar	16			Adds language to sweep excess general funds into the SBR..	1													

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321																			
322								Governor's Request						House Finance Committee					
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(48.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
438	1-Feb	17	Revenue	Treasury Division	Fund Source Change for Constitutional Budget Reserve Fund Investment Management Section 27(c), ch. 12, SLA 2009, is amended to read: (c) The sum of $1,673,000 is appropriated from the general fund [budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.	1		(1,673.0)	-	-	-	(1,673.0)		(1,673.0)	-	-	-	(1,673.0)	
439	1-Feb	17				1		1,673.0	-	-	-	1,673.0		1,673.0	-	-	-	1,673.0	
440		17			Adds language to access the budget reserve fund (AS 37.05.540) to balance the FY2010 budget, if necessary.	1													
441		18			Lapse Provisions	1													
442	1-Feb	19			Section 43(c), ch. 15, SLA 2009 is repealed. That section reads: (c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund. The administration is proposing to repay in full the amount owed to the constitutional budget reserve fund in FY2010, and does not want to draw any amount from the fund. Current calculations indicate the above section is not necessary.	1													
443		20			Retroactivity	1													
444		21			Effective date- Section 7 is immediate upon passage of this Act	1													
445	1-Feb	99			Extend lapse date from 2/28/2010 to 6/30/2010 for SLA 2009 Ch 14, Sec. 19 - $8,289.0 for the development of an in-state natural gas pipeline - so that development work may continue.	0								[redacted]					
446																			
447																			
448																			
449	Fund Transfers							Governor's Request						House Finance Committee					
450	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
451								1,518,603.6	175.0	79.0	-	1,518,857.6		1,519,203.6	-	79.0	-	1,519,282.6	
452	1-Feb	12	Fund Transfers	Public Education Fund (Savings)	Fully capitalize the Public Education Fund for the projected FY2011 need for Foundation Formula $1,053,147.4 and Pupil Transportation $63,839.2.	1		1,116,986.6	-	-	-	1,116,986.6		1,116,986.6	-	-	-	1,116,986.6	
453	1-Feb	12	Fund Transfers	Constitutional Budget Reserve Fund	Full Repayment of the Constitutional Budget Reserve The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).	1		401,617.0	-	-	-	401,617.0		401,617.0	-	-	-	401,617.0	
454	22-Mar	12	Natural Resources	Agriculture Revolving Loan Program Administration	Amend "Sec. 18(b), Ch. 30, SLA07, P148, L16 (FY07-FY10) . "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation, dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1								[redacted]	-	-	-	[redacted]	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323								104,276.2	(46.6)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
455	1-Feb	12	Fund Transfers	Small Business Economic Development Revolving Loan Fund	Match for federal EDA funds transferred from the Kenai Peninsula Economic Development District - transfer $79.0 from Revolving Fund to Small Business Economic development Loan Fund - allows for receipt of $231.3 EDA federal grant funds.	1		-	-	79.0	-	79.0		-	-	79.0	-	79.0	
456	17-Feb	99	Natural Resources	Oil & Gas Development Cook Inlet Reclamation Bond	Amend "Sec. 11. Department of Natural Resources, to add a new subsection (c) as follows: (c) The interest earned in fiscal year 2010, estimated to be $175,000, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources and on deposit in the general fund, is appropriated from the general fund to the Department of Natural Resources for the purposes of the bond for the fiscal year ending June 30, 2010.	0		-	175.0	-	-	175.0		-	[redacted]	-	-	[redacted]	
457																			
458																			
459																			
460	**Ratifications**							Governor's Request						House Finance Committee					
461	Date	Sec	Appropriation	Allocation		Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
462								18,062,507.8	-	-	-	18,062,507.8		18,062.4	-	-	-	18,062.4	
463		13	Natural Resources	Fire Suppression Activity	AR 37313-09 Fire General Fund	1		10,297,678.2	-	-	-	10,297,678.2		10,297.7	-	-	-	10,297.7	
464		13	Commerce, Community and Economic Development	Alaska Energy Authority Owned Facilities	AR 29605-08 Alaska Energy Authority Owned Facilities	1		13.0	-	-	-	13.0		-	-	-	-	-	
465		13	Education and Early Development	Student and School Achievement	AR 17722-07 Student and School Achievement	1		293.1	-	-	-	293.1		0.3	-	-	-	0.3	
466		13	Health and Social Services	Unbudgeted RSA	AR 22708-03 DAS DMA Unbudgeted RSA for Staff Support	1		140.4	-	-	-	140.4		0.1	-	-	-	0.1	
467		13	Health and Social Services	Unbudgeted RSA	AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	1		11.0	-	-	-	11.0		-	-	-	-	-	
468		13	Health and Social Services	Unbudgeted RSA	22736-03 DFYS DMA Unbudgeted RSA	1		0.3	-	-	-	0.3		-	-	-	-	-	
469		13	Health and Social Services	Unbudgeted RSA	AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	1		259.5	-	-	-	259.5		0.3	-	-	-	0.3	
470		13	Health and Social Services	Behavioral Health Administration	AR 23125-05 Behavioral Health Administration	1		5,482.8	-	-	-	5,482.8		5.5	-	-	-	5.5	
471		13	Health and Social Services	Health Planning and Infrastructure	AR 23932-08 Health Planning and Infrastructure	1		633.8	-	-	-	633.8		0.6	-	-	-	0.6	
472		13	Health and Social Services	Information Technology Services	AR 23934-06 Information Technology Services	1		4.9	-	-	-	4.9		-	-	-	-	-	
473		13	Health and Social Services	Epidemiology	AR 23610-05 Epidemiology	1		295,357.0	-	-	-	295,357.0		295.4	-	-	-	295.4	
474		13	Health and Social Services	Certification and Licensing	AR 23608-05 Certification and Licensing	1		31,701.5	-	-	-	31,701.5		31.7	-	-	-	31.7	
475		13	Health and Social Services	Medicaid State Programs	AR 23315-04 Medicaid State Programs	1		1,380,444.0	-	-	-	1,380,444.0		1,380.4	-	-	-	1,380.4	
476		13	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-05 Medicaid School Based Administrative Claims	1		221,290.0	-	-	-	221,290.0		221.3	-	-	-	221.3	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
477		13	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-06 Medicaid School Based Administrative Claims	1		2,283,323.0	-	-	-	2,283,323.0		2,283.3	-	-	-	2,283.3	
478		13	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-07 Medicaid School Based Administrative Claims	1		3,060,691.0	-	-	-	3,060,691.0		3,060.7	-	-	-	3,060.7	
479	17-Feb	13	Public Safety		AR 47545-09 AST Detachments Unbudgeted RSAs	1		7,192.3	-	-	-	7,192.3		7.2	-	-	-	7.2	
480		13	Alaska Court System	RSA	AR 76560-08 Domestic Violence VAWA RSA	1		322.5	-	-	-	322.5		0.3	-	-	-	0.3	
481		13	Corrections	Anchorage Correctional Complex	AR 50662-05 Anchorage Correctional Complex	1		409,334.2	-	-	-	409,334.2		409.3	-	-	-	409.3	
482		13	Corrections	Probation And Parole Director's Office	AR 50760-07 Probation And Parole Director's Office	1		2,681.2	-	-	-	2,681.2		2.7	-	-	-	2.7	
483		13	Education and Early Development	Program Administration	AR 18005-04 Program Administration	1		22,694.5	-	-	-	22,694.5		22.7	-	-	-	22.7	
484		13	Labor and Workforce Development	Employment Services	AR 28500-02 Employment Services	1		39.4	-	-	-	39.4		-	-	-	-	-	
485		13	Labor and Workforce Development	Labor Market Information	AR 28190-05 Labor Market Information	1		291.0	-	-	-	291.0		0.3	-	-	-	0.3	
486		13	Labor and Workforce Development	Independent Living Rehabilitation	AR 28230-03 Independent Living Rehabilitation	1		649.5	-	-	-	649.5		0.6	-	-	-	0.6	
487		13	Labor and Workforce Development	Unemployment Insurance	AR 28510-04 Unemployment Insurance	1		442.9	-	-	-	442.9		0.4	-	-	-	0.4	
488		13	Labor and Workforce Development	Unemployment Insurance	AR 28510-05 Unemployment Insurance	1		14,592.6	-	-	-	14,592.6		14.6	-	-	-	14.6	
489		13	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		3,592.2	-	-	-	3,592.2		3.6	-	-	-	3.6	
490	17-Feb	13	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		(3,592.2)	-	-	-	(3,592.2)		(3.6)	-	-	-	(3.6)	
491		13	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		150.0	-	-	-	150.0		0.2	-	-	-	0.2	
492	17-Feb	13	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		(150.0)	-	-	-	(150.0)		(0.2)	-	-	-	(0.2)	
493		13	Labor and Workforce Development	Capital	AR 27790-08 North Pacific Fisheries Disaster – Aid RSA	1		4,400.0	-	-	-	4,400.0		4.4	-	-	-	4.4	
494		13	Revenue	Long Term Care Ombudsman Office	AR 15530-07 Long Term Care Ombudsman Office	1		7,004.2	-	-	-	7,004.2		7.0	-	-	-	7.0	
495		13	Transportation and Public Facilities	Capital	61686-10 Federal Transit Administration Grants	1		2.2	-	-	-	2.2		-	-	-	-	-	
496		13	Transportation and Public Facilities	Capital	AR 58096-10 Cooperative Reimbursable Projects	1		29.7	-	-	-	29.7		-	-	-	-	-	
497		13	Transportation and Public Facilities	Capital	AR 58622-11 Cooperative Reimbursable Projects	1		0.4	-	-	-	0.4		-	-	-	-	-	
498		13	Transportation and Public Facilities	Capital	AR 58662-11 Federal Transit Administration Grants	1		0.7	-	-	-	0.7		-	-	-	-	-	
499		13	Transportation and Public Facilities	Capital	AR 59198-11 Alaska Marine Highway: Terminal – Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	1		0.2	-	-	-	0.2		-	-	-	-	-	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,276.2	(46.5)	1,956.7	55,527.4	161,713.8		99,834.5	(140.6)	1,956.7	55,608.8	157,259.4	
500		13	Transportation and Public Facilities	Capital	58640-10 Alaska Mobility Coalition	1		0.1	-	-	-	0.1		-	-	-	-	-	
501		13	Transportation and Public Facilities	Capital	AR 60252-10 Cooperative Reimbursable Projects	1		0.9	-	-	-	0.9		-	-	-	-	-	
502		13	Transportation and Public Facilities	Capital	AR 61219-12 Federal Transit Administration Grants	1		0.2	-	-	-	0.2		-	-	-	-	-	
503		13	Transportation and Public Facilities	Capital	AR 61009-10 Federal Transit Administration Grants	1		14,254.0	-	-	-	14,254.0		14.3	-	-	-	14.3	
504		13	Transportation and Public Facilities	Capital	AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	1		0.2	-	-	-	0.2		-	-	-	-	-	
505		13	Transportation and Public Facilities	Capital	AR 63203-10 Surface Transportation Preconstruction	1		0.1	-	-	-	0.1		-	-	-	-	-	
506		13	Transportation and Public Facilities	Capital	AR 61613-10 Federal Transit Administration Grants	1		2.0	-	-	-	2.0		-	-	-	-	-	
507		13	Transportation and Public Facilities	Capital	AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	1		205.1	-	-	-	205.1		0.2	-	-	-	0.2	
508		13	Transportation and Public Facilities	Capital	AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1		1.2	-	-	-	1.2		-	-	-	-	-	
509		13	Transportation and Public Facilities	Capital	AR 62598-10 Kodiak: Relief Lane Reconstruction	1		1,063.0	-	-	-	1,063.0		1.1	-	-	-	1.1	
510		13	Transportation and Public Facilities	Capital	AR 62656-10 Cooperative Reimbursable Projects	1		-	-	-	-	-		-	-	-	-	-	

FY10 Supplemental Bill--HB326

Shade Indicates Change from Governor's Request

2/24/2010 Capital items removed
3/3/2010 fast track cap back in--formulas not checked
3/7/2010 removed fast-track cap & added HSS clawback
3/9/2010 sync up sheet, add ARLF, incorporate notes
3/15/2010 HSS revisions, add DOT, add Law
3/16/2010 cross check with system-match
3/19/2010 send out for review, still some open items
3/21/2010 numbers, lang & fund transfers total in sync w/decisions to date
3/22/2010 update transactions
3/23/2010 Reformat for distribution
3/25/2010 Incorporate amendments

Governor to House Finance

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	(1,678.5)	-	175.0	81.4	(1,422.1)
Operating	(3,353.5)	-	175.0	81.4	(3,097.1)
Transfers	1,850.0	(175.0)	-	-	1,675.0

Governor's Request

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,623,089.9	(46.5)	2,035.7	55,527.4	1,680,606.5
Operating	104,311.3	(46.5)	1,956.7	55,527.4	161,748.9
Transfers	1,518,603.6	175.0	79.0	-	1,518,857.6

House Finance Committee

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,621,411.4	(46.5)	2,210.7	55,608.8	1,679,184.4
Operating	100,957.8	(46.5)	2,131.7	55,608.8	158,651.8
Transfers	1,520,453.6	-	79.0	-	1,520,532.6

							Governor's Request					House Finance Committee				
	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier	Unrestricted GF	Designated GF	Other State Funds	Federal	Total	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
							104,486.3	(46.5)	1,956.7	55,527.4	161,923.9	100,957.8	(46.5)	2,131.7	55,608.8	158,651.8
	1-Feb	1	Administration	Office of Administrative Hearings	Tax appeal case cost increase - 27 open cases as of January 2010, driving a need to keep all Administrative Law Judge positions filled.	1	85.0	-	-	-	85.0	85.0	-	-	-	85.0
	1-Feb	1	Administration	Elected Public Officers Retirement System Benefits	Elected Public Officers' Retirement System - total of 38 members (retirees and survivors) - increased costs due to mandatory benefit increases based on the salaries of the position from which a member retired.	1	250.0	-	-	-	250.0	250.0	-	-	-	250.0
	19-Mar	1	Administration	Office of Public Advocacy	Increased operating costs - During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%, child advocacy representation in Child in Need of Aid (CINA) cases, 20%, parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year. Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009. **3/19: GovAMD decrease of $315.0**	1	550.0	-	-	-	550.0	550.0	-	-	-	550.0
	19-Mar	1	Administration	Office of Public Advocacy	Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session. **3/19: GovAMD increase of $17.0.**	1	-	-	-	44.6	44.6	-	-	-	44.6	44.6

3/26/10

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
329	1-Feb	1	Administration	Public Defender Agency	Increased operating costs - The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.	1		800.0	-	-	-	800.0		800.0	-	-	-	800.0	
330	1-Feb	1	Administration	Motor Vehicles	Federally mandated programming improvements to the National Motor Vehicle Information System - funded via a Department of Justice grant.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
331	1-Feb	1	Administration	Motor Vehicles	Purchase of current technology, digital driver's license printers to replace outdated and increasingly irreparable 2004-purchased printers.	1		-	-	-	191.8	191.8		-	-	-	191.8	191.8	
332	1-Feb	1	Commerce, Community & Econ Dev	Insurance Operations	Print, mail and legal costs have increased $300.0 in two years. The division is statutorily required to provide notification of changes in rules, regulations and policies to occupational licensees. The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.	1		-	77.1	-	-	77.1		-	77.1	-	-	77.1	
333	1-Feb	1	Corrections	Institution Director's Office	Coverage of projected shortfalls in 24-hour facilities - fuel and utility costs, and commodities (inmate food, clothing, bedding, institutional cleaning supplies, etc.)	1		2,409.6	-	-	-	2,409.6		2,409.6	-	-	-	2,409.6	
334	1-Feb	1	Corrections	Wildwood Correctional Center	Operating costs, Wildwood Correctional Center 32-bed prefabricated offender housing unit - opening February 2010 - covers partial-year costs for filling six existing vacant positions.	1		494.4	-	-	-	494.4		494.4	-	-	-	494.4	
335	1-Feb	1	Corrections	Physical Health Care	The Department of Corrections is obligated to deliver essential medical care to incarcerated offenders. The department is requesting a supplemental of $4,650.1 for increased inmate health care costs that includes fees-for-service and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. There has been a dramatic increase in catastrophic cases in FY2010, as well as increases in general medical costs.	1		4,650.1	-	-	-	4,650.1		4,650.1	-	-	-	4,650.1	
336	1-Feb	1	Education & Early Dev	Special Schools	Pupil transportation services from Mat-Su to the Alaska School for the Deaf, housed in the Russian Jack Elementary, Hanshew Middle School and East High School of the Anchorage area. **Moved from language to numbers section.**	1		180.0	-	-	-	180.0		180.0	-	-	-	180.0	
337	1-Feb	1	Environmental Conservation	Laboratory Services	Coverage of lab maintenance and service contract shortfalls, in lieu of elimination of 4-5 filled positions - an action which would seriously compromise public health and result in the likely shutdown of the State Lab within a year.	0.5		260.0	-	-	-	260.0		130.0	-	-	-	130.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
338	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects	Decrease excess EVOS authority and increase Statutory Designated Program Receipts (SDPR) authority by $150.0 to a) accept two grants from the National Fish and Wildlife Foundation (NFWF) during the spring of 2009 to support the following research projects: Dall Sheep ecology within northern Alaska, and Reduce conflicts between Grizzly bears and old development within northern Alaska; and b) work with the Matanuska-Susitna Borough to complete some restroom improvements at Reflections Lake in the Palmer Hay Flats. EVOS funding is being reduced as the Harlequin Duck research by the division was not funded by the EVOS Trustee Council for new work during FY10.	1		-	-	(150.0)	-	(150.0)		-	-	(150.0)	-	(150.0)	
339	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects		1		-	-	150.0	-	150.0		-	-	150.0	-	150.0	
340	17-Feb	1	Fish and Game	Habitat	The Division of Habitat is seeking an FY2010 federal fund supplemental for remediation of a petroleum diesel spill that occurred in Helmet Creek on Adak Island on January 11, 2010. The additional authority will allow the division to accept national Pollution Funds Center funds from the U.S. Coast Guard and the Department of Commerce for natural Resource Damage Assessment (NRDA) work associated with this spill.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
341	22-Mar	1	Fish and Game	Central Region	Kasilof River Smolt Outmigration counts & the Big Lake Smolt outmigration count projects	1		-	-	-				[redacted]	-	-	-	[redacted]	
342	1-Feb	1	Governor	Elections	Offset increased operating costs - coverage of costs for two filed petitions, Dept. Law legal fees for the Nick case, printing and supply purchases specific to the on-election-year, additional election worker training costs, increased postage and printing costs, and annual maintenance of optical scan units.	1		477.0	-	-	-	477.0		477.0	-	-	-	477.0	
343	1-Feb	1	Health & Social Services	Children's Services Management	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		165.0	-	-	-	165.0		165.0	-	-	-	165.0	
344	1-Feb	1	Health & Social Services	Front Line Social Workers	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		955.3	-	-	-	955.3		955.3	-	-	-	955.3	
345	1-Feb	1	Health & Social Services	Health Facilities Survey	Funding to cover shortfall, operating costs - provision of mandated state and federal oversight of state health facilities' licenses - renewal, denial, suspension or revocation as needed - to promote safe and adequate treatment of individuals in state facilities.	1		396.1	-	-	-	396.1		396.1	-	-	-	396.1	
346	1-Feb	1	Health & Social Services	Health Planning and Infrastructure	Funding to replace loss of federal revenues - to cover provision of health care data and policy analysis related to access to services, health insurance coverage, utilization of services, health workforce and industry analysis - and management of the statutorily required Comprehensive Integrated Mental Health Plan.	1		575.0	-	-	-	575.0		575.0	-	-	-	575.0	
347	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected shortfall, mandated client medical services costs - supplemental to be redistributed among four Division of Juvenile Justice facilities.	1		136.0	-	-	-	136.0		136.0	-	-	-	136.0	
348	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected personal services shortfall due to higher than anticipated premium pay costs.	1		130.6	-	-	-	130.6		130.6	-	-	-	130.6	
349	1-Feb	1	Health & Social Services	Probation Services	Funding to cover projected personal services shortfall due to an actual vacancy factor lower than budgeted, and need to cover a loss of SDPR revenues funding one position only through 12/31/09.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
350	1-Feb	1	Health & Social Services	Energy Assistance Program	Increased federal authority to accept an increase in federal Low Income Home Energy Assistance Program revenues, as announced by the National Energy Assistance Director's Association.	1		-	-	-	2,300.0	2,300.0		-	-	-	2,300.0	2,300.0	
351	1-Feb	1	Health & Social Services	Women, Children and Family Health	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		347.8	-	-	-	347.8		347.8	-	-	-	347.8	
352	1-Feb	1	Health & Social Services	State Medical Examiner	Unanticipated costs due to caseload increase - will cover one additional autopsy technician, one medical transcriptionist, and increased costs for body transport.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	
353	1-Feb	1	Health & Social Services	General Relief/Temporary Assisted Living	Additional funding to meet projected increase in both number of clients and service costs within the General Relief program - FY2010 actuals are 15% above those of FY2009 - applicant eligibility review and other cost containment measures in place.	1		3,800.0	-	-	-	3,800.0		3,800.0	-	-	-	3,800.0	
354	1-Feb	1	Health & Social Services	Senior and Disabilities Services Administration	Costs associated with compliance with the Centers for Medicaid and Medicare Services' approved Corrective Action Plan - personal service costs for necessary nonpermanent positions, travel costs connected to conducting assessments under Medicaid Waivers, and modification of the management information system.	1		-	-	-	590.0	590.0		-	-	-	590.0	590.0	
355	1-Feb	1				1		590.0	-	-	-	590.0		590.0	-	-	-	590.0	
356	1-Feb	1				1		295.0	-	-	-	295.0		295.0	-	-	-	295.0	
357	25-Mar	1	Health & Social Services	Admin Support Services	Replace unrealizable interagency receipts for unallowable costs under federally funded RSAs within the department, to stabilize funding for centralized Administrative Support Services. **3/25: Amended**	1		700.0	-	-	-	700.0		700.0	-	-	-	700.0	
358	25-Mar	1	Health & Social Services	Information Technology Services	Funding to replace uncollectible federal revenues and cover increased personal service costs for this centralized function - unfunded costs would otherwise either be passed to divisions, resulting in a displacement of core program services, or IT staffing and workload would have to be significantly cut. **3/25: Amended**	1		1,050.0	-	-	-	1,050.0		1,050.0	-	-	-	1,050.0	
359	1-Feb	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	3,492.2	3,492.2		-	-	-	3,492.2	3,492.2	
360	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $937.9**	1		-	-	-	1,824.0	1,824.0		-	-	-	1,824.0	1,824.0	
361	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $937.9**	1		3,228.9	-	-	-	3,228.9		3,228.9	-	-	-	3,228.9	
362	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $78.5**	1		(78.5)	-	-	-	(78.5)		(78.5)	-	-	-	(78.5)	
363	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $78.5**	1			-	-	78.5	78.5		-	-	-	78.5	78.5	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,958.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
364	19-Mar	1	Health & Social Services	Children's Medicaid Services	In analyzing year to date expenditures, the department has identified surplus general fund in the Children's Medicaid Services component. This Medicaid service is primarily for behavioral residential services that are being expended as part of the Bring the Kids Home effort, however the expansion is occurring at a slower pace than had been anticipated when the FY10 budget was developed. **3/19: GovAMD decrease of $2,200.0**	1		(2,200.0)	-	-		(2,200.0)		(2,200.0)	-	-	-	(2,200.0)	
365	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $37.6**	1		(37.6)	-	-	-	(37.6)		(37.6)	-	-	-	(37.6)	
366	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $37.6**	1			-	-	37.6	37.6		-	-	-	37.6	37.6	
367	5-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to retroactive FMAP increase related to Medicare Part D Clawback repayments to CMS.	1			-	-	-			(7,500.0)	-	-	-	(7,500.0)	
368	1-Feb	1	Health & Social Services	Health Care Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	29,823.3	29,823.3		-	-	-	29,823.3	29,823.3	
369	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $3,493.7**	1		-	-	-	10,990.1	10,990.1		-	-	-	10,990.1	10,990.1	
370	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $3,493.7**	1		29,802.9	-	-	-	29,802.9		29,802.9	-	-	-	29,802.9	
371	1-Feb	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	1,043.2	1,043.2		-	-	-	1,043.2	1,043.2	
372	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		-	-	-	4,564.7	4,564.7		-	-	-	4,564.7	4,564.7	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	65,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
373	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		3,601.3	-	-	-	3,601.3		3,601.3	-	-	-	3,601.3	
374	1-Feb	1	Law	Deputy Attorney General's Office	Legal analysis and litigation on items not budgeted - Cruise ship study, Kaltag Supreme Court appeal, PERL bankruptcy, and others	1		964.2	-	-	-	964.2		884.0	-	-	-	884.0	
375		1	Law	Civil Division Oil, Gas & Mining	Law reports a lapsing balance of $1.6 million that can be reappropriated.	1		-	-	-	-	-		(884.0)	-	-	-	(884.0)	
376	25-Mar	1	Natural Resources	Gas Pipeline Implementation	The unanticipated agreement between TransCanada Corporation and ExxonMobil to work together to progress the Alaska Gasline Inducement Act (AGIA) Gas Pipeline Project has accelerated the pace of the project. There is currently not enough funding in the FY10 budget to fully fund the four positions in the office. With the faster pace of the project, due diligence contractual requirements have increased, meaning more travel. There may be increased need to represent the state's interest in Washington, D.C., as well as other locations. Competitive Benchmark Study - Competitive benchmarking will allow the state to better understand market and supply changes that have occurred since the AGIA finding that might affect the economic viability of the gasline. There is increased need for additional field work and other small contractual studies needed to ensure the state has the most up-to date and accurate data. **3/25: Amended**	1		537.6	-	-	-	537.6		537.6	-	-	-	537.6	
377	1-Feb	1	Natural Resources	Large Project Permitting	Completion of Environmental Impact Statements associated with proposed Outer Continental Shelf oil and gas leasing and exploration activities.	1		85.0	-	-	-	85.0		85.0	-	-	-	85.0	
378	1-Feb	1	Natural Resources	Fire Suppression Activity	The funding included in the FY2010 budget of $6,712.5 for wildland fire suppression is a "placeholder" amount based on historical cost (SLA 2009, Ch 12, Sec 1, Pg 34, Ln 7). The amount proved to be insufficient to address the heavy fire activity during the summer of 2009. On July 22, 2009, the Governor signed a Declaration of a Disaster Emergency to authorize the use of additional funds to continue fire suppression operations and activities. New declarations are issued every 30 days. The total of the those declarations for FY2010in excess of the FY2010 authorized budget is $35,371,400.	1		35,371.4	-	-	-	35,371.4		35,371.4	-	-	-	35,371.4	
379	19-Mar	1	Public Safety	Special Projects	Continue cold case investigations and illegal drug and alcohol enforcement. **3/19: GovAMD decrease of $369.5, removing entire original request of $369.5.**	1		-	-	-	-	-		-	-	-	-	-	
380	1-Feb	1	Public Safety	Prisoner Transportation	Funding to cover projected shortfall in prisoner transportation costs - airline ticket and private charter costs, baggage fees, out-of-state extradition fees and state travel office fees - based on straight-line projection for the year from the past 6.5 months.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
381	1-Feb	1	Revenue	Treasury Division	Establish partial-year funding and new state investment officer position coinciding with a state investment strategy change to support an internal effort to begin active management of other public market investments. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1		-	50.0	-	50.0		-	-	50.0	-	50.0	
382	1-Feb	1	Revenue	Alaska Retirement Management Board	Increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position requested by the Treasury Division. Approval of the new Investment Officer position and funding will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1		-	-	8.8	-	8.8		-	-	8.8	-	8.8	
383	1-Feb	1				1		-	-	28.3	-	28.3		-	-	28.3	-	28.3	
384	1-Feb	1				1		-	-	12.5	-	12.5		-	-	12.5	-	12.5	
385	1-Feb	1				1		-	-	0.3	-	0.3		-	-	0.3	-	0.3	
386	1-Feb	1				1		-	-	0.1	-	0.1		-	-	0.1	-	0.1	
387	1-Feb	1	Revenue	Alaska Retirement Management Board Custody and Management Fees	Reduced authorization is requested to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate. The request represents the potential savings to the State by establishing and funding a new in-house Investment Officer in the Treasury Division to make asset allocation decisions rather than contracting with external managers.	1		-	-	(584.6)	-	(584.6)		-	-	(584.6)	-	(584.6)	
388	1-Feb	1						-	-	(256.3)	-	(256.3)		-	-	(256.3)	-	(256.3)	
389	1-Feb	1						-	-	(7.1)	-	(7.1)		-	-	(7.1)	-	(7.1)	
390	1-Feb	1						-	-	(2.0)	-	(2.0)		-	-	(2.0)	-	(2.0)	
391	1-Feb	1	Revenue	Permanent Fund Dividend Division	Postage and printing costs for an unanticipated and necessary additional public outreach about the change from hard copy PFD applications to the web version. During this transitional year, however, the division has encountered the need for additional public notification and outreach about the changes that had not initially been anticipated.	1		-	94.1	-	-	94.1		-	94.1	-	-	94.1	
392	1-Feb	1	Revenue	Child Support Services Division	One-time fund source change from Receipt Supported Services to federal incentive receipt authority. The Child Support Services Division (CSSD) earned additional federal incentive receipts in FFY2008 for meeting or exceeding federal performance standards. The division received notification on December 17, 2009 that additional FFY08 incentive dollars had been earned.	1		-	-	-	217.7	217.7		-	-	-	217.7	217.7	
393	1-Feb	1						-	(217.7)	-	-	(217.7)		-	(217.7)	-	-	(217.7)	
394	1-Feb	1	Revenue	Administrative Services	The Department of Revenue's servers crashed on 9/20/2009, affecting the Permanent Fund Dividend Application Information System (DAIS), the Tax Division's systems, and State Treasury systems. The need to bring all systems back online was critical. As a result, the department entered into an emergency agreement with Microsoft to provide problem resolution services and assist in bringing the systems back online.	1		60.1	-	-	-	60.1		60.1	-	-	-	60.1	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
395	1-Feb	1	Revenue	Administrative Services	The Department of Revenue maintains significant server and database infrastructures that include the Permanent Fund Dividend Division, the Tax Division, and the State Treasury Division. These systems use Microsoft Windows Server, SQL production and test databases VMware, and two NetApp storage filers in Juneau and Anchorage. In order for the department to provide the appropriate level of reliability and operational support, these systems need best practices defined and implemented for security, change control, documentation, backups, disaster recovery and planning. This request is to fund the following two contracts: Disaster Recovery and Security Procedures Backup Support - $70.0 Windows Server, SQL Server, and Help Desk Support - $30.0	0		100.0	-	-	-	100.0		-	-	-	-	-	
396	1-Feb	1	Transportation	Central Region Support Services	Legal Costs Related to Nikishka Beach Road Case The Department of Transportation and Public Facilities (DOT&PF) contends that Offshore Systems Kenai (OSK) is illegally engaged in the obstruction, control and closure of public access to and through Nikishka Beach Road which is a public road owned and operated by DOT&PF. OSK has established a guard shack and gate to prevent access to the road and beach in response to U.S. Coast Guard requirements that they secure and protect OSK's facility from trespass, vandalism, theft, etc. The case began in late FY08 and a trial has taken place; however the Judge has still not issued a ruling on the trial. We have incurred $45.5 in legal costs through December 2009. If a "Notice of Appeal" is not filed, the estimated amount needed for the Department of Law to complete post trial work is approximately $15.0 for a total of $60.5 in FY10.	0		60.5	-	-	-	60.5		-	-	-	-	-	
397	19-Mar	1	Transportation	Central Region Support Services	Central Region Support Services is requesting $240.0 GF supplemental funding for additional costs related to the Environmental Protection Agency's (EPA) enforcement action against the Department of Transportation and Public Facilities. Sec 28(e), Ch 11 SLA 08 P105 L29 (SB256), as amended by Section 14(k) of Ch 14 SLA 09 P22 L14 (HB113), provided $500.0 as a multi-year operating appropriation for defense costs related to EPA's allegations of multiple violations of the Clean Water Act. The unspent amount of $173.9 carried into FY10. Projected expenses for FY10 are $413.9, leaving a shortfall of approximately $240.0 primarily for Department of Law expenses. The Department anticipates that negotiations will continue, however, it is unknown at this time when a settlement may be reached. If a settlement cannot be reached, pre-trial motions will be taken to move the case forward to trial which increase costs substantially. Additional funding will be needed if the case goes to trial. **3/19: GovAMD increase of $240.0**	1		240.0	-	-	-	240.0		240.0	-	-	-	240.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
398	1-Feb	1	Transportation	Program Development	Road Weather Information System (RWIS) Maintenance Costs State funding will provide the resources to conduct critical maintenance work on the Department's Road Weather Information System (RWIS) program. The funding is necessary to maintain the RWIS software, equipment and a network of forty-nine (49) environmental sensor stations (ESS) strategically located along the highway system. Each ESS provides weather sensor data (temperature, wind speed, wind direction, relative humidity, pavement and sub-surface temperatures) and camera images. RWIS maintenance activities are not eligible for federal dollars and without adequate funding there is a potential risk of the entire RWIS network becoming inoperable.	0.571428571		175.0	-	-	-	175.0		100.0	-	-	-	100.0	
399	25-Mar	1	Transportation	Statewide Design and Engineering Services	Clean Water Act Compliance The department's actions, or inactions, resulting from repair work in response to the flooding on the Kenai Peninsula in 2002 and storm water violations involving Department of Transportation and Public Facilities contractors on three Central region projects in 2005 and 2006, resulted in non-compliance allegations by federal agencies. Under the current schedule of proposed settlement terms, the department will be required to meet compliance requirements by mid June 2010. In order to meet these requirements, the department requests $553.0 in general funds for storm water staff training, annual reporting requirement and related costs, and a civil penalty. **3/25: Amendment increase of $256.5**	1		553.0	-	-	-	553.0		553.0	-	-	-	553.0	
400	1-Feb	1	Transportation -	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases Travel - Travel is required to support the repairs and preventative maintenance programs for vehicles and equipment at rural airports and highways. Due to the unprecedented increase in fuel costs, airfares throughout the state were increased, having a direct impact on maintaining existing services. Services - Costs continue stay at higher levels than currently reflected in the component's budget for the shipment of freight such as parts, commodities, vehicles and equipment, the mission of the program is seriously impacted. Additional costs for vendor repairs are also being passed along to the State by the contractors. Commodities - Fuel costs and necessary consumables paid by the State Equipment Fleet and billed to the corresponding executive branch agencies have increased substantially since FY07. An increase in budget authority is required based on the projected use of these services through historical data. Parts and other commodities used by the State have also increased in cost.	1		-	-	2,706.7	-	2,706.7		-	-	2,706.7	-	2,706.7	
401	1-Feb	1	Transportation	Northern Region Facilities	Galena Maintenance Facility Operating and Maintenance Costs The FY09 operating budget contained a $110.0 increment to maintain a maintenance building at Galena that was transferred to the Department from the U.S. Air Force. That funding level was based upon completion of some aggressive cost savings measures which would be accomplished as part of a capital project for energy improvements. The project is scheduled for completion in the summer of 2010. FY10 estimated expenditures are $209.9, leaving a projected shortfall of $99.9.	1		99.9	-	-	-	99.9		99.9	-	-	-	99.9	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
402	25-Mar	1	Transportation -	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Separate Storm Sewer System (MS4) Permit. The MS4 permit will go into effect on February 1, 2010. The EPA's MS4 permit increases the street sweeping requirements that are above and beyond the current MS4 permit, monitoring various aspects of the permit and reporting to EPA with regards to the permit. The FY2011 Governor's budget request includes $1,682.0 for these new ongoing requirements. **3/25: Amended** **3/19: GovAMD increase of $432.0**	1		1,038.1	-	-	-	1,038.1		1,038.1	-	-	-	1,038.1	
403	25-Mar	1	Transportation	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for alleged infringement on their land and rights of way, we have incurred excessive costs again this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses. 3/25: Amended	1		150.0	-	-	-	150.0		150.0	-	-	-	150.0	
404	1-Feb	1	Transportation	Southeast Region Highways and Aviation	Transportation Security Agency Requirements - Door Lock System and Fingerprint Machine To continue to meet Transportation Security Agency requirements a new security access door lock system needs to be installed for the Sitka Airport Terminal. The control system for these doors is outdated and has become unreliable. A replacement system is estimated to cost $30.0. Transportation Security Administration regulations require the Department to fingerprint all badge holders at our certificated airports. The existing fingerprint machine is out of date and has become unreliable. A new machine is estimated to cost $14.9.	1		44.9	-	-	-	44.9		44.9	-	-	-	44.9	
405	1-Feb	1	Transportation	Whittier Access and Tunnel	Bid Protest Costs for Whittier Tunnel Operations Contract A bidder protested the award of a contract for operation of the Whittier Tunnel Toll Facility. This resulted in unplanned attorney and hearing officer costs which will continue until a settlement is reached. The Department of Law has billed $12.0 for attorney services through November 2009, and we estimate $8.0 of additional legal fees for the remainder of FY10. The Department of Administration has billed $11.7 for a hearing officer; we anticipate needing approximately $18.3 ($3.0 on average) for additional mediation services through June. It is unknown whether there will be additional expenses associated with this litigation such as potential settlement costs.	1		50.0	-	-	-	50.0		50.0	-	-	-	50.0	
406	1-Feb	1	Transportation	Whittier Access and Tunnel	Increased Operating Costs and Reduced Toll Revenue at the Whittier Tunnel Additional funding is necessary to fund the operation of the Whittier Tunnel Toll Facility for the remainder of FY10. Additional costs were incurred for cable repair, railroad crossing fees, increased State Equipment Fleet equipment replacement fees, CPI adjustments for the current contract, and additional roadway maintenance work leading up to the tunnel. In addition to increased costs, toll revenues have declined due to economic conditions, reduced cruise ship dockings, and gasoline prices.	1		385.0	-	-	-	385.0		385.0	-	-	-	385.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.6)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
407	1-Feb	1	Alaska Court System	Administration and Support	Appropriation of a settlement the State received on a claim for prepaid phone card long distance charges.	1		35.5	-	-	-	35.5		35.5	-	-	-	35.5	
408	1-Feb	2			Sets out the funding by agency for the appropriations in Section 1.														
409	22-Mar	4	Community, Commerce and Economic Development	Community & Regional Affairs	Grant to the World Trade Center to fund events occurring in FY10 and FY11	1			-	-	-			250.0	-	-	-	250.0	
410	1-Feb	5	Corrections	Correctional Academy	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010.	1		9.0	-	-	-	9.0		9.0	-	-	-	9.0	
411	1-Feb	5	Corrections	Inmate Transportation		1		23.8	-	-	-	23.8		23.8	-	-	-	23.8	
412	1-Feb	5	Corrections	Anchorage Correctional Complex		1		-	-	-	32.7	32.7		-	-	-	32.7	32.7	
413	1-Feb	5	Corrections	Anchorage Correctional Complex		1		436.9	-	-	-	436.9		436.9	-	-	-	436.9	
414	1-Feb	5	Corrections	Anvil Mountain Correctional Center		1		97.6	-	-	-	97.6		97.6	-	-	-	97.6	
415	1-Feb	5	Corrections	Combined Hiland Mountain Correctional Center		1		205.6	-	-	-	205.6		205.6	-	-	-	205.6	
418	1-Feb	5	Corrections	Fairbanks Correctional Center		1		277.0	-	-	-	277.0		277.0	-	-	-	277.0	
417	1-Feb	5	Corrections	Ketchikan Correctional Center		1		175.7	-	-	-	175.7		175.7	-	-	-	175.7	
418	1-Feb	5	Corrections	Lemon Creek Correctional Center		1		156.7	-	-	-	156.7		156.7	-	-	-	156.7	
419	1-Feb	5	Corrections	Matanuska-Susitna Correctional Center		1		88.1	-	-	-	88.1		88.1	-	-	-	88.1	
420	1-Feb	5	Corrections	Palmer Correctional Center		1		230.9	-	-	-	230.9		230.9	-	-	-	230.9	
421	1-Feb	5	Corrections	Spring Creek Correctional Center		1		1,205.0	-	-	-	1,205.0		1,205.0	-	-	-	1,205.0	
422	1-Feb	5	Corrections	Wildwood Correctional Center		1		235.7	-	-	-	235.7		235.7	-	-	-	235.7	
423	1-Feb	5	Corrections	Yukon-Kuskokwim Correctional Center		1		103.8	-	-	-	103.8		103.8	-	-	-	103.8	
424	1-Feb	5	Corrections	Point MacKenzie Correctional Farm		1		56.5	-	-	-	56.5		56.5	-	-	-	56.5	
425	1-Feb	5	Corrections	Institution Director's Office	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2011.	1			-	-	-			7,046.2	-	-	-	7,046.2	
426	1-Feb	5	Corrections	Institution Director's Office	114.1	1			-	-	-			-	-	-	81.4	81.4	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
427	1-Feb	6	Health & Social Services	Probation Services	Miscellaneous claim to pay outstanding FY2004 medical bills for a minor in the custody of the Division of Juvenile Justice that received medical treatment from the Central Peninsula Hospital.	1		0.2	-	-	-	0.2		0.2	-	-	-	0.2	
428	1-Feb	7	Labor & Workforce Dev	Workforce Investment Board	Amend language - the unexpended/unobligated balance from Sec 1, Ch 27, SLA 2008, page 17, line 4 (Branch-wide Oil & Gas Development) is appropriated to Workforce Investment Board for continued work in FY2010. **No new money--reappropriation**	0		85.0	-	-	-	85.0		0	-	-	-	0	
429	25-Mar	8	Law	Deputy Attorney General's Office	Total actual judgments and settlements finalized as of 3/25/2010. **3/25: Amendment increase of $35.1** **3/19: GovAMD increase of $1,158.0**	1		1,459.7	-	-	-	1,459.7		1,459.7	-	-	-	1,459.7	
430	19-Mar	9	Natural Resources	Claims permits and leases	The Kasilof Beach and Personal use fishery is lacking funding for contractual services for dumpsters and portapotties for this upcoming season. **Multi-year appropriation** **(June 15 - August 7th)**	1			-	-	-			40.0	-	-	-	40.0	
431	1-Feb	10	Public Safety	Special Projects	Authority for receipt of additional ARRA federal funding to augment personal services costs of a forensic examiner, provide training to investigators in combating Internet crimes, and purchase computer forensic equipment. **Multi-year FY10 and FY11**	1		-	-	-	97.0	97.0		-	-	-	97.0	97.0	
432	1-Feb	12	Fund Capitalization	Disaster Relief Fund	Disaster relief funding - Kodiak Island flood, Pelican water system failure, Seward storm surge - plus fund replenishment in preparation for providing immediate assistance during spring floods and storms.	1		5,000.0	-	-	-	5,000.0		5,000.0	-	-	-	5,000.0	
433	22-Mar	13	Natural Resources	Agriculture Revolving Loan Program Administration	Amend "Sec. 18(b), Ch. 30, SLA07, P148, L16 (FY07-FY10). "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation, dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1			-	-	-			(600.0)	-	-	-	(600.0)	
434	17-Feb	9	Natural Resources	Oil & Gas Development Cook Inlet Reclamation Bond	Amend "Sec. 11. Department of Natural Resources, to add a new subsection (c) as follows: (c) The interest earned in fiscal year 2010, estimated to be $175,000, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources and on deposit in the general fund, is appropriated from the general fund to the Department of Natural Resources for the purposes of the bond for the fiscal year ending June 30, 2010.	1		175.0	-	-	-	175.0		0	-	175.0	-	175.0	
435	1-Feb	15			Amends Section 22(b), ch. 12, SLA 2009 to include the Department of Law statutory authority for receipt of restitutions on juvenile cases.	1													

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
436	1-Feb	16	Debt Service	International Airport Revenue Bonds	Alaska International Airport System Debt Defeasance Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees.	1		-	-	(10,000.0)	-	(10,000.0)		-	-	(10,000.0)	-	(10,000.0)	
437	1-Feb	16				1		-	-	10,000.0	-	10,000.0		-	-	10,000.0	-	10,000.0	
438	22-Mar	17			Adds language to sweep excess general funds into the SBR..	1													
439	1-Feb	18	Revenue	Treasury Division	Fund Source Change for Constitutional Budget Reserve Fund Investment Management Section 27(c), ch. 12, SLA 2009, is amended to read: (c) The sum of $1,673,000 is appropriated from the general fund [budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.	1		(1,673.0)	-	-	-	(1,673.0)		(1,673.0)	-	-	-	(1,673.0)	
440	1-Feb	18				1		1,673.0	-	-	-	1,673.0		1,673.0	-	-	-	1,673.0	
441		18			Adds language to access the budget reserve fund (AS 37.05.540) to balance the FY2010 budget, if necessary.	1													
442		20			Lapse Provisions	1													
443	1-Feb	19			Section 43(c), ch. 15, SLA 2009 is repealed. That section reads: (c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund. The administration is proposing to repay in full the amount owed to the constitutional budget reserve fund in FY2010, and does not want to draw any amount from the fund. Current calculations indicate the above section is not necessary.	1													
444		21			Retroactivity	1													
445		22			Effective date- Section 7 is immediate upon passage of this Act	1													
446	25-Mar	11(a)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	1		-	-	-	-	-		(650.0)	-	-	-	(650.0)	
447	25-Mar	11(a)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	1		-	-	-	-	-		650.0	-	-	-	650.0	
448	25-Mar	11(b)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	1		-	-	-	-	-		(3,600.0)	-	-	-	(3,600.0)	
449	25-Mar	11(b)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	1		-	-	-	-	-		3,600.0	-	-	-	3,600.0	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
450	25-Mar	11(c)	Transportation	Marine Highway System	Projected excess fuel trigger allocation	1		-	-	-	-	-		(1,250.0)	-	-	-	(1,250.0)	
451	1-Feb	99			Extend lapse date from 2/28/2010 to 6/30/2010 for SLA 2009 Ch 14, Sec. 19 - $8,289.0 for the development of an in-state natural gas pipeline - so that development work may continue.	0								0	0	0	0	0	
452																			
453																			
454																			
455	**Fund Transfers**							Governor's Request						House Finance Committee					
456	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
457								1,518,603.6	-	79.0	-	1,518,682.6		1,520,453.6	-	79.0	-	1,520,532.6	
458	1-Feb	13	Fund Transfers	Public Education Fund (Savings)	Fully capitalize the Public Education Fund for the projected FY2011 need for Foundation Formula $1,053,147.4 and Pupil Transportation $63,839.2.	1		1,116,986.6	-	-	-	1,116,986.6		1,116,986.6	-	-	-	1,116,986.6	
459	1-Feb	18	Fund Transfers	Constitutional Budget Reserve Fund	Full Repayment of the Constitutional Budget Reserve The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).	1		401,617.0	-	-	-	401,617.0		401,617.0	-	-	-	401,617.0	
460	22-Mar	13	Natural Resources	Agriculture Revolving Loan Program Administration	Amend *Sec. 18(b), Ch. 30, SLA07, P148, L16 (FY07-FY10) . "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1								600.0	-	-	-	600.0	
461	1-Feb	13	Fund Transfers	Small Business Economic Development Revolving Loan Fund	Match for federal EDA funds transferred from the Kenai Peninsula Economic Development District - transfer $79.0 from Revolving Fund to Small Business Economic development Loan Fund - allows for receipt of $231.3 EDA federal grant funds.	1		-	-	79.0	-	79.0		-	-	79.0	-	79.0	
462	25-Mar	11	Fund Transfers	Marine Highway System Fund	Projected excess fuel trigger allocation	1		-	-	-	-	-		1,250.0	-	-	-	1,250.0	
463																			
464																			
465																			
466	**Ratifications**							Governor's Request						House Finance Committee					
467	Date	Sec	Appropriation	Allocation		Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
468								18,062,507.8	-	-	-	18,062,507.8		18,062.4	-	-	-	18,062.4	
469		14	Natural Resources	Fire Suppression Activity	AR 37313-09 Fire General Fund	1		10,297,675.2	-	-	-	10,297,675.2		10,297.7	-	-	-	10,297.7	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321																			
322								Governor's Request						House Finance Committee					
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.6)	1,956.7	55,527.4	161,923.9		100,957.8	(46.6)	2,131.7	55,606.8	158,651.8	
470		14	Commerce, Community and Economic Development	Alaska Energy Authority Owned Facilities	AR 29605-08 Alaska Energy Authority Owned Facilities	1		13.0	-	-	-	13.0		-	-	-	-	-	
471		14	Education and Early Development	Student and School Achievement	AR 17722-07 Student and School Achievement	1		293.1	-	-	-	293.1		0.3	-	-	-	0.3	
472		14	Health and Social Services	Unbudgeted RSA	AR 22708-03 DAS DMA Unbudgeted RSA for Staff Support	1		140.4	-	-	-	140.4		0.1	-	-	-	0.1	
473		14	Health and Social Services	Unbudgeted RSA	AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	1		11.0	-	-	-	11.0		-	-	-	-	-	
474		14	Health and Social Services	Unbudgeted RSA	22736-03 DFYS DMA Unbudgeted RSA	1		0.3	-	-	-	0.3		-	-	-	-	-	
475		14	Health and Social Services	Unbudgeted RSA	AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	1		259.5	-	-	-	259.5		0.3	-	-	-	0.3	
476		14	Health and Social Services	Behavioral Health Administration	AR 23125-05 Behavioral Health Administration	1		5,482.8	-	-	-	5,482.8		5.5	-	-	-	5.5	
477		14	Health and Social Services	Health Planning and Infrastructure	AR 23932-08 Health Planning and Infrastructure	1		633.8	-	-	-	633.8		0.6	-	-	-	0.6	
478		14	Health and Social Services	Information Technology Services	AR 23934-06 Information Technology Services	1		4.0	-	-	-	4.0		-	-	-	-	-	
479		14	Health and Social Services	Epidemiology	AR 23610-05 Epidemiology	1		295,357.0	-	-	-	295,357.0		295.4	-	-	-	295.4	
480		14	Health and Social Services	Certification and Licensing	AR 23608-05 Certification and Licensing	1		31,701.5	-	-	-	31,701.5		31.7	-	-	-	31.7	
481		14	Health and Social Services	Medicaid State Programs	AR 23315-04 Medicaid State Programs	1		1,380,444.0	-	-	-	1,380,444.0		1,380.4	-	-	-	1,380.4	
482		14	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-05 Medicaid School Based Administrative Claims	1		221,280.0	-	-	-	221,280.0		221.3	-	-	-	221.3	
483		14	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-06 Medicaid School Based Administrative Claims	1		2,283,323.0	-	-	-	2,283,323.0		2,283.3	-	-	-	2,283.3	
484		14	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-07 Medicaid School Based Administrative Claims	1		3,060,691.0	-	-	-	3,060,691.0		3,060.7	-	-	-	3,060.7	
485	17-Feb	14	Public Safety		AR 47545-09 AST Detachments Unbudgeted RSAs	1		7,192.3	-	-	-	7,192.3		7.2	-	-	-	7.2	
486		14	Alaska Court System	RSA	AR 76560-08 Domestic Violence VAWA RSA	1		322.5	-	-	-	322.5		0.3	-	-	-	0.3	
487		14	Corrections	Anchorage Correctional Complex	AR 50662-05 Anchorage Correctional Complex	1		409,334.2	-	-	-	409,334.2		409.3	-	-	-	409.3	
488		14	Corrections	Probation And Parole Director's Office	AR 50760-07 Probation And Parole Director's Office	1		2,661.2	-	-	-	2,661.2		2.7	-	-	-	2.7	
489		14	Education and Early Development	Program Administration	AR 18005-04 Program Administration	1		22,694.5	-	-	-	22,694.5		22.7	-	-	-	22.7	
490		14	Labor and Workforce Development	Employment Services	AR 28500-02 Employment Services	1		39.4	-	-	-	39.4		-	-	-	-	-	
491		14	Labor and Workforce Development	Labor Market Information	AR 28190-05 Labor Market Information	1		291.0	-	-	-	291.0		0.3	-	-	-	0.3	
492		14	Labor and Workforce Development	Independent Living Rehabilitation	AR 28230-03 Independent Living Rehabilitation	1		649.5	-	-	-	649.5		0.6	-	-	-	0.6	
493		14	Labor and Workforce Development	Unemployment Insurance	AR 28510-04 Unemployment Insurance	1		442.9	-	-	-	442.9		0.4	-	-	-	0.4	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House Finance Committee					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								104,486.3	(46.5)	1,956.7	55,527.4	161,923.9		100,957.8	(46.5)	2,131.7	55,608.8	158,651.8	
494		14	Labor and Workforce Development	Unemployment Insurance	AR 28510-05 Unemployment Insurance	1		14,592.6	-	-	-	14,592.6		14.6	-	-	-	14.6	
495		14	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		3,592.2	-	-	-	3,592.2		3.6	-	-	-	3.6	
496	17-Feb	14	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		(3,592.2)	-	-	-	(3,592.2)		(3.6)	-	-	-	(3.6)	
497		14	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		150.0	-	-	-	150.0		0.2	-	-	-	0.2	
498	17-Feb	14	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		(150.0)	-	-	-	(150.0)		(0.2)	-	-	-	(0.2)	
499		14	Labor and Workforce Development	Capital	AR 27790-08 North Pacific Fisheries Disaster – Aid RSA	1		4,400.0	-	-	-	4,400.0		4.4	-	-	-	4.4	
500		14	Revenue	Long Term Care Ombudsman Office	AR 15530-07 Long Term Care Ombudsman Office	1		7,004.2	-	-	-	7,004.2		7.0	-	-	-	7.0	
501		14	Transportation and Public Facilities	Capital	61686-10 Federal Transit Administration Grants	1		2.2	-	-	-	2.2		-	-	-	-	-	
502		14	Transportation and Public Facilities	Capital	AR 58096-10 Cooperative Reimbursable Projects	1		29.7	-	-	-	29.7		-	-	-	-	-	
503		14	Transportation and Public Facilities	Capital	AR 58622-11 Cooperative Reimbursable Projects	1		0.4	-	-	-	0.4		-	-	-	-	-	
504		14	Transportation and Public Facilities	Capital	AR 58662-11 Federal Transit Administration Grants	1		0.7	-	-	-	0.7		-	-	-	-	-	
505		14	Transportation and Public Facilities	Capital	AR 59198-11 Alaska Marine Highway: Terminal – Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	1		0.2	-	-	-	0.2		-	-	-	-	-	
506		14	Transportation and Public Facilities	Capital	58640-10 Alaska Mobility Coalition	1		0.1	-	-	-	0.1		-	-	-	-	-	
507		14	Transportation and Public Facilities	Capital	AR 60252-10 Cooperative Reimbursable Projects	1		0.9	-	-	-	0.9		-	-	-	-	-	
508		14	Transportation and Public Facilities	Capital	AR 61219-12 Federal Transit Administration Grants	1		0.2	-	-	-	0.2		-	-	-	-	-	
509		14	Transportation and Public Facilities	Capital	AR 61009-10 Federal Transit Administration Grants	1		14,254.0	-	-	-	14,254.0		14.3	-	-	-	14.3	
510		14	Transportation and Public Facilities	Capital	AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	1		0.2	-	-	-	0.2		-	-	-	-	-	
511		14	Transportation and Public Facilities	Capital	AR 63203-10 Surface Transportation Preconstruction	1		0.1	-	-	-	0.1		-	-	-	-	-	
512		14	Transportation and Public Facilities	Capital	AR 61613-10 Federal Transit Administration Grants	1		2.0	-	-	-	2.0		-	-	-	-	-	
513		14	Transportation and Public Facilities	Capital	AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	1		205.1	-	-	-	205.1		0.2	-	-	-	0.2	
514		14	Transportation and Public Facilities	Capital	AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1		1.2	-	-	-	1.2		-	-	-	-	-	
515		14	Transportation and Public Facilities	Capital	AR 62598-10 Kodiak: Relief Lane Reconstruction	1		1,063.0	-	-	-	1,063.0		1.1	-	-	-	1.1	
516		14	Transportation and Public Facilities	Capital	AR 62656-10 Cooperative Reimbursable Projects	1		-	-	-	-	-		-	-	-	-	-	

Adopted 3/26/10

26-GH2827\P
Kane
3/25/10

CS FOR HOUSE BILL NO. 326(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making supplemental appropriations and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Centralized Administrative Services		**85,000**	**85,000**	
Office of Administrative Hearings	85,000			
Special Systems		**250,000**	**250,000**	
Elected Public Officers Retirement System Benefits	250,000			
Legal and Advocacy Services		**1,394,600**	**1,350,000**	**44,600**
Office of Public Advocacy	594,600			
Public Defender Agency	800,000			
Motor Vehicles		**291,800**		**291,800**
Motor Vehicles	291,800			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Insurance Operations		**77,100**	**77,100**	
Insurance Operations	77,100			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Population Management		**2,904,000**	**2,904,000**	
Institution Director's Office	2,409,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Wildwood Correctional Center	494,400			
Inmate Health Care		**4,650,100**	**4,650,100**	
Physical Health Care	4,650,100			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**180,000**	**180,000**	
Special Schools	180,000			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health		**130,000**	**130,000**	
Laboratory Services	130,000			
* * * * *			* * * * *	
* * * * * **Department of Fish and Game** * * * * *				
* * * * *			* * * * *	
Commercial Fisheries		**75,000**	**75,000**	
Central Region Fisheries Management	75,000			
Wildlife Conservation				
Wildlife Conservation Special Projects	0			
Habitat		**100,000**		**100,000**
Habitat	100,000			
* * * * *			* * * * *	
* * * * * **Office of the Governor** * * * * *				
* * * * *			* * * * *	
Elections		**477,000**	**477,000**	
Elections	477,000			

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * Department of Health and Social Services * * * * *				
* * * * *			* * * * *	
Behavioral Health		**8,545,100**	**3,228,900**	**5,316,200**
Behavioral Health Medicaid Services	8,545,100			
Children's Services		**-1,079,700**	**-1,158,200**	**78,500**
Children's Medicaid Services	-2,200,000			
Children's Services Management	165,000			
Front Line Social Workers	955,300			
Health Care Services		**64,087,400**	**23,236,400**	**40,851,000**
Adult Preventative Dental Medicaid Services	0			
Medicaid Services	63,116,300			
Health Facilities Survey	396,100			
Health Planning and Infrastructure	575,000			
Juvenile Justice		**566,600**	**566,600**	
McLaughlin Youth Center	266,600			
Probation Services	300,000			
Public Assistance		**2,300,000**		**2,300,000**
Energy Assistance Program	2,300,000			
Public Health		**647,800**	**647,800**	
Women, Children and Family Health	347,800			
State Medical Examiner	300,000			
Senior and Disabilities Services		**14,484,200**	**8,286,300**	**6,197,900**
General Relief/Temporary	3,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Assisted Living				
Senior and Disabilities Medicaid Services	9,209,200			
Senior and Disabilities Services Administration	1,475,000			
Departmental Support Services		**1,750,000**	**1,750,000**	
Administrative Support Services	700,000			
Information Technology Services	1,050,000			
*****		*****		
***** **Department of Law** *****				
*****		*****		
Civil Division				
Deputy Attorney General's Office	884,000			
Oil, Gas and Mining	-884,000			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**622,600**	**622,600**	
Gas Pipeline Implementation	537,600			
Large Project Permitting	85,000			
Fire Suppression		**35,371,400**	**35,371,400**	
Fire Suppression Activity	35,371,400			
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Alaska State Troopers		**300,000**	**300,000**	

	Allocations	Appropriation Items	General Funds	Other Funds
Prisoner Transportation	300,000			
*****		*****		
***** Department of Revenue *****				
*****		*****		
Taxation and Treasury		**-655,900**	**94,100**	**-750,000**
Treasury Division	50,000			
Alaska Retirement Management Board	50,000			
Alaska Retirement Management Board Custody and Management Fees	-850,000			
Permanent Fund Dividend Division	94,100			
Child Support Services			**-217,700**	**217,700**
Child Support Services Division	0			
Administration and Support		**60,100**	**60,100**	
Administrative Services	60,100			
*****			*****	
***** Department of Transportation & Public Facilities *****				
*****			*****	
Administration and Support		**340,000**	**340,000**	
Central Region Support Services	240,000			
Program Development	100,000			
Design, Engineering and Construction		**553,000**	**553,000**	
Statewide Design and Engineering Services	553,000			
State Equipment Fleet		**2,706,700**		**2,706,700**
State Equipment Fleet	2,706,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Highways, Aviation and Facilities		**1,767,900**	**1,767,900**	
Northern Region Facilities	99,900			
Central Region Highways and Aviation	1,038,100			
Northern Region Highways and Aviation	150,000			
Southeast Region Highways and Aviation	44,900			
Whittier Access and Tunnel	435,000			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**35,500**	**35,500**	
Administration and Support	35,500			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1002 Federal Receipts	336,400
1004 Unrestricted General Fund Receipts	1,685,000
*** Total Agency Funding ***	$2,021,400
Department of Commerce, Community and Economic Development	
1156 Receipt Supported Services	77,100
*** Total Agency Funding ***	$77,100
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,554,100
*** Total Agency Funding ***	$7,554,100
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	180,000
*** Total Agency Funding ***	$180,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	130,000
*** Total Agency Funding ***	$130,000
Department of Fish and Game	
1002 Federal Receipts	100,000
1004 Unrestricted General Fund Receipts	75,000
1018 Exxon Valdez Oil Spill Trust	-150,000
1108 Statutory Designated Program Receipts	150,000
*** Total Agency Funding ***	$175,000
Office of the Governor	
1004 Unrestricted General Fund Receipts	477,000
*** Total Agency Funding ***	$477,000
Department of Health and Social Services	
1002 Federal Receipts	37,248,700
1003 General Fund Match	32,940,200

1004	Unrestricted General Fund Receipts	1,650,800
1037	General Fund / Mental Health	1,966,800
1212	Federal Stimulus: ARRA 2009	17,494,900
***	Total Agency Funding ***	$91,301,400
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	35,994,000
***	Total Agency Funding ***	$35,994,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	300,000
***	Total Agency Funding ***	$300,000
Department of Revenue		
1004	Unrestricted General Fund Receipts	60,100
1007	Interagency Receipts	50,000
1016	CSSD Federal Incentive Payments	217,700
1017	Group Health and Life Benefits Fund	8,800
1029	Public Employees Retirement Trust Fund	-556,300
1034	Teachers Retirement Trust Fund	-243,800
1042	Judicial Retirement System	-6,800
1045	National Guard Retirement System	-1,900
1050	Permanent Fund Dividend Fund	94,100
1156	Receipt Supported Services	-217,700
***	Total Agency Funding ***	$-595,800
Department of Transportation & Public Facilities		
1004	Unrestricted General Fund Receipts	2,660,900
1026	Highways Equipment Working Capital Fund	2,706,700
***	Total Agency Funding ***	$5,367,600
Alaska Court System		
1004	Unrestricted General Fund Receipts	35,500
***	Total Agency Funding ***	$35,500
* * * * *	Total Budget * * * * *	$143,017,300

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 3.** FINDINGS. The legislature finds that the State of Alaska has realized savings in the amount of $106,261,000 during the fiscal year ending June 30, 2010, through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that are being used to finance appropriations made from the general fund in this Act.

*** Sec. 4.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 5.** DEPARTMENT OF CORRECTIONS. (a) The sum of $10,462,600 is appropriated to the Department of Corrections to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal years ending June 30, 2010, and June 30, 2011, from the following sources:

General fund	$10,348,500
Federal receipts	114,100

(b) For (a) of this section, it is the intent of the legislature that

(1) the Department of Corrections and the Department of Administration take all responsible actions necessary, including shift modification, to mitigate financial and other exposure as a result of the provisions for a 50 percent increase in personal leave accrual in the interest arbitration decision, dated March 19, 2009;

(2) the Department of Administration, in the conduct of current and future collective bargaining negotiations, refrain from considering the implementation of the Department of Corrections' interest arbitration decision, dated March 19, 2009, as suggestive or indicative of legislative endorsement of the arbitration award provisions for personal leave accrual rates for the Department of Corrections or any other bargained agreements.

*** Sec. 6.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $242.72 is appropriated from the general fund to the Department of Health and Social Services, division of juvenile justice, for payment of unpaid bills for services received in 2003 and 2004, for fiscal year ending June 30, 2010.

*** Sec. 7.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. Section 9(d), ch. 14, SLA 2009, is amended to read:

(d) The unexpended and unobligated balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, **page 17, lines 4 - 5 (Office of the Governor, branch-wide oil and gas development - $7,290,800)** [PAGE 28, LINE 22, AND ALLOCATED ON LINE 27 (DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, WORKFORCE DEVELOPMENT, ALASKA WORKFORCE INVESTMENT BOARD - $543,600)] is reappropriated to the Department of Labor and Workforce Development, Alaska Workforce Investment Board, for gas pipeline activities for the fiscal year ending June 30, 2010.

*** Sec. 8.** DEPARTMENT OF LAW. (a) The sum of $1,459,717.44 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2010.

(b) The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2010, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2010.

*** Sec. 9.** DEPARTMENT OF NATURAL RESOURCES. (a) The sum of $40,000 is appropriated from the general fund to the Department of Natural Resources, claims, permits, and leases allocation, for providing trash and sanitation services at Kasilof Beach for the fiscal years ending June 30, 2010, and June 30, 2011.

(b) The interest earned during the fiscal year ending June 30, 2010, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $175,000, is appropriated to the Department of Natural Resources for the purposes of the bond.

*** Sec. 10.** DEPARTMENT OF PUBLIC SAFETY. The sum of $97,000 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Department of Public Safety for combating Internet crimes for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 11.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The unexpended and unobligated balances, not to exceed $650,000, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Department of Transportation and Public Facilities for marine vessel operations to provide additional service to Unalaska and other communities along the Aleutian Island chain for the fiscal year ending June 30, 2010.

(b) The unexpended and unobligated balances, not to exceed $3,600,000, remaining after the appropriation made in (a) of this section, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Department of Transportation and Public Facilities for marine vessel operations to provide additional service to Unalaska and other communities along the Aleutian Island chain for the fiscal year ending June 30, 2011.

(c) The unexpended and unobligated balances, estimated to be $1,250,000, after the appropriations made in (a) and (b) of this section, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Alaska marine highway system fund (AS 19.65.060(a)).

*** Sec. 12.** FUND CAPITALIZATION. The sum of $5,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

*** Sec. 13.** FUND TRANSFERS. (a) The sum of $1,116,986,600 is appropriated from the general fund to the public education fund (AS 14.17.300).

(b) The sum of $79,000 is appropriated from the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060) to the small business economic development

revolving loan fund (AS 44.88.400).

(c) The unexpended and unobligated balance of the appropriation made in sec. 18(b), ch. 30, SLA 2007 (Department of Natural Resources, assistance to the Creamery Corporation, dba Matanuska Maid Dairy - $600,000) is reappropriated to the agricultural revolving loan fund (AS 03.10.040).

*** Sec. 14.** RATIFICATIONS OF CERTAIN EXPENDITURES. (a) The expenditures by the Department of Natural Resources for fire suppression for the fiscal year ending June 30, 2009 (AR 37313-09 Fire General Fund), are ratified in the amount of $10,297,678.22.

(b) The following departmental expenditures made in fiscal years 2003, 2005, 2006, 2007, 2008, and 2009 are ratified to reverse the negative account balances in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Commerce, Community, and Economic Development	
(1) AR 29605-08 Alaska Energy Authority Owned Facilities	$ 12.95
Department of Education and Early Development	
(2) AR 17722-07 Student and School Achievement	293.08
Department of Health and Social Services	
(3) AR 22708-03 DAS DMA Unbudgeted RSA for DAS Staff Support	140.40
(4) AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00
(5) AR 22736-03 DFYS DMA Unbudgeted RSA	.34
(6) AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54
(7) AR 23125-05 Behavioral Health Administration	5,482.79
(8) AR 23932-08 Health Planning and Infrastructure	633.78
(9) AR 23934-06 Information Technology Services	4.92
(10) AR 23610-05 Epidemiology	295,356.97
(11) AR 23608-05 Certification and Licensing	31,701.51
(12) AR 23315-04 Medicaid State Programs	1,380,444.00
(13) AR 23928-05 Medicaid School Based Administrative	221,290.00

Claims	
(14) AR 23928-06 Medicaid School Based Administrative Claims	2,283,323.00
(15) AR 23928-07 Medicaid School Based Administrative Claims	3,060,691.00
Department of Public Safety	
(16) AR 47545-09 AST Detachments Unbudgeted RSAs	7,192.25
Alaska Court System	
(17) AR 76560-08 Domestic Violence VAWA RSA	322.50

(c) The following departmental expenditures made in fiscal years 2002, 2003, 2004, 2005, 2007, 2008, and 2009 are ratified to charge off uncollectable accounts receivables in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Corrections	
(1) AR 50662-05 Anchorage Correctional Complex	$409,334.19
(2) AR 50760-07 Probation and Parole Director's Office	2,661.22
Department of Education and Early Development	
(3) AR 18005-04 Program Administration	22,694.51
Department of Labor and Workforce Development	
(4) AR 28500-02 Employment Services	39.41
(5) AR 28190-05 Labor Market Information	290.99
(6) AR 28230-03 Independent Living Rehabilitation	649.53
(7) AR 28510-04 Unemployment Insurance	442.91
(8) AR 28510-05 Unemployment Insurance	14,592.60
(9) AR 27790-08 North Pacific Fisheries Disaster - Aid RSA	4,400.00
Department of Revenue	
(10) AR 15530-07 Long Term Care Ombudsman Office	7,004.19
Department of Transportation and Public Facilities	
(11) AR 61686-10 Federal Transit Administration Grants	2.18
(12) AR 58096-10 Cooperative Reimbursable Projects	29.65

(13) AR 58622-11 Cooperative Reimbursable Projects	.37
(14) AR 58662-11 Federal Transit Administration Grants	.72
(15) AR 59198-11 Alaska Marine Highway: Terminal - Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	.22
(16) AR 58640-10 Alaska Mobility Coalition	.13
(17) AR 60252-10 Cooperative Reimbursable Projects	.88
(18) AR 61219-12 Federal Transit Administration Grants	.17
(19) AR 61009-10 Federal Transit Administration Grants	14,254.03
(20) AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	.21
(21) AR 63203-10 Surface Transportation Preconstruction	.09
(22) AR 61613-10 Federal Transit Administration Grants	2.02
(23) AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06
(24) AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19
(25) AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98
(26) AR 62656-10 Cooperative Reimbursable Projects	.01

*** Sec. 15.** RETAINED FEES AND BANKCARD SERVICES. Section 22(b), ch. 12, SLA 2009, is amended to read:

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, and to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the payments received by the state are deposited.

*** Sec. 16.** STATE DEBT AND OTHER OBLIGATIONS. Section 26(i), ch. 12, SLA 2009, is amended to read:

(i) The sum of $50,028,700 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2010, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	**$36,828,700**
(AS 37.15.430)	[$46,828,700]
Passenger facility charge	3,200,000
International Airports Construction Fund	**10,000,000**
(AS 37.15.420)	

*** Sec. 17.** BUDGET RESERVE FUND. The amount available in the general fund at the end of the fiscal year ending June 30, 2010, after all other appropriations have been made, is appropriated from the general fund to the budget reserve fund (AS 37.05.540).

*** Sec. 18.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

(b) If the unrestricted state revenue available for appropriation in fiscal year 2010 is insufficient to cover general fund appropriations made for fiscal year 2010, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(c) Section 27(c), ch. 12, SLA 2009, is amended to read:

(c) The sum of $1,673,000 is appropriated from the **general fund** [BUDGET RESERVE FUND (ART. IX, SEC. 17, CONSTITUTION OF THE STATE OF ALASKA)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.

(d) Section 27(d), ch. 12, SLA 2009, is amended to read:

(d) The **appropriation** [APPROPRIATIONS] made by (a) [AND (c)] of this section **is** [ARE] made under art. IX, sec. 17(c), Constitution of the State of Alaska.

* **Sec. 19.** Section 43(c), ch. 15, SLA 2009, is repealed.

* **Sec. 20.** LAPSE OF APPROPRIATIONS. (a) The appropriations made by secs. 11(c), 12, 13, and 17 of this Act are for the capitalization of funds and do not lapse.

(b) The appropriation made in sec. 9(b) of this Act lapses June 30, 2014.

* **Sec. 21.** RETROACTIVITY. Section 7 of this Act is retroactive to June 30, 2009.

* **Sec. 22.** This Act takes effect April 18, 2010.

26-GH2827\P
Kane
3/25/10

CS FOR HOUSE BILL NO. 326(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSERULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making supplemental appropriations and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Centralized Administrative Services		**85,000**	**85,000**	
Office of Administrative Hearings	85,000			
Special Systems		**250,000**	**250,000**	
Elected Public Officers Retirement System Benefits	250,000			
Legal and Advocacy Services		**1,394,600**	**1,350,000**	**44,600**
Office of Public Advocacy	594,600			
Public Defender Agency	800,000			
Motor Vehicles		**291,800**		**291,800**
Motor Vehicles	291,800			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Insurance Operations		**77,100**	**77,100**	
Insurance Operations	77,100			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Population Management		**2,904,000**	**2,904,000**	
Institution Director's Office	2,409,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Wildwood Correctional Center	494,400			
Inmate Health Care		**4,650,100**	**4,650,100**	
Physical Health Care	4,650,100			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**180,000**	**180,000**	
Special Schools	180,000			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health		**130,000**	**130,000**	
Laboratory Services	130,000			
* * * * *			* * * * *	
* * * * * **Department of Fish and Game** * * * * *				
* * * * *			* * * * *	
Commercial Fisheries		**75,000**	**75,000**	
Central Region Fisheries Management	75,000			
Wildlife Conservation				
Wildlife Conservation Special Projects	0			
Habitat		**100,000**		**100,000**
Habitat	100,000			
* * * * *			* * * * *	
* * * * * **Office of the Governor** * * * * *				
* * * * *			* * * * *	
Elections		**477,000**	**477,000**	
Elections	477,000			

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Health and Social Services *****				
*****			*****	
Behavioral Health		**8,545,100**	**3,228,900**	**5,316,200**
Behavioral Health Medicaid Services	8,545,100			
Children's Services		**-1,079,700**	**-1,158,200**	**78,500**
Children's Medicaid Services	-2,200,000			
Children's Services Management	165,000			
Front Line Social Workers	955,300			
Health Care Services		**64,087,400**	**23,236,400**	**40,851,000**
Adult Preventative Dental Medicaid Services	0			
Medicaid Services	63,116,300			
Health Facilities Survey	396,100			
Health Planning and Infrastructure	575,000			
Juvenile Justice		**566,600**	**566,600**	
McLaughlin Youth Center	266,600			
Probation Services	300,000			
Public Assistance		**2,300,000**		**2,300,000**
Energy Assistance Program	2,300,000			
Public Health		**647,800**	**647,800**	
Women, Children and Family Health	347,800			
State Medical Examiner	300,000			
Senior and Disabilities Services		**14,484,200**	**8,286,300**	**6,197,900**
General Relief/Temporary	3,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Assisted Living				
Senior and Disabilities	9,209,200			
Medicaid Services				
Senior and Disabilities	1,475,000			
Services Administration				
Departmental Support		**1,750,000**	**1,750,000**	
Services				
Administrative Support	700,000			
Services				
Information Technology	1,050,000			
Services				
* * * * *		* * * * *		
* * * * * **Department of Law** * * * * *				
* * * * *		* * * * *		
Civil Division				
Deputy Attorney General's	884,000			
Office				
Oil, Gas and Mining	-884,000			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Resource Development		**622,600**	**622,600**	
Gas Pipeline	537,600			
Implementation				
Large Project Permitting	85,000			
Fire Suppression		**35,371,400**	**35,371,400**	
Fire Suppression Activity	35,371,400			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Alaska State Troopers		**300,000**	**300,000**	

	Allocations	Appropriation Items	General Funds	Other Funds
Prisoner Transportation	300,000			
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Taxation and Treasury		**-655,900**	**94,100**	**-750,000**
Treasury Division	50,000			
Alaska Retirement Management Board	50,000			
Alaska Retirement Management Board Custody and Management Fees	-850,000			
Permanent Fund Dividend Division	94,100			
Child Support Services			**-217,700**	**217,700**
Child Support Services Division	0			
Administration and Support		**60,100**	**60,100**	
Administrative Services	60,100			
* * * * *			* * * * *	
* * * * * **Department of Transportation & Public Facilities** * * * * *				
* * * * *			* * * * *	
Administration and Support		**340,000**	**340,000**	
Central Region Support Services	240,000			
Program Development	100,000			
Design, Engineering and Construction		**553,000**	**553,000**	
Statewide Design and Engineering Services	553,000			
State Equipment Fleet		**2,706,700**		**2,706,700**
State Equipment Fleet	2,706,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Highways, Aviation and Facilities		**1,767,900**	**1,767,900**	
Northern Region Facilities	99,900			
Central Region Highways and Aviation	1,038,100			
Northern Region Highways and Aviation	150,000			
Southeast Region Highways and Aviation	44,900			
Whittier Access and Tunnel	435,000			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**35,500**	**35,500**	
Administration and Support	35,500			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1002 Federal Receipts	336,400
1004 Unrestricted General Fund Receipts	1,685,000
*** Total Agency Funding ***	$2,021,400
Department of Commerce, Community and Economic Development	
1156 Receipt Supported Services	77,100
*** Total Agency Funding ***	$77,100
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,554,100
*** Total Agency Funding ***	$7,554,100
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	180,000
*** Total Agency Funding ***	$180,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	130,000
*** Total Agency Funding ***	$130,000
Department of Fish and Game	
1002 Federal Receipts	100,000
1004 Unrestricted General Fund Receipts	75,000
1018 Exxon Valdez Oil Spill Trust	-150,000
1108 Statutory Designated Program Receipts	150,000
*** Total Agency Funding ***	$175,000
Office of the Governor	
1004 Unrestricted General Fund Receipts	477,000
*** Total Agency Funding ***	$477,000
Department of Health and Social Services	
1002 Federal Receipts	37,248,700
1003 General Fund Match	32,940,200

1004	Unrestricted General Fund Receipts	1,650,800
1037	General Fund / Mental Health	1,966,800
1212	Federal Stimulus: ARRA 2009	17,494,900
*** Total Agency Funding ***		$91,301,400
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	35,994,000
*** Total Agency Funding ***		$35,994,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***		$300,000
Department of Revenue		
1004	Unrestricted General Fund Receipts	60,100
1007	Interagency Receipts	50,000
1016	CSSD Federal Incentive Payments	217,700
1017	Group Health and Life Benefits Fund	8,800
1029	Public Employees Retirement Trust Fund	-556,300
1034	Teachers Retirement Trust Fund	-243,800
1042	Judicial Retirement System	-6,800
1045	National Guard Retirement System	-1,900
1050	Permanent Fund Dividend Fund	94,100
1156	Receipt Supported Services	-217,700
*** Total Agency Funding ***		$-595,800
Department of Transportation & Public Facilities		
1004	Unrestricted General Fund Receipts	2,660,900
1026	Highways Equipment Working Capital Fund	2,706,700
*** Total Agency Funding ***		$5,367,600
Alaska Court System		
1004	Unrestricted General Fund Receipts	35,500
*** Total Agency Funding ***		$35,500
* * * * * Total Budget * * * * *		$143,017,300

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 3.** FINDINGS. The legislature finds that the State of Alaska has realized savings in the amount of $106,261,000 during the fiscal year ending June 30, 2010, through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that are being used to finance appropriations made from the general fund in this Act.

*** Sec. 4.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 5.** DEPARTMENT OF CORRECTIONS. (a) The sum of $10,462,600 is appropriated to the Department of Corrections to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal years ending June 30, 2010, and June 30, 2011, from the following sources:

General fund	$10,348,500
Federal receipts	114,100

(b) For (a) of this section, it is the intent of the legislature that

(1) the Department of Corrections and the Department of Administration take all responsible actions necessary, including shift modification, to mitigate financial and other exposure as a result of the provisions for a 50 percent increase in personal leave accrual in the interest arbitration decision, dated March 19, 2009;

(2) the Department of Administration, in the conduct of current and future collective bargaining negotiations, refrain from considering the implementation of the Department of Corrections' interest arbitration decision, dated March 19, 2009, as suggestive or indicative of legislative endorsement of the arbitration award provisions for personal leave accrual rates for the Department of Corrections or any other bargained agreements.

*** Sec. 6.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $242.72 is appropriated from the general fund to the Department of Health and Social Services, division of juvenile justice, for payment of unpaid bills for services received in 2003 and 2004, for fiscal year ending June 30, 2010.

*** Sec. 7.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. Section 9(d), ch. 14, SLA 2009, is amended to read:

(d) The unexpended and unobligated balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, **page 17, lines 4 - 5 (Office of the Governor, branch-wide oil and gas development - $7,290,800)** [PAGE 28, LINE 22, AND ALLOCATED ON LINE 27 (DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, WORKFORCE DEVELOPMENT, ALASKA WORKFORCE INVESTMENT BOARD - $543,600)] is reappropriated to the Department of Labor and Workforce Development, Alaska Workforce Investment Board, for gas pipeline activities for the fiscal year ending June 30, 2010.

*** Sec. 8.** DEPARTMENT OF LAW. (a) The sum of $1,459,717.44 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2010.

(b) The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2010, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2010.

*** Sec. 9.** DEPARTMENT OF NATURAL RESOURCES. (a) The sum of $40,000 is appropriated from the general fund to the Department of Natural Resources, claims, permits, and leases allocation, for providing trash and sanitation services at Kasilof Beach for the fiscal years ending June 30, 2010, and June 30, 2011.

(b) The interest earned during the fiscal year ending June 30, 2010, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $175,000, is appropriated to the Department of Natural Resources for the purposes of the bond.

*** Sec. 10.** DEPARTMENT OF PUBLIC SAFETY. The sum of $97,000 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Department of Public Safety for combating Internet crimes for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 11.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The unexpended and unobligated balances, not to exceed $650,000, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Department of Transportation and Public Facilities for marine vessel operations to provide additional service to Unalaska and other communities along the Aleutian Island chain for the fiscal year ending June 30, 2010.

(b) The unexpended and unobligated balances, not to exceed $3,600,000, remaining after the appropriation made in (a) of this section, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Department of Transportation and Public Facilities for marine vessel operations to provide additional service to Unalaska and other communities along the Aleutian Island chain for the fiscal year ending June 30, 2011.

(c) The unexpended and unobligated balances, estimated to be $1,250,000, after the appropriations made in (a) and (b) of this section, of the appropriations made in sec. 17(a), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) and sec. 17(b), ch. 12, SLA 2009, and allocated in sec. 17(e)(1), ch. 12, SLA 2009 (Department of Transportation and Public Facilities, offset the effects of higher fuel and utility costs) are reappropriated to the Alaska marine highway system fund (AS 19.65.060(a)).

*** Sec. 12.** FUND CAPITALIZATION. The sum of $5,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

*** Sec. 13.** FUND TRANSFERS. (a) The sum of $1,116,986,600 is appropriated from the general fund to the public education fund (AS 14.17.300).

(b) The sum of $79,000 is appropriated from the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060) to the small business economic development

revolving loan fund (AS 44.88.400).

(c) The unexpended and unobligated balance of the appropriation made in sec. 18(b), ch. 30, SLA 2007 (Department of Natural Resources, assistance to the Creamery Corporation, dba Matanuska Maid Dairy - $600,000) is reappropriated to the agricultural revolving loan fund (AS 03.10.040).

*** Sec. 14.** RATIFICATIONS OF CERTAIN EXPENDITURES. (a) The expenditures by the Department of Natural Resources for fire suppression for the fiscal year ending June 30, 2009 (AR 37313-09 Fire General Fund), are ratified in the amount of $10,297,678.22.

(b) The following departmental expenditures made in fiscal years 2003, 2005, 2006, 2007, 2008, and 2009 are ratified to reverse the negative account balances in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Commerce, Community, and Economic Development	
(1) AR 29605-08 Alaska Energy Authority Owned Facilities	$ 12.95
Department of Education and Early Development	
(2) AR 17722-07 Student and School Achievement	293.08
Department of Health and Social Services	
(3) AR 22708-03 DAS DMA Unbudgeted RSA for DAS Staff Support	140.40
(4) AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00
(5) AR 22736-03 DFYS DMA Unbudgeted RSA	.34
(6) AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54
(7) AR 23125-05 Behavioral Health Administration	5,482.79
(8) AR 23932-08 Health Planning and Infrastructure	633.78
(9) AR 23934-06 Information Technology Services	4.92
(10) AR 23610-05 Epidemiology	295,356.97
(11) AR 23608-05 Certification and Licensing	31,701.51
(12) AR 23315-04 Medicaid State Programs	1,380,444.00
(13) AR 23928-05 Medicaid School Based Administrative	221,290.00

Claims

(14) AR 23928-06 Medicaid School Based Administrative Claims 2,283,323.00

(15) AR 23928-07 Medicaid School Based Administrative Claims 3,060,691.00

Department of Public Safety

(16) AR 47545-09 AST Detachments Unbudgeted RSAs 7,192.25

Alaska Court System

(17) AR 76560-08 Domestic Violence VAWA RSA 322.50

(c) The following departmental expenditures made in fiscal years 2002, 2003, 2004, 2005, 2007, 2008, and 2009 are ratified to charge off uncollectable accounts receivables in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Corrections

(1) AR 50662-05 Anchorage Correctional Complex $409,334.19

(2) AR 50760-07 Probation and Parole Director's Office 2,661.22

Department of Education and Early Development

(3) AR 18005-04 Program Administration 22,694.51

Department of Labor and Workforce Development

(4) AR 28500-02 Employment Services 39.41

(5) AR 28190-05 Labor Market Information 290.99

(6) AR 28230-03 Independent Living Rehabilitation 649.53

(7) AR 28510-04 Unemployment Insurance 442.91

(8) AR 28510-05 Unemployment Insurance 14,592.60

(9) AR 27790-08 North Pacific Fisheries Disaster - Aid RSA 4,400.00

Department of Revenue

(10) AR 15530-07 Long Term Care Ombudsman Office 7,004.19

Department of Transportation and Public Facilities

(11) AR 61686-10 Federal Transit Administration Grants 2.18

(12) AR 58096-10 Cooperative Reimbursable Projects 29.65

(13) AR 58622-11 Cooperative Reimbursable Projects	.37
(14) AR 58662-11 Federal Transit Administration Grants	.72
(15) AR 59198-11 Alaska Marine Highway: Terminal - Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	.22
(16) AR 58640-10 Alaska Mobility Coalition	.13
(17) AR 60252-10 Cooperative Reimbursable Projects	.88
(18) AR 61219-12 Federal Transit Administration Grants	.17
(19) AR 61009-10 Federal Transit Administration Grants	14,254.03
(20) AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	.21
(21) AR 63203-10 Surface Transportation Preconstruction	.09
(22) AR 61613-10 Federal Transit Administration Grants	2.02
(23) AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06
(24) AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19
(25) AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98
(26) AR 62656-10 Cooperative Reimbursable Projects	.01

*** Sec. 15.** RETAINED FEES AND BANKCARD SERVICES. Section 22(b), ch. 12, SLA 2009, is amended to read:

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, and to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the payments received by the state are deposited.

*** Sec. 16.** STATE DEBT AND OTHER OBLIGATIONS. Section 26(i), ch. 12, SLA 2009, is amended to read:

(i) The sum of $50,028,700 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2010, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	**$36,828,700**
(AS 37.15.430)	[$46,828,700]
Passenger facility charge	3,200,000
International Airports Construction Fund (AS 37.15.420)	**10,000,000**

*** Sec. 17.** BUDGET RESERVE FUND. The amount available in the general fund at the end of the fiscal year ending June 30, 2010, after all other appropriations have been made, is appropriated from the general fund to the budget reserve fund (AS 37.05.540).

*** Sec. 18.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

(b) If the unrestricted state revenue available for appropriation in fiscal year 2010 is insufficient to cover general fund appropriations made for fiscal year 2010, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(c) Section 27(c), ch. 12, SLA 2009, is amended to read:

(c) The sum of $1,673,000 is appropriated from the **general fund** [BUDGET RESERVE FUND (ART. IX, SEC. 17, CONSTITUTION OF THE STATE OF ALASKA)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.

(d) Section 27(d), ch. 12, SLA 2009, is amended to read:

(d) The **appropriation** [APPROPRIATIONS] made by (a) [AND (c)] of this section **is** [ARE] made under art. IX, sec. 17(c), Constitution of the State of Alaska.

* **Sec. 19.** Section 43(c), ch. 15, SLA 2009, is repealed.

* **Sec. 20.** LAPSE OF APPROPRIATIONS. (a) The appropriations made by secs. 11(c), 12, 13, and 17 of this Act are for the capitalization of funds and do not lapse.

(b) The appropriation made in sec. 9(b) of this Act lapses June 30, 2014.

* **Sec. 21.** RETROACTIVITY. Section 7 of this Act is retroactive to June 30, 2009.

* **Sec. 22.** This Act takes effect April 18, 2010.

Adopted 3/24/10

26-GH2827\S
Kane
3/23/10

CS FOR HOUSE BILL NO. 326(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making supplemental appropriations and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Centralized Administrative Services		**85,000**	**85,000**	
Office of Administrative Hearings	85,000			
Special Systems		**250,000**	**250,000**	
Elected Public Officers Retirement System Benefits	250,000			
Legal and Advocacy Services		**1,394,600**	**1,350,000**	**44,600**
Office of Public Advocacy	594,600			
Public Defender Agency	800,000			
Motor Vehicles		**291,800**		**291,800**
Motor Vehicles	291,800			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Insurance Operations		**77,100**	**77,100**	
Insurance Operations	77,100			
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Population Management		**2,904,000**	**2,904,000**	
Institution Director's Office	2,409,600			

	Allocations	Appropriation Items	General Funds	Other Funds
Wildwood Correctional Center	494,400			
Inmate Health Care		**4,650,100**	**4,650,100**	
Physical Health Care	4,650,100			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**180,000**	**180,000**	
Special Schools	180,000			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health		**130,000**	**130,000**	
Laboratory Services	130,000			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Commercial Fisheries		**75,000**	**75,000**	
Central Region Fisheries Management	75,000			
Wildlife Conservation				
Wildlife Conservation Special Projects	0			
Habitat		**100,000**		**100,000**
Habitat	100,000			
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Elections		**477,000**	**477,000**	
Elections	477,000			

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Health and Social Services *****				
*****			*****	
Behavioral Health		**8,545,100**	**3,228,900**	**5,316,200**
Behavioral Health Medicaid Services	8,545,100			
Children's Services		**-1,079,700**	**-1,158,200**	**78,500**
Children's Medicaid Services	-2,200,000			
Children's Services Management	165,000			
Front Line Social Workers	955,300			
Health Care Services		**64,087,400**	**23,236,400**	**40,851,000**
Adult Preventative Dental Medicaid Services	0			
Medicaid Services	63,116,300			
Health Facilities Survey	396,100			
Health Planning and Infrastructure	575,000			
Juvenile Justice		**566,600**	**566,600**	
McLaughlin Youth Center	266,600			
Probation Services	300,000			
Public Assistance		**2,300,000**		**2,300,000**
Energy Assistance Program	2,300,000			
Public Health		**647,800**	**647,800**	
Women, Children and Family Health	347,800			
State Medical Examiner	300,000			
Senior and Disabilities Services		**14,484,200**	**8,286,300**	**6,197,900**
General Relief/Temporary	3,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Assisted Living				
Senior and Disabilities	9,209,200			
Medicaid Services				
Senior and Disabilities	1,475,000			
Services Administration				
Departmental Support		**875,000**	**875,000**	
Services				
Administrative Support	350,000			
Services				
Information Technology	525,000			
Services				
* * * * *		* * * * *		
* * * * * **Department of Law** * * * * *				
* * * * *		* * * * *		
Civil Division				
Deputy Attorney General's	884,000			
Office				
Oil, Gas and Mining	-884,000			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Resource Development		**85,000**	**85,000**	
Large Project Permitting	85,000			
Fire Suppression		**35,371,400**	**35,371,400**	
Fire Suppression Activity	35,371,400			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Alaska State Troopers		**300,000**	**300,000**	
Prisoner Transportation	300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * Department of Revenue * * * * *				
* * * * *		* * * * *		
Taxation and Treasury		**-750,000**		**-750,000**
Treasury Division	50,000			
Alaska Retirement Management Board	50,000			
Alaska Retirement Management Board Custody and Management Fees	-850,000			
Child Support Services			**-217,700**	**217,700**
Child Support Services Division	0			
Administration and Support		**60,100**	**60,100**	
Administrative Services	60,100			
* * * * *			* * * * *	
* * * * * Department of Transportation & Public Facilities * * * * *				
* * * * *			* * * * *	
Administration and Support		**340,000**	**340,000**	
Central Region Support Services	240,000			
Program Development	100,000			
Design, Engineering and Construction		**296,500**	**296,500**	
Statewide Design and Engineering Services	296,500			
State Equipment Fleet		**2,706,700**		**2,706,700**
State Equipment Fleet	2,706,700			
Highways, Aviation and Facilities		**1,098,800**	**1,098,800**	
Northern Region Facilities	99,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Central Region Highways and Aviation	519,000			
Southeast Region Highways and Aviation	44,900			
Whittier Access and Tunnel	435,000			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**35,500**	**35,500**	
Administration and Support	35,500			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1002 Federal Receipts	336,400
1004 Unrestricted General Fund Receipts	1,685,000
*** Total Agency Funding ***	$2,021,400
Department of Commerce, Community and Economic Development	
1156 Receipt Supported Services	77,100
*** Total Agency Funding ***	$77,100
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,554,100
*** Total Agency Funding ***	$7,554,100
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	180,000
*** Total Agency Funding ***	$180,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	130,000
*** Total Agency Funding ***	$130,000
Department of Fish and Game	
1002 Federal Receipts	100,000
1004 Unrestricted General Fund Receipts	75,000
1018 Exxon Valdez Oil Spill Trust	-150,000
1108 Statutory Designated Program Receipts	150,000
*** Total Agency Funding ***	$175,000
Office of the Governor	
1004 Unrestricted General Fund Receipts	477,000
*** Total Agency Funding ***	$477,000
Department of Health and Social Services	
1002 Federal Receipts	37,248,700
1003 General Fund Match	32,940,200

1004	Unrestricted General Fund Receipts	775,800
1037	General Fund / Mental Health	1,966,800
1212	Federal Stimulus: ARRA 2009	17,494,900
***	Total Agency Funding ***	$90,426,400
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	35,456,400
***	Total Agency Funding ***	$35,456,400
Department of Public Safety		
1004	Unrestricted General Fund Receipts	300,000
***	Total Agency Funding ***	$300,000
Department of Revenue		
1004	Unrestricted General Fund Receipts	60,100
1007	Interagency Receipts	50,000
1016	CSSD Federal Incentive Payments	217,700
1017	Group Health and Life Benefits Fund	8,800
1029	Public Employees Retirement Trust Fund	-556,300
1034	Teachers Retirement Trust Fund	-243,800
1042	Judicial Retirement System	-6,800
1045	National Guard Retirement System	-1,900
1156	Receipt Supported Services	-217,700
***	Total Agency Funding ***	$-689,900
Department of Transportation & Public Facilities		
1004	Unrestricted General Fund Receipts	1,735,300
1026	Highways Equipment Working Capital Fund	2,706,700
***	Total Agency Funding ***	$4,442,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	35,500
***	Total Agency Funding ***	$35,500
* * * * *	Total Budget * * * * *	$140,585,000

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 3.** FINDINGS. The legislature finds that the State of Alaska has realized savings in the amount of $106,261,000 during the fiscal year ending June 30, 2010, through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that are being used to finance appropriations made from the general fund in this Act.

*** Sec. 4.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 5.** DEPARTMENT OF CORRECTIONS. The sum of $10,462,600 is appropriated to the Department of Corrections to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal years ending June 30, 2010, and June 30, 2011, from the following sources:

General fund	$10,348,500
Federal receipts	114,100

*** Sec. 6.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $242.72 is appropriated from the general fund to the Department of Health and Social Services, division of juvenile justice, for payment of unpaid bills for services received in 2003 and 2004, for fiscal year ending June 30, 2010.

*** Sec. 7.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. Section 9(d), ch. 14, SLA 2009, is amended to read:

(d) The unexpended and unobligated balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, **page 17, lines 4 - 5 (Office of the Governor, branch-wide oil and gas development - $7,290,800)** [PAGE 28, LINE 22, AND ALLOCATED ON LINE 27 (DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, WORKFORCE DEVELOPMENT, ALASKA WORKFORCE INVESTMENT BOARD - $543,600)] is reappropriated to the Department of Labor and Workforce Development, Alaska Workforce Investment Board, for gas pipeline activities for the fiscal year ending June 30, 2010.

*** Sec. 8.** DEPARTMENT OF LAW. (a) The sum of $1,424,600 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2010.

(b) The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2010, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2010.

*** Sec. 9.** DEPARTMENT OF NATURAL RESOURCES. The sum of $40,000 is appropriated from the general fund to the Department of Natural Resources, claims, permits, and leases allocation, for providing trash and sanitation services at Kasilof Beach for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 10.** DEPARTMENT OF PUBLIC SAFETY. The sum of $97,000 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Department of Public Safety for combating Internet crimes for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 11.** FUND CAPITALIZATION. The sum of $5,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).

*** Sec. 12.** FUND TRANSFERS. (a) The sum of $1,116,986,600 is appropriated from the general fund to the public education fund (AS 14.17.300).

(b) The sum of $79,000 is appropriated from the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060) to the small business economic development revolving loan fund (AS 44.88.400).

(c) The unexpended and unobligated balance of the appropriation made in sec. 18(b), ch. 30, SLA 2007 (Department of Natural Resources, assistance to the Creamery Corporation, dba Matanuska Maid Dairy - $600,000) is reappropriated to the agricultural revolving loan fund (AS 03.10.040).

*** Sec. 13.** RATIFICATIONS OF CERTAIN EXPENDITURES. (a) The expenditures by the Department of Natural Resources for fire suppression for the fiscal year ending June 30, 2009 (AR 37313-09 Fire General Fund), are ratified in the amount of $10,297,678.22.

(b) The following departmental expenditures made in fiscal years 2003, 2005, 2006, 2007, 2008, and 2009 are ratified to reverse the negative account balances in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Commerce, Community, and Economic Development	
(1) AR 29605-08 Alaska Energy Authority Owned Facilities	$ 12.95
Department of Education and Early Development	
(2) AR 17722-07 Student and School Achievement	293.08
Department of Health and Social Services	
(3) AR 22708-03 DAS DMA Unbudgeted RSA for DAS Staff Support	140.40
(4) AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00
(5) AR 22736-03 DFYS DMA Unbudgeted RSA	.34
(6) AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54
(7) AR 23125-05 Behavioral Health Administration	5,482.79
(8) AR 23932-08 Health Planning and Infrastructure	633.78
(9) AR 23934-06 Information Technology Services	4.92
(10) AR 23610-05 Epidemiology	295,356.97
(11) AR 23608-05 Certification and Licensing	31,701.51
(12) AR 23315-04 Medicaid State Programs	1,380,444.00
(13) AR 23928-05 Medicaid School Based Administrative Claims	221,290.00
(14) AR 23928-06 Medicaid School Based Administrative Claims	2,283,323.00
(15) AR 23928-07 Medicaid School Based Administrative Claims	3,060,691.00
Department of Public Safety	
(16) AR 47545-09 AST Detachments Unbudgeted RSAs	7,192.25
Alaska Court System	

(17) AR 76560-08 Domestic Violence VAWA RSA 322.50

(c) The following departmental expenditures made in fiscal years 2002, 2003, 2004, 2005, 2007, 2008, and 2009 are ratified to charge off uncollectable accounts receivables in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which those expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Corrections

(1) AR 50662-05 Anchorage Correctional Complex $409,334.19

(2) AR 50760-07 Probation and Parole Director's Office 2,661.22

Department of Education and Early Development

(3) AR 18005-04 Program Administration 22,694.51

Department of Labor and Workforce Development

(4) AR 28500-02 Employment Services 39.41

(5) AR 28190-05 Labor Market Information 290.99

(6) AR 28230-03 Independent Living Rehabilitation 649.53

(7) AR 28510-04 Unemployment Insurance 442.91

(8) AR 28510-05 Unemployment Insurance 14,592.60

(9) AR 27790-08 North Pacific Fisheries Disaster - Aid RSA 4,400.00

Department of Revenue

(10) AR 15530-07 Long Term Care Ombudsman Office 7,004.19

Department of Transportation and Public Facilities

(11) AR 61686-10 Federal Transit Administration Grants 2.18

(12) AR 58096-10 Cooperative Reimbursable Projects 29.65

(13) AR 58622-11 Cooperative Reimbursable Projects .37

(14) AR 58662-11 Federal Transit Administration Grants .72

(15) AR 59198-11 Alaska Marine Highway: Terminal - Alaska Marine Highway System Headquarters Building, Grounds, and Renovation .22

(16) AR 58640-10 Alaska Mobility Coalition .13

(17) AR 60252-10 Cooperative Reimbursable Projects .88

(18) AR 61219-12 Federal Transit Administration Grants .17

(19) AR 61009-10 Federal Transit Administration Grants	14,254.03
(20) AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	.21
(21) AR 63203-10 Surface Transportation Preconstruction	.09
(22) AR 61613-10 Federal Transit Administration Grants	2.02
(23) AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06
(24) AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19
(25) AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98
(26) AR 62656-10 Cooperative Reimbursable Projects	.01

*** Sec. 14.** RETAINED FEES AND BANKCARD SERVICES. Section 22(b), ch. 12, SLA 2009, is amended to read:

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, and to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the payments received by the state are deposited.

*** Sec. 15.** STATE DEBT AND OTHER OBLIGATIONS. Section 26(i), ch. 12, SLA 2009, is amended to read:

(i) The sum of $50,028,700 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2010, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	**$36,828,700**
(AS 37.15.430)	[$46,828,700]
Passenger facility charge	3,200,000

International Airports Construction Fund **10,000,000**
(AS 37.15.420)

*** Sec. 16.** BUDGET RESERVE FUND. The amount available in the general fund at the end of the fiscal year ending June 30, 2010, after all other appropriations have been made, is appropriated from the general fund to the budget reserve fund (AS 37.05.540).

*** Sec. 17.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

(b) If the unrestricted state revenue available for appropriation in fiscal year 2010 is insufficient to cover general fund appropriations made for fiscal year 2010, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(c) Section 27(c), ch. 12, SLA 2009, is amended to read:

(c) The sum of $1,673,000 is appropriated from the **general fund** [BUDGET RESERVE FUND (ART. IX, SEC. 17, CONSTITUTION OF THE STATE OF ALASKA)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.

(d) Section 27(d), ch. 12, SLA 2009, is amended to read:

(d) The **appropriation** [APPROPRIATIONS] made by (a) [AND (c)] of this section **is** [ARE] made under art. IX, sec. 17(c), Constitution of the State of Alaska.

*** Sec. 18.** LAPSE OF APPROPRIATIONS. The appropriations made by secs. 11, 12, and 16 of this Act are for the capitalization of funds and do not lapse.

*** Sec. 19.** Section 43(c), ch. 15, SLA 2009, is repealed.

*** Sec. 20.** RETROACTIVITY. Section 7 of this Act is retroactive to June 30, 2009.

*** Sec. 21.** This Act takes effect April 18, 2010.

1219

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language

Agency	[1] :Sup Tot	[2] LegSupTo	[2] - [1] :Sup Tot to LegSupTo	
Agency Budgets				
Administration	2,021.4	2,021.4	0.0	
Commerce, Community & Econ Dev	77.1	327.1	250.0	324.3 %
Corrections	10,889.1	18,016.7	7,127.6	65.5 %
Education & Early Dev	180.0	180.0	0.0	
Environmental Conservation	260.0	130.0	-130.0	-50.0 %
Fish and Game	100.0	175.0	75.0	75.0 %
Governor	477.0	477.0	0.0	
Health & Social Services	98,801.6	91,301.6	-7,500.0	-7.6 %
Labor & Workforce Dev	85.0	0.0	-85.0	-100.0 %
Law	2,423.9	1,459.7	-964.2	-39.8 %
Natural Resources	35,994.0	35,609.0	-385.0	-1.1 %
Public Safety	397.0	397.0	0.0	
Revenue	-495.8	-595.8	-100.0	20.2 %
Transportation	5,503.0	4,117.6	-1,385.4	-25.2 %
Alaska Court System	35.5	35.5	0.0	
Total	**156,748.8**	**153,651.8**	**-3,097.0**	**-2.0 %**
Statewide Items				
Debt Service	0.0	0.0	0.0	
Fund Capitalization	5,000.0	5,000.0	0.0	
Total	**5,000.0**	**5,000.0**	**0.0**	
Statewide Total	**161,748.8**	**158,651.8**	**-3,097.0**	**-1.9 %**
Funding Summary				
Unrestricted General (UGF)	104,311.2	100,957.8	-3,353.4	-3.2 %
Designated General (DGF)	-46.5	-46.5	0.0	
Other State Funds (Other)	1,956.7	2,131.7	175.0	8.9 %
Federal Receipts (Fed)	55,527.4	55,608.8	81.4	0.1 %

3/26/10

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language

Agency	[1] :Sup Tot	[2] LegSupTo	[2] - [1] :Sup Tot to LegSupTo	
Non-Additive Items				
Fund Transfers	1,518,857.6	1,520,532.6	1,675.0	0.1 %
Total	**1,518,857.6**	**1,520,532.6**	**1,675.0**	**0.1 %**

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language
Fund Groups: General Funds

Agency	[1] :Sup Tot	[2] LegSupTo	[2] - [1] :Sup Tot to LegSupTo	
Agency Budgets				
Administration	1,685.0	1,685.0	0.0	
Commerce, Community & Econ Dev	77.1	327.1	250.0	324.3 %
Corrections	10,856.4	17,902.6	7,046.2	64.9 %
Education & Early Dev	180.0	180.0	0.0	
Environmental Conservation	260.0	130.0	-130.0	-50.0 %
Fish and Game	0.0	75.0	75.0	>999 %
Governor	477.0	477.0	0.0	
Health & Social Services	44,058.0	36,558.0	-7,500.0	-17.0 %
Labor & Workforce Dev	85.0	0.0	-85.0	-100.0 %
Law	2,423.9	1,459.7	-964.2	-39.8 %
Natural Resources	35,994.0	35,434.0	-560.0	-1.6 %
Public Safety	300.0	300.0	0.0	
Revenue	36.5	-63.5	-100.0	-274.0 %
Transportation	2,796.3	1,410.9	-1,385.4	-49.5 %
Alaska Court System	35.5	35.5	0.0	
Total	**99,264.7**	**95,911.3**	**-3,353.4**	**-3.4 %**
Statewide Items				
Fund Capitalization	5,000.0	5,000.0	0.0	
Total	**5,000.0**	**5,000.0**	**0.0**	
Statewide Total	**104,264.7**	**100,911.3**	**-3,353.4**	**-3.2 %**
Funding Summary				
Unrestricted General (UGF)	104,311.2	100,957.8	-3,353.4	-3.2 %
Designated General (DGF)	-46.5	-46.5	0.0	
Non-Additive Items				
Fund Transfers	1,518,778.6	1,520,453.6	1,675.0	0.1 %
Total	**1,518,778.6**	**1,520,453.6**	**1,675.0**	**0.1 %**

3/26/10

222

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Commerce, Community and Economic Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Community Assistance & Economic Development													
Community and Regional Affairs													
Grant to the World Trade Center to fund events occurring in FY10 and FY11	LegSupTo	MultiYr	250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
1004 Gen Fund (UGF) 250.0													
*** Allocation Difference ***			250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
**** Appropriation Difference ****			250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
***** Agency Difference *****			250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0

3/26/10

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Corrections

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Population Management													
Institution Director's Office													
FY2011 Wage, Health Insurance, and Geographical Differential Increases for the ACOA Bargaining Unit	LegSupTo	Inc	**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 81.4													
1004 Gen Fund (UGF) 7,046.2													
*** Allocation Difference ***			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
K-12 Support													
Special Schools													
Pupil Transportation Services for Alaska School for the Deaf Program	:Sup Tot	Suppl	180.0	0.0	0.0	0.0	0.0	0.0	180.0	0.0	0	0	0
1004 Gen Fund (UGF) 180.0													
Pupil Transportation Services for Alaska School for the Deaf Program	LegSupTo	Suppl	180.0	0.0	0.0	0.0	0.0	0.0	180.0	0.0	0	0	0
1004 Gen Fund (UGF) 180.0													
*** Allocation Difference ***			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Environmental Conservation

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health													
Laboratory Services													
Lab Maintenance and Service Contract Shortfalls	:Sup Tot	Suppl	**260.0**	0.0	0.0	260.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 260.0													
Lab Maintenance and Service Contract Shortfalls	LegSupTo	Suppl	**130.0**	0.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 130.0													
*** Allocation Difference ***			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Fish and Game

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries													
Central Region Fisheries Management													
Fund Kasilof River Smolt Outmigration counts & the Big Lake Smolt outmigration count projects	LegSupTo	Suppl	75.0	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
1004 Gen Fund (UGF) 75.0													
*** Allocation Difference ***			75.0	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
**** Appropriation Difference ****			75.0	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
***** Agency Difference *****			75.0	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Health and Social Services

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Health Care Services													
Medicaid Services													
Medicaid savings due to retroactive FMAP increase related to Medicare Part D Clawback repayments to CMS	LegSupTo	Dec	-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
1004 Gen Fund (UGF) -7,500.0													
* Allocation Difference *			-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
** Appropriation Difference **			-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
Departmental Support Services													
Administrative Support Services													
Replace Lost Federal from Medicaid School Based Admin Claims	:Sup Tot	Suppl	700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 700.0													
Replace Lost Federal from Medicaid School Based Admin Claims	LegSupTo	Suppl	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 350.0													
Replace Lost Federal from Medicaid School Based Admin Claims	LegSupTo	Suppl	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 350.0													
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Information Technology Services													
Funding to Stabilize the Information Technology Budget from Unrealizable Federal Authority	:Sup Tot	Suppl	1,050.0	1,050.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,050.0													
Funding to Stabilize the Information Technology Budget from Unrealizable Federal Authority	LegSupTo	Suppl	525.0	525.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 525.0													
Funding to Stabilize the Information Technology Budget from Unrealizable Federal Authority	LegSupTo	Suppl	525.0	525.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 525.0													
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Labor and Workforce Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Workforce Development													
Workforce Investment Board													
reappropriate sec. 1, ch. 27, SLA 2008, page 17, lines 4 - 5 for gas pipeline activities	:Sup Tot	Suppl	85.0	0.0	0.0	85.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 85.0													
* Allocation Difference *			-85.0	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-85.0	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-85.0	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Law

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Civil Division													
Deputy Attorney General's Office													
Legal Analysis and Litigation on Items Not Included in the FY2010 Budget	:Sup Tot	Suppl	**964.2**	0.0	0.0	964.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 964.2													
Reappropriate from Law Oil & Gas to Deputy Attorney General's Office, Sec 1, Ch 12, SLA 09, P30, L22	LegSupTo	Suppl	**884.0**	0.0	0.0	884.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 884.0													
*** Allocation Difference ***			-80.2	0.0	0.0	-80.2	0.0	0.0	0.0	0.0	0	0	0
Oil, Gas and Mining													
Reappropriate from Law Oil & Gas to Deputy Attorney General's Office, Sec 1, Ch 12, SLA 09, P30, L22	LegSupTo	Suppl	**-884.0**	0.0	0.0	-884.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -884.0													
*** Allocation Difference ***			-884.0	0.0	0.0	-884.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			-964.2	0.0	0.0	-964.2	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			-964.2	0.0	0.0	-964.2	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development													
Oil & Gas Development													
FY10 Interest Earnings on a $6.6 million bond for the Redoubt Unit in Cook Inlet: for purposes of the bond (FY10-14)	LegSupTo	MultiYr	175.0	0.0	0.0	0.0	0.0	0.0	0.0	175.0	0	0	0
1217 NGF Earn (Other) 175.0													
*** Allocation Difference ***			175.0	0.0	0.0	0.0	0.0	0.0	0.0	175.0	0	0	0
Gas Pipeline Implementation													
Increased Gas Pipeline Implementation Expenses	:Sup Tot	Suppl	537.6	117.6	90.0	315.0	15.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 537.6													
Increased Gas Pipeline Implementation Expenses	LegSupTo	Suppl	537.6	117.6	90.0	315.0	15.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 537.6													
*** Allocation Difference ***			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Claims, Permits & Leases													
Kasilof Beach and Personal Use Fishery Contractual Services Funding for Dumpsters and Portapotties	LegSupTo	MultiYr	40.0	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 40.0													
*** Allocation Difference ***			40.0	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
Agriculture Revolving Loan Program Administration													
From Mat Maid Assistance SLA07/CH30/Sec18(b)P148/L16 Lapse Date 6/30/2010 to ARLF	LegSupTo	ReAprop	-600.0	0.0	0.0	-600.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -600.0													
*** Allocation Difference ***			-600.0	0.0	0.0	-600.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			-385.0	0.0	0.0	-560.0	0.0	0.0	0.0	175.0	0	0	0
***** Agency Difference *****			-385.0	0.0	0.0	-560.0	0.0	0.0	0.0	175.0	0	0	0

1231

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Public Safety

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Alaska State Troopers													
Special Projects													
Internet Crimes against Children - Economic Stimulus	:Sup Tot	Suppl	**97.0**	50.0	30.0	0.0	17.0	0.0	0.0	0.0	0	0	0
1212 Stimulus09 (Fed) 97.0													
Internet Crimes against Children - Economic Stimulus	LegSupTo	MultiYr	**97.0**	50.0	30.0	0.0	17.0	0.0	0.0	0.0	0	0	0
1212 Stimulus09 (Fed) 97.0													
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Revenue

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Taxation and Treasury													
Permanent Fund Dividend Division													
Additional Postage and Printing Costs for PFD Mailings	:Sup Tot	Suppl	**94.1**	0.0	0.0	94.1	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund (DGF) 94.1													
Additional Postage and Printing Costs for PFD Mailings	LegSupTo	Suppl	**94.1**	0.0	0.0	94.1	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund (DGF) 94.1													
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Administration and Support													
Administrative Services													
Server Security, Disaster Recovery Planning and IT Support	:Sup Tot	Suppl	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 100.0													
*** Allocation Difference ***			**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Transportation & Public Facilities

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration and Support													
Central Region Support Services													
Legal Costs Related to Nikishka Beach Road Case	:Sup Tot	Suppl	60.5	0.0	0.0	60.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 60.5													
* Allocation Difference *			-60.5	0.0	0.0	-60.5	0.0	0.0	0.0	0.0	0	0	0
Program Development													
Road Weather Information System (RWIS) Maintenance Costs	:Sup Tot	Suppl	175.0	0.0	0.0	175.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 175.0													
Road Weather Information System (RWIS) Maintenance Costs	LegSupTo	Suppl	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 100.0													
* Allocation Difference *			-75.0	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Difference * *			-135.5	0.0	0.0	-135.5	0.0	0.0	0.0	0.0	0	0	0
Design, Engineering and Construction													
Statewide Design and Engineering Services													
AMD: Clean Water Act	:Sup Tot	Suppl	553.0	330.9	8.5	196.0	17.6	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 553.0													
Clean Water Act	LegSupTo	Suppl	296.5	184.4	8.5	86.0	17.6	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 296.5													
Clean Water Act	LegSupTo	Suppl	256.5	146.5	0.0	110.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 256.5													
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Difference * *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Highways, Aviation and Facilities													
Central Region Highways and Aviation													
Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	:Sup Tot	Suppl	606.0	0.0	0.0	606.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 606.0													
AMD: Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	:Sup Tot	Suppl	432.0	0.0	0.0	432.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 432.0													
Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	LegSupTo	Suppl	519.0	0.0	0.0	519.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 519.0													
Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	LegSupTo	Suppl	519.1	0.0	0.0	519.1	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 519.1													

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Department of Transportation & Public Facilities

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Highways, Aviation and Facilities (continued)													
Central Region Highways and Aviation (continued)													
* Allocation Difference *			0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0	0	0
Northern Region Highways and Aviation													
Legal Costs for Material Site Lawsuits	:Sup Tot	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 150.0													
Legal Costs for Material Site Lawsuits	LegSupTo	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 150.0													
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0	0	0
Marine Highway System													
Marine Vessel Operations													
Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	LegSupTo	Suppl	-650.0	0.0	0.0	0.0	-650.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -650.0													
Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	LegSupTo	Suppl	650.0	0.0	0.0	0.0	650.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 650.0													
Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	LegSupTo	Suppl	-3,600.0	0.0	0.0	0.0	-3,600.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -3,600.0													
Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	LegSupTo	Suppl	3,600.0	0.0	0.0	0.0	3,600.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 3,600.0													
Projected excess fuel trigger allocation appropriated to Alaska Marine Highway System Fund	LegSupTo	Suppl	-1,250.0	0.0	0.0	0.0	-1,250.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1,250.0													
* Allocation Difference *			-1,250.0	0.0	0.0	0.0	-1,250.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-1,250.0	0.0	0.0	0.0	-1,250.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-1,385.4	0.0	0.0	-135.4	-1,250.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSupTo

Numbers and Language Differences Only

Agency: Fund Transfers

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Designated Savings													
DNR Cook Inlet Energy Reclamation Bond													
Sup AMD: Depositing Interest Earnings into the DNR Abandonment Liability Fund	:Sup Tot	Suppl	**175.0**	0.0	0.0	0.0	0.0	0.0	0.0	175.0	0	0	0
1005 GF/Prgm (DGF) 175.0													
*** Allocation Difference ***			**-175.0**	0.0	0.0	0.0	0.0	0.0	0.0	-175.0	0	0	0
**** Appropriation Difference ****			**-175.0**	0.0	0.0	0.0	0.0	0.0	0.0	-175.0	0	0	0
Transfers (non-add)													
AMHS Stabilization Fund													
Projected excess fuel trigger allocation deposisted in AMHS Stabilization Fund	LegSupTo	Suppl	**1,250.0**	0.0	0.0	0.0	1,250.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,250.0													
*** Allocation Difference ***			**1,250.0**	0.0	0.0	0.0	1,250.0	0.0	0.0	0.0	0	0	0
Agricultural RLF													
Repeal and reappropriation DNR Supplemental (Sec. 18(b), Ch. 30, SLA07) to Agricultural Revolving Loan Program	LegSupTo	ReAprop	**600.0**	0.0	0.0	0.0	0.0	0.0	0.0	600.0	0	0	0
1004 Gen Fund (UGF) 600.0													
*** Allocation Difference ***			**600.0**	0.0	0.0	0.0	0.0	0.0	0.0	600.0	0	0	0
**** Appropriation Difference ****			**1,850.0**	0.0	0.0	0.0	1,250.0	0.0	0.0	600.0	0	0	0
***** Agency Difference *****			**1,675.0**	0.0	0.0	0.0	1,250.0	0.0	0.0	425.0	0	0	0
****** All Agencies Difference ******			**-1,422.0**	7,127.6	0.0	-1,974.6	0.0	0.0	-7,250.0	675.0	0	0	0

1236

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language

Agency	[1] :Sup Tot	[2] LegSTSup	[2] - [1] :Sup Tot to LegSTSup	
Agency Budgets				
Administration	2,021.4	2,021.4	0.0	
Commerce, Community & Econ Dev	77.1	327.1	250.0	324.3 %
Corrections	10,889.1	18,016.7	7,127.6	65.5 %
Education & Early Dev	180.0	180.0	0.0	
Environmental Conservation	260.0	130.0	-130.0	-50.0 %
Fish and Game	100.0	175.0	75.0	75.0 %
Governor	477.0	477.0	0.0	
Health & Social Services	98,801.6	90,426.6	-8,375.0	-8.5 %
Labor & Workforce Dev	85.0	0.0	-85.0	-100.0 %
Law	2,388.8	1,424.6	-964.2	-40.4 %
Natural Resources	35,994.0	34,896.4	-1,097.6	-3.0 %
Public Safety	397.0	397.0	0.0	
Revenue	-495.8	-689.9	-194.1	39.1 %
Transportation	5,503.0	4,442.0	-1,061.0	-19.3 %
Alaska Court System	35.5	35.5	0.0	
Total	**156,713.7**	**152,259.4**	**-4,454.3**	**-2.8 %**
Statewide Items				
Debt Service	0.0	0.0	0.0	
Fund Capitalization	5,000.0	5,000.0	0.0	
Total	**5,000.0**	**5,000.0**	**0.0**	
Statewide Total	**161,713.7**	**157,259.4**	**-4,454.3**	**-2.8 %**
Funding Summary				
Unrestricted General (UGF)	104,276.1	99,834.5	-4,441.6	-4.3 %
Designated General (DGF)	-46.5	-140.6	-94.1	202.4 %
Other State Funds (Other)	1,956.7	1,956.7	0.0	
Federal Receipts (Fed)	55,527.4	55,608.8	81.4	0.1 %

3/24/10

1237

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language

Agency	[1] :Sup Tot	[2] LegSTSup	[2] - [1] :Sup Tot to LegSTSup
Non-Additive Items			
Fund Transfers	1,518,857.6	1,519,282.6	425.0
Total	**1,518,857.6**	**1,519,282.6**	**425.0**

2010 Legislature - Operating Budget
Agency Summary - FY10 Conf Comm Structure

Numbers and Language
Fund Groups: General Funds

Agency	[1] :Sup Tot	[2] LegSTSup	[2] - [1] :Sup Tot to LegSTSup	
Agency Budgets				
Administration	1,685.0	1,685.0	0.0	
Commerce, Community & Econ Dev	77.1	327.1	250.0	324.3 %
Corrections	10,856.4	17,902.6	7,046.2	64.9 %
Education & Early Dev	180.0	180.0	0.0	
Environmental Conservation	260.0	130.0	-130.0	-50.0 %
Fish and Game	0.0	75.0	75.0	>999 %
Governor	477.0	477.0	0.0	
Health & Social Services	44,058.0	35,683.0	-8,375.0	-19.0 %
Labor & Workforce Dev	85.0	0.0	-85.0	-100.0 %
Law	2,388.8	1,424.6	-964.2	-40.4 %
Natural Resources	35,994.0	34,896.4	-1,097.6	-3.0 %
Public Safety	300.0	300.0	0.0	
Revenue	36.5	-157.6	-194.1	-531.8 %
Transportation	2,796.3	1,735.3	-1,061.0	-37.9 %
Alaska Court System	35.5	35.5	0.0	
Total	**99,229.6**	**94,693.9**	**-4,535.7**	**-4.6 %**
Statewide Items				
Fund Capitalization	5,000.0	5,000.0	0.0	
Total	**5,000.0**	**5,000.0**	**0.0**	
Statewide Total	**104,229.6**	**99,693.9**	**-4,535.7**	**-4.4 %**
Funding Summary				
Unrestricted General (UGF)	104,276.1	99,834.5	-4,441.6	-4.3 %
Designated General (DGF)	-46.5	-140.6	-94.1	202.4 %
Non-Additive Items				
Fund Transfers	1,518,778.6	1,519,203.6	425.0	
Total	**1,518,778.6**	**1,519,203.6**	**425.0**	

3/24/10

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Commerce, Community and Economic Development

		Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Community Assistance & Economic Development														
Community and Regional Affairs														
Grant to the World Trade Center to fund events occurring in FY10 and FY11		LegSTSup	MultiYr	250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
1004 Gen Fund (UGF)	250.0													
*** Allocation Difference ***				250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
**** Appropriation Difference ****				250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
***** Agency Difference *****				250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0

3/24/10

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Corrections

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Population Management													
Institution Director's Office													
FY2011 Wage, Health Insurance, and Geographical Differential Increases for the ACOA Bargaining Unit	LegSTSup	Inc	**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 81.4													
1004 Gen Fund (UGF) 7,046.2													
*** Allocation Difference ***			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**7,127.6**	7,127.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
K-12 Support													
Special Schools													
Pupil Transportation Services for Alaska School for the Deaf Program	:Sup Tot	Suppl	**180.0**	0.0	0.0	0.0	0.0	0.0	180.0	0.0	0	0	0
1004 Gen Fund (UGF) 180.0													
Pupil Transportation Services for Alaska School for the Deaf Program	LegSTSup	Suppl	**180.0**	0.0	0.0	0.0	0.0	0.0	180.0	0.0	0	0	0
1004 Gen Fund (UGF) 180.0													
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Environmental Conservation

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health													
Laboratory Services													
Lab Maintenance and Service Contract Shortfalls	:Sup Tot	Suppl	**260.0**	0.0	0.0	260.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 260.0													
Lab Maintenance and Service Contract Shortfalls	LegSTSup	Suppl	**130.0**	0.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 130.0													
*** Allocation Difference ***			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**-130.0**	0.0	0.0	-130.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Fish and Game

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries													
Central Region Fisheries Management													
Fund Kasilof River Smolt Outmigration counts & the Big Lake Smolt outmigration count projects	LegSTSup	Suppl	**75.0**	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
1004 Gen Fund (UGF) 75.0													
*** Allocation Difference ***			**75.0**	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
**** Appropriation Difference ****			**75.0**	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0
***** Agency Difference *****			**75.0**	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Health and Social Services

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Health Care Services													
Medicaid Services													
Medicaid savings due to retroactive FMAP increase related to Medicare Part D Clawback repayments to CMS	LegSTSup	Dec	-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
1004 Gen Fund (UGF) -7,500.0													
* Allocation Difference *			-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
** Appropriation Difference **			-7,500.0	0.0	0.0	0.0	0.0	0.0	-7,500.0	0.0	0	0	0
Departmental Support Services													
Administrative Support Services													
Replace Lost Federal from Medicaid School Based Admin Claims	:Sup Tot	Suppl	700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 700.0													
Replace Lost Federal from Medicaid School Based Admin Claims	LegSTSup	Suppl	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 350.0													
* Allocation Difference *			-350.0	0.0	0.0	-350.0	0.0	0.0	0.0	0.0	0	0	0
Information Technology Services													
Funding to Stabilize the Information Technology Budget from Unrealizable Federal Authority	:Sup Tot	Suppl	1,050.0	1,050.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,050.0													
Funding to Stabilize the Information Technology Budget from Unrealizable Federal Authority	LegSTSup	Suppl	525.0	525.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 525.0													
* Allocation Difference *			-525.0	-525.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-875.0	-525.0	0.0	-350.0	0.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-8,375.0	-525.0	0.0	-350.0	0.0	0.0	-7,500.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Labor and Workforce Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Workforce Development													
Workforce Investment Board													
reappropriate sec. 1, ch. 27, SLA 2008, page 17, lines 4 - 5 for gas pipeline activities	:Sup Tot	Suppl	**85.0**	0.0	0.0	85.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 85.0													
*** Allocation Difference ***			**-85.0**	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			**-85.0**	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			**-85.0**	0.0	0.0	-85.0	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Law

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Civil Division													
Deputy Attorney General's Office													
Legal Analysis and Litigation on Items Not Included in the FY2010 Budget	:Sup Tot	Suppl	964.2	0.0	0.0	964.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 964.2													
Reappropriate from Law Oil & Gas to Deputy Attorney General's Office, Sec 1, Ch 12, SLA 09, P30, L22	LegSTSup	Suppl	884.0	0.0	0.0	884.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 884.0													
*** Allocation Difference ***			-80.2	0.0	0.0	-80.2	0.0	0.0	0.0	0.0	0	0	0
Oil, Gas and Mining													
Reappropriate from Law Oil & Gas to Deputy Attorney General's Office, Sec 1, Ch 12, SLA 09, P30, L22	LegSTSup	Suppl	-884.0	0.0	0.0	-884.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -884.0													
*** Allocation Difference ***			-884.0	0.0	0.0	-884.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****			-964.2	0.0	0.0	-964.2	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****			-964.2	0.0	0.0	-964.2	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development													
Gas Pipeline Implementation													
Increased Gas Pipeline Implementation Expenses	:Sup Tot	Suppl	537.6	117.6	90.0	315.0	15.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 537.6													
* Allocation Difference *			-537.6	-117.6	-90.0	-315.0	-15.0	0.0	0.0	0.0	0	0	0
Claims, Permits & Leases													
Kasilof Beach and Personal Use Fishery Contractual Services Funding for Dumpsters and Portapotties	LegSTSup	Suppl	40.0	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 40.0													
* Allocation Difference *			40.0	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
Agriculture Revolving Loan Program Administration													
From Mat Maid Assistance SLA07/CH30/Sec18(b)P148/L16 Lapse Date 6/30/2010 to ARLF	LegSTSup	ReAprop	-600.0	0.0	0.0	-600.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -600.0													
* Allocation Difference *			-600.0	0.0	0.0	-600.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-1,097.6	-117.6	-90.0	-875.0	-15.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-1,097.6	-117.6	-90.0	-875.0	-15.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Revenue

		Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Taxation and Treasury														
Permanent Fund Dividend Division														
Additional Postage and Printing Costs for PFD Mailings		:Sup Tot	Suppl	94.1	0.0	0.0	94.1	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund (DGF)	94.1													
*** Allocation Difference ***				-94.1	0.0	0.0	-94.1	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****				-94.1	0.0	0.0	-94.1	0.0	0.0	0.0	0.0	0	0	0
Administration and Support														
Administrative Services														
Server Security, Disaster Recovery Planning and IT Support		:Sup Tot	Suppl	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)	100.0													
*** Allocation Difference ***				-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
**** Appropriation Difference ****				-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
***** Agency Difference *****				-194.1	0.0	0.0	-194.1	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Transportation & Public Facilities

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration and Support													
Central Region Support Services													
Legal Costs Related to Nikishka Beach Road Case	:Sup Tot	Suppl	60.5	0.0	0.0	60.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 60.5													
* Allocation Difference *			-60.5	0.0	0.0	-60.5	0.0	0.0	0.0	0.0	0	0	0
Program Development													
Road Weather Information System (RWIS) Maintenance Costs	:Sup Tot	Suppl	175.0	0.0	0.0	175.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 175.0													
Road Weather Information System (RWIS) Maintenance Costs	LegSTSup	Suppl	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 100.0													
* Allocation Difference *			-75.0	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-135.5	0.0	0.0	-135.5	0.0	0.0	0.0	0.0	0	0	0
Design, Engineering and Construction													
Statewide Design and Engineering Services													
AMD: Clean Water Act	:Sup Tot	Suppl	553.0	330.9	8.5	196.0	17.6	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 553.0													
AMD: Clean Water Act	LegSTSup	Suppl	296.5	184.4	8.5	86.0	17.6	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 296.5													
* Allocation Difference *			-256.5	-146.5	0.0	-110.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-256.5	-146.5	0.0	-110.0	0.0	0.0	0.0	0.0	0	0	0
Highways, Aviation and Facilities													
Central Region Highways and Aviation													
Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	:Sup Tot	Suppl	606.0	0.0	0.0	606.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 606.0													
AMD: Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	:Sup Tot	Suppl	432.0	0.0	0.0	432.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 432.0													
Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	LegSTSup	Suppl	519.0	0.0	0.0	519.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 519.0													
* Allocation Difference *			-519.0	0.0	0.0	-519.0	0.0	0.0	0.0	0.0	0	0	0
Northern Region Highways and Aviation													
Legal Costs for Material Site Lawsuits	:Sup Tot	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 150.0													
* Allocation Difference *			-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-669.0	0.0	0.0	-669.0	0.0	0.0	0.0	0.0	0	0	0

1250

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Department of Transportation & Public Facilities

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Agency Difference ***			-1,061.0	-146.5	0.0	-914.5	0.0	0.0	0.0	0.0	0	0	0

2010 Legislature - Operating Budget
Transaction Compare - FY10 Conf Comm Structure
Between :Sup Tot and LegSTSup

Numbers and Language Differences Only

Agency: Fund Transfers

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Designated Savings													
DNR Cook Inlet Energy Reclamation Bond													
Sup AMD: Depositing Interest Earnings into the DNR Abandonment Liability Fund	:Sup Tot	Suppl	175.0	0.0	0.0	0.0	0.0	0.0	0.0	175.0	0	0	0
1005 GF/Prgm (DGF) 175.0													
* Allocation Difference *			-175.0	0.0	0.0	0.0	0.0	0.0	0.0	-175.0	0	0	0
** Appropriation Difference **			-175.0	0.0	0.0	0.0	0.0	0.0	0.0	-175.0	0	0	0
Transfers (non-add)													
Agricultural RLF													
Repeal and reappropriation DNR Supplemental (Sec. 18(b), Ch. 30, SLA07) to Agricultural Revolving Loan Program	LegSTSup	ReAprop	600.0	0.0	0.0	0.0	0.0	0.0	0.0	600.0	0	0	0
1004 Gen Fund (UGF) 600.0													
* Allocation Difference *			600.0	0.0	0.0	0.0	0.0	0.0	0.0	600.0	0	0	0
** Appropriation Difference **			600.0	0.0	0.0	0.0	0.0	0.0	0.0	600.0	0	0	0
*** Agency Difference ***			425.0	0.0	0.0	0.0	0.0	0.0	0.0	425.0	0	0	0
**** All Agencies Difference ****			-4,029.3	6,338.5	-90.0	-3,512.8	-15.0	0.0	-7,250.0	500.0	0	0	0

Alaska State Legislature

SESSION ADDRESS:
Alaska State Capitol, Room 9
Juneau, AK 99801
(907) 465-6600
Fax: (907) 465-3805
Toll Free: 1-877-465-6601

INTERIM ADDRESS:
600 E. Railroad Avenue
Wasilla, AK 99654
(907) 376-3370
Fax: (907) 376-3157

Senator Linda Menard

Senate District G

February 16, 2010

Honorable Sen. Lyman Hoffman
Alaska State Capitol Room 518
Juneau, Alaska 99801

Dear Lyman,

While I know you're supportive of the $250,000 funding grant in the **supplemental budget** for the World Trade Center Alaska, I wanted to write you formally about the request.

As you know from our fabulous travels in China this December, the state of Alaska and China have a special relationship in terms of trade.

This appropriation will be used to enable Alaska to participate in the 2010 World Expo in Shanghai, China. The expo runs from May 1 to October 31 with 192 countries involved at their respective pavilions. The organizers of the expo expect upwards of 70 million visitors at the event, making for an extraordinary platform to raise Alaska's visibility among the Chinese and international visitors.

I've spoken to Sen. Joe Thomas, the chair of the Commerce, Community and Economic Development Finance Subcommittee, and he's expressed his support for the supplemental appropriation. I'm very excited about Alaska having a presence in China during the expo, and I feel the appropriation to the World Trade Center Alaska is important.

Please let me know what I can do from here to make sure **Alaska has its rightful place at the 2010 World Expo this year.**

Sincerely,

Sen. Linda Menard

Senator_Linda_Menard@legis.state.ak.us

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January – April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May – December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax: 907-283-2763

Official Business

February 26, 2010

Senator Lyman Hoffman
Alaska State Capitol, Room 518
Juneau, Alaska 99801

Senator Hoffman,

I am writing to express my support for the $250,000 appropriation in the supplemental budget for the World Trade Center Alaska. As you know from our December trip to China, Alaska and China are important trade partners. World Trade Center Alaska is instrumental in facilitating this economic partnership.

The funding requested in the supplemental budget for World Trade Center Alaska will be used to enable Alaska to participate in the 2010 World Expo in Shanghai, China. The Expo runs from May 1 to October 31 and involves 192 countries. Expo organizers expect more than 70 million visitors at the event, making it an extraordinary platform to raise Alaska's visibility among the Chinese and international visitors.

A vital organization working tirelessly to promote Alaska's economic ties with China, I believe the World Trade Center Alaska is worth funding. Please accept my formal support for the World Trade Center Alaska and its involvement in the 2010 World Expo.

Sincerely,

Representative Kurt Olson

Email: Representative_Kurt_Olson@legis.state.ak.us

FY '11 Special Appropriation Request

Alaska Participation in 2010 World Expo Shanghai, China

Requestor: World Trade Center Alaska (WTCAK)

Grant Amount: $250,000

Funding Source(s): General Fund

Background:

Alaska is one of America's most trade-oriented states. While most states have significant domestic markets for their manufactured goods, technologies, or agricultural products, Alaska is heavily dependent on overseas markets for it natural resource and service sector exports. In total exports, Alaska's ranks 44th among the states, however, on a per-capita basis, Alaska ranks 4th; and considering exports as a percentage of Gross State Product (the sum of all goods and services produced in a state in a given year), Alaska ranks 8th among states. Alaska's export industries play an important role in the state's economy (jobs, revenue, etc) and are vital to the state's overall economic well-being.

Alaska's exports reached a record of $4 billion in 2006, and have remained at historically high levels since then. In 2008, the state's commodity exports to overseas markets totaled $3.6 billion.

China is currently Alaska's second largest, and fastest growing, trading partner. In 2008, exports for Alaska to China reached $733 million, a new record. Seafood is the state's largest export category to China, followed by minerals, energy, fishmeal, and forest products. There are also a number of Alaskan companies exporting various services to China, including tourism, aviation technology, and architecture.

With each passing day, China becomes more important to the Alaskan economy, not only as an increasingly important buyer of Alaskan exports, but as a potential investor in the state's natural resource development projects, and as a source of new visitors for the state's tourism industry. At least three Alaskan industry organizations have active marketing programs in China, and plan to participate, if funding for Alaska sponsorship of the USA Pavilion is secured: The World Trade Center Alaska (WTCAK), the Alaska Seafood Marketing Institute (ASMI) and the Alaska Travel Industry Association (ATIA).

Grant Purpose:

The purpose of the appropriation is to enable Alaska to participate in the upcoming **2010 World Expo in Shanghai, China**. The Expo commences on May 1, 2010 and concludes on October 31, 2010. The Expo organizers expect nearly 70 million visitors to the event made up of approximately 60 million Chinese visitors and 10 million international visitors. This will be an extraordinary platform to raise Alaska's visibility among the millions of the Chinese and international visitors to the event. The message that participation will convey, on a cost-effective basis, is that Alaska is a great place to do business and invest, that Alaska offers the world's finest seafood, and that Alaska is a world-class tourism destination. It also offers the opportunity to highlight Alaska's unique Native culture and heritage to a global audience.

The appropriation would fund three aspects of Alaska's participation:

1) **State of Alaska Sponsorship of the USA Pavilion at the Expo.** The cost of state sponsorship is $150,000 and includes a package of benefits as noted below:

   Benefits:

   Recognition in all USA Pavilion collateral materials
   Recognition on the USA Pavilion web site
   Limited distribution of materials at the USA Pavilion site
   Exhibiting within the USA Pavilion "Discover the USA" section
   Access to the Pavilion VIP facilities for TBD number of senior executives
   VIP access to the USA Pavilion for TBD number of people
   VIP access to the other Expo Pavilions
   Expo tickets of employees, clients, and others (TBD)
   One special social event for up to 200 people at the VIP Center

2) **Marketing and travel-related funds for participating industry organizations.** An amount of $87,500 would be equally divided ($43,750 each) between the following organizations: World Trade Center Alaska and the Alaska Travel Industry Association. The funds would be used by these organizations to produce special collateral materials reflecting sponsorship of the USA Pavilion at the Expo, to conduct special events in conjunction with the Expo, and to make possible staff travel and other expenditures as needed to facilitate participation at the event.

3) **Project administration and management funding for World Trade Center Alaska.** An amount of $12,500 would be used by World Trade Center Alaska to cover costs associated with administration and management of the project.

About WTCAK:

Established in 1987, WTCAK is a private, non-profit 501c (6) organization. WTCAK is part of the global network of more than 300 World Trade Centers. An 18-member board of directors governs it. In accordance with an agreement with the University of Alaska relating to the long-term use of the WTC license, the University of Alaska president currently appoints half of the WTCAK board members from among nominees put forward by WTCAK; the other half is elected by the membership. WTCAK receives funding from three primary sources: annual membership dues, grants and contracts, and profits from enterprise activities such as trade missions, trade shows, and publications.

The membership of WTCAK consists of approximately 100 companies, individual and organizations from across the state. Many of Alaska's most important exporters are members, however, the bulk of WTCAK's members are small and medium-sized Alaskan companies seeking to grow their business through international trade.

Contact Information:

Greg Wolf, Executive Director
World Trade Center Alaska
431 West Seventh Avenue, Suite 108
Anchorage, Alaska 99501
Tele: 278-7234
e-mail: greg@wtcak.org
website: www.wtcak.org

HB

329

<target><bill>HB 329</bill><subject>HB
329</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT
House Bill 329

"An act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date."

HB 329 will define the Alaska Transportation Infrastructure Fund (ATIF), how it will be funded and where the funds will be spent.

In FY10, 87% of our transportation budget came from the federal government. The current federal reauthorization legislation has already expired and is being extended month to month until new legislation can be passed. The new reauthorization bill is unfavorable for states with small populations due to an emphasis on mass transit and green transportation. It favors toll roads and bridges and other transportation that pays for itself.

The roads, bridges, airports, ferries and other transit systems that make up our state's transportation system are essential to mobility, commerce and economic development. These systems increase safety, enhance economic competitiveness, and lead to a better quality of life. To ensure Alaska has the infrastructure necessary to develop our resources as well as improve the living conditions for our citizens we must commit to funding transportation. Having an amount that is guaranteed from year to year will allow Alaska to manage current congestion and maintenance projects as well as develop access to needed resources and energy.

Additionally the use of state funds for construction means we will have greater control and funding will go towards completing projects as opposed to an expensive and lengthy federal process. Anchorage has benefited from the use of state funds and has seen projects such as the Bragraw Intersection and Dowling Street Extension. These projects cost less and were completed earlier than they would have had they been done using the federal process.

HJR 42 will put a constitutional amendment before voters to change the Alaska constitution to allow a dedicated fund for Capital Transportation Projects. With

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

passage, HB 329 will define the fund. It will outline how the fund will be managed, how the earnings will be spent and who will decide which projects will be funded each year.

The ATIF will be seeded with a $1B endowment. In addition to the endowment ATIF will receive the revenue generated from fuel taxes and vehicle registrations. The Department of Revenue will be charged with administering the fund. Six percent of the market value (POMV) of the fund will be available for appropriation each year. ATIF is estimated to generate $65-70M the first year and then grow by $5-7M per year after that.

HB 329 will create a panel to evaluate the project submissions. The panel is comprised of eight members, including 4 legislators, 2 from each house that represent a rural and an urban district. The other 4 members of the panel will be the regional directors from DOT/PF and the commissioner or a designee.

Alaska DOT/PF will be required to create a set of criteria to rank the projects. The panel will use these criteria to give each project a numeric score to be used in prioritizing the projects.

The bill defines how the funds shall be appropriated. Not more than

1. 60% of the funds may be used for roads and surface transportation,
2. 13 % may be used for aviation,
3. 12% may be used for the Alaska Marine Highway,
4. 8 % may be used for harbor facilities, state owned marine facilities and for deposit into the municipal harbor facility grant fund,
5. 5% may be used for local community transportation and transit.
6. 2% may be used for trails and bike-paths.

Alaska is geographically the largest state in the country, and the future of the economic and social well being of its citizens is critically dependent on a reliable transportation system. This fund is one of the tools needed to create a modern reliable transportation system.

26-LS1307\W

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

CSHB 329 (TRA) Alaska Transportation Infrastructure Fund: Major Changes

- The legislative intent was removed. An appropriation bill has been introduced, HB 356, to appropriate the 1 billion dollar endowment to the fund.
- ATIF Advisory council: There was move from heavy legislative involvement to limited involvement due to separation of powers issues. Also language was added to allow a public voice in the selection process. The public members will be appointed by the Governor.
- Originally all of the available vehicle registration fees and the motor fuel taxes were deposited in the ATIF and only a 6% POMV was appropriated each year. Ver. O deposits all of the revenue into the account and then allows for up to 50% of the revenues to be appropriated each year along with the 6% POMV.
- Originally the percentages of the modes allowable for appropriations added up to 100% of the available funds for appropriation. There were recommendations to provide more flexibility when defining how the appropriations may be distributed between the different modes of transportation. Now the allocations are larger than the 100% to allow for large expenditures on a particular mode if necessary. This will give the Advisory council the flexibility to put larger amounts in different areas and reduce others as needs dictate.
- Tighter definitions of the modes of transportation were added.

26-LS1307\O

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 329**
() Publish Date:

Identifier (file name): CSHB329-FIN-DOA-DMV-04-09-10
Dept. Affected: Administration
Title "An Act relating to the transportation infrastructure fund ..."
RDU Division of Motor Vehicles
Component Motor Vehicles
Sponsor TRANSPORTATION
Requester H (FIN)
Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			500.0	1,169.5	2,345.9	3,601.7	4,941.9
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services			(500.0)	(1,169.5)	(2,345.9)	(3,601.7)	(4,941.9)
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Currently, almost all funding for DMV, both operating and capital, is through Receipt Supported Services. If all revenues listed in HB 329 are transferred into the Transportation Fund, there would be insufficient fees left to fund the entire DMV operating appropriation after FY2010, and none of the capital appropriation. DMV would require general fund revenues to cover the shortfall.

Estimated additional needed for operating: FY2013-$669.5; FY2014-$1845.9; FY2015-$3101.7; FY2016-$4441.9
Estimated additional needed for capital = $500.0 annually

Prepared by: Whitney H. Brewster, Director — Phone 907-269-5574
Division Motor Vehicles — Date/Time 4/9/10 5:00 PM
Approved by: Kevin Brooks, Deputy Commissioner — Date 4/9/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 329**
() Publish Date:

Identifier (file name): CSHB329-DOT-CO-3-14-10
Title: Transportation Fund
Sponsor: H TRA
Requester: H FIN

Dept. Affected: DOT&PF&PF
RDU: Administration and Support Service
Component: Commissioner's Office
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	92.7	0.0	92.7	92.7	92.7	92.7	92.7
Travel	51.1	0.0	25.8	25.8	25.8	25.8	25.8
Contractual	202.5	0.0	2.5	2.5	2.5	2.5	2.5
Supplies	2.5	0.0	2.5	2.5	2.5	2.5	2.5
Equipment	10.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**358.8**	**0.0**	**123.5**	**123.5**	**123.5**	**123.5**	**123.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	358.8	0.0	123.5	123.5	123.5	123.5	123.5
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**358.8**	**0.0**	**123.5**	**123.5**	**123.5**	**123.5**	**123.5**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

DOT will develop project evaluation criteria to be used by the Transportation Infrastructure Fund Advisory Council for prioritizing, ranking and selecting projects. DOT&PF proposes creating at least six sets of criteria for the separate modal categories.

The development of criteria will be done by a consultant and then codified into state Administrative Code. The department's cost estimate for these two activities is $150.0 in contractual for the consultant effort and $50.0 for the regulation development (contractual, Dept. of Law) and to conduct regulation hearings.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-6971
Division: Department of Transportation and Public Facilities — Date/Time 3/142010 2:30:00 PM
Approved by: Frank Richards, Deputy Commissioner — Date 3/14/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** HB 329
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

2) One FTE (Transportation Planner III) will be responsible for developing the ranking criteria and overseeing the regulation development process, conducting annual project nomination cycles, organizing meetings and information to be used by the Advisory Council in conducting the evaluations, staffing the ranking meetings and being responsible for all necessary record keeping and information analysis and distribution. The staff person will develop handout materials and presentations for legislators and DOT&PF as necessary. This position will assist with project nominations and will prepare the annual report.

Travel costs are identified below and include travel for the 10 advisory council members and a staff person to attend 4 meetings in the 1st year - to develop criteria, regulations and then prioritize projects. Travel in the out years will be for 2 meetings /year for project prioritization. Additional costs (supplies, contractual) are included to cover expenses such as legal notices and outreach to communities and travel to meetings such as Alaska Municipal League or Tribal Transportation forums. Equipment is estimated at $10.0 in the first year for office furniture and one laptop computer for the new position.

Travel for the Advisory Council and staff was determined as follows:

Year 1	**# Trips**	**Cost**	**Total**
Travel by Planner III to 4 Meetings,	4	$920	$3,680
2 Outreach trips per year by staff	2	$920	$1,840
Travel for 12 advisory council members to 4 Meetings	48	$36,800	$45,600
		Total All:	$51,120
Years 2 and Thereafter			
Staff travel to 2 meetings	2	$920	$1,840
2 Outreach trips for staff/year	2	$920	$1,840
Travel for 12 advisory council members 2 Meetings	24	$18,400	$22,080
		Total All:	$25,760

Back up for determining travel costs

Airfare	$500	Average in-state RT
Lodging	$200	2 nights
Per Diem	$120	2 full days
Ground Trans	$100	
Total	$920	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 329(TRA)
(H) Publish Date: 3/10/10

Identifier (file name): HB329-REV-TRS-2-11-10
Dept. Affected: Revenue
Title: Transportation Infrastructure Fund
RDU: Taxation and Treasury
Component: Treasury Division
Sponsor: House Transportation
Requester: House Transportation Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	424.0	432.5	441.0	449.5	458.0	466.0	475.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**424.0**	**432.5**	**441.0**	**449.5**	**458.0**	**466.0**	**475.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
New Transporation Infrastructure fund	424.0	432.5	441.0	449.5	458.0	466.0	475.0
TOTAL	**424.0**	**432.5**	**441.0**	**449.5**	**458.0**	**466.0**	**475.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: *(Attach a separate page if necessary)*

House Bill 329 provides for a separate endowment fund to be set up in the amount of $1 billion initially to be managed by the Commissioner of Revenue. It is anticipated the fund will grow by fuel tax receipts of approximately $40 million per year. The fund would be managed with an the asset allocation of 55% Fixed Income, 45% Equity with asset allocations to be determined annually in order to achieve a six percent annual real rate of return over time. The costs include investment management fees, audit, accounting and custody fees. These costs are projected based on median market returns based on Callan and Associates capital market assumptions.

The balance of the fund does not reflect appropriations that would reduce the amount of the fund.

Prepared by: Pamela Leary, Comptroller and Jerry Burnett, Deputy Commissioner — Phone 465-2300
Division: Treasury Division — Date/Time 2-11-10; 12:36pm
Approved by: Ginger Blaisdell, Director — Date 2-11-10; 12:40pm
Administrative Services Division

(Revised 11/6/2009 OMB)

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION
DIVISION OF MOTOR VEHICLES

Sean Parnell, GOVERNOR
Annette Kreitzer, Commissioner

Whitney Brewster, Director
1300 W. Benson Blvd.
Anchorage, AK 99503
(907) 269-5559

April 6, 2010

Representative Bill Stoltze
State Capitol Room 515
Juneau AK, 99801

Dear Representative Stoltze:

I am writing you regarding HB 329 – Transportation Infrastructure Fund (TIF) – sponsored by Representative Peggy Wilson, which has been scheduled for a hearing in House Finance on Saturday, April 10. Conceptually, the Division of Motor Vehicles (DMV) does not have an objection to this bill, however, it does have serious concerns with vehicle registration fees being utilized for the Fund and its impact on DMV operations.

Currently, almost all DMV appropriations, including capital, are funded via Receipt Supported Services. The division generates approximately $64.4 million in revenue annually of which $37.4 million would be transferred to the TIF under HB 329 and $12 million is collected on behalf of other entities. This leaves approximately $14.9 million in remaining fees available for DMV operations. If, in addition to the $14.9 million in DMV fees, only 3% of TIF appropriation is available to assist in funding DMV operations as is specified in the bill, there would be insufficient revenues to fund the entire DMV operating appropriation (see table below), and none for any capital appropriations. The DMV would likely be put in the position of requesting supplemental funding for known costs from the Legislature.

	DMV Funding from TIF					
FY	Estimated TIF Appropriation [2]	3% available for DMV	DMV fees available to fund operations [1]	Total Available for DMV operations	Estimated DMV Operating Costs [3]	Excess / (Shortfall)
2012	$ 92,957.0	$ 2,788.7	$ 14,907.1	$ 17,695.8	$ 17,263.2	$ 432.7
2013	94,198.6	2,826.0	14,907.1	17,733.1	18,402.5	(669.5)
2014	95,468.9	2,864.1	14,907.1	17,771.2	19,617.1	(1,845.9)
2015	96,768.7	2,903.1	14,907.1	17,810.2	20,911.8	(3,101.7)
2016	98,099.0	2,943.0	14,907.1	17,850.1	22,292.0	(4,441.9)
2017	113,313.8	3,399.4	14,907.1	18,306.5	23,763.3	(5,456.8)

[1] $64,356 less $12,000 collected for other agencies less $37,416 collected for TIF
[2] From the schedule provided by Rep. Peggy Wilson
[3] Assuming 3% growth, based on estimates in DMV's 10-year plan

Please note that this concern was brought to the attention of Representative Wilson as well as the House Transportation committee. In an effort to not hold the bill up, it was decided that this specific concern would be forwarded to the House Finance committee for possible resolution.

The DMV does not want to jeopardize its ability to collect the revenue that is being contemplated for the TIF, nor its ability to carry out its statutory obligations. I suggest that the cost of funding the DMV be completely paid out of the revenue it collects, with the remainder of the funds going to the TIF. The bill language in section 4 could be modified to read:

> (g) The Department of Administration shall separately account for and deposit into the special transportation fund registration fees collected under this section in excess of those required for DMV operating and capital appropriations.

If you have any questions or would like to discuss this issue in greater depth, please feel free to contact me at 269-5574.

Sincerely,

Whitney H Brewster

Whitney Brewster
Director

cc: Representative Mike Hawker, Co-Chairman
Representative Bill Thomas, Vice-Chairman
Representative Alan Austerman
Representative Mike Doogan
Representative Anna Fairclough
Representative Neal Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon
Representative Peggy Wilson
Commissioner Annette Kreitzer
Jerry Gallagher, Governor's Legislative Office

RECEIVED
MAR 12 2010

Anton K. Johansen
1887 Arctic Loon Circle
Fairbanks, AK 99709
March 9, 2010

Representative Peggy Wilson
State Capitol, Room 406
Juneau, Alaska 99801-1182

Reference: House Bill No. 329

Dear Representative Wilson:

As a life long Alaskan whose exposure to Alaska's transportation system began as I accompanied my father on visits to Alaska Road Commission maintenance camps in the 1950's, I am a strong supporter of Alaska's transportation system. Today I am writing to you in support of House Bill No. 329.

To date Alaska has depended almost entirely on the generosity of the Federal government for its transportation infrastructure. The current Federal deficit and Alaska's surpluses demand that Alaskan's begin to assume a larger role in paying for their transportation system. House Bill No. 329 provides a funding mechanism that allows us to assume our responsibilities. This reliable funding stream enables the Department of Transportation and Public Facilities (DOT) to develop the long range plans necessary to plan, design and construct multi-year projects.

I do have two concerns with this legislation. The first concerns the distribution of the revenue. I believe that this money should be spent where the revenue is generated. Highway tax dollars should be spent on surface transportation. Aviation tax dollars spent on aviation and marine tax dollars spent on port and harbors. I realize that this leaves nothing for the Marine Highway System; however, this system already receives a generous level of funding in the operating budget. My second concern is with the make up of the Transportation Infrastructure Fund Advisory Council. The proposed council provides no continuity between elections. With one election all of these individuals could be replaced. I believe that a council of community leaders and transportation professionals whose appointment process and terms of service were similar to the University of Alaska Board of Regents could better serve the needs of the State.

Thank you very much for recognizing the need for this legislation and more importantly for acting to create the Transportation Infrastructure Fund. I applaud your efforts.

Sincerely,

Anton K. Johansen

Rebecca Rooney

From: Ellen.Green@CH2M.com
Sent: Tuesday, March 09, 2010 11:20 AM
To: Rep. Peggy Wilson
Subject: HB329

Representative Wilson,

I am emailing to offer input on the HB329 Transportation Infrastructure Fund. I am a believer in such funds as an additional source of revenue for our transportation infrastructure needs. This bill seems to be occurring at the same time questions arise about what to do with the state portion of our fuel taxes. I like the idea of keeping this relatively minor portion of our overall fuel cost and pointing these funds toward infrastructure. It seems to be a way to offset projected state revenue reductions from oil and expected reductions from national transportation funds. I think we should take care of ourselves to a higher extent (save a little face in the national arena) and a program of doing so should alleviate the annual challenges legislature faces - both in terms of funding and allocation and in terms of the workload you bear in a short 90 days. A dedicated fund would seem easier than the competition for general funds.

On another note, we have some major infrastructure shortcomings that cannot be met when the majority of funds of late go to a few mammoth projects. There are many areas statewide falling short when it comes to transportation needs and in Anchorage projects intended to solve multiple problems are being rescoped to answer only a part of the overall problem because of a lack of funding. As an engineer working primarily in the transportation field, I see projects dropped, rescoped, and deferred while a disproportionate amount of money goes to projects that baffle me.

Thank you for 'listening' to my opinion...and thanks for your service.

Ellen Green
8471 Foxlair Circle
Anchorage, AK 99507

907-240-2839

Rebecca Rooney

From: Sean Fitzpatrick [sfitzp@hotmail.com]
Sent: Monday, March 08, 2010 10:29 AM
To: Rep. Peggy Wilson
Cc: john@agcak.org
Subject: Transportation Fund

Rep. Wilson,

Please be aware of the substantial support for the transportation fund and the supporting legislation that is being heard today. This is critical to the health of the economy of Alaska and Alaskans.

Sean Fitzpatrick
KL Pacific Construction, Inc.
(907) 694-0300
(907) 694-0340 fax
(907) 632-9399 mobile

Rebecca Rooney

From: Miller, Mike [Mike.Miller@gcinc.com]
Sent: Tuesday, March 09, 2010 10:59 AM
To: Rep. Peggy Wilson; Rep. Craig Johnson; Rep. Kyle Johansen; Rep. Cathy Munoz; Rep. Tammie Wilson; Rep. Max Gruenberg; Rep. Pete Petersen
Subject: Support HB 329

Transportation Committee Representatives:

Please support HB 329 ! !

- Alaska has become masters at spending someone else's money. Someone else (Congress) is waking up to that fact.
- Safety –LU expired last September 30th
- The Highway Trust Fund is down to Zero and with increased fuel economy, the price of fuel people everywhere are driving less, therefore paying fewer taxes into the Highway Trust Fund.
- The Permanent Fund looms large in Congress's thoughts. Our Donee status will be lost with the next Federal Transportation Bill

This bill will provide jobs to perform the work and pay economic dividends for years after.

Mike

Michael D. Miller
Business Development Manager
Granite Construction Company
Alaska Region
11471 Lang Street
Anchorage, AK 99515
907.344.2593
907.344.1562 fax
mike.miller@gcinc.com
907.229.7838 cell
907.267.5273 direct

Rebecca Rooney

From: Colleen.Soberay@CH2M.com
Sent: Tuesday, March 09, 2010 11:10 AM
To: Rep. Peggy Wilson
Cc: Rebecca Rooney
Subject: HB 329
Attachments: HB 329 March 9 Letter.pdf

Dear Representative Wilson,

My name is Colleen Soberay. My district is 26, M.

Though I don't reside in your district, I am writing to you as part of the legislative body that works on behalf of all of Alaska, to request support of HB 329. As you know, this Bill will allow for a new funding mechanism for statewide transportation needs. I believe HB 329 will augment funding needs while allowing the State better control of projects. Federal funds are needed, but also come with stringent requirements that significantly delay completion of projects.

Times have changed. Funding has changed. Needs and funding gaps continue to increase. Alaska prides itself on being doers and being an owner state. It is time Alaska gets creative and proactive with government funding initiatives. HB 329 represents proactive government.

I trust that the legislature will finalize this bill that provides details of the fund, control of the fund, and appropriations of the fund.

It is time to be forward thinking, providing for current needs while preparing for future needs. Alaska cannot continue on a path of not providing for its transportation infrastructure needs. A dedicated transportation fund would allow Alaskans to continue enjoying a tax free state, while allowing alternative and creative mechanisms to fund transportation infrastructure. Everyone knows federal transportation dollars for Alaska are on a path to decline.

Transportation investment has been studied and proven to be an economic driver. Consider that 81 percent of daily traffic in Alaska occurs on 37 percent of lane miles (source: FHWA, 2008 Highway Statistics). This 37 percent of roadway is made up of state roads—not just in Anchorage, but our highways—built by and maintained by Alaska DOT. This also represents significant economic flurry—workers traveling, deliveries made, products moved to and from local businesses. Studies have shown that transportation systems can hinder or help local economies. A transportation fund is not about DOT. It is about the big picture. It is about all of Alaska and its economy. It is about jobs and productivity well beyond DOT. DOT has 3,400 employees compared to 71,759 transportation industry jobs across Alaska.

Supporting HB 329 shows support well beyond an individual district. Please continue to support this Bill and work with your legislative team to gain broad support of an Alaska Transportation Infrastructure Fund.

I respectfully request that you support HB 329.

Sincerely,

Rebecca Rooney

From: Lance Mearig [lmearig@uskh.com]
Sent: Tuesday, March 09, 2010 10:53 AM
Subject: Please support HB 329 creating the Alaska Transportation Infrastructure Fund

Honorable Members of the House Transportation Committee:

I encourage your support of this bill. I believe that it is imprudent for Alaska to continue relying heavily on the federal government for transportation infrastructure funding. Improving the infrastructure of this great state is critical to our continued development and the ability of private businesses like USKH Inc. to provide attractive, well-paying, highly technical jobs that will keep young Alaskans enthused about our future. Regards,

D. Lance Mearig, P.E.
Vice President

USKH
SHARED VISION. UNIFIED APPROACH.

2515 A St.
Anchorage, AK 99503
t: 907.276.4245
f: 907.258.4653
www.uskh.com

Please consider the environment before printing.

* *

This electronic communication (including all attachments) is intended only for the named addressee(s) and may contain confidential information. It has not passed through our standard review process. Design data and recommendations included herein are provided as a matter of convenience and should not be used for final design. RELY ONLY ON THE FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL. If you are not the named addressee(s), any use, dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and delete the original communication from your system.

This e-mail and all other electronic (including voice) communications from the sender's firm are not intended by the sender to constitute an electronic record, an electronic signature or any agreement to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed unless otherwise specifically indicated.

* *

17950 E Purser Pl
Palmer, AK 99645
February 13, 2010

Representative Peggy Wilson
State Capitol Room 406
Juneau AK, 99801

Re: Department of Transportation and Public Facilities

Subject: Create a Transportation Commission to manage DOT/PF

Dear Representative Peggy Wilson:
I compliment you on your service to Alaskans. It was my honor to speak to you and other members of the House Transportation Committee as Regional Materials Engineer during lunch break when you toured the Central Region Material Lab, thank you for the card of thanks you sent to us, it was appreciated.

However at this time, I must offer my thoughts as an Alaskan after being informed of recent newspaper articles (Juneau Empire & Anchorage Daily News) that cite "lack of understanding", "lack of transparency", "least responsive", and "sovereign Nation of DOT" in regard to the DOT/PF's relationship of the Legislature.

I request as an Alaskan that you create **legislation that establishes a Transportation Commission** to govern DOT/PF and not by just the Governor's appointees. This as has been done with the Alaska Railroad and has worked very well. The Commission would be comprised of representatives of the Legislature, Governor's office, AGC, Truckers Association, etc. This would offer the following;

- **Stability of mission** of the department can maintained noting the Knowles administration was trying to condemn private property in Anchorage for bike trails and pave gravel roads, the Murkowski administration focused on fast ferries, 3 "bridges to no where" and a road out of Juneau, the Palin / Parnell administration is looking at using a hover craft for an airport shuttle at Akutan, fix the ruts, highway to highway bypass in Anchorage. The point is it seems that the Department's mission rapidly changes and it may or may not comply with the wishes of the Legislature. These changes ineffective use monies previously spent. A Transportation Commission with accomplish efficiency, legislative involvement, and provide the transparency desired.
- The **internal management** can be greatly improved within DOT/PF as exampled by the Alaskan Railroad. The General Manager is a railroad professional answerable to the Board, the Alaska Railroad has not requested annual funding of the Legislature to the best of my knowledge. The internal management within DOT/PF was regionalized under Gov.

Hickel where each region accomplished their mission with minimal oversight from Juneau. Then Gov. Knowles centralized the Department's management it where all decisions were made in Juneau by Headquarters and all personnel functions were transferred to Dept of Admin. Then Gov. Murkowski changed DOT/PF management to be partial Headquarters and partial Regional. During the current administration, management has remained thus, but it is not how a viable business can operate efficiently.

- Then a **management team** could be built whereby authority could be delegated and accountability would be required of every supervisor in DOT/PF as in any business. I use myself, a Regional Materials Engineer as an example; under Gov. Hickel I could authorize travel for my staff to work on projects in our region, since the Knowles Administration centralized authority and up to the present, I cannot approve travel. Procurement authority is another example, the State Lab that I supervise has expenses are about $1million annually, my purchasing authority level is $2000, for a $2001purchase I have to apply this for approval from the Admin Clerk of the Regional Preconstruction Engineer, the Preconstruction Engineer has authority for approval for procurement amounts higher than this. All functions at my level would be best managed by approval of annual or project budgets as the Legislature and business does. I worked 30 years in private industry as a project manager for construction companies and for Anchorage Sand & Gravel as operations manager, served in the Army during the Viet Nam war, and from this perspective I sadly state that I would never "run" DOT/PF as it currently operates. For this reason I am writing this letter to you requesting legislated organizational changes.
- A Transportation Commission could better address and interact with the **federal government on issues and regulations** such as;
  a. DEC assessed environmental penalties to DOT projects and subsequent agreements that will be ongoing, the impact on project due to environmental rules which seem to interpreted differently within the DOT/PF and other agencies.
  b. An integrated management structure could be accomplished of the required functions: Government Accounting Standards Board (GASB34) / Asset Management / Pavement Management / Maintenance Management (I recommend that you contact Kate Girad, Commissioner of RCA, 263-2110, kate.giard@alaska.gov, she handled the GASB34 effort for Anchorage very well). I have attached information on GASB34 for your information.
  c. FHWA and FAA agency interaction and funding would be given a stable response from the DOT/PF as decisions would have continuum through successive administrations.
  d. Would more effective interact with Alaska's Congressional delegation on transportation issues.

- A Transportation Commission would be more likely to be given dedicated revenues to manage such as the related taxes and other assets noted in GASB34.
- An **integrated information systems and technology system** could be implemented quickly under a transportation commission as opposed to the current dysfunctional interaction that exists within the Department i.e. Statewide and regional factions especially as Geographical Information Systems (GIS), Global Positioning Systems (GPS), and electronic document management systems. Gov. Parnell's budget has money for Information Systems and Technology for DOT/PF but it will not accomplish the above. Will Alaskans be better informed by this component of the Department's budget?

As an Alaskan, I would support dedicating funds to a Transportation Commission. I support responsible, transparent, efficient government.

Again thank you for your service and leadership,
Sincerely,
Newton Bingham

Rebecca Rooney

From: Sam Robert Brice [SamRobert@briceinc.com]
Sent: Monday, March 08, 2010 10:12 AM
To: Rep. Peggy Wilson
Cc: John MacKinnon
Subject: HB 329 Dedicated Transportation Fund - Support

Dear Representative Wilson:

I am writing as a strong supporter of HB 329 that would create a dedicated State Transportation Fund. I wrote the below article in the Fall of 2008 as AGC of Alaska outlining why I felt a dedicated State Transportation Fund was important to the State of Alaska. Please let me know if I can provide any further information.

Thank you,
Sam Robert Brice
Fairbanks, AK
907.978.3000

Our responsibility

By Sam Robert Brice

Investment in construction projects is a major driver of the Alaska economy. According to the 2008 Construction Spending Forecast compiled by the Institute of Social and Economic Research at the University of Alaska Anchorage, "Construction is the third largest industry in the state, pays the state's second highest wages, employs nearly 22,000 workers with a payroll over $1 billion, accounts for 20 percent of Alaska's economy and currently contributes more than $7 billion to the state's economy." These investments boost the economy while the construction is going on and provide economic benefits for years after.

But the majority of our highway, airport, harbor and rural infrastructure projects in Alaska rely solely on year-to-year budgets of federal funding programs and / or earmarks. We all know the black eye Alaska has received over the past few years for "the bridge to nowhere" and other infamous earmarks that led Congress to earmark reform. Alaska has one of the lowest state gas taxes in the nation and in the recent past has received more than $6 for every $1 paid into the highway trust fund from federal gas tax. We are one of a handful of states that does not have our own state funded transportation program. Combine this with our permanent fund savings account and the fact that residents are paid to live here, you can start to feel the ill-will headed our direction, spelling out reduced federal transportation funding for our state. We have a backlog of nearly $400 million worth of infrastructure projects that have been designed and are sitting on the "shelf" awaiting funding.

Additionally, there are more than $1 billion worth of projects along the Alaska, Richardson and Dalton Highway corridors alone in order to be prepared for the gas pipeline construction traffic loads. A recent article in the Anchorage Daily News titled "Infrastructure delays threaten pipeline, coordinator says...one thing that could kill the project is under the state's control – needed infrastructure upgrades, said Drue Pearce, who heads the Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects."

It is precisely because of these facts that the top legislative priority for the AGC of Alaska is a State-Funded Transportation Program. Gov. Sarah Palin proposed a $1 billion appropriation for a sustained transportation funding program that did not move forward last year, but she is still strongly in support of a State Transportation Program as per the Fall 2008 article in this magazine in which she wrote:

"My administration's proposal for a sustained transportation fund is the right idea at the right time. It would add a new, certain source of funding for needs we know will continue long into the future."

This fall, voters showed their support for Alaska transportation projects by overwhelmingly passing the $315 million statewide general obligation bond issue. This is a step in the right direction.

Outside of Alaska, people don't understand the commitment the federal government made 50 years ago when Alaska was granted statehood. Alaska came into the Union without a transportation infrastructure system, but with great promise of natural resources and a strategic location. It was understood at that time the magnitude of investment that would be required to connect our great state. What better way for Alaska to show how important these continuing needs are than by paying a defined yearly portion of our way forward.

If indeed our infrastructure needs might be "the straw that breaks the camel's back" for the proposed gas pipeline, wouldn't a dedicated state-funded transportation program that could spur additional matching funds be worth the cost? The Obama administration's planned infrastructure investment package could be part of this opportunity and is an example of why time is of the essence for a state funding initiative.

Alaska is at a critical juncture in its history. We have the opportunity in front of us to by-pass the economic hardship much of our nation is feeling today and possibly help to lead our nation's recovery with the continued environmentally sound development of our vast resources. Our state slogan "North to the Future" has never been more appropriate than it is today after 50 years of statehood. It is up to us to ensure it remains so. A state funded transportation plan is a small initiative in the right direction for our future.

March 9, 2010

The Honorable Peggy Wilson
Representative, District 2
State Capitol Room 406
Juneau AK, 99801
Via Fax: 907-465-3175

Bill Allen
City Manager

City of Palmer
231 W. Evergreen Ave
Palmer, AK 99645-6952
Phone (907) 745-3271
Direct (907 761-1317
Fax (907) 745-0930
ballen@palmerak.org
www.cityofpalmer.org

Re: Support for HB 329

Dear Representative Wilson:

Please inform the House Transportation Committee of my support for HB 329, Alaska Transportation Infrastructure Fund, during today's hearing. In light of the diminishing level of funding we anticipate receiving from the Federal Highway Trust Fund, through this bill the Alaska Legislature can proactively develop a long-term transportation financing program.

The economic future of Alaska and its communities is highly dependent upon a quality, cost effective transportation system. Alaska's transportation system has fallen far behind the needs of Alaska for cost effective transportation which allows economic growth and the safe cost effective movement of people, goods and services.

Transportation investment has been studied and proven to be an economic driver. HB 329 is about jobs and productivity. This bill includes all modes of transportation thereby serving all of Alaska, including impact to transportation related industries. Additionally, local governments may apply for dollars through this Transportation Infrastructure Fund which will encourage local economic development and local participation in funding transportation projects.

I encourage the House Transportation Committee to act favorably on HB 329 to provide this important long-term financing tool for transportation infrastructure improvements to the state and all of its communities.

Best regards,

B.B. Allen

City Of Palmer

ILLINOIS GENERAL ASSEMBLY

LEGISLATIVE RESEARCH UNIT

PATRICK D. O'GRADY, EXECUTIVE DIRECTOR

April 20, 2009

ROAD FUNDS FOR NON-ROAD USES

asked us on your behalf about other states that use some motor fuel tax revenues to fund non-road transportation, such as public transit. He said that Maryland has a "transportation fund" that supports public transit as well as roads, and asked whether other states have similar funds. He also asked whether any other state has a fund called "Transportation Fund" rather than "Road Fund." Most of the states listed below call their main fund supported by motor fuel tax revenues and vehicle license fees a "Transportation Trust Fund" or a similar name.

We contacted the Maryland Department of Transportation to ask about funds of other states that are similar to its Transportation Trust Fund. Its chief financial officer provided a report done in 2004 by the Maryland Department of Legislative Services that identifies nine states with transportation funds similar to Maryland's: Connecticut, Delaware, Florida, Louisiana, Pennsylvania, Tennessee, Vermont, Virginia, and Wisconsin. The report said those states and Maryland had "multi-modal transportation funds"—defined as funds supporting multiple transportation modes, including highways, mass transit facilities, ports, airports, and/or state police departments. The report also identified California and New Jersey as states funding public transit from motor fuel tax revenues. Alaska prohibits dedicated-purpose funds. The other 37 states have transportation funds primarily for roads—although some provide public transit funding at lower levels than in the states with multi-modal transportation funds.[1]

We describe below multi-modal transportation funds in the 10 states identified in the Maryland report. We also used a Federal Highway Administration publication[2] to find five other states that appear to provide significant public transit funding from motor fuel tax revenues. Some other states provide funds for public transit, but generally in small amounts.

States With Multi-Modal Transportation Funds

Connecticut

The Special Transportation Fund was established in 1984 as a dedicated fund for the state's transportation system and its Department of Transportation operating costs. Its primary revenue source is the motor fuel tax, but it also receives proceeds of motor vehicle fees and miscellaneous income. In fiscal year 2002 (the last year for which the Department of Transportation published a report on the Fund) some revenues from the Fund were used to operate two passenger rail services, 15 urban bus services, and five rural bus services, and to support Dial-A-Ride services. The Fund provided over $1.7 billion for transit projects in fiscal years 1985 through 2002.[3]

Delaware

The Transportation Trust Fund is used to finance roads, highways, and other transportation facilities[4]—including airports, turnpikes, ports, bridges, tunnels, subways, or parking facilities, and all equipment, machinery, buildings, and land needed to provide transportation services.[5]

Florida

At least 15% of all state revenues to the State Transportation Trust Fund must be used for public transportation projects, including seaports, airports, and public transit systems.[6] At least 10% of fuel sales tax receipts deposited into the Fund must be used for public transit and rail capital projects unless otherwise provided by law.[7]

Louisiana

The state Constitution says that funds in the Transportation Trust Fund are to be used first for debt service and then for roads and bridges, the Statewide Flood Control Program, ports, airports, transit, traffic control purposes of the state police, and the Parish Transportation Fund. At least 1¢ per gallon of the state tax on gasoline and diesel fuels must be appropriated to the Parish Transportation Fund[8] and distributed to parishes (similar to counties) for costs of public transit, including transit operating expenses and buying rolling stock.[9]

Maryland

Maryland's Transportation Trust Fund receives revenues from motor fuel taxes; motor vehicle registration, title, license, and other fees; some corporate income tax revenues; some transit operating revenues, such as fares and airport fees; bond proceeds; and federal aid. Most such revenues are distributed to the Department of Transportation to go to counties and municipalities.[10] All of those entities may use the funds to finance "transportation facilities"[11]—defined as airports, highways, ports, railroads, bridges, tunnels, subways, rolling stock, stations, terminals, parking areas, equipment, buildings, and other property or services related to rendering transit service.[12] The Department of Transportation provides funds to various state transportation agencies, including the Highway Administration, Transit Administration, Port Administration, Aviation Administration, and Motor Vehicle Administration.[13]

Pennsylvania

The state's Motor License Fund, supported mainly by fuel tax revenues and vehicle fees, provides most state transportation funding. It funds highway and bridge improvements, airports, Department of Transportation administrative expenses, State Police highway patrol operations, and aid to local governments for transportation projects. General Fund appropriations subsidize mass transit and rail freight transport.[14]

Tennessee

Most motor vehicle fees and fuel taxes go to the Highway Fund.[15] About 10% of its revenues are used for waterways, airports, railroads, public transit, and bicycle and pedestrian areas.[16] Each year $3 million is appropriated from the Fund for mass transit projects.[17]

Vermont

The Transportation Fund receives motor fuel tax proceeds, vehicle fees, revenues from the sales tax on aviation jet fuel, receipts from pilot and aircraft license fees, and miscellaneous sources.[18] Money appropriated from the Fund to the Vermont Agency of Transportation must be used for building and maintaining state highways, railroads, and airports; aid to municipalities for highways and bridges; general administration of the Agency; debt service on highway bonds; operating the public transit system, railroads, and airports; and Department of Motor Vehicles operations.[19] Three-eighths of 1¢ per gallon of the gasoline tax is used for conservation and maintenance of natural resources.[20]

Virginia

There are two main transportation funds: the Highway Maintenance Operating Fund (HMOF) and the Transportation Trust Fund (TTF). Both receive some proceeds of the state gasoline tax, vehicle sales and use tax, and vehicle registration fee. The TTF also receives 0.5% of state sales tax proceeds.[21]

The HMOF is the primary source of state funding for road maintenance and operations. The TTF is the primary source of state and federal funds for highway construction, mass transit, airports, and seaports. Funds in the TTF are used for highways (78.7%), mass transit (14.7%), ports (4.2%), and aviation (2.4%).[22]

Wisconsin

The Transportation Fund may be appropriated for purposes including planning, construction, maintenance, and operation of highway, airport, harbor, ferry, railroad, bicycle, or pedestrian facilities or services; aid to local governments for transportation purposes; state enforcement of traffic laws; Department of Transportation administrative costs; and tourism marketing services.[23]

Almost half of the Fund goes for highway construction and maintenance. About one-third is distributed to local governments to help with maintaining and improving roads, public transit systems, railways, harbors, airports, and bicycle and pedestrian facilities. The remainder helps finance operations of the Department of Transportation, Department of Motor Vehicles, and State Police.[24]

Other Funds for Transportation in Five States

California

The Public Transportation Account (a part of the State Transportation Fund) is available only by appropriation for transportation planning and mass transportation purposes.[25] The Account receives a portion of revenues from the state sales tax on motor fuel.[26] Funds are used for bus and passenger rail services; funding public transit capital improvement projects in the state transportation improvement program; public transportation research; and support of some state agencies and local transportation planning agencies.[27]

All state funds that are available for capital improvement transportation projects must be divided between projects administered by the state (25%) and those administered by regional authorities (75%). Of the state-administered funds, 60% must be dedicated to highways outside urban areas and to

intercity rail improvements; at least 15% of that 60% (9% of the state-administered funds) must go to intercity rail. The state-administered funds must be used for transportation projects for moving people and goods, including state highways, intercity passenger rail, mass transit projects, and grade separation projects. Locally administered funds are allocated among counties, and may be used for state highways, local roads, public transit, intercity rail, pedestrian and bicycle roads, and other projects to improve transportation in a region.[28]

Michigan

The Michigan Transportation Fund receives most motor fuel and vehicle taxes. One-tenth of the Fund's income each year (plus some general sales tax receipts[29]) goes to the Comprehensive Transportation Fund.[30] The Comprehensive Transportation Fund must be used, after payments for debt service and administrative costs, for grants to local governments or transportation authorities for public transportation projects.[31] Each year, at least 10% of these funds must be distributed for intercity passenger and freight transportation purposes.[32]

New Jersey

The state Constitution says the Transportation Trust Fund is to be used for costs of planning, acquisition, engineering, construction, repair, and rehabilitation of the state's "transportation system."[33] The Fund receives revenues from motor fuel taxes, vehicle registration fees, and part of the state sales tax. Funds for capital projects are allocated among the Department of Transportation; NJ Transit (the state's public transportation corporation); and local governments.[34]

New York

New York finances public transit mainly from two funds dedicated for that purpose:

The Dedicated Mass Transportation Trust Fund is to be appropriated for mass transit facilities, vehicles, and rolling stock; debt service or operating expenses for mass transit operating agencies; rail projects; and helping small and minority- or women-owned businesses in transportation construction projects.[35] It is funded mainly by a portion of the petroleum business tax.[36]

The Mass Transportation Operating Assistance Fund provides funding for transit system operations. It is supported mainly by a portion of the petroleum business tax, and a corporation tax and sales tax imposed in the Metropolitan Transportation Authority region.[37]

Rhode Island

All motor fuel tax proceeds go to the Intermodal Surface Transportation Fund. The Rhode Island Public Transit Authority receives 7.25¢ (about 25%) of the tax on every gallon of motor fuel sold in the state, and the Department of Transportation gets 20.75¢.[38] The law does not specify the uses for these funds. But another law charges the Department of Transportation with preparing plans and implementation programs for transportation; for port and waterway facilities if the principal purpose is transportation and management of port properties, warehouses, and state piers used primarily as transportation facilities; and for maintaining an adequate level of rail passenger and freight service.[39] In 2007, the Department of Transportation provided funds for commuter rail services and bicycle and pedestrian areas.[40]

We hope this information is helpful. Please let us know if you need anything further.

Sincerely,

Sarah E. Franklin

Sarah E. Franklin
Senior Research Associate

SEF:ag

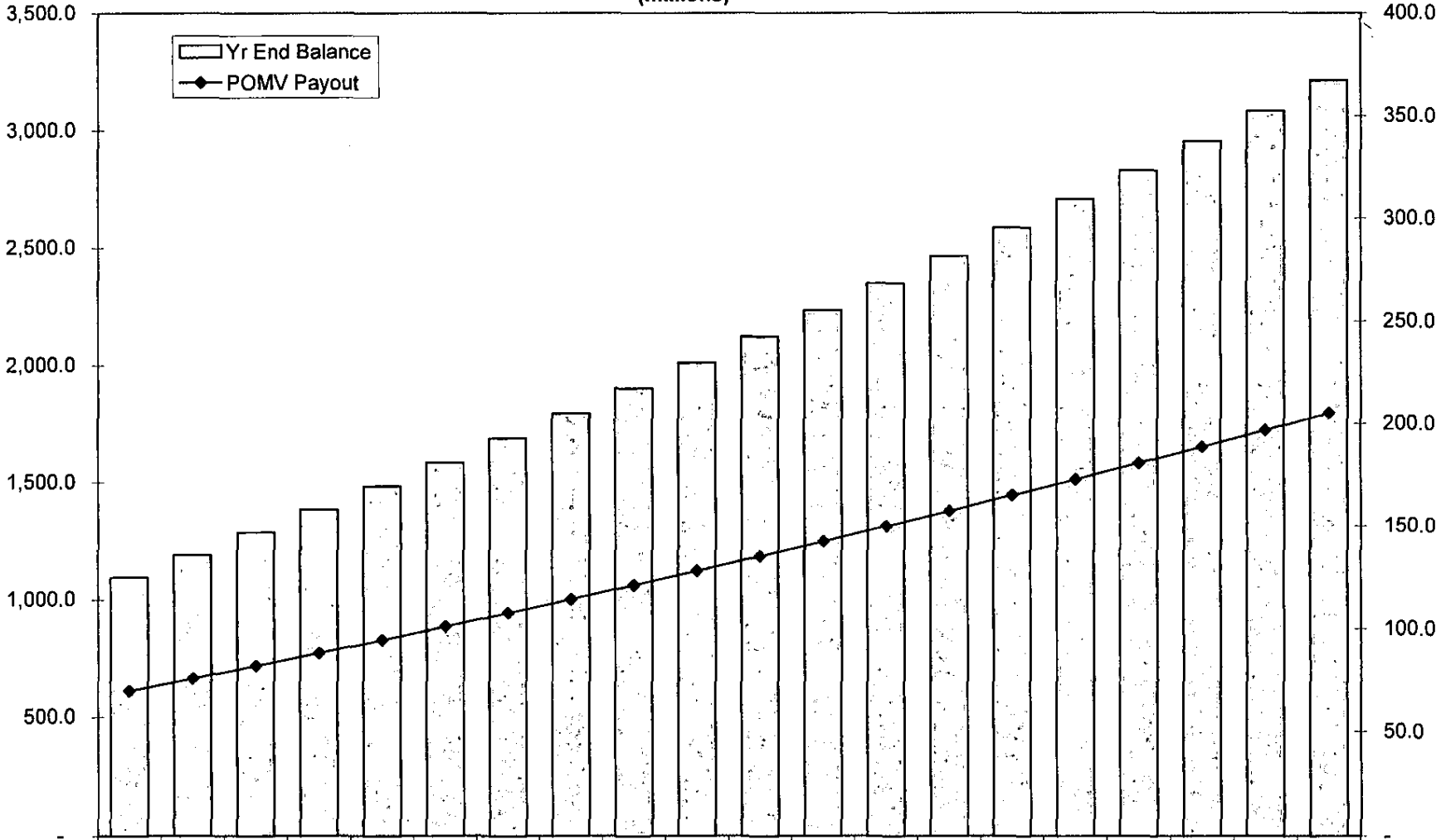
Notes

1. Maryland Department of Legislative Services, *Maryland Department of Transportation Fiscal 2005 Budget Overview*, "Transportation Funding Among the 50 States" (provided by Dave Fleming, Chief Financial Officer, Maryland Department of Transportation and also available on Maryland General Assembly Internet site).
2. U.S. Department of Transportation, Federal Highway Administration, *Highway Taxes and Fees 2008*, Table MF-106 (downloaded from Federal Highway Administration Internet site).
3. Connecticut Department of Transportation, "State Funding: Special Transportation Fund" (FY 2002, downloaded from Connecticut Department of Transportation Internet site).
4. Del. Code, tit. 30, sec. 5119.
5. Del. Code, tit. 2, subsec. 1303(u).
6. Fla. Stat., subsec. 206.46(3).
7. Fla. Stat., sec. 206.606.
8. La. Const., Art. 7, sec. 27.
9. La. Rev. Stat., sec. 48:753.
10. Maryland Department of Transportation, "Transportation Trust Fund" (downloaded March 30, 2009 from Maryland Department of Transportation Internet site).

11. Md. Transp. Code, secs. 3-202 and 8-408.
12. Md. Transp. Code, subsecs. 3-101(k) and (l).
13. Maryland Department of Transportation, "Transportation Trust Fund."
14. Pennsylvania Department of Transportation, "Transportation Financing" (downloaded April 1, 2009 from Pennsylvania Department of Transportation Internet site).
15. Tenn. Code, secs. 55-6-107, 67-3-901, and 67-3-905.
16. Tennessee Department of Transportation, "2005-2006 Biennial Report" (downloaded from Tennessee Department of Transportation Internet site).
17. Tenn. Code, subsec. 67-3-901(f)(1)(B).
18. Vt. Stat., tit. 19, sec. 11.
19. Vt. Stat., tit. 19, sec. 12.
20. Vt. Stat., tit. 23, subsec. 3106(d).
21. Virginia Department of Transportation, "Transportation Fact Book: Transportation Budget" (2007, downloaded from Virginia Department of Transportation Internet site).
22. Va. Code, sec. 33.1-23.03:2.
23. Wis. Stat., subsec. 25.40(3).
24. Wisconsin Department of Transportation, "Transportation finance issues: How is transportation money spent?" (rev. Oct. 31, 2007, downloaded from Wisconsin Department of Transportation Internet site).
25. Cal. Pub. Util. Code, sec. 99310.5.
26. Cal. Rev. & Tax. Code, sec. 7102.
27. Cal. Pub. Util. Code, secs. 99312 and 99315.
28. Cal. Sts. & High. Code, secs. 163 and 164; California Department of Transportation, "Transportation Funding in California" (2008, downloaded from California Department of Transportation Internet site).
29. Mich. Comp. Laws, subsec. 205.75(4)(a).
30. Mich. Comp. Laws, subsec. 247.660(1)(f).
31. Mich. Comp. Laws, sec. 247.660d.
32. Mich. Comp. Laws, subsec. 247.660e(4)(b).
33. N.J. Const., Art. 8, sec. 2, par. 4.
34. New Jersey Transportation Trust Fund Authority, "NJDOT/NJ Transit Capital Program" (rev. Feb. 27, 2008, downloaded from New Jersey Transportation Trust Fund Authority Internet site).
35. N.Y. State Fin. Law, sec. 89-c.
36. New York Department of Transportation, "Public Transportation Bureau—State Transit Operating Assistance" (downloaded April 2, 2009 from New York Department of Transportation Internet site).
37. N.Y. St. Fin. Law, sec. 88-a; New York Department of Transportation, "Public Transportation Bureau—State Transit Operating Assistance."
38. R.I. Gen. Laws, subsec. 31-36-20(a).

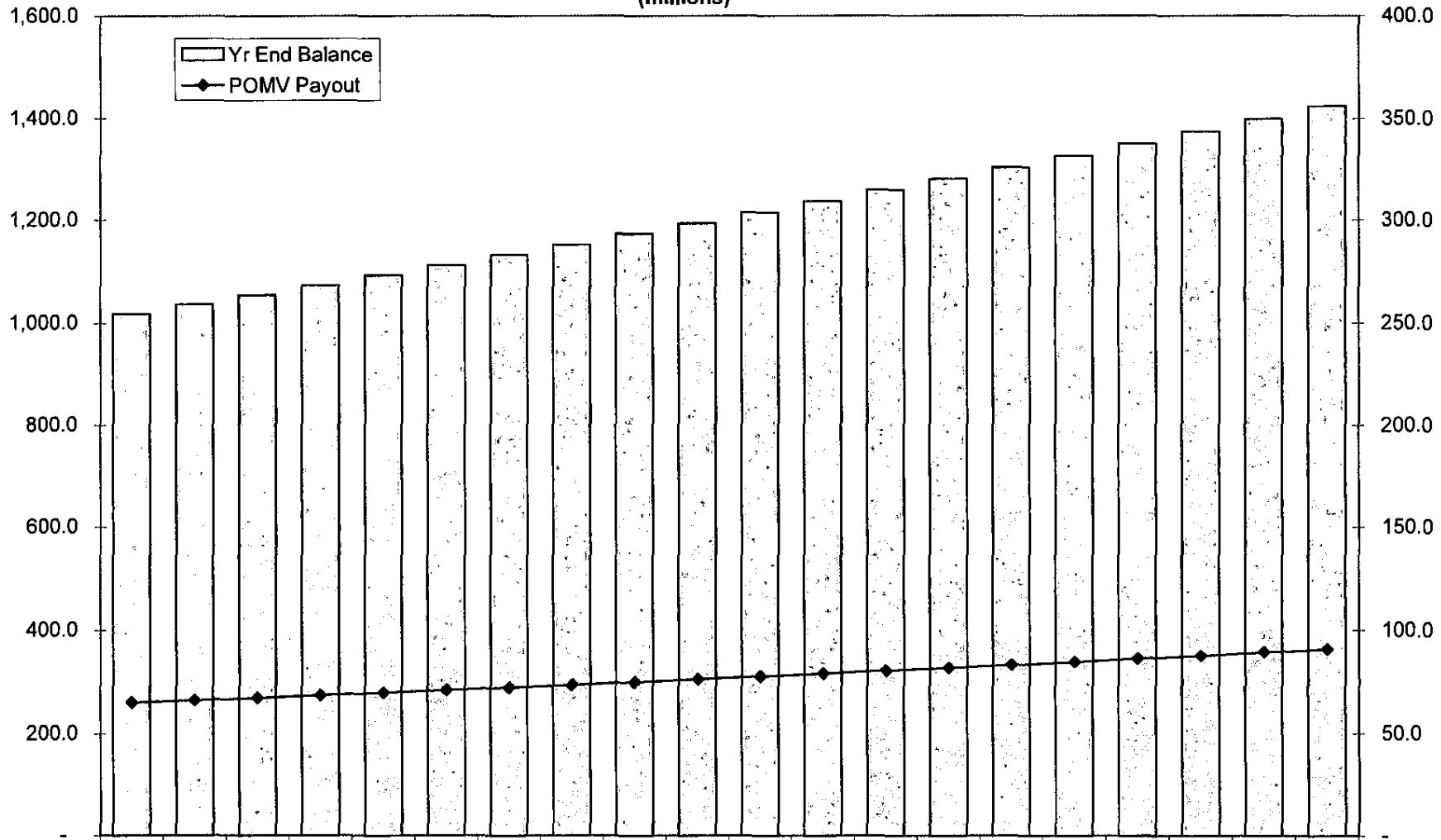
39. R.I. Gen. Laws, subsec. 42-13-1(a).
40. Rhode Island Department of Transportation, "2007 Annual Report" (downloaded from Rhode Island Department of Transportation Internet site).

Transportation Fund
Scenario - 8.28% IR; 6% POMV, $80/yr new revenue to fund
(millions)



	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Yr End Balance	1,093.0	1,187.7	1,284.1	1,382.2	1,482.0	1,583.7	1,687.1	1,792.4	1,899.6	2,008.6	2,119.7	2,232.7	2,347.7	2,464.7	2,583.9	2,705.2	2,828.6	2,954.2	3,082.1	3,212.3
POMV Payout	69.8	75.8	82.0	88.2	94.6	101.1	107.7	114.4	121.2	128.2	135.3	142.5	149.9	157.3	164.9	172.7	180.5	188.6	196.7	205.0

Transportation Fund
Scenario - 8.28% IR; 6% POMV
(millions)



	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Yr End Balance	1,017.8	1,036.0	1,054.5	1,073.3	1,092.4	1,111.9	1,131.7	1,151.9	1,172.4	1,193.3	1,214.6	1,236.3	1,258.3	1,280.8	1,303.6	1,326.8	1,350.5	1,374.6	1,399.1	1,424.0
POMV Payout	65.0	66.1	67.3	68.5	69.7	71.0	72.2	73.5	74.8	76.2	77.5	78.9	80.3	81.8	83.2	84.7	86.2	87.7	89.3	90.9

RECEIVED
MAR 26 2010

Marine Transportation Advisory Board

Alaska Department of Transportation and Public Facilities
P.O. Box 112500 • Juneau, AK 99811-2500

Mike Korsmo
Chair
Skagway
Marine Captain not affiliated with AMHS

Shirley Marquardt
Vice Chair
Unalaska
Southwest AK, Aleutian Chain

Cathie Roemmich
Juneau
At-Large

Clay Koplin
Cordova
Prince William Sound

Seth Church
Fairbanks
At-Large

Vacant
Ketchikan
Southern Southeast

Mark Eliason
Anchorage
Travel & Tourism

Gerry Hope
Sitka
Central Southeast

Patrick Owen
Juneau
Union

Maxine Thompson
Angoon
Hoonah, Kake, Pelican and Tenakee

Robert Venables
Haines
Northern Southeast

March 19, 2010

The Honorable Peggy Wilson
Alaska State Legislature
State Capitol, Room 406
Juneau, AK 99801-1182

Dear Representative Wilson:

The Marine Transportation Advisory Board (MTAB) would like to lend support to HB 329. This legislation would help improve the transportation infrastructure throughout the State of Alaska.

The MTAB is a citizen advisory board established by executive order in 2002 and put into statute in 2008. The board advises the administration on marine transportation issues, particularly those related to the Alaska Marine Highway.

HB 329, which establishes a transportation infrastructure fund for the State of Alaska, will help us move forward in developing our transportation needs in the face of shrinking federal dollars. We must continue to develop our transportation infrastructure if we want Alaska to grow and prosper. It is also important that the state maintains the infrastructure in place. We would encourage this legislation to include language that allows us to sustain our current infrastructure.

The MTAB is encouraged by the recent changes made to the legislation that allows for members of the public who represent various modes of transportation to be part of the fund advisory council. We hope that consideration will be given to an MTAB board member being a part of this advisory group to lend advice on marine transportation infrastructure.

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

SWAMC RESOLUTION 09-02

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO CAPITALIZE STABLE LONG-TERM TRANSPORTATION FUNDING FOR ALASKA

WHEREAS, Alaska's transportation system has fallen far behind the needs of Alaska for cost effective transportation which allows economic growth and the safe cost effective movement of people, goods, and services; and

WHEREAS, the Alaska Highway System, the Alaska Marine Highway System, Alaska Airports, Alaska ports and harbors, and Alaska's local roads all need several years of significant funding for infrastructure improvement, upgrade and expansion; and

WHEREAS, the general appropriation process has resulted in significant underfunding of transportation infrastructure; and

WHEREAS, the Federal Highway Trust Fund is experiencing significant shortfalls, further contributing to a decrease in transportation funding for Alaska; and

WHEREAS, the economic future of Alaska is highly dependent upon a quality, cost effective transportation system; and

WHEREAS, the development of Alaska transportation infrastructure is dependent upon a steady and reliable stream of revenue; and

WHEREAS, the development of an energy policy that works for Alaska requires a quality transportation system in order to be successful; and

WHEREAS, estimates of annual funding needs for transportation infrastructure improvements, upgrades, and expansions exceed $300 million per year; and

WHEREAS, the State of Alaska is in a position to proactively develop a long-term transportation financing program.

-MORE-

NOW, THEREFORE BE IT RESOLVED that the Southwest Alaska Municipal Conference urges the Governor and the Alaska Legislature to establish a Transportation Trust Fund for Alaska or other suitable and sustainable funding mechanisms that generate at least $300 million annually to accomplish the following purposes:

- Generate investment earnings to develop transportation infrastructure in Alaska.
- Improve, upgrade and expand State of Alaska roads and highways.
- Improve, upgrade and expand the Alaska Marine Highway System.
- Improve, upgrade and expand the airports in Alaska.
- Improve and expand Alaska's ports and harbors.
- Provide regular funding to Alaska's communities to improve, upgrade and expand local roads built to local road standards.

AND, BE IT FURTHER RESOLVED that not less than 15-percent of the total funding will be allocated to each of the five programs each year (roads and highways; Alaska Marine Highway System; airports; ports and harbors; public transit and local roads).

PASSED AND ADOPTED by a duly constituted quorum of the Southwest Alaska Municipal Conference Membership this Thirtieth day of January, 2009.

Signed:

Tom Abell
President

Attest:

Michael Catsi
Executive Director

HB

331

<target><bill>HB 331</bill><subject>HB
331</subject><comm>HFIN26</comm></target>

REPRESENTATIVE CATHY MUÑOZ

House Bill 331

Youth Court Funding

For the past twenty years the Alaska Youth Court has emerged as one of Alaska's most effective crime prevention programs. It has provided youth offenders and volunteers a better understanding of our legal system with an emphasis on accountability. Youth Courts strategically operate in Alaska communities from Ketchikan to Nome. It is the only diversion program available in District Court to enable individuals to have their cases dismissed without resulting in a criminal record. For many this brief involvement in the justice system is a turning point.

Funding for this program comprises a mix of state funds, the private sector, municipal grants, and federal funds. To help ensure continuation of Alaska's Youth Court program **HB 331** directs a source of funding from a portion of criminal fines. This bill will require the state to account separately for these fines which currently are spent on the general administration of state government. Consequently it will allow the legislature to appropriate up to 25% of criminal fines to support youth courts.

Each youth court is adapted to fit the needs of the individual community. Youth volunteers participate in various roles while youth offenders receive an alternative sanction from the formal justice system. In 2002 the Urban Institute, a non-partisan, policy research non-profit, studied teen courts in four states. The study compared recidivism outcomes for youth courts with youth handled by our regular juvenile justice systems. The results indicated only 6% of offenders in the Anchorage program were back in court within a six month period compared to 18% by the regular juvenile justice system.

Using criminal fines to pay for crime prevention makes sense for Alaska's future. **HB 331** will provide a means for the legislature to allocate funds annually and support this effective, worthwhile, and cost efficient program.

Contact: Terry Harvey, 465 5392

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

ALASKA STATE LEGISLATURE

CSHB 331

Explanation of Changes made in (H) JUD Committee

There was one amendment adopted.

The words **'up to'** were added on page 1, sec 3.

"The legislature may appropriate **'up to'** 25% of fines imposed under AS 12.55.035...."

This change allows for the legislature to cap the percentage of fines collected for funding purposes rather than mandate the amount. In turn it will provide more flexibility with budget recommendations from the Juvenile Justice Division to the legislature during the budget process each year. It will allow more flexibility for the legislature during the budget process as well.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 331(JUD)
(H) Publish Date: 3/1/10

Identifer (file name): HB331-DHSS-YC-2-22-10
Dept. Affected: Health & Social Services

Title: Youth Courts and Criminal Fines
RDU: Juvenile Justice
Component: Youth Courts

Sponsor: Munoz

Requester: H Judiciary
Component Number: 2768

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

HB 331 allows the legislature to appropriate 25 percent of the fines imposed under AS 12.55.035, collected and separately accounted for by the state under AS 37.05.142, to the Department of Health and Social Services for distribution to youth courts established under AS 47.12.400. The bill would provide an alternate source of funding for youth courts, which have been supported since FY2006 with a Congressional appropriation that will be exhausted by early FY2011. Youth courts are typically operated as nonprofit organizations or within municipalities. The Division of Juvenile Justice relies upon these courts as a community-based diversion response for low-risk juvenile offenders. In FY09, 13% of all delinquency referrals made to the division were referred to youth courts and other community-based diversion panels.

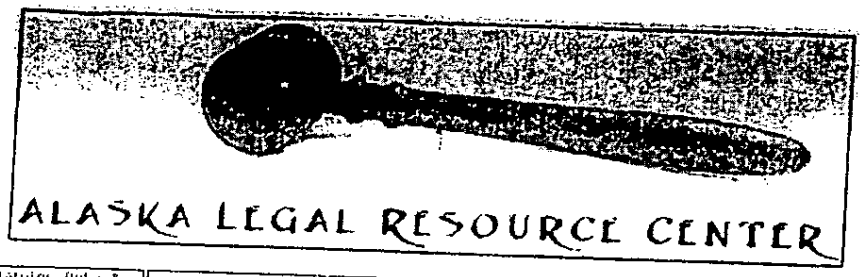
The division is submitting a zero fiscal note because no new authorization is necessarily invoked by passage of this bill.
(Continued on page 2)

Prepared by: Stephen F. McComb
Phone (907) 261-4335
Division: Juvenile Justice
Date/Time 2/11/10 4:24 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/22/2010
DHSS Finance & Management Services

ANALYSIS CONTINUATION

Should the Legislature decide to appropriate the full balance authorized through this legislation, an additional appropriation will be necessary.



Advertising with us can place you in front of thousands of visitors a day. Learn more!

Bright Solutions

Princeton Academy (PAMA)
New Jersey's premiere Martial Arts training facility. Come join us!

1 Tip for a Flat Belly :
Cut down 3 lbs Belly Fat every week just by using this 1 Weird Old Tip

Focused Handgun Training
in Four Days Of Focused Training. Youll Be Fast & Accurate With A Gun

Touch N' Go
Desktop In/Out Board

Alaska Statutes.
Title 12. Code of Criminal Procedure
Chapter 55. Sentencing and Probation
Section 35. Fines.

previous: Section 30. Discharge of Indigents Imprisoned For Nonpayment of Fine. [Repealed, Sec. 16 Ch 53 SLA 1973].
next: Section 36. Day Fines.

AS 12.55.035. Fines.

(a) Except as provided in AS 12.55.036 , upon conviction of an offense, a defendant may be sentenced to pay a fine as authorized in this section or as otherwise authorized by law.

(b) Except as provided in AS 12.55.036 , upon conviction of an offense, a defendant who is not an organization may be sentenced to pay, unless otherwise specified in the provision of law defining the offense, a fine of no more than

(1) $500,000 for murder in the first or second degree, attempted murder in the first degree, murder of an unborn child, sexual assault in the first degree, sexual abuse of a minor in the first degree, kidnapping, promoting prostitution in the first degree under AS 11.66.110 (a)(2), or misconduct involving a controlled substance in the first degree;

(2) $250,000 for a class A felony;

(3) $100,000 for a class B felony;

(4) $50,000 for a class C felony;

(5) $10,000 for a class A misdemeanor;

(6) $2,000 for a class B misdemeanor;

(7) $500 for a violation.

(c) Except as provided in AS 12.55.036 , upon conviction of an offense, a defendant that is an organization may be sentenced to pay a fine not exceeding the greater of

(1) an amount that is

(A) $1,000,000 for a felony offense or for a misdemeanor offense that results in death;

(B) $200,000 for a class A misdemeanor offense that does not result in death;

(C) $25,000 for a class B misdemeanor offense that does not result in death;

(D) $10,000 for a violation;

(2) three times the pecuniary gain realized by the defendant as a result of the offense; or

(3) three times the pecuniary damage or loss caused by the defendant to another, or to the property of another, as a result of the offense.

(d) If a defendant is sentenced to pay a fine, the court may grant permission for the payment to be made within a specified period of time or in specified installments.

(e) In imposing a fine under (c) of this section, in addition to any other relevant factors, the court shall consider

(1) measures taken by the organization to discipline an officer, director, employee, or agent of the organization;

(2) measures taken by the organization to prevent a recurrence of the offense;

(3) the organization's obligation to make restitution to a victim of the offense, and the extent to which imposition of a fine will impair the ability of the organization to make restitution; and

(4) the extent to which the organization will pass on to consumers the expense of the fine.

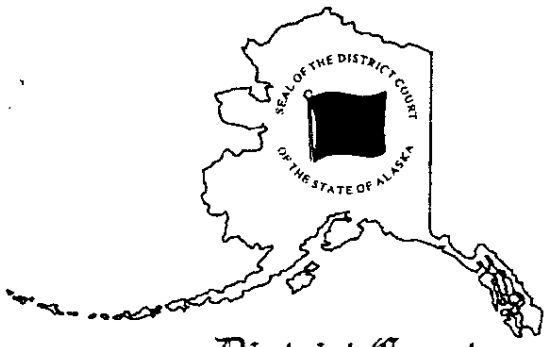
(f) In imposing a fine, the court may not reduce the fine by the amount of a surcharge or otherwise consider the applicability of a surcharge to the offense.

All content © 2008 by Touch N' Go/Bright Solutions, Inc.

Note to HTML Version:

This version of the Alaska Statutes is current through December, 2007. The Alaska Statutes were automatically converted to HTML from a plain text format. Every effort has been made to ensure their accuracy, but this can not be guaranteed. *If it is critical that the precise terms of the Alaska Statutes be known, it is recommended that more formal sources be consulted.* For statutes adopted after the effective date of these statutes, see, Alaska State Legislature If any errors are found, please e-mail Touch N' Go systems at E-mail. We hope you find this information useful.

This page has been updated: 01/05/2009 15:54:16



District Court

State of Alaska

FIRST JUDICIAL DISTRICT

KEITH B. LEVY
Judge

P.O. BOX 114100
JUNEAU, ALASKA 99811-4100

(907) 463-4730
FAX (907) 463-3788

Juneau Youth Court/JDHS
10014 Crazy Horse Drive
Juneau, AK 99801
Attn: Beth Leban-Coordinator

Tuesday, January 26, 2010

Dear Beth:

I am writing to express my appreciation for the work done by the Juneau Youth Court. The Youth Court is an integral sentencing option for students under the age of 18 who are charged with consuming or possessing alcohol for the first time.

As you know, students who choose the Youth Court option are given the opportunity to have their District Court case dismissed if they successfully complete the Youth Court requirements. For some, this brief involvement in the criminal justice system is a turning point. Those who choose Youth Court and succeed are far less likely to return to District Court on other criminal charges. The students benefit because they end up with no conviction on their record. And the community benefits because the Youth Court graduates are contributing to the community rather than causing harm to themselves and others.

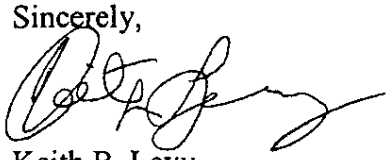
The Youth Court is the only diversion program available in District Court to enable individuals to have their cases dismissed without resulting in a criminal record. The trust the program has earned from both the District Court and the prosecution is a testament to the value and integrity of the program.

I appreciate that you or another representative of the Youth Court always attends the arraignment hearings for minor consuming. The information you provide to the students about Youth Court is invaluable and helps them understand their options in the justice system.

Finally, the Youth Court program provides an opportunity for students to be judged by their peers. I believe this is valuable because the students in the program have far more information about the defendants than is provided to me in formal sentencing proceedings. The Youth Court is able to impose consequences that are more meaningful than the limited options I have when sentencing.

Thanks again for the important service the Youth Court provides to the community.

Sincerely,



Keith B. Levy

KETCHIKAN DISTRICT COURT

TO: WHOM IT MAY CONCERN

FROM: KEVIN G. MILLER, JUDGE

SUBJECT: KETCHIKAN YOUTH COURT

DATE: 2/11/2010

CC:

Thank you for the opportunity to provide a letter supporting the Ketchikan Youth Court's efforts in Ketchikan.

I am a District Court Judge and have referred many cases to the Youth Court since its inception. The majority of the cases referred relate to minors consuming alcohol or tobacco.

Alcohol related crime and crimes committed by persons that are alcohol dependant make up the majority of criminal cases that come before the District Court in Ketchikan. Thus a coordinated approach between the Court System, treatment monitors and providers is the only practical response to assure public safety, rehabilitation and meaningful consequences for offenders.

The Ketchikan Youth Court is a vital tool in a coordinated approach to youth offenders. I am impressed with the dedication of the Youth Court members as well as the results. Youth that complete the Youth Court Program are much less likely to reoffend than those youth offenders that do not enter or complete the program.

Thank you again for the opportunity to provide this support letter, if you need any further information, please let me know.

Mary P. Treiber
MAGISTRATE

Alaska Court System

415 Main Street
Ketchikan, AK 99901
(907) 225-3195; FAX (907) 225-7849

February 5, 2010

Margaret McCloy
Executive Director
Ketchikan Youth Court
2417 Tongass Avenue, Suite 215
Ketchikan, AK 99901

Dear Ms. McCloy:

As the Magistrate for the Ketchikan Trial Courts, I am the judicial officer who most frequently deals with school age teenagers charged by the State of Alaska and the City of Ketchikan with violations of laws or ordinances prohibiting possession or consumption of alcohol by minors, establishing curfews, and prohibiting possession or use of tobacco products by minors. The existence of and the programs offered by the Ketchikan Youth Court provide me with a meaningful sentencing alternative in dealing with these cases.

The KYC process teaches teens referred by the court to KYC about the court process itself, and provides a group of same-age and same-interests teens for these youthful defendants to work with. The resolution of cases through KYC requires engagement of both the defendant and that teen's parents, ultimately strengthening the family abilities to deal with problems a defendant is having as expressed through these quasi-criminal charges. The Court System sees fewer recidivists among those teens who are referred to and who successfully complete the KYC program.

KYC has added the Prime for Life alcohol information classes, and has agreed to make the class available to teens other than those actively participating in the full KYC program. This is a good program, and adds significantly to the resources available within Ketchikan.

I fully support Ketchikan Youth Court.

Sincerely,

Mary P. Treiber
Magistrate

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF JUVENILE JUSTICE

SEAN PARNELL, Governor
Kodiak District Probation
204 Mission Road, Room 131
Kodiak, Alaska 99615
(907) 486-4788

February 16, 2010

Kodiak Teen Court
Darlene Turner, Program Manager
610 Mill Bay Road
Kodiak, AK 99615

Letter in support of the Kodiak Teen Court,

I am writing to express my strong support for the Kodiak Teen Court and its ongoing efforts to enhance the court's sustainability.

As we all know, Juveniles are highly influenced by their peers. The Kodiak Teen Court takes advantage of this by having juveniles stand in judgment by their peers. Kodiak students make up the membership of the court and act as both attorneys and judges. In doing so, they learn valuable lessons about the legal process while have an opportunity to help their community. In addition, low-level, first-time offenders are given opportunity to have their case diverted from the juvenile justice system. This is a win-win situation.

Over the years, my office has referred a number of cases to the Kodiak Teen Court. The feedback I have received from the juveniles and their parents has been very positive. Few of these juveniles ever return to the system. This has allowed me to focus my attention on those juveniles who pose a more serious risk to the community.

I look forward to continuing the relationship between my office and the Kodiak Teen Court and strongly support your efforts to ensure its long-term sustainability.

Respectfully,

Paul Caldentey
Juvenile Probation Officer II

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF JUVENILE JUSTICE

Sarah Palin, GOVERNOR

5252 Hospital drive
JUNEAU, ALASKA 99801
PHONE: 907-586-9433
FAX (907) 463-4933

April 4, 2009

To whom it may concern:

The Juneau Youth Court is a pertinent and vital resource used by the Juneau Probation Office. The referral's that we send the youth court help free up time for Probation Officer's to deal with more serious and needy client's that frequent our large caseloads. The youth court also serves as the entry level in the continuum of services offered by probation and in many cases, helps divert juvenile's from committing further criminal acts. Client's that are non-compliant with the youth court process are showing probation that they need a more restrictive intervention and in that respect, the youth court acts as a litmus test. Please continue funding for this important piece of the juvenile justice system as it both important and necessary.

Sincerely,
Joe Adelmeyer

Chief Probation Officer, Southeast Alaska
Tel. 523-6828

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DIVISION OF PROGRAM DEVELOPMENT

3132 Channel Drive, Room 200
P.O Box 112500
JUNEAU, ALASKA 99811-2500
PHONE: (907) 465-4070
TTY/TDD: (907) 465-3652
FAX (907) 465-6984

April 7, 2009

To Whom It May Concern:

The Alaska Highway Safety Office supports the Juneau Youth Court as an alternative to the juvenile justice system and an opportunity for young people who are accused of breaking the law to be judged by their peers. The court consists of students who fill various roles from judge to juror to address juvenile crime in their community. Nationally, Youth Courts have found that sentences imposed by teen peers have a tremendous impact and effectively defer them from becoming repeat offenders.

The Alaska Highway Safety Office mission is to enhance the health and well being of Alaska's people through programs aimed at saving lives and preventing injuries on Alaska's highways. Federal funding is administered to data driven projects which focus on public outreach, education, enforcement, promotion of new safety technology, and the integration of public health strategies.

Priorities of the Alaska Highway Safety Office include impaired driving and teen driving. A recent study compared Alaska's 1995-1999 minor consuming cases with 1995-2006 DUI court cases and found that 24.4 percent of youth with minor consuming arrests go on to have DUI offenses before their 31st birthday. Although teens represent approximately 12 percent of Alaska's motor vehicle drivers, they are responsible for over 20 percent of the traffic fatalities and major injuries in Alaska. Nearly half of these deaths can usually be prevented by simply buckling-up or not drinking and driving. The Alaska Highway Safety Office supports the Juneau Youth Court because it is a data-driven, peer-led program that effectively addresses minor consuming.

Sincerely,

Cindy Cashen

Cindy Cashen
Administrator

City and Borough of Sitka
100 Lincoln Street • Sitka, Alaska 99835

February 18, 2010

Alaska Senate
Alaska House of Representatives
State Capital
Juneau, Alaska 99801-1182

Re: Legislation in Support of Alaska Youth Court Programs
(i.e., HB 331; SB 257)

Dear Legislators:

This letter is in support of legislation for the financing of Alaska Youth Courts. Currently, HB 331 and SB 257 address this issue, authorizing 25% of fines imposed under AS 12.55.035 to be used for establishing and operations of Youth Courts. There has also been discussion of including in the budget for the Department of Health and Social Services operational monies for Youth Court.

I have witnessed the success of Alaska Youth Courts over the years, serving as a legal advisor or providing pro bono legal service while working for the Municipal Attorney's Offices in Sitka and Anchorage, and serving as outside municipal counsel for various municipalities while in private practice. Youth Courts provide a justice system in which youth offenders are prosecuted, defended, and judged by their peers for certain misdemeanors, violations, and school disciplinary matters, which can range from marijuana use/possession, curfew, theft, vandalism, truancy to violating school behavioral rules. Sentences are imposed, which can include community work service, fines, essays and/or apology letters, drug and alcohol treatment, other treatment programs (shoplifting, anger management, cigarette cessation). More importantly, Youth Courts provide an holistic approach to sentencing, working not only with the offender, but with the family, teachers, school, police, and/or treatment programs.

Currently as Municipal Attorney for the City and Borough of Sitka, I prosecute certain crimes and violations. I prefer diversion programs for youths, such as Sitka Youth Court and the Sitka Tribal Youth Diversion Effort (TYDE – for first time offenders involving alcohol consumption and/or possession). The success of such programs is not only measured in financial savings to the judicial and legal systems, but also in the low recidivist rate of those who complete such programs. These types of programs divert youths from entering and reentering the criminal justice system, involving cost savings to the court system (judges and clerks), prosecutors, public defense, and police. These types

of programs have proven low recidivist rates in comparison to the recidivist rates of those youths entering the revolving door that often occurs when prosecuted through the judicial system. The success rate of Youth Courts statewide is impressive, with estimated recidivist rate as low as approximately 10% reported by programs such as Anchorage Youth Court.

Additionally, Youth Courts throughout Alaska educate all youths, not just offenders, about the legal and criminal justice systems. Youths are trained and actively participate in legal proceedings. They learn about the criminal laws and infractions, and the consequences of violating such provisions, not only on the offender, but on the family, classmates, school, and community of which they are a part. Youth Court members provide a reality check on youthful offenders, and are often not as forgiving or compromising about offenders as adults, knowledgeable of the enticements and excuses, but recognizing appropriate choices. Youth Court members provide an invaluable community service, while being shaped into formidable citizens for which we can all be proud.

Your support of legislation financing existing or new Youth Court programs throughout Alaska is requested and needed. Thank you for your consideration of these types of legislative proposals.

Sincerely,

Theresa Hillhouse
Municipal Attorney
City and Borough of Sitka

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Cathy Munoz
State Capitol Building
Room 434
Juneau, AK 99801-1182

Dear Representative Munoz,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King
Executive Director

Dedicated to Kodiak's Economic Future

City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police

February 12, 2010

Representative Cathy Munoz
Regional Affairs, Co-Chair
State Capitol, Room 409
Juneau, AK 99801-1182

Re: Youth Court Program

Dear Representative Munoz:

Our department supports legislative funding by money obtained from court fees to support the twelve Youth Court programs in the state of Alaska. These programs offer an option for youth who have had their first experience breaking the law – by having their cases removed from the traditional juvenile justice system by referral from juvenile probation officers and district court judges and diverted to a court of their peers.

The mission of the youth court programs in Alaska is to work in partnership with Alaskan communities and the formal juvenile justice system to develop and sustain innovative youth courts programs. Services offered by the programs in which youth are sentenced by their peers for minor delinquent status offenses and other problem behaviors frees state employees in the court system and the Juvenile Justice division.

The funding of the Youth Court program will serve the needs of Alaska citizens, state agencies, and law enforcement. Thank you for your consideration of this important matter.

Sincerely,

Charles "TC" Kamai
Chief of Police

JUNEAU YOUTH COURT
Restorative Justice

Juneau Douglas High School
10014 Crazy Horse Drive
Juneau, AK 99801

Phone: 523-1594
Fax: 523-1616

juneauyouthcourt@jsd.k12.ak.us

February 12, 2010

The Juneau Youth Court Community Advisory Board supports House Bill 331 and Senate Bill 257, *"an Act relating to funding for youth courts; and relating to accounting for criminal fines"*. This legislation would appropriate 25 percent of the court fines imposed under AS 12.55.035 to established and operating youth courts. Federal funding will not be available after this year and the future of the Alaska Youth courts depend upon state and local ownership.

A recent study shows Alaska Youth Courts to be among the most effective in the nation. According to the Urban Institute's Evaluation of Teen Courts Project, which was based on four teen court programs studied in four different states (Alaska, Maryland, Arizona, and Missouri), the six-month recidivism figures among the programs ranged from 6 percent to 9 percent. Alaska's recidivism rate was the lowest of these four states, and compared to the recidivism rate of 18 percent for the regular juvenile justice system, shows that youth who go through youth courts are significantly less inclined to re-offend within the following year.

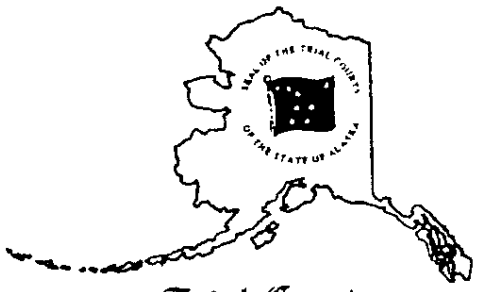
The primary function of youth court programs is to determine a fair and restorative sentence for young offenders. Youth courts are programs in which youth sentence their peers for minor delinquent and status offenses and other problem behaviors. According to the National Youth Court Database, in 1994 there were only 78 youth court programs in operation; as of October, 2006, there were over 1127 youth court programs in operation in 49 states and the District of Columbia.

The Alaska Youth Courts is a vital form of community justice and reweaves the fabric of community by forging a partnership between local governmental entities, the private sector, and community groups to facilitate the performance by private citizens of the functions that were once performed by the extended family, neighborhood, and school.

Sincerely,

Cindy L. Cashen
President
Juneau Youth Court Community Advisory Board

1310



Trial Courts
State of Alaska

Box 869
Wrangell, Alaska. 99929

To Whom It May Concern: Date: January 8, 2010

Re: Wrangell Youth Court

The purpose of this letter is to express the continued support of the Wrangell Trial Courts for the Wrangell Youth Court program.

Since its inception ten years ago, the Wrangell Youth Court has been widely accepted and respected in the local community. Having youthful offenders appear before a group of their peers has had a very positive effect in this community. Most individuals appearing before the Youth Court successfully complete their requirements and never return to the court.

The youth court provides the added bonus of "hands on" knowledge of the justice system and public service opportunities for its members. They graduate with solid ethical standards and a commitment to public service and the administration of justice.

Although the success of a program is frequently measured by the number of cases or clients handled, that is not really an adequate standard in looking at a youth court program, particularly in a small town. If this court never heard another case, it would be a successful program based on the dedication and commitment of its members.

Thank you for your continued support of the Wrangell Youth Court program. We are looking forward to continuing to work with this program for the next ten years.

Chris Ellis
Magistrate

JUNEAU SCHOOL DISTRICT
CITY AND BOROUGH OF JUNEAU

Office of the Assistant Superintendent • 10014 Crazy Horse Drive • Juneau, Alaska 99801 • (907) 523-1704

To whom it may concern:

I am writing in support of legislation that would provide sustainable funding for youth court programs in Juneau and other communities in Alaska. For over a decade Juneau Youth Court has provided a vital and important service to the City and Borough of Juneau.

Juneau Youth Court is a diversion program that removes young people who are first time offenders from the traditional juvenile justice system and handles the case in a court of peers. The program works with families to ensure that teens are held accountable for their actions and that consequences are constructive and tailored to the individual youth thereby benefiting both the young person and the community at large. Last year Juneau Youth Court ordered over 600 hours of community work service that were completed at Zach Gordon Youth Center, the American Red Cross, Meals on Wheels, the Glory Hole, the Salvation Army, and at schools throughout Juneau School District.

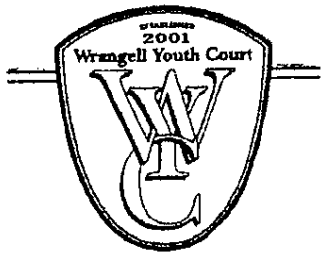
On average Juneau Youth Court serves 50 youth each year handling referrals from both District Court and Juvenile Justice Probation Officers. This frees up the court and probation officers to handle more serious offenders and helps to reduce their large caseloads. Youth Courts have the additional advantage of educating the youth who volunteer for the program. Youth Court advocates reap the benefits of learning about the legal system, performing meaningful community service, and gaining the opportunity to help their peers.

Juneau Youth Court operates on a very small budget of $35,000 per year with one part time paid staff person, two dozen volunteer student advocates, a community advisory board including representatives from the Police Department, the Division of Juvenile Justice, the legal community, and community partners. The program offers an important service to the community at a very low cost.

Juneau Youth Court is just one example of a successful diversion program known as youth court. Around the state Youth Courts are doing important work for Alaska by addressing juvenile crime in its earliest stage. I strongly urge you to support legislation that would provide sustainable funding to support these community-based programs.

Sincerely,

Laury Scandling



January 7, 2010

To whom it may Concern:

Wrangell Youth court is an innovative alternate traditional justice system and is empowered by the Alaska Statute 47.12.400 to make a positive difference in Alaskan communities.

Youth Court programs are rapidly advancing in goals of Restorative Justice, by developing programs that are not only cost effective but promote youth accountability by involving youth in obligations of taking an active role in their community. Youth are encouraged to connect in our community and in our State, where youth partner together, encourage and share information that enable youth with critical decisions making skills.

The purpose of the program is to decrease juvenile crime and the recidivism amongst juvenile offenders as well as to involve students in implementing restorative justice. Youth Court members learn valuable experiences in assuming the role and responsibility of a judge, prosecute or defend first-time juvenile offenders in a court of their peers.

The Wrangell Youth Court program eases the caseload of the district and superior courts, juvenile probation offices and schools district. We have found that this program is cost effective when you compare to the cost of one incarceration of a juvenile offender. Cost can be greater than $40,000 for a first time offense. If Wrangell Youth Court prevents one student from attending a youth detention facility it has paid for the entire year of the Wrangell Youth Court program.

In the year of 2000 the community of Wrangell, Alaska had a high juvenile crime rate and an even higher rate of minors consuming alcohol. In fact our community was 30% higher than another community similar in size and location. Since Wrangell Youth Court was established in 2001 the crime rate and rate of minors consuming alcohol has decreased greatly.

This program is a community base form of restorative justice that builds ties between youth, victims and other members of the community, offering youth the option to learn from their mistakes. Youth volunteers that participate, explore a variety of short and long term consequences of substance abuse, including cost to the individual and the community and its relation to other types of crime.

The Wrangell Youth Court has been nothing less than a success and has provided our youth with the opportunity to be involved and vision other career paths that they may had never seen. The training provided in the areas of legal and court procedures have offered a better opportunity to understand our Constitution and Bill of Rights and to actively give them a voice and feel valued, while at the same time engaging and bringing about social change.

Wrangell Youth Court not only mentors peers, has developed a positive relationship with the community, schools, business and other local communities.

Sincerely,

Dorthea Rooney
Wrangell Youth Court Coordinator

February 9, 2010

Wendy Leach
North Star Youth Court
800 Cushman St., Suite 101
Fairbanks, AK 99701

Dear Wendy,

I am writing to compliment you and the rest of the North Star Youth Court on the great job you are doing with Minor Consuming and Minor Operating After Consuming cases that are referred to the Youth Court by our court. It is important for our society to have a variety of options for the administration of criminal justice in order to promote rehabilitation and public safety, and to decrease recidivism. Youth courts are one such option. As you know, our referrals to your court are good for both the offender and for the public. I have seen that the confidentiality of your program is a real benefit to young offenders. Similarly, the public benefits in many ways, including through a reduced financial cost to the court system and law enforcement, through the Youth Court's focus on service to our community, and through the high rate of successful rehabilitation for offenders who complete the youth court program. It is my experience that offenders who are referred to your court are unlikely to return to ours.

Thank you very much for the work done by the young people and the adults of the North Star Youth Court. I would be happy to continue to work with the Youth Court to provide training for your judges, so please let me know when there is a Youth Court Judge who would like to shadow a Magistrate in the Fairbanks District Court or when you would like me to speak at a Youth Court Judge's training session.

Cordially,

Bethany Harbison
Magistrate

Larry Dickerson
Chief of Police

WASILLA
POLICE
DEPARTMENT
City of Wasilla

1800 E. Parks Hwy.
Wasilla, AK 99654

907.352.5401
Fax: 907.357.7877
www.cityofwasilla.com

Vernon Rupright
Mayor

February 9, 2010

Bill Stolze,
State Representative
600 E. Railroad Av
Wasilla, AK 99654

Dear Mr. Stoltze,

I would like to express my support of HB331 and SB257 which would provide continued funding of State wide Youth Court Programs.

I fully support youth courts as statewide diversion programs that address first time juvenile offenses. These programs operate in twelve communities around the state. My current experience with youth courts is with the Mat-Su Youth Court (MSYC) program, which falls under the umbrella of the Wasilla Police Department and is funded wholly through grants. The Wasilla Police Department supports the MSYC with in-kind donations by providing office space and some supplies.

It is my firm belief that without MSYC operating in the Mat-Su Valley the police department would continue to see increased juvenile crime. Young offenders who do not suffer consequences as first time offenders will continue to commit crimes according to recent statistics.

Wasilla Police officers know that when they complete a report on a juvenile first time offender who has committed a low-level offense, that juvenile will not simply be given a letter from the State or a verbal warning from a Juvenile Probation Officer. Virtually every first time offense that is referred to the Division of Juvenile Justice office in the Mat-Su Valley gets referred to MSYC. MSYC takes action to insure the juvenile offender is made aware of what he/she did, who it affected in the community, and what to do to avoid repeating their conduct.

I support these bills to allow youth courts around the state to work on sustainability of their programs and to insure that they continue to address juvenile crime in the State of Alaska.

Greg Wood
Deputy Chief of Police

Hi, my name is Fred Becker V, I am the loss prevention manager for the Abbott Road Fred Meyers in Anchorage, and a active board member for the
Anchorage Youth Court.

I have worked in the Loss Prevention Profession for over 26 years in the Anchorage Area. I became concerned with the consequences the youth were receiving very early on in my career as I was apprehending the same individuals over and over again. After discussing with those that I did apprehend a second and third time what had happen to them after the first and second time I found that many had not had any contact with anyone in the judicial system. Most stated they received a letter from McLaughlin Youth Center advising them to stay out of trouble, and some said then did not hear from anyone.

Since the inception of the Youth Court in Anchorage I rarely apprehend a juvenile a second time. I strongly believe that Anchorage Youth Court has provided the consequences necessary to deter individuals from re-offending, and prevented many young adults from having a adult criminal recorded. Because without the Anchorage Youth Court most juveniles would continue with their criminal behavior into their young adult life.

I believe in the successes of AYC as a highly-effective juvenile alternative justice program and that we do transform the lives of over 600 anchorage youths per year. The 300 plus youth volunteers are trained and receive extraordinary experiences in real live judicial matters. The 300-350 juvenile offenders referred to Anchorage Youth Court each year are given an opportunity to make amends to the community and are held personally accountable for their actions. This is why I am honored to be a AYC board member.

As a member of the retail industry I am happy to be part of a program that is also a benefit to our ability to continue to employ

about 300 employees per location with a total of about 3,300 employees in the state of Alaska. The Youth Courts around the state provided a restitution program that did not exist and by providing a deterrent program for juvenile offenders results in less individuals using the five finger discount at our locations. My board membership has also resulted in the financial backing of Fred Meyers to help support our community.

As a board member I feel that some times we are not afforded the opportunity to address some issues because we spend a lot of our productive time finding ways to raise funds to support the financial requirements of AYC. With a stable source of funding I feel the board could focus more of our efforts on making Anchorage Youth Court as beneficial to the community, members, and offenders as possible.

Thank you for your time and I would be happy to discuss further my personnel or business involvement with AYC to you.

Fred Becker V
Fred Meyers Loss Prevention Manager
907-365-2026
Emai: fred.becker@stores.fredmeyer.com

Darlene Turner February 15, 2010

Kodiak Teen Court
610 Mill Bay Road
Kodiak, Ak. 99615

Dear Darlene:

I am writing to you today to express my heartfelt thanks and continued support for Kodiak Teen Court. Since the program started in 1995, it has enjoyed tremendous success in our community, giving hundreds of youthful offenders over the years an opportunity to have their cases taken out of the traditional juvenile court system and instead dealt with in a more informal, less intimidating and more meaningful atmosphere, as the teen defendants are literally tried by their own peers serving as teen prosecutors, represented by their own peers as teen defense attorneys and sentenced by their own peers serving as teen judges. Besides being dealt with in a courtroom where everyone else is their same age (who they can relate to more than adult judges and attorneys), the teen defendants are given an opportunity to come out of Teen Court with a clean record if they comply with the sentence given them by the teen judges. It is no wonder, then, that the rate of re-offending in youth courts in Kodiak and in other parts of the State is significantly lower than with those teens who stay in regular juvenile court. Additional benefits to our community include an emphasis on restorative justice, making the victim feel "whole" again, and the imposition of a meaningful amount of community work service that many non-profits organizations in Kodiak find very helpful. Finally, I have been told by all the juvenile probation officers throughout the last 15 years, past and present, that they appreciate Teen Court because it allows them to divert less troublesome teens from the regular juvenile justice system into Teen Court, thus giving them more time to devote to the more serious teen offenders on their heavy caseload that *really* need their help in the formal, structured setting of the traditional juvenile court system.

The Kodiak Teen Court is an asset to our community in another, very big way. As the program celebrates its 15th year in existence this year, I have had the distinct pleasure over these years to work with hundreds of fine outstanding teens at Kodiak High and in our middle schools who have served as teen judges, prosecutors and defense attorneys. These students are given a unique perspective on how our justice system works, they are tremendous ambassadors of the program and great role models to teens who have gotten themselves into trouble and come into the program. Many of these former Teen Court judges and attorneys have kept in contact with me, and are already doing well in their chosen field, whether it's teaching in graduate school at Notre Dame, working as a detective in Portland, serving as a soldier in Iraq or attending good law schools and medical schools across the United States, many of whom intend to someday return to Alaska and work.

Again, I thank you for the wonderful program!

Sincerely yours,

STEVE COLE
Superior Court Judge, Kodiak

PO Box 1841
Nome, AK 99762
February 15, 2010

To Whom It May Concern:

I am writing to express my support of the Youth Court program in Alaska. I moved to Nome, Alaska from South Royalton, Vermont to work as a clerk and deputy magistrate at the Superior and District Court and had no idea I would also be involved with the Youth Court program. When I found out that I was to serve as Youth Court Legal Advisor I was ecstatic. Youth Court excited me because, as a former social studies teacher, I saw a program that raises students' knowledge of the law, legal process and their civic rights and duties and excites a new generation of responsible, active and thoughtful citizens.

Youth Court gives students many unique opportunities and learning experiences. Just the personal responsibility required by participants makes this program invaluable. Students between the ages of twelve and eighteen literally participate in the court process representing clients and handing down legally binding sentences. In doing so they acquire many social skills and thinking strategies. Students learn empathy and professionalism when dealing with clients. They learn public speaking and writing. They learn how to separate facts from belief and emotion, how to see all sides of an issue, and how to logically and carefully present these issues. Through zealous representation of clients students grow as citizens, people and community members.

Perhaps the most important part of Youth Court is the clients themselves. Youth Court is a diversionary program targeting at risk youth, who, if thrown into the court system at such an early age, hazard becoming the repeat offenders I often see at my job. Youth Court gives these young men and women a second chance. Anybody who has worked with teenagers knows how much weight is placed on the opinion of their peers. In the Youth Court process, defendants are tried and sentenced by their peers, not a mysterious adult. This reinforces lessons learned and allows defendants to feel that they have been fairly judged.

Most importantly, Youth Court is not about punishing these young offenders. Sentences are not handed out in retribution. Instead, sentencing is designed to show the defendant the error of their ways, to intervene and work with the defendant's specific personality so they may see the connection between their actions and the effects of those actions, and finally to benefit the community. As the saying goes, an ounce of prevention is worth a pound of cure. The Youth Court program is many ounces of prevention.

The Alaska Youth Court program is one of the best and most innovative programs in the entire United States. Creating future active, intelligent, informed and free-thinking citizens cannot be measured by dollars or statistics. It would be a shame to see such a program falter for lack of funding. I fully support keeping this wonderful program alive and active.

Thank you for your time and support.

Sincerely,

Jeffrey Davis, Esq.

Patty Burley
PO Box 2715
Bethel AK 99559-2715
(907) 543-3098

January 6, 2010

Dear Representative Cathy Munoz:

I am writing to you to request your support in ensuring that Youth Courts remain a part of Alaska's legal system. They are invaluable and give so much more than initially may be seen.

Here in Bethel we have a very small youth court still struggling to get squarely off the ground. We have graduated only a handful of youth but I can tell you first-hand the impact such a small project has had on the youth in this area.

While to date we have only graduated a few students, each of those has at one point or another been enrolled at the Bethel Alternative Boarding School (BABS). Each of those youngsters has a unique learning style that makes it difficult for them to fit in or do well in mainstream schools. One of the youngsters was actually a drop-out. Despite those hurdles these teenagers came week after week to the 2 hour-long classes. They studied hard and took both a written final exam and an oral exam. These teenagers who fight so hard just to finish or stay in school actually excelled. They worked incredibly hard and it showed. Each of those teens gained confidence and a sense of accomplishment. A few were on the road to trouble with the law. They were bored, felt they had nothing to offer, and nowhere to go. Youth court changed that for them. It gave them a sense of purpose, a moral compass and a sense of belonging. These individuals will go further than they would have if youth court had not become a part of their lives.

Today I note that there appears to be a strong correlation between underage drinking and crime(s). There is also a strong correlation between underage drinking and trouble at school. Right now we do the best we can for these students via the Community Diversion Panel (CDP). While that is an amazing program that has provided a considerable amount to the community, it is only catching the tip of the iceberg. For many kids, by the time they come to the CDP their problems with alcohol have spiraled out of control. For others, alcohol comes much later in the process – they instead start with truancy and behavior problems at the school. These are the early cries for help. An active youth court would be able to intercede early enough to stem the upcoming tide. It would give minors an opportunity to start anew with the help and support of those whose input they seek the most: their peers.

There are some wonderful youth courts in other areas of Alaska which are at jeopardy as well: Anchorage, Kenai, and Fairbanks just to name a few. These programs have been around a while longer than Bethel's and have made even bigger impacts on the lives of minors. They have also reached out to lend support to those smaller youth courts still working to get established and on more solid ground. These programs are too valuable to lose.

February 5, 2010

To Whom It May Concern:

I am writing to emphasize the importance of the Mat-Su Youth Court to the welfare of the Mat-Su community and to express my support for that organization.

In my almost 20 years on the bench, mostly as a magistrate and superior court master, recently as a district court judge, I have presided over literally thousands of cases involving teenagers. As the Mat-Su Valley population grew, the ability of the juvenile probation office (JPO) to handle all the cases involving teenagers was greatly diminished. Rightfully so, the JPO has to concentrate on the more serious crimes, such as burglaries and felony level assaults, that were committed by teenagers. As a result, many teens who committed lower level crimes, particularly shoplifting, either merely got a warning letter or their crimes were ignored all together.

Participation in lower level crimes leads to a disrespect of the law, of other people's rights in their person and their property, costs local storekeepers significant amounts of money, and often leads to greater criminal behavior if left undressed. Into this gap stepped the Mat-Su Youth Court. Many crimes that would not have been addressed because of the caseload of JPO are being handled by the Youth Court. The imposition of sanctions including restitution, community work service and letters accepting responsibility and apologizing for committing the crime all serve both the victim and the community as well as the defendant, who is more likely to grow to be a responsible citizen from the experience.

Over the years the Mat-Su Youth Court has added a program for first time offenders under the age of 18 convicted of Minor Consuming Alcohol. Not only is the program educational, but being run by a peer group, it sets the example that being clean and sober is an acceptable lifestyle that is respected by one's peers. Given that not only locally but nationally roughly 80% of adult crimes are somehow related to alcohol abuse, getting the message to an offender earlier in life may keep them from becoming part of that statistic as they grow older.

I wholeheartedly support and recommend the Mat-Su Youth Court program and urge others to do so, also.

Sincerely,

David L. Zwink
District Court Judge, Palmer, Alaska

February 5, 2010

To Whom It May Concern:

I am writing to emphasize the importance of the Mat-Su Youth Court to the welfare of the Mat-Su community and to express my support for that organization.

In my almost 20 years on the bench, mostly as a magistrate and superior court master, recently as a district court judge, I have presided over literally thousands of cases involving teenagers. As the Mat-Su Valley population grew, the ability of the juvenile probation office (JPO) to handle all the cases involving teenagers was greatly diminished. Rightfully so, the JPO has to concentrate on the more serious crimes, such as burglaries and felony level assaults, that were committed by teenagers. As a result, many teens who committed lower level crimes, particularly shoplifting, either merely got a warning letter or their crimes were ignored all together.

Participation in lower level crimes leads to a disrespect of the law, of other people's rights in their person and their property, costs local storekeepers significant amounts of money, and often leads to greater criminal behavior if left undressed. Into this gap stepped the Mat-Su Youth Court. Many crimes that would not have been addressed because of the caseload of JPO are being handled by the Youth Court. The imposition of sanctions including restitution, community work service and letters accepting responsibility and apologizing for committing the crime all serve both the victim and the community as well as the defendant, who is more likely to grow to be a responsible citizen from the experience.

Over the years the Mat-Su Youth Court has added a program for first time offenders under the age of 18 convicted of Minor Consuming Alcohol. Not only is the program educational, but being run by a peer group, it sets the example that being clean and sober is an acceptable lifestyle that is respected by one's peers. Given that not only locally but nationally roughly 80% of adult crimes are somehow related to alcohol abuse, getting the message to an offender earlier in life may keep them from becoming part of that statistic as they grow older.

I wholeheartedly support and recommend the Mat-Su Youth Court program and urge others to do so, also.

Sincerely,

David L. Zwink
District Court Judge, Palmer, Alaska

United Youth Courts of Alaska
Fact Summary

Youth Courts in Alaska...

1. Handle an average of **1,000** cases per year.
2. Produce an average **reoffense rate of 10.6%**, compared to 23% under the regular court system.
3. **Save** the State of Alaska an estimated **$10,686 per defendant.**
4. **Generate $98,930** worth of Community Work Service work product every single year – at no cost to our communities or the State.
5. **Reduce crime rates by 11.1%** overall.
6. Offer a wide range of **classes and mediation services** to offenders.
7. Provide real-world career and criminal justice **training to 2,300 Alaskan youth** volunteers each year.

Did you know?

8. Alaska has already entrusted youth courts with the most comprehensive legislation in the nation (AS 47.12.400, AS 4.16.050).
9. There are 12 youth courts in Alaska: Anchorage, Bethel, Juneau, Kenai, Ketchikan, Kodiak, Mat-Su, Nome, North Star/Fairbanks, Sitka, Valdez, and Wrangell.
10. Nationally, there are 1200 youth courts in 49 states and Washington, D.C.

United Youth Courts of Alaska
Fact Detail

1. 1,000 Cases Per Year

Based on FY2007-2009 statistics, 12 youth courts in Alaska hear over 1,000 criminal cases each year, around 65% referred by Juvenile Probation and 35% by District Court. Additionally, other agencies such as schools send referrals to youth court, but they have not been tracked before FY10. While programs throughout the state differ slightly, all of the youth courts in Alaska hear first time or non-habitual juvenile offenders for misdemeanors, violations, and infractions per State and Municipal laws.

2. 10.6% Reoffense Rate

Based on the national Urban Institute study titled "The Impact of Teen Court on Young Offenders" by Jeffrey A. Butts, Janeen Buck, and Mark B. Coggeshall, the short-term (6 month) reoffense rate for juvenile offenders in the traditional court system is 23%.

For the 65% of cases referred by DJJ, youth courts in our state have an average reoffense rate of 10.6%, meaning that **89.4% of juvenile offenders served by youth court do not commit further crimes within six months.** Some youth courts track reoffense for District Court and other agency referrals as well, but there is no statewide average for this.

Additionally, youth courts in Alaska have a lower reoffense rate compared to those in other states, which may be due to our unique court structure that allows teens to be judged—literally—by their peers, not by adults. According to the study done by the Urban Institute, there are seven principles that make youth court effective:

1. "Peer justice,
2. Procedural justice,
3. Deterrence,
4. Labeling
5. Restorative justice and repentance,

6. Law-related education, and
7. Skill building."

3. Savings Per Defendant

In the report, "Criminal Justice Economics" by the Oregon Criminal Justice Commission, October 2009, Teen Courts were identified as an "effective program." Youth Courts **save the state $11,683 per defendant** based on the cost of crime on victims and taxpayers. The average **cost of teen courts per defendant was $997, for a net benefit/savings of $10,686 per offender.**

4. Volunteer Work Product

Statewide, youth courts sentence Community Work Service as part of sanctions to repair the harm for the crime that has been committed. The type of work done for CWS might be cleaning up litter and debris on roadways or public parks, helping at soup kitchens, repairing damages caused by the crime, working at animal shelters, or helping elders in nursing homes. Based on statistics from the Division of Juvenile Justice, juvenile offenders successfully completed 19,786 hours of CWS in FY2009. The State of Alaska values CWS at $5.00 per hour, which means that the value of **CWS completed through youth court last year was $98,930 at no cost to our communities or the State.**

The work products of other sanctions are not taken into consideration for these figures, but are also valuable contributions to the health of the community. Examples of other sanctions include: restitution to victims, essays, behavior modification classes, apology letters, alcohol or drug classes and counseling, and mediation programs (see "6. Classes and Mediation Services").

5. Reducing Crime Rates

In 2006, the Washington State Institute for Public Policy completed an exhaustive study of many adult and juvenile prevention and intervention programs. In the report, youth courts were identified as an effective program. Citing five evidence-based studies, the Institute found that **youth courts reduce crime rates by 11.1%.** This reduction in crime rates contributes to overall taxpayer savings (see "3. Savings Per Defendant").

Youth courts have been proven to reduce crime and reduce reoffense, and they do it by linking the crime to swift, efficient consequences and offering **"a continuum of community-based services"** to address the issues underlying the crime (DJJ Annual Report, FY2004).

By providing diversion services for District and Superior Court Judges as well as Juvenile Probation Officers, youth courts allow these officials to focus on the more serious offenses or repeat offenders. Because of this and other reasons, judges, clerks, attorneys and Juvenile Probation staff across the state show their support for youth court by instructing classes, volunteering time, serving on Boards of Directors, and offering legal advice on cases.

While youth court programs benefit the juvenile justice system and juvenile offenders, it is important to note youth courts contribute to the social and economic well-being of our communities.

6. Classes and Mediation Services

The 3 main principles of **Restorative Justice** are **Accountability, Community Protection, and Competency Development**—principles which have long been used in the field of juvenile justice to address the root causes of juvenile crime. Across the state, youth courts offer evidence-based and creative ways for offenders to educate themselves and end the cycle of crime. The following youth courts directly provide these classes and mediation services; other youth courts utilize a network of community-based services.

- North Star Youth Court, located in Fairbanks, offers a comprehensive and year-round **Mediation Program**; the three types of mediation offered are victim-offender, parent-teen, and peer-to-peer. Mediation is based on the philosophy of Restorative Justice, the purposes of which are to put key decisions into the hands of those most affected by crime, to reduce the likelihood of further offenses and to provide closure for all parties and a strengthened community. North Star Youth Court also offers an **Alcohol Awareness Class**, as well as a **Parent Information Class on MCAs**.
- Mat-Su Youth Court offers a **Juvenile Anti-Shoplifting class** as part of sanctions for offenses involving theft and concealment of merchandise. MSYC also provides a peer-led **Minor Consuming/Risk Factors class** for youth defendants charged with alcohol and drug crimes. The class covers risk factors youth face every day that influence their future behavior.
- Ketchikan Youth Court provides a certified **PRIME for Life® alcohol and drug prevention/intervention class** for offenses involving alcohol or controlled substances. KYC

also offers a **Money Education Class** for offenses involving theft, concealment of merchandise, or destruction of property; the goal is to provide an overview of community economics and discuss how each person's actions (spending, saving, stealing, etc.) affect other people financially.

- Anchorage Youth Court utilizes a variety of classes to address different issues within their client community. AYC classes include: **Anti-Theft Class, Thinking Patterns, Victim Impact, Drug & Alcohol Assessment and Follow-up, Fire Stoppers, and Weapon Safety.**
- Sitka Youth Court offers classes on **Victim Impact** and **Anti-Theft**.
- Nome Youth Court, in partnership with the court system, offers a certified **PRIME for Life® alcohol and drug prevention/intervention class.**

7. Training 2,300 Alaskan Youth Annually

Youth volunteers who are directly involved in the youth court process receive a minimum of 10 hours of legal training before they can begin working on cases. Throughout the time they volunteer for youth court, volunteers are required to attend workshops, CLEs (continuing legal education), and other trainings to enhance their skills. Most youth courts have a Bar Association that helps to facilitate these trainings and enforce court policies.

Some courts also require juvenile offenders to take these trainings, so that they can better understand the process of justice and perhaps become a part of youth court. Those individuals who start out as offenders are often the most effective and compassionate judges, jurors, and attorneys.

8. Youth Court Legislation in Alaska

Alaska was identified in another recent national study as the one state with the most comprehensive Youth Court legislation, in that our statute **AS 47.12.400** specifically entrusts Youth Courts with adjudicatory as well as dispositional authority. (See "The Organization and Operation of Teen Courts in the United States, A Comparative Analysis of Legislation", Michele Heward, JD, Juvenile and Family Court Journal, Winter 2002.) The legislature has also entrusted Youth Courts with the authority to handle first time minor consuming alcohol violations under **AS 4.16.050**.

In 2003 and again in 2005, youth courts from around the state mobilized to introduce a bill into the state legislature. The Alaska State Legislature considered **HB 303**, a bill to secure sustainable funding for youth courts for the first time: "An Act relating to youth courts and to the recommended use of criminal fines to fund the activities of

youth courts; and relating to accounting for criminal fines." HB 303 passed through the House Judiciary Committee, and every member of that committee added their name as co-sponsors. HB 303 made it to the House Finance Committee, but the session ended before it could be heard. During the 24th Legislative Session, **HB 155, the second "Youth Court Bill"**, was approved through several committees and passed the Alaska House of Representatives in March 2005. The Senate version of that bill was handed over to the Finance Committee but never came up for a hearing.

9. Youth Courts in Alaska

There are 12 community-based youth courts in Alaska: **Anchorage, Bethel, Juneau, Kenai, Ketchikan, Kodiak, Mat-Su, Nome, North Star/Fairbanks, Sitka, Valdez, and Wrangell.** Many of these courts have been in operation over 10 years; Anchorage has the longest-standing youth court in the state, having been incorporated in 1989.

Communities throughout Alaska who hear about the benefits of youth court continually express interest in beginning their own, and it is a goal of UYCA to facilitate emerging youth courts through mentoring and providing technical assistance.

United Youth Courts of Alaska is a statewide organization which seeks to work in partnership with Alaskan communities and the formal juvenile justice system to develop and sustain innovative youth courts. All of the above named courts are members of UYCA, and use it as a platform to network and support each other's programs through conferences and technical assistance. For more information on UYCA and its members, visit www.alaskayouthcourt.org.

10. Youth Courts in the United States

There is only one state, Connecticut, that does not have youth courts due to their juvenile justice system. In 2006 more than 120,000 youths volunteered to hear more than 130,000 cases, and more than 20,000 adults volunteered to facilitate peer justice in youth court programs.

The National Association of Youth Courts (NAYC) was started with support from four federal agencies: Office of Juvenile Justice & Delinquency Prevention, U.S. Department of Education and the Corporation for National and Community Service, and the National Highway & Traffic Safety Administration. This effort was started in

2003 when OJJDP recognized the huge movement of youth court programs springing up all over the country due to studies showing their effectiveness.

NAYC became a 501(c)3 association in 2007. Some current objectives are:

- Encourage the development and expansion of youth courts and state associations of youth courts;
- Provide a forum for training youth and adult volunteers, sharing ideas, and providing 'best practices' and other critical resources for the operation of youth courts;
- Enhance connections to and relations with government agencies and community-based programs or organizations; and
- Educate public and private agencies, businesses and individuals on the benefits of youth courts.

Many youth courts choose to have membership in NAYC to stay abreast of national program trends and to attend conferences. Mat-Su Youth Court Co-Director Lisa Albert-Konecky is Alaska's representative on the NAYC Board of Trustees. Visit www.youthcourt.net for more information.

For more information, please contact us:

Lisa Albert-Konecky, Mat-Su Youth Court Co-Director & UYCA President – lkonecky@ci.wasilla.ak.us / 352-5445
Darlene Turner, Kodiak Teen Court Director & UYCA Vice President – darlene@asmilingbear.com / 481-6390
Margaret McCloy, Ketchikan Youth Court Director & UYCA Secretary – ktnyouthcourt@kpunet.net / 225-2293
Dorthea Rooney, Wrangell Youth Court Director & UYCA Treasurer – youthcourt@aptalaska.net / 874-3304
Kim Conkling, Valdez Youth Court Director & UYCA Board – kwconkling@gmail.com / 835-8885
Carol Cross, Mat-Su Youth Court Co-Director & UYCA Board – ccross@ci.wasilla.ak.us / 352-5445
Ginny Espenshade, Kenai Peninsula Youth Court & UYCA Board – ginny_espenshade@hotmail.com / 283-4017
Kerri Fox, Bethel Youth Court Director & UYCA Board – bethelyouthcourt@gmail.com / 543-0622
Tracy Hillhouse-Price, Sitka Youth Court Director & UYCA Board – sitkayouthcourt@gmail.com / 747-3687
Wendy Leach, North Star Youth Court Director & UYCA Board – nsyc@mosquitonet.com / 457-6792
Beth Leban, Juneau Youth Court Director & UYCA Board – juneauyouthcourt@jsd.k12.ak.us / 523-1594
Sharon Leon, Anchorage Youth Court Director & UYCA Board – sleon@anchorageyouthcourt.org / 274-5986
Fawn White, Nome Youth Court Director & UYCA Board – fawnw@nomecc.org / 443-2990

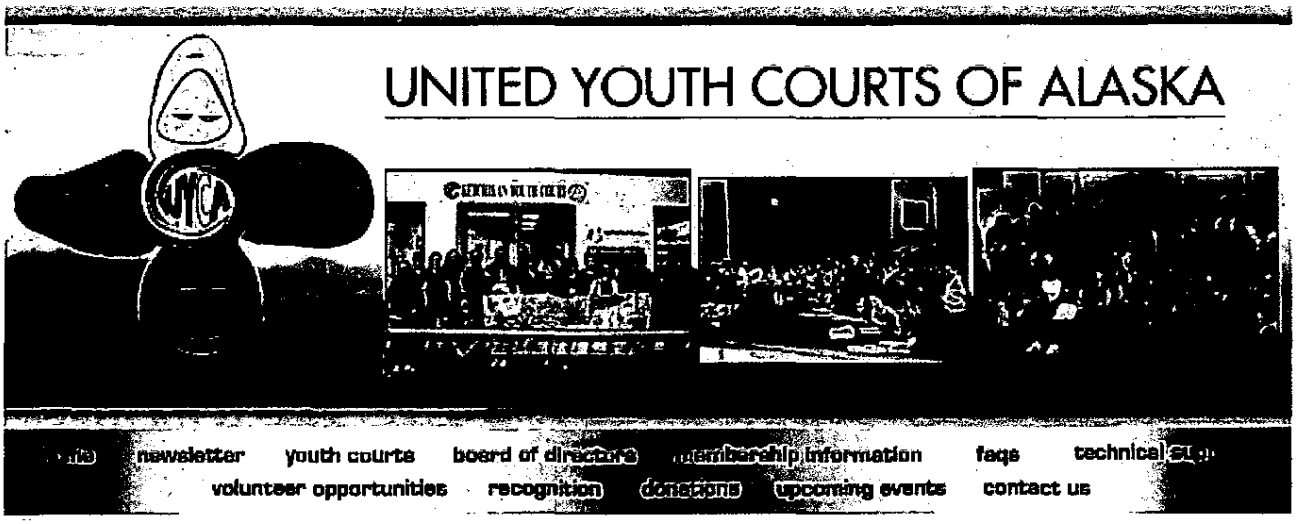
From: Rhonda McLeod [rmcleod@courts.state.ak.us]
Sent: Monday, March 01, 2010 2:55 PM
To: Terry Harvey
Subject: HB331 Youth courts

Per your request, I am confirming that the Alaska Court System collected the following for fines and forfeitures for the past two fiscal years:

FY09 $5,678,900
FY08 $5,684,000

These totals include *bail forfeitures*, which may or may not be applied as a fine. The court system's collections are fairly consistent from year-to-year so a good ballpark estimate excluding the forfeitures would be $5.3 million. Please let me know if you require any additional information.

Rhonda McLeod
Alaska Court System



FAQs: Frequently Asked Questions

1. Why do we need youth courts? Click here for the answer
2. What are youth courts? Click here for the answer
3. Why do we need a state association? Click here for the answer
4. How many youth courts are there? Click here for the answer

Email us with any additional questions you have.

1. Why do we need youth courts? It is impossible for the Department of Health and Social Services, Division of Juvenile Justice (DJJ), to respond fully to all delinquent acts committed by juveniles. Instead, incidents are prioritized and division resources are devoted to the most serious cases. Low-priority cases, such as first time shoplifting, may result either in no personal contact (a warning letter) or a referral for outside services. Youth who commit these offenses are left with the impression that their criminal actions are deemed acceptable, if there has been no consequence for the crime they committed. Studies indicate, however, that early intervention in lower-priority cases can be very effective in preventing more serious problems from developing in the future. There is an urgent need for communities to complement DJJ's services by providing responses to lower-priority cases. The community suffers each time a crime is committed. Youth courts are a method for the community to respond to delinquency. This voluntary alternative to the juvenile justice system is a form of early intervention designed to foster a sense of well being in the community. Back to the top

2. What are youth courts? Youth courts are innovative alternatives to the juvenile justice system. Youth volunteers participate in various roles (attorney, judge, bailiff, juror) while youth offenders are offered an alternative sanction from the formal juvenile justice system. Youth courts are implemented in response to the need or concerns of each community. Although the model may vary in style, substance and procedure, the recurring themes among youth court programs are:

Accountability
Youth courts ensure an offender is held accountable for their behavior, requiring them to make amends for the damage they have caused to the community. Offenders are called by peers, family, friends, school staff and/or other caring adults to answer for their crimes.

Significant Peer Influence
Youth volunteers send the message that they don't condone law-breaking behaviors. Positive peer influence!

Competency Skills
Youth court programs teach competency and leadership skills: listening, problem solving, communication, cooperation and conflict resolution. Youth courts also provide real-world career and criminal justice skills to youth volunteers who participate in the court process. Youth courts provide youth offenders and volunteers with a better understanding of the legal system, and also promote more positive attitudes towards law enforcement.

Empowering and Involving
Youth courts allow youth to assume leadership roles and address the issues of crime in their communities.

Back to the top

3. Why do we need a state association? United Youth Courts of Alaska was incorporated in 1998 as a non profit corporation based on the fundamental principal that youth courts need to have the operational flexibility to accommodate the diverse communities throughout Alaska. While engaging the community in partnership with the juvenile justice system, UYCA works with Alaskan communities to increase awareness of youth court programs and to reduce juvenile crime in Alaska. The association provides education and training materials to established and emergent youth courts throughout Alaska. Youth court members will receive technical assistance and training. UYCA reduces the need to 'reinvent the wheel' by networking to create a united voice for Alaskan youth courts. Back to the top

4. How many youth courts are there? There are currently 12 established and emerging youth courts in Alaska, and others that are developing their programs! Nationally, there are around 1,200 youth courts in 49 states and the District of Columbia. Back to the top

You can join the mailing list to receive updates about UYCA. Just fill in your name and email in the form below. Don't worry, this won't be shared with anyone.

learn more

United Youth Courts of Alaska
Youth Court Directory

Anchorage Youth Court
Sharon Leon, Executive Director
Brennan Rieger, Youth Rep (UYCA Co-President)
P.O. Box 1027635
Anchorage, AK 99510
(907) 274-5986 Phone
(907) 272-0491 Fax
sleon@anchorageyouthcourt.org

Bethel Youth Court
Kerri Fox, Site Coordinator
c/o Communities in Schools
P.O. Box 1949
Bethel, AK 99559
Phone: (907) 543-0622
bethelyouthcourt@gmail.com

Juneau Youth Court
Beth Leban, Director
Madi Nolan, Youth Rep (UYCA Co-Secretary)
10014 Crazy Horse Drive
Juneau, AK 99801
(907) 523-1594
juneauyouthcourt@jsd.k12.ak.us

Kenai Peninsula Youth Court
Ginny Espenshade, Executive Director
Koebryn Mlynarik, Youth Rep
3733 Ben Walters Lane, Suite 5
Homer, AK 99603
(907) 235-4985 Phone
Or Homer
(907) 398-4027 Cell

(907) 283-2634 Fax
ginny_espenshade@hotmail.com

Ketchikan Youth Court
Margaret McCloy, Executive Director (UYCA Secretary)
Austin Otos, Youth Rep (UYCA Co-Vice President)
2417 Tongass Ave. Suite 215
Ketchikan, AK 99901
(907) 225-2293 Phone
(907) 225-2293 Fax
ktnyouthcourt@kpunet.net

Kodiak Teen Court
Darlene Turner, Program Manager (UYCA Vice President)
Ethan Johnson, Youth Rep
610 Mill Bay Road
Kodiak, AK 99615
(907) 486-3550 Phone
(907) 486-0333 Fax
darlene@kodiakteencourt.org

Mat-Su Youth Court
Lisa Albert-Konecky, Co-Director (UYCA President)
Carol Cross, Co-Director
Cassandra Martin, Youth Rep
1800 E Parks Hwy.
Wasilla, AK 99654-7353
(907) 352-5445 Phone
(907) 352-5448 Fax
msyc2@ci.wasilla.ak.us

Nome Youth Court
Fawn White, Program Coordinator
Sam Schmit, Youth Rep
P.O. Box 98
Nome, AK 99762
(907) 443-5888 Phone
(907) 443-3880 Fax
court@nomecc.org

North Star Youth Court
Wendy Leach, Executive Director
Danny Byrd, Youth Rep
P.O. Box 82147
Fairbanks, AK 99708

(907) 457-6792 Phone
(907) 457-6791 Fax
nsyc@moquitonet.com

Sitka Youth Court
Tracy Hillhouse-Price, Program Coordinator
601 B Halibut Point Road
Sitka, Alaska 99835
(907) 747-3687 Phone
(907) 747-3627 Fax
sitkayouthcourt@gmail.com

Valdez Youth Court
Kim Conkling, Program Coordinator
P.O. Box 3572
Valdez, AK 99686
(907) 835-8885 Phone
(907) 835-8886 Fax
vyc@cvinternet.net

Wrangell Youth Court
Dorthea Rooney, Program Manager (UYCA Treasurer)
Sydney Reed, Youth Rep (UYCA Co-Treasurer)
P.O. Box 896
Wrangell, AK 99929
(907) 874-3304 Phone
(907) 874-2173 Fax
youthcourt@aptalaska.net

HB 339

<target><bill>HB 339</bill><subject>HB 339</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 9, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Housing Finance Corporation.

The bill would permit the Alaska Housing Finance Corporation to modify the transfer plan to accommodate changes in the generally accepted accounting principles.

The primary objective of this change would be to accommodate changes in the generally accepted accounting principles and to enable the transfer plan to continue as intended by the original legislation.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

HOUSE BILL NO. 339

1336

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 339
(H) Publish Date: 2/10/10

Identifier (file name): 0847-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Transfer
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this bill will not have an impact on AHFC's operating budget.

This bill will amend 18.56.089(d)(1) to change the definition of "adjusted change in net assets" to mean the change in net assets from the base fiscal year, adjusted for capital expenditures incurred during the base fiscal year and adding "**and temporary market value adjustments to assets and liabilities made during the base fiscal year.**"
This will update the statute so that it will reflect changes in federal accounting principles regarding interest rate swaps.
This will allow for a more accurate representation of AHFC's net income for the determining of the yearly dividend.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 12/17/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:28am
Administrative Services Division

(Revised 11/6/2009 OMB)

Helen Phillips

From: Ben Mulligan
Sent: Monday, February 15, 2010 1:30 PM
To: House Finance Legislation
Cc: Bryan Butcher
Subject: FW: HB 339 AHFC Transfer Plan scheduling request
Attachments: HB 339 H FIN Schedule Request memo.pdf; HB0339A.pdf; HB0339-1-1-021010-REV-N.pdf; HB 339 AHFC transfer plan Sponsor Statement.pdf; HB 339 AHFC Transfer Plan Sectional Analysis.pdf

Bryan,

Thanks for the hearing request. I have forwarded it onto H-FIN's legislation email and adding it to Rep. Stoltze's list of bills with a hearing request. If you have any more back up you want to submit please email it to the above address.

Thanks,

Ben

From: Bryan Butcher [mailto:bbutcher@ahfc.state.ak.us]
Sent: Monday, February 15, 2010 1:26 PM
To: Rep. Bill Stoltze; Rep. Mike Hawker; Ben Mulligan; Paulyn Swanson
Cc: Bryan Butcher
Subject: HB 339 AHFC Transfer Plan scheduling request

Representatives Hawker and Stoltze,

Attached is a hearing request for House Bill 339, relating to the dividend paid to the state by the Alaska Housing Finance Corporation. A copy of the bill, a zero fiscal note, a sponsor statement and a sectional analysis are also attached.

Please contact me if you have any questions or need any additional information.

Thanks,

Bryan Butcher, Director possible testifier

Governmental Relations/Public Affairs

Alaska Housing Finance Corporation

330-8445

360-9859 cell

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

House Bill 339
AHFC Transfer Plan
Sponsor Statement

House Bill 339 will modify the Alaska Housing Finance Corporation's transfer plan statutes to reflect federal changes in generally accepted accounting principles.

House Bill 256 passed in 2003 that set in statute a transfer plan for AHFC to pay an annual dividend to the state of Alaska. The yearly dividend would be lesser of $103 million or 75 percent of the Corporation's net income for the previously completed fiscal year minus bond repayments for state capital projects.

In 2006, Senate Bill 236 passed that made the first adjustments to the transfer plan. This bill changed the definition of "net income" to "adjusted change in net assets", which reflected federal changes to generally accepted accounting principles.

HB 339 will make another modification due to federal changes in generally accepted accounting principles. It will add to the definition of "adjusted change in net assets" to include "temporary market value adjustments to assets and liabilities made during the base fiscal year". This change will allow for a true dollar figure for the Corporation's dividend to be calculated from rather than inaccurately high or low numbers based on how interest rate swaps are now considered.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

House Bill 339
Sectional Analysis

Section 1 -
Section 1 adds language to the statutory definition of "adjusted change in net assets" to reflect current changes in generally accepted accounting principles related to market value adjustments to assets and liabilities.

Section 2 -
Section 2 provides for an effective date for the bill.

HB

342

<target><bill>HB 342</bill><subject>HB
342</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 26, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/11/10

The FINANCE Committee considered: **HOUSE BILL NO. 342**

"An Act extending the termination date of the Board of Certified Real Estate Appraisers; and providing for an effective date."

HB 342-EXTEND BOARD OF REAL ESTATE APPRAISERS

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DEC	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan			✓	
	Doyle	✓			
	KELLY	X			
	AUSTERMAN	X			
				X	
	Foster	X			
	FAIRCLOUGH			X	
Chair:	Hawker			X	
Chair:	STOLTZE			X	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 342
(H) Publish Date: 2/26/10

Identifier (file name): HB342-CED-CBPL-2-18-10
Dept. Affected: DCCED
Title: Extend Board of Real Estate Appraisers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative T. Wilson
Requester: House Labor & Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	42.4	42.4	42.4	42.4	42.4	0.0
Travel	0.0	6.1	6.1	6.1	6.1	6.1	0.0
Contractual	0.0	50.6	50.6	50.6	50.6	50.6	0.0
Supplies	0.0	0.6	0.6	0.6	0.6	0.6	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	99.7	99.7	99.7	99.7	99.7	0.0
TOTAL	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 342 extends the Board of Real Estate Appraisers to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.01.070.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 2/18/2010 10:50AM
Approved by: Emil Notti, Commissioner — Date 2/19/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 342
(H) Publish Date: 2/26/10

Identifier (file name): HB342-CED-CBPL-2-18-10
Dept. Affected: DCCED
Title: Extend Board of Real Estate Appraisers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative T. Wilson
Requester: House Labor & Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	42.4	42.4	42.4	42.4	42.4	0.0
Travel	0.0	6.1	6.1	6.1	6.1	6.1	0.0
Contractual	0.0	50.6	50.6	50.6	50.6	50.6	0.0
Supplies	0.0	0.6	0.6	0.6	0.6	0.6	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	99.7	99.7	99.7	99.7	99.7	0.0
TOTAL	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 342 extends the Board of Real Estate Appraisers to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.01.070.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/18/2010 10:50AM
Approved by: Emil Notti, Commissioner
Date 2/19/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

Division of Legislative Audit

Report Digest #08-20064-10

Audit Report PDF Format *

* Requires Acrobat Reader

SUMMARY OF: A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Certified Real Estate Appraisers (BCREA), October 30, 2009

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BCREA. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if the board has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BCREA's termination date should be extended. Currently, under AS 08.03.010(c)(20), BCREA will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BCREA will have one year from that date to conclude its administrative operations.

REPORT CONCLUSIONS

The use of state certified real estate appraisers will be a continuing requirement for Alaska's financial institutions to qualify for federal deposit insurance and to participate in selling mortgage loans to federal government-sponsored enterprises. Failure to maintain a real estate appraiser certification program that meets federal requirements could cause the financial institutions – and by extension, the citizens of the State – to lose the opportunity to participate in a number of federally sponsored real estate loan programs and the ability to obtain federal deposit insurance. In this context, we recommend that the legislature extend BCREA's termination date to June 30, 2014.

The recommended termination date is half of the 8 year maximum allowed in statute to recognize that DCCED and the board failed to address findings issued by the Appraisal Subcommittee (ASC). ASC identified two deficiencies that needed to be addressed in order to come into substantial compliance with Title XI of the 1989 Financial Institutions Reform, Recovery, and Enforcement Act. DCCED and BCREA have satisfactorily addressed only one of the two deficiencies.

FINDINGS AND RECOMMENDATIONS

1. BCREA and DCCED should take timely corrective action in response to ASC findings.

2. The division's professional licensing administrative officer should take steps to improve administrative support.

3. BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Audit Report PDF Format *

* Requires Acrobat Reader

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

RECEIVED
1/7/2010

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box 113300
Juneau, Alaska 99811-3300

Re: Preliminary Audit, Board of Certified Real Estate Appraisers

Dear Ms. Davidson:

Thank you for the opportunity to comment on your Preliminary Audit findings concerning the Board of Certified Real Estate Appraisers.

Recommendation No. 1

The Board of Certified Real Estate Appraisers (BCREA) and the Department of Commerce, Community, and Economic Development (DCCED) should take timely corrective action in response to Appraisal Subcommittee (ASC) findings.

The department concurs with your recommendation. Although the authority to take appropriate action against a licensee resides with the board, the department concurs that it lacked in assertiveness to stay on top of the findings of the ASC; and to constantly remind the board of the need to take appropriate action. The department will discuss the ASC findings with the board and help to seek immediate resolution of the issues.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

As we have stated on many occasions, we could not agree more. The division has undergone a number of changes in key management positions and is now optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Unfortunately, the current incumbents are also faced with clean up of the accounting inaccuracies created by former employees in recent past years. We are confident that progress is being made to clean up the inaccuracies and to reestablish credibility of the division's cost-accounting system. Procedures for accounting for revenues and expenditures and preparation of financial reports did exist before it went awry. Correcting past errors has been a priority since current and future financial analysis is dependent on using correct data.

Recommendation No. 3

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

The department agrees with the recommendation.

The department concurs with the extension of the BCREA to June 30, 2014. Thank you for the opportunity to comment on your recommendations.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

Alaska State Legislature
House of Representatives

Interim
3340 Badger Road
North Pole, AK 99705
(907) 488.0847 - Phone
(907) 488.4271 - Fax
Rep.Tammie.Wilson@legis.state.ak.us

Session
State Capitol
Juneau, AK 99801
Phone - (907) 465.4797
Fax - (907) 465.3884
Toll Free – (800) 860-4797

Representative Tammie Wilson

Sponsor Statement
House Bill 342

An Act extending the termination date of the Board of Certified Real Estate Appraisers; and providing for an effective date.

HB 342 extends the termination date of the Board of Certified Real Estate Appraisers (BCREA). Per AS 08.03.010(c)(20), the board will sunset on June 30, 2010. HB 342 extends this date by four years, to June 30, 2014.

The BCREA is comprised of a five member board to establish: (1) examination specifications for certification as a real estate appraiser; (2) rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and (3) regulations necessary to carry out the purposes of the statutes.

The conclusion of the Legislative Audit is a recommendation to extend the BCREA's termination date by four years. (Report Digest #08-20064-10)

I would appreciate your support for this bill.

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907- 269-7450
fax 907- 269-7463
www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

RECEIVED
DEC 30 2009
LEGISLATIVE AUDIT

December 30, 2009

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your October 30, 2009 "CONFIDENTIAL" preliminary audit report on the Board of Certified Real Estate Appraisers (BCREA).

The Office of the Governor concurs with recommendation number three which states, "BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation." A board functions most effectively with full representation. Currently, the board is operating with full membership, and we are currently recruiting applicants for consideration for terms beginning March 1, 2010. I am committed to assisting the Governor in making a timely appointment to allow the board to function productively.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

(Intentionally left blank)

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

December 7, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Certified Real Estate Appraisers (BCREA) and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECOMONIC DEVELOPMENT
BOARD OF CERTIFIED REAL ESTATE APPRAISERS

October 30, 2009

08-20064-10

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). If not extended by the legislature, BCREA is required to terminate on June 30, 2010. Under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs.

In our opinion, BCREA should continue to regulate the appraiser profession. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as certified general and residential appraisers. We recommend BCREA's termination date be extended to June 30, 2014.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Background Information	5
Report Conclusions	9
Findings and Recommendations	11
Analysis of Public Need	15
Agency Responses	
Office of the Governor	21
Department of Commerce, Community, and Economic Development	23

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Certified Real Estate Appraisers (BCREA) to determine if the termination date for the board should be extended. As required by AS 44.66.050(a), the legislative committee of reference shall consider this report as part of the oversight process in determining if BCREA should be reestablished. Currently, AS 08.03.010(c)(20) specifies that BCREA will terminate on June 30, 2010. If legislature does not extend the termination date for the board, BCREA will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the board's termination date should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of real estate appraisers.

The assessment of BCREA's operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

The major areas of our review were board proceedings, licensing, complaint investigations, and duplication of efforts. During the course of our examination we reviewed and evaluated the following:

- Applicable statutes and regulations to identify board duties and responsibilities and board member composition and qualifications. We also identified additions, deletions and changes to BCREA statutes and regulations.

- Files and documentation related to individuals certified as appraisers, including those who have been issued a courtesy license to practice within Alaska, to ensure appraisers were certified in accordance with regulatory requirements. We also reviewed documentation to evaluate compliance with continuing education requirements.

- Board meeting minutes, budget documents, and annual reports related to or issued by BCREA to gain an understanding of board proceedings and activities.

- Public notice documentation to ascertain whether public notice for BCREA meetings and proposed regulation changes were published as required by statute.

- Complaints related to certified appraisers or appraiser applicants to gain an understanding of the nature of complaints and timeliness of the investigative process. Complaints filed with the following organizations were reviewed: the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing; the Human Rights Commission; the Office of the Ombudsman; the Office of Victims' Rights; and the Federal Equal Employment Opportunity Commission.

- Correspondence with the Appraisal Subcommittee, a national organization that monitors the regulation and oversight of real estate appraisers, to better understand BCREA's compliance with federal law and to determine the current status of prior findings.

- Newspaper articles pertinent to the appraiser industry to understand industry challenges.

Additionally, we conducted interviews with staff within the Division of Corporations, Business and Professional Licensing; BCREA board members and Appraisal Subcommittee staff.

ORGANIZATION AND FUNCTION

Board of Certified Real Estate Appraisers (BCREA)

Alaska Statute 08.87.010 establishes BCREA as a five member board with four of the five members made up of the following: a certified general real estate appraiser, a certified residential real estate appraiser, a mortgage banking executive, and a person from the general public. The fifth board position is undesignated in statute and is commonly referred to as the "at large" position.

Alaska Statute 08.87.020 defines the board's authority, purpose, and scope of work. Under this statute BCREA establishes the following: (1) examination specifications for certification as a real estate appraiser; (2) rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and (3) regulations necessary to carry out the purposes of the statutes.

BCREA certifies general real estate appraisers, residential real estate appraisers, and institutional appraisers.[1] The board also registers appraiser trainees and issues courtesy licenses to real estate appraisers who are certified or licensed in other states but are temporarily practicing in Alaska.

BOARD OF CERTIFIED REAL ESTATE APPRAISERS
(As of June 30, 2009)

Steve MacSwain, General Real Estate Appraiser
— Chair

Gene Shaffer, Residential Real Estate Appraiser
—Vice Chair

William Larick, General Real Estate Appraiser

April Moore, Public Member

Richard Olmstead, Mortgage Banking Executive

Qualifications for certification as a general and residential real estate appraiser include education related to real estate appraisal, experience in real property appraisal, and passing an examination endorsed by the board. The qualifications for receiving an institutional appraisal certificate specify that the applicant be a full-time employee of a financial institution with offices in Alaska, and that the applicant meets education and testing requirements. The requirement to become a registered trainee includes 75 hours of instruction in courses related to real estate appraisal theory or practices from an organization approved by the board.

[1]While BCREA has the authority to certify institutional appraisers, as of the date of this report, no individuals have applied for this certification.

Real estate appraisal certificates are renewed in the odd numbered fiscal years. In order to renew their certification, certified appraisers must complete a renewal application, provide evidence of continuing education, and remit a license fee. Individuals certified or licensed as appraisers in other jurisdictions can obtain a courtesy license to conduct appraisals in Alaska. Such licenses are issued for a single appraisal assignment, and individuals are limited to only one courtesy license every twelve months.

The Department of Commerce, Community and Economic Development (DCCED)

Alaska Statute 08.01.065 mandates that DCCED adopt regulations to establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by the statute.

DCCED's Division of Corporations, Business, and Professional Licensing provides administrative and investigative assistance to BCREA. This includes functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.087 empowers DCCED with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged in, or is about to engage in, a prohibited professional practice.
2. Bring an action in superior court to enjoin the act.
3. Examine the books and records of an individual.
4. Issue subpoenas for the attendance of witnesses and records.

BACKGROUND INFORMATION

An appraisal is a decision-making tool used to facilitate a real estate transaction. The primary role of appraisals in the loan underwriting process is to provide evidence that the collateral value of the property is sufficient to avoid losses on loans if the borrower was unable to repay the loan. Consumers often mistakenly assume that appraisals are intended to validate the purchase price of the property in question. In a loan transaction, the lender rather than the borrower engages the appraiser. This process usually occurs after the borrower has agreed to purchase the property. The primary intent of federal statutory appraisal reforms was to protect the federal deposit insurance funds – and by extension, mortgage lenders – from avoidable losses.

In 1986, the House Committee on Government Operations issued a report concluding that faulty and fraudulent appraisals contributed significantly to the losses that the federal government incurred during the savings and loan "*crisis.*"[2] In response to the *crisis*, Congress passed the 1989 Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Congress set out provisions in Title XI of FIRREA that were intended to ensure federally related transactions had appraisals that were (1) performed by real estate appraisers who met minimum qualification criteria, and (2) conducted in compliance with uniform standards.[3]

Title XI established a complex oversight structure for real estate appraisals and appraisers. The oversight structure involves private, federal, and state entities (shown in the table below).

TITLE XI REGULATORY OVERSIGHT STRUCTURE AND ENTITIES

PRIVATE	FEDERAL	STATE OF ALASKA
Appraisal Foundation ▸ Appraisal Standards Board ▸ Appraisal Qualifications Board	**Appraisal Subcommittee**	**Board of Certified Real Estate Appraisers**
	Federal Financial Regulators ▸ Federal Reserve System ▸ Federal Deposit Insurance Corporation ▸ Office of the Comptroller of the Currency ▸ Office of Thrift Supervision ▸ National Credit Union Administration	

[2] *Impact of Appraisal Problems on Real Estate Lending, Mortgage Insurance, and Investment in the Secondary Market*, H.Rep. 99–891 at 4–6 (Sept. 25, 1986), House Committee on Government Operations, 99th Congress, 2nd session.

[3] U.S. Code 3331 - 3351, Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The Appraisal Foundation

The Appraisal Foundation, a nonprofit educational organization composed of groups from the real estate industry, provides the organizational framework for the Appraisal Standards Board (ASB) and the Appraiser Qualifications Board (AQB) to carry out their responsibilities related to Title XI. The Appraisal Foundation was founded in 1987 by eight leading professional appraisal organizations in the United States to foster professionalism in real estate appraising. ASB and AQB establish minimum standards for developing and reporting an appraisal and the minimum criteria for certifying appraisers in connection with federally related transactions.

ASB is responsible for setting appraisal standards and is composed of six appraisers who are appointed for three-year terms by the Appraisal Foundation's board of trustees. ASB's minimum standards for appraisals are contained in the Uniform Standards of Professional Appraisal Practice. Under Title XI, these minimum standards apply to all federally related transactions. The standards cover the steps appraisers must take in developing appraisals and information the appraisal report must contain.

AQB is composed of five appraisers who are appointed for three-year terms by the Appraisal Foundation's board of trustees and establishes the minimum education, experience, and examination requirements for state certified real estate. Additionally, AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications. The AQB's criteria covers four categories of appraisers: certified general, certified residential, licensed, and trainee. Each appraiser category contains specific education, experience, examination, and continuing education requirements.

The Appraisal Subcommittee

The Appraisal Subcommittee (ASC) was established by U.S. law as the principal federal agency responsible for monitoring the activities of the real estate appraisal industry oversight structure. ASC is responsible for:

- Monitoring and reviewing the practices, procedures, activities, and organizational structure of the Appraisal Foundation – including making grants in amounts that it deems appropriate to the Appraisal Foundation to help defray costs associated with its Title XI activities;

- Monitoring the requirements established by the states, territories, and the District of Columbia as well as monitoring their appraiser regulatory agencies for the certification and licensing of appraisers;

- Monitoring the requirements established by the federal financial institution regulators regarding appraisal standards for federally related transactions and determinations of

which federally related transactions will require the services of state licensed or state certified appraisers;

- Maintaining a national registry of state licensed and state certified appraisers who may perform appraisals in connection with federally related transactions; and

- Transmitting an annual report to Congress regarding the activities of ASC during the preceding year.

ASC has six board members and nine staff members. The respective board members are composed of the head of the Department of Housing and Urban Development's Federal Housing Administration and the heads of the following five financial institution regulatory agencies:

1. Board of Governors of the Federal Reserve System;
2. Federal Deposit Insurance Corporation;
3. Office of the Comptroller of the Currency;
4. Office of Thrift Supervision; and
5. National Credit Union Administration.

State Oversight – the Board of Certified Real Estate Appraisers (BCREA)

Under Title XI, states may establish their own agencies to certify and license appraisers. In 1990, the Alaska State Legislature created BCREA in response to the 1989 FIRREA. Although BCREA is responsible for the certification of appraisers, ASC has a role in ensuring Alaska's qualifications satisfy Title XI objectives. Federal agencies and federal financial institutions may not accept appraisals from BCREA certified appraisers if the subcommittee issues a written finding that:

- BCREA has failed to recognize and enforce the standards, requirements, and procedures of Title XI;
- BCREA does not have enough authority to carry out its functions under Title XI; or
- BCREA does not make decisions on appraisal standards and qualifications or supervise appraiser practices in a method that carries out the purposes of Title XI.[4]

Additionally, BCREA is required to provide ASC with the names of those appraisers who become certified or licensed in accordance with Title XI.

[4]12 USC § 3347(a), (b) (2000).

REPORT CONCLUSIONS

The Board of Certified Real Estate Appraisers (BCREA) has been given the responsibility in AS 08.87.020 to:

> *(1) Establish the examination specifications for certification as a general real estate appraiser, as a residential real estate appraiser, and as an institution appraiser; (2) adopt rules of professional conduct to establish and maintain a high standard of integrity in the profession; and, (3) adopt regulations necessary to carry out the purpose of [the appraiser statutes]...*

The use of state certified real estate appraisers will be a continuing requirement for Alaska's financial institutions to qualify for federal deposit insurance and to participate in selling mortgage loans to federal government-sponsored enterprises.[5] Failure to maintain a real estate appraiser certification program that meets federal requirements could cause the financial institutions – and by extension, the citizens of the State – to lose the opportunity to participate in a number of federally sponsored real estate loan programs and lose the ability to obtain federal deposit insurance. In this context, we recommend that the legislature extend BCREA's termination date to June 30, 2014.

In accordance with AS 08.03.010(c)(20), BCREA is scheduled for termination on June 30, 2010. If no action is taken by the legislature, the board will have one year in which to administratively conclude its affairs. We recommend the board's termination date be extended for four years, to June 30, 2014. The recommended termination date is half of the eight-year maximum allowed in statute to recognize that the Department of Commerce, Community, and Economic Development (DCCED) and the board failed to address findings issued by the Appraisal Subcommittee[6] (ASC). Except for this deficiency, the board is operating effectively and should continue to regulate the appraiser profession.

The ASC review of BCREA and DCCED concluded that improvements were needed.

In August 2007, BCREA was the subject of an ASC review. ASC identified two concerns that needed to be addressed in order to come into substantial compliance with Title XI of the 1989 Financial Institutions Reform, Recovery, and Enforcement Act. DCCED and BCREA have satisfactorily addressed the concerns except for the following:

---

[5]Government-sponsored enterprises include such entities as the Federal Home Loan Mortgage Corporation (generally referred to as "Freddie Mac") and the Federal National Mortgage Association (generally referred to as "Fannie Mae").

[6]ASC was established by U.S. law as the principal federal agency responsible for monitoring the activities of the other components of the real estate appraisal industry oversight structure including state appraiser certifying/licensing boards.

DCCED and the board failed to ensure that applicants for appraiser credentials met Appraiser Qualifications Board's[7] (AQB) experience and education criteria. Specifically, DCCED and BCREA

1. Failed to ensure that two of 42 certified applicants met AQB's minimum time period requirements during which experience must be earned.

2. Failed to ensure that one of 42 applicants for certification met AQB's minimum experience hour requirements.

This deficiency is discussed in Recommendation No. 1.

[7]AQB establishes the minimum education, experience, and examination requirements for state certified real estate appraisers

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Certified Real Estate Appraisers (BCREA) and the Department of Commerce, Community, and Economic Development (DCCED) should take timely corrective action in response to Appraisal Subcommittee (ASC) findings.

ASC conducted a monitoring inspection of Alaska's real estate appraiser regulatory program in 2007. As part of the assessment, ASC reviewed 42 applications for certification. Of the 42 applications reviewed, three certificates (seven percent) were issued to applicants that failed to meet Appraiser Qualifications Board's (AQB) experience or education criteria. The inspection cited an inadequate application review process as the reason for the deficiencies. ASC directed DCCED and the board to contact the improperly certified appraisers and request further documentation. If the appraisers continue to fail to meet requirements, DCCED and the board were directed to downgrade the certification credentials within 90 days. DCCED and BCREA must resolve the finding in order to come into compliance with the Title XI of the 1989 Financial Institutions Reform, Recovery, and Enforcement Act, as amended.

DCCED's Division of Corporations, Business and Professional Licensing sent out letters to the three applicants notifying them of the deficiency detected through the ASC review. The division requested each appraiser submit additional documentation showing the appraisers met certification requirements. Only one of the three appraisers responded. BCREA failed to downgrade certification credentials for the two appraisers still out of compliance. Until proper documentation is submitted, the two appraisers affected are not qualified to practice as certified appraisers in accordance with federal law.

As discussed under the Background Information section of this audit, ASC is the entity responsible for monitoring the State certification process for compliance with federal law. Federal agencies and federal financial institutions may not accept appraisals from BCREA certified appraisers if ASC finds that:

- BCREA has failed to recognize and enforce the standards, requirements, and procedures of Title XI;
- BCREA does not have enough authority to carry out its functions under Title XI; or
- BCREA does not make decisions on appraisal standards and qualifications or supervise appraiser practices in a method that carries out the purposes of Title XI.

We recommend that the board and DCCED take timely corrective action in response to ASC findings – including the downgrade of certificates that do not meet AQB experience or education criteria.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in division administrative support. Specifically:

- Seven of 11 BCREA meetings were not posted on the State's online public notice system. One meeting was not posted in either the online public notice system or the *Anchorage Daily News*.
- Support for the FY 05 and FY 06 fee analyses was not maintained.
- FY 06 and FY 07 annual reports contained errors in license statistics.
- Allocation rates for indirect costs were inaccurate for FY 05 through FY 08.
- Fines of $3,000 in FY 03 and $2,500 in FY 07 were inappropriately recorded as BCREA revenue.
- Indirect costs for the division were treated inconsistently between fiscal periods.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of an occupation are approximately equal to fee collections for that occupation. Alaska Statute 08.01.070 requires BCREA to submit an annual performance report to DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both board and division information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exacerbated by a lack of accounting and reporting procedures. Staff turnover caused the oversight in posting public notices.

Inadequate administrative support hampers BCREA's ability to fulfill its responsibilities and may provide policymakers with misleading information. Failure to publish notice of public meetings violates statute and may keep interested persons from providing valuable input into

the regulation process. We recommend professional licensing's administrative officer take steps to improve administrative support.

Recommendation No. 3

BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

In FY 05 and FY 06, the board position of mortgage banker was vacant for over nine months. In FY 08, the board position of residential appraiser was vacant for over seven months. Vacancies were due to a lack of applicants.

Alaska Statute 08.87.010 requires BCREA be composed of five members. Four of the five members must consist of the following: a certified general real estate appraiser; a certified residential real estate appraiser; an executive in a mortgage banking entity, and a member of the general public. BCREA cannot fully serve its purpose or the public interest with extended vacancies in board positions. Full representation provides balance and prevents undue bias toward the profession being regulated.

We recommend that BCREA and staff within the Office of the Governor work together to increase the number of qualified applicants available for appointments to the board to ensure full representation.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

As reflected in the Background Information section of this report, the impetus for establishing the Board of Certified Real Estate Appraisers (BCREA) was the federal law passed by Congress responding to the savings and loan crisis of the 1980s. Accordingly, most of the regulatory and statutory requirements that BCREA responds to is set by organizations and entities established by, or affiliated with, the federal government. As part of that federal oversight, the board's regulations and activities are periodically reviewed by the federal Appraisal Subcommittee (ASC).

ASC reported two findings in their 2007 review of BCREA's activities. To date, BCREA and the Department of Commerce, Community, and Economic Development (DCCED) have adequately addressed only one of the two findings (discussed in Recommendation No. 1). Except for this deficiency, the board adequately served the public by certifying applicants that comply with requirements; amending regulations to improve regulation of the profession; maintaining on its website a list of approved, denied, and expired initial certification courses; and enforcing certification statutes and regulations.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The board's revenue is from certification, licensing, and renewal fees. Renewals are conducted on a biennial basis with fees due during odd-numbered fiscal years. This creates a two-year cycle in the board's revenues, with the board receiving most of it revenues during odd-numbered fiscal years. We reviewed the internal records of DCCED's Division of Corporations, Business and Professional Licensing and compiled a summary schedule of BCREA revenues and expenditures. We did not audit this information, but present the summary schedule on the following page for general information purposes.

Alaska Statute 08.01.065(c) requires *"...that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* As shown in the summary schedule, BCREA operated at a deficit in FY 06 due to the costs associated with two investigations and related legal proceedings. BCREA fees were increased in FY 07 from $550 to $1,050 to ensure revenues covered the cost of the investigations. This led to a

large surplus of $85,500 at the end of FY 08. Fees were again dramatically reduced from $1,050 to $300 in FY 09 to reduce the surplus.

State of Alaska
Board of Certified Real Estate Appraisers
Schedule of Revenues and Expenditures
FY 03 - FY 09
(Unaudited)

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$119,200	$40,400	$116,500	$24,100	$200,000	$98,300	$85,200
Direct Expenses:							
Personal Services	20,000	26,100	33,300	46,100	42,600	32,100	49,700
Travel	1,000	1,400	1,800	5,700	3,800	5,100	7,000
Contractual	7,100	5,300	25,600	70,700	12,100	71,500	29,600
Supplies	200	0	100	100	400	1,000	100
Total Direct Expenses	28,300	32,800	60,800	122,600	58,900	109,700	86,400
Indirect Expenses	8,600	10,500	10,300	7,200	15,000	13,900	15,700
Total Expenses	36,900	43,300	71,100	129,800	73,900	123,600	102,100
Annual Surplus (Deficit)	82,300	(2,900)	45,400	(105,700)	126,100	(25,300)	(16,900)
Beginning Cumulative:							
Surplus (Deficit)	(34,400)	47,900	45,000	90,400	(15,300)	110,800	85,500
Ending Cumulative:							
Surplus (Deficit)	$47,900	$45,000	$90,400	($15,300)	$110,800	$85,500	$68,600

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board continues to promote changes to statutes and regulations as deemed necessary to better regulate the profession. The most significant change during FY 03 through FY 09 was the amendment to 12 AAC 70.115 – Education Requirements for Real Estate Appraiser Certification. This amendment was promulgated by the Appraiser Qualifications Board (AQB). The effect of the change is to significantly raise the education requirements for certification beginning January 1, 2008.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Board meeting dates, times and locations are required by statute to be posted on the State's online public notice system. The board also publishes meeting dates in the *Anchorage Daily News*. Public notice was not posted to the online notification system for seven of the 11 BCREA board meetings from FY 03 through FY 09 (discussed in Recommendation No. 2). Public participation was encouraged by the board and a public comment period was set aside in the agenda for every regular board meeting. During FY 04 through FY 09, interested persons offered comments at five board meetings.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Notice of proposed regulation changes were posted on the State's online public notice system and in the *Anchorage Daily News*. Detailed instructions for submitting public comment were included in the posting. The board reviewed and considered public comment before adopting new regulations.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

During the period FY 04 through February of FY 09, the division's investigative unit investigated 22 complaints and 51 cases related to appraisers or appraiser applicants. Of the 22 complaints, nine were not in violation; five were resolved through the licensing application process; seven were re-opened as cases; and one complaint was incomplete.

Of the 51 cases opened, six remained open as of February FY 09. Of the closed cases, twenty-two resulted in licensing action, 13 resulted in no action, four were closed with an advisement letter, and the remaining six cases were closed for other reasons such as compliance or referral to another agency. In general, we found the complaints and cases were investigated appropriately and in a reasonable amount of time.

There were no BCREA complaints filed with the Office of Victim's Rights, Human Rights Commission or the State's Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

From FY 03 through FY 09, the board approved and certified 195 new appraisers and issued 170 courtesy licenses. We found no instances where the board issued a certificate or license to an unqualified candidate, nor did we find an instance where a qualified candidate was denied certification or licensure. The 2007 ASC review found three instances where appraisers were certified but had not met AQB's experience and education criteria (discussed in Recommendation No. 1).

The table below summarizes the number of new certificates issued each year for the period FY 03 through FY 09.

Types of Certificates	Newly Issued Certificates (Exclusive of Renewals) FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	Total Certificates as of June 30, 2009
General	5	7	7	11	11	13	5	97
Residential	4	10	8	10	15	26	4	117
Trainee	13	6	7	20	6	3	4	7
Courtesy	16	18	26	24	31	33	22	22

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board did not comply with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Compliance with federal regulations is critical to the board's success in serving the public interest. ASC identified instances of noncompliance that have not been adequately addressed by division staff or BCREA (discussed in Recommendation No. 1).

As discussed in Recommendation No. 2, administrative support provided by the division's professional licensing section was not accurate, comprehensive or consistent. The administrative staff should provide the necessary and required information so that the board can perform its functions and serve the interest of the public effectively and efficiently.

As discussed in Recommendation No. 3, BCREA and staff within the Office of the Governor should work to increase the pool of qualified applicants available for board appointments to ensure full representation.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

Except for deficiencies already discussed, BCREA successfully met its goals and objectives in an efficient manner.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

National appraiser organizations work in positive conjunction with the board. The most prominent organization is the Appraisal Institute (AI). AI awards appraisers with professional designations which require adherence to AI's code of ethics, continuing education, and work experience requirements. AI is also the main provider of education courses. We found AI enhances rather than duplicates BCREA efforts. We also found that BCREA's activities are not duplicated by another government agency or the private sector.

HB 344

<target><bill>HB 344</bill><subject>HB 344</subject><comm>HFIN26</comm></target>

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

Sponsor Statement
HB 344

An Act Relating to the Salmon Product Development Tax Credit

House Bill 344 extends the deadline for salmon processors in Alaska to receive a salmon product development tax credit. The program allows applicants to claim a credit on their annual fisheries business tax for 50% of the purchase costs of eligible equipment. Credits received may not exceed 50% of a taxpayer's annual tax liability. Under current law, processors can claim the credit for the property first placed into service by December 31, 2011. This bill would extend the program's sunset date to December 31, 2015, allowing processors ample time to continue their long-range investment planning.

The salmon product development tax credit was a key recommendation of the Joint Legislative Salmon Industry Task Force. First enacted in 2003, the credit was part of an effort by Alaska's elected leaders and the fishing industry to develop innovative value-added salmon products. Since then it has stimulated some important changes in Alaska's commercial fishing industry. New processing equipment eligible for the tax credit enables businesses to offer a more diverse complement of Alaska salmon products which helps increase overall customer acceptance. Modern equipment also helps increase efficiency of processing operations and improves output, meaning that quality has improved. This tax credit also encourages in-state processing of our salmon resource which is critical to job creation and retention in fishing communities.

Although Alaska's salmon industry is beginning to recover from years of low values caused by factors such as competition from fish farming, the industry continues to be challenged by the recent economic depression, changes in the marketplace, and increasing labor and energy costs. Extending the tax credit beyond its current sunset date of December 31, 2011 will allow the industry to continue the progress that is being made in developing and producing salmon products that will keep Alaska's fisheries competitive in world markets. The state should continue to support one of our most important basic industries by extending the salmon product development tax credit thought passage of HB 344.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 23, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/2/10

The FINANCE Committee considered: **HOUSE BILL NO. 344**

"An Act relating to the salmon product development tax credit; and providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

HB 344-SALMON PRODUCT DEVELOP. TAX CREDIT

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB344 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
	Doogan	✓			
	Austerman	X			
	FOSTER	✓			
	KELLY			✓	
Anna L. Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair:	Stoltze			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 344
() Publish Date:

Identifier (file name): CSHB344(FIN)-REV-TAX-04-02-10
Dept. Affected: Revenue
Title: Salmon Product Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Thomas
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(2,400.0)**	**(2,400.0)**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached.

Prepared by: Tim Cottongim, Revenue Audit Supervisor/Tim Harper, Economist III — Phone (907) 465-3695
Division: Tax Division — Date/Time 04-02-10; 8:36am
Approved by: Ginger Blaisdell, Director — Date 04-02-10; 8:46am
Administrative Services Division

(Revised 11/5/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CS HB 344

ANALYSIS CONTINUATION

Bill Language:

This bill extends the existing Salmon Product Development (SPD) tax credit for investment in processing equipment used to produce value-added salmon products by four years through 2015. This bill also adds ice making machines to the list of qualified investments eligible for an SPD tax credit.. The SPD tax credit provisions under AS 43.75.035 authorize taxpayers to claim a credit against their fisheries business tax liability for 50% of qualified investment in new value-added salmon processing equipment and ice making machines. Credits may be applied up to 50% of the Fisheries Business Tax liability on salmon processed in Alaska in the year generated and the three subsequent years.

Revenues:

Although it is difficult to determine the number of taxpayers who would take advantage of this tax credit, the DOR would expect reduced Fisheries Business Tax collections in the years added. The department would expect the Fisheries Business Tax to decrease by $2.4 million for each additional year the credit is extended.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 344(FSH)
(H) Publish Date: 2/23/10

Identifier (file name): HB344-REV-TAX-02-17-10
Dept. Affected: Revenue
Title: Salmon Product Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Thomas
Requester: (H) Fisheries Special Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(2,400.0)**	**(2,400.0)**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached.

Prepared by: Tim Cottongim, Revenue Audit Supervisor/Tim Harper, Economist III — Phone (907) 465-3695
Division: Tax Division — Date/Time 2-17-10; 11:09am
Approved by: Ginger Blaisdell, Director — Date 2-17-10; 4:08pm
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 344(FSH)

ANALYSIS CONTINUATION

Bill Language:

This bill extends the existing Salmon Product Development tax credit for investment in processing equipment used to produce value-added salmon products by four years through 2015. The Salmon Product Development tax credit allows taxpayers to take a credit against their Fisheries Business Tax liability for 50% of qualified investment in new value-added salmon processing equipment. Credits may be applied up to 50% of the Fisheries Business Tax liability on salmon processed in Alaska in the year generated and the three subsequent years.

Revenues:

Although it is difficult to determine the number of taxpayers who would take advantage of this tax credit, the DOR would expect reduced Fisheries Business Tax collections in the years added. The department would expect the Fisheries Business Tax to decrease by $2.4 million for each additional year the credit is extended.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

26-LS1473\E
Kane
3/11/10

CS FOR HOUSE BILL NO. 344( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

adopted 4/2/10

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Peggy Wilson, Austerman

A BILL

FOR AN ACT ENTITLED

"An Act relating to the salmon product development tax credit; and providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 43.75.035(b) is amended to read:

(b) The amount of the tax credit applied against taxes under this section may not

(1) exceed 50 percent of the taxpayer's tax liability incurred under this chapter for processing of salmon during the tax year; or

(2) be claimed for property first placed into service after December 31, **2015** [2011].

*** Sec. 2.** AS 43.75.035(j)(3) is amended to read:

(3) "qualified investment" means the investment cost in depreciable tangible personal property with a useful life of three years or more to be used

New Text Underlined [DELETED TEXT BRACKETED]

1377

predominantly to perform **an ice making,** [A] processing, packaging, or product finishing function that is a significant component in producing value-added salmon products beyond gutting of the salmon; in this paragraph, "property"

(A) includes

(i) filleting, skinning, portioning, mincing, forming, extruding, stuffing, injecting, mixing, marinating, preserving, drying, smoking, brining, packaging, blast freezing, or pin bone removal equipment;

(ii) new parts to convert an existing can seamer to pop-top can production; [AND]

(iii) conveyors used specifically in the act of producing a value-added salmon product; **and**

(iv) ice making machines;

(B) does not include

(i) vehicles, forklifts, conveyors not used specifically in the act of producing a value-added salmon product, cranes, pumps, or other equipment used to transport salmon or salmon products, knives, gloves, tools, supplies and materials, equipment**, other than ice making machines,** that is not processing, packaging, or product finishing equipment, or other equipment the use of which is incidental to the production, packaging, or finishing of value-added salmon products; or

(ii) the overhaul, retooling, or modification of new or existing property, except for new parts to convert an existing can seamer to pop-top can production;

*** Sec. 3.** Section 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008, is amended to read:

Sec. 7. Section 3**, ch. 57, SLA 2003,** [OF THIS ACT] takes effect on the earlier of the following:

(1) January 1, **2019** [2015]; or

(2) the date of the attorney general's notification to the lieutenant

governor and to the revisor of statutes that

(A) a court has entered final judgment that AS 43.75.035 or 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the commerce clause contained in art. I, sec. 8, United States Constitution; and

(B) the time for an appeal of that judgment has expired, or, if an appeal was taken, a final order on the appeal has been entered that AS 43.75.035 or 43.75.036, added by sec. 1, ch. 57, SLA 2003, violates the commerce clause contained in the United States Constitution.

ICICLE

February 17, 2010

Rep. Bryce Edgmon, Chair
House Special Committee on Fisheries
Alaska State Legislature
Juneau, Alaska 99801

Dear Chairman Edgmon and Committee Members,

I wish to express our support for HB 344, an act to extend the salmon product development tax credit program through the year 2015.

Icicle Seafoods, Inc. purchases and processes salmon in Southeast, Prince William Sound, Kodiak, Cook Inlet and Bristol Bay. We have utilized the salmon product development tax credit program on a number of occasions to purchase equipment to further diversify our product line, improve quality and prolong product viability. This has resulted in higher customer acceptance of our products.

The salmon product development tax credit program has been beneficial to the Alaska salmon industry. It has enabled the industry to re-tool and modernize equipment thereby putting Alaska salmon in a better competitive position in the global market place with other types of seafood and protein sources. The program has served as the catalyst that can make needed capital improvements a rational choice during economically challenging times.

We urge you to support HB 344 and thank you for your consideration.

Sincerely,
ICICLE SEAFOODS, INC.

Kris Norosz
Government Affairs

PETERSBURG FISHERIES
A DIVISION OF ICICLE SEAFOODS, INC.
P.O. Box 1147 • Petersburg, AK 99833 • Tel: 907-772-4294 • Fax: 907-772-4472

Figure 3 - Revenue Collections Detail

Listed in order of total amount of revenue collected

TAX TYPE	FY 2009	FY 2008	FY 2007
FISHERIES BUSINESS			
Established			
Shore-based	$30,223,448	$24,865,940	$21,838,661
Floating	6,809,487	5,769,466	4,461,717
Cannery	5,069,742	5,218,570	3,603,230
Developing			
Shore-based	48,357	54,486	4,040
Floating	249	802	2,523
Total Tax	42,151,283	35,909,264	29,910,171
Prepayments	3,523,354	3,694,083	5,546,512
Penalties and Interest	311,942	504,207	169,178
License Fees	13,500	13,975	14,725
Less Credits			
Winn Brindle	(192,792)	(177,228)	(167,000)
Alaska Education	(450,000)	(450,000)	(300,000)
Salmon Product Development	(3,121,697)	(4,501,973)	415,745
Total Receipts	**42,235,590**	**34,992,328**	**35,589,331**
Fisheries Business Tax Shared			
Direct to Municipalities	(21,304,498)	(18,268,399)	(16,079,365)
DCCED* Municipal Allocation	(1,635,638)	(1,920,635)	(1,530,472)
Amount Retained by State	**$19,295,454**	**$14,803,294**	**$17,979,494**
ALCOHOLIC BEVERAGES			
Liquor	$18,609,636	$18,719,422	$17,323,104
Beer	12,971,806	13,317,219	13,063,186
Wine	5,512,824	5,140,482	4,852,715
Beer qualifying for reduced tax rate	914,888	801,127	797,543
Penalties, Interest and Refunds	487,207	186,950	1,916
Total Receipts	**$38,496,361**	**$38,165,200**	**$36,038,464**
Amount transferred to Alcohol and Other Drug Abuse Treatment and Prevention Fund	(18,968,874)	(19,080,505)	(18,018,504)
Amount Retained in General Fund	**$19,527,487**	**$19,084,695**	**$18,019,960**

* Department of Commerce, Community and Economic Development

Prepared by Department of Revenue - Tax Division

Salmon Product Development Credit Expenditures

Qualified Expenditures

Description
Brining equipment
Curing equipment
Fillet lines
Fillet machines
Blast freezers
Glazers
Ikura packaging machines
Pin bone machines
Plate freezers
Pop-top canning equipment
Roe drying machines
Roe rubbing machines
Roe seperators
Roe vibrating machines
Roe washers
Skinning machines
Smokehouses
Vacuum packaging machines

Non-Qualified Expenditures

Description
Bag blowers
Banding machines
Building construction
Deck cranes
Dock pilings
Dolly carts
Equipment maintenance
Equipment overhauling
Equipment retooling/retrofitting[1]
Fish hooks
Fish pumps
Fish washing equipment
Fishing vessels
Freezer baskets
Freezer carts
Freezer rolling racks
Grinders
Gutting machines
Heading machines
Ice machines
Knife sharpeners
Knives
Labeling machines
Loading ramps
Net pens
Pallet jacks
Pocket conveyors
Retooling
Scales
Sealing machines
Spare parts
Standard canning equipment
Ordinary freezers
Strapping machines
Stun/bleed systems
Tables
Tape machines
Tools
Tote dumpers
Totes

[1]Except pop-top canning systems

2/17/2010

PETER PAN SEAFOODS, INC.

THE TENTH FLOOR
2200 SIXTH AVENUE
SEATTLE, WA 98121-1820
206.728.6000
OPERATION FAX 206.441.9090
SALES FAX 206.728.1855

February 16, 2010

Representative Bryce Edgmon, Chair
House Special Committee on Fisheries
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Edgmon and Members of the House Fisheries Committee:

It is my pleasure to introduce Peter Pan Seafoods, Inc. We were incorporated in 1950 as the successor to P.E. Harris Co., which began canning salmon in Alaska in 1912. Peter Pan Seafoods processes and sells various types of Alaskan seafood products. All of our raw seafood is purchased from independent fishermen participating in fisheries throughout Alaska. Our production facilities include: King Cove, Port Moller, Dillingham, and Valdez. Salmon products account for the largest portion of our sales; other major product lines include crab, halibut, cod, Pollock and black cod. Our products are sold primarily to wholesalers and distributors throughout the world.

Peter Pan Seafoods is writing to express strong support for **Bill HB344, Extension of the Salmon Product Development Tax Credit** and to request that this important legislation be moved from the House Fisheries Committee as soon as possible. This bill simply extends for 3 more years an existing program that is proving very successful for the Alaskan salmon industry. We hope to continue the momentum and progress this program has afforded us in keeping our Alaskan salmon products competitive in the domestic and world markets.

We have been able to utilize the salmon tax credit at each of our Alaska production facilities. Both King Cove and Dillingham have added value added salmon fillet and ikura roe lines. In Port Moller, we expanded our value added salmon fillet operation; and in Valdez we added value added salmon fillet production, skinless boneless canned salmon and ikura roe. The progress we have achieved by adding and developing the value added salmon products in such a relatively short time is due to the Salmon Tax Credit.

The ever increasing costs of energy, labor, packaging and insurance are diverting the funds that could otherwise be invested into these sorts of improvements. It is imperative to our industry and Peter Pan Seafoods in particular that the salmon tax credit continue for another 3 years. There is more to be achieved in the development of the salmon value added program to ensure Alaska salmon products keep pace with evolving world markets. We urge the committee to take quick action in support of **HB344, Extension of the Salmon Product Development Tax Credit**.

Thank you and the Committee for your timely consideration of this issue.

Respectfully,

Barry D. Collier
President and CEO
Peter Pan Seafoods, Inc.

4 Nickerson, Suite 400, Seattle, WA 98109
P.O. Box 31179, Seattle, WA 98103-1179
PHONE (206)726-9900 FAX (206) 726-1667
www.northpacificseafoods.com

February 13, 2010

Chairman Bryce Edgmon
Members of the House Fisheries Committee
State Capitol
Juneau, AK 99811-1182.

RE: HB 344, Salmon Tax Credit

Dear Chairman Edgmon and Members of the House Fisheries Committee:

North Pacific Seafoods would like to express our support for the passage of HB 344, renewing the Salmon Product Development Tax Credit. The current program has allowed the industry to keep pace on Alaska salmon products in the quickly changing domestic and world markets. The extension of this program will continue the momentum and success Alaska salmon products have enjoyed in the global markets.

North Pacific Seafoods started in Alaska in the canned salmon processing business. Today we own and operate four (4) shore based seafood processing plants that the largest portion is Salmon, though we also process crab, halibut, black cod, Pollock, Pacific cod, flat fish, rockfish and dive products. Our facilities are located in the coastal areas of Sitka, Kodiak, Pederson Point (Naknek) and Togiak. With the changing market demands, North Pacific Seafoods has converted from salmon canning to a 100% fresh and frozen processor of Alaska salmon and other seafood items.

North Pacific Seafoods continues to invest in our facilities each year. With the briskly increasing costs of energy, freight, labor and insurance, an increasing amount of our capital improvement funds have been diverted to address these issues that would normally be invested into product improvements. We have been utilizing the Salmon Tax Credit each year to improve our product development in salmon fillets and salmon caviar. We plan to continue to invest in salmon product development and the Salmon Tax Credit will allow us to invest at an accelerated level as long as this program continues.

We thank you for the continued support through the passage of the extension to the Salmon Product Development Tax Credit program.

Sincerely,

Jeffrey Backlund
Vice President

Alaska Pacific Seafoods
627 Shelikof Ave
Kodiak, Alaska 99615
(907) 486-3234
(907) 486-5164

Pederson Point
P.O. Box 99
Naknek, Alaska 99633
(907) 246-4461
(907) 246-6657

Sitka Sound Seafoods
329 Katlian Street
Sitka, Alaska 99835
(907) 747-6662
(907) 747-6268

Togiak Fisheries
P.O. Box 30
Togiak, Alaska 99678
(907) 493-5331
(907) 493-5131

PSPA

PACIFIC SEAFOOD PROCESSORS ASSOCIATION
Est. 1914

February 12, 2010

Representative Bryce Edgmon, Chair
House Special Committee on Fisheries
State Capitol
Juneau, AK 99801-1182

RE: Support for HB 344
Extension of the Salmon Product Development Tax Credit

Dear Representative Edgmon and Members of the House Fisheries Committee:

On behalf of the Pacific Seafood Processors Association, a trade association of seafood processing companies with operations in many communities throughout Alaska, I am writing to express strong support for HB 344, and to request that this important legislation be moved from the House Fisheries Committee as soon as possible.

The legislature constructed the existing Salmon Product Development Tax Credit program tightly to accomplish very specific goals. It is proving to be very successful in accomplishing its intended purpose of encouraging and enabling Alaska salmon processors to develop and produce value-added salmon products in Alaska. This, in turn, is helping Alaska's salmon industry keep pace with evolving consumer demands and keep Alaska salmon competitive on world markets. It is a program that essentially pays for itself by increasing the value and marketability of Alaska salmon.

The attached 1-page document briefly describes some of the improvements that have been made with the help of this program. Many of the new product forms developed and improvements and expansions made in recent years would not have happened, or would have been significantly delayed, without the incentive and assistance provided by the tax credit program. The attached page also describes ways our member companies anticipate utilizing the tax credit program in upcoming years if it is extended.

Alaska's seafood industry, operating in remote areas of Alaska, is dealing with extremely high energy costs, the worldwide economic downturn, and other enormous challenges. Yet, the industry's future, and the future economic benefits Alaska's fisheries provide to fishermen, communities, and the state, depend on continued progress in developing and expanding value-added product forms and capacity. Extension of the Salmon Product Development Tax Credit Program will play an important role in maintaining the continued development and competitiveness of the Alaska salmon industry.

Extending this very effective program makes good sense for Alaska. We urge quick scheduling and passage of HB344.

Thank you very much for your consideration.

Sincerely,

Mary McDowell

Mary McDowell, Vice President

Attachment

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

Past use of the Salmon Product Development Tax Credit

The Salmon Product Development Tax Credit Program has been very effective in advancing the goal of increasing in-state value-added processing. The credit has enabled and encouraged seafood companies to make investments in equipment that they would otherwise have had to delay or forego. In many cases, the credit has enabled companies to begin producing value-added product forms they had not previously produced.

Since enactment of the program, PSPA member companies have purchased and put into production a wide variety of value-adding equipment, such as:

- skinless/boneless fillet equipment
- roe separating equipment
- smoking equipment
- equipment to produce boneless/skinless salmon in pop-top ("easy-open") cans
- equipment to produce sockeye ikura
- equipment for packaging ikura in vacuumed sealed packages

The credit has enabled companies to increase capacity of pounds purchased from fisherman and improve quality by adding fillet lines and investing in coolers, blast freezers, and upgrading and increasing freezer capacity.

Anticipated future use of the tax credit

Continuation of the Salmon Product Development Tax Credit would be extremely helpful in maintaining the momentum of the expansion of in-state, value-added processing, and allow companies to plan for future capital investment in their salmon operations around the state and keep Alaska salmon competitive in evolving world markets.

Customers continually want more user-friendly products. The salmon fillet market, for example, has grown tremendously in the last few years and the market has not shown any signs of over supply. It takes some risk and a few years for companies to assess how their investments in value-added processing are paying off and then additional time to gear up and gather financial resources to make additional investments. A tax credit that makes such investments feasible in a shorter timeframe benefits Alaska harvesters, processors, communities, and the state.

If this tax credit program remains available, our member companies anticipate utilizing it in upcoming years for such things as additional filleting equipment; salmon sausage equipment; salmon oil refining equipment; equipment for producing skinless/boneless products; freezing capacity upgrades and increases, portioning equipment, vacuum packing equipment, and salmon roe processing equipment.

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

HB

346

<target><bill>HB 346</bill><subject>HB
346</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January - April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May - December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax: 907-283-2763

Official Business

Sponsor Statement
Committee Substitute for House Bill 346 (L&C)

"An Act establishing the Workers' Compensation Advisory Council; abolishing the Medical Services Review Committee; and providing for an effective date."

Since the mid-1980's an informal workers' compensation advisory committee has operated in Alaska. This "Ad-Hoc" committee was comprised of representatives from organized labor and from the Workers' Compensation Committee of Alaska – an industry group organized to lobby for changes to Alaska's Workers' Compensation Act. The Ad-Hoc Committee was instrumental in effecting the huge changes made to the Act in 1988. However, since then, the committee has been unable to achieve any success in large part due to their lack of any statutory legitimacy.

In 2005 the legislature amended AS 23.30.095 to create a Medical Services Review Committee to advise the commissioner of the Department of Labor and Workforce Development in the area of medical costs and related services in workers' compensation. In November 2009, the Committee issued its final report and recommendations. One of the recommendations was the establishment by statute of a Workers' Compensation Advisory Council to advise the commissioner and legislature in the area of workers' compensation.

Similar councils have been created and operate quite effectively in other states. These councils are charged with recommending statutory changes to the legislature as well as regulations to departments in the area of workers' compensation. The purpose of the council is to improve workers' compensation systems by drawing together representatives from all workers' compensation stakeholders who gather and analyze data and information, discuss and debate options and make recommendations regarding problems facing the effectiveness of workers' compensation systems.

This bill creates a council similar to that found in many other western and mid-western states. The council is comprised of 11 voting and 5 non-voting members: four voting members drawn from organized labor, four voting members drawn from various employer groups and three voting members from the various medical societies. Non-voting members provide expertise and are drawn from the insurance industry (2 members), the legislature (one from each legislative body) and the commissioner or his designee.

I urge your support of this bill.

Email: Representative_Kurt_Olson@legis.state.ak.us

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January - April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May - December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax: 907-283-2763

Official Business

Sectional Analysis

Committee Substitute for House Bill 346 (L&C)

"An Act establishing the Workers' Compensation Advisory Council; and providing for an effective date."

Section 1. **Adds a new section** to AS 23.30 creating a Workers' Compensation Advisory Council to advise the department on all matters pertaining to workers' compensation.

Section 2. **Repeals** the Medical Services Review Committee

Section 3. **Repeals AS 23.30.275** on June 30, 2015. Sun setting the council.

Section 4. **Repeals** cross reference to the Medical Services Review Committee

Section 5. **Transitional Provision** to stagger the terms of the members of the council.

Section 6. **Provides for** an immediate effective date.

Email: Representative_Kurt_Olson@legis.state.ak.us

HB 346
Summary of Changes
Version \R to Version \E (L&C)

During a hearing in House Labor & Commerce HB 346 was amended.

Amendment \R.1 was adopted without objection.

Amendment \R.1 deleted the word "board" in every instance and replaced it with the word "council". Because of this, the title was changed.
This change was mad to help avoid the confusion of having two workers' compensation boards.

Two sections were added to the bill repealing the Medical Services Review Committee which will no longer be needed.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 369 (FIN)
(H) Publish Date: 3/24/10

Identifier (file name): CSHB369 (FIN)-GOV-EO-03-23-10
Dept. Affected: OOG
Title "An Act relating to in-state natural gas pipeline,... ..project manager/team"
RDU Executive Operations
Component Executive Office
Sponsor Representative Chenault
Requester (H) Finance
Component Number 6

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,095.2	1,095.2	1,011.6	1,021.9	1,032.5	1,036.0	1,047.0
Travel	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Contractual	9,408.8	9,408.8	***	***	***	***	***
Supplies	29.0	29.0	25.0	25.0	25.0	25.0	25.0
Equipment	84.3	84.3	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	10,653.3	10,653.3	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10,653.3	10,653.3	***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	10,653.3	10,653.3	***	***	***	***	***

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	7	7	6	6	6	6	6
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Please see attached analysis - includes breakdown for RSA to all agencies.

Prepared by: Linda Perez, Director
Phone 465-3876
Division Administrative Services
Date/Time 3/23/10 8:30 AM
Approved by: Bob Swenson, Project Manager
Date 3/23/2010
Office of the Governor

(Revised 11/6/2009 OMB)

Office of Governor FY11: 8,053.7 plus 2,599.6 additional contractual for RSA needs for a total request of 10,653.3.

To ensure that an in-state natural gas pipeline plan is delivered to the legislature by July 1, 2011 as set out in HB 369 (FIN), the in-state gas line project team has identified general work products, materials, and a minimum staffing level needed to direct the work for the project team. The cost associated with contractual services to perform environmental work and support of permitting, cost of service analysis, continued refinement of pipeline engineering, and development and management of development plan in FY11 will be approximately $6.5 million. A cost of transportation estimate to provide pipeline and facility costs are scheduled to be completed by July 1, 2010, which will provide partial data for cost of service models. These costs will help determine commercial viability of a pipeline. The additional $2.6 million is for RSA monies to agencies duties outlined below.

OFFICE OF THE GOVERNOR:

PERSONAL SERVICES: 1,095.2 - increased to include 7 staff for first year as follows:
Project Manager Rg 26
Engineering Manager Rg 26
Commercial Manager Rg 26
Legislative Liaison/Public Outreach Officer Rg 23
Finance/budget analyst Rg 22
Schedule Coordinator Rg 21
Technical Writer Rg 19 (first year only)

Current 6500.0 operating budget request includes 322.2 for personal services. Fiscal note increases total personal services to 1,095.2 for 7 staff in first year. Following years reduce staff to 6 and include scheduled merit increases for all but professional staff.

TRAVEL: 36.0 – reflects original travel request in FY2011 Governor's budget request.

CONTRACTUAL: 6,809.2 + 2,599.6 (Total 9,408.8)
Current 6500.0 operating budget request includes 6,130.0 for contractual. Fiscal note increases contractual to include commercial analysis of downstream industrial opportunities, public outreach and information dissemination, and annual lease space for 7 staff during the first year. Second and subsequent fiscal year contractual costs are indeterminate.

500.00 for FY2011, 2012 and 2013 for commercial analysis of downstream industrial opportunities; reduced to 200.0 for 2014 thru 2016.

Contractual (continued)

100.0 for public outreach, information dissemination, printing, advertising, postage.

79.2 first year office lease space – reduces to 75.3 for second and subsequent years

2599.6 RSA funding requirements – see below

SUPPLIES: 29.0 increases FY2011 operating budget request to 29.0 for increased staff and fast-track activities, reducing to 25.0 for second and subsequent years.

EQUIPMENT: 84.3 one-time office set-up.

Office of Governor FY12 & Beyond: Contractual; Indeterminate
Fiscal responsibility for FY12 and beyond is indeterminate at this time. These costs may include preconstruction engineering, procurement of natural gas, purchase of ENSTAR Bullet Line data package, potential application for extension of LNG export license, and other engineering and commercial activities that provide for a gasline that is operational by December 31, 2015. The State's ability to transfer the project to private investors is likewise unknown. If unsuccessful, the State may assume liability for a portion, or all of the construction costs. These costs will depend on what is determined and approved from the development plan, if anything, and could range from tens of millions to over 5 billion dollars, depending on the level of participation by the State.

Breakdown of RSAs to state agencies: 2599.6 as follows:

AHFC FY11: 500.0

This fiscal note is an estimate of what funds would be necessary for the Alaska Housing Finance Corporation should House Bill 369 become law. The preparation of a comprehensive financing plan would be completed once cost estimates for the project are available.
Contractual services will consist of Financial Advisors and legal counsel.
FY12: 0

DEC FY11: 121.1

The Department of Environmental Conservation (DEC) fiscal note reflects a project coordinator to be located in the Office of the Commissioner to coordinate with the joint in-state pipeline development team in evaluation of necessary environmental permitting, environmental impact statement review, Alaska Coastal Management

DEC (continued)

Program coordination, as well as compliance and enforcement activities for an in-state natural gas pipeline.

FY12+: Indeterminate

The costs of the environmental permitting for pipeline construction is indeterminate at this time, this fiscal note does not account for any permitting activities that may occur after the in-state pipeline plan is submitted to the legislature by July 1, 2011.

DOR FY11: 1000.0

Travel **50.0**
Contractual **950.0**
Department of Revenue working as part of the development team with experienced contractors and contractor firms to execute major elements of the assigned tasks.

1. Identify opportunities for delivering North Slope gas to rural & maritime Alaska
2. Identify and negotiate with potential gas suppliers and potential gas consumers
3. Develop pro-forma financials for the project
4. Develop a partnering agreement with a pipeline company
5. Provide a design, construction schedule, and cost estimate for an LNG plant
6. Develop and execute a public information and outreach plan

DOT FY11: 610.8 plus 367.7 for DNR State Pipeline Coordinators Office

The Department is a member of the joint pipeline development team and is the applicant for the right-of-way (ROW). A Engineer V will serve as the technical expert for the commissioner and as the technical lead for the Department's responsibilities. As the applicant for the ROW, a ROW agent will coordinate the ROW portions of the plan, providing the technical expertise to assist in determining the intricacies associated with potential routes, and will start initial coordination with utilities that are currently in the ROW. An environmental impact analysis manager will oversee and provide technical expertise for the environmental impacts and permits needed for activities in the department's ROW. Additional, costs are for

Personnel Services **418.7**
Travel **45.0**
Contractual **87.1**
Supplies **60.0**

ADDITONAL CONTRACTUAL FOR DOT: 367.7 needed for interagency funding to DNR State Pipeline Coordinators Office to be used by DNR as detailed below.

DOT FY12 +: Indeterminate
The costs for activities after the plan is submitted on July 1, 2011 are undetermined at this time.

(DNR FY11): 367.7

All State Pipeline Coordinator Office (SPCO) costs associated with the right-of-way permitting process, preparation of the Commissioner's Analysis, Proposed Decision and Action, construction oversight, and operational oversight are reimbursable pursuant to AS 38.35.140(b). Costs reflected in this fiscal note are reimbursable under AS38.35.140(b). Positions and efforts identified for SPCO work will utilize existing positions to the greatest extent possible. If additional SPCO or MLW positions are necessary they will be established as Long Term Non-Perm positions.

In the preparation of this fiscal note certain assumptions have been made:
State Pipeline Coordinators Office (SPCO)
1) Participating state agencies (ADF&G, ADEC, etc.) will provide separate fiscal notes, although their costs associated with permitting the right-of-way may be reimbursable by the applicant through the SPCO.

DNR (continued)

2) The right-of-way lease applicant, pursuant to AS 38.35. 140(b), will reimburse DNR's (and other participating state agencies as well) work associated with delivery of a right-of-way lease.
3) DLMW has completed a separate fiscal note, however portions of their costs may be reimbursable by the applicant through the SPCO.
4) Existing Program Receipt Authority will be used for the project.
5) DGGS cost estimate assumes that the state needs to understand the geohazards to ensure the applicant has identified and considered all geologic hazards along the route.
6) Construction and operational oversight begins in FY2012 and FY2014, respectively. The cost estimate for these activities is for DNR only and does not include estimates for other state agencies (ADF&G, ADEC, etc.), although their costs may be reimbursable by the applicant through the SPCO.
7) Assume SPCO will administer material sites after initial sale.
8) Assume a two-year construction schedule segregated into four geographic areas.

FY2011 costs to DNR/SPCO would include expenses to support the duties of the development team in preparing the project plan and the Analyses necessary to prepare project applications, supporting documentation, and the preparation for an expedited state review of the proposed actions. Costs for FY2011 do not include any expenses towards processing a right-of-way lease applications. Expenses associated with the right-of-way permitting process are projected to start in FY2012.

FY2011 PERSONAL SERVICES COST - $ 200.3 total (for 12 months)

BREAKDOWN of DNR FY11 costs

1- STATE PIPELINE COORDINATOR'S OFFICE
Positions in Anchorage; for preparing the project plan and analyses.
- one State Pipeline Coordinator (SPC) (range 26) - total 1 month at $9.7/month = $9.7
- one Natural Resource Specialist (NRS) III (range 18)- total 3 months/yr at 7.31/month = $21.93
-one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
- Administrative Support - total = $8.20
$90.34 for **FY 11 Total**

2- OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coordination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $10.0
$10.0 for **FY 11 Total**

DNR (continued)

3 - DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alaska Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)-
total 1 month at 7.31/month = $7.31
$7.31 for FY 11 Total

3- STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and monitoring the cultural resource project program. - one Archeologist = $20.0
$20.0 for **FY 11 Total**

4- DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 4 months = $35.80
- one LTNP Geologist III (range 19) - total 4 months = $25.52
- one Graduate Intern - total 4 months = $11.32
$72.64 for **FY 11 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY11
Travel, contractual, and supplies to support the duties of the development team in preparing the project plan and the Analyses necessary to prepare project applications, supporting documentation, and the preparation for an expedited state review of the proposed actions.
Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.

5- DIVISION OF MINING LAND & WATER
Assumptions
1) that DNR/DMLW will be required to prepare a title report regarding state owned lands in the pipeline ROW,
2) that DNR will not be required to transfer title to any state lands to DOT/PF,
3) that DOT/PF will be responsible for all title or ROW acquisitions from entities other that DNR managed state lands including lands owned by private persons, boroughs, ANCSA corporations, native allotments, and the federal government,
4) that DNR/DMLW will review and approve all land surveys associated with granting an in-state gasline ROW and developing an in-state gasline across state land,

DNR (continued)

5) DNR DMLW will participate in the ROW planning effort to some degree across state land, the review of the
AS 38.35 R/W lease to be prepared by SPCO for issuance to DOT/PF, and the ACMP review of the ROW, and
6) SPCO will issue AS 38.35 ROW accross state lands to DOT/PF.
The costs to DMLW would include expenses during FY 11 for providing assistance during the development teams planning efforts and preapplication meetings

PERSONAL SERVICES COST - $86.4 total (for 12 months in FY11)
One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for assistance with the planning effort and preparation for the authorization work in FY12.
TRAVEL, CONTRACTUAL, SUPPLIES - $2.0 total
Travel would be for planning and public meetings. $2.0 in FY11
Other contractual costs include $5.2 for office space, telephones, core service charges and related
expenses for the new positions in FY11.
Supplies are budgeted at $3.8 for FY11, and includes one-time start-up costs for new computers and office equipment .

DNR FY12 & Beyond

The FY2012 costs to DNR/SPCO would include expenses to coordinate the participation of state agencies in the right-of-way permitting process, prepare the Commissioner's Analysis, Proposed Decision and Action, develop the draft lease and, if necessary, hold public hearings. In addition the costs include right-of-way permitting expenses for the participation of the State Historic Preservation Office (SHPO), Division of Coastal and Ocean Management (DCOM), Office of Project Management and Permitting (OPMP) and the Division of Geological and Geophysical and Surveys (DGGS). It should be noted that the proposed schedule is aggressive and in order to meet the specified timeline the right-of-way permitting process will need to be conducted independent of the federal NEPA process. The FY2012 and 13 costs reflect construction oversight activities by DNR. Operational oversight costs begin in FY2014 and continue forward.
FY2012 PERSONAL SERVICES COST - $ 522.42 total (for 12 months)

CSHB 369(FIN) fiscal analysis (continued):

DNR (continued)

Breakdown of DNR FY12 and beyond.

STATE PIPELINE COORDINATOR'S OFFICE

Positions in Anchorage; for completing the right-of-way leasing process.
-one Natural Resource Specialist (NRS) IV (range 21) - total 10 months at $9.95/month= $99.50
-one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Natural Resource Specialist (NRS) III (range 18)- total 6 months at 7.31/month = $43.86
-one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
-Administrative Support - total = $38.77
$232.64 for **FY 12 Total**
Positions in Anchorage; for construction oversight.
- two Natural Resource Specialist (NRS) III (range 18)- total 6 months/yr at 7.31/month = $87.72
- one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
- one Engineer IV (range 27) - total 2 months at 13.70/month = $27.4
- Administrative Support - total = $24.9
$149.43 for **FY 13 and 14**
Positions in Anchorage; for operational oversight.
- one Natural Resource Specialist (NRS) III (range 18)- total 4 months/yr at 7.31/month = $29.24
- one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Engineer IV (range 27) - total 1 months at 13.70/month = $13.70
- Administrative Support - total = $10.47
$62.82 for **FY15 Forward**

STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and monitoring the cultural resource project program.
- one Archeologist = $20.0
$20.0 for **FY 12 Total**
Positions in Anchorage; for construction oversight.
- one Archeologist = $20.0
$20.0 for **FY 13 and 14 Totals**

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 12 months = $107.4
- one LTNP Geologist III (range 19) - total 12 months = $76.45
- one Graduate Intern - total 12 months = $34.0
$217.85 for **FY 12 Total**

CSHB 369(FIN) fiscal analysis (continued):

DNR (continued)

OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coordination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $30.0
$30.0 for **FY 12 Total**

DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alaska Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)- total 3 months at 7.31/month = $21.93
$21.93 for **FY 12 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $322.2 total for FY 12
Travel would be for public meeting, public hearings, agency coordination and monitoring of contractors performing field work. In addition, DGGS will require travel to complete field studies. **$30.0 in FY12**
Contractual costs include helicopter support for DGGS studies, office space, telephones, core service charges and related
Miscellaneous costs include aerial photos, satellite imagery, field supplies a and maps.
Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.
TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY 13 and 14
TRAVEL, CONTRACTUAL, SUPPLIES - $10.0 total for FY 15 Forward

DIVISION OF MINING LAND& WATER, FY12
PERSONAL SERVICES COST - $465.7 total (for 12 months in FY12)
LAND TITLE ACTIONS
Four positions Anchorage; for land title review and report preparation and document review and processing.
-three Natural Resource Specialist (NRS) III (range 18) - total 6 months each at $7.24/month= $130.32
-one Natural Resource Specialist (NRS) II (range 16) - - total 6 months each at $6.40/month = $38.4
$168.72 for **FY 12 Total**
LAND SURVEY REVIEW
Two positions Anchorage; for reviewing land and project surveys .
-Two land surveyor II (LS) III (range 22) - 1 year each at $109.1/year
$218.2 for **FY 12 Total**

CSHB 369(FIN) fiscal analysis (continued):

DNR (continued)

MATERIAL SALES
Two positions; for preparing and executing material sales for use in pipeline R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $89.2/year for Northern Region Office Fairbanks = $89.2
- OneNatural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for SouthCentral Region Office Anchorage = $86.4
$175.6 for **FY 12 Total**

PROJECT REVIEWS
One position; to participate in the R/W planning effort, the review of the AS 38.35 ROW lease , and the ACMP review of the R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 8 months each at $86.4/year for SouthCentral Region Office Anchorage = $57.6
$86.4 for **FY 12 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $143.0 total (for 12 positions)
Travel would be for land survey review purposes, preparation of material sales, and planning, ROW and ACMP review. $35.0 in FY12
Other contractual costs include $52.0 for office space, telephones, core service charges and related
expenses for the new positions in FY12 at a rate of $5.2 per new position.
Supplies are budgeted at $38.0 per year FY12, and includes one-time start-up costs for new computers and office equipment of $3.8 per each new position.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 346(L&C)**
() Publish Date:

Identifier (file name): HB346CS(L&C)-DOLWD-WC-03-25-10
Dept. Affected: Labor and Workforce Development
Title: Workers' Compensation Advisory Board
RDU: Workers' Compensation
Component: Workers' Compensation
Sponsor: Representative Olson
Requester: House Finance
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	30.0		30.0	30.0	30.0	30.0	30.0
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**30.0**	**0.0**	**30.0**	**30.0**	**30.0**	**30.0**	**30.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account	30.0		30.0	30.0	30.0	30.0	30.0
TOTAL	**30.0**	**0.0**	**30.0**	**30.0**	**30.0**	**30.0**	**30.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will create an advisory board within the Department of Labor and Workforce Development concerning Workers' Compensation. The board will consist of 16 members. Projected costs are based on estimated travel and per diem charges for meeting a minimum of twice a year for 3 days each.

This note revises the Februrary 18, 2010 Fiscal Note to offset for the cost savings reflected in the House Labor and Commerce Committee Substitute for HB 346 which repealed AS 23.30.095(j) thereby terminating the Medical Services Review Committee.

Prepared by: Trena Heikes, Director — Phone 465-6045
Division: Workers' Compensation — Date/Time 3/25/10 1:20 PM
Approved by: Click Bishop, Commissioner — Date 3/25/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 346(L&C)
(H) Publish Date: 2/26/10

Identifier (file name): HB346-DOLWD-WC-02-18-10
Title: Workers' Compensation Advisory Board
Sponsor: Representative Olson
Requester: House Labor & Commerce

Dept. Affected: Labor and Workforce Development
RDU: Workers' Compensation
Component: Workers' Compensation
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	40.0		40.0	40.0	40.0	40.0	40.0
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**40.0**	**0.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account	40.0		40.0	40.0	40.0	40.0	40.0
TOTAL	**40.0**	**0.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will create an advisory board within the Department of Labor and Workforce Development concerning Workers' Compensation. The board will consist of 16 members. Projected costs are based on estimated travel and per diem charges for meeting a minimum of twice a year for 3 days each.

Prepared by: Trena Heikes, Director — Phone 465-6045
Division: Workers' Compensation — Date/Time 2/18/10 2:10 PM
Approved by: Click Bishop, Commissioner — Date 2/18/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

copy on file

Workers' Compensation Committee of Alaska

PO BOX 200361 ANCHORAGE, ALASKA 99520

February 19, 2010

The Honorable Kurt Olson
State Capitol, Room 24A
Juneau, AK 99801-1182

RE: HB 346

Dear Representative Olson:

I am writing on behalf of the Workers' Compensation Committee of Alaska to share our concerns about HB 346 ("An Act establishing the Workers' Compensation Advisory Board..."). The Workers' Compensation Committee of Alaska (WCCA) is an employer education and advocacy group working since the 1980's as a voice for Alaskan employers in the workers' compensation system. Its membership includes public and private employers both large and small.

HB 346 would establish an advisory board consisting of the major stakeholders in the workers' compensation process, charged with advising the Department of Labor on all matters pertaining to the application, revision, and operation of the Alaska Workers' Compensation Act. It appears this legislation evolved from the recommendations of the Medical Services Review Committee (MSRC) issued in November 2009. According to the MSRC report, this statutory advisory board would replace the informal ad hoc process by which labor and management have negotiated Alaska workers' compensation reforms over the past 25 years. The legislation proposes that the board would consist of representatives from organized labor, employers, medical care providers, insurers, the department, and the legislature. Under the bill language, labor, employer, and medical provider representatives would have voting rights at board meetings.

Although insurers, medical providers, and others may have a financial stake in the workers' compensation process, the WCCA believes that only the parties to the employment contract—employees and employers—should be voting members of the advisory board should. Employees and employers have the ultimate interest in establishing a fair and equitable workers' compensation benefit structure. For this reason, WCCA also recommends that potential employer members be selected by an established business organization such as the Alaska State Chamber of Commerce or WCCA to ensure that members have the necessary background and expertise in workers' compensation.

Historically, labor and management selected their own representatives in the ad hoc process. This minimized political agendas, and the stakeholders selected those they thought best represented their interests. WCCA opposes the current recommendations in HB 346 as outlined

PATRICIA WILSON, PRESIDENT; DENNIS MELLINGER, VICE PRESIDENT;
TERRY SHURTLEFF, TREASURER; DAISY SAFFIR, SECRETARY

in AS 23.30.275((b) and recommends that the proposed statute be amended to require the commissioner to look to organized labor and employer organizations such as WCCA or State Chamber of Commerce for their appointments of their respective representatives as outlined in (a)(1)-(a)-(2).

Further, we have concerns that the Advisory committee is being charged with making recommendations and evaluations of all aspects of workers' compensation and is therefore too broad-reaching. It is unreasonable to incorporate the duties of the MSRC into a new committee that is also charged with making recommendations on regulations and all other areas of worker's compensation law.

The Workers' Compensation Committee of Alaska believes the appointment of experienced members is essential to the success of a group such as the proposed board, and respectfully requests your consideration of the amendments we've outlined above.

Sincerely,

Patricia Wilson
President

February 19, 2010

The Honorable Kurt Olson
State Capitol, Room 24A
Juneau, AK 99801-1182

RE: HB 346

Dear Representative Olson:

We are attorneys who represent employers in workers' compensation defense. We are writing to share our concerns about HB 346 ("An Act establishing the Workers' Compensation Advisory Board...").

HB 346 would establish an advisory board consisting of the major stakeholders in the workers' compensation process, charged with advising the Department of Labor on all matters pertaining to the application, revision, and operation of the Alaska Workers' Compensation Act. It appears this legislation evolved from the recommendations of the Medical Services Review Committee (MSRC) issued in November 2009. According to the MSRC report, this statutory advisory board would replace the informal ad hoc process by which labor and management have negotiated Alaska workers' compensation reforms over the past 25 years. The legislation proposes that the board would consist of representatives from organized labor, employers, medical care providers, insurers, the department, and the legislature. Under the bill language, the labor, employer, and medical provider representatives would have voting rights at board meetings.

We believe that medical providers should not have voting rights and the voting members of the advisory board should represent only the parties to the employment contract--employees and employers. Employees and employers have the ultimate interest in establishing a fair and equitable workers' compensation benefit structure. While the input of medical providers is important to the process, medical providers do not have the knowledge and necessary experience to vote on changes to the workers' compensation law dealing with nonmedical issues. For this reason, we strongly recommend that potential employer members be selected by an established business organization such as the Alaska State Chamber of Commerce or WCCA to ensure that members have the necessary background and expertise in workers' compensation. This is particularly concerning because often times Labor representatives are trained negotiators. If any person who simply owns a business or works in management of a business without any experience in negotiations or knowledge of workers' compensation law is appointed to sit on this committee, Alaska employers would be at a serious disadvantage.

Further, we have concerns that the Advisory committee is being charged with making recommendations and evaluations of all aspects of workers' compensation and is, therefore, too broad-reaching. It is unreasonable to incorporate the duties of the MSRC into

a new committee that is also charged with making recommendations on regulations and all other areas of workers' compensation law.

We also have concerns that only organized labor representatives are being considered to sit on this committee. Organized labor makes up only a small percentage of the workforce. Other aspects of the workforce should be considered and given a voice.

Historically, labor and management selected their own representatives in the ad hoc process. This minimized political agendas and the stakeholders selected those they thought best represented their interests. Appointment of these members by the Commissioner of Labor, who changes from administration to administration, only reintroduces the political agenda back into the process. WCCA opposes the current recommendations in HB 346 as outlined in AS 23.30.275((b) and recommends that the proposed statute be amended to require the commissioner to look to organized labor and employer organizations such as WCCA or State Chamber of Commerce for their appointments of their respective representatives as outlined in (a)(1)-(a)-(2).

We believe that appointment of members who are very knowledgeable in workers' compensation law and the effects of those laws are essential to the success of a group such as the proposed board, and respectfully request your consideration of the amendments we've outlined above.

Sincerely,

DAVISON & DAVISON, INC.

Shelby L. Nuenke-Davison

RUSSELL, WAGG, GABBERT & BUDZINSKI, P.C.

David D. Floerchinger

FARLEY & GRAVES, P.C.

Theresa M. Hennemann

HOLMES, WEDDLE & BARCOTT, P.C.

Jeffrey D. Holloway

DELISIO MORAN GERAGHTY & ZOBEL, P.C.

Nora G. Barlow

Patricia L. Zobel

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 22, 2010

Honorable Kurt Olson
State of Alaska
House of Representatives
Chair, House Labor and Commerce Committee
State Capitol, Room 24
Juneau, AK 99801

RE: HB 346 – Workers Compensation Advisory Board

Dear Representative Olson:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA opposes HB346 as it is currently written. ASMA feels it is critical to have a greater presence on this advisory board. This is particularly true if the rumored "sunset" of the Medical Services Review Committee (MSRC) takes place. At a minimum, the physician community should have an equal number of voting representatives as does organized labor and employers. Additionally, ASMA recommends that those physician representatives be evenly split between proceduralists (eg. surgeons) and generalists (eg. general internists).

Testimony provided on HB314 indicated that the percentage of total Workers Compensation that relates to medical care cost is up to 72% based on the latest data for 2008. This was termed an increase in "medical severity", a term used in the Workers Compensation technical world that encompasses a number of complex and related factors. The amount paid to a particular medical care provider is but one of the components. Other more complex components such as the trend in the injury severity, the frequency which a certain service is provided, and the trends in the change of treatment type mix (eg. a movement from a "watchful waiting" course of treatment to more complex surgical treatment) have a material effect on the total cost.(ie, the "medical severity").

These other factors may be influenced by such elements such as treatment guidelines and the comparative effectiveness of the various treatment algorithms. The development of the comparative effectiveness for each of the numerous treatments algorithms for the possible injuries or diseases is in its infancy.

The expertise of the physician community is necessary to provide the meaningful input necessary for the Workers Compensation Board to make informed decisions. The Legislature realized this when it created the MSRC for the purpose of providing advice on the appropriateness, necessity, and cost of medical and other related services.

ASMA stands ready to assist you in these complex issues.

Sincerely,

Brion Beerle

By: Brion Beerle, MD, President
For: The Alaska State Medical Association

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 19, 2010

Honorable Bill Stoltze
Honorable Mike Hawker
Co-Chair, House Finance Committee
Room 519, 505 State of Alaska
House of Representatives
Juneau, Alaska

RE: CS for HB346 (26-LS1447\E) –Workers Compensation Advisory Council

Dear Representatives Stoltze and Hawker:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

CS HB346 would eliminate the existing Medical Services Review Committee (MSRC). Because of this, ASMA supports the formation of the Workers Compensation Advisory Council but strongly recommends that the physician community have parity in representation with organized labor and employers. Additionally that representation should be split evenly between physicians that are proceduralists and generalists. The representatives of organized labor and employers do not actually treat injured workers but yet will have the potential for significant effect on the process of proper medical care.

Bruce Kiessling, MD was the first representative and sole physician on the MSRC who resigned in 2009 due to a family illness. Dr. Kiessling stated it best in his resignation letter to Trena Heikes, Director of the Division of Workers Compensation. He in part stated:

> "...As a member of the committee since its formation it has been curious to see some of the progress and all of the stumbles as members and leaders have worked, with good intentions, toward "reform".
>
> To a physician, and which is why it is so important that physicians be at the table, with any reform discussion, "reform has to include measurement of patient care as well as a structure of accountability that will improve that care.
>
> "Reform" to the committee has moved sluggishly in the first years and now with more urgency toward fee controls. It has been my strong assertion, based on 40 years in the community, that this will ultimately compromise care, or at least the best care that otherwise would be available. I have reviewed on several occasions why this will occur.

Fundamental to any of the committee discussions has to be the core issue of quality of care. Next it has to be accountability and improvement of that care. Only after that will the also hugely important issue of how will it be paid for come to the front and be discussed with integrity…"

Physicians need to be an integral part of reform to the Alaska Workers Compensation system. Indeed, outside expert medical consultants could be engaged. However, without meaningful local medical participation you will forgo local participation in the process resulting in difficulty with "buy in" to any meaningful reform, and potential serious problems with access to care for injured workers.

ASMA and I stand ready to help in the reform efforts.

Sincerely,

Brion J Beerle

By: Brion Beerle, MD, President
For: Alaska State Medical Association

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 24, 2010

Honorable Kurt Olson
State of Alaska
House of Representatives
Chair, House Labor and Commerce Committee
State Capitol, Room 24
Juneau, AK 99801

RE: HB346 – Workers Compensation Advisory Board; Proposed Amendment (26-LS1447\R.1,Bailey, 2/15/10)

Dear Representative Olson:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

When ASMA's written testimony dated February 22, 2010 was provided, the "sunset" of the Medical Services Review Committee was rumored, now, with the above identified amendment, it is no longer rumored. Sec. 2 repeals the MSRC by repealing AS23.30.095(j). ASMA expects that this amendment will be adopted.

Given the above expectation, ASMA strongly recommends that the physician community have parity in representation with organized labor and employers. Additionally that representation should be split evenly between physicians that are proceduralists and generalists. The representatives of organized labor and employers do not actually treat injured workers but yet will have the potential for significant effect on the process of proper medical care.

Bruce Kiessling, MD was the first representative and sole physician on the MSRC who resigned in 2009 due to a family illness. Dr. Kiessling stated it best in his resignation letter to Trena Heikes, Director of the Division of Workers Compensation. He in part stated:

> "... As a member of the committee since its formation it has been curious to see some of the progress and all of the stumbles as members and leaders have worked, with good intentions, toward "reform".
>
> To a physician, and which is why it is so important that physicians be at the table, with any reform discussion, "reform has to include measurement of patient care as well as a structure of accountability that will improve that care.
>
> "Reform" to the committee has moved sluggishly in the first years and now with more urgency toward fee controls. It has been my strong assertion, based on 40 years in the community, that this will ultimately compromise care, or at least the best care that otherwise would be available. I have reviewed on several occasions why this will occur.

Fundamental to any of the committee discussions has to be the core issue of quality of care. Next it has to be accountability and improvement of that care. Only after that will the also hugely important issue of how will it be paid for come to the front and be discussed with integrity…."

Physicians need to be an integral part of reform to the Alaska Workers Compensation system. Indeed, outside expert medical consultants could be engaged. However, without meaningful local medical participation you will forgo local participation in the process resulting in difficulty with "buy in" to any meaningful reform, and potential serious problems with access to care for injured workers.

ASMA and I stand ready to help in the reform efforts.

Sincerely,

Brion J Beerle

By: Brion Beerle, MD, President
For: Alaska State Medical Association

February 23, 2010

Ms. Trena Heikes
Alaska Division of Workers' Compensation
PO Box 115512
Juneau, AK 99811-5512

Dear Ms. Trena Heikes:

As a fellow administrator of a state workers' compensation agency, I can feel some of the pain you must be experiencing dealing with the interest group pressure and legislative concerns over high workers' compensation costs. When any state's insurance rates stand out among its peer states, it attracts stakeholder attention, and especially by employers.

Your legislature's interest in establishing a strong labor-management advisory council to help steer the course of reform of benefits and costs is an excellent approach. My state of Wisconsin is extremely proud of the track record of our advisory council in maintaining a stable and moderate cost workers' compensation system. Legislative preemption of council legislative suggestion is unheard of in Wisconsin. There are several other states with good advisory council models.

As President of the International Association of Industrial Accident Boards and Commissions, I would be pleased to offer the assistance of the association staff in assisting you in evaluating the structure, organization, and scope of duties of successful councils. If you are interested in assistance, please contact our Executive Director, Gregory Krohm. You may have met Greg at the Minneapolis Convention. I am sure he will be glad to help research questions of particular interest to you, and seek out insights from our member states.

Sincerely,

Frances Huntley-Cooper

Frances Huntley-Cooper
IAIABC President

NFIB

The Voice of Small Business

ALASKA

February 17, 2010

The Honorable Kurt Olson
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 346

Dear Representative Olson:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 346. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

House Bill 346 creates a Workers' Compensation Advisory Board to advise the Department of Labor and Workforce Development on workers compensation issues. It is important to have those affected by policies that will be adopted relative to workers' compensation.

We would request that you consider requiring that one employer member be from a small business as our concerns are different from those of larger, perhaps multi-state employers, found in the oil industry and self insured employers.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council

National Federation of Independent Business – ALASKA
P. O. Box 34761•Juneau, AK 99803-4761•907 723 6667•www.NFIB.com

HB

355

<target><bill>HB 355</bill><subject>HB
355</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 17, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/2/10

The FINANCE Committee considered: **HOUSE BILL NO. 355**

"An Act relating to criminal fines for organizations."

HB 355-CRIMINAL FINES FOR ORGANIZATIONS

Recommends it be replaced with [ ] HCS *or* [✓] CS *for* HB 355 (JUD)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
LAW	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Foster	✓			
	KELLY			✓	
Anna L. Fairclough	FAIRCLOUGH			✓	
Chair:	Stoltze			X	
Chair:					

Member

Standing Committees:
Judiciary
State Affairs
Transportation

Finance Subcommittees:
Transportation
Courts
Law

Alaska State Legislature

House of Representatives

Representative Max F. Gruenberg, Jr.
House District 20
Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Interim:
716 W 4th Avenue, Rm 350
Anchorage, Alaska 99501-2133
Phone: (907) 269-0123
Fax: (907) 269-0124

Session:
Alaska State Capitol, Rm 110
Juneau, Alaska 99801-1182
Phone: (907) 465-4940
Toll Free: (866) 465-4940
Fax: (907) 465-3766

Email:
Rep.Max.Gruenberg@legis.state.ak.us

SPONSOR STATEMENT AND BILL ANALYSIS
HB 355 – CRIMINAL FINES FOR ORGANIZATIONS

"An Act relating to criminal fines for organizations."

HB 355 closes a loophole. An organization may not be imprisoned for its criminal acts; only a fine may be levied as punishment. Under current law, the court may impose the greater of (1) the maximum fines set out in the schedule under AS 12.55.035(c)(1), (2) three times the pecuniary gain realized by the defendant, or (3) three times the pecuniary damage or loss caused by the defendant to another. Under the particular factual situations of some crimes, the treble penalties are not applicable. One instance would be if a corporation bribes legislators to stop a piece of legislation (such as tax legislation), but the legislation passes anyway. In this case, there is neither a loss to the government nor a gain to the corporation. HB 355 would allow the court to issue fines in the amount of three times the pecuniary gain *sought* by the defendant or three times the pecuniary damage or loss to another *sought* by the defendant. These would provide alternatives to statutorily set fines.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 355(JUD)
(H) Publish Date: 3/17/10

Identifier (file name): HB355-LAW-CRIM-03-08-10
Title: An Act relating to criminal fines for organizations.
Sponsor: Representative(s) Gruenberg, Crawford
Requester: Judiciary

Dept. Affected: Law
RDU: CRIMINAL
Component: Criminal Justice Litigation
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 355 raises the potential fine for conviction of a crime by an organization. It does so by providing that the fine may be three times the pecuniary gain that was sought by the defendant or others by the crime, or three times the potential loss that the defendant sought by the commission of the offense. There is no anticipated fiscal impact to Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager — Phone 465-5427
Division: Administrative Services — Date/Time 3/8/10 12:00 PM
Approved by: Daniel S. Sullivan, Attorney General — Date 3/8/2010
Department of Law

(Revised 11/6/2009 OMB)

Member

Standing Committees:
Judiciary
State Affairs
Transportation

Finance Subcommittees:
Transportation
Courts
Law

Alaska State Legislature

House of Representatives

Representative Max F. Gruenberg, Jr.
House District 20
Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Interim:
716 W 4th Avenue, Rm 350
Anchorage, Alaska 99501-2133
Phone: (907) 269-0123
Fax: (907) 269-0124

Session:
Alaska State Capitol, Rm 110
Juneau, Alaska 99801-1182
Phone: (907) 465-4940
Toll Free: (866) 465-4940
Fax: (907) 465-3766

Email:
Rep.Max.Gruenberg@legis.state.ak.us

EXPLANATION OF CHANGES

Changes between HB 355 and CSHB 355(JUD) (26-LS1385\P):

- On page 1, line 7, the fine for a felony offense or a misdemeanor that results in death was raised from $1,000,000 to $2,500,000.

- On page 1, line 9, the fine for a class A misdemeanor offense was raised from $200,000 to $500,000.

- On page 1, line 11, the fine for a class B misdemeanor offense was raised from $25,000 to $75,000.

- On page 1, line 13, the fine for a violation was raised from $10,000 to $25,000.

Alaska Law Review
December, 2008

Article

*175 POLICING THE CORPORATE CITIZEN: ARGUMENTS FOR PROSECUTING ORGANIZATIONS

Daniel L. Cheyette[FNa1]

Copyright (c) 2008 Alaska Law Review; Daniel L. Cheyette

Abstract

Alaska's corporate criminal liability statute exposes organizations to criminal liability for the actions of their agents, as long as agents intended the organization to benefit from their actions. Organizations cannot disclaim liability through codes of conduct or corporate policies, and their liability extends beyond any merger, consolidation, or dissolution. This Article argues that criminally prosecuting an organization is advantageous because it allows greater criminal fines and carries collateral consequences. In addition, criminally prosecuting an organization may be easier than criminally prosecuting an individual because Fifth Amendment privileges and hearsay obstacles do not apply. Corporations accrue the knowledge of their agents, so proving specific intent may also be less difficult. Finally, this Article describes considerations that should be weighed when deciding whether to prosecute a particular organization. The author argues that Alaska's corporate criminal liability statute is a powerful tool that, where appropriate, should be used more often.

*176 Table of Contents

	Introduction	176
I.	Historical Underpinnings	179
II.	Current Contours of Organization Liability	183
	A. Alaska Jurisprudence	185
	B. Existence of Organization Policies Prohibiting the Criminal Conduct and the Requisite Quantum of Benefit	189

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

C. Collective Corporate Knowledge 193

D. Effect of Merger, Consolidation, and Dissolution 194

III. Prosecutorial Consequences 197

A. Penalty Provisions 197

B. Collateral Consequences 199

IV. Practical Considerations for Prosecutors 201

A. No Fifth Amendment Privilege 201

B. Avoiding Hearsay 202

C. Corporations Can Be Tried In Absentia 202

D. Organizations Engender Less Sympathy 203

V. Charging Considerations 204

A. Factors to Weigh 204

B. Case Study: Strategica Import-Export Financial Group, LLC 206

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Conclusion 210

Introduction

When charging cases, Alaska prosecutors too often overlook crucial potential defendants: the organizations [FN1]--corporations, companies, partnerships, and other entities--on whose behalf individual wrongdoers act. Alaska law casts a wide net for liability by making organizations liable for the criminal conduct of their agents, [FN2] and by authorizing larger criminal fines against convicted organizations than *177 against convicted individuals. [FN3] These considerations beg the obvious question: why are organizations not investigated and prosecuted more frequently? The most likely explanation is that few prosecutors are aware of how far-reaching an organization's criminal liability extends. In addition, correctly or incorrectly, some prosecutors likely view the prosecution of an organization as an unwanted hassle--the prosecution would be different than their typical cases and may well involve high-paid corporate counsel unfamiliar with criminal practice. [FN4] Finally, some prosecutors might mistakenly believe that organizational prosecutions punish innocent shareholders rather than actual wrongdoers. [FN5] Thus, it has not been common practice in state prosecutor offices to charge organizations. [FN6]

The Author hopes this Article will change these views and encourage prosecutors to examine their caseloads for potential organizational defendants. There are significant benefits to be gained by charging organizations rather than individuals: courts will likely impose larger fines against organizations, prosecution of an organization may effect change within the organization, and negative publicity and other collateral consequences will pressure the organization to settle. Furthermore, should the case go to trial, the defense will not be able to protect organizations' records or utilize certain other evidentiary tools to hamstring the prosecution's presentation of evidence.

The aftermath of the 1989 Exxon Valdez oil spill provides a good illustration of why prosecuting an organization is often superior to prosecuting an individual wrongdoer. The 1989 grounding of the tanker Exxon Valdez spilled approximately eleven million gallons of crude oil into Prince William Sound. [FN7] Following the grounding, the State of Alaska prosecuted Joseph Hazelwood, the captain of the ill-fated vessel. [FN8] Hazelwood was convicted by a jury of negligent discharge of oil [FN9] but *178 received only a conditionally suspended sentence. [FN10] Conversely, the United States prosecuted Exxon, ultimately resulting in a negotiated plea agreement and a combined criminal fine of one hundred million dollars. [FN11] The latter was a better use of prosecutorial resources and obtained a better result. [FN12]

It is particularly common for organizations to be defendants in several niche areas of Alaska criminal law. For example, Title 4 criminalizes various aspects of alcohol-related behavior. [FN13] Bush pilots who knowingly or negligently allow passengers to carry alcohol aboard their flights can expose their air carrier to criminal liability. [FN14] Titles 8 and 16 criminalize violations of the state's hunting and fishing laws and regulations. [FN15] Fishing guides who assist their clients by knowingly or negligently violating state fishing regulations expose their employers, such as lodges or guiding outfits, to criminal liability. [FN16]

These principles also apply to the more "traditional" crimes defined in Title 11 of the Alaska Criminal Code. One well-publicized example of such a prosecution was that of Whitewater Engineering Corporation. [FN17] Gary Stone, a Whitewater employee, was killed in an *179 avalanche at a Whitewater jobsite near Cordova. [FN18] Prosecutors charged the corporation and its president, Thom A. Fischer, with manslaughter because key employees failed to heed avalanche warnings and failed to observe necessary safety precautions. [FN19] Although charges against Fischer were ultimately dismissed, the company pled no contest to a charge of criminally negligent homicide. [FN20]

This Article examines criminal liability of organizations under Alaska law. Part I begins with the historical development of organizational criminal liability in the United States and Alaska. Part II covers the current contours of organizational criminal liability, as codified in the Alaska Statutes and interpreted by Alaska courts. Part III discusses the various consequences typically flowing from a conviction. Additionally, Part IV explores practical considerations for prosecutors, and Part V explores

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

charging considerations for prosecutors who decide to file charges against an organization. Within these sections and in the Conclusion, this Article explains why it is advantageous to prosecute organizations as opposed to solely prosecuting the individual wrongdoers.

I. Historical Underpinnings

Courts were the first to recognize corporations as legal entities capable of suing and being sued. [FN21] Early decisions established that corporations could be sued in tort. In Philadelphia, Wilmington and Baltimore R.R. Co. v. Quigley, [FN22] the United States Supreme Court explained in detail the policy considerations that mandated this result. [FN23] Quigley sued the railroad for libel due to the conduct of one of its *180 employees. The company argued that a corporation could only act within the limits of its charter and therefore could not be held liable for any acts of its agents that exceeded those limits. The Court rejected this argument because it would allow corporations to do business and interact with the public while escaping liability when corporate agents, conducting corporate business, injure members of the public. [FN24] By the latter part of the nineteenth century, corporate tort liability was no longer in dispute and lawsuits against corporations were commonplace. [FN25] The law imputed tortious intent from the agent to the corporation, making the corporation liable for actual damages. The courts would not, however, impute the intent necessary to award punitive damages for any injuries absent a showing of wrongdoing by the corporation itself. [FN26]

Corporate criminal liability grew from these civil liability roots. Courts slowly acknowledged that corporations could be criminally liable for the conduct of their agents. For example, in Commonwealth v. Proprietors of New Bedford Bridge, [FN27] the Massachusetts Supreme Court upheld the indictment of a corporation for a public nuisance. [FN28] In 1899, the same court affirmed that corporations could be guilty of criminal contempt in Telegram Newspaper Co. v. Commonwealth. [FN29] Regarding corporate criminal liability, the court stated:

> *181 We think that a corporation may be liable criminally for certain offenses, of which specific intent may be a necessary element. There is no more difficulty in imputing to a corporation specific intent in criminal proceedings than in civil. A corporation cannot be arrested and imprisoned in either civil or criminal proceedings; but its property may be taken, either as compensation for a private wrong or as punishment for a public wrong. [FN30]

The United States Supreme Court affirmed the general principle of corporate criminal liability in New York Central & Hudson River Railroad Co. v. United States, [FN31] in which it upheld convictions of the railroad corporation for paying illegal rebates. [FN32] The Court applied the principles governing civil liability and held that the acts of agents are imputed to their employers, who may be penalized when the employees act within the scope of their employment. [FN33] Without expressly mentioning the legal concept of respondeat superior, the Court was using it to impute criminal liability to the corporation from the acts of its agents. Numerous Ninth Circuit cases have endorsed this principle. [FN34]

Courts in Alaska slowly recognized organizational criminal liability. The Alaska federal district court first addressed corporate criminal liability in United States v. Alaska Packers' Ass'n. [FN35] There, the court considered the defendant corporation's indictment for fishing violations. The corporation took the position that it could not be indicted for a felony because corporations cannot be imprisoned, a punishment for a felony. [FN36] The court disagreed, pointing out that a corporation may be fined just like an individual, [FN37] that such a penalty may be levied for *182 acts which would result in imprisonment for individuals, [FN38] and that there was no reason a corporation should escape such punishment. [FN39] Essentially, the district court came to the same conclusion that the Massachusetts Supreme Court reached fifty years earlier in Proprietors of New Bedford Bridge [FN40]-- criminal conduct and criminal intent can be imputed to an organization from its agents. [FN41]

The Alaska legislature codified organizational criminal liability in 1978 when it revised the state criminal code according to the recommendations of the Alaska Criminal Code Revision Commission. [FN42] The first version of section 11.16.130 of the Alaska Statutes proposed by the Commission was very limited. [FN43] The Commission extended criminal liability only to corporations and only in instances when the alleged offense was a violation, a misdemeanor, or otherwise defined so as to clearly indicate a legislative intent to impose criminal liability on a corporation. [FN44] The statute also applied to a company if the conduct was "engaged in, authorized, solicited, requested, commanded or knowingly tolerated by" the corporation's board of directors or a "high managerial agent." [FN45]

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

The Commission greatly expanded the scope of the preliminary draft in the course of its deliberations. Significantly, the Commission extended criminal liability to "organizations," [FN46] and the definition of the *183 term was nearly identical to the current definition of the term. [FN47] The Commission also changed the requirements for imposing liability under the first subparagraph to the disjunctive, thus imposing liability if the act was committed by the employee in the scope of his employment or to benefit the organization. [FN48] The legislature ultimately rejected this construction, however, and required that the act be committed both in the scope of the employment and to benefit the organization. The version of the statute ultimately passed by the legislature mirrors the current version of the statute. [FN49]

II. Current Contours of Organizational Liability

An organization, once constituted, has a legal identity distinct from its owners, officers and directors. [FN50] It is, by statute, an artificial, legal "person." [FN51] As such, an organization may commit crimes and may be charged as a defendant in criminal cases. [FN52] The criminal liability of organizations is defined in section 11.16.130 of the Alaska Statutes:

> (a) Except as otherwise expressly provided, an organization is legally accountable for conduct constituting an offense if the conduct
>
> (1) is the conduct of its agent, and
>
> (A) within the scope of the agent's employment and in behalf of the organization; or
>
> (B) is solicited, subsequently ratified, or subsequently adopted by the organization; or
>
> (2) consists of an omission to discharge a specific duty of affirmative performance imposed on organizations by law.
>
> *184 (b) In this section "agent" means a director, officer, or employee of an organization or any other person who is authorized to act in behalf of the organization.

The Alaska Court of Appeals described the essence of this liability in State v. ABC Towing. [FN53] The decision contrasts the theories of organizational criminal liability, set forth in section 11.16.130 of the Alaska Statutes, with the better known theories of accomplice criminal liability, set forth in section 11.16.110 of the Alaska Statutes. [FN54] In drawing this comparison, the court of appeals noted organizations face broader criminal liability than individuals because organizations are liable for conduct of their agents that owners, members, officers or directors do not know about until after the fact. [FN55]

The kinds of entities subject to such liability are also defined by statute: "'[O]rganization' means a legal entity, including a corporation, company, association, firm, partnership, joint stock company, foundation, institution, government, society, union, club, church, or any other group of persons organized for any purpose." [FN56] As such, organizations are broadly exposed to criminal liability for the acts of their agents. This poses an obvious problem for organizations, whose main purpose is to pool resources, maximize profit potential, and limit the liability of those individuals involved. [FN57] At cross purposes with this last principle, Alaska law imposes criminal liability in cases where individual conduct, when appropriately construed as corporate conduct, runs afoul of state criminal law.

Many critics question whether organizations should be prosecuted at all and argue that such prosecutions punish innocent shareholders rather than the actual wrongdoer. The Ninth Circuit provided a succinct rebuttal to that suggestion in United States v. Hilton Hotels Corp:

> Legal commentators have argued forcefully that it is inappropriate and ineffective to impose criminal liability upon *185 a corporation, as distinguished from the human agents who actually perform the unlawful acts . . . particularly if the acts of the agents are unauthorized. . . . But it is the legislative judgment that controls, and "the great mass of legislation calling for corporate criminal liability suggests a widespread belief on the part of legislators that such liability is necessary to effectuate a regulatory policy." [FN58]

The crux of the argument is that organizational criminal liability prompts organizations to more rigorously police their agents. Regardless of whether this is true, the existence of corporate and, more generally, organizational criminal liability is beyond debate. [FN59]

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

A. Alaska Jurisprudence

Most examples of organizational criminal liability in Alaska occur under section 11.16.130(a)(1)(A) of the Alaska Statutes--conduct of an agent that is done in the scope of the agent's employment and on behalf of the organization. [FN60]

The Alaska appellate courts have discussed the substance of organizational criminal liability only twice. [FN61] In State v. ABC Towing, [FN62] the court of appeals was called on to determine whether a towing company, formed as a sole proprietorship, could be prosecuted for violating a state pollution law, based on an employee's illegal discharge of gasoline. The issue for the court was whether a sole proprietorship is an "organization" as defined in section 11.81.900 of the Alaska Statutes. [FN63] The court held that it was not, because a sole proprietorship is the mere alter ego of the sole proprietor. [FN64] In other words, there is no legal *186 distinction between the sole proprietor and the proprietorship; to prosecute the proprietorship, the state must charge the proprietor. [FN65]

The court of appeals provided more recent guidance in State v. Greenpeace, Inc. [FN66] The State prosecuted and convicted Greenpeace, Inc. for bringing a Greenpeace ship, the M/V Arctic Sunrise, into state waters without a state-approved oil spill contingency plan or a certificate of financial responsibility. [FN67] Following the jury's guilty verdicts against the corporation, the district court granted a defense motion for acquittal and set the convictions aside. [FN68] The court of appeals affirmed the district court based on findings that Greenpeace, Inc., a United States corporation, was not in charge of the ship and did not control its operators. [FN69] According to the court, the prosecution charged the wrong parties. [FN70] The case involved Stichting Phoenix, [FN71] a Dutch foundation that owned the Arctic Sunrise, and Stichting Marine Services (SMS), a second Dutch foundation that operated it. [FN72] SMS chartered the ship to Greenpeace International, a third Dutch entity, that owns the name "Greenpeace." [FN73] Greenpeace International licenses this name to independent environmental organizations around the world including Greenpeace, Inc. in the United States. [FN74] In 2004, Greenpeace International agreed to let Greenpeace, Inc. use the Arctic Sunrise for an anti-logging campaign. [FN75] SMS supplied the crew and was also responsible for making sure the ship complied with all local regulatory requirements. [FN76] The prosecution argued that SMS and the Arctic Sunrise *187 captain were agents of Greenpeace, Inc. and, therefore, Greenpeace, Inc. was liable for the criminal conduct. [FN77] The court of appeals disagreed:

> A person or organization does not qualify as the authorized agent of a principal unless the principal controls or has the right to control the purported agent. The State offered no evidence that Greenpeace, Inc., controlled how (or if) SMS or [the captain] operated the Arctic Sunrise or complied with Alaska's requirements for nontank vessels. [FN78]

The prosecution also argued that Greenpeace, Inc. ratified or adopted the criminal conduct of SMS and the Arctic Sunrise and was therefore liable for their conduct. [FN79] Again, the court of appeals disagreed. The court held that adoption or ratification requires the principal's "awareness of the misconduct and some action to ratify or adopt the misconduct." [FN80] It found that the prosecution had not produced any evidence Greenpeace, Inc. knew of the illegal conduct or took any actions to ratify or adopt that conduct. [FN81]

Though the court does not explicitly say, its decision suggests that SMS, or arguably Greenpeace International, was the proper defendant. [FN82] This holding nevertheless begs the question of whether Alaska could effectively prosecute either of these foreign entities in state court. Service of process on these entities would be problematic, [FN83] and even if service were achieved, the entities would likely argue that the Alaska state *188 courts lack personal jurisdiction over them. [FN84] Finally, it is difficult to imagine how the state could effectively enforce any sentence ultimately imposed by its courts.

Collectively, ABC Towing and Greenpeace, Inc. confirm the existence of organizational criminal liability under state law. These decisions do little, however, to define the contours and limitations of that liability and, in fact, highlight problems with the existing laws. ABC Towing carves out an exemption for sole proprietorships. [FN85] Greenpeace is also problematic in that it illustrates the ease with which organizations might compartmentalize their operations or duplicate themselves and thereby thwart criminal prosecution. [FN86] These are shortcomings legislators need to address if the prosecution of organizations is to be effectively and consistently utilized.

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Given the paucity of pertinent Alaska jurisprudence regarding organizational criminal liability, Alaska courts would likely rely on relevant federal authority. [FN87] Federal cases frequently acknowledge that a *189 corporation can act only through its officers, agents, and employees. [FN88] Courts therefore hold that a corporation may be liable for the acts of its officers, employees, and other agents even though the questioned act may be illegal, contrary to specific company policy, or not expressly authorized beforehand by the corporation. [FN89]

B. Existence of Organization Policies Prohibiting the Criminal Conduct and the Requisite Quantum of Benefit

Federal cases hold that an organization may be found guilty of a criminal offense as long as the employee was motivated, at least in part, to benefit the organization. [FN90] It follows that organizations often attempt to absolve themselves of liability by relying on corporate policies that preclude criminal conduct. These attempts have generally been unsuccessful. The Ninth Circuit addressed such an effort in the context of Sherman Act prosecutions. [FN91] In Hilton Hotels Corp., [FN92] charges were premised on proof that the hotel's purchasing agent threatened a supplier with the loss of the hotel's business unless the supplier paid an assessment to a trade association of which the hotel was a member. [FN93] Hotel personnel testified that company policy required purchasing *190 supplies solely on the basis of price, quality, and service, and they had specifically instructed the purchasing agent not to boycott suppliers. [FN94] The Ninth Circuit held that the hotel could not insulate itself from criminal liability by adopting general instructions not to participate in a boycott if it did not take sufficient actions to enforce those instructions. [FN95] The fact remained that the hotel authorized a purchasing agent to act on its behalf and the agent exercised complete authority as to those responsibilities and, pursuant to that authority, added the hotel's buying power to the force of the boycott. [FN96] Other circuits have taken a similar position when employees act contrary to company policy. [FN97]

An important corollary is that courts generally permit defendants to admit evidence of corporate policies or instructions that forbid the conduct at issue to support an argument that an agent was acting outside the scope of employment or to the principal's detriment. The Ninth Circuit summarized this view:

> [A] corporation may be liable for acts of its employees done contrary to express instructions and policies, but that the *191 existence of such instructions and policies may be considered in determining whether the employee in fact acted to benefit the corporation. Merely stating or publishing such instructions and policies without diligently enforcing them is not enough to place the acts of an employee who violates them outside the scope of his employment. It is a question of fact whether measures taken to enforce corporate policy in this area will adequately insulate the corporation against such acts . . . [FN98]

Other courts have reached similar rulings. [FN99]

It is not necessary that the organization actually accrue a benefit from the agent's actions for criminal liability to attach. In Beusch, [FN100] the Ninth Circuit rejected a corporation's argument that it could not be liable if the criminal conduct did not in fact benefit the corporation. [FN101] The Fourth Circuit's decision in United States v. Automated Medical Laboratories, Inc. [FN102] is frequently cited on this point--the court affirmed a jury's conviction of American Medical Laboratories for falsifying logbooks and records required to be maintained by the Federal Drug Administration. [FN103] In Automated Medical Laboratories, the court held that benefit was an evidential fact, stating:

> [W]hether the agent's actions ultimately redounded to the benefit of the corporation is less significant than whether the agent acted with the intent to benefit the corporation. The basic purpose of requiring that an agent have acted with the intent to benefit the corporation, however, is to insulate the corporation from criminal liability for actions of its agents which be inimical to the interests of the corporation or which may have been undertaken solely to advance the interests of that agent or of a party other than the corporation. [FN104]*192 These cases collectively illustrate that whether the agent's conduct benefits the organization is a question of fact for the jury. The cases also demonstrate that appellate courts will let convictions stand so long as there is some evidence that the organization gained some benefit. In comparison, criminal conduct by an agent falling outside the scope of employment will not be imputed to the organization

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

where the conduct solely benefits the agent. Such was the case in Standard Oil Co. of Texas v. United States, [FN105] in which the Fifth Circuit reversed convictions against two corporate defendants because the criminal acts by the employees, while benefiting themselves, actually injured the corporation. [FN106]

Alaska cases contemplating the application of respondeat superior liability in the context of tort claims have echoed the holding of Standard Oil. Notable among these are Taranto v. North Slope Borough, [FN107] Northern Fabrication Co., Inc. v. Arco, Inc., [FN108] and Ondrusek v. Murphy. [FN109] All three cases apply the Restatement (Second) of Agency section 228 criteria to determine whether an agent acted in the scope of his employment. Pursuant to section 228, conduct is only in the scope of employment if--among other requirements--it is done at least in part to serve the employer. Thus, in Northern Fabrication Co., Inc., the Alaska Supreme Court reversed the trial court's grant of summary judgment in favor of the defendant corporations and held that the corporations could only negate the plaintiff's claim of vicarious liability for the theft of equipment by the defendants' employees if the corporations could prove they did not control the employees' actions and the employees acted solely in furtherance of their own personal motives. [FN110]

These cases demonstrate that an organization cannot insulate itself from liability with general policies or guidance that forbid the conduct at issue. However, an organization can use policies or guidance in an effort to convince a jury that the organization took sufficient action to prevent the wrongful conduct and should not be liable for the actions of an agent. Moreover, the organization will not be liable for conduct that an agent takes solely for his or her own benefit, or that is inimical to the organization's interests.

*193 C. Collective Corporate Knowledge

For a time, specific intent crimes that require proof of knowing or intentional conduct were difficult to apply against large or diverse organizations. Organizations tend to compartmentalize their operations and decision-making between different units or divisions. Therefore the requisite mens rea or conduct is often not present in any one individual, making imputing mens rea to the organization difficult. Many courts have resolved this problem through the collective corporate knowledge theory best described by the First Circuit in United States v. Bank of New England. [FN111]

> The acts of a corporation are, after all, simply the acts of all of its employees operating within the scope of their employment. The law on corporate criminal liability reflects this. . . . Similarly, the knowledge obtained by corporate employees acting within the scope of their employment is imputed to the corporation. Corporations compartmentalize knowledge, subdividing the elements of specific duties and operations into smaller components. The aggregate of those components constitutes the corporation's knowledge of a particular operation. It is irrelevant whether employees administering one component of an operation know the specific activities of employees administering another aspect of the operation . . . [FN112]

This line of reasoning enables prosecutors to impute the summed knowledge of various employees to the organization as a whole. [FN113]

*194 D. Effect of Merger, Consolidation, and Dissolution

Any liability imputed to an organization will generally survive the organization's merger, consolidation, or dissolution. The common law analogized the dissolution of an organization (either directly, or by merger or consolidation) to the death of a natural person, [FN114] meaning that dissolved, merged, or consolidated organizations could not be prosecuted. [FN115]

State statutes that continue the legal existence of these entities have eroded this common law principle. It is now generally true that organizations can be prosecuted (or sued civilly) following their dissolution, merger or consolidation. In Melrose Distillers, Inc. v. United States, [FN116] the United States Supreme Court discussed this abrogation of the common law. Prosecutors indicted three related corporations for violations of the Sherman Act. [FN117] While the indictments were pending, the corporations dissolved and became new divisions in a single, separate corporation. [FN118] The district court and court of appeals held that the dissolution of the original corporations did not abate the indictments. [FN119] The Supreme Court affirmed, looking to both Maryland and Delaware law and finding that the states had statutes "saving" claims against dissolved

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

corporations. [FN120] The Court interpreted these statutes to include criminal charges under the Sherman Act. [FN121] Other courts have come to the same conclusion respecting corporations and partnerships organized under the laws of other states. [FN122]

*195 There is no analogous holding in Alaska case law. The closest case on point, Gossman v. Greatland Directional Drilling, Inc., [FN123] discusses the viability of civil claims brought against a dissolved corporation for negligent conduct during the corporation's existence. [FN124] Greatland dissolved in 1993 following the purchase of its assets by Anadrill, a distinct corporation. [FN125] In 1995, plaintiff Gossman was injured while working for Anadrill at one of the facilities Anadrill purchased from Greatland. [FN126] The injury was caused by a piece of equipment that had been negligently modified by a Greatland employee years before the corporation's dissolution. [FN127] In 1996, Gossman filed negligence claims against Greatland. [FN128] The Alaska Supreme Court looked to section 10.06.678 of the Alaska Statutes--a survival statute for claims against corporations--to determine whether any provision abrogated the common law abatement theory. [FN129] At the time (and currently), section 10.06.678, in pertinent part, provided:

> (a) A corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of winding up its affairs, defending actions against it, and enabling it to collect and discharge obligations, dispose of and convey its property, and collect and divide its assets. A dissolved corporation does not continue to exist for the purpose of continuing business except so far as necessary for winding up the business.
>
> (b) An action or proceeding to which a corporation is a party does not abate by the dissolution of the corporation or by reason of proceedings for winding up and dissolution of the *196 corporation. A corporation that is dissolved voluntarily or involuntarily may not commence a court action, except for a court action under [section] 10.06.675. [FN130]

The court reviewed the legislative history of section 10.06.678 and examined treatment of similar statutes in other jurisdictions before deciding claims do not abate against a dissolved corporation. [FN131]

Gossman does not address criminal prosecutions. However, the court's analysis in this civil case mirrors the analysis the Supreme Court used in Melrose Distillers in a criminal context. [FN132] There is no reason to believe an Alaska court would analyze the issue any differently in the context of a criminal case. Moreover, Alaska courts routinely rely on federal authorities when interpreting Alaska law that has no case precedent and is similar to federal laws. [FN133] A number of jurisdictions have adopted Melrose Distillers, [FN134] and Alaska courts have cited Melrose Distillers for other propositions. [FN135]

Further, as is discussed above, the Alaska Supreme Court in Gossman interpreted section 10.06.678 of the Alaska Statutes liberally to include claims that accrued after the dissolution of the corporation. [FN136] This suggests that the court would likewise liberally interpret the statute if faced with the question of whether the statute is inclusive of criminal charges. In short, dissolution, merger, and consolidation of a corporation should not foreclose the State's ability to prosecute the corporation, although it might make it more difficult to collect fines that are ultimately imposed. [FN137]

*197 Alaska has similar survival statutes that are applicable to other organizations. However, some of the survival statutes--such as those that apply to non-profit corporations [FN138] or limited liability companies [FN139]--carry time limitations which may affect potential claims or charges.

III. Prosecutorial Consequences

A. Penalty Provisions

Organizations are not subject to the same penalties as individual defendants. While organizations can only act through their agents, organizations cannot be punished in the same way as their agents. [FN140]

Special penalty provisions exist for organizations based on the severity of the underlying crime. [FN141] In assessing a fine under these provisions the sentencing court considers:

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

(1) measures taken by the organization to discipline an officer, director, employee, or agent of the organization;

(2) measures taken by the organization to prevent a recurrence of the offense;

(3) the organization's obligation to make restitution to a victim of the offense, and the extent to which imposition of a fine will impair the ability of the organization to make restitution; and

(4) the extent to which the organization will pass on to consumers the expense of the fine. [FN142]*198 These considerations are in addition to statutory and common law factors Alaska courts consider in deciding any criminal sentence. [FN143] Generally, it is not difficult to frame these factors in a way to justify substantial fines under any of the penalty matrices available for use against organizations. If the organization is large, a substantial fine would be justified so that it has an appreciable penalty or deterrent impact on the organization's operations. The fine would likewise need to be large to cause other similarly situated organizations to take notice and action to ensure they do not commit similar errors.

Consider two examples. First, if a fishing lodge allows its clients to commit hunting and fishing violations to ensure they catch a lot of fish and have a good time, a small fine would not act as a sufficient deterrent. Because these lodges often have significant revenues, fines at the top of the penalty range set forth in section 12.55.035(c) of the Alaska Statutes would be necessary and justified. These are common sense arguments that are likely to have traction with the sentencing court. Second, imagine a service station operating as an LLC that knowingly functions with leaking underground fuel tanks. The situation comes to light when diesel range organics are discovered in a nearby creek. Investigation traces the fuel back to the service station and additional investigation produces evidence that the manager had been aware of the leak for several months. The Alaska Department of Environmental Conservation (DEC) hires a private environmental services firm to design and implement a clean-up and remediation plan for the polluted land and water and to monitor the water quality of the creek for five years. The total cost for these services exceeds a million dollars. Under section 12.55.035(c)(3) of the Alaska Statutes, the potential fine against the LLC could exceed three million dollars. This fine could be in addition to the restitution owed to the state for the cost of the clean-up and remediation work itself. Admittedly, the sentencing court, in imposing the fine, would have to consider how section 12.55.035(e)(3) of the Alaska Statutes would affect the company's ability to pay restitution to the DEC. However, if the company is large enough, it is easy to picture the court imposing the full fine. Penalties of this magnitude can *199 provide a strong incentive for organizations to resolve potential criminal liability quickly. [FN144]

Because criminal conduct exposes the organization to potentially substantial criminal penalties and negative publicity, an organization will often terminate or discipline the responsible employees, cooperate with investigating agencies, and may hire consultants for the design of new protocols to avoid similar mistakes in the future. These are all constructive steps moving forward from the misconduct and are factors a sentencing court is to consider in assessing a fine against an organization pursuant to section 12.55.035(e) of the Alaska Statutes.

B. Collateral Consequences

Collateral consequences triggered by a conviction will also be a powerful force shaping the course of many prosecutions. Organizations are generally required to report all pending liabilities in their annual financial statements. This typically includes pending criminal cases as well as any completed cases for which the organization is on probation. [FN145] Disclosure of a pending criminal case or conviction can be damaging to an organization's public image or reputation. The publicity from prosecution would likely tarnish the image of a company and undo any marketing efforts that the company previously undertook. Further, the prosecution would likely damage the company's image amongst stockholders, creditors and Wall Street analysts, causing significant financial repercussions.

Debarment is another significant collateral consequence. Both federal and state law allows the respective sovereigns to refuse to do business with organizations that have been convicted of or otherwise suspected of crimes or dishonest business practices. [FN146] At the federal level, the Environmental Protection Agency (EPA) is particularly vigilant in debarring organizations that are convicted or suspected of *200 environmental crimes. [FN147] Debarment is damaging because a large percentage of Alaska companies are the recipients of federal or state contracts. [FN148] The loss of these contracts can be financially crippling to companies. The State of Alaska also has legislative authority to debar companies but, unfortunately, rarely uses that power. [FN149]

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

By way of an example, consider a small bush air service that transports mail year round and a steady number of government biologists as passengers during the summer. If the company knowingly allows passengers to transport alcohol to local option dry communities [FN150] on its flights, it could be prosecuted for violations of Alaska's alcohol importation laws. [FN151] A conviction could potentially trigger federal or state debarment and thereby jeopardize the air service's ability to retain the mail or biologist travel contracts. This could constitute another financial blow to the company in addition to the fines or consequences that flow from the prosecution. [FN152]

*201 IV. Practical Considerations for Prosecutors

A. No Fifth Amendment Privilege

Prosecutors gain several practical advantages by filing charges against organizations as opposed to individuals. The first, and perhaps most significant, is that an organization does not have a Fifth Amendment right against self-incrimination. A prosecutor can use organizational agents as witnesses to testify about corporate practices or records. [FN153] In Amato v. United States, [FN154] the First Circuit, relying largely on the Supreme Court's decision in Braswell v. United States, [FN155] explained why the Fifth Amendment's protection against self-incrimination does not protect corporate records. [FN156]

The Alaska Supreme Court subscribed to the collective-entity doctrine in Pratt v. Kirkpatrick. [FN157] Citing many of the same cases relied upon in Amato, the court held that a records custodian for the financial records of a limited partnership could not rely upon the Fifth Amendment or Article I, section 9 of the Alaska Constitution to resist a subpoena for the partnership's financial records. [FN158] Importantly, the court found the self-incrimination protections provided by the Alaska Constitution were no broader than protections provided by the Fifth Amendment to the United States Constitution. [FN159]

Because of these principles, defense attorneys will be hard-pressed to successfully preclude the production of an organization's documents sought pursuant to a subpoena or search warrant. Organizations are prolific producers of documents, reports, memoranda, and email that evidence their decisions and actions. In the event of criminal conduct, *202 any such documents would be invaluable to the prosecution, as they may demonstrate the organization's knowledge or intent. At the very least, the documents can confirm the individual agent's intent or knowledge.

B. Avoiding Hearsay

Common hearsay problems can also be avoided if an organization rather than an individual is charged. Employee or agent statements regarding the conduct of the organization will be admissible against the organization should the declarant invoke a personal Fifth Amendment right not to testify or otherwise make him or herself unavailable for trial. The admissions of these agents are not hearsay if offered against the organization because the law imputes them to the organization itself; under Alaska Rule of Evidence 801(d)(2), the admissions are considered admissions of the party opponent. [FN160] This subsection excludes as non-hearsay statements that are made by an agent or servant concerning matters within the scope of that individual's agency or employment and made during the existence of the agency or employment relationship. This is a broadly interpreted exclusion [FN161] that encompasses a wide range of employee statements regarding employer practices, work conditions, and decision-making that frequently provide invaluable evidence for the prosecution.

C. Corporations Can Be Tried In Absentia

Corporations cannot ignore a summons to appear for arraignment. Pursuant to Rule 4(a)(3) of the Alaska Rules of Criminal Procedure, corporations that fail to appear may be tried in absentia. [FN162] The trial of an absent corporation would be a slam-dunk for the state. The prosecutor could admit evidence to the jury without objection. The *203 prosecutor could then ask the jury to convict a business which was perfectly happy to injure Alaska or Alaskans in some way but was unwilling to show up when invited to an Alaskan courtroom for its own trial. Assuming the prosecutor has presented sufficient evidence of the charged offenses, it is likely juries will feel little compunction in returning guilty verdicts. Upon conviction, the prosecutor could ask the judge to issue a judgment against the corporation and that judgment could be sent to the Attorney General's

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Collection Section for collection.

D. Organizations Engender Less Sympathy

The criminal jury instructions commonly employed in Alaska state courts invariably include an instruction that directs the jury to disregard any sympathy for the defendant during its deliberations. [FN163] Nevertheless, any prosecutor will tell you that jurors rarely dispatch their obligations without sympathizing to some degree with the defendant. If an employee engages in improper conduct to primarily benefit his or her employer (as opposed to directly benefiting him or herself) or if the employee engages in conduct at the behest of his or her employer, jurors may be loathe to find the individual guilty of the offense. This problem is largely eliminated if the company is tried. Regardless of the factual scenario involved, juries are far less prone to feel sympathy for an organization. [FN164] Most often, the organization is a for-profit company, and juries realize their decision, like the organization's decision to engage in the criminal conduct, is a decision about money. Juries seem to struggle far less with the question of whether an organization should pay a fine than the question of whether an individual should go to jail.

*204 V. Charging Considerations

A. Factors to Weigh

The foregoing discussion is meant to illustrate that organizational criminal liability is very broad and has potential application to many situations. Nevertheless, these prosecutions can be complex and time intensive, and the outcome of any such prosecution is seldom, if ever, certain. It follows that a prosecution may not be warranted or be the best use of limited resources in every instance. A number of practical considerations should inform any decision to prosecute or not prosecute an organization.

Assuming the prosecutor believes he or she can prove all the elements of the potential charges, the foremost consideration is the prosecution's objective in pursuing the criminal charges against this organization. Key to this concern is the question of punishment. Is the goal to punish the organization? Is the goal to achieve restitution? Or is the goal to ensure future compliance by this organization or similarly-situated organizations? Most often the answer is a mixture of all three, but that is not always the case. If the organization is one that has few assets or no longer exists, the prosecution may yield a conviction and a fine or restitution order that cannot be collected. Alternatively, if the organization continues to operate and the conduct at issue could reoccur, or involves an activity that has not been monitored or heavily regulated in the past, a better result may be achieved through less adversarial means. Instead of a criminal prosecution, perhaps there is an administrative or civil remedy. [FN165]

In answering these questions, the prosecutor should consider the following factors. [FN166] The first and foremost consideration is whether the prosecution is deserved. Multiple factors will weigh on this determination, including whether the injury was caused by egregious or intentional conduct or a rogue employee, and the degree to which management was complicit in causing the injury. It will also be important to determine whether the conduct was an isolated violation or part of a series of violations, and if the organization knew the conduct was prohibited.

*205 These factors beg the question: is a prosecution warranted? A corollary to this question is the recognition that a criminal prosecution carries a significant stigma and is not warranted or necessary in every circumstance. With respect to considerations of practicality, the following factors should be evaluated and go to the central question of what can and will be achieved by prosecuting the organization:

First, will prosecution deter this organization? Answering this question will require analyzing the likelihood of significant penalties such as fines or probation. It will also mean determining if any illegal gains will be returned, and if the conduct gave the organization an advantage over its competitors. [FN167]

Second, will prosecution deter other similarly-situated organizations? Determining this means researching whether similarly-situated organizations exist and if the potential penalties would deter them. The penalties may also impact the industry as

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

a whole.

Third, will prosecution promote future compliance? Prosecutors must consider whether including a compliance program in the penalty would address the conduct at issue.

Fourth, is restitution owed to a broad range of entities or individuals? Considerations will include the necessity of prosecution to obtain restitution, the effectiveness of individual claims, and the ability of the organization to pay damages.

Finally, will a prosecution play well in the public's view? Prosecutors should determine whether the public will support legal action, an enforcement program more generally, and participate in such a program by reporting violations.

Depending on the answers to these questions, a prosecutor may determine that prosecution is not the best alternative. The best practice is to make this determination early and not to pursue prosecutions in situations not warranting the effort or resources.

To illustrate these points, consider as an example the potential prosecution of a bartender for selling alcohol to an underage patron. Faced with an underage "furnishing" crime, police officers will typically *206 cite the individual bartender for a Title 4 "furnishing" offense. [FN168] If convicted, and if a first-time offender, the bartender will likely receive a suspended imposition of sentence, a year's probation, and a small fine, assuming the prosecutor can convince a jury not to nullify the verdict. On the other hand, if there is a good reason to charge the bartender's employer--perhaps a large bar or restaurant--with the same Title 4 violation, that employer will face a much larger potential fine. If the employer has committed similar offenses through other employees, each of those incidents may be brought to the sentencing judge's attention and would powerfully bolster the prosecutor's sentencing case. Fines could be conditioned on the employer ensuring that its employees commit no further violations. The employer could also be affirmatively required to notify law enforcement officers of any and all future violations. [FN169] In addition, the court may require the employer to provide enhanced training for employees at their own expense. Prosecuting the employer is a better use of prosecutorial resources. Importantly, the prosecution of the employer provides a mechanism to prevent future, similar infractions by other employees. The employer will likely be more proactive in policing its employees and will be under an affirmative duty to report all future violations. Further, it is likely that other similar establishments or employers will take notice of the sentence and will likewise do a better job of policing their operations and employees. These would all be positive outcomes.

B. Case Study: Strategica Import-Export Financial Group, LLC

A four-defendant case recently prosecuted by the Office of Special Prosecutions, State v. Jeremy Oliver, [FN170] further illustrates why prosecutors should consider charging organizations and how they can use those prosecutions to achieve better case outcomes.

The case arose from a failed salmon processing facility in Ekuk, Alaska in 2004. [FN171] The failure was an economic disaster for the local economy. [FN172] None of the fishermen who had delivered fish to the facility *207 were paid for their catches and none of the workers who had worked at the facility were paid for their labor. [FN173] Jeremy Oliver, a young man with limited fishing and processing experience, had formed Wild Alaskan Seafood Company, LLC ("Wild Alaskan Seafood Company") for the purpose of the Ekuk processing venture. [FN174] Oliver was able to lease and open the Ekuk facility using financing brokered by Jay Enis, a Florida merchant banker. [FN175] Enis formed Strategica Import-Export Financial Group, LLC ("Strategica") for the purpose of financing the Ekuk salmon processing venture. [FN176] Oliver and Wild Alaskan Seafood Company hired dozens of workers to run the facility and accepted more than a million pounds of fish from the fishermen. [FN177] The venture failed before the fish could be processed, and very little of the fish was ever delivered to a purchaser. [FN178] The vast majority of the fish spoiled and ultimately had to be destroyed. [FN179] As a result, the fishermen and Ekuk processors were never paid. [FN180]

Alaska statutes criminalize the processing of adulterated seafood. [FN181] The offense is a class A misdemeanor. [FN182]

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

The state prosecuted all four defendants--Oliver, Wild Alaska Seafood Company, Enis, and Strategica--for this offense, as well as several additional, related offenses. [FN183] Ultimately, Oliver, Wild Alaskan Seafood Company and Strategica each pled guilty to a charge. [FN184] The court sentenced Oliver to serve 180 days in jail (with 140 days suspended) and to pay, along with Wild Alaskan Seafood Company, more than $56,000 in restitution to the fishermen and workers. [FN185] Because Oliver and Wild Alaskan Seafood *208 Company have few assets, [FN186] it is unlikely that much of this restitution will ever be paid. Oliver and Wild Alaskan Seafood Company were prosecuted to punish them for their misdeeds rather than to make the injured fishermen and workers whole. [FN187] The court ordered Strategica to pay more than $180,000 in restitution. [FN188] The state agreed to dismiss the charges against Enis in exchange for Strategica's plea and payment. [FN189] The case against Strategica was meant to prosecute that company for its misconduct, as well as to provide at least some restitution to the fishermen and workers.

Oliver was clearly the primary culprit of this scheme. Oliver came up with the plan to operate the Ekuk facility and was in charge when it failed. Nevertheless, once the scheme failed, Oliver and Wild Alaskan Seafood Company lacked assets and would never be able to pay much in restitution. Enis and Strategica had assets but were not as directly involved in the management and operation of the Ekuk facility. Thus, the question for the Office of Special Prosecutions was whether it could prove Enis and Strategica were criminally liable for the Ekuk failure and, if so, whether they warranted criminal prosecution. The answer to both questions was "yes." [FN190]

Strategica's conduct was egregious. Enis and Strategica had no experience in the Alaska seafood industry. Nevertheless, with little due diligence and equally little oversight, Strategica provided Wild Alaskan *209 Seafood Company with $650,000 in financing for a risky venture [FN191] that would operate in a remote locale more than five thousand miles from Strategica's location in Miami. [FN192] Strategica enabled Oliver and Wild Alaskan Seafood Company by providing the financial means for them to launch the Ekuk facility. Thereafter, Strategica did little to oversee their operations or to ensure their success. This conduct was careless, it was intentional, and it had a devastating impact on the Ekuk fishery and the local economy.

Practical considerations also supported the decision to prosecute Strategica. Most importantly, the State believed prosecution would be the most effective way to collect restitution for the fishermen and workers. More than a hundred, perhaps more than two hundred, people were financially injured due to the Ekuk failure. [FN193] While some of these people filed civil actions against the defendants, those suits made little progress and, even if successful, stood to benefit a small number of individuals. In contrast, a criminal prosecution could recover restitution for all those who did not get paid. Of the potential defendants, only Enis and Strategica had any real financial resources. [FN194] Therefore, it was important that Strategica be prosecuted.

Additionally, the prosecution of Strategica would play well in the realm of public opinion. Strategica was a company that recklessly entered the state fishing industry to make a profit for out-of-state investors and ended up causing significant financial injuries to many Alaskans. In addition to the direct financial losses inflicted on the Ekuk fishermen and workers, Strategica's actions could have inflicted significant harm to the reputation of Alaskan salmon. The Alaska seafood industry relies on the high reputation of "wild Alaskan salmon" to market its product and has spent years and millions of public relations dollars to build up that reputation. [FN195] If some of the damaged Ekuk salmon had actually made it into the marketplace and sickened unsuspecting consumers, the reputation and marketability of Alaskan salmon would have been dealt a significant blow. Considering the *210 reckless manner in which Strategica acted to enable and finance Oliver and Wild Alaskan Seafood Company, the State believed the Alaskans would overwhelmingly support Strategica's prosecution and the Department of Environmental Conservation's continued efforts to regulate seafood processing facilities.

Finally, the State believed prosecuting Strategica would serve as a deterrent to future reckless investment in the Alaska seafood industry by outside entities. The prosecution resulted in significant financial penalties-- the restitution payment--and would receive significant publicity. This result would certainly deter Strategica from future similar conduct and, it is hoped, would deter other similarly situated entities from doing anything similar.

Conclusion

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

The ability to file criminal charges against an organization in addition to, or in lieu of, charges against individual agents is a powerful tool available to prosecutors. The prosecution of organizations must be considered, whenever feasible, to deter future wrongdoing. Furthermore, it is far more efficient to prosecute the organization that controls a large number of agents engaging in prohibited conduct rather than prosecuting each agent individually.

Prosecuting the organization makes sense for a variety of additional reasons. First, significant criminal fines can be imposed against organizations. Second, organizations--rational entities with a bottom line and a strong preference against negative publicity--tend to be prosecution averse. This fact is good news for the prosecution because it means a trial can be avoided and constructive changes can be implemented as part of any resolution. [FN196] Third, organizations enjoy fewer constitutional protections than do individual defendants and, as such, can make use of fewer evidentiary rules to limit the prosecution's evidence. Lastly, the prosecution of an organization as well as individual defendants could strengthen the prosecution's hand during plea negotiations. The organization may be persuaded to accept a plea in ***211** return for dismissal against certain individual officers, or vice-versa. By charging both, the prosecution increases its options for a successful and beneficial resolution.

Several potential explanations for why Alaska prosecutors rarely charge organizations for the criminal conduct of their agents are proffered in the introduction. None satisfactorily explain this phenomenon. Yes, such prosecutions will likely differ in some respects from the prosecution of individual defendants. Yes, organizational defendants may hire experienced defense counsel. And yes, such prosecutions might, in some cases, penalize stockholders who did not know about the wrongdoing. But these drawbacks, to the extent they are legitimate at all, are insignificant compared to the potential benefits that such prosecutions can realize. Quite simply, prosecutors should file charges against organizations more frequently. Such change may not happen quickly; nonetheless, it is time to adjust course and to start looking more closely at organizational targets. Successful criminal prosecutions of organizations can be a significant deterrent that causes organizations to take significant steps to better monitor the behavior of their agents and to prevent criminal conduct in the course of their operations.

Copyright (c) 2008 by Daniel L. Cheyette

[FNa1]. B.A., Rice University, 1991; J.D., Lewis & Clark Law School, 1996; M.S., University of Alaska at Fairbanks, 2005. The author is an Assistant Attorney General in Anchorage, Alaska, prosecuting environmental crimes for the Alaska Department of Law, Office of Special Prosecutions. He previously worked as an Assistant District Attorney for the State of Alaska, a law clerk for the Honorable John W. Sedwick of the United States District Court for the District of Alaska, for the Honorable Brian C. Shortell of the Alaska Superior Court, and as a staff attorney for the Alaska Legal Services Corporation in its Anchorage and Nome offices.

The author wishes to thank James Fayette for the use of his prior writings on this topic and his suggestions for improvements, as well as Jeff David for his suggestions and editing contributions. In addition, he would like to thank Michael F. Heffron with the firm of Fitzgerald, Schorr, Barmettler & Brennan in Omaha, Nebraska for his advice at the outset of this project.

Any opinions that are expressed in this article are those of the author. This article is not an expression of the policy of the Criminal Division of the State of Alaska, Department of Law.

[FN1]. The term "organization" is used throughout this article because, under Alaska criminal law, "organization" encompasses multiple entity types. Alaska Stat. § 11.81.900(b)(43) (2006). Nevertheless, much of the case law and academic work on this topic is couched in terms of "corporations." For the purposes of this article, there is no distinction between these terms and they are used interchangeably.

[FN2]. See Alaska Stat. § 11.16.130 (2006).

[FN3]. See Alaska Stat. § 12.55.035 (2006).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN4]. The court of appeal's recent decision in State v. Greenpeace, Inc., 187 P.3d 499 (Alaska Ct. App. 2008), which is discussed infra Part II.A, will do little to dispel such trepidation.

[FN5]. See Spencer R. Fisher, Corporate Criminal Liability, 41 Am. Crim. L. Rev. 367, 368 (2004) (citations omitted).

[FN6]. The author is not aware of any statistics kept by the Department of Law that quantify how often organizations are charged with crimes. However, the department is small and, anecdotally, it is evident that prosecutors bring charges against organizations infrequently.

[FN7]. State v. Hazelwood, 836 P.2d 943, 944 (Alaska Ct. App. 1992), aff'd in part, rev'd in part, 866 P.2d 827 (Alaska 1993).

[FN8]. See id.

[FN9]. See id. at 945. The negligent discharge of oil is a misdemeanor. Id. at 944.

[FN10]. Id. The court imposed ninety days of suspended jail time and a one thousand dollar suspended fine. Hazelwood was required to serve a one-year period of probation and complete one thousand hours of community work service. Id.

[FN11]. Press Release, Envtl. Prot. Agency, Exxon to Pay Record One Billion Dollars in Criminal Fines and Civil Damages in Connection with Alaskan Oil Spill (Mar. 13, 1991) (on file with author). The U.S. Department of Justice prosecuted both Exxon Corporation and Exxon Shipping Corporation. The plea agreements reached with these companies required Exxon Corporation to plead guilty to a misdemeanor violation of the Migratory Bird Treaty Act and Exxon Shipping Company to plead guilty to misdemeanor violations of the Clean Water Act, Refuse Act, and Migratory Bird Treaty Act. Id.

[FN12]. The author does not mean to criticize the choices made by either state or federal prosecutors in the Exxon Valdez matter. The author was not a party to those decisions but is confident those involved thoroughly and adequately debated the matter.

[FN13]. See Alaska Stat. §§ 4.11.501, 16.205 (2006) (importation of alcohol to dry bush communities); Alaska Stat. § 4.16.030 (2006) (sale of alcohol to already-intoxicated individuals); Alaska Stat. §§ 4.16.051-.052 (2006) (sale of alcohol to people less than twenty-one years of age).

[FN14]. See Alaska Stat. §§ 4.11.501, 4.16.205 (2006) (importation of alcohol to dry bush communities).

[FN15]. See Alaska Stat. §§ 8.54.720, 16.40.290, 16.43.970 (2006).

[FN16]. See Alaska Stat. §§ 16.40.290, 43.970 (2006).

[FN17]. See State v. Whitewater Eng'g Corp., No. 3AN-S00-5235CR (Alaska Super. Ct. indicted July 21, 2000); State v. Thom Fischer, No. 3AN-S00-6147CR (Alaska Super. Ct. indicted July 21, 2000).

[FN18]. Ashby Jones, Pardons Received in Whitewater (No, Not That Whitewater), Wall St. J., January 26, 2008, http://blogs.wsj.com/law/2007/01/26/pardons-received-in-whitewater-no-not-that-whitewater.

[FN19]. Id.

[FN20]. See State v. Whitewater Eng'g Corp., No. 3AN-S00-5235CR (Alaska Super. Ct. entered judgment Nov. 14, 2001). The

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Whitewater case was in the news again at the end of Governor Frank Murkowski's term in office. Governor Murkowski granted the corporation a pardon. See Megan Holland, Company Off Hook Thanks to Pardon; Family Stunned: Man was killed in an avalanche near Cordova in 1999, Anchorage Daily News, Dec. 24, 2007, at A1.

[FN21]. Cf. Bank of the United States v. Deveaux, 9 U.S. (5 Cranch) 61 (1809); Louisville, Cincinnati, and Charleston R.R. Co. v. Leston, 43 U.S. (2 How.) 497 (1844) (recognizing that corporations can sue and be sued but holding that the court would look to the citizenship of the individuals who comprise the corporation to determine jurisdiction); N.Y. Cent. & Hudson River R.R. Co. v. United States, 212 U.S. 481 (1909) (providing a detailed discussion of the development of corporate liability, including criminal liability).

[FN22]. 62 U.S. 202 (1958).

[FN23]. Id. at 210.

[FN24]. Id. at 209-10 ("There is scarcely an object of general interest for which some association has not been formed .... The powers of the corporation are placed in the hands of a governing body selected by members, who manage its affairs, and who appoint agents that exercise its faculties for the accomplishment of the object of its being. But these agents may infringe the rights of persons who are unconnected with the corporation, or who are brought into relations of business or intercourse with it. As a necessary correlative to the principle of the exercise of corporate powers and faculties by legal representatives, is the recognition of a corporate responsibility for the acts of those representatives.").

[FN25]. See Reed v. Home Sav. Bank, 130 Mass. 443, 445 (Mass. 1881) ("The books of reports for a quarter of a century show that a very large proportion of actions of this nature, both for nonfeasance and for misfeasance, are against corporations.")

[FN26]. See Quigley, 62 U.S. at 213-14; Lakeshore & Michigan Ry. Co. v. Prentice, 147 U.S. 101, 116-17 (1893).

[FN27]. 68 Mass. (2 Gray) 339 (Mass. 1854).

[FN28]. Id. at 353 (upholding the indictment for constructing and maintaining a bridge obstructing navigation on the Acushnet River).

[FN29]. 52 N.E. 445, 446 (Mass. 1899). The contempt arose from a newspaper story about an ongoing civil case. Silas Loring had sued the town of Holden seeking compensation for a piece of land taken by the town during a railroad modification project. Id. The offending story included details about how much the town had offered Loring before the filing of the suit and how much money Loring demanded. Neither fact was admissible in the ongoing trial. Id. at 447. When the presiding judge learned of the story, he, on his own initiative, instituted the contempt proceeding, issued subpoenas for the corporations to appear, and held the corporations in contempt when they appeared. Id. at 445-46.

[FN30]. Id. at 446. ("That a corporation may be indicted for a misfeasance as well as for a nonfeasance had been decided in this commonwealth.").

[FN31]. 212 U.S. 481 (1909).

[FN32]. Id. at 494. The corporations had paid illegal rebates to parties that had shipped sugar on the corporation's railway. Id. at 489-91.

[FN33]. Id. at 494.

[FN34]. See United States v. Hilton Hotels Corp., 467 F.2d 1000, 1004-07 (9th Cir. 1972), and cases cited therein. See also

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

United States v. Miller, 676 F.2d 359, 362 (9th Cir. 1982) (holding knowledge and acts of company agents could be imputed to company and were sufficient to sustain criminal convictions against company); United States v. Beusch, 596 F.2d 871, 877 (9th Cir. 1979) (holding company liable for criminal acts of agent committed in scope of agent's employment).

[FN35]. 1 Alaska 217 (D. Alaska 1901).

[FN36]. Id. at 219.

[FN37]. Id.

[FN38]. Id. at 222-23.

[FN39]. Id. at 223.

[FN40]. 68 Mass. (2 Gray) 339, 345-46 (1854) (holding that a corporation could be prosecuted for misfeasance and nonfeasance crimes committed by its agents if committed in the scope of the agent's employment and to benefit the corporation).

[FN41]. Interestingly, a Ninth Circuit court hearing an appeal on an Alaska case expressed some reservations about applying the theory of respondeat superior to impute criminal intent to a corporation. In Empire Printing Co. v. Roden, 247 F.2d 8 (9th Cir. 1957), a case concerning libel claims brought by the former territorial governor, treasurer and highway engineer against a Juneau newspaper, the court provided dicta on point. The court of appeals stated that the doctrine of respondeat superior does not generally apply to impose criminal liability because the requisite mens rea cannot be inferred through agency relationships. Id. at 17.

[FN42]. Alaska Crim. Code Rev. Introduction at 11-14 (Preliminary Report 1976). The Commission was made up of legislators, lawyers, judges, law enforcement officers, and correctional agency personnel. Id. at 11.

[FN43]. See id. at 115-16. The original version of the statute considered by the Criminal Code Revision Commission was based on Or. Rev. Stat. § 161.170 (1971) and was similar to N.Y. Penal Law § 20.20 (1965) and Model Penal Code § 2.07 (1962). Id., Commentary at 1116 (Preliminary Report 1976).

[FN44]. See id.

[FN45]. See id.

[FN46]. Alaska Crim. Code Rev., Part 2 at 27-28 (Tentative Draft 1977). The Commentary explains this change: "[T]he considerations which support holding corporations liable for crimes apply equally to organizations which happen to be unincorporated. This conclusion is embodied in the Proposed Federal Criminal Code § 402 and the Revised Arkansas Criminal Code § 41-402." Id. at 37.

[FN47]. Id. at 36. The definition did not include "government" in the list of included entities; the legislature added that term in 1982. H.C.S. C.S.S.B. 535, 12th Leg., 2d Sess. (Alaska 1982).

[FN48]. See id. (emphasis in original) (explaining the Commission's intent in making this change was to "expand the principle of respondeat superior on an organization" under either scenario).

[FN49]. S.C.S. C.S.H.B. 661, 10th Leg., 2d Sess. (Alaska 1978).

[FN50]. See State v. ABC Towing, 954 P.2d 575, 577 (Alaska Ct. App. 1998).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN51]. Alaska Stat. §01.10.060(a)(8) (2006) ("'[P]erson' includes a corporation, company, partnership, firm, association, organization, business trust, or society, as well as a natural person.").

[FN52]. Alaska Stat. § 11.16.130 (2006).

[FN53]. 954 P.2d 575 (Alaska Ct. App. 1998).

[FN54]. See id. at 576-77.

[FN55]. See id.

[FN56]. Alaska Stat. § 11.81.900(b)(43) (2006). The definition does not include "sole proprietorship." The court of appeals interprets this omission to mean the legislature did not intend to expose such entities to criminal liability in their own right. To the contrary, a sole proprietorship is the alter ego of the sole proprietor and therefore any charges must be alleged against the sole proprietor in his or her individual capacity. ABC Towing, 954 P.2d at 577-78.

[FN57]. 1 William Mead Fletcher et al., Fletcher Cyclopedia of the Law of Private Corporations §§ 1-5 (rev. vol. 2006). The common law fostered this purpose; it did not expose organizations to criminal liability. N.Y. Cent. & Hudson River R.R. Co. v. United States, 212 U.S. 481, 492-93 (1909).

[FN58]. 467 F.2d 1000, 1006 (9th Cir. 1972) (internal citations omitted), cert. denied, 409 U.S. 1125 (1973). The court continued: "Moreover, the strenuous efforts of corporate defendants to avoid conviction, particularly under the Sherman Act, strongly suggests that Congress is justified in its judgment that exposure of the corporate entity to potential conviction may provide a substantial spur to corporate action to prevent violations by employees." Id.

[FN59]. See Steere Tank Lines, Inc. v. United States, 330 F.2d 719, 721 (5th Cir. 1963) ("It is now beyond doubt that a corporation may be held criminally liable.").

[FN60]. That this is the most typical mode of organizational criminal liability is not surprising. Most organizations, do not typically solicit, ratify, adopt criminal conduct, or fail to do something required by law. Alaska Stat. § 11.16.130(a)(1)(B)-(a)(2) (2006).

[FN61]. It was briefly commented on in a third case, Stock v. State, 526 P.2d 3 (Alaska 1974).

[FN62]. 954 P.2d 575 (Alaska Ct. App. 1998).

[FN63]. Id. at 579.

[FN64]. Id. at 577-78.

[FN65]. Further discussion regarding this holding is beyond the scope of this article. However, the author takes issue with the court's reasoning because it needlessly insulates sole proprietorships from criminal liability where one of its agents commits a wrong in furtherance of a business enterprise. The legislature should fix this omission by amending the "organization" definition to specifically include sole proprietorships. See supra note 60 and accompanying text.

[FN66]. 187 P.3d 499 (Alaska Ct. App. 2008).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN67]. Id. at 500.

[FN68]. Id.

[FN69]. Id. at 503-11. The district court also granted a motion for acquittal propounded by the captain of the Arctic Sunrise who had also been convicted. Id. The court of appeals affirmed as to the first count but reversed as to the second. Id.

[FN70]. Id. at 505.

[FN71]. "Stichting" is the Dutch word for "foundation." Id. at 500.

[FN72]. Id. at 501.

[FN73]. Id. at 504.

[FN74]. Id.

[FN75]. Id.

[FN76]. Id. at 505.

[FN77]. See id. at 504. The State further argued that Greenpeace, Inc., Greenpeace International, and SMS were all the same organization but were constructed as separate entities as part of a "shell game" to avoid liability. The court disagreed with this argument as well. Id.

[FN78]. Id. at 505.

[FN79]. See id. at 505-06; see also Alaska Stat. § 11.16.130(a)(1)(B) (2006).

[FN80]. Id. at 506.

[FN81]. Id. This was a somewhat curious conclusion considering the fact that Greenpeace, Inc.'s chief financial officer was on board the Arctic Sunrise at the time of the infractions.

[FN82]. See id. ("It was SMS, not Greenpeace, Inc., that hired and paid for the ship's agent in Portland.... [I]t was SMS's obligation to comply with regulatory requirements for the vessel.").

[FN83]. See Alaska Crim. R. 4(c)(2) (making service difficult by limiting the service of a summons to places "within the jurisdiction of the State of Alaska"); see also Alaska Stat. § 10.06.763 (2006) (service on foreign corporations); Alaska Stat. §10.20.046 (2006) (service on not-for-profit corporations); Alaska Stat. §10.40.130 (2006) (service on religious corporations); and Alaska Stat. §10.50.065 (2006) (service on limited liability companies). But see Alaska Stat. §§10.06.175(b), 06.765 (2006) (allowing the Alaska Commissioner of Commerce, Community and Economic Development to be served if a corporation fails to appoint or maintain a registered agent in the state).

[FN84]. In fact, Alaska's jurisdiction is quite broad. Under section 44.03.010 of the Alaska Statutes, state territorial jurisdiction extends to waters offshore and encompasses the "high seas" to the extent the United States exercises its jurisdiction. The Alaska Supreme Court has interpreted this provision broadly to include all ocean waters seaward of the Alaska coast. See State v. Jack, 125 P.3d 311, 315-16 (Alaska 2005) (allowing defendant to be prosecuted in Alaska for sexual assault that took place onboard

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

an Alaska Marine Highway ferry while in Canadian waters during a voyage between Alaska and Washington). Arguably, both entities would have sufficient contacts with the State of Alaska, based on the sailing and operation of the Arctic Sunrise in Alaska waters, to make them subject to the personal jurisdiction of a state court. See Int'l Shoe Co. v. Wash., 326 U.S. 310, 317-19 (1945) (holding contacts exist when the in-state activities of the corporation give rise to the liabilities at issue, or the corporation fails to satisfy obligations that exist due to its in-state activities); Kuk v. Nalley, 166 P.3d 47, 51 (Alaska 2007) (explaining that International Shoe and its progeny significantly broadened the understanding of personal jurisdiction).

[FN85]. See 954 P.2d 575, 577-79 (Alaska Ct. App. 1998). The ABC Towing decision is unsatisfying. Id. The court of appeals favorably compared sole proprietorships and partnerships--both are the alter egos of the proprietor or partners, both exist solely to carry out the business purpose for which they were created, and both are not common law "legal entities." Id. Nevertheless, the court interprets the definition of "organization" in a way that treats the two entities differently, i.e., partnerships can be prosecuted, sole proprietorships cannot. Id. The ruling is defensible from a statutory construction standpoint, but it is unsatisfactory from a public policy standpoint. The same policy arguments that support the prosecution of partnerships for criminal offenses apply to sole proprietorships. See id. There is no reason these entities should be treated differently.

[FN86]. See supra notes 63-81 and accompanying text.

[FN87]. See State v. Lee, 999 P.2d 755, 761 (Alaska 2000) (noting Alaska courts use federal Sherman Act cases to construe Alaska antitrust law); State v. Abbott, 498 P.2d 712, 717 (Alaska 1972) (holding where no Alaska cases are on point, court may rely on federal cases that discuss a similarly worded federal statute); Langfeldt-Haaland v. Saupe Enter., Inc., 768 P.2d 1144, 1147 (Alaska 1989) (Moore, J., dissenting) (noting Alaska courts rely on interpretations of federal rules when interpreting a similarly worded Alaska rule).

[FN88]. See, e.g., Braswell v. United States, 487 U.S. 99, 110 (1988) (citing Bellis v. United States, 417 U.S. 85, 90 (1974)).

[FN89]. Meyer v. Holley, 537 U.S. 280, 285 (2003); Burlington Indus., Inc. v. Ellerth, 524 U.S. 742, 756 (1998); see also N.Y. Cent. & Hudson R.R. v. United States, 212 U.S. 481, 494 (1909) ("[A] corporation is held responsible for acts not within the agent's corporate powers strictly construed, but which the agent has assumed to perform for the corporation when employing the corporate powers actually authorized, and in such cases there need be no written authority under seal or vote of the corporation in order to constitute the agency or to authorize the act.").

[FN90]. United States v. Philip Morris USA, Inc., 449 F. Supp. 2d 1, 892-93 (D.D.C. 2006) ("[I]f a corporate agent exercises the authority conferred upon him and performs an act within the course of his employment, the corporation is liable--even if the act was unlawful or was done contrary to instructions or policies, as long as the agent acted with an intent to benefit the corporation."); United States v. Cincotta, 689 F.2d 238, 241-42 (1st Cir. 1982) ('[C]riminal liability may be imposed on the corporation only where the agent is acting within the scope of his employment. That, in turn, requires that the agent be performing acts of the kind which he is authorized to perform, and those acts must be motivated--at least in part--by an intent to benefit the corporation.').

[FN91]. United States v. Hilton Hotels Corp., 467 F.2d 1000 (9th Cir. 1972); see also Bank of U.S. v. Deveaux, 9 U.S. (5 Cranch) 61 (1809); Louisville, Cincinnati & Charleston R.R. Co. v. Leston, 43 U.S. (2 How.) 497 (1844).

[FN92]. 467 F.2d 1000 (9th Cir. 1972).

[FN93]. Id. at 1002.

[FN94]. Id. at 1005.

[FN95]. Id. at 1007 (affirming trial court's ruling excluding a jury instruction that precluded criminal liability where the employee's acts were unauthorized by the corporation).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN96]. Id. ("The purchasing agent was authorized to buy all of appellant's supplies. Purchases were made on the basis of specifications, but the purchasing agent exercised complete authority as to the source. He was in a unique position to add the corporation's buying power to the force of the boycott. Appellant could not gain exculpation by issuing general instructions without undertaking to enforce those instructions by means commensurate with the obvious risks.").

[FN97]. In United States v. Potter, 463 F.3d 9 (1st Cir. 2006), the First Circuit squarely rejected an argument that a corporation might fend off liability by adopting abstract rules that no agent can make an unlawful price-fixing contract or that no driver may exceed the speed limit. Id. at 25-26 (citing United States v. Automated Med. Labs., Inc., 770 F.2d 399, 406 & n. 5 (4th Cir. 1985)). Thus, a corporation may be charged and convicted, even if there is a specific company directive forbidding the questioned acts. The court explained that this is simply an extension of familiar agency law principles: the principal is held liable for acts done on its account by an agent which are customarily actions the agent is authorized to perform. Potter, 463 F.3d at 26 (citing H. Reuschlein & Gregory, The Law of Agency and Partnership 167 (1990) (footnote omitted)).

The Fourth Circuit adopted very similar reasoning in United States v. Basic Constr. Co., wherein it rejected a corporation's attempt to insulate itself from liability using evidence that the corporation had expressly forbidden the conduct at issue. 711 F.2d 570, 573 (4th Cir. 1983), cert. denied, 464 U.S. 956 (1983).

The Restatement (Second) of Agency explains the general rule these decisions expound by way of an illustration: P directs the salesman in selling guns, never to insert a cartridge while exhibiting a gun. A, a salesman, does so, and negligently harms a bystander. Notwithstanding P's instructions otherwise, the salesman's act is within the scope of employment. Restatement (Second) of Agency § 230, illus. 1 (1958) (forbidden acts).

[FN98]. United States v. Beusch, 596 F.2d 871, 878 (9th Cir. 1979).

[FN99]. See, e.g., Basic Constr. Co., 711 F.2d at 572-73 (allowing a jury to consider a company's antitrust compliance policy in the prosecution of the company for Sherman Act antitrust violations by its employees who rigged bidding on state road paving contracts); Potter, 463 F.3d at 26 (allowing a jury to consider a company president's specific instructions to a subordinate not to make illegal payments in considering fraud charges against company who bribed a state representative).

[FN100]. 596 F.2d at 877.

[FN101]. Id.; see also Liu v. Republic of China, 892 F.2d 1419, 1428-29 (9th Cir. 1989) (having purpose to benefit the principal is required, rather than actual benefit, if agent's actions are to be imputed to the principal).

[FN102]. 770 F.2d 399 (4th Cir. 1985).

[FN103]. Id. at 407-08.

[FN104]. Id. at 407 (emphasis in original; internal citations omitted).

[FN105]. 307 F.2d 120 (5th Cir. 1962).

[FN106]. Id. at 129. The employees falsified documents related to shipments of oil through a pipeline. The employees personally profited by this deceit, but their employer, the owner of the oil, lost money. Id.

[FN107]. 909 P.2d 354 (Alaska 1996).

[FN108]. No. S-8368, 1999 WL 33958767 (Alaska Jan. 27, 1999).

[FN109]. 120 P.3d 1053 (Alaska 2005).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN110]. 1999 WL 33958767, at *2 (citing Los Ranchitos v. Tierra Grande, Inc., 861 P.2d 263 (N.M. App. 1993)).

[FN111]. 821 F.2d 844 (1st Cir. 1987).

[FN112]. Id. at 856 (internal citations omitted) (quoting United States v. T.I.M.E.-D.C., Inc., 381 F.Supp. 730, 738 (W.D. W. Va. 1974) ("[A] corporation cannot plead innocence by asserting that the information obtained by several employees was not acquired by any one individual who then would have comprehended its full import. Rather the corporation is considered to have acquired the collective knowledge of its employees and is held responsible for their failure to act accordingly.")).

[FN113]. See Riss & Co. v. United States, 262 F.2d 245, 250 (8th Cir. 1958); Inland Freight Lines v. United States, 191 F.2d 313, 315 (10th Cir. 1951); Camacho v. Bowling, 562 F. Supp. 1012, 1025 (N.D. Ill. 1983); United States v. T.I.M.E.-D.C., Inc., 381 F. Supp. 730, 738-39 (W.D. W. Va. 1974); United States v. Sawyer Transp., Inc., 337 F. Supp. 29 (D. Minn. 1971), aff'd, 463 F.2d 175 (8th Cir. 1972); People v. Am. Med. Ctrs. of Mich., Ltd., 324 N.W.2d 782, 793 (Mich. Ct. App. 1982); State v. Zeta Chi Fraternity, 696 A.2d 530, 535 (N.H. 1997). The author is unaware of any similar Alaska or Ninth Circuit cases.

[FN114]. H. Lowell Brown, Successor Corporate Criminal Liability: The Emerging Federal Common Law, 49 Ark. L. Rev. 469, 471 (1996) (citing Okla. Natural Gas Co. v. Okla., 273 U.S. 257, 259 (1927)).

[FN115]. Id.

[FN116]. 359 U.S. 271 (1959).

[FN117]. Id. at 271.

[FN118]. Id. at 272-73.

[FN119]. Id. at 272.

[FN120]. See id. at 272-74. The applicable Maryland statute provided that dissolution did not "'abate any pending suit or proceeding by or against the corporation.'" Id. at 273 (citing Flack's Md. Code Ann., art. 23, § 78(a) (1951)). The applicable Delaware statute provided that "any 'proceeding' begun by or against a corporation before or within three years after dissolution shall continue 'until any judgments, orders, or decrees therein shall be fully executed.'" Id. (citing Del. Code Ann. tit. 8, § 278 (1953)).

[FN121]. Id. at 273-74.

[FN122]. See, e.g., United States v. Mobile Materials, Inc., 776 F.2d 1476, 1479-80 (10th Cir. 1985) (holding Sherman Act and mail fraud prosecutions of Oklahoma corporation and partnership, both of which dissolved prior to their indictments, did not abate under Oklahoma statutory law); United States v. Polizzi, 500 F.2d 856, 906-09 (9th Cir. 1974) (Duniway, J., concurring) (noting that criminal charges against surviving corporation of a merger, formed when a former New York company merged into its New York parent corporation, that arose from the criminal conduct of the former subsidiary, did not abate under New York corporation law which contains a saving statute preserving claims against merged or consolidated corporations); United States v. San Diego Grocers Ass'n, Inc., 177 F. Supp. 352, 354-55 (C.D. Cal. 1959) (holding that Sherman Act prosecution against California corporations that dissolved before indictments were filed did not abate under California Code where Code contains section extending life of dissolved corporations for the purpose of defending actions against it); Commonwealth v. Lavelle, 555 A.2d 218, 230 (Pa. Super. Ct. 1989) (holding that state corruption prosecution against successor corporation did not abate under Pennsylvania law where there was a de facto merger or fraudulent transaction).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN123]. 973 P.2d 93 (Alaska 1999).

[FN124]. Id. at 94-95.

[FN125]. Id. at 94.

[FN126]. Id.

[FN127]. Id.

[FN128]. Id.

[FN129]. See id. at 95 n.4. (citing Hood Bros. Partners, L.P. v. USCO Distrib. Servs. Inc., 140 F.3d 1386, 1387-88 (11th Cir. 1998) (finding that a survival statute extended the life of a corporation for litigation purposes)).

[FN130]. Alaska Stat. § 10.06.678(a)-(b) (2006).

[FN131]. Gossman, 973 P.2d at 95-99. If Gossman were to obtain a judgment against Greatland, he could seek to recover the damages from Anadrill because Anadrill purchased all of Greatland's liabilities. Id. at 99.

[FN132]. 359 U.S. 271 (1959).

[FN133]. See Odom v. Lee, 999 P.2d 755, 761 (Alaska 2000) (Alaska courts use federal Sherman Act cases to construe Alaska antitrust law); see also State v. Abbott, 498 P.2d 712, 717 (Alaska 1972) (where no Alaska cases on point, court may rely on federal cases discussing similarly worded federal statute).

[FN134]. See United States v. Polizzi, 500 F.2d 856, 908 (9th Cir. 1974) (Duniway, J. concurring); People v. Boyce, 509 N.E.2d 776, 778 (Ill. App. 2d Dist. 1987); People v. Pymm Thermometer Corp., 591 N.Y.S.2d 459, 460 (N.Y. App. Div. 1992).

[FN135]. See Univ. of Alaska v. Thomas Architectural Products, Inc., 907 P.2d 448, 450 (Alaska 1995) (recognizing that Washington survival statutes supplant the common law rule of abatement and prolong the life of a corporation so that it can be sued); Hartwell v. State, 423 P.2d 282, 283 (Alaska 1967).

[FN136]. Gossman, 973 P.2d 95-99.

[FN137]. See id. Under Alaska law, corporations, prior to dissolution, must provide for their outstanding liabilities by purchasing liability insurance, setting aside assets, or having a successor assume its liabilities. Id. at 99 (citing §§Alaska Stat. 10.06.620(2), 06.668(1)). Anadrill had assumed all of Greatland's liabilities and this would include any judgment plaintiff Gossman obtained from his lawsuit. Id. The State would face a similar situation if it successfully prosecuted a dissolved corporation. Depending on how the corporation provided for its post-dissolution liabilities, the State may try to collect the penalties imposed against an insurance policy, against a successor corporation, or against a finite pool of assets set aside prior to the corporation's dissolution. In that final scenario, the assets might be insufficient, particularly if the corporation left numerous creditors, and the State could get stuck with a judgment it cannot collect (or not easily collect without some veil-piercing litigation).

[FN138]. Alaska Stat. §10.20.450 (2006).

[FN139]. Alaska Stat. §10.50.440 (2006).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN140]. Melrose Distillers, Inc. v. United States, 359 U.S. 271, 274 (1959) (holding that corporations cannot be sent to jail, they can only be fined).

[FN141]. Under section 12.55.035(c)(1) of the Alaska Statutes, an organization can be fined up to a million dollars for felony offenses or misdemeanor offenses that result in death, up to two hundred thousand dollars for Class A misdemeanor offenses, up to twenty five thousand dollars for Class B misdemeanor offenses, and up to ten thousand dollars for violations. Alternatively, greater fines can be imposed under sections 12.55.035(c)(2) or (3) of the Alaska Statutes, which allow for fines up to three times the pecuniary gain realized, or three times the damages caused by the offense.

[FN142]. Alaska Stat. §12.55.035(e) (2006).

[FN143]. The court considers a defendant's prospects for rehabilitation, the need to confine or isolate the defendant to prevent further public harm, the extent to which the sentence to be imposed will deter the defendant as well as other members of the community from future criminal conduct, and the extent to which the sentence will reaffirm societal norms or the community's condemnation of the conduct. See Alaska Stat. § 12.55.005; State v. Chaney, 477 P.2d 441, 443 (Alaska 1970).

[FN144]. Defense attorneys commonly argue that the State should not seek the full measure of fines authorized by section 12.35.055 of Alaska Statutes because doing so would preclude the organization from devoting resources to correct the problem that led to the violation, or to pay restitution. This is a fair argument in many instances.

[FN145]. Probation is imposed by the sentencing court and can be up to ten years. Alaska Stat. § 12.55.090(c) (2006).

[FN146]. In response to Congressional oversight hearings regarding the mismanagement of federal contracts, the Office of Management and Budget developed a government-wide debarment and suspension system in the early 1980s. See Brief History of EPA's Debarment Program, http:// www.epa.gov/ogdunix1/sdd/history.htm (last visited Oct. 9, 2008).

[FN147]. The EPA is statutorily required to debar companies convicted of violations of section 508 of the Clean Water Act or section 306 of the Clean Air Act. The EPA also has the discretionary authority to suspend or debar companies based on indictments, information or adequate evidence involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. See Suspension and Debarment Program, http://www.epa.gov/ogdunix1/sdd/debarment.htm (last visited Oct. 10, 2008.) Other executive branch agencies also have the authority to suspend and debar.

[FN148]. Based on the Author's anecdotal observations that the federal government is very active in Alaska and therefore contracts with many Alaskan companies for services and products.

[FN149]. While the state has legislative authority to debar entities, it rarely does so. State debarment is controlled by sections 36.30.635-36.30.685 of the Alaska Statutes. The grounds for debarment are set out in section 36.30.640 of the Alaska Statutes and include a broad range of unethical or fraudulent conduct. Nevertheless, these consequences are rarely, if ever, invoked. In response to an inquiry to the Alaska Department of Law, the Department told the Author of only one state suspension or debarment matter. In the Author's view, the State, by failing to more proactively utilize its debarment authority, forgoes a powerful deterrence tool.

[FN150]. Communities can elect to ban the sale or possession of alcohol. Alaska Stat. § 4.11.491 (2006).

[FN151]. The Alaska Statutes criminalize such conduct. Alaska Stat. §§ 4.11.499, 16.200(e) (2006).

[FN152]. Significantly, the plane used to illegally transport the alcohol could be subject to forfeiture. Alaska Stat. §

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

4.16.220(a)(3) (2006).

[FN153]. This presumes the agent does not have a personal Fifth Amendment right to assert.

[FN154]. 450 F.3d 46 (1st Cir. 2006).

[FN155]. 487 U.S. 99 (1988).

[FN156]. 450 F.3d at 49-50 (holding that the Fifth Amendment privilege is a personal privilege enjoyed only by individuals). The Fifth Amendment's privilege "'is designed to prevent the use of legal process to force from the lips of the accused individual the evidence necessary to convict him or to force him to produce and authenticate any personal documents or effects that might incriminate him.'" Id. (quoting United States v. White, 322 U.S. 694, 698 (1944)). This is true even if the records incriminate the custodian personally. Id. (citing Bellis v. United States, 417 U.S. 85, 88 (1974)).

[FN157]. 718 P.2d 962, 967-68 (Alaska 1986).

[FN158]. See id. at 968.

[FN159]. Id. ("While we are not limited by the federal courts in interpreting our own constitution, in this instance we are not persuaded by [the appellant's] arguments to interpret the Alaska self-incrimination provision more broadly than the federal courts have construed the fifth amendment.").

[FN160]. See also United States v. Petraia Mar., Ltd., 489 F. Supp. 2d 90, 94-99 (D. Me. 2007) (discussing the analogous provision under the federal rules).

[FN161]. See Klawock Heenya Corp. v. Dawson Constr., 778 P.2d 219, 220 (Alaska 1989) (the exclusion covers statements that "merely 'concern' the employee's duties" (citations omitted)).

[FN162]. The rule provides, "[i]f a defendant corporation fails to appear after being duly summoned, a plea of not guilty shall be entered by the court if the court is empowered to try the offense for which the summons was issued and the court may proceed to trial and judgment without further process." Alaska R. Crim. Proc. 4(a)(3). The rule does not define "corporation" and the author is not aware of any case that interprets this rule. Admittedly, a court could interpret "corporation" to be narrower than the term "organization" as it is used in section 11.16.130 (2006) of the Alaska Statutes. It is therefore unclear whether other types of organizations could be tried in absentia.

[FN163]. Alaska Pattern Jury Instruction 1.07, "Evaluation of Evidence," is one such example. It instructs jurors "not be influenced by sentiment, prejudice, passion or public opinion" in evaluating the evidence. Criminal Pattern Jury Instruction Committee, Pattern Jury Instruction 1.07, available at http://www.state.ak.us/courts/ins/1.07.doc.

[FN164]. This is true notwithstanding Alaska Pattern Jury Instruction 1.48, "Corporate Defendant," which instructs juries not to treat a corporate defendant any differently than it would an individual defendant. Criminal Pattern Jury Instruction Committee, Pattern Jury Instruction 1.48, available at http://www.state.ak.us/courts/ins/1.48.doc.

[FN165]. To be sure, if such options exist, defense counsel will suggest it to the prosecution.

[FN166]. This list is not exhaustive or universally applicable. Depending on the circumstances, other factors not listed may be relevant and some listed factors may be irrelevant.

[FN167]. A sentencing court may suspend criminal fines for the period of probation. Alaska Stat. §§12.55.080, 12.55.090

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

(2006). Such "suspended fines" are used as a "hammer" to force a defendant to comply with the conditions of probation the court imposes. If, during the probation period, the defendant does not comply with these conditions, the prosecution can petition the sentencing court to revisit the sentence and impose all or a portion of the sentence that was suspended. Those determinations are made by the trial judge pursuant to a preponderance of the evidence standard. See Wallace v. State, 829 P.2d 1208, 1210 (Alaska Ct. App. 1992); Andrew v. State, 835 P.2d 1251, 1254 (Alaska Ct. App. 1992).

[FN168]. Alaska Stat. §4.16.051 (2006).

[FN169]. As explained supra Part IV.A, organizations do not have Fifth Amendment protection and may be compelled to make statements against their interest.

[FN170]. These defendants were prosecuted as codefendants under case numbers 3DI-07-016CR, 3DI-07-017CR, 3DI-07-018CR, 3DI-07-019CR, respectively (Alaska Dist. Ct. information filed Jan. 5, 2007).

[FN171]. Information at 7, State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Nov. 26, 2007).

[FN172]. Id. at 18.

[FN173]. Id.

[FN174]. Id. at 4, 7-8.

[FN175]. Id. at 7-10 .

[FN176]. Id.

[FN177]. Id. at 15.

[FN178]. Id. at 17.

[FN179]. Id.

[FN180]. Id. at 18.

[FN181]. See Alaska Admin. Code tit. 18, § 34.030 (2006); Alaska Stat. § 17.20.305 (2006).

[FN182]. See Alaska Stat. § 17.20.305 (2006).

[FN183]. Information at 1-2, State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Nov. 26, 2007).

[FN184]. State v. Jeremy Oliver, 3DI-07-015CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007); State v. Wild Alaska Seafood, LLC, 3DI-07-016CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007); State v. Strategica Imp.-Exp. Fin. Group, 3DI-07-017CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007).

[FN185]. State v. Oliver, 3DI-07-015CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007); State v. Wild Alaskan Seafood Co., LLC, 3DI-07-016CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007).

[FN186]. Information at 8-11, State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Nov. 26, 2007).

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

[FN187]. Though Oliver had few assets, there was a financial interest that the Author suspects prompted Oliver to plea the case on his behalf and on behalf of Wild Alaskan Seafood Company. When Oliver formed that company, he included his father Michael, a real estate agent in California, as a member. Information at 7, State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Nov. 26, 2007). Oliver's father had assets and was troubled about his potential financial exposure for the company's liabilities. The father signed off on the plea agreement for Wild Alaskan Seafood Company on the understanding that he would not be a prosecution target and would most likely not have to personally satisfy the restitution judgment entered against Wild Alaskan Seafood Company. Michael Oliver Aff., State v. Wild Alaska Seafood, LLC, 3DI-07-016CR.

[FN188]. State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Alaska Dist. Ct. judgment entered Nov. 26, 2007). Strategica's restitution was paid up-front. The plea agreement required Strategica to pay the total restitution amount prior to the company's change of plea and sentencing. Id.

[FN189]. State v. Enis, 3DI-07-019CR (Alaska Dist. Ct. dismissal signed Nov. 23, 2007).

[FN190]. Both Enis and Strategica warranted prosecution for the same reasons. The discussion herein is limited to Strategica because of the focus of this article on organizational criminal liability.

[FN191]. Salmon processing is by its very nature a risky undertaking. Catches, and the market, vary from year to year and can always be impacted by factors--fish counts, weather events, economic uncertainties--that are beyond anyone's control.

[FN192]. Information at 6-8, 11, State v. Strategica Imp.-Exp. Fin. Group, LLC, 3DI-07-018CR (Nov. 26, 2007).

[FN193]. Id. at 18.

[FN194]. Id. at 8.

[FN195]. See, e.g., Press Release, Sarah Palin, Governor, State of Alaska, Palin Asks for Changes to Fish Farm Proposal (Apr. 4, 2007), available at http://gov.state.ak.us/archive-51004.html.

[FN196]. For example, in pollution cases, resolutions often require defendant companies to implement environmental compliance management systems-- detailed plans that dictate the specific procedures and safety measures the company is required to implement for a period of time. These compliance agreements are typically more stringent than any planning or contingency plan requirements imposed by statute or regulation. In other words, to resolve the criminal charges, organizations will agree to be far more proactive in guarding against future infractions. Such agreements are not only helpful, but also provide good publicity for both the organization and the prosecution.

25 Alaska L. Rev. 175

END OF DOCUMENT

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

HB

356

<target><bill>HB 356</bill><subject>HB
356</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT
House Bill 356
"An Act making a special appropriation to the transportation infrastructure fund; and providing for an effective date."

HB 356 will appropriate $1,000,000,000 to the Alaska Transportation Infrastructure Fund (ATIF). In addition it will receive the revenue generated from fuel tax and vehicle registration. There are a number of issues that are affecting our statewide transportation systems adversely and justify the existence of this fund. A large seed amount is necessary because Alaska currently has a $16,000,000,000 backlog in transportation projects and $763,000,000 in deferred maintenance according to DOT.

The fund will provide 6% POMV on June 30th every year as well as 50% of the revenue earned from fuel and vehicle registration taxes for appropriation. It will be the responsibility of Department of Revenue to invest the fund consistent with using 6% POMV per year.

In FY10 87% of our transportation budget came from the federal government. The current federal reauthorization legislation has already expired and is being extended month to month until new legislation can be passed. The new federal reauthorization bill is unfavorable for states with small populations by emphasizing mass transit and green transportation. There aren't enough cars on the road, people on the ferries or residents landing at our airports to generate the economy of scale that is needed under the proposed new reauthorization.

The roads, bridges, airports, ferries and transit systems that make up our state's transportation system are essential to mobility, commerce and economic development. This system enhances economic competitiveness, increases safety and enhances quality of life. To ensure Alaska has the infrastructure necessary to develop our resources as well as provide a quality of life for its citizens we must commit to funding transportation.

26-LS1500\A

4/2/2010

Available Funds for Appropriation from ATIF

Developed by DOR

Assumes 40 Million annual fuel tax, 36 Million annual vehicle tax, and annual growth rate of 6%.
Mgt fees based on ending balance
First 5 yrs appropriations are average of previous years as stated in HB329

		Senario 1						Senario 2							
		$ generating earnings	Earnings	ttl dep	Yearly Approp	ending bal	mgt fees	$ generating earnings	Earnings	ttl dep	Yearly Approp	ending bal	mgt fees	1/2 of fuel tax	Total approp
Year 0	July 1, 2010			1,000,000		1,000,000				1,000,000		1,000,000			
Year 1	FY 2011	1,038,000	62,280	76,000		1,138,280	(455)	1,019,000	61,140	38,000		1,099,140	(439.7)		
Year 2	FY 2012	1,175,825	70,549	76,000	(56,914)	1,227,460	(491)	1,117,700	67,062	38,000	(54,957)	1,148,805	(459.5)	38,000	92,957
Year 3	FY 2013	1,264,969	75,898	76,000	(59,144)	1,319,724	(528)	1,167,346	70,041	38,000	(56,199)	1,200,188	(480.1)	38,000	94,199
Year 4	FY 2014	1,357,196	81,432	76,000	(61,424)	1,415,203	(566)	1,218,708	73,122	38,000	(57,469)	1,253,361	(501.3)	38,000	95,469
Year 5	FY 2015	1,452,637	87,158	76,000	(63,758)	1,514,037	(606)	1,271,860	76,312	38,000	(58,769)	1,308,403	(523.4)	38,000	96,769
Year 6	FY 2016	1,551,431	93,086	76,000	(66,147)	1,616,370	(647)	1,326,880	79,613	38,000	(60,099)	1,365,393	(546.2)	38,000	98,099
Year 7	FY 2017	1,653,724	99,223	76,000	(85,114)	1,705,834	(682)	1,383,847	83,031	38,000	(75,314)	1,410,564	(564.2)	38,000	113,314
Year 8	FY 2018	1,743,151	104,589	76,000	(90,854)	1,794,886	(718)	1,429,000	85,740	38,000	(78,455)	1,455,285	(582.1)	38,000	116,455
Year 9	FY 2019	1,832,168	109,930	76,000	(96,556)	1,883,543	(753)	1,473,703	88,422	38,000	(81,516)	1,499,609	(599.8)	38,000	119,516
Year 10	FY 2020	1,920,789	115,247	76,000	(102,176)	1,971,860	(789)	1,518,009	91,081	38,000	(84,471)	1,543,619	(617.4)	38,000	122,471
Year 11	FY 2021	2,009,072	120,544	76,000	(107,670)	2,059,946	(824)	1,562,001	93,720	38,000	(87,294)	1,587,428	(635.0)	38,000	125,294
Year 12	FY 2022	2,097,122	125,827	76,000	(112,993)	2,147,957	(859)	1,605,793	96,348	38,000	(89,958)	1,631,182	(652.5)	38,000	127,958
Year 13	FY 2023	2,185,097	131,106	76,000	(118,298)	2,235,905	(894)	1,649,530	98,972	38,000	(92,605)	1,674,896	(670.0)	38,000	130,605
Year 14	FY 2024	2,273,011	136,381	76,000	(123,591)	2,323,801	(930)	1,693,226	101,594	38,000	(95,241)	1,718,579	(687.4)	38,000	133,241
Year 15	FY 2025	2,360,871	141,652	76,000	(128,874)	2,411,650	(965)	1,736,892	104,213	38,000	(97,868)	1,762,237	(704.9)	38,000	135,868
Year 16	FY 2026	2,448,685	146,921	76,000	(134,151)	2,499,455	(1,000)	1,780,532	106,832	38,000	(100,492)	1,805,872	(722.3)	38,000	138,492
Year 17	FY 2027	2,536,455	152,187	76,000	(139,425)	2,587,218	(1,035)	1,824,149	109,449	38,000	(103,113)	1,849,485	(739.8)	38,000	141,113
Year 18	FY 2028	2,624,183	157,451	76,000	(144,696)	2,674,937	(1,070)	1,867,745	112,065	38,000	(105,733)	1,893,077	(757.2)	38,000	143,733
Year 19	FY 2029	2,711,867	162,712	76,000	(149,965)	2,762,615	(1,105)	1,911,320	114,679	38,000	(108,351)	1,936,648	(774.7)	38,000	146,351
Year 20	FY 2030	2,799,510	167,971	76,000	(155,230)	2,850,250	(1,140)	1,954,874	117,292	38,000	(110,968)	1,980,198	(792.1)	38,000	148,968
					1,996,980										2,320,871

4/2/2010

Captial Appropriations for DOT/PF

Prepared by DOT/PF

	FY04	FY05	FY06	FY07 *	FY08 *	FY09 *	FY10
General Funds	58,761.6	750.0	56,657.0	398,724.6	182,610.2	84,551.7	35,601.8
Federal Receipts	686,497.6	1,101,071.0	757,030.7	1,085,319.3	600,714.8	904,118.1	744,282.5
Other Funds (IARF, HWCF, SDPR, NTSC,etc)	158,473.5	84,038.1	264,847.0	235,529.5	100,793.0	436,392.7	87,672.4
Total	903,732.7	1,185,859.1	1,078,534.7	1,719,573.4	884,118.0	1,425,062.4	867,556.7
				includes '07 funds in FY08	includes '08 funds in FY09	includes '09 funds in FY10	

* FY07-FY09 includes supplementals & RPLs
FY09 includes ARRA funds and GO Bond funds

Source: Legislative Finance Capital reports reconciled w/program development historical tracking

Prepared: 8/20/09

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Department of Transportation & Public Facilities Ten Year Expenditure Plan

Mission: ***Provide for the safe movement of people and goods and the delivery of State services.***

Department priority programs define the three operational aspects of meeting our mission and cross all programs within the department.

Maintenance & Operations of State Transportation Systems is important to the safety of public use of the state's transportation systems; supports economic development in terms of travel industry, general public, and commercial vehicle transportation, etc.

Measurement Standards/Commercial Vehicle Enforcement reduces the risk of accidents or road damage from unsafe commercial vehicles and/or loads.

Transportation & Facilities Construction Program provides the planning and management of construction projects across the department. This includes major repair and rehabilitation of all transportation modes, and state owned facilities, operated and maintained by the State of Alaska.

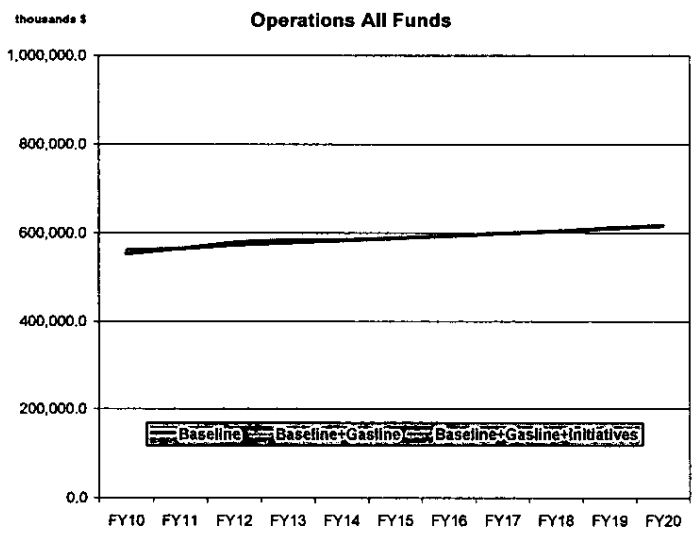
Transportation systems include Airports, Alaska Marine Highway System, Highways, Ports and Harbors, State Equipment Fleet, and related Public Facilities.

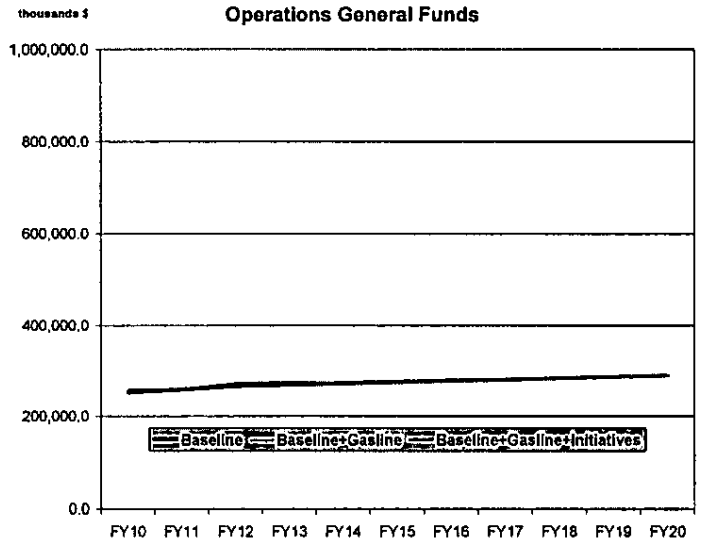
The following document provides an estimate of the Department's anticipated budget changes over the next ten years. These estimates are based on information known at the time and many variables can impact current and out-year projections. For instance, the uncertainty involved in projecting federal project funding streams for major capital programs is still unknown at this time. This is a major area of capital funding for the department and can make a significant difference in how a ten-year view will look. As a result, the assumptions and numbers that make up the following plan will continue to change as new information becomes available.

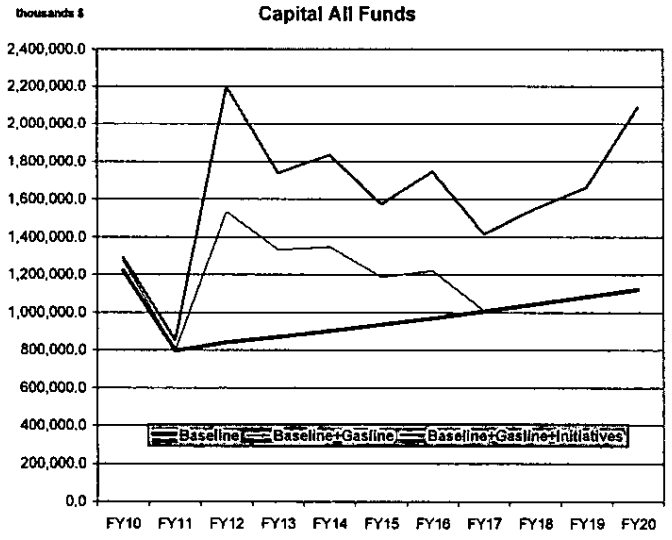
Information on assumptions that were used in developing this plan is included in this packet following the ten year projection.

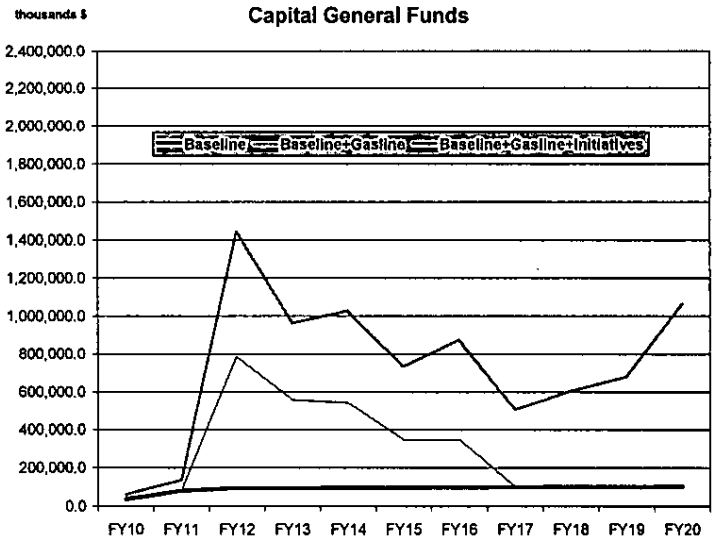
Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities



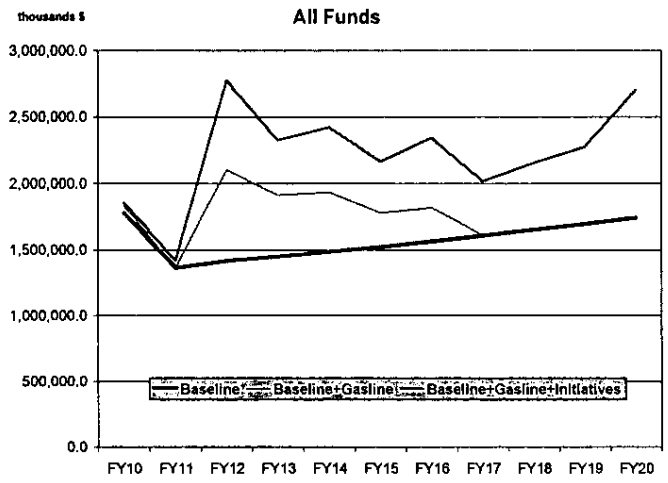


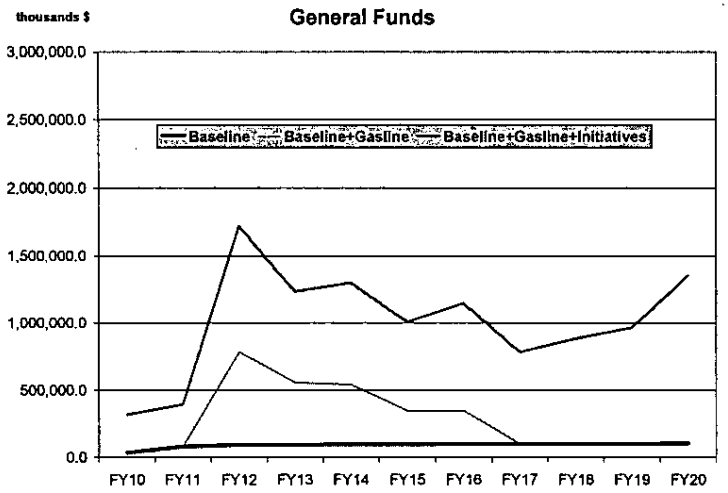




Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities





Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Baseline Budget Growth 1/

(thousands $)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	1,773,944.4	1,364,123.3	1,414,562.7	1,450,623.8	1,486,047.2	1,525,886.0	1,564,194.9	1,607,031.1	1,648,453.9	1,694,524.9	1,739,309.1
General Fund	265,730.7	293,232.4	310,962.8	313,093.4	316,317.0	319,636.6	323,054.9	326,575.0	330,200.0	333,933.2	337,778.8
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,067,343.6	677,650.8	704,634.6	732,696.9	761,880.8	792,231.2	823,794.7	856,619.8	890,757.0	926,258.7	963,179.4
Other State Funds	418,086.6	347,430.1	348,763.0	354,223.0	356,814.5	362,541.9	365,410.0	371,423.5	374,587.6	380,907.3	384,388.2
Operations	553,641.8	565,073.8	574,147.3	578,947.7	583,880.1	588,948.1	594,155.6	599,506.2	605,004.0	610,653.0	616,458.3
General Fund	252,912.4	258,682.4	266,590.8	269,166.5	271,813.1	274,532.5	277,326.6	280,197.6	283,147.5	286,178.6	289,294.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	296,571.2	302,168.3	303,266.7	305,422.9	307,638.4	309,914.7	312,253.7	314,657.0	317,126.4	319,663.7	322,270.8
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	553,641.8	565,073.8	574,147.3	578,947.7	583,880.1	588,948.1	594,155.6	599,506.2	605,004.0	610,653.0	616,458.3
General Fund	252,912.4	258,682.4	266,590.8	269,166.5	271,813.1	274,532.5	277,326.6	280,197.6	283,147.5	286,178.6	289,294.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	296,571.2	302,168.3	303,266.7	305,422.9	307,638.4	309,914.7	312,253.7	314,657.0	317,126.4	319,663.7	322,270.8
Capital	1,220,302.6	799,049.5	840,415.5	871,676.1	902,167.1	936,937.8	970,039.3	1,007,524.9	1,043,449.9	1,083,871.9	1,122,850.8
General Fund	12,818.3	34,550.0	44,372.0	43,926.9	44,504.0	45,104.1	45,728.3	46,377.4	47,052.5	47,754.6	48,484.8
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,063,185.4	673,427.7	700,344.8	728,338.6	757,452.1	787,730.2	819,219.4	851,968.2	886,026.9	921,448.0	958,285.9
Other State Funds	121,515.4	45,261.8	45,496.3	48,800.1	49,176.1	52,627.2	53,156.3	56,766.5	57,461.2	61,243.6	62,117.4

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.
See detailed assumptions

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Gasline Related Budget Growth

(thousands $)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	53,490.0	0.0	688,950.0	463,700.0	446,630.0	250,914.1	250,000.0	0.0	0.0	0.0	0.0
General Fund	10,000.0	0.0	688,950.0	463,700.0	446,630.0	250,914.1	250,000.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	43,490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital	53,490.0	0.0	688,950.0	463,700.0	446,630.0	250,914.1	250,000.0	0.0	0.0	0.0	0.0
General Fund	10,000.0	0.0	688,950.0	463,700.0	446,630.0	250,914.1	250,000.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	43,490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

See detailed assumptions

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Initiatives (Except Gasline)

(thousands $)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	28,425.6	25,280.1	696,627.1	410,811.8	488,333.9	388,921.2	527,734.5	410,226.6	507,419.8	581,560.1	965,022.6
General Fund	21,027.5	24,713.0	693,137.2	407,808.3	485,251.9	385,757.8	524,486.7	407,091.3	504,193.5	578,239.6	961,604.2
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,430.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	2,968.1	567.1	3,489.9	3,003.5	3,082.0	3,163.4	3,247.8	3,135.4	3,226.2	3,320.5	3,418.4
Operations	8,438.2	1,017.1	6,179.2	6,151.6	1,331.3	1,234.0	1,134.0	1,031.3	925.7	817.3	858.8
General Fund	5,470.1	450.0	4,889.4	4,908.1	71.7	-42.0	-158.9	-279.1	-402.6	-529.3	-506.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	2,968.1	567.1	1,289.9	1,243.5	1,259.6	1,276.1	1,293.0	1,310.4	1,328.3	1,346.6	1,365.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	8,438.2	1,017.1	6,179.2	6,151.6	1,331.3	1,234.0	1,134.0	1,031.3	925.7	817.3	858.8
General Fund	5,470.1	450.0	4,889.4	4,908.1	71.7	-42.0	-158.9	-279.1	-402.6	-529.3	-506.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	2,968.1	567.1	1,289.9	1,243.5	1,259.6	1,276.1	1,293.0	1,310.4	1,328.3	1,346.6	1,365.5
Capital	19,987.4	24,263.0	690,447.9	404,660.2	487,002.6	387,687.2	526,600.4	409,195.3	506,494.1	580,742.8	964,163.8
General Fund	15,557.4	24,263.0	688,247.9	402,900.2	485,180.2	385,799.9	524,645.6	407,370.3	504,596.1	578,768.9	962,110.9
General Fund Match											
Federal Funds	4,430.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	2,200.0	1,760.0	1,822.4	1,887.3	1,954.8	1,825.0	1,898.0	1,973.9	2,052.9

See detailed assumptions

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Baseline plus Gasline plus Initiatives

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	1,855,860.0	1,389,403.4	2,800,139.8	2,325,135.6	2,421,011.1	2,165,721.3	2,341,929.4	2,017,257.8	2,155,873.7	2,276,085.0	2,704,331.7
General Fund	296,758.2	317,945.4	1,693,050.0	1,184,601.7	1,248,198.9	956,308.5	1,097,541.6	733,666.3	834,393.6	912,172.8	1,299,383.0
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,115,263.6	677,650.8	704,634.6	732,696.9	761,880.8	792,231.2	823,794.7	856,619.8	890,757.0	926,258.7	963,179.4
Other State Funds	421,054.7	347,997.2	352,252.9	357,226.6	359,896.5	365,705.3	368,657.8	374,558.9	377,813.8	384,227.9	387,806.5
Operations	562,080.0	566,090.9	580,326.5	585,099.3	585,211.4	590,182.2	595,289.6	600,537.5	605,929.7	611,470.3	617,317.1
General Fund	258,382.5	259,132.4	271,480.1	274,074.6	271,884.8	274,490.4	277,167.7	279,918.5	282,745.0	285,649.3	288,787.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	299,539.3	302,735.4	304,556.6	306,666.4	308,897.9	311,190.8	313,546.7	315,967.4	318,454.7	321,010.4	323,636.3
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	562,080.0	566,090.9	580,326.5	585,099.3	585,211.4	590,182.2	595,289.6	600,537.5	605,929.7	611,470.3	617,317.1
General Fund	258,382.5	259,132.4	271,480.1	274,074.6	271,884.8	274,490.4	277,167.7	279,918.5	282,745.0	285,649.3	288,787.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	299,539.3	302,735.4	304,556.6	306,666.4	308,897.9	311,190.8	313,546.7	315,967.4	318,454.7	321,010.4	323,636.3
Capital	1,293,780.0	823,312.5	2,219,813.3	1,740,036.3	1,835,799.7	1,575,539.1	1,746,639.8	1,416,720.2	1,549,944.0	1,664,614.7	2,087,014.6
General Fund	38,375.7	58,813.0	1,421,569.9	910,527.1	976,314.1	681,818.1	820,373.9	453,747.8	551,648.6	626,523.5	1,010,595.7
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,111,105.4	673,427.7	700,344.8	728,338.6	757,452.1	787,730.2	819,219.4	851,968.2	886,026.9	921,448.0	958,285.9
Other State Funds	121,515.4	45,261.8	47,696.3	50,560.1	50,998.5	54,514.5	55,111.0	58,591.5	59,359.1	63,217.5	64,170.2

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Baseline plus Initiatives

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	1,802,370.0	1,389,403.4	2,111,189.8	1,861,435.6	1,974,381.1	1,914,807.2	2,091,929.4	2,017,257.8	2,155,873.7	2,276,085.0	2,704,331.7
General Fund	286,758.2	317,945.4	1,004,100.0	720,901.7	801,568.9	705,394.4	847,541.6	733,666.3	834,393.6	912,172.8	1,299,383.0
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,071,773.6	677,650.8	704,634.6	732,696.9	761,880.8	792,231.2	823,794.7	856,619.8	890,757.0	926,258.7	963,179.4
Other State Funds	421,054.7	347,997.2	352,252.9	357,226.6	359,896.5	365,705.3	368,657.8	374,558.9	377,813.8	384,227.9	387,806.5
Operations	562,080.0	566,090.9	580,326.5	585,099.3	585,211.4	590,182.2	595,289.6	600,537.5	605,929.7	611,470.3	617,317.1
General Fund	258,382.5	259,132.4	271,480.1	274,074.6	271,884.8	274,490.4	277,167.7	279,918.5	282,745.0	285,649.3	288,787.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	299,539.3	302,735.4	304,556.6	306,666.4	308,897.9	311,190.8	313,546.7	315,967.4	318,454.7	321,010.4	323,636.3
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	562,080.0	566,090.9	580,326.5	585,099.3	585,211.4	590,182.2	595,289.6	600,537.5	605,929.7	611,470.3	617,317.1
General Fund	258,382.5	259,132.4	271,480.1	274,074.6	271,884.8	274,490.4	277,167.7	279,918.5	282,745.0	285,649.3	288,787.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	299,539.3	302,735.4	304,556.6	306,666.4	308,897.9	311,190.8	313,546.7	315,967.4	318,454.7	321,010.4	323,636.3
Capital	1,240,290.0	823,312.5	1,530,863.3	1,276,336.3	1,389,169.7	1,324,625.0	1,496,639.8	1,416,720.2	1,549,944.0	1,664,614.7	2,087,014.6
General Fund	28,375.7	58,813.0	732,619.9	446,827.1	529,684.1	430,904.0	570,373.9	453,747.8	551,648.6	626,523.5	1,010,595.7
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,067,615.4	673,427.7	700,344.8	728,338.6	757,452.1	787,730.2	819,219.4	851,968.2	886,026.9	921,448.0	958,285.9
Other State Funds	121,515.4	45,261.8	47,696.3	50,560.1	50,998.5	54,514.5	55,111.0	58,591.5	59,359.1	63,217.5	64,170.2

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

Baseline plus Gasline

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	1,827,434.4	1,364,123.3	2,103,512.7	1,914,323.8	1,932,677.2	1,776,800.1	1,814,194.9	1,607,031.1	1,648,453.9	1,694,524.9	1,739,309.1
General Fund	275,730.7	293,232.4	999,912.8	776,793.4	762,947.0	570,550.7	573,054.9	326,575.0	330,200.0	333,933.2	337,778.8
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,110,833.6	677,650.8	704,634.6	732,696.9	761,880.8	792,231.2	823,794.7	856,619.8	890,757.0	926,258.7	963,179.4
Other State Funds	418,086.6	347,430.1	348,763.0	354,223.0	356,814.5	362,541.9	365,410.0	371,423.5	374,587.6	380,907.3	384,388.2
Operations	553,641.8	565,073.8	574,147.3	578,947.7	583,880.1	588,948.1	594,155.6	599,506.2	605,004.0	610,653.0	616,458.3
General Fund	252,912.4	258,682.4	266,590.8	269,166.5	271,813.1	274,532.5	277,326.6	280,197.6	283,147.5	286,178.6	289,294.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	296,571.2	302,168.3	303,266.7	305,422.9	307,638.4	309,914.7	312,253.7	314,657.0	317,126.4	319,663.7	322,270.8
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	553,641.8	565,073.8	574,147.3	578,947.7	583,880.1	588,948.1	594,155.6	599,506.2	605,004.0	610,653.0	616,458.3
General Fund	252,912.4	258,682.4	266,590.8	269,166.5	271,813.1	274,532.5	277,326.6	280,197.6	283,147.5	286,178.6	289,294.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	4,158.2	4,223.1	4,289.8	4,358.3	4,428.6	4,501.0	4,575.3	4,651.6	4,730.0	4,810.6	4,893.5
Other State Funds	296,571.2	302,168.3	303,266.7	305,422.9	307,638.4	309,914.7	312,253.7	314,657.0	317,126.4	319,663.7	322,270.8
Capital	1,273,792.6	799,049.5	1,529,365.5	1,335,376.1	1,348,797.1	1,187,851.9	1,220,039.3	1,007,524.9	1,043,449.9	1,083,871.9	1,122,850.8
General Fund	22,818.3	34,550.0	733,322.0	507,626.9	491,134.0	296,018.2	295,728.3	46,377.4	47,052.5	47,754.6	48,484.8
General Fund Match	22,783.5	45,810.0	50,202.4	50,610.5	51,034.9	51,476.3	51,935.4	52,412.8	52,909.3	53,425.7	53,962.7
Federal Funds	1,106,675.4	673,427.7	700,344.8	728,338.6	757,452.1	787,730.2	819,219.4	851,968.2	886,026.9	921,448.0	958,285.9
Other State Funds	121,515.4	45,261.8	45,496.3	48,800.1	49,176.1	52,627.2	53,156.3	56,766.5	57,461.2	61,243.6	62,117.4

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

BASELINE BUDGET GROWTH (CASE 1)

shown in thousands	COMMENTS	Fund source	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
OPERATING BUDGET ASSUMPTIONS			$0.0	$7,538.9	$12,107.7	$12,392.6	$12,685.3	$12,986.2	$13,295.2	$13,612.8	$13,939.2	$14,274.4	$14,619.0
EEO/CR admin position time status change		GF		$24.5	$24.5	$24.5	$24.5	$24.5	$24.5	$24.5	$24.5	$24.5	$24.5
CR Support Svcs - OTI Reverse EPA Enforcement Actions Sec. 28e, Ch 11, SLA 08 p105 L29 (SB 256)		GF		-$173.9	-$173.9	-$173.9	-$173.9	-$173.9	-$173.9	-$173.9	-$173.9	-$173.9	-$173.9
Rural airport leasing revenues for Bethel Airport (I/A)		Other		$88.0	$88.0	$88.0	$88.0	$88.0	$88.0	$88.0	$88.0	$88.0	$88.0
Stwd Aviation travel for inspections, and property management (RSS)		Other		$20.0	$20.6	$21.1	$21.7	$22.3	$22.9	$23.5	$24.2	$24.8	$25.5
Stwd Aviation legal fees -Willow/Unalaska Float Plane Facilities	new in FY10 supp	GF		$50.0	$51.4	$52.8	$54.2	$55.7	$57.3	$58.8	$60.5	$62.1	$63.8
Stwd Aviation contractual services for appraisals, analysis of rates and fees, etc. (RSS)		GF		$50.0	$51.4	$52.8	$54.2	$55.7	$57.3	$58.8	$60.5	$62.1	$63.8
Program Development-Hwy Safety Corridor Traffic Fines - adjust to match anticipated revs		GF		-$16.9	-$16.9	-$16.9	-$16.9	-$16.9	-$16.9	-$16.9	-$16.9	-$16.9	-$16.9
MSCVE Computer Equipment Replacement Program - 16% per year (RSS)		Other		$35.0	$36.0	$37.0	$38.0	$39.0	$40.1	$41.2	$42.3	$43.5	$44.7
SEF - maintain level of service (HEWCF)	new in FY10	GF		$2,706.7	$2,781.1	$2,857.6	$2,936.2	$3,016.9	$3,099.9	$3,185.2	$3,272.8	$3,362.8	$3,455.2
CR D&ES increased utility permit work revenue to pay for expenses (RSS)		Other		$60.1	$61.8	$63.5	$65.2	$67.0	$68.8	$70.7	$72.7	$74.7	$76.7
CR H&A Budget I/A receipts for increased Whittier tunnel M&O RSA (I/A)		Other		$60.0	$61.7	$63.3	$65.1	$66.9	$68.7	$70.6	$72.5	$74.5	$76.6
CR H&A bridge crew increased costs - training, tools, supplies, safety equipment, etc.		GF		$20.0	$20.6	$21.1	$21.7	$22.3	$22.9	$23.5	$24.2	$24.8	$25.5
CR H&A Budget for Ongoing CIP work in personal services (CIP)		Other		$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0
CR H&A Enforcement of Clean Water Act - NPDES MS 4 Permit Funding (street sweeping and permit compliance)	new in FY10 as supp	GF		$1,682.0	$1,728.3	$1,775.8	$1,824.6	$1,874.8	$1,926.3	$1,979.3	$2,033.8	$2,089.7	$2,147.2
CR Facilities RSA brought on budget (I/A)		Other		$10.0	$10.3	$10.6	$10.8	$11.1	$11.5	$11.8	$12.1	$12.4	$12.8
Traffic Signal Mgt - Increase in Muni of Anch Traffic Signal Management TORA		GF		$48.4	$49.7	$51.1	$52.5	$53.9	$55.4	$57.0	$58.5	$60.1	$61.8
AMHS Port of Bellingham lease increase (AMHS Fund)	new in FY10	Other		$500.0	$513.8	$527.9	$542.4	$557.3	$572.6	$588.4	$604.6	$621.2	$638.3

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

BASELINE BUDGET GROWTH (CASE 1)

shown in thousands	COMMENTS	Fund source	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
AMHS Satellite communications contract; ship to shore communications - (AMHS Fund)	new in FY10	GF			$1,027.5	$1,055.8	$1,084.8	$1,114.6	$1,145.3	$1,176.8	$1,209.1	$1,242.4	$1,276.5
	as supp	Other		$1,000.0									
Harbor Program Development Administration (transfer from capital in FY11)		GF		$275.0	$275.0	$275.0	$275.0	$275.0	$275.0	$275.0	$275.0	$275.0	$275.0
NR Facilities - Budget I/A receipts for increased building maintenance costs for various RSAs (I/A)		Other		$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0
MSCVE Job classification increase for Weights & Measures Inspectors		GF			$200.0	$200.0	$200.0	$200.0	$200.0	$200.0	$200.0	$200.0	$200.0
MSCVE SEF cost increases	new in FY10 as supp	GF			$151.4	$155.6	$159.8	$164.2	$168.8	$173.4	$178.2	$183.1	$188.1
Whittier Tunnel reduced revenue	new in FY10 as supp	GF			$1,589.0	$1,632.7	$1,677.6	$1,723.7	$1,771.1	$1,819.8	$1,869.9	$1,921.3	$1,974.1
NR Facilities maintenance and operating costs of Galena building	new in FY10 as supp	GF			$205.0	$210.6	$216.4	$222.4	$228.5	$234.8	$241.2	$247.9	$254.7
NR H&A underfunded SEF costs	new in FY10 as supp	GF			$1,544.7	$1,587.2	$1,630.8	$1,675.7	$1,721.8	$1,769.1	$1,817.8	$1,867.7	$1,919.1
NR Const training and travel	new in FY10 as supp	GF			$207.0	$212.7	$218.5	$224.6	$230.7	$237.1	$243.6	$250.3	$257.2
NR D&ES ROW activities (SDPR)	new in FY10 as supp	GF			$250.0	$250.0	$250.0	$250.0	$250.0	$250.0	$250.0	$250.0	$250.0
NR D&ES training and travel		GF			$200.0	$205.5	$211.2	$217.0	$222.9	$229.1	$235.4	$241.8	$248.5
NR D&ES materials instrument monitoring		GF			$50.0	$51.4	$52.8	$54.2	$55.7	$57.3	$58.8	$60.5	$62.1

Inflation is computed at 2.75% for non-personal services items
No other calculations are made for increases in fuel and utilities

GF		$4,665.8	$10,215.7	$10,481.3	$10,754.2	$11,034.5	$11,322.6	$11,618.6	$11,922.8	$12,235.3	$12,556.4
FED		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other		$2,873.1	$1,891.9	$1,911.3	$1,931.2	$1,951.6	$1,972.6	$1,994.2	$2,016.4	$2,039.2	$2,062.6
Total		$7,538.9	$12,107.7	$12,392.6	$12,685.3	$12,986.2	$13,295.2	$13,612.8	$13,939.2	$14,274.4	$14,619.0
	Ck	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

BASELINE BUDGET GROWTH (CASE 1)

shown in thousands	COMMENTS	Fund source	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
CAPITAL BUDGET ASSUMPTIONS			$867,356.7	$799,049.5	$840,415.5	$871,676.1	$902,167.1	$936,937.8	$970,039.3	$1,007,524.9	$1,043,449.9	$1,083,871.9	$1,122,850.8
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation		GF	$6,000.0	$8,000.0	$12,320.0	$12,812.8	$13,325.3	$13,858.3	$14,412.7	$14,989.2	$15,588.7	$16,212.3	$16,860.8
Alaska Aviation Safety Program Fed / GF		Fed	$400.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0
		GF	$400.0	$250.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0
Americans with Disabilities Act Compliance Projects		GF	$238.0	$500.0	$520.0	$540.8	$562.4	$584.9	$608.3	$632.7	$658.0	$684.3	$711.7
Coordinated Transportation and Vehicles (GF/MH)(MHTAAR)		GF	$800.0	$800.0	$832.0	$865.3	$899.9	$935.9	$973.3	$1,012.3	$1,052.7	$1,094.9	$1,138.6
		Other	$300.0	$250.0	$260.0	$270.4	$281.2	$292.5	$304.2	$316.3	$329.0	$342.1	$355.8
State Equipment Fleet Replacement (HWCF)		Other	$15,000.0	$15,000.0	$15,600.0	$16,224.0	$16,873.0	$17,547.9	$18,249.8	$18,979.8	$19,739.0	$20,528.5	$21,349.7
Commercial Vehicle Enforcement Program (FED)		Fed	$3,400.0	$1,600.0	$1,664.0	$1,730.6	$1,799.8	$1,871.8	$1,946.6	$2,024.5	$2,105.5	$2,189.7	$2,277.3
Cooperative Reimbursable Projects (FED/SDPR)		Fed	$1,500.0	$1,500.0	$1,560.0	$1,622.4	$1,687.3	$1,754.8	$1,825.0	$1,898.0	$1,973.9	$2,052.9	$2,135.0
		Other	$12,000.0	$12,000.0	$12,480.0	$12,979.2	$13,498.4	$14,038.3	$14,599.8	$15,183.8	$15,791.2	$16,422.8	$17,079.7
Federal Contingency Projects (FED)		Fed	$25,000.0	$15,000.0	$15,600.0	$16,224.0	$16,873.0	$17,547.9	$18,249.8	$18,979.8	$19,739.0	$20,528.5	$21,349.7
Federal Emergency Projects (FED)		Fed	$10,000.0	$10,000.0	$10,400.0	$10,816.0	$11,248.6	$11,698.6	$12,166.5	$12,653.2	$13,159.3	$13,685.7	$14,233.1
Federal Transit Administration Grants (FED)		Fed	$9,000.0	$9,000.0	$9,360.0	$9,734.4	$10,123.8	$10,528.7	$10,949.9	$11,387.9	$11,843.4	$12,317.1	$12,809.8
Federal-Aid Aviation State Match		GFM	$6,320.0	$8,600.0	$8,944.0	$9,301.8	$9,673.8	$10,060.8	$10,463.2	$10,881.7	$11,317.0	$11,769.7	$12,240.5
Federal-Aid Highway State Match		GFM	$15,303.5	$36,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0	$40,000.0
Federal-Aid Highway State Match (AHFC)		Other	$4,856.5	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Federal-Aid Highway State Match (AIDEA)		Other	$7,720.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Highway Safety Grants Program (FED)		Fed	$5,500.0	$5,500.0	$5,720.0	$5,948.8	$6,186.8	$6,434.2	$6,691.6	$6,959.3	$7,237.6	$7,527.1	$7,828.2
Other Federal Program Match		GFM	$1,160.0	$1,210.0	$1,258.4	$1,308.7	$1,361.1	$1,415.5	$1,472.2	$1,531.0	$1,592.3	$1,656.0	$1,722.2
Statewide Safety Program (FED)		Fed	$11,800.0	$12,200.0	$12,688.0	$13,195.5	$13,723.3	$14,272.3	$14,843.2	$15,436.9	$16,054.4	$16,696.5	$17,364.4

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

BASELINE BUDGET GROWTH (CASE 1)

shown in thousands	COMMENTS	Fund source	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Airport Improvement Program (FED)(Other Funds: IARF, Bonds, PFC)		Fed	$316,730.6	$236,158.7	$245,605.0	$255,429.2	$265,646.4	$276,272.3	$287,323.2	$298,816.1	$310,768.7	$323,199.5	$336,127.5
		Other	$45,395.9	$16,111.8	$16,756.3	$17,426.5	$18,123.6	$18,848.5	$19,602.5	$20,386.6	$21,202.0	$22,050.1	$22,932.1
Surface Transportation Program (FED)(Other Funds: CIP)		Fed	$359,330.0	$381,969.0	$397,247.8	$413,137.7	$429,663.2	$446,849.7	$464,723.7	$483,312.6	$502,645.1	$522,751.0	$543,661.0
		Other	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0
Statewide Rural Airport Safety Improvements		GF	$1,000.0										
Airport Deferred Maintenance		GF	$340.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0	$3,500.0
Highway Deferred Maintenance		GF	$1,100.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0	$16,900.0
Facilities Deferred Maintenance and Critical Repairs		GF	$1,020.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance		GF	$936.8	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0	$3,000.0
Harbor Deferred Maintenance		GF	$272.0	$600.0	$600.0	$600.0	$600.0	$600.0	$600.0	$600.0	$600.0	$600.0	$600.0
CIP Equipment Replacement		Other		$1,500.0		$1,500.0		$1,500.0		$1,500.0		$1,500.0	
Cruise Ship Tax Projects (CPV tax) (DCED?)		Other		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Adak interest earnings (Fed)		Fed	$1,621.9										
Highway Maintenance Vehicle Replacement and Safety Equipment		GF	$450.0	$0.0	$5,000.0	$4,000.0	$4,000.0	$4,000.0	$4,000.0	$4,000.0	$4,000.0	$4,000.0	$4,000.0
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement		GF	$61.5		$200.0	$208.0	$216.3	$225.0	$234.0	$243.3	$253.1	$263.2	$273.7
Newtok Materials for Relocation Site (AK Cap Fnd)		Other	$2,000.0										
Unknown what funding will be available from Congress' reauthorization of surface transportation program													
Inflation is computed at 4% based on the department's experience with construction projects and comparison with other states' projections													
GF			$12,618.3	$34,550.0	$44,372.0	$43,926.9	$44,504.0	$45,104.1	$45,728.3	$46,377.4	$47,052.5	$47,754.6	$48,484.8
GF/Match			$22,783.5	$45,810.0	$50,202.4	$50,610.5	$51,034.9	$51,476.3	$51,935.4	$52,412.8	$52,909.3	$53,425.7	$53,962.7
FED			$744,282.5	$673,427.7	$700,344.8	$728,338.6	$757,452.1	$787,730.2	$819,219.4	$851,968.2	$886,026.9	$921,448.0	$958,285.9
Other			$87,672.4	$45,261.8	$45,496.3	$48,800.1	$49,176.1	$52,627.2	$53,156.3	$56,766.5	$57,461.2	$61,243.6	$62,117.4
Total			$867,356.7	$799,049.5	$840,415.5	$871,676.1	$902,167.1	$936,937.8	$970,039.3	$1,007,524.9	$1,043,449.9	$1,083,871.9	$1,122,850.8
	ck		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

GASLINE RELATED BUDGET GROWTH

shown in thousands

OPERATING BUDGET ASSUMPTIONS		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
		$0.0	$0.0	$625.0	$625.0	$625.0	$4,214.7	$3,934.7	$3,259.7	$3,259.7	$754.1	$754.1
SD&ES Program Management	GF			$450.0	$450.0	$450.0	$450.0	$450.0				
NR - ROW activities	GF			$125.0	$125.0	$125.0	$125.0	$125.0				
MSCVE personnel for Valdez weigh station	GF						$371.5	$371.5	$371.5	$371.5		
MSCVE personnel for Haines weigh station (GF 60%, RSS 40%)	GF						$141.7	$141.7	$141.7	$141.7		
	Other						$212.5	$212.5	$212.5	$212.5		
MSCVE additional staff at current weigh stations (GF 60%, RSS 40%)	GF						$709.6	$709.6	$709.6	$709.6		
	Other						$473.0	$473.0	$473.0	$473.0		
MSCVE additional patrol personnel (GF 60%, RSS 40%)	GF						$452.5	$452.5	$452.5	$452.5	$452.5	$452.5
	Other						$301.6	$301.6	$301.6	$301.6	$301.6	$301.6
MSCVE additional staff in commercial vehicle customer service center (RSS)	Other						$176.8	$176.8	$176.8	$176.8		
MSCVE additional staff in measurement standards section (GF 60%, RSS 40%)	GF						$88.1	$88.1	$88.1	$88.1		
	Other						$58.7	$58.7	$58.7	$58.7		
MSCVE additional support staff (GF 60%, RSS 40%)	GF						$164.2	$164.2	$164.2	$164.2		
	Other						$109.5	$109.5	$109.5	$109.5		
MSCVE computer and office equipment (GF 60%, RSS 40%) GF Only	GF						$18.0					
	Other						$12.0					
MSCVE equipment for additional staff (GF 60%, RSS 40%)	GF						$150.0					
	Other						$100.0					
Non-perm Leasing Staff will be required to assist with gasline-related inquires and applications at the rural airports; inquiries have already begun at northern region airports ($50/$100 per year - funding from Op RSS - for staff assistance - contract or non-perm.)	Other			$50.0	$50.0	$50.0	$100.0	$100.0				
GF		$0.0	$0.0	$575.0	$575.0	$575.0	$2,670.5	$2,502.5	$1,927.5	$1,927.5	$452.5	$452.5
Other		$0.0	$0.0	$50.0	$50.0	$50.0	$1,544.2	$1,432.2	$1,332.2	$1,332.2	$301.6	$301.6
Total		$0.0	$0.0	$625.0	$625.0	$625.0	$4,214.7	$3,934.7	$3,259.7	$3,259.7	$754.1	$754.1
	Ck	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

GASLINE RELATED BUDGET GROWTH shown in thousands		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
CAPITAL BUDGET ASSUMPTIONS		$53,490.0	$0.0	$688,950.0	$463,700.0	$446,630.0	$250,914.1	$250,000.0	$0.0	$0.0	$0.0	$0.0
FY10 Supplemental Request												
Gasline Infrastructure Planning, Material Sites, Surveying, Design & Construction Management	GF	$10,000.0										
Existing Appropriations												
Richardson Highway, Shaw Creek Bridge (Fed)	Fed											
Alaska Hwy, MP 1303.3 Tanana River Bridge (Fed)	Fed											
Dalton Hwy MP 274 to 289 Reconstruction (Fed)	Fed	$3,090.0										
Richardson Highway, MP 353-357 Access (Fed)	Fed	$3,500.0										
Haines Hwy - MP 17-21 Reconstruction (Fed)	Fed	$14,000.0										
Dalton Highway MP 197-209 (fed)	Fed	$22,900.0										
Proposed Projects												
Gasline Infrastructure Planning, Material Sites, Surveying, Design & Construction Management	GF			$80,000.0								
Dalton Highway Heavy Maintenance	GF			$20,000.0	$20,000.0	$20,000.0						
Dalton Highway MP 9-11	GF			$6,000.0	$6,000.0	$6,000.0						
Parks Highway Safety Corridor and Weight Restriction Elimination Program	GF			$45,000.0	$45,000.0	$45,000.0						
Dalton Highway MP 11-18	GF			$20,600.0								
Parks Highway Passing Lanes	GF			$18,750.0								
Dalton Highway Hoden Creek Bridge MP 267	GF			$2,200.0								
Richardson Highway 148-159	GF			$28,000.0								
Dalton Highway MP 274-289	GF			$32,200.0								
Alaska Highway Tok River Bridge	GF			$11,000.0								
Haines Highway MP 21-25.3 and Chilkat River Bridge Replacement	GF			$32,400.0								
Dalton Highway MP 362-379	GF			$30,000.0								
Northway Maintenance Station Replacement	GF			$7,000.0								
Dalton Highway ALMR Communicatin System	GF			$8,000.0								
NR Goldstream Road reconstruction improvements	GF			$10,000.0								
NR Nordale Road rehabilitation	GF			$10,000.0								
NR Steese Highway/Johansen Expressway recon	GF			$1,000.0								
Dalton, Elliott, Richardson, Alaska Haines Construction	GF	$0.0		$315,000.0	$370,000.0	$375,000.0	$250,000.0	$250,000.0				
NR Delta maintenance shop replacement	GF			$4,800.0								
NR Northway maintenance shop replacement	GF			$7,000.0								
NR Sag River maintenance shop upgrade	GF				$500.0							

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

GASLINE RELATED BUDGET GROWTH

shown in thousands		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
NR Deadhorse maintenance shop upgrade	GF				$500.0							
NR Deadhorse AARF bay & sand storage facility	GF				$5,700.0							
NR Tok maintenance station replacement	GF				$5,000.0							
NR Birch Lake maintenance station replacement	GF				$2,500.0							
NR Coldfoot maintenance station upgrade	GF				$500.0							
NR Chandalar maintenance station upgrade	GF				$500.0							
NR new field station MP365 Dalton Highway	GF				$7,500.0							
Valdez Weigh Station replace building and scales	GF					$280.0						
Haines Weigh Station new construction	GF					$350.0						
MSCVE patrol vehicles for enforcement officers	GF						$364.1					
MSCVE large scale test trucks	GF						$550.0					
GF		$10,000.0	$0.0	$688,950.0	$463,700.0	$446,630.0	$250,914.1	$250,000.0	$0.0	$0.0	$0.0	$0.0
Federal		$43,490.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total		$53,490.0	$0.0	$688,950.0	$463,700.0	$446,630.0	$250,914.1	$250,000.0	$0.0	$0.0	$0.0	$0.0
	Ck	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Construction escalation assumed at 4%

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

INITATIVES (EXCEPT GASLINE)
shown in thousands

			FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
OPERATING BUDGET ASSUMPTIONS	COMMENTS		$8,438.2	$1,017.1	$6,179.2	$6,151.6	$1,331.3	$1,234.0	$1,134.0	$1,031.3	$925.7	$817.3	$858.8
FY10 Supplementals													
EEO/CR admin position time status change	FY11 ok	GF	$24.5										
Stwd Aviation Bethel Airport lease (I/A)	FY11 ok	GF	$88.0										
Stwd Aviation legal fees for potential trial (RSS)	FY11 ok	Other	$150.0										
CR Support Services - Nikishka Beach Road legal costs (Dept of Law)	FY11 ok	GF	$75.0										
SEF - maintain level of service (HEWCF)	FY11 ok	Other	$2,706.7										
CR H&A NPDES MS 4 permit requirements associated with street sweeping	FY11 ok	GF	$688.3										
AMHS Bellingham terminal lease increase (AHMS Fund in FY11)	FY11 ok	GF	$375.0										
AMHS Shortfall in passenger revenues		GF	$2,600.0										
MSCVE Increased Legal expenses related to ongoing regulatory changes (Dept of Law) (RSS)		Other	$20.0										
MSCVE computer replacement program (RSS)		GF	$55.0										
Commissioner's Office new space	FY11 denied	GF	$12.5										
Multiple programs (EEO/CR; SW D&E, etc.) - relocation from substandard space	FY11 denied	GF	$389.0										
Increased DOA HR Chargeback costs	FY11 denied	GF	$180.7										
		Other	$77.0										
Facilities Rent - Increased leased facility costs based on DOA CPI increase calc	FY11 denied	GF	$55.7										

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

			FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
SW Info Tech - DOA computer Services EPR increase	FY11 denied	GF	$192.8										
SW Info Tech - DOA chargeback increases on PBX - basic telephone costs	FY11 denied	GF	$82.3										
MSCVE SEF costs for replacement vehicles	FY11 denied	GF	$151.4										
MSCVE - VM WARE/Network Environment Server Replacement (RSS)	FY11 denied	Other	$14.4										
NR Facilities maintenance and operations of new Galena building	FY11 denied	GF	$205.0										
EEO/CR Disparity study additional analysis and related costs	FY11 denied	GF	$58.2										
Whittier Tunnel revenue reduction	FY11 denied	GF	$236.7										
FY11 Proposed Changes (Operating)													
Transportation Mgt & Security-Interactive Airport Employee Training - FAA required (RSS)		Other		$30.0	$30.8	$31.7	$32.5	$33.4	$34.4	$35.3	$36.3	$37.3	$38.3
EEO/CR Real Time Web-based Software Program Maintenance Agreement		GF		$20.0	$20.6	$21.1	$21.7	$22.3	$22.9	$23.5	$24.2	$24.8	$25.5
SW Aviation E-Leasing Page and Program Updates (RSS)		Other		$100.0	$102.8	$105.6	$108.5	$111.5	$114.5	$117.7	$120.9	$124.2	$127.7
MSCVE new PFT Adm Assistant for ASPN/MCSAP Citation/PRISM per Audit Recommendation (RSS)		Other		$67.1	$67.1	$67.1	$67.1	$67.1	$67.1	$67.1	$67.1	$67.1	$67.1
CR H&A Oversight of street sweeping and permit compliance (2 PFTs)		GF		$188.0	$188.0	$188.0	$188.0	$188.0	$188.0	$188.0	$188.0	$188.0	$188.0
NR H&A Increase receipts for collections on damage to highway fixtures (RSS)		Other		$65.0	$65.0	$65.0	$65.0	$65.0	$65.0	$65.0	$65.0	$65.0	$65.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
NR H&A FHWA ADA compliance Requirement -sidewalks/wheel chair ramps (& 2 PFT)	Other		$305.0	$305.0	$305.0	$305.0	$305.0	$305.0	$305.0	$305.0	$305.0	$305.0
NR Facilities Peger truck wash & brining facility maintenance and operations - New building on-line December 2009	GF		$40.0	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0
NR Facilities Minto new building maintenance and operations (On-line fall of 2009)	GF		$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0
NR Facilities 2 FT Maintenance Specialists to maintain existing buildings	GF		$190.0	$190.0	$190.0	$190.0	$190.0	$190.0	$190.0	$190.0	$190.0	$190.0
Equipment Operator Apprenticeship Program	GF			$1,400.0	$1,400.0	$1,400.0	$1,400.0	$1,400.0	$1,400.0	$1,400.0	$1,400.0	$1,400.0
CR Safety Officer	GF			$105.0	$105.0	$105.0	$105.0	$105.0	$105.0	$105.0	$105.0	$105.0
Whittier Tunnel fund source change (from fed/capital to GF/operating)	GF			$2,000.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0
EEO/Transportation management; CR lease of new office space	GF			$250.0	$256.9	$263.9	$271.2	$278.7	$286.3	$294.2	$302.3	$310.6
MSCVE measurement standards supervisor (GF 75%, RSS 25%)	GF			$63.8	$63.8	$63.8	$63.8	$63.8	$63.8	$63.8	$63.8	$63.8
	Other			21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3
MSCVE Richardson I/B and O/B weigh station operations (GF 40%, RSS 40%, CIP 20%)	GF			$112.0	$112.0	$112.0	$112.0	$112.0	$112.0	$112.0	$112.0	$112.0
	Other			$168.0	$168.0	$168.0	$168.0	$168.0	$168.0	$168.0	$168.0	$168.0
MSCVE registration of weights & measures devices (RSS)	Other			$495.9	$445.9	$458.2	$470.8	$483.7	$497.0	$510.7	$524.7	$539.2
NR increased dust control to avoid fed environ law violations	GF			$300.0	$308.3	$316.7	$325.4	$334.4	$343.6	$353.0	$362.7	$372.7
NR Facilities Tok weigh station maintenance and operations	GF			$50.0	$51.4	$52.8	$54.2	$55.7	$57.3	$58.8	$60.5	$62.1
NR Facilities new fulltime electrician	GF			$98.0	$98.0	$98.0	$98.0	$98.0	$98.0	$98.0	$98.0	$98.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
SD&ES - UAF certification program for project management	GF			$60.0	$61.7	$63.3	$65.1	$66.9	$68.7	$70.6	$72.5	$74.5
CR Planning - RWIS and Traffic equipment maintenance (CIP)	Other			$34.0	$34.0	$34.0	$34.0	$34.0	$34.0	$34.0	$34.0	$34.0
AMHS - efficiencies due to new vessel	GF					-$4,855.6	-$4,989.1	-$5,126.3	-$5,267.3	-$5,412.2	-$5,561.0	-$5,561.0
Operating Total	GF	$5,470.1	$450.0	$4,889.4	$4,908.1	$71.7	-$42.0	-$158.9	-$279.1	-$402.6	-$529.3	-$506.7
	Fed	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
	Other	$2,968.1	$567.1	$1,289.9	$1,243.5	$1,259.6	$1,276.1	$1,293.0	$1,310.4	$1,328.3	$1,346.6	$1,365.5
	Total	$8,438.2	$1,017.1	$6,179.2	$6,151.6	$1,331.3	$1,234.0	$1,134.0	$1,031.3	$925.7	$817.3	$858.8
		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

CAPITAL BUDGET ASSUMPTIONS

		FY10 FY10	FY11 FY11	FY12 FY12	FY13 FY13	FY14 FY14	FY15 FY15	FY16 FY16	FY17 FY17	FY18 FY18	FY19 FY19	FY20 FY20
Total		$19,987.4	$24,263.0	$690,447.9	$404,660.2	$487,002.6	$387,687.2	$526,600.4	$409,195.3	$506,494.1	$580,742.8	$964,163.8
FY10 Supplementals												
Unalaska 2-Bay Chemical Storage Building	Fed	$1,230.0										
Kodiak - Chemical Storage Building	Fed	$1,300.0										
King Cove - Airport Fencing	Fed	$1,400.0										
Gustavus Runway Safety Area	Fed	$500.0										
Whittier Access Emergency Repairs	GF	$2,400.0										
Glenn Highway Slides at MP 101 and 115 Emergency Repairs	GF	$225.0										
Glenn Highway MP 63.5 Erosion Emergency Repair	GF	$1,125.0										
Petersville Road Emergency Repairs	GF	$113.7										
Haines Highway MP 19 Slide Emergency Repairs	GF	$40.0										
Salmon River Road Emergency Repairs	GF	$150.0										
Central Region Hightower Emergency Maintenance & Repairs	GF	$80.0										
Seward Airport Emergency Repairs	GF	$30.0										
Seward Airport Emergency Repairs	GF	$1,990.0										
Retroactive Asphalt Material Price Adjsutment (Glen Highway; Seward Highway; Glenn/Bragaw Interchange)	GF	$601.1										
Dyea Road Washout Emergency Repair	GF	$200.0										
Kodiak Flood Emergency Repairs	GF	$2,500.0										

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
State Equipment Fleet (SEF) Vehicle Lifts (1 in Healy / 1 in Juneau - OSHA compliance)	GF	$100.0										
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation	GF	$4,000.0										
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement	GF	$850.0										
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (Reg Requirement)	GF	$750.0										
Measurement Standards and Commercial Enforcement - Truck Upgrade/SEF Tune-up	GF	$402.6										

FY11 and Beyond

Highway Safety Corridors Near-Term Improvements	GF		$5,000.0	$8,000.0	$8,000.0							
NR Manley Hot Springs shop/SREB	GF		$900.0									
NR H&A - bike path maintenance	GF		$100.0	$102.8	$105.6	$108.5	$111.5	$114.5	$117.7	$120.9	$124.2	$127.7
NR Slana bunkhouse construction	GF		$350.0									
Statewide Anti-icing Program	GF		$150.0	$500.0	$520.0	$540.8	$562.4	$584.9	$608.3	$632.7	$658.0	$684.3
EPA MS 4 Requirements Anch/Birchwood sand storage facilities (regulatory compliance)	GF		$1,041.0	$11,612.0								
SW GIS Mapping of storm drainage systems for EPA MS 4 regulatory compliance	GF		$1,000.0									
W. Alaska Access	GF				29,000.0	40,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	400,000.0
Roads to Resources Program	GF		1,000.0	1,000.0	1,000.0							
Roads to Resources: Western Access Project EIS Phase I	GF		$1,000.0	$15,000.0	$15,000.0							

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Roads to Resources: Western Access Project - Phase II	GF										$150,000.0	$150,000.0
Roads to Resources - Foothills West - Umiat (EIS)	GF		$8,000.0	$8,000.0								
Sidewalk Snow Removal Equipment	GF											
CR signal malfunction management units	GF		$22.0									
Dalton Highway Including Surfacing Materials	GF		$5,000.0	$9,000.0	$9,360.0	$9,734.4	$10,123.8	$10,528.7	$10,949.9	$11,387.9	$11,843.4	$12,317.1
Corp of Engineers - Harbor Program (FY11 St. Paul Harbor)	GF		$700.0	$1,000.0	$1,040.0	$1,081.6	$1,124.9	$1,169.9	$1,216.7	$1,265.3	$1,315.9	$1,368.6
Rural Airport Contractor Training Program	GF			$110.0	$0.0	$0.0	$110.0	$0.0	$0.0	$110.0	$0.0	$0.0
Surfacing Materials	GF			$4,000.0	$4,160.0	$4,326.4	$4,499.5	$4,679.4	$4,866.6	$5,061.3	$5,263.7	$5,474.3
Infrastructure and Erosion Control Design and Environmental Permitting - climate change issues with communities	GF			$500.0	$520.0	$540.8	$562.4					
Statewide Fuel Management (Security and Tracking) System	GF			$1,500.0	$750.0	$750.0						
Safe Roadsides w/Integrated Vegetation Management - managing roadside moose	GF			$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0	$500.0
Salt Storage Buildings for Environmental Compliance	GF			$9,000.0	$5,000.0	$5,200.0	$5,408.0	$5,624.3	$5,849.3	$6,083.3	$6,326.6	$6,579.7
Rural Airport Lease Lot Improvements	GF			$6,000.0	$2,000.0	$2,080.0	$2,163.2	$2,249.7	$2,339.7	$2,433.3	$2,530.6	$2,631.9
Nome State Office Building	GF			$33,000.0								
CR Facilities upgrade elevators in Boney Court Bldg and Aviation Bldg; add elevator to SE 7 Mile building	GF			$1,088.0								
Municipal Harbor Facility Grant Fund (AS 29.60.800)	GF			$17,300.0	$10,000.0	$10,000.0	$10,000.0	$10,000.0	$10,000.0	$10,000.0	$10,000.0	$10,000.0
NR Fairbanks area traffic signal system	GF			$800.0	$800.0	$800.0	$800.0	$0.0	$0.0	$0.0	$0.0	$0.0

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
MSCVE state metrology lab HVAC retrofit	GF			$2,000.0	$2,000.0							
MSCVE state metrology lab replacement	GF			$500.0								
Weigh Station Repair & Maintenance (Fox, Potter, Glenn I/B and O/B)	GF			$205.0								
Ester Weigh Station replacement	GF			$346.0								
MSCVE device registration additional testing equipment (RSS); replacement equipment; etc.	Other			$200.0	$200.0	$200.0	$200.0	$200.0				
MSCVE combined facility planning (RSS)	Other			$500.0								
Highway Condition Inventory (QA/QC Inspections)	GF			$180.0	$180.0	$180.0	$180.0	$180.0	$180.0	$180.0	$180.0	$180.0
Update airport SWPPP and SPCC plans	GF			$348.0		$300.0			$300.0			$300.0
Emergency and Non-Routine Repairs	GF			$1,000.0	$1,040.0	$1,081.6	$1,124.9	$1,169.9	$1,216.7	$1,265.3	$1,315.9	$1,368.6
Rapid Reaction to Highway Safety Features	GF			$300.0								
Long Range Ports & Harbors Plan	GF			$500.0								
CR Severe pavement distress and rutting	GF			$35,000.0	$36,400.0	$37,856.0	$39,370.2	$40,945.0	$42,582.9	$44,286.2	$46,057.6	$47,899.9
Capital Improvement Program Equipment Replacement (CIP)	Other			$1,500.0	$1,560.0	$1,622.4	$1,687.3	$1,754.8	$1,825.0	$1,898.0	$1,973.9	$2,052.9
NR Lighting upgrade at Healy River Airport	GF			$1,200.0								
NR Northway Road resurfacing	GF			$2,400.0								
NR environmental damage due to climate change	GF			$2,700.0	$2,808.0	$2,920.3	$3,037.1	$3,158.6	$3,285.0	$3,416.4	$3,553.0	$3,695.1
NR sign replacement per federal retro reflectivity requirements	GF			$2,900.0	$2,900.0	$2,900.0	$2,900.0	$2,900.0	$2,900.0			
NR Peger admin building upgrade and code compliance	GF			$3,700.0								

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
NR Peger SEF heavy duty shop addition	GF			$2,200.0								
NR material site mining plan requirements booklet	GF			$200.0								
NR&CR Parks Highway Weight Restriction Elimination Program	GF			$20,000.0		$20,000.0		$20,000.0				
NR Geist Road Rehabilitation	GF			$6,250.0								
AMHS Vessel Repl	GF			5,000.0	5,000.0	5,000.0	5,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0
Community Access: Cluster Concept	GF			12,000.0	12,000.0	12,000.0	12,000.0	12,000.0	12,000.0	12,000.0	12,000.0	12,000.0
Southeast Shuttle Construction - need an appropriation from vessel replacement fund to project	GF			$20,000.0	$20,000.0	$20,000.0	$20,000.0	$20,000.0				
Vessel Engine Replacement	GF			$25,000.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0
Parks Highway Pavement Investigation	GF			$625.0								
Sterling Highway Scales replacement	GF			$2,000.0								
Whittier Tunnel Backup Power Generation	GF			$1,800.0								
Seward Highway- Girdwood to Potter Environmental Doc, Design and ROW	GF			$35,000.0								
Statewide Highway Safety Corridors	GF			$82,200.0	$85,488.0	$88,907.5	$92,463.8	$96,162.4	$100,008.9	$104,009.2	$108,169.6	$112,496.4
Connect Anchorage Projects	GF		$0.0	$105,575.6	$109,798.6	$114,190.6	$118,758.2	$123,508.5	$128,448.9	$133,586.8	$138,930.3	$144,487.5
H2H - begin design and ROW	GF			$25,000.0								
Seward Highway- 36th to Dowling ROW and construct additional lanes	GF			$50,000.0								
Connect Anchorage design starts	GF			$5,000.0								
Extend lighting along Glenn Highway - Birchwood North	GF			$12,000.0	$12,480.0							
Old Glenn Highway - Fire Lake to South Birch construction	GF			$20,000.0								
Parks Highway - Wasilla By-Pass EIS and initial design	GF			$20,000.0	$0.0	$79,181.7	$0.0	$89,169.7	$0.0	$88,257.6		

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Transportation and Public Facilities

INITATIVES (EXCEPT GASLINE)
shown in thousands

			FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Seward Meridian Road - Parks to PW Hwy ROW and construction		GF			$30,000.0								
Trunk Road Phase II - design, ROW and construction		GF			$4,000.0								
Willow Fishhook Road repaving from Parks HWY to Mile 21		GF			$2,700.0								
Richardson Highway Design Needs		GF			$10,000.0								
Fairbanks - Chena River Bridget at Wendell St. Replacement		GF			$8,750.0								
Skagway Land Purchase		GF			$475.5								
Yakutat Material Storage Building		GF			$900.0								
Hoonah Material Storage Building		GF			$180.0								
Ice Control Chemical Storage Tank Replacement - Petersburg, Klawock and Skagway		GF			$100.0	$50.0							
General Fund			$15,557.4	$24,263.0	$688,247.9	$402,900.2	$485,180.2	$385,799.9	$524,645.6	$407,370.3	$504,596.1	$578,768.9	$962,110.9
Federal Funds			$4,430.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Funds			$0.0	$0.0	$2,200.0	$1,760.0	$1,822.4	$1,887.3	$1,954.8	$1,825.0	$1,898.0	$1,973.9	$2,052.9
Capital Total			$19,987.4	$24,263.0	$690,447.9	$404,660.2	$487,002.6	$387,687.2	$526,600.4	$409,195.3	$506,494.1	$580,742.8	$964,163.8
	ck		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Construction escalation assumed at 4%

HB

357

<target><bill>HB 357</bill><subject>HB
357</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Co-Chair:
House Finance Committee

Chair:
House Finance Subcommittees for;
Department of Public Safety
Department of Law

Member:
Legislative Council
Legislative Budget & Audit (alt)

Session:
Alaska State Capitol, Rm 515
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

District:
600 E. Railroad Ave.
Wasilla, AK 99654

BILL STOLTZE
STATE REPRESENTATIVE
Representative_Bill_Stoltze@legis.state.ak.us

HB 357

Alaska Railroad Non-Essential Land Sale

"An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes."

To spur economic development throughout the state, House Bill 357 adds a fourth clause to the existing language governing how the Alaska Railroad Corporation may dispose of land. House Bill 357 will enable the railroad to sell land that is not needed for essential railroad purposes. This bill does not ask for any irresponsible disposal of land, as the sale must be initiated by the board of directors on two conditions. The first condition is that the land is not essential to railroad operations, and the second condition is that the sale is in the best interest of the state of Alaska.

As support has shown, current leaseholders are very unhappy with the inability to purchase their leased properties from the railroad. In general real estate dealings, private purchases are made in mutually beneficial sales. House Bill 357 encourages these sales after determination by the board of directors of the railroad looks at each sale with the overall benefit to the state of Alaska as the key driver. Not only will the private sector benefit from this addition to state law, the railroad will also have increased ability to make decisions regarding their overall real estate portfolio.

The sale and relationship of private and public lands are vital to the economic growth of the state of Alaska. I ask for your consideration and support of House Bill 357 to promote Alaskan growth through the diversification of land ownership, increasing the tax base of the state, and encouraging responsible development of Alaskan land.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 24, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/2/10

The FINANCE Committee considered: **HOUSE BILL NO. 357**

"An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes."
HB 357-AK RAILROAD CORP. LAND SALES

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 357 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[X] Letter of Intent FIN Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1		✓	

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara			✓	
	Dyson			✓	
	Austerman	X			
	Kelly			✓	
	Foster			✓	
Anna J. Fairclough	Fairclough	✓			
Chair:	Stoltze	X			
Chair:					

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Representative.Mike.Hawker@legis.state.ak.us

State Capitol 505
Juneau, Alaska 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: 465-4928
Representative.Bill.Stoltze@legis.state.ak.us

State Capitol 515
Juneau, Alaska 99801

State Capitol, Juneau, Alaska 99801-1182

Letter of Intent

for

House Bill 357

"It is the intent of House Bill 357, "An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes," to not impact any outstanding Federal issue which has not been resolved in regards to railroad lands, easements, or rights-of-way. It is not the intent of this legislation to impede, damage, or disrupt any ongoing claims, issues, or cases involving the Alaska Railroad Corporation and governmental, tribal, or private sector disputes."

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 357(TRA)
(H) Publish Date: 3/24/10

Identifier (file name): HB357-CED-ARR-3-23-10
Dept. Affected: DCCED
Title: Alaska Railroad Corporation Land Sales
RDU
Component: Alaska Railroad Corporation
Sponsor: Representative Stoltze
Requester: House Transportation Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	***		***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The fiscal impact of this legislation to the Alaska Railroad Corporation is indeterminate.

HB 357 would authorize the Alaska Railroad to sell land that is not needed for railroad purposes, subject to legislative approval, if the ARRC Board finds that the sale of the land is in the best interest of the state. Current law already allows the railroad to propose the sale of rail land subject to legislative approval. The incremental cost to sell rail land including appraisals, staff time, and other professional fees would likely be passed on to the buyer.
(Continued)

Prepared by: Wendy Lindskoog — Phone 265-2498
Division: Alaska Railroad Corporation — Date/Time 3/23/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/23/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 357(TRA)

ANALYSIS CONTINUATION

Current lease revenue streams average an 8% annual return on the fair market value of ARRC land. If ARRC were to sell this land, it would be hard-pressed to find a comparable investment that would provide such a return with a similar risk profile. As an extreme hypothetical, if ARRC were to sell its holdings in the Ship Creek area of Anchorage, roughly $6 million of annual lease revenues would be immediately removed from the corporation's budgets. If the corresponding funds received for the sales were used to purchase investments with a similar risk profile, at today's investment returns, ARRC could stand to lose over $4 million annually when compared to the foregone lease revenues. This could have a material impact on the corporation as it tries to maintain infrastructure, fully fund benefit plans, and provide the required match for federal grant funds, among other items.

ARRC believes the real fiscal impact of selling the non-operating land we currently lease to third parties would result in the loss of a consistent, predictable annual revenue stream to ARRC.

Another potential fiscal impact relates to ARRC's ability to use financial leverage to accomplish its capital plans. Currently, ARRC has approximately $11 million in outstanding loans secured by lease revenues from corporation lands. Material changes to the lease streams could concern existing lenders, violate covenants, and/or most certainly impact ARRC's future ability to use debt .

Because the potential volume of lands to be sold and the timing thereof is unknown at this point, the fiscal note is indeterminate.

adopted 4/2/10

26-LS1356\S
Bullock
3/30/10

CS FOR HOUSE BILL NO. 357( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Tammie Wilson

A BILL

FOR AN ACT ENTITLED

"An Act relating to the sale of land owned by the Alaska Railroad that is not necessary for railroad purposes."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 42.40.350(c) is amended to read:

(c) The corporation may lease, subject to AS 42.40.285 and (d) of this section, grant easements in or permits for, or otherwise authorize use of portions of rail land. However, the corporation may not convey its entire interest in rail land except as provided in AS 42.40.285, **42.40.352,** 42.40.370(d), and 42.40.400.

*** Sec. 2.** AS 42.40 is amended by adding a new section to read:

Sec. 42.40.352. Sale of land not necessary for railroad purposes. (a) The corporation may sell land if the board finds (1) the land is not necessary for railroad purposes, and (2) the sale of the land is in the best interest of the state. The sale of land is subject to the terms and conditions of AS 42.40.285, 42.40.350(d), and this section.

(b) Before offering land for sale under this section, the railroad shall

New Text Underlined [DELETED TEXT BRACKETED]

(1) publish public notice of the proposed sale that includes the finding by the board that the land is not necessary for railroad purposes and that the sale is in the best interest of the state;

(2) provide notice to persons having a leasehold interest in the land proposed to be sold and offer the leaseholders the right of first refusal; and

(3) receive legislative approval under AS 42.40.285.

(c) The corporation shall separately account for the proceeds from the sale of land under this section and shall report the earnings and balance in the account in the annual report required by AS 42.40.260. Money in the account may be appropriated in accordance with 45 U.S.C. 1207(a)(5) (Alaska Railroad Transfer Act of 1982).

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM March 24, 2010

SUBJECT: Use of money without an appropriation (CSHB 357(TRA))
(Work Order No. 26-LS1356\E)

TO: Representative Peggy Wilson
Chair of the House Transportation Committee
Attn: Becky Rooney

FROM: Donald M. Bullock Jr.
Legislative Counsel

Enclosed is CSHB 357(TRA) that includes the changes you requested.

With regard to the deletion of the word "appropriated" on page 2, line 10, and the insertion of the word "used" in its place, is it the committee's intent that the money may be spent without an appropriation?

Under terms of the federal Alaska Railroad Transfer Act (P.L. 97-469, Title IV), the "revenues generated by the State-owned railroad shall be *retained and managed* by the State-owned railroad for railroad and related purposes." 45 U.S.C. 1207(a)(5); emphasis added. According to a section-by-section analysis of the Alaska Railroad Transfer Act that was prepared at the time Congress passed the Act, this provision was intended to allow the railroad to "retain and manage it's [sic] own revenues" and to "avoid the need for annual appropriations by the State for the railroad." Congressional Record, December 23, 1982, S16080. The apparent intent of Congress was that the revenues of the railroad be dedicated for railroad and related purposes and that the railroad have the discretion to determine how to use its revenues without having the legislature approve the use and expenditure of those revenues by an appropriation. This provision constitutes a federally mandated dedicated fund requiring that railroad revenues be retained by the railroad and used only for railroad and related purposes. 1984 Inf. Alaska Att'y Gen. Op., May 26 (366-575-84). However, this provision does not prevent the legislature from appropriating railroad revenue for railroad purposes or mandating that the railroad expend its revenue for a legislatively prescribed railroad or related purpose. *Id.*

Although there have been unsuccessful efforts to amend the Executive Budget Act to make it applicable to the Alaska Railroad Corporation, art. IX, sec. 13, Constitution of the State of Alaska prohibits the withdrawal of money from the treasury except in accordance with appropriations made by law. Thus, although the money from the land sales contemplated in CSHB 357(TRA) may be dedicated under 45 U.S.C. 1207(a)(5),

whether it may be spent without an appropriation is a question that has not been answered by the courts.

DMB:plm
10-171.plm

Enclosure

April 1, 2010

The Honorable Bill Stoltze
Representative, State House
State Capitol, Room 24
Juneau, AK 99801

Dear ~~Representative~~ BILL Stoltze:

Thank you for the opportunity to testify today before your committee on House Bill 357. The Alaska Railroad's real estate business is a vital component of our operation's strength. Real estate lease revenues act as a flywheel for the Railroad providing a predictable and stable source of income often balancing out years when our operating revenues are less secure.

Given the very important role real estate plays in the Alaska Railroad's success it is imperative we foster a productive working relationship with our real estate tenants. As a result of your legislation, the Alaska Railroad Board of Directors has been provided the opportunity to better understand some of the frustrations that exist with our customers and we plan to take action to address the concerns.

The Board has instructed railroad staff to prepare revisions to Board Rule 11 (the railroad's "Long Term Lease Policy") that should be a benefit to tenants. One involves the current requirement that when rent is revised every five years, the new rent is subject to a 35% maximum increase but can never be decreased. We propose to make this work in both directions - in other words, allow the rent to be decreased up to a maximum of 35% if that is what the appraisal process determines to be fair market value.

Second, we will propose to change the required public notices of leases to an electronic format rather than print. New and renewing tenants are currently charged $300 to cover the cost of public notice. This action will eliminate that cost. Additionally, we will enhance communication through the use of periodic leaseholder meetings to provide a public forum for our customers to bring forward their concerns and suggestions. We will also continue to use our leaseholder newsletters to further our communication efforts.

Our next regular board meeting will be on May 20th when the board rules can be changed to implement the above suggestions. We will continue to look for ways to add value to our leaseholders while protecting the financial health of the railroad on behalf of Alaska shareholders. Thank you again for allowing us time during your House Finance Committee hearing to testify and for the valuable information that has been brought to light as a result of your actions.

Sincerely,

John Binkley
Chairman, Alaska Railroad Board of Directors

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416
AlaskaRailroad.com

THE CITY OF WHITTIER

Gateway to Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

Honorable Bill Stoltze, Chairman
House Finance Committee
State Capitol, 5th Floor
Juneau, AK 99801

April 2, 2010

Re: House Bill 357

Dear Representative Stoltze,

On behalf of the City of Whittier, I am writing to express our support for House Bill 357 which would allow the Alaska Railroad to dispose of land that they own which is not essential to the operations of the railroad. From our perspective, we believe that private ownership over public ownership is best for economic development within the City of Whittier and throughout Alaska.

As you are probably aware, the Alaska Railroad is a major landholder within the City of Whittier and we are familiar with the complaints associated with the railroad's leasing practices. Likewise, we are aware of the constraints that businesses and individuals find in obtaining loans on leased property.

Given that HB 357 is permissive and does not require the railroad to dispose of land, we find it difficult to understand how or why anyone could oppose this measure. In closing, we would like to take this opportunity to thank the legislature in recognizing the need to get more public lands into private ownership and urge the passage of this bill.

Thank you for your time and consideration.

Sincerely,

Lester Lunceford,
Mayor

Please visit our new website:
www.whittieralaska.gov

Date: March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, AK 99801
Fax:: 907-465-3175

Dear Chair Wilson,

I am writing in opposition of House Bill 357, which is currently in your committee. As a Real Estate professional I can see why business owners may wish to own rather than lease. As a resident of the State of Alaska I don't see the "*giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector*," is in Mine or the States best interest.

I am closely aware that the Real Estate department of the Alaska Railroad, operates for profit, and strives to get the highest rate of return, on value, for their owned real estate. Well managed long term leases will, and do provide a greater rate of return to me and the State than selling off performing asset, not to mention, selling those assets in a depressed real estate environment.

Any favorable vote on this bill will only serve the interests of a few business owners rather than the majority of residents of the State of Alaska.

This legislation does not represent good financial stewardship of mine and the States performing real estate assets.

Respectfully,

Mark S. Kulstad
Commercial Real Estate Agent and Broker 907-223-8135

Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724, Fax: 907-563-9725

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to urge your support of HB 357, which is currently under review by your committee. This legislation is important to Alaska businesses and would help diversify and strengthen the private sector.
As you know, the vast majority of land in Alaska is held by various public entities, which limits opportunities for the private sector. HB 357 is a reasonable vehicle for current land users to have the ability to purchase the property that they currently lease from the ARRC. The ability to own both the land and the improvements on these properties vastly increases the bottom line health of business and opens lines of credit that can be utilized to expand and grow. This legislation is a win/ win opportunity for the ARRC to continue to generate revenue from the proceeds of the proposed land sale while Alaskan businesses gain the financial leverage to continue to create jobs.

Respectfully,

Mark Stearns

Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724, Fax: 907-563-9725

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing in support of House Bill 357. This bill is long overdue and if passed will have a positive impact on commerce, our economy and our local community's tax base(s). For the communities surrounding the rail belt, this legislation will probably be the largest positive impact on the economy and creation of jobs.

Alaska's economy is restricted because of the amount of land under government ownership and control. This legislation is a positive step in getting land from under government ownership into the hands of the private sector. With that will come greater investment and more jobs.
On a separate note, I saw on the news a legislative proposal that would charge the Alaska Railroad with the responsibility of developing a small diameter gas pipeline, often referred to by Alaskans as a bullet line. From my perspective, this is a terrible and short-sighted proposal that does not contemplate the railroad's ability to waste money. Their direct managerial involvement will almost certainly insure a tariff that would be unaffordable to most Alaskans.

In conclusion, I want to take this opportunity to extend my thanks and appreciation to Representative Stoltze who authored this bill. Without his business sense and leadership, we would most likely continue operating under the existing arcane structure of governmental ownership. Please support passage of HB 357.

Respectfully,

Mark Stearns

Mar 03 10 04:09p Alaskan Wood Moulding 907-563-9725 p.d

1492

March 12, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, AK 99801

Dear Representative Wilson,

I am writing in support of House Bill 357, it would allow private businesses and citizens to purchase government owned land.

Respectfully,

James Garvin

AT&S, Inc.
Operations Manager
Fairbanks Alaska

March 12, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, Alaska 99801

RE: HB 357

Dear Representative Wilson.

I recently learned about House Bill 357, and I am writing in support of this measure.

I work for a Fairbanks based company, that has been in business, since 1974, which Is located on railroad-leased land. In fact, all the businesses around us, are located on Railroad-leased land. The land we are based on, is not used for railroad operations and Never will be.

This legislation would allow for the sale of these properties. In AT&S case and the others around us. This would be an asset, to the companies, to own the land there business is located on.

With your help, lets do the right thing and pass this bill.

Thank you.
Randy Arendell
AT&S Inc.
1883 Fox Ave.
Fairbanks, Alaska 99701

March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Representatives
State Capitol, Room 406
Juneau AK 99801 Via fax: (907) 465-3175

RE: HB 357

Dear Chairwoman,

As a former leaseholder with the ARRC, I support this bill. My understanding is that when these lands were transferred to the State, the intention was that such lands would be sold to private parties. Under that belief, at least some former leaseholders that I have known expanded their facilities. Several years ago, a commission formed to research long-term plans for the State also recommended that these lands be sold.

Besides original intent, it is my belief that these lands are not developed to their potential because there is always the threat of ARRC takeover at the end of the lease. I realize this is standard leasehold practice, but the ARRC is statutorily prohibited from selling its land. This was enough incentive for me not to further improve my property.

The ability and flexibility to maximize these properties will be of benefit to the communities as well in expanding the revenue capacity of the lands and value of tax base.

Sincerely,

Mary W. Silvey

Mary W. Silvey
PO Box 71350
Fairbanks AK 99707

Cc: Bill Stoltze via fax: (907) 465-4928
Cc: Peter Macksey via email: pmacksey@steelfabak.com

HB357 re ARRC leases Mar 2009

Mar 10 10 05:33p Fbks Sand Grvl (907)452-2356 p.1

RECEIVED
MAR 02 2010

February 25, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Transportation
State Capitol, 4th Floor
Juneau, Alaska 99801

Re: House Bill 357

Dear Representative Wilson,

I am writing to you in support of House Bill 357. As an Alaska Railroad Leaseholder myself, I know first hand the difficulties and restraints associated with dealing with the railroad. While my lease, primarily because of its location, will probably not be one of the parcels of land ever put up for sale or disposition; nonetheless, as a businessman I know of many parcels that are not strategic to the railroad and where the community's commerce would likely improve substantially if these parcels were sold and in private hands. One of Alaska's biggest problems is that too much land is owned by the government, both federal and state.

Putting railroad lands that are not necessary to their operation or strategic purpose in the hands of the private sector would increase business Capital investment, thus creating more jobs and a stronger local tax base. I know of many leaseholders unwilling to further invest in their businesses because of the uncertainty of their leases and the perceived difficulties in dealing with the railroad and their real estate office.

Again, in the strongest terms possible, I urge swift passage of house bill 357. Furthermore, I would like to compliment Representative Bill Stoltze for having the business acumen and determination to address an important issue to the rail belt region and its commerce.

Sincerely,

Paul L. Reid

cc: Representative Bill Stoltze

sagaya
corporation

2525 blueberry road suite 106 anchorage, alaska 99503
tel 907 563-0220 fax 907 563-0240

WHOLESALE DISTRIBUTORS
OF ALASKA, INC.
WWW.WDAALASKA.COM
2548 N. POST ROAD • ANCHORAGE, ALASKA 99501
(907) 277-8584 • TOLL FREE 800-478-8584 • FAX (907) 277-5707

March 1, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, Room 406
Juneau, AK 99801

Dear Representative Wilson:

Your committee is in charge of reviewing House Bill 357, which deals with allowing the Alaska Railroad Corporation to dispose/sell non-essential real estate. This legislation warrants the body's attention and passage.

HB 357 is an astutely crafted vehicle that will allow the Railroad to sell land that is not essential to their transportation system. By doing so, the private sector will be able to more easily attract needed capital, and be insured that they have the freedom to direct, expand, and upgrade their businesses as they wish and receive full benefit of any capital improvements.

Passing this legislation is a commitment to economic development and belief in the private sector. Please support HB 357.

Sincerely,

Robert Carlson Jr
President

ALASKA'S LEADING WHOLESALER OF BUILDING SPECIALTY MERCHANDISE

STATEWIDE DOOR & GLASS
221 East Ship Creek Avenue Anchorage, Alaska 99501
Phone: (907) -562-2074 Fax: (907) -562-1803

3/2/2010

Honorable Peggy Wilson
Chairperson, Transportation Committee
Alaska House of Representatives

Dear Representative Wilson,

My name is Mike Hammer. I am the owner of Statewide Door & Glass. I do commercial glass service and new installations for projects throughout Alaska. I currently employ 25 – employees year round. I purchased my current building in 1999. It sits on Railroad leased land, located on Ship Creek Avenue. This street was originally named Warehouse Avenue until about 10 years ago. The name of the street was changed by the Railroad Corporation to make it appear that the area was not used for industrial, manufacturing, or storage purposes. There are currently at least 10 – businesses on this street that that still do this kind of work to make a living. They have all been here longer than me.

Over the past 10 – years, some businesses have had their leases expire. When this happens, the Railroad has refused to renew them. As a result, the owner is currently required to demolish the building and have the debris hauled off to the landfill at the owner's expense unless the Railroad wants the building. Then, they will waive the demo requirement and take over the building. I have been told that my lease will not be renewed if I continue to operate as a glass shop. By doing this, the Railroad will eventually own all of the buildings or get rid of them. The goal is to turn this area into a tourist shopping and retail area.

The Railroad Corporation has allowed 3 – new buildings to be built since I have been here. The Comfort Inn Hotel, The Ulu Factory, and The Bridge Restaurant. They were allowed to be built because they fit into the future model of what the Railroad would like to see happen in this area. The problem is that this area is not attracting any investment as the Railroad Corporation expected.
The Bridge Restaurant went out of business two years ago. The building has been for sale ever since and is still empty. There is an empty lot next to mine that has been advertized as a great location for a new Condominium project. There has been no interest. The Ulu factory had to invest in a shuttle bus to get people from downtown to come see their store. There are many other empty lots for sale.

As I see it, the Alaska Railroad Corporation has become a real estate holding company who still likes to play with trains! The federal government GAVE this land to Alaska so it could be used for transportation and building infrastructure, not to build shopping malls and coffee stands for tourists that will sit empty eight months of the year.

I would like to be able to purchase the land that my building sits on. I would like to continue to employ people who live and work in Alaska all year long. Having to start over again in another building because my lease will not be renewed may put me out of business. Please do what you can to help myself and others in my position so that we can stay where we are and continue to employ Alaskans. Please support House Bill #357.

Sincerely, Mike Hamm

Thomas Tonkin
2005 Misty Meadows
Anchorage, AK 99502

March 4, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to ask for your support of HB 357 that is currently under consideration in your committee. I have been employed by a company for the last sixteen years that leases property from the ARRC. My employer faces numerous uncertainties and challenges as do most small businessmen. As an example the ARRC has increased the land lease payment cost from $780.00 per month in 2001 to $2,990.00 per month currently. The current rate approaches an almost four fold increase in just 9 years. These dramatic increases place strain on already stretched finances and reduce the available funds to expand the business and increase wages.
From my reading of this legislation it seems like and excellent opportunity to place privately used property into the ownership of those entities that use and occupy these properties. The ARRC will still receive an income stream from the investment income from the proceeds of the sale and the users will reap the benefits and predictability of land ownership. This appears to be a situation that benefits both the private sector as well as the public interest.

Thank you for your consideration,

Thomas Tonkin

907-563-9725 Alaskan Wood Moulding Mar 04 10 03:59p p.4

February 25, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Transportation
State Capitol, 4th Floor
Juneau, Alaska 99801

Re: House Bill 357

Dear Representative Wilson,

I am writing to you in support of House Bill 357. As an Alaska Railroad Leaseholder myself, I know first hand the difficulties and restraints associated with dealing with the railroad. While my lease, primarily because of its location, will probably not be one of the parcels of land ever put up for sale or disposition; nonetheless, as a businessman I know of many parcels that are not strategic to the railroad and where the community's commerce would likely improve substantially if these parcels were sold and in private hands. One of Alaska's biggest problems is that too much land is owned by the government, both federal and state.

Putting railroad lands that are not necessary to their operation or strategic purpose in the hands of the private sector would increase business Capital investment, thus creating more jobs and a stronger local tax base. I know of many leaseholders unwilling to further invest in their businesses because of the uncertainty of their leases and the perceived difficulties in dealing with the railroad and their real estate office.

Again, in the strongest terms possible, I urge swift passage of house bill 357. Furthermore, I would like to compliment Representative Bill Stoltze for having the business acumen and determination to address an important issue to the rail belt region and its commerce.

Sincerely,

Paul L. Reid

cc: Representative Bill Stoltze

Sagaya corporation
2525 blueberry road suite 106 anchorage, alaska 99503
tel 907 563-0220 fax 907 563-0240

STEELFAB
ALASKA'S STEEL SOURCE
2132 RAILROAD AVE
ANCHORAGE, AK 99501
FAX 907 276-3448
TEL 907 276-4100

February 25, 2010

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Dear Chairwoman Wilson,

I am writing to ask you to give HB 357 your committee's fullest deliberation. It is a bill that will right a major inequity for my business and for many other businesses in Alaska's Rail Belt.

Currently we have to make and pay for many capital and property improvements, ourselves. (We were required to pay for a new water line on property we did not own.) We "inherited "our lease when we bought this business, over 25 years ago. The lease has proved to be the only regret I have about owning this business. It is a bitter pill to know that while you are improving your business to the highest standards, that those improvements may end up belonging to another owner.

Alaska depends on private enterprise to keep building new jobs more than any other segment of our economy. This is especially important during these tough economic times. A business that could have the opportunity of owning its land would also have the confidence to make additional capital improvements and expansions. This will provide huge benefits to local communities.

Rather than continuing to lock up more land from private ownership, let a crack of light and hope shine down on the many businesses who struggle daily to be competitive. After all, it was set out in the original Federal transfer of lands as a fair and equitable procedure. The Alaska Railroad Corp. has done nothing but drag its heels on this process, and I think HB 357 will give everyone the green light to proceed with a process that should have started 20 years ago. I really believe HB 357 is a fair and equal way to start this important adjustment.

Sincerely,

Janet Faulkner
Vice President

STEELFAB
ALASKA'S STEEL SOURCE
2132 RAILROAD AVENUE
ANCHORAGE, AK 99501
FAX 907 276-3448
TEL 907 276-4448

February 25, 2010

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Dear Representative Wilson,

Here's the key to the simplicity of HB 357: it just starts the process that was set-up over 25 years ago when the Federal government transferred ownership to Alaska. Part of that Federal transfer specified that state-owned, non-operational railroad lands could be purchased at fair market value after 10 years. HB 357 just specifies that it's alright to begin the process.

HB 357 will allow business owners like me, who has leased state land through the Alaska Railroad Corporation, the opportunity to purchase land that I have improved upon for over 25 years (I have made over $8 million in capital improvements to my business site). I have paid taxes on this land, too, even though I do not own the land. I have done this in order to build my steel fabricating business to be the top steel fabricator in Alaska, with the largest capacity and capabilities in the state. The reason? I want to make sure that other Alaska industries can get their steel needs met in Alaska, without going outside the state.

Under current lease conditions, if I would close or move my business, all the capital improvements would belong to the ARRC. Frankly, I have always found this very bothersome. I look around me, at other leaseholders, and I am sure that if they were able to own the land they are sitting on that they would make major improvements, which would equate to higher property values, greater civic pride and beautification, and a stronger tax base for Rail Belt communities.

Help us eliminate serfdom from the Rail Belt. Please give HB 357 your most earnest consideration, Representative Wilson. HB 357 is a simple bill crafted to treat leaseholders who desire to buy their property as equally as those who wish to continue to lease. Private property owners in Alaska are a rare breed: only 2 percent of Alaska land is in private ownership. Please give us a chance to help remedy this inequality.

Sincerely,

Richard Faulkner
President

Alaska Flor-Wall, Inc.

DISTRIBUTORS

NAME BRANDS STOCKED IN ALASKA

501 East Ship Creek Avenue • Anchorage, AK 99501 • (907) 272-3030 • 1-800-478-5686 • Fax (907) 272-4270

March 2, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capital, 4th Floor
Juneau, Ak 99801

RE: HB 357

Dear Representative Wilson,

We recently learned about House Bill 357 and we are writing in support of this measure.

We have leased our property from the Alaska Railroad since 1965. We would not even consider doing any improvements due to the uncertainties of our lease. There has only been one new business on our street within the last 10 years and it failed. There are many lots available but no one wants to develop them because of the lease agreement. The railroad does not use or need these lots for railroad purposes. It is a shame to have properties sitting vacant and leased land buildings needing repair. The lands have become an eyesore to the community.

House Bill 357 would allow the sale of these properties. This would allow development of the lands which would be beneficial to everyone.

We would appreciate your support of this bill. If you have any questions, please email me at kjperham@gci.net.

Thank you,

ALASKA FLOR-WALL, INC.

Karen A. Paulson Perham
President

WHOLESALE DISTRIBUTORS
OF ALASKA, INC.
WWW.WDAALASKA.COM
2548 N. POST ROAD • ANCHORAGE, ALASKA 99501
(907) 277-8584 • TOLL FREE 800-478-8584 • FAX (907) 277-5707

3/2/2010

Honorable Peggy Wilson, Chairwoman

Alaska State House of Representatives

Transportation Committee

Juneau, AK 99801

Dear Chairwoman Wilson,

I sincerely request the support and endorsement of HB 357. This bill deals with the sale and the redistribution of ownership of unessential railroad land.

This legislation, if passed, would allow the railroad to sell lands that are in surplus to their transportation operations. This in turn would allow the businesses and other interested parties to procure the land that they already have financial interests and investments in. By doing so, the Railroad would not be infringing upon the directives of their board, or the welfare of the public. If the private entrepreneurs/corporations are allowed to own the land that they have established their respective enterprises on, they are thus more likely to further invest in said enterprises and strengthen our local community by remaining where they are. Investments will then lead to more jobs and revenue for the community/state as well.

Nearly all the land in the state of Alaska is government owned (just about 98%). By allowing the railroad to sell the extra land to these business owners, it would grant the private business sector more strength and revenue.

Please consider this bill and all that I have stated as it is crucial for the development and prosperity of the private business sector as well as the continuing stability of our local communities.

Sincerely,

Brandon Wallace

Brandon Wallace

Bohuslav Fiala
167 Ocean Park Dr.
Anchorage, AK 99515

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing to ask your support of HB 357 currently under consideration in your committee. This bill, if enacted, will have a positive impact on Alaska's economic future by securing the economic future of current ARRC leaseholders.
This legislation will give the railroad the authority to sell their non-strategic land within their real estate portfolio and puts public lands into private ownership. This will significantly increase economic climate for more investment, create new jobs and ensure existing ones, and expand the local tax base all along the rail belt.
This legislation does all this and is revenue neutral. The railroad will continue the revenue stream that it currently enjoys while businesses can secure their future through land ownership. This legislation is pro business, pro jobs and pro private sector business and it allows the ARRC to concentrate on their primary mission of operating our railroad.

Respectively,
Bohuslav Fiala

Cc: Honorable Bill Stoltze

Erik Brubaker
P.O Box 876432
Wasilla, AK 99687

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

House Bill 357 that has been introduced by Rep. Stoltze, would support private sector businesses that are currently lease holders with the ARRC. As you are aware a large proportion of land in Alaska is held by the public including those lands that are leased by the Railroad to businesses along the rail belt region. Most railroad leased land has no direct impact on the day to day operational activities of the Railroad. The Railroad by virtue of these leases exerts control and creates uncertainty for the long term health of the leaseholders. This legislation if enacted, would provide the leaseholders a secure future and give them the flexibility to invest for the future. It also allows the Railroad continued revenue for their train operations and lets them focus on their primary reason for existence.

Respectfully, Erik Brubaker

Erik Brubaker

cc: Honorable Bill Stoltze

Mar 04 10 03:59p Alaskan Wood Moulding 907-563-9725 p.3

Ken McCarty
11441 Lower Sunny Cr.
Eagle River, AK 99577

March 2, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please actively support HB 357 as this will be tangible and visible support of small business interests in Alaska. This legislation will help put public lands into private ownership and will lead to increased investment and job growth. This will allow the ARRC to concentrate on their primary activity and still maintain the revenue stream that they currently have from their real estate operations. It also is revenue neutral which is probably a rare situation in these economic times. This seems like a situation where both parties benefit and I strongly urge you to give it the attention that it deserves.

Thank you,

Ken McCarty

Cc: Honorable Bill Stoltze

Accurate Time Tracking
and Job Costing

TaskKlock, Inc.
1115 Whitney Road
Anchorage, AK 99501

(907) 563-9724
(877) 962-2678

www.taskklock.com
tkinfo@taskklock.com

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please support HB 357 currently in your committee. This legislation will help Alaskan businesses by placing public lands into private use. Alaska has more public lands than any other state and this legislation will allow these lands to generate tax revenue and strengthen the bottom line of the private sector. This legislation is the type of real and tangible support that the State can provide to help diversify the economy. This legislation is one that provides benefits without harming the ARRC. The Rail Road will continue to receive revenue from the invested proceeds of these land sales and it puts the land into private hands for the benefit of Alaskans.

Thank you for your consideration,

Marguerite C Kremer

Timekeeping
made ATM-simple

Pamalyn Duvall

From: Mark Sprano [marksprano@gmail.com]
Sent: Wednesday, March 03, 2010 3:27 PM
To: Pamalyn Duvall
Cc: ashleyreed@gci.net; rfaulkner@steelfabak.com
Subject: House Bill 357

Date March 1, 2010

Honorable Peggy Wilson, Chair

House Transportation Committee

State Capitol, 4th Floor

Juneau, AK 99801

Dear Chair Wilson,

I am writing in support of House Bill 357, which is currently in your committee. I believe this legislation deserves the attention and support of the legislature because of its positive implications for the economy of our state.

First and foremost, giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector. By doing so, you will significantly increase the economic climate for more investment, create new and more jobs, and expand the local tax base of our communities along the railbelt.

A move like this will allow the RR to make sound and rationale decisions about their real estate portfolio for the betterment of their operations as well as for their communities and leaseholders.

This legislation is pro-business, pro-jobs, pro-private sector and deserves the attention and passage of

the Alaska State Legislature. Thank you for your consideration.

Regards

Mark Sprano

--
Mark Sprano

Alaska Marble & Granite Inc.
1115 Whitney Rd.
Anchorage Alaska 99501
907 277-7625

BKC Alaska LLC
124 E 3rd Avenue Ste 211
Anchorage, AK 99501
Phone 907.222.1800
Fax 907.222.1802

March 3, 2010

Honorable Peggy Wilson, Chairwoman
Alaska State House of Representatives
Transportation committee
State Capitol
Juneau, AK 99801

Dear Chairwoman Wilson:

I urge your endorsement and support of HB 357, Our family has leased a small parcel of railroad land since the late 60's. On many occasions over the years we have tried unsuccessfully to purchase this parcel. We operate a small business and could never justify the improvements we need as we do not own the land.

More recently the Municipality of Anchorage in conjunction with railroad officials has forced the railroad lease holders to pay property taxes on land that they do not own. We are in full support of this legislation and hope it will pass during the current session.

Thank you for your support,

Brad Cherrier

Mar 03 10 08:25a

6 March, 2010

Hon. Peggy Wilson
Chair, House Transportation Committee
State Capital, Room 406
Juneau, Alaska 99801

Dear Representative Wilson;

I am writing in support of House Bill 357, which would allow the sale or disposition of non essential railroad lands. I give these reasons for this solution:

There is a lot of land controlled by the Alaska Railroad. The State land on Commercial Drive was sold to tenants years ago.

It would probably lead to larger operations being located in the Railroad area.

I have leased from the Alaska Railroad since the end of 1975. In the last few years, the City of Anchorage has been charging taxes on the value of the Alaska Railroad leases. Nobody seems to know if the lease value is reduced as the years left on the lease are reduced. As my lease has left time remaining, the taxes have gone up considerably.

I think if the property was owned by companies or individuals, tenants would be in a better position to expand, get loans, etc. The Railroad has a lot of fine people working there, and I don't have anything against anyone.

Thanks for your efforts,

Sincerely,

Harvey Dougherty
Alaska Crate & Pallet
3405 Vassar Drive
Anchorage, Alaska 99508

HB

361

<target><bill>HB 361</bill><subject>HB 361</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 361

"An Act requiring 911 dispatchers to be trained in cardiopulmonary resuscitation; and providing for an effective date"

Currently in Alaska State Statute there is no provision requiring 911 dispatchers to be certified in cardiopulmonary resuscitation (CPR). Most people are told that during an emergency you should call 911 immediately and someone will be able to help you. In the event that the caller does not know how to perform CPR, is unsure or panicking during the 911 call the operator should be able to not only calm the person down, but also be able to walk the caller through the process while help is on the way.

Most of the 911 dispatchers in the state are certified as Emergency Medical Dispatchers (EMD) which covers CPR. But for those remote regions in the state that don't have certified EMDs or dispatchers trained in CPR the passage of this bill may ultimately save lives.

Thank you for your consideration and I urge your support on the passage of legislation.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

26-LS1478\A

March 8, 2010

Click here to print or select **File** then **Print** from your browser. Close Window

911 Claims Operators Don't Need to Know CPR

A Shocking Revelation by the *Today Show* Reveals 18 State Behind the Curve

By **Ryan Christopher DeVault**

The 911 system in this country is broken, and the *Today Show* showed us just how broken it is. In a *Today Show* investigation of the 911 system, it was revealed that 18 states around the country do not require that their operators know CPR to be on the job. It seems that one of the reasons that the story was being done in the first place was that a city manager in Murphy, Texas said that his operators didn't know CPR because they weren't required to know it. Does this sound like a good excuse? Or does it sound like laziness where the city could be putting its residents at risk by not actually taking on training that could save lives?

Let's all just agree that knowing CPR is an important tool and that when someone takes the initiative to actually learn CPR that they are working towards the greater good. The fact is that nobody does CPR to help themselves out because obviously CPR is a tool you use to help out someone else in need. Those who go through the training to help save the lives of other people are commendable, and it creates more and more people that are capable of helping people with a medical emergency. With that in mind shouldn't anyone that could be placed in a position to use CPR go through the training simply because they can?

If you haven't learned CPR, and your child is suddenly having trouble breathing, who do you call? We are all told that you should call 911 immediately, but what are you expecting when you call 911? As a parent I would hope for immediate help with the situation, but there are 18 states (listed on page 2) around the country that don't care enough to make sure that the callers can receive help from their operators. I am of the opinion that it is important for parents to learn CPR, but if they haven't had the money to pay for the training, what are their options in those 18 states where you can't rely on 911 to help you out? I wish I had the answer to that question.

The reason that the city of Murphy, Texas is being brought up in this article is that they had a woman whose child had stopped breathing call into their 911 dispatch to receive help with CPR. The operator couldn't help, and the excuse that the city is giving is that they aren't required to know how to do CPR in Texas, and that they did nothing wrong. Maybe they learned their lesson in Murphy though, because the claim by the city manager of Murphy (to the *Today Show*) is they are now going to train their operators. It won't bring back the child that died in the sad case, but maybe it can be a warning sign for residents to take up the cause in their states for 911 operators to be required to know CPR. Unless you can answer for me the following question, "who do I call for help with CPR while in the middle of trying to save a life?"

States that DON'T require CPR Training for 911 Operators

Idaho
Nevada
Colorado
South Dakota
Nebraska
Kansas
Oklahoma
Wisconsin
Michigan
Indiana
Arkansas
Mississippi
Alabama
Florida
New York
West Virginia
Alaska
Hawaii

Source:

Today Show Video

2010 © Associated Content, All rights reserved.
Privacy Policy | Terms of Use

Brookline 911 dispatcher praised for helping to save a life

E-mail|Link|Comments (0) Posted December 18, 2009 12:01 PM

By Brock Parker, Globe Correspondent

Authorities in Brookline are praising the work of a rookie 911 dispatcher who helped a local man perform CPR on his wife last month until emergency medical technicians arrived.

The woman survived, and now Emergency Dispatcher Siobhan McIntyre, who has been on the job since May, has received a commendation from police for her efforts.

"There's nothing like it," McIntyre said. "I saved a life. I had a hand in this."

David Connolly, the chief emergency dispatcher for Brookline, said McIntyre was working on Nov. 13 at 5:22 a.m. when a Brookline man called 911 because he'd found his wife unresponsive in their home.

The woman, who asked to remain anonymous, was in cardiac arrest and her husband did not know how to perform CPR, Connolly said.

"He asked me numerous times: "What do I do? What do I do?" McIntyre said. "I was just trying to calm him down. It was frightening to say the least."

McIntyre began walking the man through the steps to perform CPR. She instructed him about how to breathe into his wife and how to perform chest compressions, which he did. At that point, emergency responders arrived and used a defibrillator to revive the woman, Connolly said.

Connolly said McIntyre gets the credit for helping to save the woman's life because she was able to stay calm, get emergency responders in route and help talk the man through performing CPR all at the same time.

"And she's only been on the job since May," Connolly said.

McIntyre, 26, said that while she started in May, she had been training with a partner until she began working on her own in October.

While she is happy to have helped save a life, McIntyre said she's hoping the situation won't arise again any time soon.

"I hope it's a while," she said. "You never want to be in that position again."

Carson City 911 dispatcher gives instructions to save baby

BY F.T. NORTON

A Carson City dispatcher likely saved a newborn's life Wednesday morning.

When a call came in to emergency dispatch at 8:22 a.m., communications supervisor Cindy Merrell heard a distraught mother, barking dogs and a crying toddler. But what anyone else would have missed in the cacophony was what the woman said between screams — "My baby's not breathing!" Merrell heard it right away.

"The baby's not breathing," the veteran emergency dispatcher can be heard repeating on the 911 call recording.

Merrell said she turned to coworker Liz Hertz and relayed the information. Hertz called out medics. Then Merrell, herself a mother of four and grandmother of six, went to work. She opened flip cards and tried to get the woman's attention.

"I'm going to help you," Merrell shouted over the din. "I need you to calm down so we can help your baby. OK!"
When the mother responded that she understood, Merrell began giving her directions. "I need you to put your baby on a flat surface," said Merrell. "Tilt the head back and see if he's breathing."

The woman wailed as a toddler could be heard in the background crying.
"I want you to breathe two puffs of air into the baby's lungs, just enough to make the chest rise," said Merrell.
The line became silent as the mother did as she was told. Then the woman can be heard crying, "Oh my God. My son's dead, my son's dead."

"Don't give up," said Merrell. "I need you to help the baby." She instructed the mother to do chest compressions. Through the line Merrell could hear the thumping as the woman did as she was told.

Everyone in the dispatch center became fixated on what was unfolding, including John Mason, a system technician with AT&T, who hours later was still in awe of what he'd witnessed. "It was just so amazing," he said.

Merrell worried the mother was going to stop because she kept repeating her son was dead.
"Don't give up. Just keep going until the medics get there. Keep going. Keep going," Merrell said. "I need you to help the baby. Don't give up."

For six minutes, Merrell remained calm while the frantic mother wailed, the dogs barked and a toddler cried.
And then, Merrell heard a weak cry.
"Oh, he just started crying," the mother yelled.
When paramedics arrived, Merrell hung up.

The baby's family declined to comment. According to Renown Regional Medical Center in Reno, the 3-week-old infant is in good condition.

"It's absolutely amazing — Cindy staying on the phone, calming the lady down and talking her through it, probably saved the baby's life," said Sheriff Ken Furlong. "Cindy doesn't get rattled. She's an amazing woman."

Merrell said normally after an emotional call, she will get up from her desk and go into another room to cry.
"But John Mason was in the room," she said with a laugh. "I turn around and he's got these tears, and Liz has got these tears, so I had to be like, 'Oh, it's just a job.'"

For Mason, however, the experience was unforgettable.
"I got to just sit there and listen to this dispatcher and the way she took control of the situation and actually saved the baby's life," said Mason, a former Marine. "I've seen a lot of stuff that didn't affect me. This actually touched me. When that baby coughed we were (cheering).

"We were just overwhelmed with joy that one life was saved by the training and composure of this particular dispatcher," Mason said. "I think she's a hero." Merrell was more humble about her actions.

"I was just glad that the baby was alive and I could help the mom," said Merrell.

http://www.nevadaappeal.com/apps/pbcs.dll/article?

INTRODUCTION TO CPR

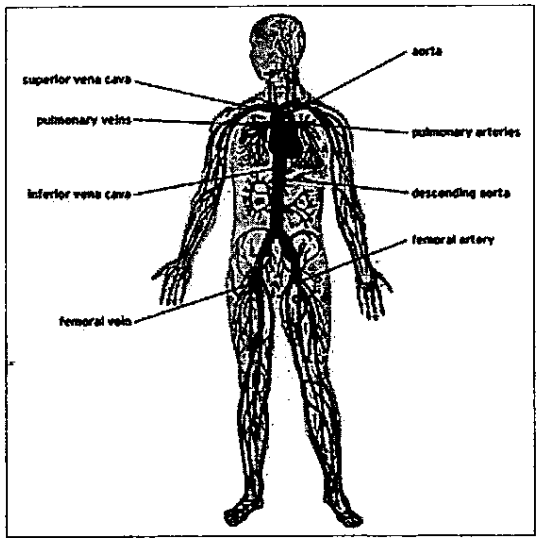
IMPORTANT ANNOUNCEMENT: In March 2008 the American Heart Association published an advisory statement outlining "hands-only" or "compression-only" CPR. This statement is a clarification addendum to the 2005 AHA Guidelines for CPR and ECC which dictates that lay persons who are unable or unwilling to provide rescue breaths may perform hands-only CPR. This updated recommendation does not apply to first responders and/or medical personnel with access to CPR barrier or a mechanical respirator; unwitnessed cardiac arrest, cardiac arrest in children and infants, or cardiac arrest presumed to be of non-cardiac origin (drowning, trauma, airway obstruction, acute respiratory diseases, drug overdose, etc). AHA study concedes that when performed correctly, conventional CPR continues to prove a more effective rescue method for victims of cardiac arrest and as such we will continue to educate our students in ventilation as well as compressions.

Recent statistics suggest that sudden cardiac arrest is rapidly becoming the leading cause of death in America. Once the heart ceases to function, a healthy human brain may survive without oxygen for up to 4 minutes without suffering any permanent damage. Unfortunately, a typical EMS response may take 6, 8 or even 10 minutes.

It is during those critical minutes that Cardio Pulmonary Resuscitation can provide oxygenated blood to the victim's brain and the heart, dramatically increasing his chance of survival. And if properly instructed, almost anyone can learn and perform CPR.

HOW CPR WORKS

The air we breathe in travels to our lungs where oxygen is picked up by our blood and then pumped by the heart to our tissue and organs. When a person experiences cardiac arrest - whether due to heart failure in adults and the elderly or an injury such as near drowning, electrocution or severe trauma in a child - the heart goes from a normal beat to an arrhythmic pattern called ventricular fibrillation, and eventually ceases to beat altogether. This prevents oxygen from circulating throughout the body, rapidly killing cells and tissue. In essence, Cardio (heart) Pulmonary (lung) Resuscitation (revive, revitalize) serves as an artificial heartbeat and an artificial respirator.



CPR may not save the victim even when performed properly, but if started within 4 minutes of cardiac arrest and defibrillation is provided within 10 minutes, a person has a 40% chance of survival.

CPRToday! Inc. © All Rights Reserved

Invented in 1960, CPR is a simple but effective procedure that allows almost anyone to sustain life in the first critical minutes of cardiac arrest. CPR provides oxygenated blood to the brain and the heart long enough to keep vital organs alive until emergency equipment arrives. To make learning CPR easier, a system was devised that makes remembering it as simple as "ABC":

- Airway
- Breathing
- Circulation

WHEN TO DIAL 9-1-1

It is critical to remember that dialing 9-1-1 may be the most important step you can take to save a life. If someone besides you is present, they should dial 9-1-1 immediately. If you're alone with the victim, try to call for help prior to starting CPR on an adult and after a minute on a child. Before we learn what to do in an emergency, we must first emphasize what NOT to do:

- DO NOT leave the victim alone.
- DO NOT try to make the victim drink water.
- DO NOT throw water on the victim's face.
- DO NOT prompt the victim into a sitting position.
- DO NOT try to revive the victim by slapping his face.

Always remember to exercise solid common sense. When faced with an emergency situation we may act impulsively and place ourselves in harm's way. Although time should not be wasted, only approach the victim after determining that the scene is safe: always check for cars, fire, gas, downed electrical lines, and any other potential hazards before attempting to perform CPR.

CPRToday! Inc. © All Rights Reserved

ADULT CPR

Definition
Because there is no single anatomic or physiologic characteristic that distinguishes a "child" victim from an "adult" victim and no scientific evidence that identifies a precise age to initiate Adult rather than Child CPR techniques, the ECC scientists made a consensus decision for age delineation that is based largely on practical criteria and ease of teaching. However, American Heart Association's guidelines dictate that Adult CPR is performed on any person over the age of approximately 10 to 14 years (or post-adolescence, as defined by the presence of secondary sex characteristics).

Assessing the situation
If you suspect that the victim has sustained spinal or neck injury, do not move or shake him.

1 person CPR

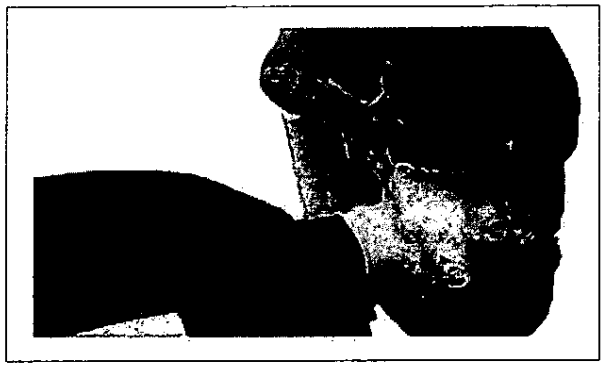
- Verify that the victim is unresponsive by shaking the victim gently and shouting "Are you okay?"
- If there is no response, dial 9-1-1
- Retrieve an AED if one is available
- Begin CPR and use the AED as appropriate

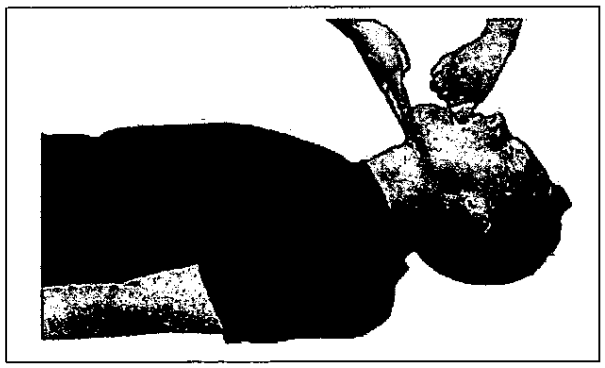
2 person CPR

- Verify that the victim is unresponsive by shaking the victim gently and shouting "Are you okay?"
- A trained rescuer should remain with the victim to begin CPR
- Second rescuer telephones 9-1-1 and, if available, retrieves an AED
- Continue CPR and use the AED as appropriate

A-B-C of CPR

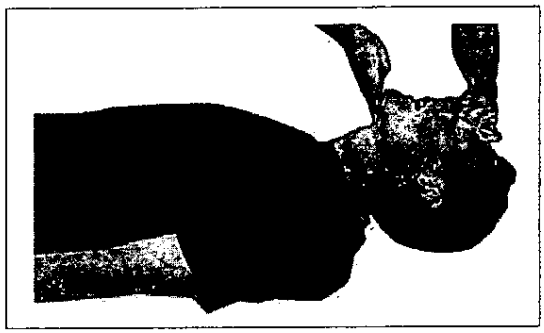
"A" is for AIRWAY. If the victim is unconscious and is unresponsive, you need to make sure that his airway is clear of any obstructions. The breaths may be faint and shallow - look, listen and feel for any signs of breathing. If you determine that the victim is not breathing, then something may be blocking his air passage. The tongue is the most common airway obstruction in an unconscious person and it may be necessary to perform a finger sweep in order to move the tongue or any other foreign object away from the air passage. With the victim lying flat on his back, firmly hold his chin with one hand while using the finger of your other hand in a sweeping motion. Once the airway is unblocked, place your hand on victim's forehead and your other hand under the tip of the chin and gently tilt his head backward. In this position the weight of the tongue will force it to shift away from the back of the throat, opening the airway. If the person is still not breathing on his own after the airway has been cleared, you will have to assist him breathing.

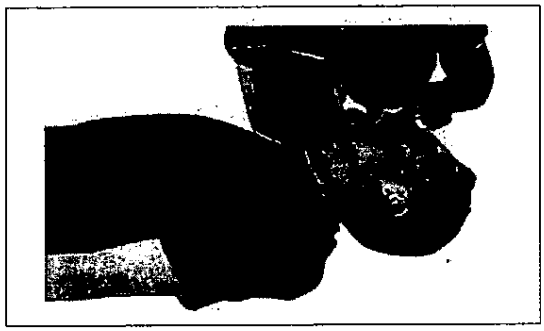


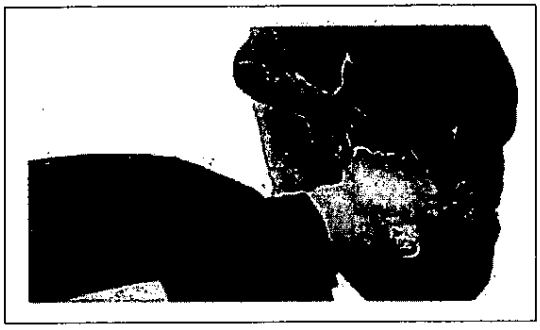


CPRToday! Inc. © All Rights Reserved

"B" is for BREATHING. With the victim's airway clear of any obstructions, gently support his chin so as to keep it lifted up and the head tilted back. Pinch his nose to prevent air from escaping once you begin to ventilate. Take a full breath, place your mouth tightly over the victim's (use a shield barrier if one is available) and blow until the victim's chest rises. Maintain a tight seal around his mouth and be careful not to over-inflate his lungs as this may force air into the stomach, causing him to vomit. If this happens, turn the victim's head to the side and sweep any obstructions out of the mouth before proceeding. Between each breath allow the victim's lungs to relax - place your ear near his mouth and listen for air to escape and watch the chest fall as he exhales. If the victim remains unresponsive (no breathing, coughing or moving), check his circulation.







"C" is for CIRCULATION. In order to determine if the victim's heart is beating, place two fingertips on his carotid artery, located in the depression between the windpipe and the neck muscles, and apply slight pressure for several seconds. If there is no pulse then the victim's heart is not beating, and you will have to perform chest compressions.

Chest compressions

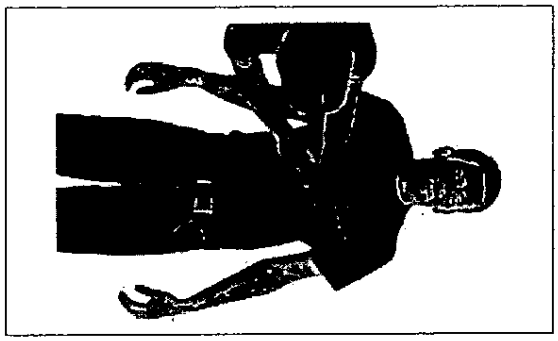
When performing chest compressions, proper hand placement is very important. Place two fingers on the victim's sternum and then put the heel of your other hand next to your fingers. Now you need to place your hand on top of that hand and interlace the fingers. Lock your elbows and using your body's weight, compress the victim's chest. The depth of compressions should be approximately 1½ to 2 inches - remember: 2 hands, 2 inches at a rate of 100 compressions per minute. If you feel or hear slight

CPRToday! Inc. © All Rights Reserved

cracking sound, you may be pressing too hard. Do not become alarmed and do not stop your rescue efforts! Damaged cartilage or cracked ribs are far less serious then a lost life. Simply apply less pressure as you continue compressions.

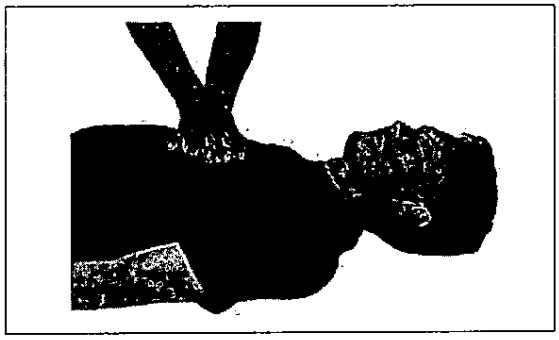
1 person CPR

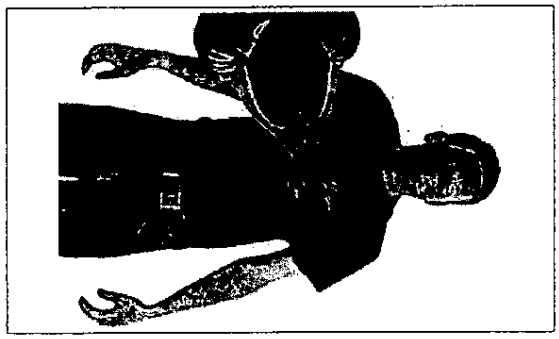
Count aloud as you compress 30 times at the rate of about 3 compressions for every 2 seconds. Finish the cycle by giving the victim 2 breaths. This process should be performed 5 times - 30 compressions and 2 breaths - after which remember to check the victim's carotid artery for pulse (for no longer than 10 seconds) and other signs of consciousness. If you definitely not feel a pulse within 10 seconds, you should begin cycles of chest compressions and ventilations. Continue until an advanced airway is in place or victim regains consciousness.



2 person CPR

Count aloud as you compress 30 times at the rate of about 3 compressions for every 2 seconds. Finish the cycle by giving the victim 2 breaths. To prevent fatigue and deterioration in quality and rate of chest compressions the rescuers should change compressor and ventilator roles every 2 minutes - the switch should be accomplished as quickly as possible to minimize interruptions in compressions. Continue until an advanced airway is in place or victim regains consciousness.





CPRToday! Inc. © All Rights Reserved

Student: Demo Student · Email: Course: Adult CPR

THIS PDF FILE CONSISTS OF 3 PAGES (INCLUDING THIS PAGE).

AFTER PRINTING YOU CAN SAVE IT ON YOUR HARD DRIVE

AND RE-PRINT IT AT ANY TIME IN THE FUTURE

Want to tell others that you are officially certified in Adult CPR? Tweet it now!

Certificate Of Completion

IS HEREBY PRESENTED TO

Demo Student

In Recognition Of Successful Completion Of CPR Today! Inc. Training Course In

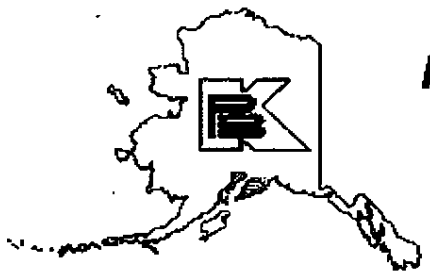
Basic Life Support
Adult CPR

80463228-1261	March 2012	Regina Bennett
CERTIFICATION NUMBER	EXPIRATION DATE	INSTRUCTOR

LET IT BE KNOWN THAT THIS STUDENT HAS SUCCESSFULLY PASSED SKILLS EVALUATION IN ACCORDANCE WITH NATIONAL COGNITIVE SKILLS EXAMINATION STANDARDS, NATIONAL HEALTH & SAFETY FOUNDATION® AND WWW.CPRTODAY.COM (CPRToday! Inc.) CERTIFICATION TERMS & CONDITIONS

	ADULT	CHILD	INFANT
CHECK FOR RESPONSIVENESS	By shaking the victim and shouting	By shaking the victim and shouting	By patting victim's feet and chest
WHEN TO DIAL 911	Immediately if victim is unresponsive	After 1 to 2 minutes of performing CPR	After 1 to 2 minutes of performing CPR
PULSE LOCATION	Carotid artery (on the side of neck)	Carotid artery (on the side of neck)	Brachial artery (inner upper arm)
AIRWAY	Lift the neck and tilt the head back	Lift the neck and tilt the head back	Slightly tilt the head into "sniffer's position"
BREATHING	Pinch the nose; give 2 breaths	Pinch the nose; give 2 breaths	Mouth over mouth & nose; give 2 puffs
CIRCULATION	2 hands, 2 in. deep; 30 compressions	1 hand, 1 inch deep; 30 compressions	2 fingers, ½ inch deep; 5 compressions

Check for pulse every minute. Repeat A-B-C cycle as necessary until EMS arrives.



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 262-4441 • FAX: (907) 262-1892
www.borough.kenai.ak.us

DAVID R. CAREY
BOROUGH MAYOR

March 8, 2010

The Honorable Bob Herron
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representative Herron:

On behalf of the Soldotna Public Safety Communications Center and the Kenai Peninsula Borough, I would like to convey my professional opinion regarding HB 361, an Act mandating emergency dispatchers to attain and maintain CPR certification.

Public safety dispatchers fulfill a vital role in the public safety system. They are expected to make decisions regarding critical incidents on a regular and routine basis; decisions which may be a matter of life and death. In Alaska, public safety dispatchers make these decisions without the benefit of mandatory minimum training standards.

CPR training and certification is essential, although this does not sufficiently prepare a public safety dispatcher to provide CPR instructions over the phone. Guiding a caller through a medical procedure requires that an approved Emergency Medical Dispatch (EMD) program be in place.

In a public safety arena where most service providers---police, fire service, and EMS—are required to obtain and maintain minimum training standards; public safety dispatchers have been largely ignored or overlooked. Currently, there is no Alaskan governmental body or agency that prescribes, provides or regulates training of public safety dispatchers in the basic functions of their jobs. Instead, individual departments must establish their own training standards. The amount or type of training is left to the subjective decision of management.

Regardless of the level of training received, well-trained dispatchers and their poorly-trained counter-parts answer the same types of emergency calls. They must each make the same decisions and judgment calls that eventually determine the level and type of service a caller will receive. The establishment of state-wide minimum training standards would facilitate uniformity of basic training across all regions of our State.

Mandated CPR certification does not address the root cause of the problems we face in public safety dispatch.

Sincerely,

David R. Carey

David R. Carey, Kenai Peninsula Borough Mayor

cc: Representative Anna Fairclough
Representative Cathy Munoz
Representative John Harris
Representative Wes Keller
Representative Charisse Millett
Representative Sharon Cissna
Representative Berta Gardner

26-LS1478\R
Luckhaupt/Mischel
3/11/10

CS FOR HOUSE BILL NO. 361( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FAIRCLOUGH, Dahlstrom

A BILL

FOR AN ACT ENTITLED

"An Act moving the statewide 911 coordinator position to the Department of Public Safety; requiring 911 dispatchers to be trained in cardiopulmonary resuscitation; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 18.60 is amended by adding a new section to read:

Article 13. Statewide 911 Coordinator.

Sec. 18.60.870. Statewide 911 Coordinator. A statewide 911 coordinator is established in the Department of Public Safety to coordinate and facilitate the implementation of 911 systems throughout the state. The 911 coordinator shall

(1) participate in efforts to set uniform statewide standards for automatic number identification and automatic location identification data transmission for telecommunications systems;

(2) make recommendations as necessary for implementation of basic and enhanced 911 service;

(3) facilitate and monitor the training of emergency dispatchers in cardiopulmonary resuscitation; in this paragraph, "dispatcher" has the meaning given in AS 29.35.132.

* **Sec. 2.** AS 29.35 is amended by adding a new section to read:

Sec. 29.35.132. Training of emergency dispatcher. A municipality shall require that emergency dispatchers on the 911 system be trained and currently certified in cardiopulmonary resuscitation. In this section, "dispatcher" has the meaning given the term "call taker" in AS 29.35.131(k).

* **Sec. 3.** AS 26.23.170(b) is repealed.

* **Sec. 4.** This Act takes effect September 1, 2010.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 361
(H) Publish Date: 3/10/10

Identifier (file name): HB361-DPS-AST-03-08-10
Title "An act requiring 911 dispatchers to be trained in CPR."
Sponsor Representative Fairclough
Requester House Community and Regional Affairs

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1.2		0.7	0.7	0.7	0.7	0.7
Travel							
Contractual	1.0		0.4	0.4	0.4	0.4	0.4
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**2.2**		**1.1**	**1.1**	**1.1**	**1.1**	**1.1**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	2.2		1.1	1.1	1.1	1.1	1.1
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**2.2**	**0.0**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would amend AS 26.23.170(b) and require that all 911 dispatchers be trained in cardiopulmonary resuscitation (CPR). Thirty eight (38) department employees would be effected by this legislation. The estimated personnel and training costs are $2185.00 in FY11, and approximately $1092.00 each year thereafter. FY11 (38) need training X $20 avg. fee cost = $760.00, assuming that ½ would be in overtime status x (3) hrs avg. @ $25 avg. OT rate = $1425.00, or total FY11 cost of $2185.00.The department has several contracts across the state for dispatch services and this legislation may increase those costs in the future.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Phone 907-247-4480
Date/Time 3/8/10 9:30 AM

Approved by: Joseph Masters, Commissioner
Department of Public Safety
Date 3/8/2010

(Revised 11/6/2009 OMB)

HB

363

<target><bill>HB 363</bill><subject>HB 363</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 23, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/7/10

The FINANCE Committee considered: **HOUSE BILL NO. 363**

"An Act relating to the membership of the Alaska Industrial Development and Export Authority."
HB 363-AIDEA MEMBERSHIP

Recommends it be replaced with [ ] HCS *or* [✓] CS *for* HB 363 (FIN)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ | [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
CED		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	DOOGAN			✓	
	ALTERMAN	X			
	KELLY	✓			
	FOSTER	✓			
	Joule	✓			
	Salmon			X	
Chair:	Stoltze				
Chair:	Hawker				

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 363 (L&C)**
() Publish Date:

Identifier (file name): HB363CS(L&C)-CED-AIDEA-3-24-10
Dept. Affected: DCCED
Title: AIDEA Membership
RDU: AIDEA
Component: AIDEA operations
Sponsor: Community and Regional Affairs
Requester: House Finance Committee
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	3.0		3.0	3.0	3.0	3.0	3.0
Travel	19.8		19.8	19.8	19.8	19.8	19.8
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Corp Receipts	22.8		22.8	22.8	22.8	22.8	22.8
TOTAL	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill changes the AIDEA board membership from the Commissioner of Revenue and the Commissioner of Commerce Community and Economic Development and one other commissioner (currently the Commissioner of Transportation) and 2 public members to the Commissioners of Revenue and Commerce Communiity and Economic Development and five public members each of whom have with expertise in private sector business and possesses demonstrated leadership skills.

Public members of the authority receive $100 compensation for each day spent on official business of AIDEA and may be reimbursed for actual and necessary expenses at the same rate paid to members of state boards under AS 39.20.180. Two additional public members has an estimated increased costs of 10 official business days * 3 members * (100) = 3,000 for compensation ; (600 + 60) * 10 *3 for travel and per diem = $19,800.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 3/24/10 12:00 AM
Approved by: Emil Notti, Commissioner
Date 3/24/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

Sponsor Statement

CS House Bill 363 (L&C), AIDEA BOARD MEMBERSHIP

The Alaska Industrial Development and Export Authority (AIDEA) is a public corporation established by the Legislature with the purpose of promoting, developing, and advancing the general prosperity and economic welfare of the people of Alaska. It is a billion dollar corporation, with assets split in thirds between investments, loans, and development projects.

Currently state law mandates the five-member board consist of the Commissioner of Revenue, the Commissioner of Commerce, Community, and Economic Development, another department head appointed by the Governor (currently the ADOT commissioner), and two public members also appointed by the Governor.

CS HB 363 (L&C) changes the makeup of the board of directors of AIDEA to:

- Commissioner of Revenue
- Commissioner of Commerce, Community, and Economic Development
- Five private sector members with expertise in private sector business and demonstrated leadership skills

The goal of the restructure is to put private-sector strategic leadership at the helm of the state's development financing corporation. This will enable AIDEA to engage proactively in the development projects that should occur in the state of Alaska. In addition, the expansion to a 7-member board will allow AIDEA to form subcommittees and to represent a broader spectrum of industries and regions of Alaska.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

HB 363, AIDEA BOARD MEMBERSHIP

Changes from HB 363 to CS House Bill 363 (L&C)

P.1, lines 6-12 intent language added for the Board to be as broadly representative of Alaska's diverse regions as practicable and likewise broadly representative of the industries most important to Alaska.

P. 2, lines 1-6 the board of directors of AIDEA consists of:

- Commissioner of Revenue
- Commissioner of Commerce, Community, and Economic Development
- Five public members

(The original bill: Commissioner of Revenue and four public members)

P. 2, line 6-8
The public members must have expertise in private sector business **or Industry, or both.**

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

MEMORANDUM

Date: April 5, 2010

To: Representative Bill Stoltze, Co-Chair
Representative Mike Hawker, Co-Chair
House Finance Committee

From: Rep. Bob Herron, Co-Chair
Rep. Cathy Muñoz, Co-Chair

RE: CS House Bill 363 (L&C), AIDEA MEMBERSHIP

I respectfully request a hearing for CSHB 363 (L&C), *"An Act relating to the membership of the Alaska Industrial Development and Export Authority."*

HB 363 puts five public members with expertise in private sector business and demonstrated leadership skills on the AIDEA board. This will enable AIDEA to engage proactively in the development projects in the state of Alaska.

List of Expected Witnesses (Amended 4.5.10):

- Rob Earl (staff to Rep. Herron) and Erin Harrington (staff to Rep. Austerman) – Presenting together in Person
- Ted Leonard – AIDEA Executive Director – In Person
- Wayne Stevens – State Chamber of Commerce – In Person
- Sara Fisher-Goad – AIDEA/AEA (Available for questions on the fiscal note)

If you have any questions or need additional information, please call Rob Earl at 465-5141.

AIDEA

Boards & Commissions Factsheets

Industrial Development / Export

Board: Alaska Industrial Development and Export Authority (AIDEA)
Board identification number: 050

Department: DEPARTMENT OF COMMERCE COMMUNITY AND ECONOMIC DEV

Authority: AS 44.88.030

Status: Active

Sunset date:

Requirements: Financial Disclosure

Prohibitions: None

Term: 2 years

Description: 5 members - 3 appointed by Governor: 2 public members, and 1 head of a principal department of the Executive Branch or designee; plus the commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development or their respective designees; members elect chair.

Function: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment, and to create additional employment, by providing various means of financing and by facilitating the financing of industrial, manufacturing, power transmission intertie, export and business enterprises and other facilities within the state through loan participation and loan guarantee programs, as well as owning specific facilities that create basic sector employment and enhance economic development in the state.

Chair: Members select.

Special facts: Public corporation; has ability to own and operate public use facilities which advance goals of Authority; quorum-majority; minutes of each meeting to Governor/Legislative Budget and Audit.

Compensation: Standard Travel and Per Diem. Public members receive $100 per day plus travel and lodging.

Meetings: 12 meetings per year.

For further information contact:
Mr. Ted Leonard
Executive Director
Alaska Industrial Development and Export Authority
813 West Northern Lights Boulevard
Anchorage, AK 99503
Phone: (907) 269-3050, FAX: (907) 269-3044

Industrial Development / Export Roster

Go to the Industrial Development / Export Home page

We appreciate your interest in boards and commissions. For further information contact the boards and commissions staff at (907) 465-3500 or at **boards@alaska.gov**.

© Copyright 2010, State of Alaska, all rights reserved

26-LS1503\S.2
Cook
4/7/10

AMENDMENT #1 KELLY

OFFERED IN THE HOUSE

TO: CSHB 363(L&C)

Adopted 4/7/10

Page 2, line 18, following "serve":

Insert "**at the pleasure of the governor for**"

1538

Board of Directors

§ Statutes
§ Regulations
§ By-Laws
§ Policies
§ FAQs
§ Related Links

Board of Directors

AIDEA 2010 Board Meeting Schedule

Wed. March 17, 2010

*meetings will be held on Wednesdays at 10:30 a.m. unless otherwise indicated**

Wed. April 28, 2010
Wed. May 26, 2010
Wed. June 23, 2010
Wed. August 11, 2010
Wed. September 22, 2010
Wed. October 20, 2010
**Friday December 3, 2010*

NOTE: These dates and times are subject to change or cancellation. Please check back frequently for updated information. Meetings are held at the Authority's offices at 813 West Northern Lights Blvd. unless otherwise stated. If you have any questions, please contact Brenda Fuglestad at (907) 771-3008.

AIDEA Board Meeting Minutes Archive

AIDEA and AEA share a five-member Board.

Mr. Patrick Galvin
Commissioner
Department of Revenue
Appointed: 12/4/2006
Elected Chair: 11/10/2008

Member. Chair.
Commissioner, Alaska Department of Revenue. was appointed Commissioner of the Department of Revenue by Governor Sarah Palin effective December 4, 2006. Before his appointment he served as a Petroleum Land Manager for the Alaska Department of Natural Resources, Division of Oil and Gas. His responsibilities included managing the oil and gas leasing and licensing programs, lease administration, and oil and gas permitting for the division. His education background includes a Bachelor's degree in Visual Arts and Quantitative Economics from the University of California, San Diego, a Law Degree from the University of San Diego, and an MBA from San Diego State University. Prior to his position at DNR, Mr. Galvin served as Director of the Division of Governmental Coordination, overseeing the Alaska Coastal Management Program. Previously, Mr. Galvin was a private practice attorney focusing on municipal, corporate, and tribal law.

P.O. Box 110400
Juneau, Alaska 99811-0400
907-465-2300
(fax) 907-465-2389
patrick.galvin@alaska.gov

Designee for Commissioner Galvin is
Deputy Commissioner for Treasury Jerry Burnett

Mr. Michael T. Felix
(Public Member)
Appointed: 06/25/2009
Expires: 06/30/2010

Member.
Mr. Felix was appointed to the Board on May 29, 2009. Since February 2002, Mike Felix has served as president of AT&T Alascom, a wholly-owned subsidiary of AT&T, Inc. He has almost 35 years experience in various areas of the telecom and high-tech industries, having held several senior management and board positions in public and private companies. He began his career in 1975 at Tampa Electric Company, where he served in various management and engineering roles. In 1982, he was one of the founding employees at what is today Sprint -- where he held several technical and management leadership positions. From 1992 to 2001, Mr. Felix served as CEO or COO of several venture capital-backed startups in the telecom and software space. From 1989 to 2001, he also served on the boards of four start-up companies, and three private schools.

Mike is a graduate of the University of South Florida with a B.S. in Electrical Engineering. He and his wife, Bethany, currently reside in Anchorage, Alaska and have three adult children. Mr. Felix currently serves on the University of Alaska Foundation Board, the board of Commonwealth North, the Foraker Group Governing Board, and as an Honorary Commander for the 3rd Wing of the US Air Force at Elmendorf AFB

505 East Bluff Drive
Anchorage AK 99501
907-264-7659
mfelix@alascom.att.com

Mr. Emil Notti
Commissioner
Department of Commerce, Community and Economic Development
Appointed: 12/13/2006

Member.
Commissioner, Department of Commerce, Community and Economic Development, Governor Palin appointed Emil Notti as Commissioner on December 13, 2006. Mr. Notti is an engineer, prominent Alaska Native leader and Alaska public servant.

He graduated from Northrop University with a dual degree in aeronautical and electrical engineering. His extensive background includes first president of the Alaska Federation of Natives during which he was an instrumental player in establishing the state's Native corporations; past president of Doyon Limited; former Commissioner of the Department of Community and Regional Affairs under Governor Sheffield; 30-year board member with the National Bank of Alaska; and Veteran of the United States Navy.

Born in Koyukuk, Notti holds an Honorary Doctorate degree from Alaska Methodist University

P.O. Box 110800
Juneau, AK 99811-0800
9th Floor State Office Building
(907) 465-2500
Fax (907) 465-5442
emil.notti@alaska.gov

Mr. Leo von Scheben, P.E., L.S., M.B.A.
Commissioner
Department of

Member.
Commissioner, Leo von Scheben, 65, is a registered professional engineer and land surveyor who has lived in Alaska since 1963. He received his B.S. degree in Industrial Engineering from the University of Florida in Gainesville, a B.S. degree in Civil Engineering from Bradley University in Peoria, Illinois, and a MBA from the University of Alaska Anchorage. He was one of the four founding partners of an architectural, engineering, land surveying and planning firm with offices in Alaska and the Pacific Northwest.

He has represented the Society of American Military Engineers on the Anchorage Post Industrial Liaison Committee, member of the 2006 S.A.M.E. Executive Group and Commissioner to the Alaska Private Industry Council. He was voted Alumni of the Year by Bradley University.

Transportation and Public Facilities
Appointed: 01/12/2007
Reappointed: 05/29/2009
Expires: 06/30/2011

He belongs to the American Society of Civil Engineers and the Alaska Society of Professional Land Surveyors.

Von Scheben was featured in "How to Form a Successful Design/Build Alliance" in the January 2006 edition of the Professional Services Management Journal PSMJ).

3132 Channel Drive
Juneau, Alaska 99801-7898
(907) 465-3900
Fax: (907) 586-8365
leo.vonscheben@alaska.gov

Mr. John R. Winther
(Public Member)
Appointed: 07/01/2003
Appointed Vice-Chair 8/23/2007
Reappointed: 09/21/2007
Expires: 06/30/2009
Reappointed: 05/29/2009
Expires: 06/30/2011

Member. Vice-Chair.
Mr. Winther was appointed to the Board of Directors on July 1, 2003. He was born in Fairbanks and raised in both Fairbanks and Juneau. He is a lifelong Alaskan who graduated from Lathrop High School and has resided in Petersburg since 1972. John has been in the commercial fishing business for 39 years, owning his own business for 35 of those years. He is currently the managing partner of Prowler Fisheries, based in Petersburg, Alaska, and also owns a crab vessel that fishes the Bering Sea. He is the founder and chairman of Winstar Petroleum; an Alaskan owned independent oil company with acreage on the North Slope. John served as director of Icicle Seafoods from 1980-1992 and also served on the North Pacific Fisheries Management Council from 1983-1989.

102 South Second Street
P.O. Box 50
Petersburg, AK 99833
(907) 772-4835
Fax: (907) 772-9385
jrwinther@aol.com

Get ADOBE® READER®

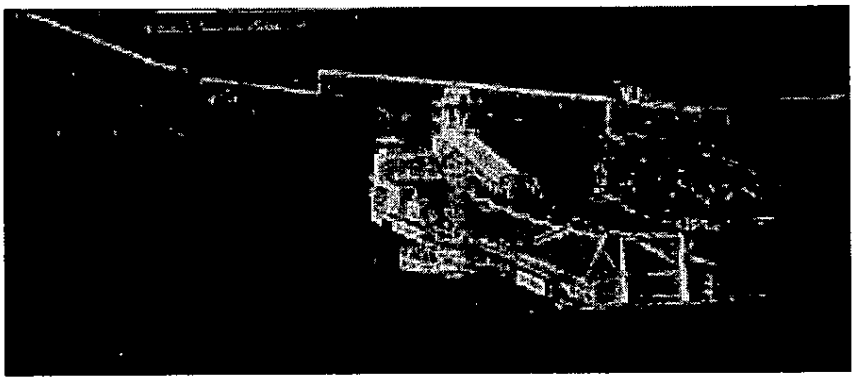
Last updated: 2/23/10

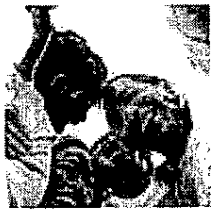
Thank You for Visiting Our Website

813 West Northern Lights Boulevard, Anchorage, AK 99503
907-771-3000 (Phone) 907-771-3044 (Fax) Toll Free (Alaska Only) 888-300-8534

AIDEA STRATEGIC PLAN

INVESTING IN ALASKANS





1542

Alaska Industrial Development and Export Authority

AIDEA STRATEGIC PLAN

INVESTING IN ALASKANS

Alaska Industrial Development and Export Authority

Table of Contents

Table of Contents 2

Executive Summary 4

Background 4

Summary of AIDEA's Mission & Strategic Vision 5

Summary of the SWOT Analysis 6

Themes from the Environmental Scan 8

Highlights from Best Practices Review 9

AIDEA Mission & Strategies 10

AIDEA's Mission 10

AIDEA's Strategic Vision 11

1 Diversify & Grow AIDEA's Assets to Support Economic Development 12

1.1 1-3 Year Objectives – Diversify & Grow Assets 12

1.2 Balance Sheet Analysis & Proposals 13

2 Improve AIDEA's Existing Programs and Add Targeted New Economic Development Financing Tools 18

2.1 1-3 Year Objectives – Improve & Add Programs – Commercial Finance 18

2.2 1-3 Year Objectives – Improve & Add Programs – Development Finance 19

2.3 Analysis & Proposals – Commercial Finance Programs 19

2.3.1 Mission & Role of AIDEA's Commercial Finance Programs 19

2.3.2 Current Status of AIDEA Commercial Loan Participation Programs 20

2.3.3 Future Profile of AIDEA Commercial Finance Programs 22

2.3.4 AIDEA Commercial Loan Program Rates and Terms 23

2.3.5 AIDEA Commercial Finance Metrics and Incentive Rates 24

2.4 Analysis & Proposals – Development Finance 25

2.4.1 Mission and Role of AIDEA's Development Finance Programs 25

2.4.2 Structure & Potential for AIDEA's Development Finance Programs 26

3 Expand the Deployment & Impact of AIDEA's Economic Development Financing 30

3.1 1-3 Year Objectives – Expand AIDEA's Economic Development Deployment & Impact 31

3.2 Target Sectors for AIDEA Investment 33

3.3 Integration of AIDEA Programs & Activities with Overall State Economic Development Strategies 34

1545

This publication of the Strategic Plan for the Alaska Industrial Development and Export Authority was printed at a cost of $11.99 per copy. The report was designed and produced by Northwest Strategies and printed in Anchorage, Alaska by Northern Printing.

3.4 Analysis & Proposals – AIDEA Outreach 35
3.4.1 Outreach Concept / Objectives 35
3.4.2 Outreach Resources & Organization 35
3.4.3 Outreach Initiatives 36
3.4.4 Outreach Targets 37
3.5 Analysis & Proposals – AIDEA Structure & Procees 38
3.5.1 Intake, Analysis & Approval Processes & Structure 38
3.5.2 Metrics and Performance Measures 40
3.5.3 Enhanced Asset Management 42
Alaska Economy Analysis 44
Alaska Economy SWOT (Strengths-Weaknesses-Opportunities-Threats) 44
AIDEA Environmental Scan, Results and Analysis 50
AIDEA SWOT 50
Environmental Scan Introduction 52
Public Workshop 54
Board of Directors 54
AIDEA Staff 55
Lenders 55
Best Practices Review - Economic Development Programs 58
Summary of Best Practices Review 58
Main Themes from Best Practices Review 60
Approaches to Organizing for Economic Development 60
Common "Tools" of Economic Development 61
Most Potentially Relevant Economic Development Program 63
Various Funding Options for Economic Development 65

For Appendices please visit http://www.aidea.org/PDF%20files/AIDEAStrategicPlan-Appendices.pdf

executive summary

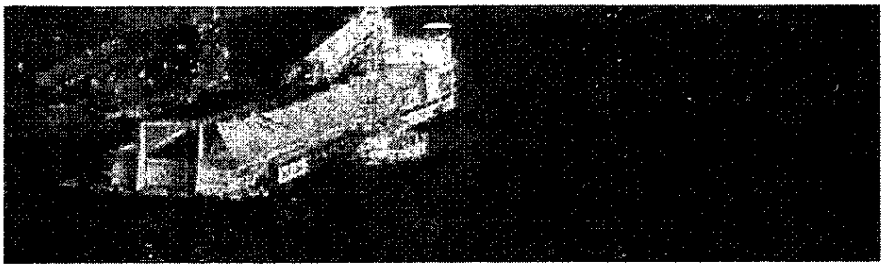
Background

AIDEA began a process in late 2008 to develop a strategic plan to establish how best to support the purpose of the Authority in assisting with economic development, job growth and job diversification in the state. Western Financial Group, along with Northern Economics and Gordon Davis, were engaged to work with AIDEA's management and staff to assist in the development of this strategic plan for AIDEA as well as to establish tools for an ongoing strategic planning process for the Authority. The process for developing the plan included all AIDEA staff, the Board and many outside stakeholders – both public and private.

In support of the development of the plan, the following activities were completed.

- An "environmental scan" was conducted to determine AIDEA's current role, perceived needs and roles, etc.
- A "SWOT" ("Strengths-Weaknesses-Opportunities-Threats") analysis was developed for both AIDEA and the Alaska economy
- A review of economic development finance "best practices" both nationally and internationally was compiled
- A series of potential strategies, financing tool menus and analyses were drafted
- A vision plan and a set of supporting objectives were developed
- Feedback and input from AIDEA's board, management team, AIDEA staff, and outside stakeholders including banks and other economic development agencies was obtained

It is anticipated that with the Board's consensus, AIDEA and the Western Financial Group will establish a permanent strategic planning function as well as implement certain immediate initiatives during the 2010 calendar year.



Summary of AIDEA's Mission & Strategic Vision

AIDEA's Mission

Early findings of the environmental scan provided some useful guidance on AIDEA's mission. While it has been recognized that AIDEA's strengths lie in its ability to bring financing to important projects in Alaska, the Authority is often criticized for being too reactive while many parties believe it should take a more proactive approach to economic development in the state.

At its March 13, 2009 meeting, AIDEA's Board modified the Authority's mission statement to place a more direct emphasis on economic development:

> **The mission of the Alaska Industrial Development and Export Authority is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment.**

AIDEA's Strategic Vision

Even though AIDEA is a semi-independent authority from state government, its most effective role as an instrument for economic development will be realized if it partners with the state assuming the role as the primary financing arm for the state's comprehensive long term strategy for economic growth and stabilization.

To maintain its standing in the financial community, AIDEA will remain semi-independent from state government but through intergovernmental agreements and a central coordinating role, it will seek out and create if necessary, a full range of funding and financing options to implement economic development initiatives.

AIDEA will bring to the development and implementation of statewide economic growth strategies, a rigor of feasibility analysis that will ensure the greatest chance of success.

Consistent with the new mission statement as well as with the feedback from our stakeholders, **AIDEA's strategic vision is to actively partner with Alaskans as a dynamic resource in statewide economic development.** In order to fulfill this vision AIDEA will implement the following initiatives:

- **Diversify and grow AIDEA's assets to support economic development**
- **Improve AIDEA's existing programs and add targeted new economic development financing tools**
- **Expand the deployment and impact of AIDEA's economic development financing**

Further development of these initiatives, along with a series of 2-3 year objectives for each element are detailed in the body of this report.

executive summary

Summary of the SWOT Analysis

In order to provide a context for the development of the AIDEA Strategic Plan, a "Strengths–Weaknesses–Opportunities – Threats" ("SWOT") analysis was conducted both for the Alaska economy and for AIDEA itself. Although the purview of the Plan is limited to AIDEA's role in economic development finance, an understanding of how Alaska fits in the national and world economy, as well as how outside economic trends will affect Alaska, is necessary background for an understanding of AIDEA's role going forward.

Highlights of the SWOT for the Alaska economy include:

- While the Alaska economy continues to out-perform the U.S. overall, the global recession in all sectors does present potential risks for Alaska. The last year has seen 25-35% reductions in wealth, trade, industrial production, as well as very high volatility in commodities prices, including the key Alaska sectors of oil and minerals.

- It is too early to determine whether these global factors will result in secular (long term) restructuring of certain sectors and markets or will have only short-term effects, and to what degree those effects will influence the Alaskan economy. So far in this recession, credit market conditions and access to capital in Alaska remain considerably more favorable than in the rest of the country.

- The "1/3 Oil, 1/3 Federal, 1/3 Other (mostly resource-based)" structure of the Alaskan economy provides both positive and negative potential for future growth. Because both oil production and federal programs tend to remain fairly stable, they can be a continuing foundation for the Alaskan economy. Continued relatively high projected levels of construction, for example, indicate that the oil and federal sectors are providing that foundation despite the global recession. Volatility of oil prices, rapidly declining oil production and declining Congressional influence could, however, undermine the future support of that foundation. Commodities price volatility also makes the other resource-based segments of the Alaskan economy less certain.

1549

- Regional and urban/rural differences are exacerbated in Alaska. Because of the distances, topography and climate, the geography of the Alaska economy is challenging. Layered on top of the geographic challenges is the relatively recent introduction of a functioning cash economy to many of the more remote parts of the state. The multiple major differences among Alaska regions result in an even greater challenge to economic development than the "normal" urban/rural and state regional differences present in most Lower 48 states.

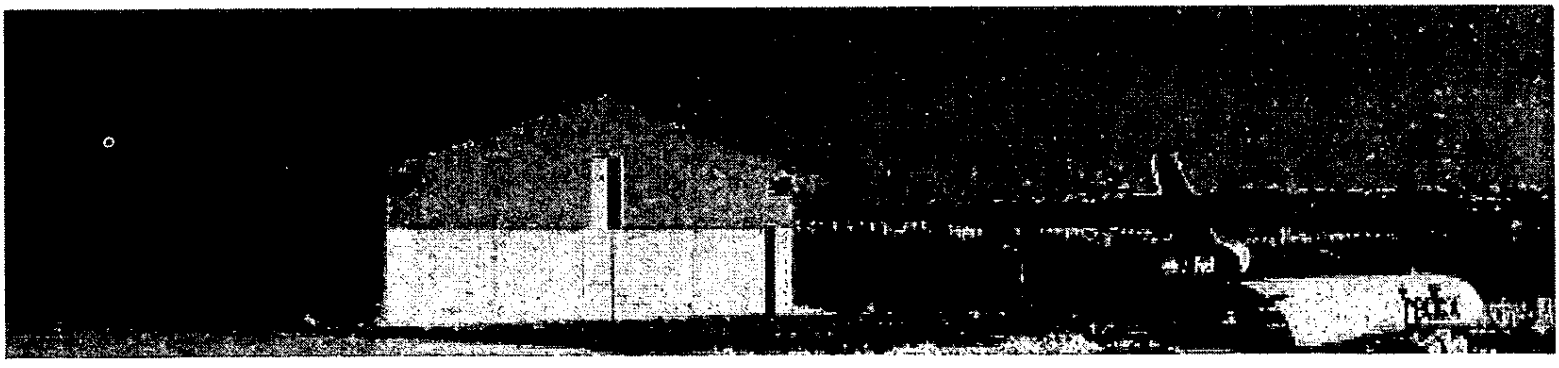
Highlights of the SWOT for AIDEA include:

- AIDEA's financial reserves and access to capital provide considerable capacity to support economic development financing for the state.

- AIDEA's institutional capacity (finance, project development, commercial lending) also provide potential for an expanded role, particularly in an environment where alternative funding / financing sources are under stress from the global financial markets upheaval.

- AIDEA's relatively limited statutory scope prevents (or hampers) participation in certain types of economic development finance activities pursued by similar agencies in other states.

- The lack of an overall strategic plan for Alaska economic development, and AIDEA's relatively passive stance in recent years, along with potential overall state budget constraints are barriers to expanded AIDEA participation in major projects.



Themes from the Environmental Scan

executive summary

The environmental scan, which gathered information regarding AIDEA from both inside and outside AIDEA and from both public and private sector sources, identified some themes about perceptions of AIDEA, ideas for AIDEA's future role and opinions about AIDEA programs.

In summary:

- AIDEA is perceived as competent and is a respected participant in the Alaska economy, although there remain significant, particularly private sector, economic actors that are unaware of AIDEA's mission, role and programs.

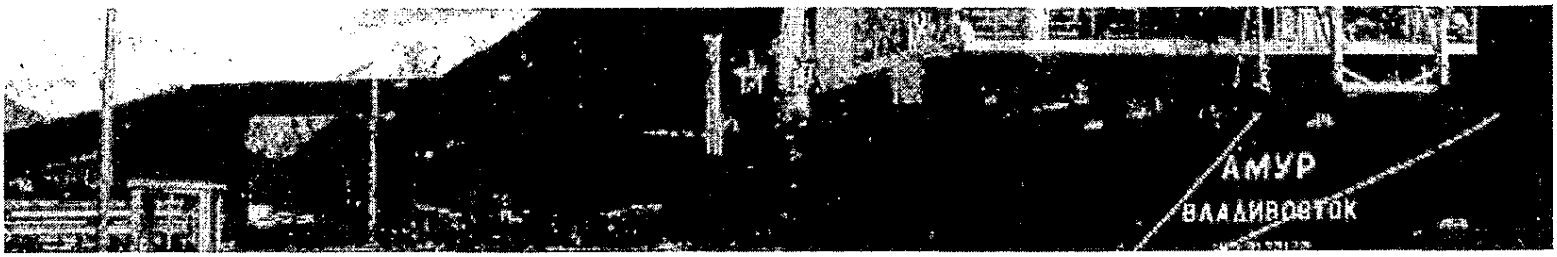
- AIDEA is viewed by certain economic development parties as reactive or passive, and by some as subject to potential political interference, or not sufficiently coordinated with other state agencies.

- Ideas about AIDEA's future role in the state's economic development activities were, for the most part, consistent with AIDEA's current program priorities – project financing and commercial lending support. Some respondents promoted the notion of a more active role for AIDEA in overall state economic development leadership.

- When asked about AIDEA's programs, there was a consensus from scan participants that AIDEA should take a more active approach to project development – particularly in developing infrastructure supporting minerals, gas, fisheries and other marine activities. There was also interest in expanding AIDEA's role as a lender alongside the banks, and potentially in providing capital for early stage companies.

- Multiple responders also favored an approach with AIDEA developing new programs for rural economic development.

1551



Highlights from Best Practices Review

The consulting team's review of best practices in economic development finance identified consistent patterns in structural approaches to economic development, in strategies, and in financing "tool kits".

While many different structural approaches, some common elements of successful economic development strategies include:

- Large stakeholder organizations, engaging key players from both the public and private sector
- Organized, long-term strategic planning efforts
- Designated lead agencies with both authority and responsibility for meeting economic development objectives

A number of common strategic approaches also dominate, including:

- Identification of key "traded-sector" (exporting) industry sectors and formation of "clusters" aimed at fostering growth in each individual sector.
- Development of, and management to, "theme" based vision, mission, goals & strategies, often through selection of target industries or categories of industries, for example "sustainable" or "creative". In some cases, these strategies also involve initiatives to "brand" a state or region's products in order to improve export market share.
- Finally, some of the most successful strategies have developed sophisticated metrics to measure the effectiveness of strategy elements and to provide goals and targets for the overall economic development effort. These measurement systems often include environmental, social, cultural and other benchmarks as well as the traditional measures of investment, jobs and income.

Similarly, the most successful economic development programs draw from a comprehensive toolbox of economic development financing tools, with particular emphasis on:

Grants, tax abatements, tax credits / rebates
Loan guarantees / participation
Public/Private partnerships
Infrastructure financing
Special condition lending / credit support
Venture capital & seed equity funds

While it should be emphasized that no state exemplifies all of the best practices in structure, strategy and financing, many states are working toward adopting best practices in all of these areas.

AIDEA's strategic plan team has evaluated the best practices overall with the intent of adopting only those elements most applicable to AIDEA's mission and roles and to the Alaska economic development environment.

AIDEA's Mission

AIDEA mission & strategies

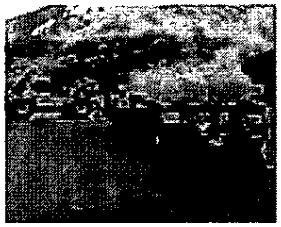
For the last several years, AIDEA's mission statement was:

The mission of the Alaska Industrial Development and Export Authority is to provide various means of financing to promote economic growth and diversification in Alaska.

As a key element of the current AIDEA planning process, an "environmental scan" was conducted to gather information on outside perceptions of AIDEA's role, performance and direction. Early findings of that scan provided some useful guidance on AIDEA's mission.

While it has been recognized that AIDEA's strengths lie in its ability to bring financing to important projects in Alaska, it is often criticized for being too reactive when it is clear from the statutory foundation that it was intended that the Authority would take a more proactive approach to economic development in the state. At its March 13, 2009 meeting, AIDEA's Board modified the Authority's mission statement to place a more direct emphasis on economic development:

The mission of the Alaska Industrial Development and Export Authority is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment.



While this re-emphasis on the underlying objective – economic development – appropriately steers overall planning, the changed emphasis also involves some risk. The Authority prides itself on the strength of its balance sheet; on the performance of its investments and on its credit rating and standing within the credit markets. By moving beyond its current role, AIDEA risks that some of its efforts to promote economic growth and development in the state might fail, potentially jeopardizing its high standing in the financial communities. Any strategy that takes AIDEA into new ventures must be done in a way that continues to protect its standing in the financial community since that standing is as critical to its overall success as an arm of the state for economic growth, development and stabilization.

AIDEA's Strategic Vision

Even though AIDEA is a semi-independent authority from state government, its most effective role as an instrument for economic development will be realized if it partners with the state assuming the role as the primary financing arm for the state's comprehensive long term strategy for economic growth and stabilization.

To maintain its standing in the financial community, AIDEA will remain semi-independent from state government but through intergovernmental agreements and a central coordinating role, it will seek out and create if necessary, a full range of funding and financing options to implement economic development initiatives.

AIDEA will bring to the development and implementation of statewide economic growth strategies, a rigor of feasibility analysis that will ensure the greatest chance of success.

Consistent with the new mission statement as well as with the feedback from our stakeholders; **AIDEA's strategic vision is to actively partner with Alaskans as a dynamic resource in statewide economic development.** In order to fulfill this vision AIDEA will implement the following initiatives:

1. **Diversify and grow AIDEA's assets to support economic development**

2. **Improve AIDEA's existing programs and add targeted new economic development financing tools**

3. **Expand the deployment and impact of AIDEA's economic development financing**

Further development of these initiatives, along with a series of 2-3 year objectives for each element are detailed in the following sections of this report.

1 Diversify & Grow

diversify & grow AIDEA's assets to support economic development

In order to maintain AIDEA's capacity to support existing programs and expand economic development financing opportunities, AIDEA will be required to utilize its balance sheet capacity at a higher level. Additionally, AIDEA's "asset allocation" within the balance sheet will need to be modified. AIDEA may also seek to enable "off-balance-sheet" financing tools for large projects or projects outside the criteria for AIDEA's "normal" portfolio. Finally, AIDEA's new strategic vision and balance sheet strategies will need to be communicated to and vetted by key market participants, including rating agencies and potential investors.

1.1 1-3 Year Objectives – Diversify & Grow Assets

Update policies for balance sheet capacities and limitations

- **Asset/liability management**
- **Cash reserves**
- **Dividends**
- **Bond financing**

Utilize $150-200 million in overall additional portfolio capacity over the next three years

Allocate portions of the balance sheet by economic development potential and risk profile

Expand balance sheet capacity through some combination of:

- **Increased borrowing capacity (with moral obligation, or revised indenture, or acceptance of lower rating)**
- **Improved analyst perception of portfolio capacity**
- **Establish capacity to leverage AIDEA's balance sheet (or finance off-balance sheet) for very large projects**

1.2 Balance Sheet Analysis & Proposals

In order to determine AIDEA's intermediate to long-term capacity to finance economic development, WFG and AIDEA's finance team analyzed the components of the balance sheet and made a series of projections to determine impact of alternative financing scenarios.

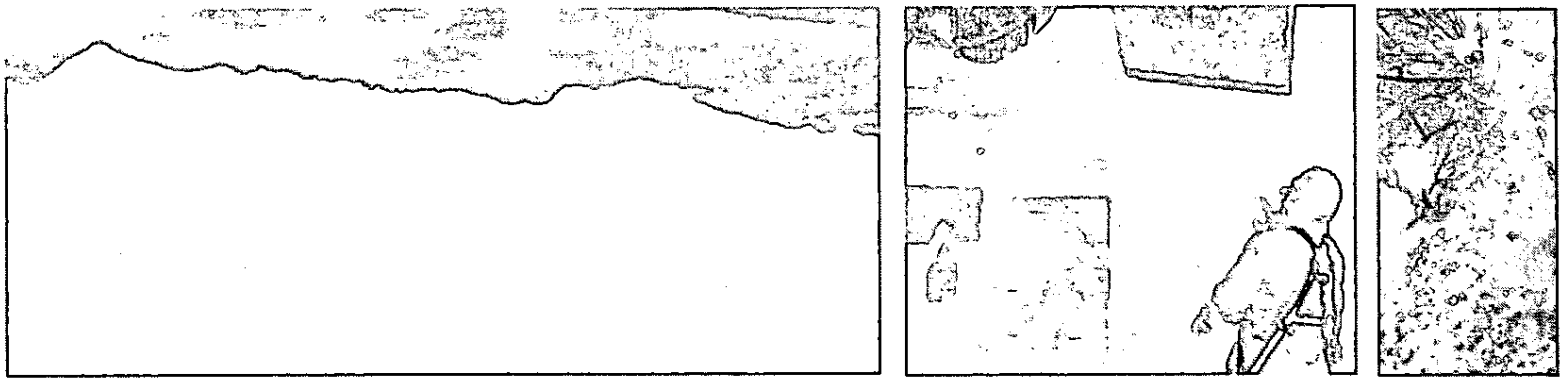
A series of four alternative future scenarios for AIDEA's balance sheet were run:

Scenario A
Base case - $50 million new loans, no new projects

Scenario B
Base case - $70 million new loans, no new projects

Scenario C
Base case - $50mm new loans
$20 million additional new projects financed from cash
Payback on development projects = 7% over 20 years

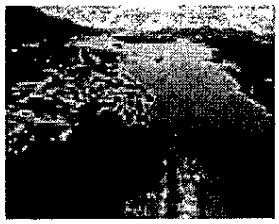
Scenario D
Base case - $50 million new loans
$20 million additional new projects financed from cash
Payback on development projects = 7% over 20 years
$100 million project – tax-exempt bonds in 5 years
Adjust cash to maintain .75 cash/debt, cash at 2x



diversify & grow AIDEA's assets to support economic development

The graphs on following pages provide visual depictions of the scenarios. To summarize the highlights of this element of the analysis:

- **AIDEA's balance sheet provides significant portfolio flexibility while retaining financing capacity.**
- **Under the updated assumptions incorporated in this analysis for loan portfolio behavior, AIDEA has considerable extra capacity (estimated at $150-200 million) to fund either expanded loan programs or additional projects.**
- **The impact of investing in loan participations or development projects is neutral to the Authority's balance sheet, depending on interest rate and default assumptions.**
- **Reducing investment balances to purchase loan participations and invest in development projects reduce funds available for debt payments.**
- **Reducing the dollar amount of loan participation purchases and not participating in economic development asset ownership, in the near term, increases bond capacity.**
- **Increase in AIDEA's net assets is slowed, but not stopped, if no more loans are made. However, the composition of the balance sheet changes, with investment balances increasing tremendously.**



While additional modeling of the AIDEA balance sheet during FY09-10 is intended to further refine the assumptions and scenarios, some policy and strategy issues emerge from this first level of analysis, and are caveats to the increased capacity indicated above:

- **The strategy proposed involves both growing and diversifying the AIDEA balance sheet and making internal dedications within the balance sheet to reflect the varying risk/return profiles of different types of projects. Under this approach, which includes some investments with higher risk profiles, the revolving fund should continue to grow and provide a dividend; however there may be times when part of the dividend is retained to fund portions of the programs with higher risk profiles.**

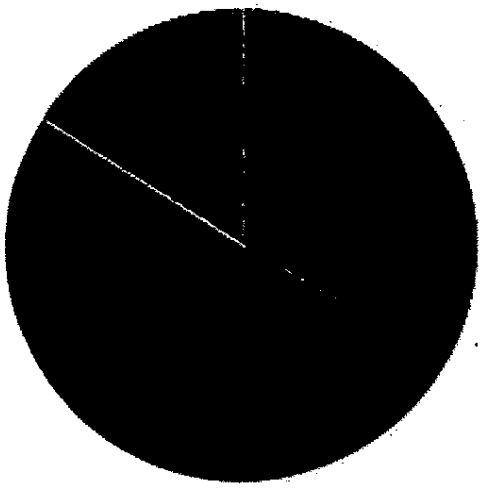
- **Although AIDEA does not have a covenant specifying a cash-to-debt ratio, staff and financial advisors believe AIDEA's relatively high cash balances compared to outstanding debt sustain current debt ratings. Investing in longer-term assets reduces access to liquid assets, possibly impacting future debt ratings.**

- **A major change to managing AIDEA's balance sheet risks impacting the fund's credit rating, conceivably resulting in higher interest rates on future AIDEA bond financing. Although maintaining the highest rating possible has been one of AIDEA's primary financial indicators, it is possible a trade-off would be worthwhile if, for example, a one-half notch rating reduction caused a 0.50% higher interest cost, but AIDEA gained $100 million additional capacity for economic development financing.**

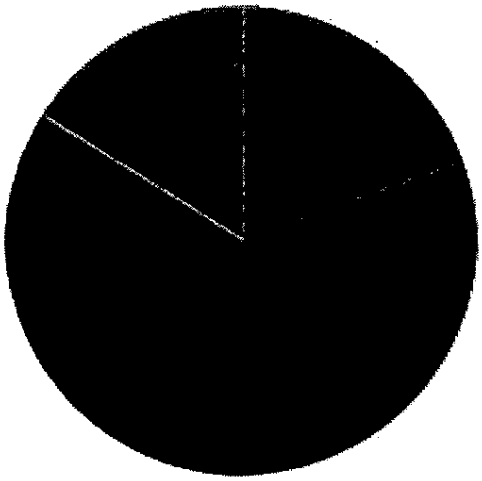
- **More detailed modeling during 2010 should focus on some additional assumptions and considerations:**

- **Higher default rates for loans and development projects should be modeled to provide some cushion against impacts of global economic changes and the potential to undertake more risky projects.**

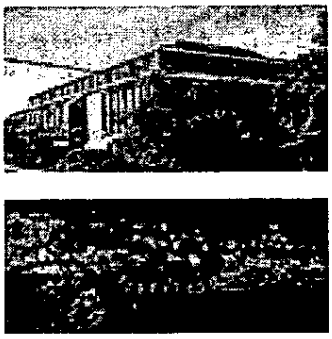
- **The historical rate-setting process for development projects has been tilted more toward economic development return to the state (such as jobs) than financial return to AIDEA (such as return on investment). Modeling should be done on the impact of alternative approaches to project funding pricing. The potential impact of the final resolution of business dealings related to the Healy Clean Coal project will need to be incorporated.**

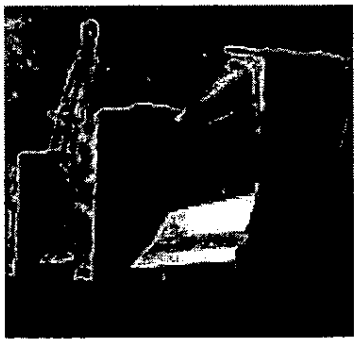


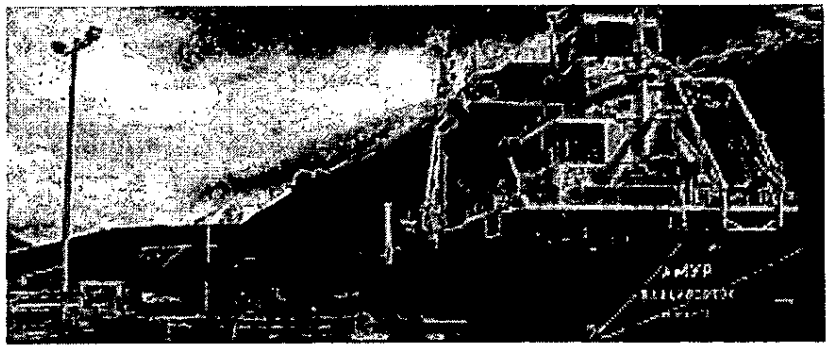
Balance Sheet Scenario A

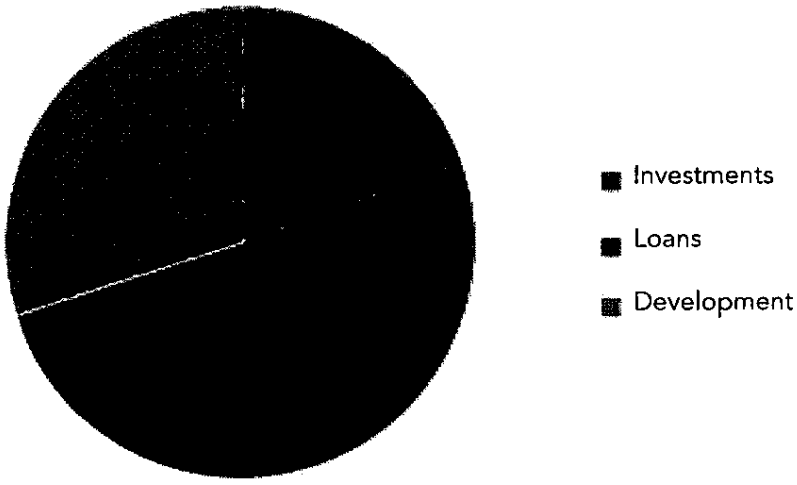


Balance Sheet Scenario B

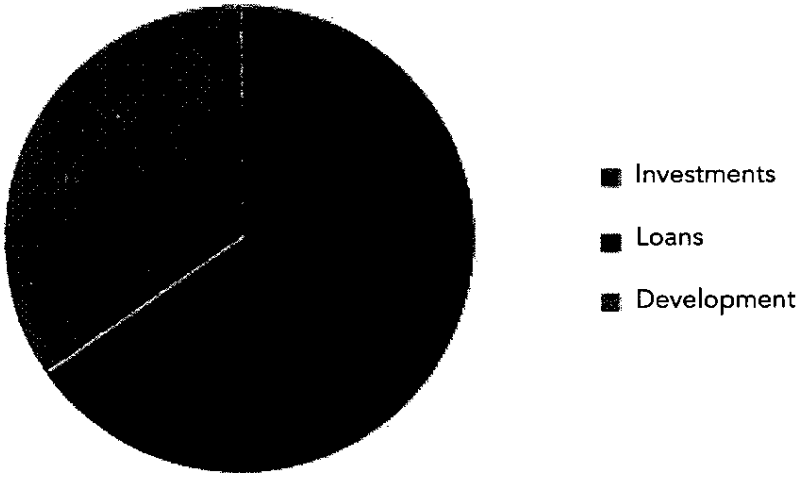




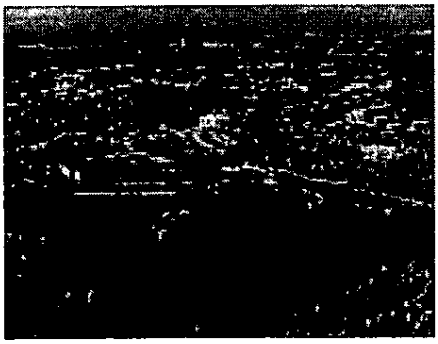


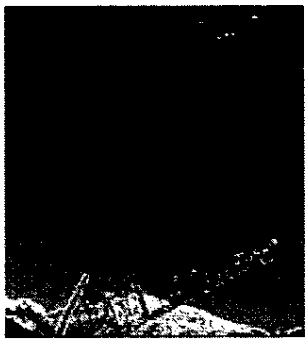


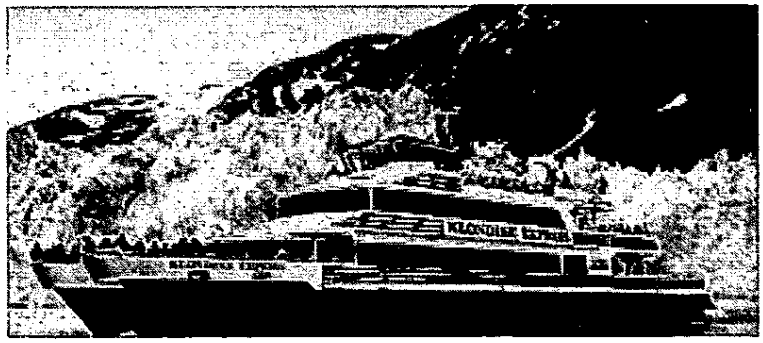
Balance Sheet Scenario C



Balance Sheet Scenario D







1560

2 Improve AIDEA's Existing Programs and Add Targeted New Economic Development Financing Tools

improve AIDEA's existing programs and add targeted new economic development financing tools

AIDEA's "marquee" Development Finance and Commercial Loan Participation programs have suffered reductions in demand from their peaks. While Development Finance has always been somewhat "event-driven", the recent reduction in Loan Participation Program demand resulted, at least to some extent, from structural impediments that could be changed. The strategic vision for AIDEA anticipates actions to make these programs more viable. The global economic environment and specific local economic conditions in Alaska also provide potential opportunity for implementation by AIDEA of new financing tools

2.1 1-3 Year Objectives – Improve & Add Programs – Commercial Finance

Expand both the perception and the reality of the commercial lending program from "credit" to "Commercial Finance"

Regain recent historic levels of the loan participation program for real estate and equipment

Investigate the potential for a sector-targeted operating line loan participation program representing up to a $25 million addition to AIDEA's portfolio

Match rates to economic development objectives

- **"Market" rates where appropriate**
- **Consider risk-adjusted, incentive rates**

Support business growth by providing terms that would not otherwise be available in the commercial financing market

- **Support market values / liquidity**
- **Support small banks / regions**

Link Commercial Finance programs to financial and economic development metrics.

1561

2.2 1-3 Year Objectives – Improve & Add Programs – Development Finance

Ramp up development project sponsorship to 1-3 projects per year and a total of $150-200 million addition to AIDEA portfolio over three years

Develop capacity for "equity" ownership in entities / assets beyond "projects" and consistent with the mission with a target of up to $50 million addition to the AIDEA portfolio over three years

Set aside "risk capital" to fund R&D and other "seed" activities that could drive larger economic development opportunities

Develop structures for "pooled" development project and/or business financing segments of the portfolio in order to expand financing availability while maintaining portfolio creditworthiness

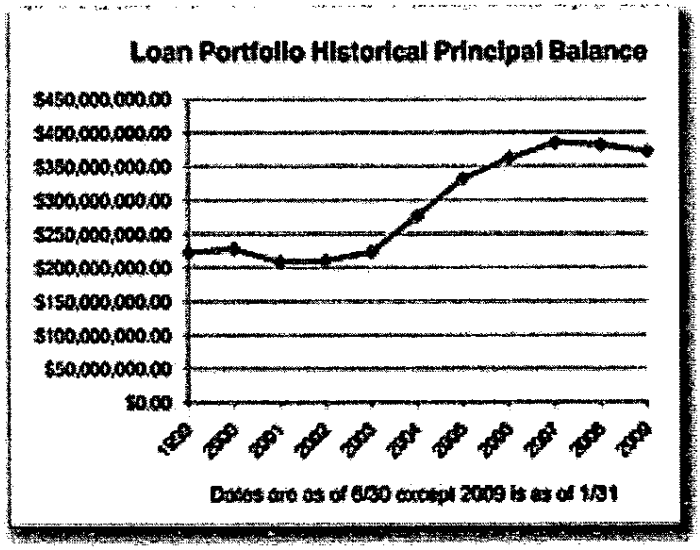
2.3 Analysis & Proposals – Commercial Finance Programs

2.3.1 Mission & Role of AIDEA's Commercial Finance Programs

AIDEA's commercial loan programs serve the Authority's mission of providing economic development financing by playing a number of roles in the Alaska economy

- **Supporting growth of business in Alaska by providing terms that would not otherwise be available in the commercial financing market.**
- **Supporting market values and liquidity in Alaska's economy.**
- **Supporting small banks and more remote regions of the state.**

Additionally, the Commercial Finance programs play an important role in AIDEA's financial operations – providing a reliable and consistent source of revenue to AIDEA's balance sheet.



2.3.2 Current Status of AIDEA Commercial Loan Participation Programs

improve AIDEA's existing programs and add targeted new economic development financing tool

Most AIDEA program borrowers have customarily been issued long-term, fixed-rate loans, with an average maturity of just over 20 years. Actual experience for the AIDEA portfolio is that loans are paid off substantially before when they are due – averaging between 6 and 7 years.

The Commercial Loan Participation program has grown to represent a significant portion of AIDEA's assets. As of June 30, 2009, AIDEA's outstanding commercial loan participation portfolio consisted of 253 outstanding loans with a principal balance of $368,209,000. The tables below (all derived from the Credit Division's report as of June 30, 2009) provide a snapshot of the composition of the AIDEA loan portfolio.

SUMMARY COMPOSITION OF AIDEA LOAN PORTFOLIO

LOAN PROGRAM TYPE	#	$ AMOUNT (000'S)
APPROPRIATED	7	$95
DIRECT LOAN(AEL&P)	1	$3,277
LOAN PARTICIPATION:		
BONDS OUTSTANDING	0	$0
BONDS RETIRED	1	$859
INTERNALLY FUNDED	235	$339,487
OREO SALE FINANCING	9	$24,491
OTHER	0	$0
TOTAL	253	$368,209

GEOGRAPHIC DIVERSIFICATION OF AIDEA LOAN PORTFOLIO

REGION	% OF TOTAL OUTSTANDING PRINCIPAL BALANCE
ANCHORAGE	58.48%
INTERIOR	7.42%
NORTHERN	4.65%
MAT-SU	5.82%
GULF COAST	7.23%
SOUTHEAST	20.39%
SOUTHWEST	1.01%
TOTAL	100%

FINANCIAL INSTITUTIONS UTILIZING AIDEA'S LOAN PARTICIPATION PROGRAM

FINANCIAL INSTITUTION	NUMBER OF LOANS	PRINCIPAL BALANCE	% OF TOTAL $
ALASKA PACIFIC BANK	15	$27,413,680	7.45%
KEYBANK N.A.	13	$17,660,011	4.80%
FIRST BANK	9	$14,069,384	3.82%
FIRST NATIONAL BANK ALASKA	144	$140,154,979	38.06%
WELLS FARGO BANK ALASKA N.A.	37	$60,240,043	16.36%
DENALI STATE BANK	2	$2,842,762	.77%
NORTHRIM BANK	41	$62,432,410	16.96%
STERLING SAVINGS BANK	3	$12,346,028	3.35%
AIDEA	15	$28,721,669	20.7%
ALASKA USA FEDERAL CREDIT UNION	2	$1,300,435	.35%
MATANUSKA VALLEY FEDERAL CREDIT UNION	2	$1,027,343	.28%
TOTAL	253	$368,208,744	100%

AIDEA PORTFOLIO DIVERSIFICATION BY INDUSTRY IN ALASKA

INDUSTRY	% OF TOTAL OUTSTANDING PRINCIPAL BALANCE
HEALTHCARE	5.79%
RECREATION	3.75%
MANUFACTURING	.94%
AIRCRAFT HANGAR/TERMINAL	1.94%
OFFICE/BUSINESS CONDO	13.43%
RETAIL	21.74%
OFFICE WAREHOUSE	14.95%
WAREHOUSE/SHOP	4.07%
TOURISM/HOTEL/LODGE	26.14%
OTHER	7.22%
TOTAL	100%

TOTAL DELINQUENCIES OVER 90 DAYS AT JUNE 30, 2009 ARE 0.08%

LOAN TYPE	%	$ AMOUNT (000'S)
CURRENT	99.04%	$364,657
PAST DUE:		
31-60 DAYS	0%	$0
61-90 DAYS	.88%	$3,243
OVER 90 DAYS	.08%	$309
TOTAL	100.0%	$368,209

2.3.3 Future Profile of AIDEA Commercial Finance Programs

improve AIDEA's existing programs and add targeted new economic development financing tool

While AIDEA has statutory authority for programs for rural financing and a loan guarantee program, the vast majority of direct activity is in the loan participation program, with the smaller financing programs run for AIDEA by Commerce and the guarantee program effectively inactive.

Within the loan participation program all recent activity has been in the form of real estate loans, with no activity in operating lines or other business lending. With the turmoil in the global financial markets starting late in 2007, and the nature of the AIDEA loan rate-setting procedure, there has been limited activity even in real estate loans. Recent trends have re-aligned AIDEA's rates with market levels, but the recession has reduced overall loan demand, so activity remains at low ebb.

Looking to the future, however, the analysis leads to several proposals for improvements / additions to AIDEA's commercial financing programs:

- Establish metrics for economic development objectives related to commercial finance tools and structure, track and adjust loans relative to those metrics.
- More directly guide the small loan programs managed by Commerce to make sure they optimize AIDEA's overall program targeting and to ensure they have adequate capital to meet the identified need.
- Ensure that AIDEA's commercial loan rates are consistent with market trends and balance the need for financial prudence with the programs' objective to serve as an economic development financing tool for Alaska.
- Establish structure and authority to go beyond direct loan participation (to activate guarantee programs, for example) and beyond real estate lending, should a need for these types of commercial financing arise in the future.

2.3.4 AIDEA Commercial Loan Program Rates and Terms

There has been considerable attention in the last year to the process for setting loan interest rates for AIDEA's commercial loan participation program. Current statutes require rates to be based on cost of funds; the Authority has implemented a rate-setting process by which a third-party provides a proxy for AIDEA's cost of capital based on hypothetical bond rates, augmented with a spread to reflect AIDEA's cost and return. While this process has advantages (semi-independence, insulation from influence), it also has problems (lack of transparency). The principal issue that has arisen, however, is that the current system resulted in AIDEA's loan rates being "above market" for a considerable period.

As the financing programs were examined, and a new approach to managing AIDEA's balance sheet proposed, a different approach to setting rates for AIDEA loan programs was considered:

Rather than using a closed process to develop a "synthetic" cost of capital based on issuing bonds (which AIDEA has NOT done to fund loans for many years), tie AIDEA's loan rates to:

- **Comparable market rates based on published indices, and**
- **Economic development potential of the business or facility to be financed**

By using published indices, the independence (and freedom from influence) of the current system can be maintained with the added element of transparency.

AIDEA's commercial finance team evaluated potential market proxies for the proposed structure and identified two candidate published indices (from the Federal Home Loan Bank and the Federal Farm Credit Bank) for consideration. During 2010, a more thorough evaluation of the potential drivers for the proposed rate-setting structure will be completed and a final proposal for an approach that meets all of the AIDEA policy and program objectives will be recommended.

2.3.5 AIDEA Commercial Finance Metrics and Incentive Rates

improve AIDEA's existing programs and add targeted new economic development financing tool

In addition to the external rate-setting mechanism, the potential for enabling "incentive" pricing for AIDEA loan participations and other commercial lending programs were evaluated. In the most basic terms, this would involve providing reduced borrowing costs for business and facility financings that achieve high levels of job creation, and allow AIDEA's funds to be leveraged more effectively.

As an example of how this system might be structured (details to be developed during 2010), a draft a set of Incentive Rate Program Elements is included below:

Basic Rate (no incentives)

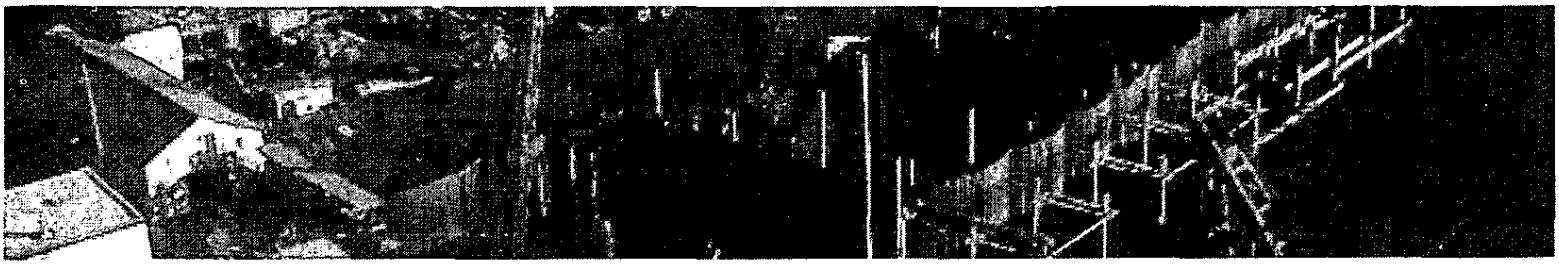
- **Typical investor-held real estate purchase**
- **Real estate re-finance**
- **Construction with no long-term job creation**

Eligible for Incentive Rate

- **Funds used by companies to purchase property and/or equipment for business expansion**
- **Start-up companies that employ a threshold number of people**
- **Refinancing of existing debt that frees up working capital used for business expansion and increased employment**
- **Business financing in rural/remote areas of the state**
- **Business financing in targeted sectors of the economy**

Nature of Incentives

- **Interest rate rebates (as opposed to up-front rate reductions)**
- **Annual reporting by borrower on economic development metrics (in arrears)**
- **Interest rate rebate direct to borrower – may be used to pay down AIDEA debt without prepayment penalty**
- **Tiered rebates**
  - **x% reduction for 3 years for companies that employ y number of individuals**
  - **x+0.5% reduction for 5 years for start-up companies that employ y number of individuals**
  - **x+1.0% reduction for 5 years for start-up companies that employ y individuals AND build new facilities.**



As previously noted, the above structure is intended just as an example of the potential incentive rate system and will be refined for presentation to and approval by the Board (and for any statutory, regulation changes required). It is likely that, in order to protect AIDEA's creditworthiness, a limit would be established for either the total dollar amount of loans with incentive rates or for a percentage of the total loan portfolio.

Alongside the implementation of a new approach to commercial lending, AIDEA's Strategic Plan proposes that overall economic development metrics be applied for the first time to these programs. Some concepts for those metrics are included in Section 3.5.2 of this report. Similarly, it is expected that the commercial loan programs will be directed by a common set of targets by sector and region as detailed in the "Outreach" portion of this report below.

2.4 Analysis & Proposals – Development Finance

2.4.1 Mission and Role of AIDEA's Development Finance Programs

AIDEA's development finance program is directed at financing large projects with potential for significant private investment and job growth. Due to the unique nature of AIDEA's authorities, the most common structure for these projects is AIDEA financing and owning a facility that serves as infrastructure for a large private development (Delong Mountain Transportation System, FedEx Maintenance Facility), or for a specific regional industry (Ketchikan Shipyard). These projects fit the accepted definition of "public-private partnerships" and tend to involve complex financial relationships, long-term commitments from both parties, and relatively high levels of risk.

Not surprisingly, given the risk profile of development projects of this nature, AIDEA has had notable failures to go along with the successes. While losses should be expected for a major economic development finance program, the larger challenge to programs of this nature is what the private sector refers to as "deal flow". Because investment-worthy large public-private projects of size are difficult to develop, they are also infrequent – particularly in a relatively small (economically) state like Alaska.

This relative paucity of potential "deals" has combined with a passive policy approach to AIDEA's development finance programs to result in a very low level of activity of this program for the past few years. However, based on the analysis of the Alaska economy, the environmental scan, and the best practices review, the analysis indicates a need for an enhanced and expanded program in the future. AIDEA's strong balance sheet provides the platform for the development finance program to support AIDEA's mission by returning to the role of "project finance" investment bank for the state's major economic development opportunities.

2.4.2 Structure & Potential for AIDEA's Development Finance Programs

improve AIDEA's existing programs and add targeted new economic development financing tool

Having identified a continued need for project development finance, an in-depth analysis of the current structure of the program was conducted and the current program compared with potential approaches and tools identified in the best practices review..

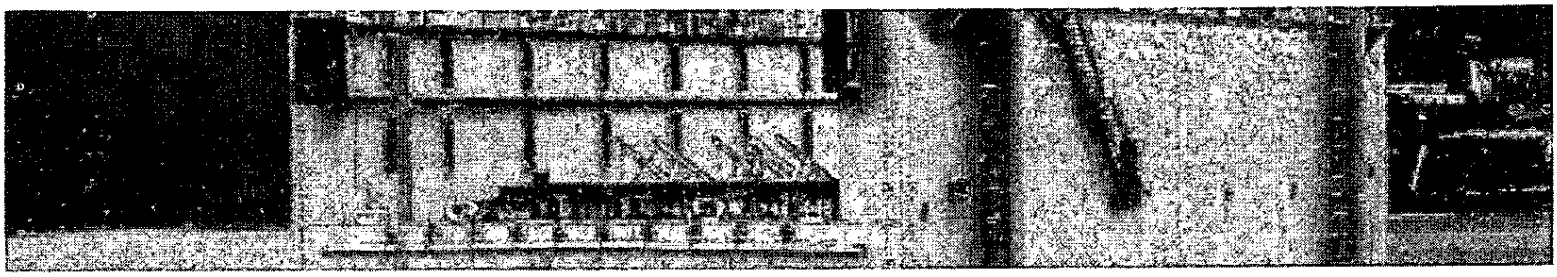
During the review process, the following opportunities to improve or expand AIDEA's development finance programs were suggested.

- **Project Finance (investment banking)**
- **Equity (beyond "projects")**
- **Feasibility funding**
- **R&D**
- **RFPs for target projects**

Each of these topics was evaluated for applicability to AIDEA's future program needs and a summary produced as follows:

Direct Project Financing – Investment banking

- **AIDEA's statutes define its authority to own and operate a project.**
- **The interpretation of this language is that AIDEA must "own" all or a portion of financed facilities, rather than being simply a lender.**
- **AIDEA should explore structures (or statutory changes) that facilitate a "project financing" role for AIDEA in order to open up opportunities where it is not necessary or advantageous for AIDEA to take an ownership interest.**



Further exploring this topic, AIDEA's potential project financing role was analyzed in the context of the following statement:

Project finance involves the creation of a legally independent project company financed with nonrecourse debt (and equity from one or more corporations known as sponsoring firms) for the purpose of financing investment in a single-purpose capital asset, usually with a limited life. (Harvard Business School, An Overview of Project Finance and Infrastructure Finance – 2006 Update. October 2007).

Additionally Project Financing (Investment Banking) was compared and contrasted with Corporate or conventional financing (AIDEA Loan Participation). See the table below:

FACTOR	PROJECT FINANCE	LOAN PARTICIPATION
BANK TYPE	INVESTMENT BANK	COMMERCIAL BANK
ROLE	SPONSOR, ACTIVE	PASSIVE
INTEREST	PROJECT MANAGER	OBSERVER
ACTIVITY	ADVOCATE, SPONSOR	DISPASSIONATE
OWNED	+/- OWNED	NOT OWNED
SENSITIVE	COULD BE POLITICAL	LESS POLITICAL
SIZE	GENERALLY LARGER	SMALLER
ENTITY	PUBLIC OR PRIVATE	PRIVATE

improve AIDEA's existing programs and add targeted new economic development financing tool

Development Finance Project Ownership

- **AIDEA's development finance program allows AIDEA to own "development projects" as a method of financing, but not to obtain stock in a company or to finance intangible assets.**

- **Review of other economic development agencies and authorities nationwide would indicate that there is a need for additional tools in Alaska for the Development Finance program that would allow for different aspects of ownership including venture capital, ownership of stock in companies, financing early development projects (for example through funding initial design/permitting, etc.) and investing in intangible assets such as intellectual property or engineering designs.**

Further analyzing this issue, "projects" vs. other potential financing structures were explored starting with the relevant portions of the current AIDEA statute. The conclusions based on review of the statutes (and interpretations of same) are consistent with the above summaries:

- **AIDEA has the authority to do project financing but only if it takes an ownership interest.**

- **AIDEA can finance plant (facility) projects only but not plants, facilities or commercial activities by a business enterprise.**

- **AIDEA can finance a project with both debt and "cash".**

- **At this time AIDEA, as a Development Finance Project, cannot invest in a company even if it meets the definition of project.**

- **Additional work needs to be done to investigate the difference between tangible projects (infrastructure, ports) and intangible projects (corporations, intellectual property) to determine how best to use the development finance program.**

If changes in statute and regulation were made, regarding these aspects of project development finance and ownership, then:

- **AIDEA can spur economic development (and increase deal flow) by making a modest investment in:**
  - **Funding in development definition**
  - **Front end engineering design**
  - **Development of a project concept through to business plan**
  - **Through early financing AIDEA could assure that Alaska universities are conducting research with the potential to leverage near-term technology in Alaska.**
  - **A seed-fund for targeted support of technology-transfer oriented R&D at Alaska's higher-education institutions and then invest in businesses flowing out of that research.**

Further implementation strategies related to the above opportunities will be explored during 2010 as part of the Implementation Plan along with potential statute/regulation changes to support improved and expanded Development Finance programs.

3 Expand the Deployment & Impact of AIDEA's Economic Development Financing

expand the deployment & impact of AIDEA's economic development financing

AIDEA's reputation as a major financier of economic development in the state is well established, but the Authority is perceived as a "passive" player. This perception is based on the reality that AIDEA has not been organized or oriented to promoting the availability of AIDEA's financing programs, nor has the Authority recruited projects to be financed in any organized fashion. To achieve AIDEA's mission and the strategic objectives, AIDEA will establish an outreach and deployment function to increase awareness of specific AIDEA financing capacities and to establish the Authority's role as "coordinator" or "arranger" of the whole range of state economic development financing tools.

AIDEA's deployment activities should be targeted to industry sectors, regions, project / asset types and even specific companies in some cases to ensure consistency with the state's and AIDEA's economic development strategies and goals.

While building consensus on statewide economic development goals and strategies is the responsibility of the state, AIDEA envisions its economic development agenda focused on initiatives that capitalize on the unique attributes of Alaska and that add value to existing industries and existing employment as well as future-oriented sectors and businesses.

Expanding programs and assuming a more active role in overall state economic development will require that AIDEA's efficiency and effectiveness be enhanced. Detailed analysis and concepts for resource, organization and process changes are provided in this section of the report.

3.1 1-3 Year Objectives – Expand AIDEA's Economic Development Deployment & Impact

Determine short/intermediate term economic sector targets (in coordination with statewide planning efforts) and tailor AIDEA strategies and programs to those target sectors

Establish AIDEA strategies for the sector targets meeting economic development criteria:

- **Consistent with strategic initiatives**
- **Future-oriented**
- **Based on reality / market-driven**
- **Meeting identified needs:**
  - **Rural**
  - **Industries / sectors**
- **Leveraging known projects / existing projects**

Target AIDEA investments to major economic development "themes":

- **General**
  - **Strategic Location**
  - **Comparative Advantage**
  - **Import Substitution**
  - **Traded Sector**
  - **Value added**
- **Alaska-specific**
  - **Alternative energy, in-state energy**
  - **New rural technology**
  - **Arctic transport**
  - **Multi-purpose hubs**

Develop capacity for outreach to all relevant private and public sector participants in Alaska economic development to increase awareness of AIDEA programs and capabilities

Establish systems for outreach, intake, analysis and sponsorship of target economic development financing alternatives

Recruit targeted projects into AIDEA's economic development finance "funnel" with the objective of increasing both the Development Finance and Commercial Finance portfolios significantly in three years

Establish AIDEA's role in the context of overall state economic development efforts.

- "Board member" input to overall state economic development strategy
- "CFO" – providing the state's resources for financial and business feasibility analysis
- Principal public " investment banker" for state economic development programs and projects
- Current and expanded AIDEA finance tools
- "One-stop" portal to all state economic development finance tools

Develop a single point of contact financing capability to support targeted private sector development and leverage state, federal and private capital by assembling multi-source project funding packages

- Major Project Sponsorship / Ownership
- Medium to major projects with public-private imperative
- Loan participation or guarantees
- Leverage other state programs and funding

Develop internal systems and processes for rapid and efficient "intake" and assignment of economic development financing opportunities

Re-engineer internal AIDEA organizational structure, systems, decision-making processes consistent with the mission and program objectives

Aggressively manage existing projects for maximum economic development benefit, while maintaining financial prudence

3.2 Target Sectors for AIDEA Investment Development

The following target sectors have been identified for potential project investment. It is anticipated that these sectors or clusters will form the basis of future economic development finance project.

3.3 Integration of AIDEA Programs & Activities with Overall State Economic Development Strategies

expand the deployment & impact of AIDEA's economic development financing

Multiple state agencies and authorities participate to some degree in economic development activities.

AIDEA's mission, statutory authorities and strategic direction promote the establishment of a more active and central role for the Authority in overall state economic development efforts. This strategic vision anticipates that AIDEA will be an active participant in the state economic development efforts.

Further, the strategy anticipates that AIDEA would serve as the central financial resource for the state's ongoing economic development activities, advising other state agencies on business and financial feasibility of initiatives, identifying barriers to implementation of financing and providing options to overcome those barriers.

AIDEA will be the principal architect for the state for financing statewide economic development efforts by implementing a "one-stop" process for financing economic development initiatives.

This process will include coordinating efforts by the state, boroughs and municipalities with regard to implementation and financing of statewide initiatives, pursuing public/private partnerships to achieve statewide initiatives, and working with the legislature to create new financing and funding mechanisms.

In this role, AIDEA will take the lead on project financing, management, and ownership when it is the most appropriate organization to do so, particularly on major projects where well-developed skills in project assessment, financing and management are essential.

3.4 Analysis & Proposals – AIDEA Outreach

3.4.1 Outreach Concept / Objectives

The Environmental Scan and the overall low level of loan and project activity in recent years both indicate that AIDEA's "passive" approach to business development is not sufficient to ensure continued success in meeting economic development finance objectives for the state. A more active "outreach" program by AIDEA aimed at significantly increasing the volume of loan and project prospects and at translating those prospects efficiently into loans and development projects will be taken. In summary, the AIDEA outreach concept includes the following elements:

- **Add a "Business Development" function at AIDEA dedicated to developing and implementing a broad-based outreach program to both the public and private sectors.**
- **Develop outreach initiatives and targets based on the sectors and regions identified in the SWOT, environmental scan and state economic development strategies**
- **Add a "Single-Point-of-Contact" or "One-Stop-Shopping" function at AIDEA dedicated to managing new processes for intake, evaluation and disposition of economic development finance prospects and opportunities.**
- **Establish business and technical advisory committees to leverage AIDEA's internal resources in outreach, evaluation and implementation of the expanded AIDEA programs.**

3.4.2 Outreach Resources & Organization

To assist in identifying new economic development opportunities AIDEA will add three, primarily outward-looking, resources to assist in filling the business development "funnel":

- **AIDEA Business Development Officer**
- **AIDEA Business Advisory Committee**
- **AIDEA Technical Advisory Committee**

These resources would manage and implement the outreach initiatives aimed at raising AIDEA's profile in both public and private sector economic development circles and at seeking specific economic development opportunities.

Additionally, the Team recommends adding one, primarily internally-oriented resource:

- **AIDEA Economic Development Officer**

This position would be responsible for designing and implementing the "one-stop" center for economic development finance. This function would, although directed mostly at making AIDEA more efficient and effective, also serve as a resource for all of the state's economic development functions. This latter function would be accomplished by being very knowledgeable about all economic development finance mechanisms (whether AIDEA or not) and having the appropriate contact to "triage" opportunities and outsource those opportunities that, for whatever reason, don't fit AIDEA's programs.

The best practices review indicates that there is value in having an intake mechanism for the private sector that is quick and efficient and who can take a more proactive approach to dealing with inquiries. Most business people do not have the patience and/or time to figure out how to sort through the myriad agencies and programs to determine which mechanisms are appropriate for their need.

3.4.3 Outreach Initiatives

In order to accomplish the goal to "fill the funnel", a number of outreach initiatives are being considered, to be finalized by the new resources during 2010. It is expected that the Business Advisory and Technical Advisory committees would be active "multipliers" in these efforts. Future outreach initiatives include:

- **Annual Economic Development Finance "Summit"**
- **R&D "seed" programs**
- **RFP/RFI's for potential projects**
- **Industry sector-specific financing "workshops"**

These initiatives, of course, would be supplementary to a well-designed and implemented "traditional" marketing program aimed at specific industry sectors, related parties and potential partners.

3.4.4 Outreach Targets

Based on the Environmental Scan and the Best Practices Review, initial target categories for the outreach effort have been compiled, including:

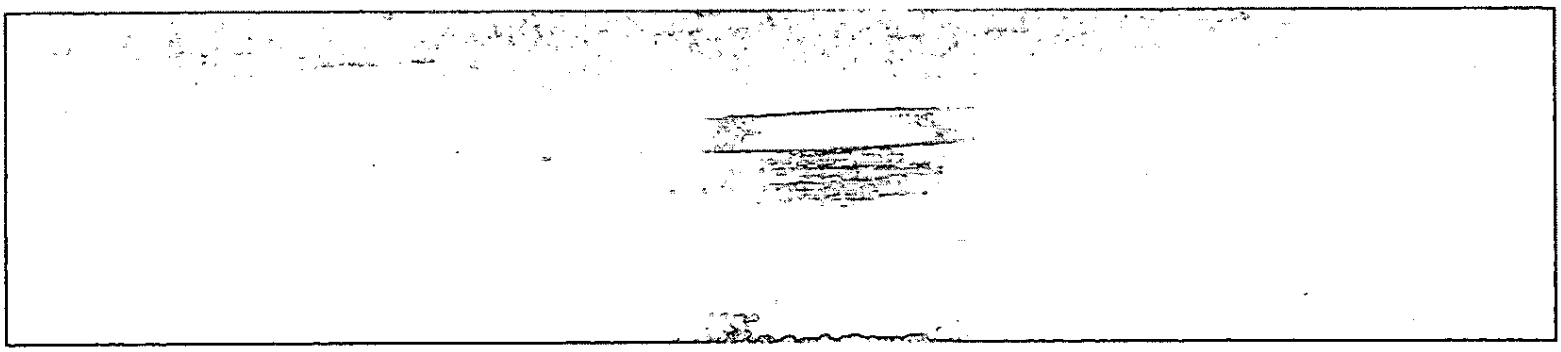
Public Sector

- **State agencies involved in economic development**
- **Federal agencies involved in economic & community development**
- **Federal agencies with major operations in Alaska**
- **Boroughs and local governments**
- **ARDORS**
- **Universities, colleges**

Private Sector

- **Target industry sectors (see Preliminary Sectors section above)**
- **ANCSA corporations**
- **Commercial banks**
- **Investment banks**
- **Institutional investors**
  - **Pension funds**
  - **Endowments**
  - **Insurers**
- **Business professionals**
  - **Legal**
  - **Real estate**
  - **Engineering & design**
  - **Construction**
  - **Accounting & tax consulting**
- **Labor unions**

Specific targets and communications strategies will be developed by the Team during 2010.



3.5 Analysis & Proposals – AIDEA Structure & Processess

expand the deployment & impact of AIDEA's economic development financing

AIDEA's structure, staffing, processes and systems were reviewed and several areas for potential improvement were identified. In summary, the key elements of these proposed improvements involve:

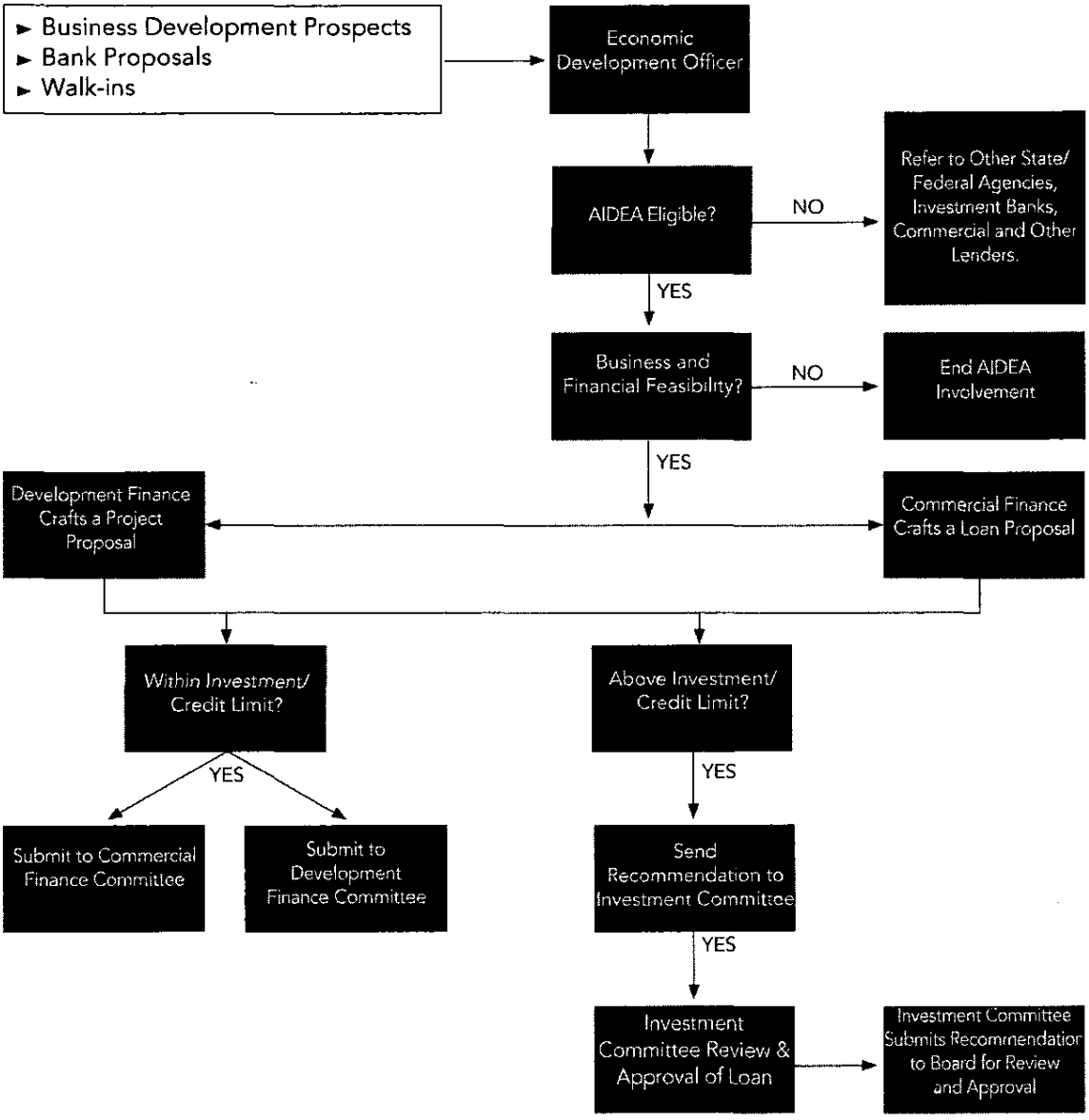
- Intake, analysis, approval processes and structure
- Metrics & performance measures
- Asset Management

3.5.1 Intake, Analysis & Approval Processes & Structure

Based on the review of best practices and on feedback received through the AIDEA environmental scan, the Strategic Plan Team derived the concept of a "One-Stop-Shop" or single-point-of-contact resource and process to improve handling of economic development financing opportunities. This concept would involve both the addition of a dedicated resource for this purpose and the modification of AIDEA's internal procedures to take advantage of this resource. The previous section of this report detailed the "outreach" components of the one-stop-shop concept. This section deals specifically with the internal role for that resource.

Central to this concept is that addition of an Economic Development Officer charged with being fully informed about AIDEA's programs, processes and criteria for involvement and with being the single point of contact for intake and review of potential economic development financing prospects.

Once the resource is in place, AIDEA's processes would be re-engineered to include the following steps (with parallel tracks for "projects" and "loans"):



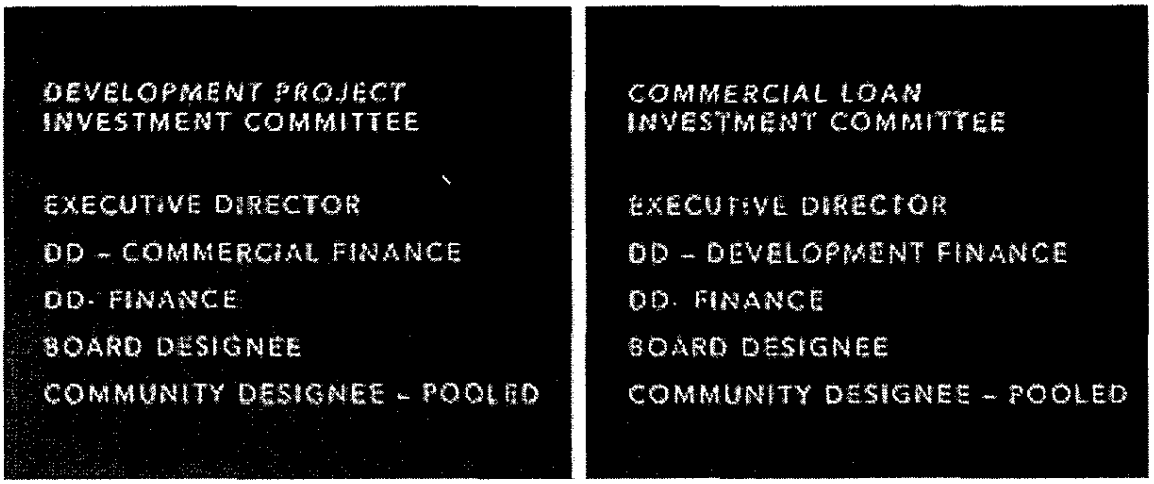
Embedded in the process diagram above are a number of meaningful changes intended to improve AIDEA efficiency and effectiveness:

- **Centralized intake analysis for AIDEA eligibility / program fit, with formal process for both approval and pass-on to relevant AIDEA division OR for "out-placing" to the opportunity to potential 3rd party assistance.**

- **A formal, coordinated process for AIDEA review of business and financial feasibility of the project/loan – prior to full credit or investment due diligence and review.**

- **Assignment of credit/investment limits to the Commercial Finance and Development Finance divisions, similar to the concept of "officer limits" at banks. If a project or loan meets the appropriate criteria (AIDEA-eligible, business and financial feasibility), and is under the delegated investment/lending limit, the commitment could be made without Investment Committee or Board involvement or approval.**

In addition to the process changes noted above, this Strategic Plan also proposes to change the structure and membership of the "credit" committee, and to have parallel, but different membership for either a commercial loan credit approval and for a development project investment approval. The Investment Committee, as envisioned in this proposal, would be structured as follows:

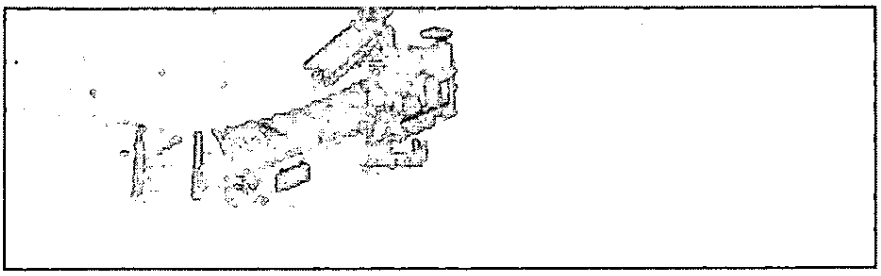


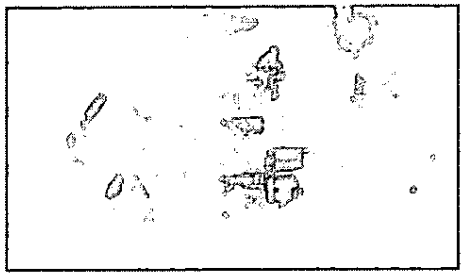
Although there is some benefit to the proposed Board and "Community" participation, there are some logistical and potentially legal challenges to implementing that part of the proposal which will have to be addressed as part of an implementation plan.

Exact changes to structure, resources and processes will be explored in more detail during 2010 and approved and implemented through appropriate procedures.

3.5.2 Metrics and Performance Measures

In order to track AIDEA's progress versus mission, goals and strategic initiatives, metrics and performance measures relevant to economic development should be established. Based on the Best Practices review, a preliminary set of metrics were developed. It should be noted, that for at least 2010, these metrics, when fully developed, will be supplementary to performance measures integrated in the State's budget processes. Part of the Strategic Plan implementation process during the 10-11 fiscal years will be to finalize and plan for implementation of any additional metrics adopted by AIDEA.





[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

3.5.3 Enhanced Asset Management

expand the deployment & impact of AIDEA's economic development financing

As AIDEA reviews its role, assets and challenges, the fixed asset portion of the balance sheet is also being evaluated.

AIDEA has considerable investment in assets through the Development Finance program, and continues to own and operate major facilities in diverse regions of the state.

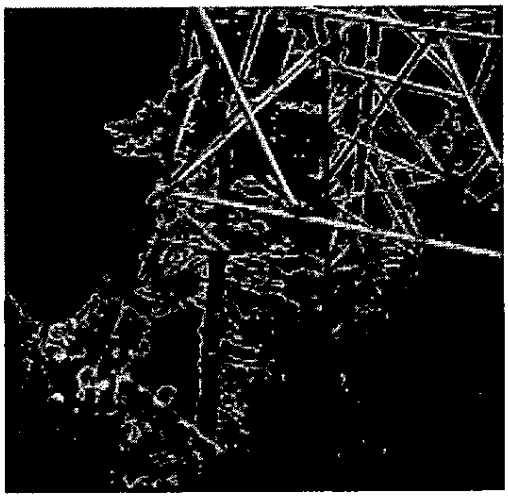
DeLong Mt. Transportation System
FedEx Maintenance Facility
Snettisham Hydroelectric Project
Ketchikan Shipyard
Skagway Ore Terminal
Healy Clean Coal Project

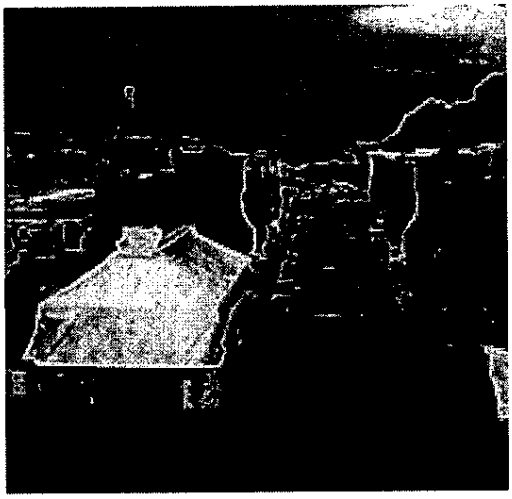
In order to ensure AIDEA's financial stability, and to promote the achievement of AIDEA's economic development objectives, the policies, structure and procedures for maintaining and optimizing value from those assets should be updated.

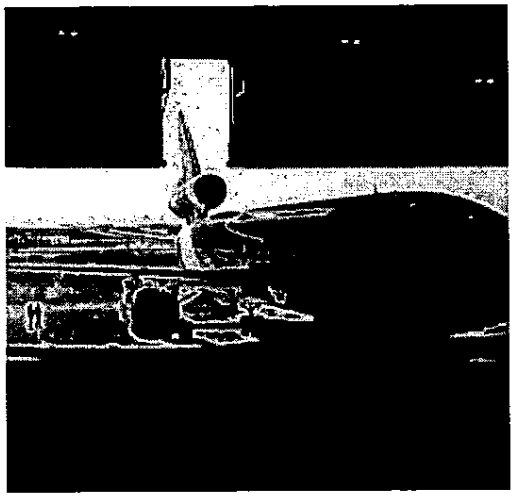
During FY09-10, AIDEA's project development management team will be reviewing and developing policies and procedures to:

- **Manage owned assets to optimize current revenue and/or long-term return to AIDEA**
- **Assess potential for expansion of or addition to existing assets:**
  - Evaluate new and expanded markets for private "partners" / tenants
  - Increased private investment in complementary Facilities
  - Improved economic development opportunities through re-purposing facilities

In addition to consideration of and planning for enhanced operation of owned-assets, AIDEA is, and will continue to, exploring alternative approaches, including selling portions of assets to partners and re-deployment of funds through sale of assets.







Alaska Economy SWOT (Strengths-Weaknesses-Opportunities-Threats)

alaska economy analysis

In order to provide a context for the development of the AIDEA Strategic Plan, a "Strengths–Weaknesses–Opportunities –Threats" ("SWOT") analysis was conducted both for the Alaskan economy and for AIDEA itself. Although the purview of the Plan is limited to AIDEA's role in economic development finance, an understanding of how Alaska fits in the national and world economy, as well as how outside economic trends will affect Alaska, is necessary background for an understanding of AIDEA's role going forward.

The table below provides a graphical summary of the SWOT for the Alaska economy.

STRENGTHS	WEAKNESSES
Oil reserves	Geographic isolation
Minerals resources	Small market size
Natural gas reserves	Limited economic diversity
Natural attractions	Concentrated / out-of-state economic power
Marine resources	Limited rural infrastructure
Strategic location (Asia, NW passage)	Limited rural eco/devo opportunity
Marine facilities	Lack of early stage capital
Air transport facilities	Inelastic state revenue structure
Public ownership of natural resources	Seasonality of employment
Alaska Permanent Fund	Severe weather
Constitutional Budget Reserve	High labor force turnover
ANCSA Corporations	High cost environment
No statewide personal taxes	
OPPORTUNITIES	**THREATS**
Global climate change - Arctic transport	Locked-up credit markets
Natural gas, liquid coal demand expansion	Low & volatile minerals, gas, oil prices
New mineral tech (viscous oil, etc.)	Global economic slowdown
Import substitution	Overall loss of Federal govt. clout
Alaska "brand" development	Federal military spending priorities
Federal economic stimulus packages	Global climate change - enviro restrictions
Value-added in resource industries	Global climate change - lost tourism
Retirement demographics	Declining oil reserves / capacity
Global Warming, Food, Fiber, Tourism	Threats to SBA 8a ANC contracting

- While the Alaska economy continues to out-perform the U.S. overall, the global recession in all sectors does present potential risks for Alaska. The last year has seen 25-35% reductions in wealth, trade, industrial production, as well as very high volatility in commodities prices, including the key Alaska sectors of oil and minerals.

- It is too early to determine whether these global factors will result in secular (long term) restructuring of certain sectors and markets or will have only short-term effects, and to what degree those effects will influence the Alaska economy. So far in this recession, credit market conditions and access to capital in Alaska remain considerably more favorable than in the rest of the country.

In evaluating potential strengths and weaknesses of Alaska's key economic sectors, projected short, medium and long term trends may provide some guidance for future strategies. The table below postulates some of those potential trends.

Sector	Short	Medium	Long
Oil	Reduced revenues due to low prices	Slow growth in prices Potential major growth with gas pipeline	Oil reserves decline Gas potential growth Environmental pressure
Federal - civilian	Potential losses mitigated by stimulus	Gradual reduction due to lost influence	Potential effects of responses to global climate change
Federal - military	Stabilizing effect on economy	Potential reductions due to overall budget pressure	Future mission changes?
Minerals	Reduced economic activity due to low prices	Slow growth as prices rise	Potential growth due to technology, transport
Fisheries	Reduced prices and revenues	Moderate increases	Potential effects of global climate change
Transport	Substantial reductions due to global economy	Slow growth	Potential major activity with Arctic marine transport
Tourism	Slow due to global economy	Slow growth	Potential effects of global climate change
Commercial	State factors better than national	Reactive to driving sectors	Reactive to driving sectors

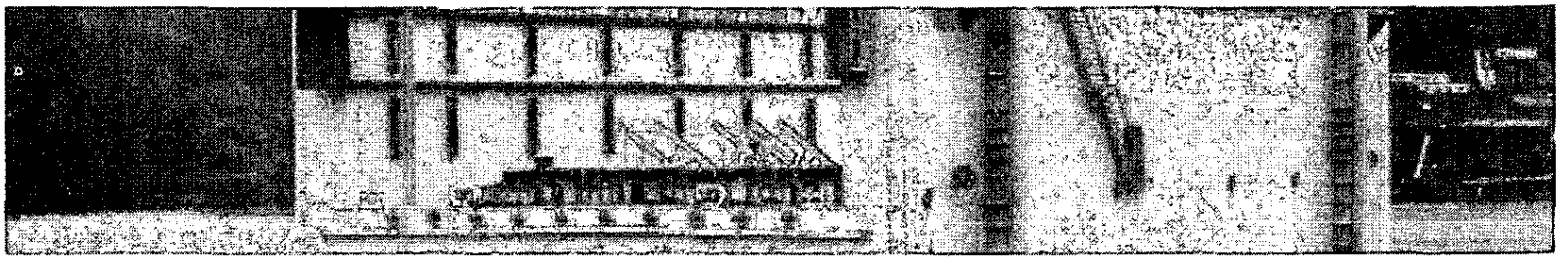
alaska economy analysis

- The "1/3 Oil, 1/3 Federal, 1/3 Other (mostly resource-based)" structure of the Alaska economy provides both positive and negative potential for future growth. Because both oil production and federal programs tend to remain fairly stable, they can be a continuing foundation for the Alaska economy.

- Continued high projected levels of construction, for example, indicate that the oil and federal sectors are providing that foundation despite the global recession. The table below of projected 2009 construction expenditures demonstrates the foundational role oil and gas and federal construction have in the Alaska economy.

	Employment		Personal Income		Direct $ Inflows	
	000	%	Billion	%	Billion	%
Seafood	37.71	10.4%	$ 1.481	6.1%	$ 0.746	5.2%
Mining	12.06	3.3%	0.799	3.3%	0.402	2.8%
Timber	5.90	1.6%	0.315	1.3%	0.159	1.1%
Agriculture	0.45	0.1%	0.028	0.1%	0.014	0.1%
Traditional Resources	**56.12**	**15.5%**	**$ 2.623**	**10.8%**	**$ 1.321**	**9.2%**
Tourism	40.22	11.1%	$ 1.894	7.8%	$ 0.955	6.7%
Air Cargo	7.38	2.0%	0.415	1.7%	0.209	1.5%
Other manu. & services	0.32	0.1%	0.016	0.1%	0.008	0.1%
New Resources	**47.92**	**13.3%**	**$ 2.325**	**9.6%**	**$ 1.172**	**8.2%**
Non-Defense Federal	67.01	18.5%	$ 5.576	23.0%	$ 3.739	26.1%
National Defense Federal	64.35	17.8%	4.160	17.1%	2.096	14.6%
Federal	**131.36**	**36.4%**	**$ 9.736**	**40.1%**	**$ 5.835**	**40.7%**
Production	51.78	14.3%	$ 3.596	14.8%	$ 1.812	12.6%
State/Local Revenues	50.16	13.9%	2.538	10.5%	1.279	8.9%
APF and CBR	5.87	1.6%	0.788	3.2%	0.661	4.6%
Petroleum	**107.81**	**29.8%**	**$ 6.922**	**28.5%**	**$ 3.752**	**26.1%**
Retirees	14.53	4.0%	$ 2.147	8.8%	$ 1.832	12.8%
Non-earned income	3.63	1.0%	0.516	2.1%	0.439	3.1%
Personal Assets	**18.16**	**5.0%**	**$ 2.663**	**11.0%**	**$ 2.271**	**15.8%**
TOTAL	**361.37**	**100.0%**	**$ 24.269**	**100.0%**	**$ 14.351**	**100.0%**

Structural Analysis of the Alaska Economy, What are the Drivers? Scott Goldsmith/ISER 10/08



- Volatility of oil prices, rapidly declining oil production and declining Congressional influence could, however, undermine the future support of that foundation. Commodities price volatility also make the other resource-based segments of the Alaska economy less certain.

- The economic & fiscal effects of economic development in Alaska are somewhat unique:

- External control and/or ownership of much of the economic base mean that a high proportion of "profits" from resource-based industries are "repatriated" out of Alaska.

- Due to the tax structure, state capture of the benefits of economic development of non-petroleum resources is limited.

- Alaska state revenue structure is not responsive to economic growth & yet is volatile due to oil prices

- Regional and urban/rural differences are exacerbated in Alaska. Because of the distances, topography and climate, the geography of the Alaska economy is challenging. Layered on top of the geographic challenges is the relatively recent introduction of a functioning cash economy to many of the more remote parts of the state. The multiple major differences among Alaska regions result in an even greater challenge to economic development than the "normal" urban/rural and state regional differences present in most Lower 48 states.

	[illegible]	[illegible]	[illegible]	[illegible]
Oil and Gas	**3,014**	**43%**	**-6%**	**3,195**
Utilities	392	6%	-31%	514
Mining	265	4%	-25%	331
Residential	263	4%	-27%	334
Other Commercial	220	3%	-30%	288
Hospitals	141	2%	41%	83
Other Rural Basic Industry	55	1%	-15%	63
Subtotal - Private w/o Oil & Gas	**1,336**	**19%**	**-24%**	**1,657**
Total Private	**4,350**	**62%**	**-12%**	**4,872**
Highways	663	9%	60%	265
National Defense	501	7%	1%	496
Airports & Ports	400	6%	7%	372
Other State and Local	399	6%	19%	323
Other Federal	324	5%	8%	298
Education	280	4%	0%	280
Denali Commission	90	1%	0%	90
Alaska Railroad	65	1%	0%	65
Total Public	**2,722**	**38%**	**16%**	**2,286**
Grand Total	**7,072**	**100%**	**-3%**	**7,284**

Alaska's Construction Spending 2009 Forecast, Scott Goldsmith & Marry Killorin / ISER

alaska economy analysis

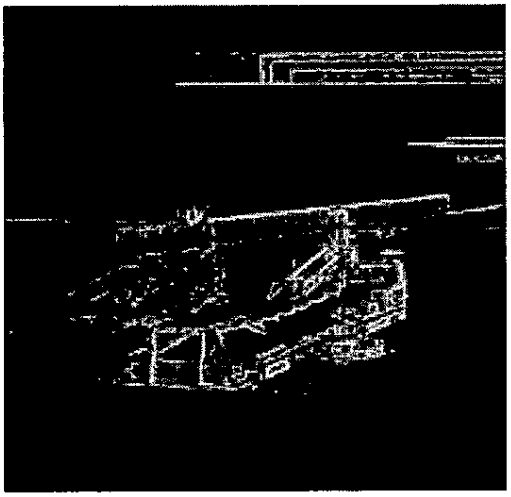
The tables below demonstrate the seasonal nature of certain key Alaska rural industries and the relatively high level of non-resident employment in the Alaska private sector.

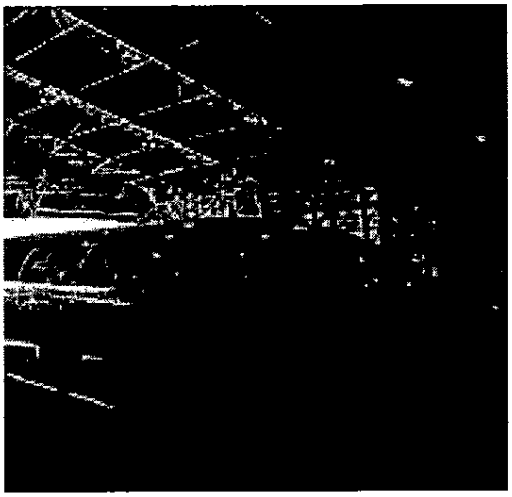
	Employment 000			Ratio
	July	January	Swing	(July/Jan)
Timber Harvest	0.5	0.2	0.3	2.50
Fish Harvesting	20.2	7.3	12.9	2.77
Fish Processing	18.2	7.3	10.9	2.49
Tourism-related	42	25.5	16.5	1.65
Construction	21.4	14.5	6.9	1.48
Mining	12.5	11	1.5	1.14
Private	283	220.8	62.2	1.28
Total	349.2	299.8	49.4	1.16

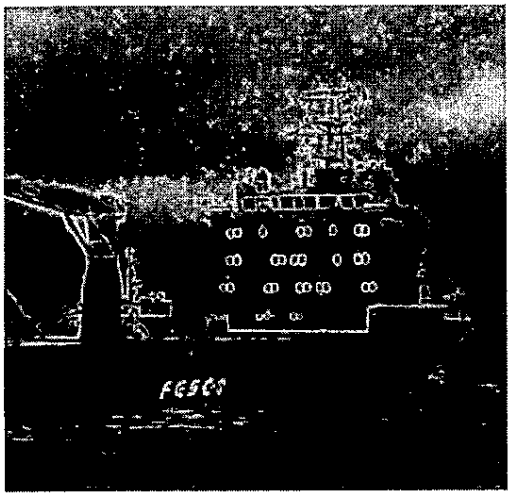
Structural Analysis of the Alaska Economy: What are the Drivers, Scott Goldsmith / ISER 10/08

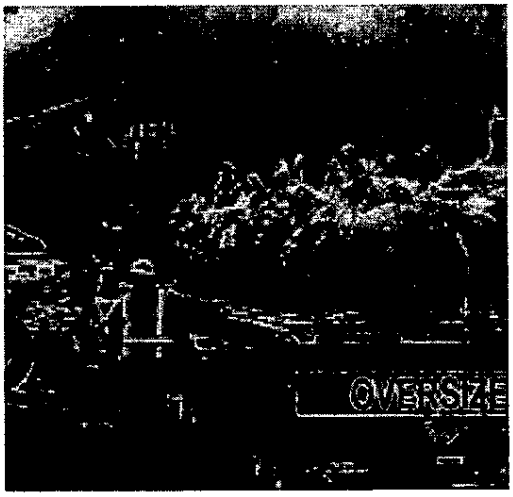
Industry	Non-resident [illegible]
Fish Processing	73%
Fish Harvesting	39%
Logging & Wood Products	38%
Accommodation & Food Service	29%
Oil & Gas	25%
Mining	25%
All Private	22%

Structural Analysis of the Alaska Economy: What are the Drivers, Scott Goldsmith / ISER 10/08






FESCO


OVERSIZE

AIDEA SWOT

AIDEA environmental scan, results and analysis

Highlights of the SWOT for AIDEA itself include:

- AIDEA's financial reserves and access to capital provide considerable capacity to support economic development financing for the state.
- AIDEA's institutional capacity (finance, project development, commercial lending) also provide potential for an expanded role, particularly in an environment where alternative funding / financing sources are under stress from the global financial markets upheaval.
- AIDEA's relatively limited statutory scope prevents (or hampers) participation in certain types of economic development finance activities pursued by similar agencies in other states.
- The lack of an overall strategic plan for Alaska economic development, and AIDEA's relatively passive stance in recent years, along with potential overall state budget constraints are barriers to expanded AIDEA participation in major projects.

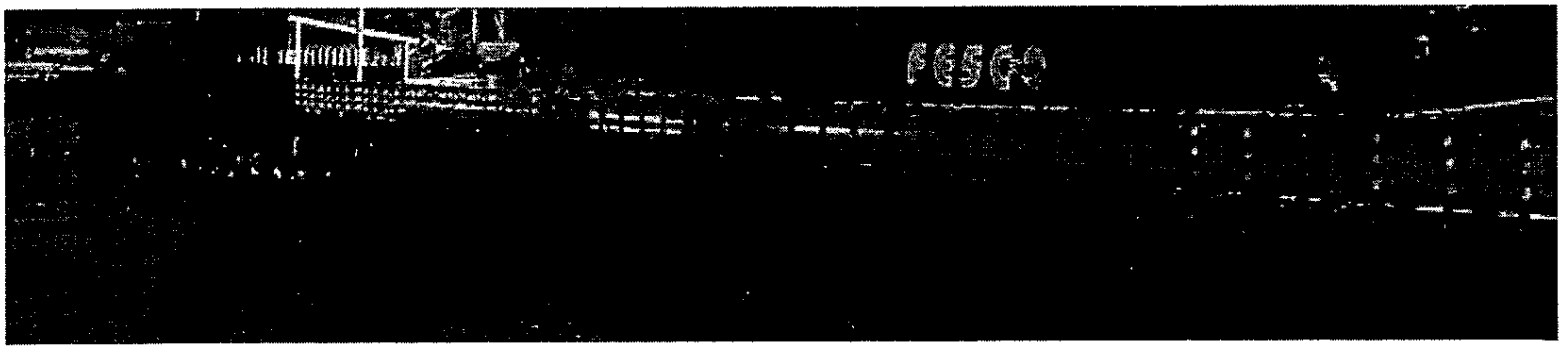
STRENGTHS	WEAKNESSES
Financial reserves	Unclear State goals for eco/devo
Access to capital / strong bond ratings	Project analysis systems
Institutional capacity - projects	Lack of tools for rural development
Institutional capacity - lending	Lack of coordination with agencies
Financial management capacity	Non-market restrictions on lending
Quasi-independence	Limited grant-giving capacity
Long operational history	Reactive lender / developer
Ability to partner with public/private	Lack of public awareness
Institutional capacity - feasibility analysis	Perceived project problems: HCCP etc
Engaged stakeholders	Management / executive turnover
OPPORTUNITIES	**THREATS**
Potential new projects	Locked-up credit markets
Perceived need for greater AIDEA role	Legislative dividend expectations
Need: early stage funding	Global economic slowdown
Need: rural eco/devo financing	Politically driven projects
Need: project financing	Overall State budget stress
ADEPT planning process	Perceived inaction / irrelevance
Commercial & investment bank turmoil	

Environmental Scan Introduction

The Alaska Industrial and Export Authority (AIDEA) contracted with Western Financial Group (WFG), based in Portland, Oregon, to assist the Authority (a public corporation) with a strategic planning effort.

Several groups contributed responses to surveys, including the following:

- **A general workshop, open to the public, was held at the BP Energy Center. The audience separated into four groups and contributed answers and suggestions as noted in the first set of responses following this synthesis.**
- **AIDEA's Board of Directors provided answers through an interview process managed by Northern Economics, based in Anchorage. This is the second group of comments attached to this document.**
- **AIDEA's staff contributed a series of answers and comments to the workshop; these are the third group of comments attached to this introduction.**
- **Finally, commercial lenders provided answers to the same questions presented to the prior groups. Their input comprises the fourth set of comments attached to this document.**



Environmental Scan Introduction

AIDEA environmental scan, results and analysis

Highlights of the SWOT for AIDEA itself include:

Mission

From AIDEA's 2008 Financial Statements:

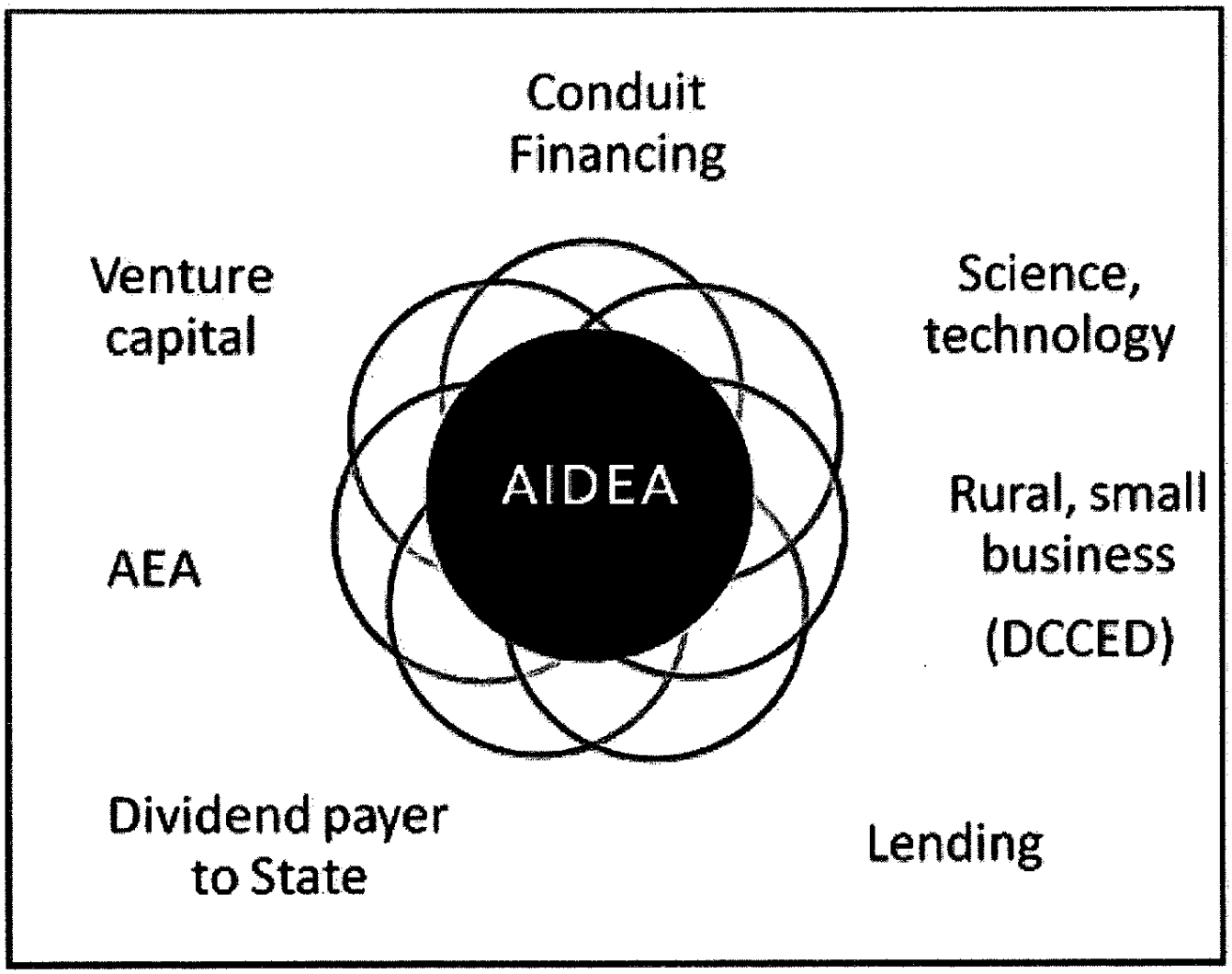
AIDEA's mission is to promote, develop, and advance the general prosperity of the people of Alaska, to relieve problems of unemployment and to create additional employment by providing various means of financing and facilitating the financing of industrial, manufacturing, export and business enterprises, and other facilities within the State.

History

AIDEA evolved from its 1967 enabling legislation into a $1.165 billion (assets) public corporation as of June 30, 2008. It has a number of roles and there is some confusion about them, as stated in the attached workshop and interview summaries.

Figure 1 illustrates some of the actual and perceived roles that AIDEA may assume, depending on the project, the audience, or the expectation of a potential developer (or borrower). As shown, AIDEA's roles encompass a wide swath of perception and expectation, from creating jobs, lending funds, and paying a dividend to the State of Alaska. The roles shown are not always real, but they exist in the eyes of certain citizens; there are others, as well, that are not shown in an effort to simplify the display. The diagram illustrates AIDEA's difficulty in determining what its strategies should be as the organization is pulled, pushed or tugged in any one of several directions.

Figure 1. Current and Potential Roles, Alaska Industrial Development and Export Authority.



Source: Northern Economics Inc.

AIDEA environmental scan, results and analysis

Public Workshop

The following sections summarize comments from the four groups, in the same order as the attached comments.

Those attending the public workshop emphasized jobs: retention, creation, and diversification (by industry and geography). Other suggestions were as varied as the participants, with opinions that ranged all across Alaska's diverse population.

Attendees generally acknowledged the need for AIDEA and its programs, though many who attended did not fully understand what the Authority can (and cannot) do.

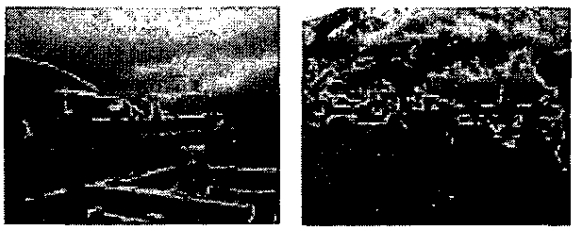
AIDEA operates in a political environment and most understood how this could affect the Authority's operations, from tax-exempt status to required dividend payments to the state and from pure equity investment (venture capital) to commercial-bank type operations.

Suggested financing opportunities also ranged from small business to very large, capital-intensive projects. Attendees suggested a wide array of possible investments, from new infrastructure to rural village businesses, and from collaboration with private firms to full grant programs.

Finally, attendees were asked to submit candidates for current federal stimulus funding and over 20 suggestions came forward, for both short-term and long-term development (investment).

Board of Directors

Directors offered many of the same thoughts as those at the public workshop. AIDEA's role in economic growth means jobs and diversification for all Alaskans. Several noted the difficulties in job growth and retention in rural areas with declining village populations and limited markets.



AIDEA's potential role in shaping Alaska's economy ran the full gamut of options, from no big projects to shedding its current (perceived) passive investment approach.

When asked who was responsible for setting statewide economic policy, answers again reflected a wide diversity of opinion, from the governor to private businesses.

Directors expressed interest in learning more about new or different economic development strategies, especially those that succeeded in other states.

Resource development and energy projects generally led the Directors' list of potential projects.

AIDEA Staff

AIDEA's staff provided more detailed and lengthy answers to strategic questions. Energy and resource development dominated the list of most-mentioned industry segments while others included health care and retail opportunities, along with increased tourism.

Two groups seemed to emerge during the staff workshop. One group reflected the lending (or credit) nature of AIDEA's investment programs. Bond ratings and reputation within the credit market were concerns of this group.

The second group was more risk tolerant and likely reflects AIDEA's large project experience, both with those projects considered successful and those that were less so. This group suggested more investment in infrastructure and resource development, with minerals and the energy sectors most often mentioned.

The daily operations of a public Authority such as AIDEA can generate strong "pulls" from the private (banking and credit) sector as well as the government (pay an annual dividend) sector. Staff expressed their opinions on these stresses and offered suggestions on reducing or resolving issues raised by these seemingly opposing forces. Staff who identified these concerns generally suggested education and awareness as the preferred solution, offering these as solutions to Directors, managers, and especially the Authority's borrowers and developers.

Lenders

Bankers offered candid opinions on the state's economy and how AIDEA can assist with its development. Resource development in oil, mining, and fishing led bankers' candidates as most likely to expand in the future.

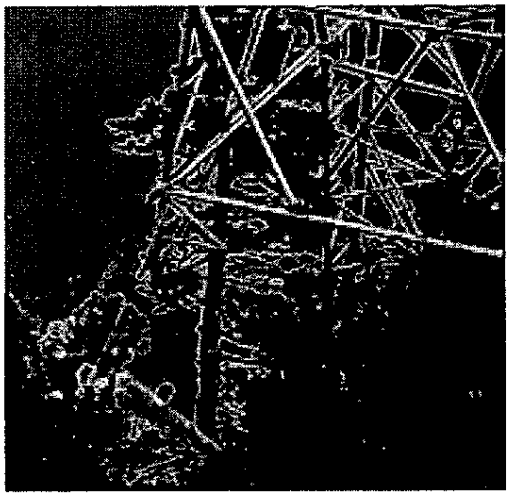
Infrastructure development for resource development seemed to be a good "fit" with AIDEA's mission, according to commercial bankers.

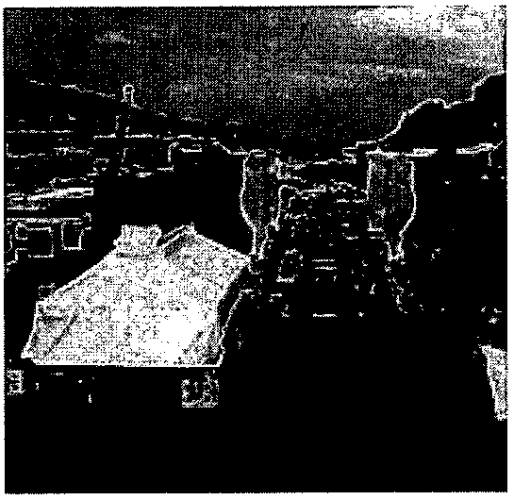
Economic development fit better with the private sector, not government, in the minds of those interviewed. A common theme mentioned by interviewees was globalization, with markets and development driven more and more by out-of-state forces.

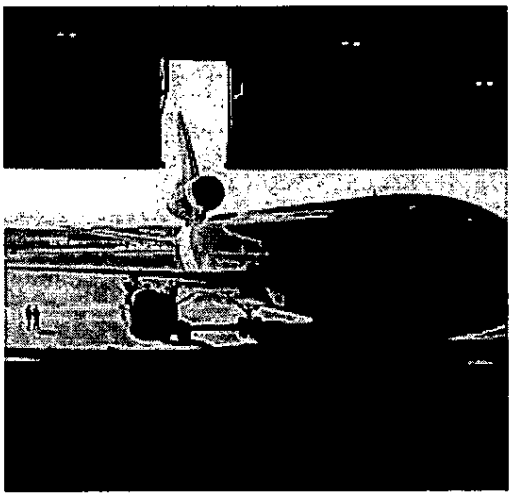
One of those interviewed suggest that job growth, while a worthy endeavor, was more of a head count than a true measure of economic development. Job growth numbers tended to ignore wages, skills, or contribution to state gross domestic product.

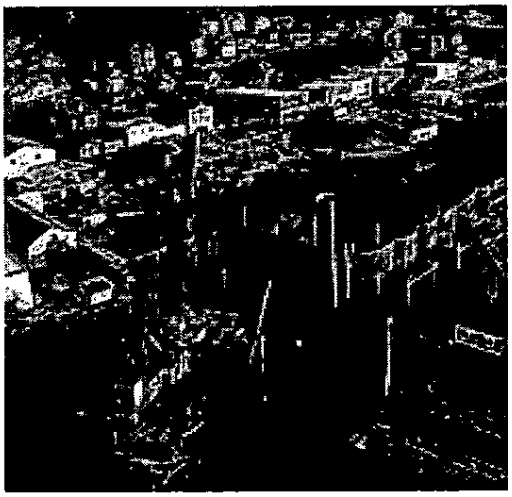
In summary:

- **AIDEA is perceived as competent and is a respected participant in the Alaska economy, although there remain significant, particularly private sector, economic actors that are unaware of AIDEA's mission, role and programs.**
- **AIDEA is viewed by certain economic development parties as reactive or passive, and by some as subject to potential political interference, or not sufficiently coordinated with other state agencies.**
- **Ideas about AIDEA's future role in the state's economic development activities were, for the most part, consistent with AIDEA's current program priorities – project financing and commercial lending support. Some respondents promoted the notion of a more active role for AIDEA in overall state economic development leadership.**
- **When asked about AIDEA's programs, there was a consensus from scan participants that AIDEA should take a more active approach to project development – particularly in developing infrastructure supporting minerals, gas, fisheries and other marine activities. There was also interest in expanding AIDEA's role as a lender alongside the banks, and potentially in providing capital for early stage companies.**
- **Multiple responders also favored an approach with AIDEA developing new programs for rural economic development.**









best practices review - economic development programs

Summary of Best Practices Review

While many different structural approaches, some common elements of successful economic development strategies include:

- **Large stakeholder organizations, engaging key players from both the public and private sector**
- **Organized, long-term strategic planning efforts**
- **Designated lead agencies with both authority and responsibility for meeting economic development objectives**

A number of common strategic approaches also dominate, including:

- **Identification of key "traded-sector" (exporting) industry sectors and formation of "clusters" aimed at fostering growth in each individual sector.**
- **Development of, and management to, "theme" based vision, mission, goals & strategies, often through selection of target industries or categories of industries, for example "sustainable" or "creative". In some cases, these strategies also involve initiatives to "brand" a state or region's products in order to improve**
- **Finally, some of the most successful strategies have developed sophisticated metrics to measure the effectiveness of strategy elements and to provide goals and targets for the overall economic development effort. These measurement systems often include environmental, social, cultural and other benchmarks as well as the traditional measures of investment, jobs and income.**

Similarly, the most successful economic development programs draw from a comprehensive toolbox of economic development financing tools, with particular emphasis on:

- **Grants, tax abatements, tax credits / rebates**
- **Infrastructure financing**
- **Loan guarantees / participation**
- **Special condition lending / credit support**
- **Public/Private partnerships**
- **Venture capital & seed equity funds**

While it should be emphasized that no state exemplifies all of the best practices in structure, strategy and financing, many states are working toward adopting best practices in all of these areas.

AIDEA's strategic plan team has evaluated the best practices overall with the intent of adopting only those elements most applicable to AIDEA's mission and roles and to the Alaska economic development environment.

Main Themes from Best Practices Review Approaches to Organizing for Economic Development

best practices review - economic development programs

Different areas organize in different ways depending on the thrust of their goals for economic development.

Big, stakeholder organizations
Example: Puget Sound Regional Council, Four County Prosperity Partnership

- **These organizations start without an organizational framework (they are not an existing organization but are normally created by some level of government).**
- **With these types of efforts, a great deal of energy is spent getting participation and buy-in from a broad coalition of "stakeholders."**
- **The focus of the collective effort tends to be on broad ideas of vision, goals, and strategies.**
- **Normally such efforts are designed to use existing state, local government & special purpose organizations as the implementing agents.**

Special purpose organizations
Example: Northern New Mexico Regional Development Corporation Greater Phoenix Economic Council

- **These are organizations which often emerge from unique circumstances/situations within a community or area. They have a narrower focus than the big stakeholder approaches and broad state-wide or regional efforts. The Northern New Mexico RDC is focused on technology transfer from the Los Alamos National Laboratory to the growth of small businesses within the area.**
- **They coordinate/communicate with specific stakeholders whose interests fit within specific economic development goals.**
- **If they have implementing tools (funding), they tend to target specific activities. (Northern NM RDC)**
- **If they don't have dedicated funding, they tend to focus on marketing, technical assistance and reactive strategies (Greater Phoenix Economic Council)**

Designated "lead" agency – usually a state

Example: State of Oregon Business Plan, Kentucky Cabinet for Economic Development

- States typically have an overall thrust for state-wide economic development. Often such efforts use a big stakeholder approach to pull a broad coalition of stakeholders into a process of defining state-wide vision, goals and strategies.
- Alternative approaches at the state level focus on coordinating the efforts of other agencies and organizations without necessarily setting a state-wide vision or goals.
- The state's economic development work is housed within a designated "lead agency" to at least implement the process and sometimes to actually be the program implementation agency.
- Implementation approaches depend on the source and level of funding

Narrow or Single Purpose Organizations

Example: Silver City, New Mexico, Main Street Historic Preservation Project

- These are organizations that have very narrowly focused economic development goals.
- With Silver City, the focus for economic development is tourism and the strategy is designed around the City's history and the re-creation of the imagery and character of the old historic city. In this case, the focus for implementation is on design controls and theme continuity

Common "Tools" of Economic Development

Industry Clusters

A very common tool used for regional and state-wide economic development planning is to target goals and strategies around industry or economic clusters. This becomes a convenient and identifiable way to create industry/economic groupings for the purpose of setting goals, strategies and programs and providing marketing, support services, synergy, and channeling governmental priorities

"Theme" based vision, mission, goals, and strategies

These are tools used to try to carve out a market "niche."

- "Green" industries
- "Solar" industries
- "Sustainable" industries
- "Historic Preservation"
- "New Economy"

Benchmarks, measurements of success

If implementation is a weakness of many economic development efforts, monitoring the success of such efforts is even weaker. Long term strategies and implementation programs need to be monitored to understand how and which strategies and programs are successful and what impact the overall effort has toward meeting goals. The State of Oregon has had a benchmarking program for over 20 years with 91 specific factors to be measured annually. The New Economy Index uses a specific set of measurements to determine the movement of states from an Old Economy to a New Economy.

Funding the process; funding implementation

There are two types of funding important to successful economic development efforts. One is the funding of the process of preparing and maintaining economic development strategies and plans; the second is funding the plan's implementation measures. Funding implementation is the more critical to the ultimate success of the programs and is one of the reasons that many programs struggle to succeed.

Often funding the process and its implementation are done through the general funds of government. Such efforts generally find it difficult to sustain effective long term strategies when the funding is subject to annual renewals and political priorities.

Some organizations rely heavily on volunteer contributions from "members" or stakeholders. Again, such sources of funding are dependent on the sustained willingness of volunteer contributions so as with governmental general funding, undertaking long term strategies is often difficult.

Dedicated funding from a tax source, bonding capacity, or other earmarked funding is critical to developing and implementing long term strategies. The most successful programs are wrapped around such sources of funding.

Most Potentially Relevant Economic Development Program

With regard to programs that are most relevant to AIDEA, given AIDEA's mission as an implementing authority within the State of Alaska, the focus was more on how programs implement strategies rather than on how they develop and reach agreement on strategies. Of those programs researched the following seem to have the greatest potential to offer alternative implementing approaches within AIDEA's strategic plan.

- Kentucky Cabinet for Economic Development
- Kentucky Economic Development Finance Authority
- Kentucky Strategic Plan for Economic Development

Kentucky's is a "lead agency" approach to economic development where the state used its own agency to take the lead for the state's economic development efforts. This is one of the more complex yet complete organizational structures found from those that were investigated in this Best Practices assessment.

The state's program has a heavy emphasis on implementation and it is clear that the state legislature has provided a broad range of authorities from which the agency has developed a variety of targeted funding and assistance programs to achieve its economic development goals.

The agency has a strategic plan with 4 broad goals, each with a series of objectives. The connection from the strategic plan to the agency's organization and its specific programs is not clear from the material obtained. It is presumed that the plan provides targets that the various divisions, departments and other parts of the organization use to take a proactive approach to achieving their mission. Again, the linkage from the plan to the organization is not immediately evident from the materials.

The Cabinet for Economic Development is the primary state agency in Kentucky responsible for creating new jobs and investment in the state. Programs administered by the Cabinet are designed to support and promote economic development within the state, primarily by attracting new industries to the state, assisting in the development of existing industries, and assisting communities in preparing for economic development opportunities.

By statute, the Cabinet is governed by the Kentucky Economic Development Partnership. The Partnership Board is responsible for directing and overseeing the Cabinet and adopting a Strategic Plan. The Kentucky Economic Development Finance Authority (KEDFA) is a statutorily created organization under the authority of the Partnership Board. KEDFA is responsible for awarding most of the financial incentives offered by the Cabinet. Looking at the titles of the various departments, divisions and then programs within the Cabinet gives a good idea of the breadth and scope of the agency's focus and many of their implementation tools.

Department of Commercialization and Innovation

- **High-Tech Investment Pool**
- **Kentucky New Energy Ventures Fund (KNEV)**
- **Commonwealth Seed Capital, LLC (CSC)**
- **SBIR-STTR Matching Funds**
- **Innovation and Commercialization Center Network**

Department for New Business Development

Department for Existing Business Development

- **Regional Economic Development Divisions**
- **Division of International Trade**
- **Division of Small Business Services**
  - **Kentucky Procurement Assistance Branch**
  - **Small and Minority Business Branch**
- **Commission on Small Business Advocacy**

Department of Financial Incentives

- **Programs Management Division**
- **Programs Servicing Division**
- **Bluegrass State Skills Corporation (BSSC)**
- **Industrial Revenue Bond Issue Program (IRB)**

Kentucky Economic Development Finance Authority

Kentucky Economic Development Finance Authority (KEDFA) Small Business Loan Program

Kentucky Economic Opportunity Zone Program (KEOZ)

Kentucky Enterprise Initiative Act (KEIA)

Kentucky Environmental Stewardship Act (KESA)

Kentucky Industrial Development Act (KIDA)

Kentucky Industrial Revitalization Act (KIRA)

Kentucky Investment Fund Act (KIFA)

Kentucky Jobs Development Act (KJDA)

Kentucky Rural Economic Development Act (KREDA)

Incentives for Energy Independence Act (IEIA)

Tax Increment Financing (TIF)

Various Funding Options for Economic Development

In the several economic development programs investigated, there are a variety of ways agencies fund their own efforts and then provide funding to implement economic development projects.

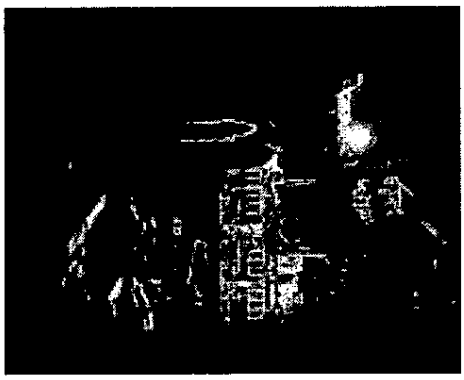
Kentucky	
High Tech Investment Pool	"forgivable loans"
New Energy Ventures Fund	Grants as well as equity investments
Commonwealth Seed Capital	"Seed" capital directly to companies but also invests in Seed and Venture funds that make investments in targeted companies in Kentucky
Federal SBIR-STTR Matching Funds	$100K and $500K matching of federal funds
Innovation & Commercialization Center Network	Funds these centers (staffing and organization support) which link scientists and entrepreneurs to other sources of funding
Bluegrass State Skills Corporation	An independent corporation – awards grants and tax credits to support its mission of increasing worker skills
Industrial Revenue Bond Program	Traditional municipal revenue bonds
Economic Development Finance Authority	Loans
EDFA Small Business Loan Program	Loans
Economic Opportunity Zone Program	Tax Credits
Enterprise Initiative Act	Refunds sales and use taxes paid on targeted construction and equipment purchases
Environmental Stewardship Act	Tax incentives
Industrial Development Act	Tax incentives
Industrial Revitalization Act	Tax incentives
Investment Fund Act	Tax credits
Jobs Development Act	Tax incentives
Rural Economic Development Act	Tax incentives
Incentives for Energy Independence	Tax incentives including: □ Sales and use tax reimbursement □ Tax credits on income and LLC entity taxes □ Wage assessment incentives
Tax Increment Financing	Diversion of property taxes to fund redevelopment efforts
Ravalli County (Montana) Economic Development Authority	
	Revolving Loan Fund
Regional Development Corporation (New Mexico)	
Venture Acceleration Fund	Direct investments in companies
NM Small Business Assistance	Gross tax receipts credits

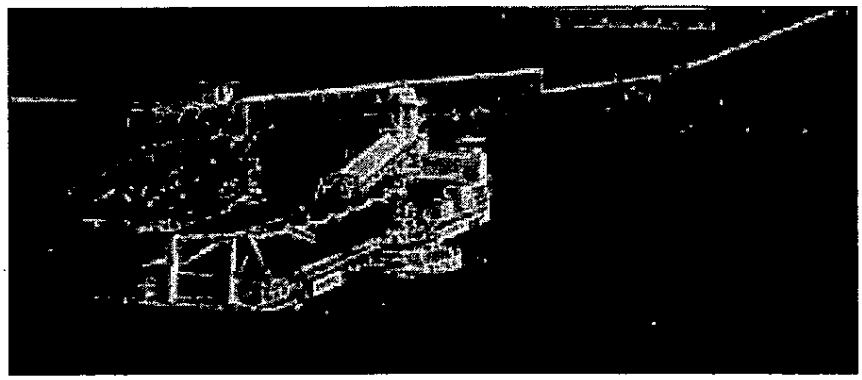
AIDEA STRATEGIC PLAN

INVESTING IN ALASKANS

Alaska Industrial Development and Export Authority

1610





Alaska Industrial Development and Export Authority

AIDEA's Response to Representative Herron's Office Inquiries Regarding HB 363

1. Comment on advantages and disadvantages of the proposed board make-up:

The advantage of the board composition set out in HB 363 is that AIDEA would have more private sector and industry input into its decision making processes. Moreover, new public members can bring their expertise and business and industry experience to bear when asked to approve a particular loan, authorize the expenditure of funds, or approve the issuance of a bond to finance development. This input makes for better decision making. AIDEA's own solution to gaining more business and industry input as set forth in its Strategic Plan is to setup two new committees of business and industry experts (Business and Technical) to advise the board and management on policy and project investment decisions. An alternative to the advisory board concept would be to add more public members to the Board and then have the full board to appoint subcommittees to explore new policies and work with management on issues and then report back to the board. Either alternative would create a vehicle for creating better public-private partnerships which is the goal set forth in AIDEA's Strategic Plan.

The disadvantage of the board composition as set forth in HB 363 is that its one commissioner configuration would mean that board would lose needed expertise in state economic and infrastructure development. While AIDEA agrees that it is important to the board to have the expertise and experience of the Commissioner of Revenue on the board for his or her experience in finance and investment, AIDEA's mission is broader than these two areas. AIDEA is an economic development finance authority and needs to have a cabinet level officer with knowledge of state economic development policies and directions such as the Commissioner of Commerce, Community and Economic Development.

2. What are the advantages of private sector membership on a board of this nature:

As noted above, the advantage of having private board members on a public economic development finance authority's board is to bring private sector expertise and experience to AIDEA's decision making process. AIDEA makes loans, serves as a conduit for revenue bonds, and finances large scale development projects. It, therefore, can benefit in making its investment and development decisions by utilizing the expertise of knowledgeable business people and industry experts who have a broad base of experience.

It is also important that state sponsored economic development be, in essence, a public/private partnership. Best practices of economic development agencies throughout the United States are to include both public and private persons into the economic development decision process. Some of the best known models for economic development agencies make use of this public/private partnership concept, such as Kentucky's Economic Development Cabinet and the Indiana Development Corporation.

3. What kinds of private sector member qualifications best serve the board:

The best private sector members on an economic development finance corporation, such as AIDEA, are ones that have a broad range of business experience and who understand the role of state funded economic development. This usually will mean persons who have worked with commercial and business development financing, bank financing, commercial real estate development, and local or state sponsored economic development programs in their business careers. An understanding of the various methods of financing projects, as well as a knowledge of Alaska local government and boroughs is also desirable. Board members who have a wide range of experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in AIDEA's strategic plan would provide guidance and sound decision making to support AIDEA's missions and measures.

4. Talk about what kinds of decisions the Board makes:

The board is responsible for the governance of the corporation and must approve of and vote on all major loans in which AIDEA participates, as well as approve of all investments in projects financed directly or by the use of bonds. Equally important is that the board is responsible for deciding when and how to divest of currently owned projects and at what price and terms. The board also makes the decisions on how large a reserve AIDEA should have and has to approve all litigation and court settlements.

In corporate governance terms, the AIDEA board hires the executive director to run the day-to-day operations of the Authority, but any organic decisions (i.e. those that could affect the financial position of the corporation or affect its future performance) must have board approval.

As noted above, the AIDEA board runs the agency. While management may make recommendations on these matters, it is the board which must vote to approve them and who has the right to modify or deny proposals put forward by management. The board also establishes all major policies such as AIDEA's recent Strategic Plan. The Board is responsible for adopting regulations used in the operation of all the major programs of the authority.

5. Right now the fishing and high tech/communications industries are represented through the private sector members of the AIDEA board. How would you like to see the board diversified if there were two more private members:

AIDEA currently has two very knowledgeable well-rounded private sector board members with a broad range of business experience and management skills. If more such members were added, AIDEA would suggest that persons be chosen who have financial management experience, commercial and investment banking experience, commercial development experience, financial analyst experience, legal experience, economic development experience or infrastructure experience.

Additionally, board members should probably have experience with local governments, regional development organizations, chambers of commerce and other local economic development stakeholders. It would be desirable to have board members who have experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in the Strategic Plan.

6a. Why is there a joint AIDEA/AEA board:

AEA and AIDEA have a shared board because this is mandated by statute.

6b. Any advantages or disadvantages of this:

There is value in having members shared between the AEA and AIDEA boards. AIDEA has bonding authority, which can be utilized to provide financing for large-scale AEA initiatives. AEA alternatively can analyze for AIDEA whether an energy-related development project is feasible. Another example of fruitful agency coordination is that recently AIDEA and AEA submitted a joint application to the Federal Department of Energy which makes use of each authority's expertise.

The main challenge is in finding board members that have the experience and working knowledge in both economic development and energy related fields. Additionally, the AEA board needs to be conversant with AEA's grant programs, as well as with federal Department of Energy funding programs.

BRIEFING PAPER:
ECONOMIC DEVELOPMENT
IN STATE GOVERNMENT

A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system

---

Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
>
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks… these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

Current Resources within State Government and the University System

Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900 Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

Non-Governmental Economic Development Organizations in Alaska

ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

Additional Regional Economic Development Groups

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

University Economic Development Resources and Coordination with State Resources

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.

North Dakota www.business.nd.gov

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

Wyoming www.wyomingbusiness.org

- Wyoming Business Council is the economic development group in state government
    - It has a corporate structure, incorporates private business practices, regional offices
    - Has a Board of Directors and CEO, though it is within state government
        - Board members are successful business owners from Wyoming
        - Board members appointed by Governor; CEO hired by Board
        - Employees of agency are at-will
        - Board does "business plan" for department
    - Staff of 53 for WBC, plus 19 for Tourism
        - 7-8 administrative staff, all other work on economic development and management of community grant programs
    - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
    - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
    - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
        - Industries have to produce something sold outside the region to get WBC attention.
    - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

Kentucky www.thinkkentucky.com

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
    - Enabled in 1992 by HB 89.
        - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
        - Cabinet includes
            - Office of Secretary
            - Department for Business Development
                - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
            - Department of Financial Incentives
            - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

Indiana www.in.gov/iedc

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

Oregon www.oregon4biz.com

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

- Economic development staffing in these offices are about 15% of total DCCED personnel
  - Viewed alone they are 8%, 2%, and 6% respectively
  - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
  - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
    - This is a relatively new service
    - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
  - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
  - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
  - Do agencies and universities work closely to avoid duplicating tools and services?
  - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
  - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
  - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document attached to this transmission
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee

Re: Support of HB 363

Dear Representative Olson,

Please accept this letter of support for House Bill 363, which would rearrange the composition of the AIDEA/AEA board membership. Most successful economic development initiatives occur because of strong public/private partnerships, and one of the keys to this success lies in valuable private sector input.

Passage of HB 363 would increase the number of AIDEA's public board members from two to four, with the possibility of a fifth public member currently in the bill's amendment. Raising this level of private sector involvement would lead to more fruitful and informed discussions about current economic conditions and desires among the business community.

AIDEA is meant to promote and advance economic growth and diversification in the state of Alaska. True economic development is best served by private investment and public knowledge and innovation. By changing the board composition to more accurately reflect this sentiment, the state's economic development organization can have a more direct line to industry needs and private sector capacity.

I would urge you to consider the value of HB 363 and what it could mean for the State of Alaska's role in economic development.

Regards,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Andy Varner
Executive Director

Southeast Conference

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Alaska State Capitol Building
Juneau, Alaska 99801

RE: HB363 "An Act relation to the membership of the Alaska Industrial Development and Export Authority.

Southeast Conference strongly supports House Bill 363. The private sector is the backbone of Alaska's economy. The State economic development process has historically had little private sector input. This legislation will allow flexibility within the makeup of AIDEA to incorporate more private sector participation in State economic development decisions.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.

Please adopt HB363 for the future of our communities and our state.

On Behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B. Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

1624

The Entrepreneurs and Mentors Network Inc.
Mentors empowering Entrepreneurs

Colin V. Palmer
Executive Director

(907)-862-5160
colinvpalmer@yahoo.com

Allan R Johnston
Chief Encouragement Officer

(907) 727-1187
allanrjohnston@yahoo.com

March16th, 2010

Re: House Bill 363 AIDEA Board

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Juneau, Alaska

Dear Representative Olson,

Please accept this letter of support for HB 363. I believe that AIDEA needs to become more proactive in evaluating and implementing new programs to nurture innovation and entrepreneurship in Alaska. We are the only state that doesn't have an organized Angel Investor network. We are one of only a few states that doesn't have a Small Business Investment Corporation, a business incubator or a business accelerator. Including more private sector experts with been-there-done-that experience will significantly enhance AIDEA's opportunity in identifying our financial infrastructure problems and addressing our needs.

If the Milken Risk Capital and Entrepreneurial Infrastructure Composite Index were considered a reasonable proxy of our Aspiration Index, which I believe that it does, then Alaskans are in last place nationally in dreaming dreams for our own destiny. AIDEA should be a more important and relevant player in addressing this problem. If we do not see our last place standing as a problem then there is no solution. I believe a more private sector oriented AIDEA Board would be more effective in diversifying the Alaska economy and empowering innovative entrepreneurs.

Respectfully,

Allan R. Johnston
Chief Encouragement Officer
The Entrepreneurs and Mentors Network Inc

The Entrepreneurs and Mentors Network Inc.

Mentors empowering Entrepreneurs

Colin V. Palmer
Executive Director

(907)-862-5160
colinvpalmer@yahoo.com

Allan R Johnston
Chief Encouragement Officer

(907) 727-1187
allanrjohnston@yahoo.com

State Technology and Science Index

Enduring Lessons for the Intangible Economy
June 2008

Risk Capital and Entrepreneurial Infrastructure Composite Index

This measures the stock of capable entrepreneurs and risk capital available to support the conversion of research into commercially viable technology products and services. Eleven indicators are included in this Composite Index, listed at the bottom of this page. Click on an indicator to see further data comparisons at the individual indicator level.

Select a Composite | Select a State

2006			2004			2002		
State	Rank	Average Score	State	Rank	Average Score	State	Rank	Average Score
Nebraska	44	38.60	Alabama	44	30.22	Alaska	44	29.33
Montana	45	38.57	Iowa	45	28.67	Kentucky	45	27.56
North Dakota	46	36.25	Montana	46	27.56	Wyoming	46	27.33
Iowa	47	34.22	Alaska	47	24.67	Arkansas	47	18.44
West Virginia	48	32.18	Kentucky	48	23.78	West Virginia	48	18.00
Mississippi	49	30.40	Mississippi	49	22.22	South Dakota	49	15.33
Alaska	50	21.71	North Dakota	50	16.22	North Dakota	50	9.78

Average Annual SBIC Funds Disbursed per $1,000 of GSP

Increase in Number of Companies Receiving VC Investment

IPO Proceeds as Percent of GSP

Number of Business Incubators per 10,000 Business Establishments

Number of Business Starts per 100,000 People

Number of Companies Receiving VC Investment per 10,000 Business Establishments

Patents Issued per 100,000 People

Total Venture Capital Investment Growth

VC Investment in Clean Technology per $1,000 of GSP

VC Investment in Nanotechnology per $1,000 of GSP

Venture Capital Investment as Percent of GSP

http://www.milkeninstitute.org/tech/tech.taf?sub=rcic

P.O. Box 244821, Anchorage, Alaska 99524-4821
Enabling mentors to empower entrepreneurs
www.teamak.com

Economic Development in State Government

Presented by:

Representative Alan Austerman

Alaska State Legislature

December 2009

~ Representing Alaska State House District 36 ~

Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

BRIEFING PAPER:
ECONOMIC DEVELOPMENT
IN STATE GOVERNMENT

A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system

---

Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
>
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks… these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

Current Resources within State Government and the University System

Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900-Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

Non-Governmental Economic Development Organizations in Alaska

ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

Additional Regional Economic Development Groups

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

University Economic Development Resources and Coordination with State Resources

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.

North Dakota www.business.nd.gov

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

Wyoming www.wyomingbusiness.org

- Wyoming Business Council is the economic development group in state government
    - It has a corporate structure, incorporates private business practices, regional offices
    - Has a Board of Directors and CEO, though it is within state government
        - Board members are successful business owners from Wyoming
        - Board members appointed by Governor; CEO hired by Board
        - Employees of agency are at-will
        - Board does "business plan" for department
    - Staff of 53 for WBC, plus 19 for Tourism
        - 7-8 administrative staff, all other work on economic development and management of community grant programs
    - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
    - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
    - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
        - Industries have to produce something sold outside the region to get WBC attention.
    - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

Kentucky www.thinkkentucky.com

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
    - Enabled in 1992 by HB 89.
        - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
        - Cabinet includes
            - Office of Secretary
            - Department for Business Development
                - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
            - Department of Financial Incentives
            - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

Indiana www.in.gov/iedc

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

Oregon www.oregon4biz.com

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

- Economic development staffing in these offices are about 15% of total DCCED personnel
  - Viewed alone they are 8%, 2%, and 6% respectively
  - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
  - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
    - This is a relatively new service
    - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
  - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
  - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
  - Do agencies and universities work closely to avoid duplicating tools and services?
  - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
  - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
  - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

    - Economic development staffing in these offices are about 15% of total DCCED personnel
        - Viewed alone they are 8%, 2%, and 6% respectively
        - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
    - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
        - This is a relatively new service
        - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
    - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
    - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
    - Do agencies and universities work closely to avoid duplicating tools and services?
    - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
    - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
    - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document available through Office of Representative Austerman
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

[This page intentionally left blank]

Robert Shively

2 Community Development or Economic Development?

Love and marriage, love and marriage...
You can't have one without the other.
—Sammy Cahn

SO GOES THE refrain from an old song. The same holds true for community development and economic development. *You can't have one without the other.* The two activities are complementary, not competitive. They are different sides of the same coin.

I had a professor in college who used to tell his students, "The line of demarcation between a genius and a maniac is very hard to draw." Similarly, one could easily say, "The line of demarcation between community development and economic development is very hard to draw." For example, suppose a new four-lane highway is built around a small city and serves a 160-acre industrial site. Is that economic development or community development? Who knows? Who cares?

Community development is capacity building; economic development is wealth creation.

Community development involves public facilities—schools, libraries, parks, hospitals, cultural attractions, recreational facilities. These are quality of life factors, and companies look closely at them when considering an investment in a town.

Economic development represents the creation of wealth, primarily through the attraction of investment. Economic development and its concomitant wealth creation provide the financial resources and tax base that make community development possible.

You can't have one without the other.

The Relationship between Community and Economic Development

Stanford Research Institute alludes to the relationship of community and economic development in its definition of economic development: "The process by which your community will improve its *capacity* to grow and develop—economically, educationally, socially, and culturally" (Kotler, Haider, and Rein 1993, p. 75, emphasis added).

Community development is not only about physical structures and their contents, but also involves leadership training and development. It includes building the social structures for governance and community involvement while facilitating citizen participation and input. Capacity building includes creating a critical mass of an involved, informed, and enthusiastic citizenry, giving a community the capacity to solve its problems and create a better quality of life.

While many community leaders are frequently involved in both community and development activities, there are distinct differences in the management, supervision, and funding of the

638

two. Community development activities are primarily the province of governmental bodies—the city council, board of education, or county commissioners, for example. These governing bodies are elected by the people and allocate public funds to capacity-building projects. Private entities may provide funds for a community facility such as a library, hospital, or museum, but the management of the facility is usually the responsibility of the appropriate governmental body.

Economic development, on the other hand, has historically been a project of the private sector, usually the local chamber of commerce and/or a local development corporation. Because of the close relationship between community and economic development and state and federal grant programs available only to political subdivisions, the current trend is to create a public-private partnership in which the financing and the governance of the economic development program are shared by the private and public sectors. This is more thoroughly discussed in chapter 4, "Organizing the Economic Development Program," and chapter 10, "Funding the Economic Development Program."

Defining Economic Development

Though accurate, it is not sufficient to define economic development simply as wealth creation. It deserves a more comprehensive definition.

A generation ago, the American Economic Development Council (which recently merged with the Council on Urban Economic Development to form the International Economic Development Council) adopted the following definition:

> Economic development—the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services.

Although not universally accepted by the profession, this definition established two important concepts:

1. It established that economic development is a process, a continuum, a game that never ends. A specific event such as the groundbreaking for a new industry is an event, the result of the continuing process.
2. It identified wealth creation as the goal and result of the process of economic development.

Other organizations and individuals have developed other definitions. MDC, an economic development think tank primarily serving the Southern states, uses this definition:

> Economic development—the process by which a community creates, retains and reinvests wealth. The goal of economic development should be to raise people's standard of living (MDC 1999).

This definition reasserts wealth creation as the result of economic development and introduces two very important functions—the retention and reinvestment of wealth. Retention of wealth-creating enterprises is an important part of any economic development program; it is usually referred to as retention and expansion, or R and E. (See chapter 8, "Building a Manufacturing Base.")

The reinvestment of wealth in a community is a key part of community and economic development, especially in small towns. The location of a new industry from outside the community is an important event, but how often does it occur? For a community to prosper, it is essential that people of means reinvest their wealth in the community even though it may not attract the publicity that a new industry does. Reinvesting in a community involves expanding existing businesses; real es-

tate acquisition and development; and investing in entrepreneurial ventures, housing development, and similar activities.

The Aspen Institute developed this definition:

> Economic development is essentially the process by which individuals and organizations make decisions to invest in an area. Through innovations and adaptations these investors increase their capacity to create wealth.

This definition reinforces the concepts of process, wealth creation, and investment. More importantly, it recognizes the role of individuals and organizations in the economic development process.

M. Ross Boyle, president of Growth Strategies Organization, Inc., a long-time leader in the field and past chairman of the American Economic Development Council, used this definition in his many presentations at the Economic Development Institute, University of Oklahoma: "Economic development is investment for the purpose of creating wealth: the use of people, money, and materials to produce profits." Boyle's definition stresses the importance of investment in creating wealth. His reference to profits, although not stated specifically, implies that investors produce profits for themselves and also increase profit potential for all businesses in a community.

The Economic Development Council of Colorado states that economic development is "creating and retaining community wealth which results in jobs, payroll, tax revenues, and a higher per capita income."

These definitions are all consistent in identifying process, wealth creation, investment, reinvestment, and retention of wealth as the driving forces of economic development. To bring these essential concepts together, I offer the following definition:

> **Economic development is the process of creating wealth through investment and reinvestment in a community resulting in more jobs, higher incomes, an expanded tax base, a more diversified economy, business improvement, and a better quality of life.**

[This page intentionally left blank]

Legislation, Executive Orders and Policy from Other States

1. North Dakota
2. Wyoming
3. Oregon
4. Indiana
5. Washington

54-60-04. North Dakota economic development foundation - Executive committee - Duties. The North Dakota economic development foundation is created.

1. The foundation is composed of a minimum of fifteen and a maximum of thirty members appointed by the governor for two-year terms, except the governor shall appoint approximately one-half of the initial foundation members to one-year terms in order to initiate a cycle of staggered terms. Appointment of the foundation members must ensure a cross section of business, tourism, and economic development representation, and must ensure that at least one member represents rural concerns.

2. The foundation members shall elect an executive committee with a minimum of five and a maximum of seven foundation members, which shall include a chairman, vice chairman, secretary, treasurer, and up to three members at large.

3. The foundation shall seek funding for administrative expenses from private sector sources and shall seek and distribute private sector funds for use in commerce-related activities in the state.

4. The foundation shall:
   a. Provide the governor advice and counsel in selecting the commissioner.
   b. Serve in an advisory role to the commissioner.
   c. Develop a strategic plan for economic development in the state and set accountability standards, measurements, and benchmarks to evaluate the effectiveness of the department in implementing the strategic plan.
   d. Develop a strategic plan for the development of value-added agriculture in the state.
   e. Monitor tourism and economic development activities and initiatives of the department.
   f. Recommend state and federal legislation relating to strengthening the state's economy and increasing the state's population.
   g. Monitor state and federal legislation and initiatives that may impact the state's economy and population.
   h. Serve as a source of expertise for developing public and private initiatives to strengthen the state's economy and increase the state's population.

54-60-05. Compensation and reimbursement of foundation members. The foundation may establish the level of compensation to which a foundation member is entitled. A foundation member is entitled to reimbursement for mileage and expenses as provided for state officers.

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO. 2110

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Commerce)

A BILL for an Act to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to the rural development office and the North Dakota rural development council; to amend and reenact sections 10-30.5-04, 54-34.3-01, 54-34.3-03, and 54-34.3-04, subsection 2 of section 54-34.3-13, sections 54-34.3-15, 54-34.4-01, and 54-34.4-02, subsection 1 of section 54-34.4-03, subsection 3 of section 54-60-04, and sections 54-60-06 and 54-60-17 of the North Dakota Century Code, relating to the powers of the North Dakota Development Fund, Incorporated, the department of commerce division of economic development and finance, the department of commerce division of tourism, the state tourism policy, the North Dakota economic development foundation, the North Dakota commerce cabinet, and the department of commerce division of workforce development; and to repeal sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North Dakota Century Code, relating to the finance office, the motion picture development office, and target industries.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. ~~(Effective through July 31, 2009)~~ Powers. The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.
3. ~~Borrow funds not to exceed ten million dollars from the Bank of North Dakota for the purpose of investing in North Dakota alternative and venture capital investments and early-stage capital funds. The corporation may provide~~ Provide

management services for the Bank's alternative and venture capital investments and early-stage capital funds.

~~**(Effective after July 31, 2009) Powers.** The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:~~

~~1. Cooperate and contract with any private or public entity.~~

~~2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.~~

SECTION 2. AMENDMENT. Section 54-34.3-01 of the North Dakota Century Code is amended and reenacted as follows:

54-34.3-01. Department of commerce division of economic development and finance established - Mission. The department of commerce division of economic development and finance is established to assume the functions, powers, and duties of the department of economic development and finance with respect to programs and other efforts intended to enhance the economic development of the state. The mission of the division is to develop strategies and programs to:

1. Facilitate the growth, diversification, and expansion of existing enterprises and the attraction and creation of new wealth-generating enterprises in the state;
2. Promote economic diversification and innovation within the basic industries and economic sectors of this state, including strategies and programs designed to specialize and focus the state's economy on ~~advanced agriculture and food processing, energy byproduct development, export services and tourism, and advanced manufacturing~~ identified target industries;
3. Promote increased productivity and value-added products, processes, and services in the state, and the export of those goods and services by North Dakota enterprises to the nation and to the world;
4. Maintain and revitalize economically depressed rural areas by working in close collaboration with local communities and by encouraging communities to enter into cooperative relationships for more efficient and effective education, health care, government service, and infrastructure maintenance;
5. Forge a supportive partnership with the Bank of North Dakota, the board of higher education and the state's institutions of higher education, regional planning

councils, local development organizations and authorities, the ~~Myron G. Nelson Fund, Incorporated, the~~ state's nonprofit development corporations, and other appropriate private and public sector organizations in achieving the economic goals of the state; and

6. Identify those statutes, administrative rules, and policies that impede the attraction, creation, and expansion of businesses and job creation in this state.

SECTION 3. AMENDMENT. Section 54-34.3-03 of the North Dakota Century Code is amended and reenacted as follows:

54-34.3-03. Division structure. The division consists of:

1. ~~A finance office;~~
2. ~~An international business and trade office;~~
3. ~~Offices established by statute; and~~
4. 2. Offices the director organizes and establishes as necessary to carry out most efficiently and effectively the mission and duties of the division.

SECTION 4. AMENDMENT. Section 54-34.3-04 of the North Dakota Century Code is amended and reenacted as follows:

54-34.3-04. Director - Compensation - Duties. A director shall supervise and control the division. The director shall:

1. Manage the internal operations of the division and establish policies that promote the orderly and efficient administration of the division;
2. Appoint personnel as may be determined necessary to carry out this chapter and fix their compensation within the limits of legislative appropriations;
3. Assume central responsibility to develop, implement, and coordinate within state government a comprehensive program of economic development consistent with the mission of the division;
4. Coordinate that program of economic development with all other appropriate state and local government departments, agencies, institutions, and organizations that perform research, develop and administer programs, gather statistics, or perform other functions relating to economic development, and those government entities shall advise, cooperate, and provide reasonable assistance to the director in carrying out this chapter;

5. Advise, and cooperate with, departments and agencies of the federal government and of other states, private business and agricultural organizations and associations, research institutions, and any individual or other private or public entity, and call upon those entities or individuals for consultation and assistance in their respective fields of endeavor or interest in order that the division and the state may benefit from up-to-date technical advice, information, and assistance;
6. Cooperate with individuals and both public and private entities, including the state's congressional delegation, in identifying and pursuing potential sources of funding and to receive those funds to be expended for purposes consistent with this chapter;
7. Have authority to enter into contracts upon terms and conditions as determined by the director to be reasonable and to effectuate the purposes of this chapter; ~~and~~
8. Identify and coordinate sources of capital and financial assistance, including lending programs of the Bank of North Dakota, and administer programs of financial assistance placed under the administration of the division, to business and industry, local governments, and other entities and individuals in the state consistent with the mission of the division; and
9. Have authority to do any and all other things necessary and proper to carry out this chapter.

SECTION 5. AMENDMENT. Subsection 2 of section 54-34.3-13 of the North Dakota Century Code is amended and reenacted as follows:

2. The department shall designate an applicant city as a rural growth incentive city eligible for a loan if the city raises funds in the amount of a dollar-for-dollar match for the amount requested in the loan~~, prepares an economic development strategic plan,~~ and meets any additional program requirements provided by rule. The source of city funds used for loan matching funds may be any combination of public and private funds. If the department designates a city as a rural growth incentive city eligible for a loan under this section, subject to the availability of funds, the state shall make a loan to the city in an amount not less than twenty-five thousand dollars and not more than seventy-five thousand dollars. The department shall establish the amount of the interest rate for loans provided to a

city under this subsection. The funding source of the state loan is the North Dakota development fund. The city shall distribute the city and state funds to qualifying new or expanded primary sector businesses in the city. A qualifying business in the city includes a business that provides essential services to the city. For purposes of this subsection, a business that provides essential services does not include a public utility. The governing body of the city determines whether a new or expanded primary sector business qualifies for funding, and the director of the department determines whether a business that provides essential services to the city qualifies for funding. The state shall distribute a loan to a rural growth incentive city once the city establishes the city has chosen a specified qualified business to receive funding.

SECTION 6. AMENDMENT. Section 54-34.3-15 of the North Dakota Century Code is amended and reenacted as follows:

54-34.3-15. Local economic developer ~~certification~~ education program. The director shall implement ~~a certification~~ an education program through which the division provides training to assist local economic developers and community leaders in meeting the needs of businesses. The director may contract with a third-party service provider to assist in implementing the program. The director may set and charge a fee for the receipt of services under this program.

SECTION 7. AMENDMENT. Section 54-34.4-01 of the North Dakota Century Code is amended and reenacted as follows:

54-34.4-01. Division of tourism - Director. The division of tourism is established to foster and promote tourism to, and within, the state and the full development of the state's tourism resources and to serve as a planning and coordinating agency for tourism-related programs of the state and the state's ~~political subdivisions~~ tourism partners. The director shall supervise and control the division of tourism.

SECTION 8. AMENDMENT. Section 54-34.4-02 of the North Dakota Century Code is amended and reenacted as follows:

54-34.4-02. Duties of director. The director of the department of commerce division of tourism, within the limits of legislative appropriations, shall:

1. Implement the state's tourism policy;

2. Prepare and update annually a tourism ~~master~~ marketing plan for the ~~development~~ promotion and expansion of tourism in the state which identifies the state's tourism resources, estimates the impact of tourism on the state's economy, and proposes a ~~five-year plan~~ marketing strategy for activities of the division;

3. Work with industry groups to prepare a long-term strategic plan each biennium.

4. Measure and forecast visitor volume, receipts, and related social and economic impacts;

~~4.~~ 5. Work with the private sector and local, state, and federal agencies to develop the state's tourism-related infrastructure, facilities, services, and attractions, including the state's highways ~~and~~, parks, and historic sites;

~~5.~~ 6. Organize and coordinate programs designed to promote tourism to, and within, the state through various means. Those means may include:

a. ~~Display~~ Print advertising in magazines ~~and~~, newspapers, and direct mail;

b. Advertising on radio ~~and~~, on television, online, in displays, or using other advertising media;

c. Publishing pamphlets, brochures, and other graphic and pictorial materials; ~~and~~

d. Designing the tourism side of the state highway map;

e. Aiding and assisting representatives of the media to ensure greater coverage of the state's visitor attractions, events, and recreational opportunities; and

f. Other marketing activities and events aimed at increasing visitor volume.

~~6. Participate in travel shows;~~

7. ~~Supervise and administer visitor information centers that receive funding from the state~~ Work with the department of transportation to improve visitor services along highways in the state and in state rest areas;

8. Develop opportunities for professional and technical education and training in the visitor industry;

9. Foster an understanding among the state's residents of the economic importance to the state of hospitality and tourism;

10. ~~Cooperate with local, state, and federal agencies and organizations and the private sector for the promotion and development of tourism to, and within, the state;~~

~~11.~~ Provide advice and technical assistance to local, public, and private tourism organizations in promoting and developing tourism; and

~~12.~~ 11. Monitor the policies and programs of state agencies that significantly affect the visitor industry, notify those agencies of the effects of their actions on travel to, and within the state, and if necessary recommend programs or policy changes to those agencies.

SECTION 9. AMENDMENT. Subsection 1 of section 54-34.4-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The legislative assembly declares that:
   a. This state is endowed with scenic beauty, historical sites, cultural resources, local festivals, attractions, recreational facilities, and a population whose ethnic diversity and traditions are attractive to visitors;
   b. These human and physical resources should be preserved and nurtured, not only because they are appreciated by other Americans and by visitors from other lands, but because they are valued by the state's residents;
   c. Tourism contributes to economic well-being by creating job opportunities, generating revenues for local businesses, and creating new wealth in the economy;
   d. Tourism is an educational and informational medium for personal growth which informs residents about their state's geography and history, their political institutions, their cultural resources, their environment, and about each other;
   e. Tourism instills state pride and a sense of common interest among the state's residents;
   f. Tourism enhances the quality of life and well-being of the state's residents by affording opportunities for recreation, new experiences, and relief from job stress;
   g. Tourism advertising and marketing improves the image of North Dakota;
   h. Tourism promotes international understanding and good will, and contributes to intercultural appreciation;

~~h.~~ i. Tourism engenders appreciation of the state's cultural, architectural, technological, agricultural, and industrial achievements and is helpful in attracting new residents;

~~i.~~ j. The development and promotion of tourism to and within the state is in the interest of the people of this state;

~~j.~~ k. Tourism should develop in an orderly manner in order to provide the maximum benefit to the state and its residents;

~~k.~~ l. The development of a strong and competitive state visitor industry depends upon the availability of trained personnel, necessary infrastructure, and a receptive climate for tourism investment; and

~~l.~~ m. A comprehensive tourism policy is essential if tourism in the state is to grow in an orderly manner.

SECTION 10. AMENDMENT. Subsection 3 of section 54-60-04 of the North Dakota Century Code is amended and reenacted as follows:

3. The foundation shall seek funding for administrative expenses from private sector sources and shall seek and distribute private sector funds for use in commerce-related activities ~~in~~ of the state.

SECTION 11. AMENDMENT. Section 54-60-06 of the North Dakota Century Code is amended and reenacted as follows:

54-60-06. Commerce cabinet. The North Dakota commerce cabinet is created. The cabinet is composed of the directors of each of the department divisions and of the executive heads, or other authorized representatives, of the state board for career and technical education, the state board of higher education, the Bank of North Dakota, the department of agriculture, workforce safety and insurance, the department of transportation, job service North Dakota, the game and fish department, and of any other state agency appointed by the commissioner. The commissioner is the chairman of the cabinet and shall determine which agencies are members of the cabinet. The cabinet shall:

1. Coordinate and communicate economic development and tourism efforts of the agencies represented.
2. Meet at times determined by the commissioner.

~~3. Develop and make available before each regular session of the legislative assembly a list that identifies economic development moneys included in budget requests of cabinet agencies.~~

SECTION 12. AMENDMENT. Section 54-60-17 of the North Dakota Century Code is amended and reenacted as follows:

54-60-17. Division of workforce development - ~~Higher education internships~~ Internships, apprenticeships, and work experience opportunities. The division of workforce development shall administer a program to increase use of ~~higher education~~ internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in grade eleven or twelve. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase ~~higher education~~ internship, apprenticeship, and work experience opportunities.

SECTION 13. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Rural development office.

1. The commissioner shall administer the rural development office. The purpose of the office is to assist in the development of rural North Dakota communities.
2. The commissioner may contract with a third party for the provision of services for the rural development office. If the commissioner contracts with a third party under this subsection, all data and databases collected and created by the third party in performing services for the office are the property of the department and the third party.
3. The department may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the rural development office.

SECTION 14. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

North Dakota rural development council - Composition. The North Dakota rural development council is created.

1. The North Dakota rural development council is composed of a minimum of nine and a maximum of seventeen members. The commissioner is an ex officio voting member of the council. The governor shall appoint council members for two-year terms, except the governor shall appoint approximately one-half of the initial council members to one-year terms in order to initiate a cycle of staggered terms. Appointment of the council members must ensure representation from eight regions designated by the commissioner. Members of the council serve at the pleasure of the governor.
2. The council shall select its own officers who shall serve for a term of two years commencing on October first of each year.
3. The council shall have at least two meetings each year and such additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any four members. A simple majority of the council constitutes a quorum and may act upon any matter coming before the council. Members of the council are entitled to reimbursement in the same manner and at the same rate provided by law for other state officials.
4. The council, in cooperation with the rural development office, shall:
   a. Facilitate collaboration among federal, state, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the state;
   b. Monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the state; and
   c. Facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of federal, state, local, and tribal governments.

SECTION 15. REPEAL. Sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North Dakota Century Code are repealed.

Wyoming Statutes 9-12-101 through 9-12-804

CHAPTER 12 - WYOMING ECONOMIC DEVELOPMENT ACT

ARTICLE 1 - IN GENERAL

9-12-101. Short title.

This chapter shall be known and may be cited as the "Wyoming Economic Development Act."

9-12-102. Definitions.

(a) As used in this act, the following terms have the following meanings, except where the context clearly indicates otherwise:

(i) "Board" means the board of directors of the council;

(ii) "Council" means the Wyoming business council, the body corporate created by this article;

(iii) "Federal agency" means the United States, the President of the United States, and any department, corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States;

(iv) "Financial aid" means:

(A) The infusion of risk capital to persons by making investments for use in the development and exploitation of specific products;

(B) The purchase of securities;

(C) Royalty agreements;

(D) Loans and loan guarantees;

(E) Any contractual arrangement in which the council provides technological services to any person involving the development and exploitation of a specific product.

(v) "Person" means natural persons, firms, foundations, associations, corporations, business trusts, partnerships, joint ventures, and public bodies, including but not limited to the state of Wyoming, any state, and any agency, department, institution, political subdivision or instrumentality of Wyoming or any state;

(vi) "Product" means any product, device, technique or process, which is or may be exploitable commercially and includes products, devices, techniques or processes which have advanced

beyond the theoretic stage and are readily capable of being, or have been, reduced to practice but excludes pure research;

(vii) "Venture" means any contractual arrangement with any person whereby the council obtains rights from or in a product or proceeds therefrom in exchange for the granting of financial aid to the person;

(viii) "This act" means W.S. 9-12-101 through 9-12-1203.

9-12-103. Wyoming business council; creation; composition; compensation; termination; meetings; surety bonds; fiscal control.

(a) There is created the Wyoming business council. The council is a body corporate operating as a state instrumentality operated solely for the public benefit. As such it shall have, and is hereby vested with, the powers and duties conferred in this chapter. It shall be governed by a board of directors consisting of fifteen (15) voting directors, appointed by the governor with the advice and consent of the senate. The governor shall be a member and cochairman of the board, but shall not vote. The appointed directors shall have demonstrated leadership and business expertise. An equal number of directors shall be appointed to initial terms of one (1), two (2) and three (3) years. Thereafter, directors shall serve for terms of three (3) years. No appointed director shall serve more than two (2) successive three (3) year terms. If a vacancy occurs, the governor shall appoint a successor in accordance with W.S. 28-12-101. The governor may remove any board member he appoints for cause and shall remove any director who fails to attend three (3) consecutive regular meetings of the council. No appointed council member shall send a designee to attend a council meeting nor vote by proxy. The board shall select one (1) of its members to act as cochairman of the board. The board shall retain a chief executive officer. The chief executive officer serves at the pleasure of the board. All of the appointed directors shall be appointed at large and at least twelve (12) of the appointed directors shall be residents of Wyoming.

(b) The appointed directors shall receive per diem for attending board meetings in the same amount as state legislators and shall receive no other compensation for serving on the board. The board shall fix the salary of the chief executive officer. Subject to the approval of the directors, the chief executive officer shall determine the terms of employment, tenure, duties, working conditions, promotion and termination of all other employees which the chief executive officer determines are necessary to carry out the purposes and functions of the council. Employees of the council shall be covered by the Wyoming Retirement Act, the State Employees and Officials Group Insurance Act and the Wyoming Deferred Compensation Act.

(c) Upon termination of the council, all its rights and properties shall pass to and be vested in the state.

(d) The council shall determine the date, time, place and method of notice for all regular meetings of the council. A majority of the voting directors of the council constitutes a quorum for the transaction of any business or the exercise of any power or function of the council. Matters shall be decided by a majority vote of the voting members of the council. As unanimously determined by the council members, the council may take action by conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other at the same time.

(e) The council may execute and maintain at its expense a blanket surety bond covering each director, the chief executive officer and the employees or other officers of the council in the penal sum of two hundred fifty thousand dollars ($250,000.00).

(f) The council may also form committees and advisory councils, which may include representatives who are not members of the board, to undertake more extensive study and discussion of the issues before the board.

(g) Except as specifically provided in this act, the following provisions do not apply to the council:

(i) W.S. 9-2-1001 through 9-2-1026.1;

(ii) W.S. 9-3-101 through 9-3-105;

(iii) The Wyoming Administrative Procedure Act.

(h) Except as specifically provided in this act, the provisions of W.S. 16-4-201 through 16-4-205 and 16-4-401 through 16-4-408 shall apply to the council.

9-12-104. General powers and duties of the council.

(a) Except as otherwise limited by this act, the council may:

(i) Sue and be sued and procure necessary liability insurance;

(ii) Have a seal;

(iii) Make and execute contracts and other instruments;

(iv) Adopt rules and regulations to implement the programs and functions assigned to the council by this act. Any rule adopted by the council shall be submitted to the management council of the legislature in accordance with W.S. 28-9-101 through 28-9-108, approved by the governor as provided in W.S. 16-3-103(d) and filed with the secretary of state;

(v) Acquire or contract to acquire by grant, purchase, option or otherwise, real, personal or mixed property or any interest in property, including patents, copyrights, trademarks or any other evidence of protection or exclusivity as to products;

(vi) Own, hold, clear, improve and rehabilitate, and sell, assign, exchange, transfer, convey, lease and mortgage real, personal or mixed property or otherwise dispose of, or encumber the same;

(vii) Grant options to purchase any interest in or asset arising out of an agreement;

(viii) Provide advisory, consultative or educational services, technical assistance and advice to any person in order to carry out the purposes of the council;

(ix) Mortgage or pledge any or all of its revenue, income, or interest in or asset arising out of a venture agreement;

(x) Except as otherwise provided in this act, deposit any funds of the council in any financial institutions located within the state;

(xi) Procure insurance against any loss in connection with its property and other assets and operations in amounts and from insurers it deems desirable;

(xii) Engage the services of consultants on a contract basis for rendering professional, financial and technical assistance and advice, including for studies and investigation likely to lead to business development;

(xiii) Contract for and accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from any other source and pass through or otherwise comply, subject to the provisions of this chapter, with the terms and conditions thereof;

(xiv) Enter into agreements with persons doing business or who will do business in this state for the advancement of financial assistance to those persons for research and the development of specific products, procedures and techniques to be developed and produced in this state conditioned upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in and accrue to this state;

(xv) Consent to the modification of the terms of any mortgage, loan or contract to which the council is a party;

(xvi) Organize, conduct, sponsor or cooperate in and assist the conduct of special institutes, conferences and demonstrations relating to the stimulation and formulation of business development;

(xvii) Make investments in projects that have potential to stimulate economic development in the state;

(xviii) Render advice and assistance and to provide services to state agencies, local and regional economic development entities, private firms and other persons providing services or facilities for economic development in Wyoming;

(xix) Do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other act;

(xx) Provide a program for severance pay and other transitional employment services to employees of the department of commerce who lost their employment with the state of Wyoming due to this act and who are not reemployed with the council within sixty (60) days of having their employment terminated with the department of commerce;

(xxi) Repealed by Laws 2008, Ch. 6, 2.

(b) The board, consistent with this act, shall develop guidelines for each of the areas specified in subsection (a) of this section relative to definitions, types of grants or loans, level of funding and repayment requirements.

9-12-105. Economic development services.

(a) It shall be the duty of the council to encourage, stimulate and support the development and expansion of the economy of the state. The council is charged with the following duties and responsibilities:

(i) To see that there are prepared and carried out effective economic development marketing and promotional programs;

(ii) To make available, in conjunction and cooperation with localities, chambers of commerce, industrial authorities and other public and private groups, to prospective new businesses basic information and pertinent factors of interest and concern to such businesses;

(iii) To formulate, promulgate and advance programs throughout the state for encouraging the location of new businesses in the state and the retention and growth of existing businesses;

(iv) To encourage and solicit private sector involvement, support and funding for economic development in the state;

(v) To encourage the coordination of the economic development efforts of public institutions, regions, communities and private industry and collect and maintain data on the development and utilization of economic development capabilities;

(vi) To establish such offices within and without the state that are necessary to the expansion and development of industries and trade. The council shall establish economic development regions and offices within the state based upon socioeconomic and geographic similarities;

(vii) To encourage the export of products and services from the state to national and international markets; and

(viii) To advise the University of Wyoming and the Wyoming community college commission in designating technical training and other educational programs in Wyoming's community colleges and the University of Wyoming beneficial to economic development activities in this state.

9-12-106. Planning and research.

(a) It shall also be the duty of the council to:

(i) Develop a comprehensive economic development strategy for the state, starting the first year of each new gubernatorial administration, consistent with the provisions of this act; and

(ii) Conduct such studies and research, in collaboration with state agencies, university and community colleges, local and regional industrial authorities and organizations, and other persons within

and without the state, as the council may deem necessary, to assist in the development of the comprehensive economic strategy and the development of recommendations and advice on the improvement of economic development and related programs and strategies across the state.

(b) The council may establish a Wyoming market research center to conduct regional, national and international market research for Wyoming manufacturers and to conduct market feasibility studies for value added projects across all economic sectors, including agriculture. If a center is formed:

(i) The council and center shall develop a plan to phase-in fees for services and a formula for commissions payable by manufacturers for sales which are directly attributable to the center's research. The plan shall be directed to make the center self-sufficient by July 1, 2003;

(ii) The center may utilize the services of student interns from the University of Wyoming and community colleges to provide those students with practical marketing experience.

9-12-107. Tourism promotion and development.

(a) Repealed By Laws 2007, Ch. 5, 2.

(b) Repealed By Laws 2003, Ch. 8, 2.

9-12-108. Coordination of business permits.

(a) The council shall:

(i) Compile information on the federal, state and local requirements necessary to begin and operate a business in Wyoming and make this information available to the public on request;

(ii) Develop application procedures to expedite the state licensing and permitting process;

(iii) Assist prospective businesses in obtaining the necessary federal, state and local permits and licenses;

(iv) Encourage and facilitate the participation of federal, state and local government agencies in permit and license coordination;

(v) Review permit requirements and the value to the state of these permits and prepare recommendations for changes for submission to the appropriate agency, the governor and the legislature.

(b) The council may request assistance from any state agency to carry out its duties under this section. State agencies shall cooperate with the request for assistance.

9-12-109. Promotion of agriculture.

The council shall encourage and promote the development of agriculture in the state including horticulture, apiculture, livestock, poultry, dairying and the kindred industries and including the development of new value-added agribusiness and product uses and markets for Wyoming agricultural products.

9-12-110. Exemptions from taxation; exceptions.

The exercise of the powers granted by this act constitutes the performance of an essential governmental function. The council shall not be required to pay any taxes levied by any municipality or political subdivision of the state, other than to comply with the Wyoming employment security law and for assessments for local improvements, upon its property or monies. Except as provided herein, the council's monies and the income therefrom, shall be free from taxation of every kind by the state, municipalities and political subdivisions of the state.

9-12-111. Investment and management of funds; audit.

(a) Except as otherwise provided in this act, the council may invest funds not required for immediate disbursement in securities in which state funds may be invested as provided by law, sell securities it has purchased and deposit securities in any financial institution. Funds deposited in financial institutions shall be secured by obligations authorized as permissible security for state investments. In investing and managing its funds, the council shall exercise the judgment and care which persons of prudence, discretion and intelligence would exercise under similar circumstances in managing the permanent disposition of their funds, considering the probable income and the probable safety of their capital.

(b) The director of the department of audit or his designee shall conduct an audit of the books and accounts of the council. The examination shall include a financial and compliance audit of the council's operations as the examiner deems appropriate. The audit shall be conducted at least once in each year and copies of the audit report shall be filed with the secretary of state, the joint minerals, business and economic development committee and the legislative service office.

9-12-112. Annual report and budget.

(a) The council shall submit an annual report in the manner provided by W.S. 9-2-1014 and using the benchmarks prescribed in this act. In addition to the requirements of W.S. 9-2-1014, included within the annual report shall be:

(i) The status of the implementation of the comprehensive economic development strategy and recommended legislative and executive actions related to the implementation of the comprehensive economic development strategy;

(ii) A summary of the total investments made by the council under the Wyoming partnership challenge loan program, article 3 of this chapter, including:

(A) The name of each borrower and the amount of each loan;

(B) An evaluation of the loan success in economic development using appropriate performance indicators as identified by the council;

(C) The cost of the loan program to the people of Wyoming in terms of:

(I) Forgone interest that could have been obtained if the funds had been invested by the state treasurer with the permanent funds of the state;

(II) Administrative and other costs associated with the program.

(D) Revenues and any other benefits obtained from the program.

(iii) Repealed By Laws 2003, Ch. 8, 2.

(iv) Progress concerning the development of the research marketing center and its self-sufficiency under W.S. 9-12-106(b);

(v) A report of the film industry financial incentive program as provided in W.S. 9-12-406;

(vi) A summary of the total investments made by the council under the workforce housing infrastructure program under W.S. 9-12-901 through 9-12-905, including:

(A) The name of each borrower and the amount of each loan;

(B) An evaluation of the loan success in providing workforce housing infrastructure;

(C) The cost of the program to the people of Wyoming in terms of administrative and other costs associated with the program.

(b) The council shall submit its budget for review as provided by W.S. 9-2-1010 through 9-2-1014.

9-12-113. Conflicts of interest.

Council members shall be subject to the provisions of W.S. 16-6-118 and shall abstain from voting in accordance with that section.

ARTICLE 2 - SCIENCE, TECHNOLOGY AND ENERGY FINANCIAL AID

9-12-201. Assumption of science technology and energy authority functions.

In assuming the functions of the science energy and technology authority the council shall administer the program in accordance with the provisions of this act generally and the specific provisions of this article.

9-12-202. Applications for financial aid from the council.

(a) All applications for financial aid shall be submitted to the council who shall investigate and prepare a report concerning the advisability of approving the proposed financial aid for the applicant and concerning any other factors deemed relevant by the council.

(b) The investigation and report shall include such facts about the applicant under consideration as its history, wage standards, job opportunities, stability of employment, past and present financial condition

and structure, pro-forma income statements, present and future markets and prospects, integrity of management as well as the feasibility of the proposed product to be granted financial aid, including the state of development of the product as well as the likelihood of its commercial feasibility.

(c) After consideration of the report, the council shall approve or deny the application. The applicant shall be promptly notified of the decision. In making the decision as to approval or denial of an application, the council shall give priority to those applicants whereby:

(i) The proceeds of the seed capital aid will only be used to cover the initial capitalization needs of the enterprise within Wyoming except as otherwise authorized in this article;

(ii) The enterprise has a reasonable chance of success;

(iii) Participation by the council is necessary to the success of the enterprise because funding for the enterprise is unavailable in the traditional capital markets, or because funding has been offered on terms that would substantially hinder the success of the enterprise;

(iv) The enterprise seed capital has the reasonable potential to create a substantial amount of primary employment within the state;

(v) The entrepreneur and other founders of the enterprise have already made or are contractually committed to make a substantial financial and time commitment to the enterprise;

(vi) There is a reasonable possibility that the council will recoup at least its initial investment from seed capital contracts; and

(vii) Binding commitments have been made to the council by the applicant for adequate reporting of financial data to the council including a requirement for an annual or other periodic audit of the books of the enterprise, and for control by the council over the management of the enterprise, so as to protect the investment including the right of access to financial and other records of the enterprise.

(d) In determining the level of financial support to be advanced, the council shall limit its proportion of financial aid consistent with the existence of a market failure in product development financing but shall not provide more than twenty percent (20%) of the funds of the council for any one (1) project. Any financial aid toward product development financing granted pursuant to this section shall be equally matched or exceeded by the applicant. No financial aid granted pursuant to this section shall in any manner be pledged as collateral by the applicant.

(e) Before granting any seed capital financial aid, the council shall enter into an agreement with the applicant providing for a return to the council which is commensurate with the level of risk and amount of the financial aid.

ARTICLE 3 - WYOMING PARTNERSHIP CHALLENGE LOAN PROGRAM

9-12-301. Definitions.

(a) As used in this article:

(i) "Business" means any proposed or existing enterprise which employs people within the state, provides services within the state, uses resources within the state or otherwise adds economic value to goods, services or resources within the state, and includes farm and ranch operations;

(ii) "Community development organization" means a group of private citizens organized as a business entity authorized to do business in this state for the purpose of providing financing for new, existing, or expanding businesses and other economic or community development purposes throughout its community or county, and which may take equity positions and shall take security positions in its borrowers' businesses and appropriate personal guarantees from the owners thereof;

(iii) "Economic development account" means the economic development enterprise account within the revolving investment fund created under article XVI, section 12 of the Wyoming constitution. The account shall consist of funds from payments as provided in W.S. 9-12-305 and other funds as provided by law;

(iv) "State development organization" means a corporation organized under W.S. 17-11-101 through 17-11-120 with the authority to provide financing for new, existing or expanding businesses and to fulfill other economic or community development purposes throughout the state of Wyoming, and which may take equity positions and shall take security positions in its borrowers' businesses and appropriate personal guarantees from the owners thereof;

(v) "Economic disaster" means an event occurring in Wyoming that has an economic impact with total lost revenues to impacted businesses in a twelve (12) calendar month period of at least four million dollars ($4,000,000.00) or an economic impact with total lost revenues to impacted businesses in four (4) or less counties in a twelve (12) calendar month period of at least one million dollars ($1,000,000.00). The business council may use good faith estimates of lost revenues to businesses in determining whether an event qualifies as an economic disaster. Calculation of lost revenues shall only include actual losses incurred and shall not include any future losses;

(vi) "Bridge financing" means the provision of financing for that portion of the total project cost which is calculated by subtracting from total project cost the sum of ownership debt and equity. The council shall not consider a proposal in which the bridge financing component exceeds thirty-five percent (35%) of total project cost or five hundred thousand dollars ($500,000.00), whichever is less, and the business does not contribute more than fifteen percent (15%) of the total project cost;

(vii) "Guarantee loan participation" means a provision of financing by the council in which the council participates with a lender that has secured a federal guaranteed loan to guarantee repayment of a loan made to a business. The maximum participation by the council shall be fifty percent (50%) of the loan or one million dollars ($1,000,000.00), whichever is less;

(viii) "Loan guarantee" means a provision of financing by the council in which the council guarantees a portion of a bank loan made to a business;

(ix) "Wyoming main street loan participation" means a provision of financing by the council in which the council participates with a lender that has made a loan to a business for building improvements

to maintain the structure's historical character. The maximum participation by the council shall be seventy-five percent (75%) of the loan or one hundred thousand dollars ($100,000.00), whichever is less.

9-12-302. Wyoming partnership challenge loan program; creation; rulemaking; administration account.

(a) The council shall establish and administer a partnership challenge loan program under this article and may contract for necessary professional services. Loans authorized under the program shall be limited, except as otherwise provided under W.S. 9-12-304(c) through (g), to community development organizations and state development organizations and made in accordance with the provisions of W.S. 9-12-304. Any community development organization or state development organization may submit an application to the council to participate in the program on forms prescribed by and subject to rules promulgated by the council.

(b) The council, shall establish all fees and interest rates to be charged for each loan as it is underwritten for this program. The interest rate for loans made under this program shall be not less than four percent (4%) per annum. Fees on loans under the program shall be paid monthly and deposited into a program administration account which is continuously appropriated to the council to be expended solely for the purpose of administering this article and loans authorized under it.

9-12-303. Council duties; actions on loan applications.

All complete applications to participate in the loan program established under this article which conform with the criteria established by law and rules promulgated under this article which are submitted to the council shall be considered by the council. The council shall review the application and may communicate directly with the applicant and other lenders or potential lenders of the applicant. The council shall approve or disapprove each application it considers in accordance with this article and rules promulgated under it. In making its determination under this section, the council shall consider whether approval of the application would cause unfair competition with any existing business in the area. The council shall establish loan amortization schedules, terms and conditions for each loan approved.

9-12-304. Criteria for loans.

(a) Except as otherwise provided under subsections (c) through (g) of this section, loans under this article may only be made by the council to community development organizations and state development organizations which meet the following eligibility criteria:

(i) The community development organization or state development organization will contribute an amount of cash or cash equivalent at least equal to the loan it receives under this article to a program of investment in its area of local economic development;

(ii) The community development organization or state development organization will consolidate the loan it receives under this article and its required contribution under paragraph (i) of this subsection and make loans to Wyoming businesses and investments in support of Wyoming businesses, such as infrastructure construction loans and occupational training loans;

(iii) The community development organization has been endorsed by a resolution of the legislative body of its municipality or county or, in the case of a state development organization, has been endorsed by a resolution of the council; and

(iv) As part of any agreement under this article and to ensure funds loaned or committed under this section are invested by the community development organization or the state development organization in local economic development in a reasonable period of time, the council shall reserve the right to terminate the agreement.

(b) Loans, loan commitments or loan guarantees or any combination thereof shall be made under this article only:

(i) If the total amount to a single community development organization, or to a business for an economic disaster loan as provided under subsection (c) of this section or to a business for bridge financing as provided under subsection (d) of this section, does not exceed five hundred thousand dollars ($500,000.00), if the total amount to state development organizations does not exceed three million five hundred thousand dollars ($3,500,000.00), if the amount to a business for a federally guaranteed loan as provided under subsection (e) of this section does not exceed one million dollars ($1,000,000.00), if the amount to a business for a loan guarantee does not exceed one hundred thousand dollars ($100,000.00) per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less or if the amount to a business for a Wyoming main street loan participation as provided under subsection (g) of this section does not exceed one hundred thousand dollars ($100,000.00);

(ii) If there are sufficient funds in the economic development enterprise account to fully fund it and all other outstanding commitments, loans, loan guarantees and guarantee loan participations;

(iii) If funds provided by the state are adequately collateralized. The adequacy of the collateral shall be determined by the council;

(iv) If the application for the loan or loan commitment is submitted on or after September 1, 1996.

(c) Any business or group of businesses may apply to the council for designation of an area of this state as an area in which an economic disaster as defined in W.S. 9-12-301(a)(v) has occurred. The council shall prescribe the form and contents of such applications. The council shall review each application and make a determination as soon as practicable as to whether an economic disaster area designation shall be made. The council may make loans to any business located within the designated economic disaster area that has lost revenue as a result of the economic disaster. Subsection (a) of this section does not apply to economic disaster loans under this subsection.

(d) Any business may apply to the council for bridge financing as defined in W.S. 9-12-301(a)(vi). The council shall prescribe the form and contents of such application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lending institution in the same percentage as the source of the loan. The interest of the state and the lending institution shall have priority over any claim of the business receiving the bridge financing or any other third party.

(e) Any business may apply to the council for a guarantee loan participation as defined in W.S. 9-12-301(a)(vii). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. The council shall structure any guarantee loan participation so that in the event of default of any loan which is participated in under this subsection:

(i) Liability shall be shared proportionally between the state and the lending institution in the same percentage as the source of the funding for the loan; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or any other third party.

(f) Any business may apply to the council for a loan guarantee as defined in W.S. 9-12-301(a)(viii). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. The council shall structure any loan guarantee so that in the event of default of any loan that is guaranteed under this subsection:

(i) Liability to the state under the guarantee shall not exceed one hundred thousand dollars ($100,000.00) per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or other third party.

(g) Any business may apply to the council for a Wyoming main street loan participation as defined in W.S. 9-12-301(a)(ix). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lender in the same percentage as the source of the loan. The interest of the state and the lender shall have priority over any claim of the business receiving the main street loan participation or any other third party.

9-12-305. Economic development enterprise fund account; deposits; continuous appropriation; loans.

Except for fees deposited in accordance with W.S. 9-12-302(b), all repayments of principal and interest to the state in connection with loans made under this article and other funds as appropriated by the legislature for the challenge loan program shall be deposited into the economic development enterprise account within the revolving investment fund. All funds in the account may be used for and are continuously appropriated for loans authorized to be made under this article. The total principal balance of outstanding loans shall not exceed the amounts appropriated by the legislature plus interest accrued and collected less any losses of loan principal or interest.

9-12-306. Audit; report.

(a) The director of the state department of audit or his designee shall annually examine the loan program created under this article and submit his report of examination to the governor, the legislature and the council. This examination shall include a financial and compliance audit of the council's operations, and

such financial audit of borrowers under this article as the examiner deems appropriate. As a condition of any loan under this article, the borrower shall agree to allow the examiner to examine its books and records. The examiner shall treat all proprietary information received in the course of the examination or audit as confidential.

(b) On or before July 15 of each year, the council shall submit a written report to the joint minerals, business and economic development interim committee reviewing rules adopted by the council during the reporting period, presenting a portfolio of loans made under the program and presenting a risk analysis of the portfolio of loans prepared by the state banking commissioner. The report, portfolio of loans and risk analysis required under this subsection shall be public records. The risk analysis prepared by the state banking commissioner shall not be subject to the limitations of W.S. 9-1-512.

9-12-307. Penalty.

Any person who knowingly makes a false statement to the council in connection with an application under this article or article 9 of this chapter is guilty of a felony punishable by imprisonment for not more than two (2) years, a fine of not more than two thousand dollars ($2,000.00), or both.

ARTICLE 4 - FILM AND VIDEO PROMOTION

9-12-401. Repealed By Laws 2003, Ch. 8, 2.

9-12-402. Film industry financial incentive program; creation.

There is created the film industry financial incentive program to encourage the use of this state as a site for filming and providing production services for filmed entertainment. The program shall be administered by the Wyoming tourism board.

9-12-403. Film industry financial incentive program; definitions.

(a) As used in this article:

(i) "Filmed entertainment" means any one (1) motion picture, television production, commercial or music video to be sold or displayed in electronic medium or film motion pictures;

(ii) "Production costs" means the total cost of producing filmed entertainment;

(iii) "Program" means the film industry financial incentive program created under this article;

(iv) "Qualified expenditures" mean expenditures for goods purchased or leased or services purchased, leased or employed from a vendor or supplier who is located and doing business in this state if the expenditure was made in this state and was made for a qualified production. Qualified expenditures for which reimbursement may be made are limited to:

(A) Salaries and employment benefits for services rendered in and to residents of this state;

(B) Rents for real and personal property located in this state used in the production;

(C) Payments for preproduction, production, post-production and digital media effects services provided in this state;

(D) Costs of set construction provided in this state.

(v) "Qualified production" means filmed entertainment totally or partially produced and filmed in this state that would have widespread public appeal and would likely encourage members of the public to visit the state of Wyoming;

(vi) "Board" means the Wyoming tourism board.

9-12-404. Film industry financial incentive program; reimbursement eligibility; submission of required documentation; payment.

(a) The board may contract with the makers of a qualified production to provide a reimbursement of up to fifteen percent (15%) of the production's qualified expenditures if a minimum of two hundred thousand dollars ($200,000.00) in total qualified expenditures are made.

(b) The sum of all contractual obligations under this section shall not exceed the total appropriation available for the program for any fiscal biennium.

(c) A qualified production applying for a payment under this section shall submit documentation for claimed qualified expenditures to the board.

9-12-405. Film industry financial incentive program; contract required; procedure; approval process.

(a) The board may contract with any entity engaged in this state in producing filmed entertainment for reimbursement of qualified expenditures as provided in this article. The board shall be provided information required to determine if the production is a qualified production and to determine the qualified expenditures, production costs and other information necessary for the council to determine both eligibility for and the appropriate level of reimbursement. No reimbursement shall be made unless the board has entered into an agreement which provides for adequate consideration to the state in exchange for the reimbursement provided. No reimbursement of qualified expenditures shall be made by the board until the qualified production is complete and substantially all contractual commitments made to the board have been fulfilled. If a qualified production is not completed according to a reasonable schedule, the contract shall be terminated and funds reallocated to other qualified productions.

(b) The board shall establish a process by which a contract under this article is formulated and executed and reimbursement amounts are determined. The board shall require information including, but not limited to:

(i) Production related employment;

(ii) Proposed total production budgets;

(iii) Planned expenditures in this state which are intended for use exclusively as an integral part of preproduction, production or post-production activities engaged in primarily in this state; and

(iv) A signed affidavit by a person authorized to commit the entity that the information provided to the board has been verified and is correct.

(d) The board shall not contract with any qualified production for reimbursement of qualified expenditures under this article unless the board determines that adequate consideration to the state in exchange for the reimbursement will be provided under the contract. The reimbursement shall not exceed the amount of measurable benefit gained by the state resulting from the qualified production expenditures. The consideration may include but is not limited to:

(i) Providing a storyline that is set in Wyoming;

(ii) Providing additional Wyoming behind the scenes footage;

(iii) Using Wyoming props and product placement; and

(iv) Providing a clear statement in the credits that the product was filmed in Wyoming.

9-12-406. Film industry financial incentive program; rules and regulations; fraudulent claims; reporting.

(a) The board may adopt rules and regulations to implement this article, including, but not limited to, requirements for the contract process, requirements for substantial completion of contractual commitments, records required for submission for substantiation of reimbursement and determination of and qualification for reimbursement.

(b) An entity that obtains payment under this article through a claim that is fraudulent is liable for reimbursement of the amount paid plus an amount double the payment plus reimbursement of reasonable costs. The amounts under this subsection are in addition to any criminal penalty for which the entity is liable for the same acts. The entity shall also be liable for costs and fees incurred by the state in investigating and prosecuting the fraudulent claim.

(c) The board shall report to the joint travel, recreation, wildlife and cultural resources interim committee and the joint appropriations interim committee by October 1 each year, expenditures under this article and the return to the state on funds expended pursuant to this article.

9-12-407. Sunset provision.

W.S. 9-12-402 through 9-12-406 are repealed effective June 30, 2011.

ARTICLE 5 - WYOMING COUNCIL FOR WOMEN'S ISSUES

9-12-501. Creation; areas of attention.

(a) The Wyoming council for women's issues is created within the Wyoming business council. The council for women's issues shall focus attention on the status of women in Wyoming with emphasis on the following areas:

(i) Employment practices;

(ii) Educational opportunities;

(iii) Home and community;

(iv) Legal rights and responsibilities.

(b) As used in this article, unless otherwise specified, "council" means the Wyoming council for women's issues.

9-12-502. Membership; term; appointments; vacancies; removal; officers; acceptance of gifts and donations; expenses.

(a) The council shall be composed of fourteen (14) members, each of whom shall serve for a term of six (6) years. The governor shall make the appointments and fill any vacancies for unexpired terms. The governor may remove any member as provided in W.S. 9-1-202. The council shall be composed of one (1) woman from each of the judicial districts in the state, four (4) persons chosen at large and the chief executive officer of the Wyoming business council or his designee who shall be an ex officio member. Not more than nine (9) members shall be from the same political party. Of the initial members appointed from each of the judicial districts, three (3) members shall be appointed for terms of two (2) years, three (3) members shall be appointed for terms of four (4) years and three (3) members shall be appointed for terms of six (6) years.

(b) The council shall elect a chairman and vice-chairman from its members. The Wyoming business council may employ a secretary on a part-time basis to assist the council. The council may accept gifts and donations.

(c) Members of the council shall receive no compensation but shall be reimbursed under W.S. 9-3-102 and 9-3-103 for per diem and travel expenses incurred in the performance of their duties.

ARTICLE 6 - COMMUNITY INFRASTRUCTURE PROGRAM

9-12-601. Wyoming business ready community program; purpose; creation; rulemaking.

(a) It is the purpose of this article to promote economic development at the city, town and county level in order to create additional economic health and a stronger state economy.

(b) The council shall establish and administer a Wyoming business ready community program as provided by this article. Any city, town or county may submit an application to the council for a grant or loan under the program on forms prescribed by and subject to rules promulgated by the council. Grants or loans

may be applied for by a joint powers board with the approval of all participating agencies to the joint powers agreement. Grants and loans may be made by the council for economic or educational development infrastructure projects, including the purchase of land, buildings, facilities, telecommunications infrastructure, rights of way, airports, sewer and water projects, roads, landscaping, recreational and convention facilities or other infrastructure determined by the council to be consistent with the purposes of this article. In adopting rules and making grants and loans under this article the council shall require all projects to be related to economic or educational development infrastructure, which shall not include rehabilitation or expansion of existing infrastructure unless the council determines the rehabilitation or expansion is necessary to meet the purposes of this article. All grants, loans or cooperative agreements made under this article shall be referred by the council to the state loan and investment board for final approval or disapproval. The state loan and investment board may adopt rules as necessary to implement its duties under this article.

(c) Grants shall be matching grants as determined by the council. Loans shall be made at no or low interest rates.

(d) Grants or loans shall be made under this article, only if the applicant demonstrates that upon receipt of the grant or loan, all projected project costs will be funded. Grants or loans for one (1) project may not exceed a maximum annual amount established by rule of the council. Multi-year projects may be awarded up to the maximum annual amount each year, for a period not to exceed three (3) years, as approved by the state loan and investment board. The application shall identify the source of all funds to be used for the project.

(e) Grants or loans may be used to fund project costs in accordance with approved applications and rules of the council. Grant or loan funds may be used to contract with community development organizations and state development organizations in accordance with the purposes of this article and approved applications.

(f) Loans provided under this article shall be adequately collateralized as determined by the council. No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(g) Repayments of loans under this section shall be credited to the business ready community account.

(h) The council may also enter into cooperative agreements with the Eastern Shoshone Tribe and the Northern Arapaho Tribe in order to promote the purposes of this article.

(j) Grants may be made by the council for projects, in accordance with rules of the council, which:

(i) Improve the development of businesses that will provide data generation and information technology storage capabilities statewide or in municipalities of the state;

(ii) Encourage and provide for the expansion of existing businesses providing information technology storage enterprises in the state, including those developed through the University of Wyoming business technology center;

(iii) Provide a reduction of the costs of electrical power or bandwidth, or both, to businesses meeting the provisions of paragraph (j)(i) or (ii) of this section. In exchange for providing these reductions in costs, the political subdivision receiving the grant and providing the reduction in costs shall contract with the business to receive direct benefits and indirect economic development benefits including:

(A) A specific amount of capital investment by the business;

(B) A specific minimum payroll created by the business;

(C) The provision of information technology storage services to the state or the political subdivision at a price discounted from the fair market value of the services; and

(D) An agreement to repay with a reasonable rate of return any funds received to reduce costs if the business relocates from the political subdivision prior to the expiration of five (5) years from the date of first receiving funds.

(k) As used in this article:

(i) "Community development organization" means as defined by W.S. 9-12-301(a)(ii);

(ii) "State development organization" means as defined by W.S. 9-12-301(a)(iv).

9-12-602. Wyoming business ready community program account.

There is created the business ready community account. Funds shall be credited to the account as provided by law. Funds in the account are continuously appropriated to the council to be used only for cooperative agreements, grants or loans authorized to be made under this article.

9-12-603. Council duties; actions on grant and loan applications.

All complete applications to participate in the grant and loan program established under this article which conform with the criteria established by law and rules promulgated under this article which are submitted to the council shall be considered by the council. The council shall approve or disapprove each application it considers in accordance with this article and rules of the council.

ARTICLE 7 - AIR SERVICES FINANCIAL AID

9-12-701. Amended and Renumbered as W.S. 10-3-601 by Laws 2005, ch. 13, 1.

9-12-702. Amended and Renumbered as W.S. 10-3-602 By Laws 2005, ch. 13, 1.

ARTICLE 8 - WYOMING COMMUNITY FACILITIES PROGRAM

9-12-801. Wyoming community facilities program; purpose; creation; administration by council; rulemaking authority; eligible projects.

(a) It is the purpose of this article to assist communities to preserve former school and government facilities that have existing or future community uses.

(b) The council shall administer a Wyoming community facilities program as provided by this article, subject to the approval of grants and loans by the state loan and investment board as provided by this article.

(c) Any qualifying community with a demonstrated need for a community facility, including a city, town, county, joint powers board or other local governmental entity, may submit an application to the council for a grant or loan under this program on forms prescribed by and subject to rules promulgated by the council. Application by a joint powers board shall require the approval of all participating agencies to the joint powers agreement.

(d) Grants or loans may be recommended by the council and awarded by the state loan and investment board for economic development community facilities projects which provide:

(i) Space for community gatherings and functions;

(ii) Appropriate recreational, swimming and athletic facilities for community members, particularly youth;

(iii) Other functions or uses determined by the council to be consistent with the purposes of this article.

(e) In adopting rules and recommending grants and loans under this article, the council shall require all projects to be related to economic development or enhancement of quality of life in a community. Projects may consist of:

(i) The expansion, renovation or remodeling of existing surplus government facilities;

(ii) The purchase of an interest in or cooperative agreements for the expansion, renovation or conversion of school facilities to the extent the facilities exceed statewide school building and facility adequacy standards established by the school facilities commission under W.S. 21-15-115. No ownership interest to the project or facility under a project shall remain with the school district upon expenditure of any funds under this program for any project.

(f) All grants, loans or cooperative agreements recommended by the council shall be referred by the council to the state loan and investment board for final approval or disapproval in accordance with this article.

9-12-802. Community facility qualifications; demonstration of need.

(a) To qualify for a grant or loan under this article, an applicant shall demonstrate:

(i) A commitment by the applicant community to adequately maintain the project facility for which the grant or loan is requested during a reasonable period of time;

(ii) A partnership or other working arrangement or agreement with other local governmental entities to ensure the viability of the project facility over a reasonable period of time;

(iii) The project facility is not otherwise provided in the community or that such a facility exists except that the financing of that facility has not been paid in full;

(iv) The project will not compete with existing governmental organizations or businesses;

(v) The relationship of the project facility to a community economic development plan or to the enhancement of quality of life in the community;

(vi) That all project costs will be funded at the time of receipt of a grant or loan under this article, with funding sources specified within the project application;

(vii) The availability of funds sufficient to maintain the project facility. The project application shall clearly identify maintenance funding sources sufficient to cover maintenance costs for a period of not less than four (4) years;

(viii) Any other criteria developed by the council consistent with the purposes of this article.

9-12-803. Community facility grant and loan; approval by state loan and investment board.

(a) Grants shall be awarded on a matching basis at match proportions recommended by the council and approved by the board.

(b) Grants or loans may be used to fund project costs in accordance with approved applications and rules and regulations established by the council. Grant or loan funds may be used to contract with community development organizations and state development organizations in accordance with this article and approved project applications. For purposes of this subsection, "community development organizations" shall be as defined under W.S. 9-12-301(a)(ii) and "state development organizations" shall be as defined under W.S. 9-12-301(a)(iv).

(c) Loans provided under this article shall be adequately collateralized as determined by the council. No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(d) Repayments of loans under this article shall be credited to the community facilities program account.

(e) The council shall prioritize proposed cooperative agreements, grants and loans it recommends to the state loan and investment board in accordance with rules it adopts under this article.

(f) The state loan and investment board shall adopt rules as necessary to implement its duties under this article governing the approval or disapproval of projects recommended by the council.

9-12-804. Wyoming community facilities program account.

The community facilities program account is created within the special revenue fund and shall consist of funds credited to the account as provided by law. Funds in the account are continuously appropriated to the council to be used only for cooperative agreements, grants or loans authorized by the state loan and investment board under this article.

9-12-805. Tribal participation in community facilities program.

The council may enter into cooperative agreements with the business council of the Eastern Shoshone Indian Tribe, the business council of the Northern Arapaho Indian Tribe or the joint business council of the Eastern Shoshone and Northern Arapaho Indian Tribes to promote the purposes of the community facilities program and to allow those entities to participate in the program.

ARTICLE 9 - COMMUNITY WORKFORCE HOUSING PROGRAM

9-12-901. Wyoming workforce housing infrastructure program; purpose; definitions.

(a) The legislature finds and declares that:

(i) There is in this state by reason of the location and expansion of mineral extractive industries and other economic developments, a critical shortage of adequate housing;

(ii) It is in the public interest of the citizens of this state to facilitate the provision of adequate housing in order to promote the economic welfare of the state and its residents by increasing employment, stimulating economic activity, augmenting sources of tax revenue, fostering economic stability, furthering health care and improving the balance of the state's economy;

(iii) It is the purpose of this article to promote and continue economic development by providing adequate housing necessary to create additional economic health and a stronger state economy;

(iv) This article constitutes a valid public purpose, of primary benefit to all citizens of the state of Wyoming.

(b) As used in this article:

(i) "Community development organization" means as defined by W.S. 9-12-301(a)(ii);

(ii) "Community land trust" means land held in trust as a public investment for the long-term benefit of a community to provide secure, affordable access to land and workforce housing for community residents;

(iii) "State development organization" means as defined by W.S. 9-12-301(a)(iv);

(iv) "Workforce housing" means owner-occupied, residential dwellings;

(v) "Workforce housing infrastructure" means publicly owned infrastructure to a workforce housing subdivision or development, and if determined by the council to be consistent with the purposes of this article, through a workforce housing subdivision or development. To be considered "workforce housing infrastructure" under this article, the infrastructure shall be for a workforce housing subdivision or development for which the political subdivision making application under this article has required, through zoning or otherwise, the inclusion of a specified percentage or number of housing units at specified maximum initial sale prices or to have a specified initially finished, maximum square footage. In addition, the following shall apply:

(A) "Workforce housing infrastructure" includes:

(I) Rights of way;

(II) Sewer and water distribution projects;

(III) Storm water control and drainage facilities;

(IV) Streets, roads and bridges;

(V) Curbs, gutters and sidewalks;

(VI) Lift stations;

(VII) Traffic signals;

(VIII) Street lighting;

(IX) Payment for the additional costs of over-sizing water and sewer distribution lines through or to a subdivision to accommodate future expansion;

(X) The purchase of land as necessary to accommodate infrastructure projects;

(XI) Other infrastructure determined by the council to be consistent with the purposes of this article.

(B) "Workforce housing infrastructure" shall not include:

(I) Projects, the primary purpose of which is to bring public infrastructure to existing housing which is supplied by a well or uses a septic system. Nothing in this subdivision prohibits the use of funding under this article to provide such infrastructure as incidental to an approved project;

(II) Refinancing of existing projects that have been financed previously with other resources;

(III) Financing any project under the Wyoming water development program established by W.S. 41-2-112 through 41-2-124;

(IV) Financing any project that does not provide for the construction of additional housing units or that involves rehabilitation or expansion of existing infrastructure unless the council determines the rehabilitation or expansion is necessary to meet the purposes of this article;

(V) Financing any infrastructure project which is not under public ownership.

9-12-902. Wyoming workforce housing infrastructure program; creation; rulemaking.

(a) The council shall establish and administer a Wyoming workforce housing infrastructure program as provided by this article. Any city, town, county or special improvement district may submit an application to the council for a loan under the program on forms prescribed by and subject to rules promulgated by the council. Loans may be applied for by a joint powers board with the approval of all participating agencies to the joint powers agreement. Loans may be made by the council for workforce housing infrastructure projects and community land trust projects. In adopting rules and making loans under this article the council shall require all projects to be related to workforce housing infrastructure or community land trusts.

(b) Loans may be made at zero interest rate, up to an annual interest rate equal to the average prime interest rate as determined in accordance with subsection (e) of this section. The council shall establish criteria for determining the maximum loan amounts subject to final approval by the state loan and investment board.

(c) Loans shall be made under this article, only if the applicant demonstrates that upon receipt of the loan, all projected project costs will be funded. Loans for one (1) project may not exceed a maximum annual amount established by rule of the council. Multi-year projects may be awarded up to the maximum annual amount each year, for a period not to exceed three (3) years, as approved by the state loan and investment board. The application shall identify the source of all funds to be used for the project.

(d) Loans may be used to fund project costs in accordance with approved applications and rules of the council. Loan funds may be used to contract with community development organizations, state development organizations and nonprofit organizations in accordance with the purposes of this article and approved applications.

(e) Loans provided under this article shall be adequately collateralized as determined by the council. The council shall establish interest rates to be charged for loans under the program, but the interest rate shall not exceed an annual interest rate equal to the average prime interest rate as determined by the state treasurer. To determine the average prime interest rate, the state treasurer shall average the prime interest rate for at least seventy-five percent (75%) of the thirty (30) largest banks in the United States. The interest rate shall be adjusted on January 1 of each year. Interest rates shall be established in recognition of the repayment abilities and needs of the local governmental entity eligible for loans under the program. The council shall establish loan amortization schedules, terms and conditions for each loan approved.

(f) No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(g) Loans and loan commitments or any combination thereof shall be made under this article only:

(i) If there are sufficient funds in the workforce housing infrastructure program account to fully fund it and all other outstanding commitments and loans;

(ii) If repayment of any loan provided by the state is adequately collateralized. The adequacy of the collateral shall be determined by the council, subject to final approval by the state loan and investment board.

(h) Repayments of loans under this section shall be credited to the Wyoming workforce housing infrastructure program account.

(j) The council may also enter into cooperative agreements with the Eastern Shoshone Tribe and the Northern Arapaho Tribe in order to promote the purposes of this article.

(k) After approval of loans, the applicants shall report to the council, as required by the approved application. The report shall include:

(i) The progress of the project until the project is completed;

(ii) Any additional information required by the council to ensure compliance with loan requirements or compliance with this article.

9-12-903. Council duties; actions on loan applications.

(a) All complete applications to participate in the program established under this article, which conform with the criteria established by law and rules promulgated under this article and which are submitted to the council, shall be considered by the council. The council shall approve or disapprove each application considered in accordance with this article and rules promulgated by the council. All loans or cooperative agreements made under this article shall be referred by the council to the state loan and investment board for final approval or disapproval. The state loan and investment board may adopt rules as necessary to implement its duties under this article.

(b) In adopting rules and making funds available under this article, the council shall provide a competitive application and scoring system adequate to measure the benefits of each application. The application scoring system shall target the projects based on ranking criteria which address:

(i) The need for the proposed housing;

(ii) The affordability of the proposed housing;

(iii) The number of additional housing units to be developed, with consideration of the percentage of critical workforce housing needs in the community to be served;

(iv) The extent to which the project is part of an overall community and economic development plan;

(v) The extent to which the project demonstrates readiness;

(vi) Any other criteria determined by the council to be consistent with the purposes of this article.

(c) The council may negotiate and enter into appropriate contracts or memoranda of understanding with Wyoming state agencies, authorities or instrumentalities as necessary or convenient to facilitate the council's duties under this article.

9-12-904. Community land trusts; eligibility; requirements.

(a) Loans made under this article for community land trusts, in addition to meeting other requirements of this article, shall require that:

(i) The land subject of the trust be owned or leased by a political subdivision of the state, including a city, town, county, special improvement district or a housing authority authorized under W.S. 15-10-116;

(ii) The land be used for workforce housing with lots for housing leased and with the political subdivision remaining the owner of the land or the primary lessee;

(iii) The leases of lots be upon such terms as to allow commercial lenders to lend funds for housing construction on terms comparable to housing built on fee owned lands;

(iv) The housing development on lands subject to the trust include a specified percentage or number of housing units at specified maximum initial sale prices or be required to have a specified initially finished, maximum square footage as required by the political subdivision making application under this article, through zoning or otherwise;

(v) The lease terms for housing constructed on the land subject to the trust provide for continuation of the initial long term community benefit through subsequent sales of the housing.

(b) The political subdivision owning or leasing the land subject to the community land trust may fulfill the requirements of this section directly, through a housing authority created pursuant to W.S. 15-10-116, or by agreement with private nonprofit entities.

9-12-905. Wyoming workforce housing infrastructure program account.

(a) There is created the workforce housing infrastructure program account. Funds shall be credited to the account as provided by law. Funds in the account shall be used only upon legislative appropriation for cooperative agreements and loans authorized to be made under this article. All funds including any

earned interest and repayments of principal on loans under this article remaining in the workforce housing infrastructure program account at the end of a biennium shall not lapse and shall not revert as provided in W.S. 9-4-207 but shall remain in the account to implement the purposes of this section.

(b) Interest and repayments of principal on loans under this article shall be redeposited into the workforce housing infrastructure program account.

(c) Accrued interest and other earnings on unexpended funds within the account shall be credited to the workforce housing infrastructure program account.

ARTICLE 10 - WYOMING TOURISM BOARD

9-12-1001. Wyoming tourism board; creation; composition; appointment; terms; compensation.

(a) There is created the Wyoming tourism board. The board shall serve as the leading proponent of Wyoming's tourism and hospitality industry and shall provide governance and oversight for the division of travel and tourism.

(b) The board shall be comprised of nine (9) members who shall be employed in or associated closely with the travel industry. The board shall be appointed by the governor, and approved with the advice and consent of the senate, in accordance with W.S. 28-12-101 through 28-12-103, as follows:

(i) One (1) member shall be from tourism appointment district 1, consisting of Albany, Carbon and Laramie counties;

(ii) One (1) member shall be from tourism appointment district 2, consisting of Converse, Goshen, Natrona, Niobrara and Platte counties;

(iii) One (1) member shall be from tourism appointment district 3, consisting of Campbell, Crook, Johnson, Sheridan and Weston counties;

(iv) One (1) member shall be from tourism appointment district 4, consisting of Lincoln, Sweetwater and Uinta counties;

(v) One (1) member shall be from tourism appointment district 5, consisting of Big Horn, Hot Springs, Park and Washakie counties;

(vi) One (1) member shall be from tourism appointment district 6, consisting of Fremont, Sublette and Teton counties;

(vii) Three (3) members shall be at-large members appointed to provide geographic and tourism industry balance.

(c) Each appointed member shall serve for three (3) years, except that the initial appointments of the members shall be:

(i) One (1) year for one (1) of the at-large members and the members appointed from tourism appointment district 2 and tourism appointment district 5;

(ii) Two (2) years for one (1) of the at-large members and the members appointed from tourism appointment district 1 and tourism appointment district 3; and

(iii) Three (3) years for one (1) of the at-large members and the members appointed from tourism appointment district 4 and tourism appointment district 6.

(d) No appointed member shall serve more than two (2) consecutive three (3) year terms.

(e) The board shall select a chairman and a vice-chairman from among its members.

(f) The governor may remove any member as provided by W.S. 9-1-202.

(g) Members of the board shall receive mileage and per diem for attending board meetings or other meetings as assigned by the board, in the same amount as state legislators and shall receive no other compensation for serving on the board.

(h) For purposes of this article, "board" means the Wyoming tourism board.

9-12-1002. General powers and duties of the board; rulemaking authority.

(a) The board shall be responsible for implementing the tourism program and functions assigned to the Wyoming business council under the Wyoming Economic Development Act, including the expenditure of all funds appropriated for the tourism program and shall:

(i) Assemble and distribute information concerning the scenic and recreational opportunities and resources of Wyoming;

(ii) Encourage close cooperation between public and private agencies engaged in stimulating recognition of Wyoming recreational resources;

(iii) Implement programs to promote tourism in Wyoming; and

(iv) Administer the film industry financial incentive program as provided in W.S. 9-12-402 through 9-12-406.

(b) The board shall assign a member to attend all regularly scheduled meetings of the Wyoming business council.

(c) The board shall promulgate rules and regulations necessary to implement this article.

ARTICLE 11 - MAINSTREET PROGRAM

9-12-1101. Definitions.

(a) As used in this article:

(i) "Board" means the Wyoming main street advisory board;

(ii) "Business area" means a commercial area existing at the time services under the Wyoming main street program are requested by a municipality;

(iii) "Municipality" means a city, town, county or district;

(iv) "Revitalization" means the process of engaging in activities to increase economic activity while preserving and building upon a location's historically significant characteristics.

9-12-1102. Wyoming main street advisory board.

(a) There is created a Wyoming main street advisory board. The board shall consist of seven (7) members appointed by the governor, not more than four (4) of whom shall be from the same political party. Board members shall elect from their membership a chairman, vice-chairman and secretary.

(b) The governor may remove any member of the board as provided by W.S. 9-1-202.

(c) Board members shall serve a three (3) year term provided that of the initial board, two (2) members shall be appointed for a one (1) year term, two (2) members for two (2) year terms and three (3) members for three (3) year terms. Vacancies on the board shall be filled by appointment of the governor for the unexpired term.

(d) Members of the board shall receive the same per diem, expenses and travel allowance as members of the legislature while in actual attendance at meetings of the board and the performance of their duties relative thereto.

(e) The department shall provide staff services as required by the board to carry out the board's duties.

(f) The board shall meet as often as necessary to conduct business, but not less than three (3) times each year. Meetings shall be called by the chairman. A majority of members of the board shall constitute a quorum.

9-12-1103. Duties of the board.

(a) The board shall:

(i) Assist the council in developing a plan to operate the Wyoming main street program;

(ii) Annually review the program and report findings and recommendations, including recommendations for future legislation, to the governor;

(iii) Provide a comprehensive evaluation of the Wyoming main street program annually to the joint minerals, business and economic development interim committee no later than September 1 of

each year. The report shall include findings and recommendations, including recommendations for future legislation.

9-12-1104. Duties of the council.

(a) The council shall establish and administer a Wyoming main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas.

(b) In carrying out subsection (a) of this section, the council shall:

(i) Enter into contracts to obtain business area revitalization services;

(ii) Subject to legislative authorization, employ any staff necessary to operate the Wyoming main street program;

(iii) With advice from the board, develop a plan describing the objectives of the Wyoming main street program and methods by which the council shall:

(A) Coordinate the activities of that program with private and public sector revitalizations of business areas;

(B) Solicit and use private sector funding for revitalization of business areas;

(C) Assist municipalities engaged in the revitalization of their business areas.

(iv) Coordinate with other state and local public and private entities that provide services to municipalities undertaking projects for the revitalization of business areas;

(v) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the Wyoming main street program;

(vi) Repealed By Laws 2009, Ch. 8, 2.

(c) The council shall promulgate rules necessary to carry out the provisions of this article.

9-12-1105. Main street program.

(a) The council with advice from the board shall determine the number of municipalities to participate in the Wyoming main street program. The council shall select program participants that represent different geographical regions or populations. The council shall hold at least one (1) public hearing before making selections under this subsection.

(b) In making its selection pursuant to subsection (a) of this section, the council, with the assistance of the board, shall develop criteria for use in selecting program participants which relate to at least the following issues:

(i) Private and public sector interest in and commitment to revitalization of a business area selected by the municipality;

(ii) Potential private sector investment in a business area selected by the municipality;

(iii) Local organizational and financial commitment to employ a program manager for not less than three (3) years;

(iv) Local assistance in paying for the services of a design consultant recommended by the advisory board;

(v) Local commitment to assist in training programs to direct activities related to business areas in municipalities that do not participate in the Wyoming main street program.

ARTICLE 12 - WYOMING ENERGY PERFORMANCE PROGRAM

9-12-1201. Definitions.

(a) As used in this article:

(i) "Agency" means a branch, agency, department, board, instrumentality or institution of the state of Wyoming, a county, a municipal corporation, a school district, a community college district, the University of Wyoming, the joint business council of the Eastern Shoshone and Northern Arapaho Indian tribes, the business council of the Eastern Shoshone Indian tribe, the business council of the Northern Arapaho Indian tribe, a joint powers board formed pursuant to this act or a special district specifically involved in providing facilities or functions enumerated in W.S. 16-1-104(c);

(ii) "Energy conservation measure" means an energy study, audit, improvement or equipment that is designed to provide energy, water and operational cost savings at least equivalent to the amount expended by a facility owner for such energy study, audit, improvement or equipment over a period of not more than twenty (20) years after the date such improvement or equipment is installed or becomes operational;

(iii) "Energy performance contract" means the contract that allows a facility owner to accomplish energy or water efficiency projects without upfront capital costs or capital appropriations. An energy performance contract shall not be considered to be a contract for public improvement pursuant to W.S. 15-1-113;

(iv) "Energy services company" means the contractor not organized under the auspices of a utility regulated by the public service commission with demonstrated technical, operational, financial and managerial capabilities to design and implement energy conservation measures and the ability to secure necessary financial measures to ensure related guarantees for operational cost savings and who is responsible for the audit, design, implementation, measurement, verification and guarantee of savings for individual projects;

(v) "Facility owner" means an agency or group of agencies, a public hospital or other public entity responsible for an individual facility or group of facilities;

(vi) "Investment grade energy audit" means the detailed engineering investigation and report of a facility's current energy and water consuming equipment inventory, condition, operation, maintenance and performance, energy baseline, potential energy and water efficiency upgrades, life cycle costs and risks for future performance that provides the justification for the energy performance contract project;

(vii) "Wyoming energy conservation improvement program" means the Wyoming business council state energy office program designed to enable and support development and implementation of energy performance contract projects.

9-12-1202. Energy performance contracting.

The council shall establish a Wyoming energy conservation improvement program which provides support development and implementation of energy performance contract projects to facility owners voluntarily participating in the program. In order to participate in the program, facility owners and energy services companies shall be subject to the provisions of this article and rules adopted pursuant to this article.

9-12-1203. Energy performance contracting.

(a) Upon receipt of a request from a facility owner, the Wyoming business council shall provide the facility owner with a list of energy service companies interested in providing services to the facility owner and qualified by the Wyoming business council to participate in the Wyoming energy conservation improvement program.

(b) The energy services company participating in the Wyoming energy conservation improvement program shall provide an investment grade audit showing the estimated energy and operational cost savings that would result from the proposed energy conservation measures. Before executing any contract or lease purchase agreement under subsection (c) of this section, the energy services company shall provide the facility owner with plans for the proposed energy conservation measures prepared by an engineer licensed to practice in Wyoming.

(c) Notwithstanding W.S. 15-1-113 and subject to the provisions of subsection (e) of this section, a facility owner may enter into an installment payment contract or lease purchase agreement for an energy or water conservation measure which meets the criteria of this section. Any documents related to negotiations entered into pursuant to this section with individual energy services companies by an agency or facility owner shall be considered trade secrets pursuant to the provisions of the Wyoming Public Records Act, W.S. 16-4-201 through 16-4-205. After a contract has been executed by an agency, the contract and all proposals from energy service companies shall be open records available for public inspection in accordance with the Wyoming Public Records Act.

(d) Energy performance contracts entered into pursuant to the Wyoming energy conservation improvement program shall require the energy services company to provide to the facility owner an annual reconciliation of the guaranteed energy savings. If the reconciliation reveals a shortfall in annual energy savings, the energy services company shall be liable for compensation to the facility owner for such

shortfall under the provisions of the energy performance contract. If the reconciliation reveals an excess in annual energy savings, the excess savings shall be retained by the facility owner and shall not be used to cover potential energy savings shortages in subsequent contract years.

(e) An energy performance contract entered into pursuant to the Wyoming energy conservation improvement program may provide for financing, including tax exempt financing, by a third party. The contract for third party financing may be separate from the energy performance contract. A separate contract for third party financing shall include a provision that the third party financier shall not be granted rights or privileges that exceed the rights and privileges available to the energy services company.

(f) The Wyoming business council may provide support under the Wyoming energy conservation improvement program as requested by facility owners for purposes of this section. The Wyoming business council state energy office may fix, charge and collect reasonable fees for any administrative support and resources or other services provided by the Wyoming business council pursuant to this subsection.

(g) If the facility owner fails to appropriate or receive an appropriation of money for a periodic payment due for improvements made through an energy performance contract, any security interest in any property created pursuant to the energy performance contract, may be enforced by the holder of such a security interest against the property.

(h) The term of an energy performance contract shall not exceed twenty (20) years after the date on which the work required by the energy performance contract to implement all energy conservation measures is completed.

(j) The Wyoming business council shall submit to the joint minerals, business and economic development interim committee by October 1, an annual report on the energy performance contracting performed under the Wyoming energy conservation improvement program. The report shall include the number of applications submitted, the number of facility owners, the number of energy performance contracts, the results of the investment grade energy audits and the results of the energy performance contracts.

Office of the Governor
State of Oregon

EXECUTIVE ORDER NO. 08-11

RESTRUCTURING OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

The continued vitality of Oregon's complex economic landscape requires thriving communities, a strong and well-educated workforce, a healthy environment and the establishment of diversified, progressive industries. Oregon must manage its assets and position itself today for continued economic success into the 21st Century.

Oregon faces the unprecedented challenges of population growth, aging community infrastructure and pressing climate change concerns. While there are opportunities in the global marketplace for Oregon companies, there is also intense competition from other states and nations. By aggressively taking advantage of economic development opportunities, particularly those presented by promoting industries fighting global warming with innovation and new technologies, Oregon can stimulate new businesses and jobs.

The Oregon Economic and Community Development Department (OECDD) is the state agency primarily responsible for job creation in Oregon. The OECDD's broad scope of work has created disparate expectations of OECDD's mission. Two of OECDD's three program divisions are focused on job retention, creation and recruitment. The primary focus of OECDD's third division, the Community Development Division, is to help Oregon communities meet their infrastructure goals, particularly in the areas of safe drinking water and water and wastewater systems. The absence of a clear and focused agency-wide mission has hindered OECDD's ability to successfully partner with stakeholder groups around the state to promote economic development.

OECDD's realignment will provide an essential, strategic framework to address the challenges facing Oregon and position the state for long-term success into the 21st Century and provide clarity, accountability and viability for the department's distinct missions. To this end, OECDD's community and business development functions will be separated.

OECDD's business development divisions should form a stand-alone department with the mission of serving as a catalyst of sustainable economic growth. This department will focus on the retention and expansion of Oregon companies, leveraging Oregon's innovation and strategic partnerships in the global economy, recruitment of new businesses to the state, creation of jobs by transferring innovative knowledge into the marketplace and raising real wages.

OECDD's community development programs are best served in an agency with a complementary structure and focus as the division's core functions. Community-based resources will be realigned to ensure the most efficient and effective delivery of services. At the same time, infrastructure-based activities will be focused to ensure a sustainable relationship between the natural and built environments, with an asset management model serving as its structural framework.

NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED:

1. OECDD's Community Development Division shall be considered separate and distinct from all other activities and functions of OECDD's Business and Trade Development Division and Innovation and Economic Strategies Division within OECDD.

2. The OECDD Director shall work with the OECD Commission to ensure that Community Development policies and programs be pursued, and oversight administered, in a manner that is separate and distinct from the oversight and administration of all other Business Development programs, activities and functions within OECDD.

3. The OECDD Director shall work with the OECD Commission to establish a framework that enables Community Development to more effectively focus its activities on infrastructure-related projects and other community-based resource programs.

4. The OECDD Director shall work with the OECD Commission to ensure that staff from the Central Operations Division is assigned appropriately to provide direct support separately for Community Development activities and functions and for Business Development activities and functions.

5. The OECDD Director shall seek and consider input from stakeholders and legislators throughout the state, particularly regarding policy and structural details to ensure the effective design and implementation of a strategic redesign of the department.

6. OECDD and other appropriate state agencies shall identify areas of overlapping authority and coordinate activities and resources to facilitate the structural reorganization.

EXECUTIVE ORDER NO. 08-11
PAGE THREE

7. OECDD and other appropriate state agencies shall begin necessary planning to implement a proposed reorganization if legislation to restructure the agency is adopted by the Legislative Assembly.

Done at Salem, Oregon, this 12th day of May, 2008.

Theodore R. Kulongoski
GOVERNOR

ATTEST:

Bill Bradbury
SECRETARY OF STATE

Enrolled
House Bill 2152

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski for Economic and Community Development Department)

CHAPTER .....

AN ACT

Relating to economic development; creating new provisions; amending ORS 183.635, 200.025, 200.045, 200.055, 200.057, 200.065, 200.110, 200.120, 200.170, 285A.010, 285A.020, 285A.040, 285A.045, 285A.050, 285A.055, 285A.060, 285A.070, 285A.075, 285A.080, 285A.116, 285A.152, 285A.185, 285A.188, 285A.190, 285A.192, 285A.200, 285A.206, 285A.213, 285A.224, 285A.227, 285A.306, 285A.346, 285A.349, 285A.600, 285A.615, 285A.627, 285A.654, 285A.657, 285A.660, 285A.669, 285A.672, 285A.678, 285A.681, 285A.684, 285A.687, 285A.690, 285A.693, 285A.696, 285A.702, 285A.705, 285A.708, 285B.050, 285B.053, 285B.056, 285B.059, 285B.062, 285B.065, 285B.068, 285B.080, 285B.081, 285B.086, 285B.089, 285B.092, 285B.093, 285B.126, 285B.132, 285B.135, 285B.138, 285B.141, 285B.147, 285B.168, 285B.178, 285B.179, 285B.200, 285B.206, 285B.209, 285B.215, 285B.218, 285B.230, 285B.233, 285B.236, 285B.260, 285B.266, 285B.283, 285B.286, 285B.290, 285B.323, 285B.326, 285B.329, 285B.335, 285B.338, 285B.341, 285B.344, 285B.362, 285B.371, 285B.410, 285B.413, 285B.419, 285B.422, 285B.428, 285B.437, 285B.440, 285B.449, 285B.455, 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.473, 285B.482, 285B.503, 285B.506, 285B.512, 285B.515, 285B.533, 285B.551, 285B.560, 285B.563, 285B.572, 285B.575, 285B.581, 285B.584, 285B.590, 285B.593, 285B.599, 285B.740, 285B.743, 285B.746, 285B.749, 285B.758, 285C.612, 468B.415, 657.665, 777.267, 777.277, 777.282, 777.284 and section 32, chapter 773, Oregon Laws 2003, sections 2, 3 and 4, chapter 756, Oregon Laws 2005, and sections 7 and 9, chapter 746, Oregon Laws 2007; repealing ORS 285A.483, 285A.486, 285A.489, 285A.495, 285B.239, 285B.242, 285B.245, 285B.248, 285B.263, 285B.264 and 285B.269; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

OREGON INFRASTRUCTURE FINANCE AUTHORITY CREATION AND ADMINISTRATIVE PROVISIONS

SECTION 1. Sections 1a to 7 of this 2009 Act are added to and made a part of ORS chapter 285A.

SECTION 1a. (1) The Oregon Infrastructure Finance Authority Board is created as a policy-making and advisory body within the Oregon Business Development Department. The board consists of nine members as follows:

(a) One nonvoting member appointed from members of the Senate by the President of the Senate;

(b) One nonvoting member appointed from members of the House of Representatives by the Speaker of the House of Representatives;

(c) One member appointed by the State Treasurer; and

(d) Six members appointed by the Governor.

(2) Persons appointed members of the board must be Oregon residents, well qualified by experience to make policy and recommendations in areas of concern to the Oregon Infrastructure Finance Authority and to perform the duties of office. Members shall be appointed with consideration given to knowledge and experience:

(a) In the field of state and municipal finance;

(b) Of the infrastructure and public works needs in Oregon cities;

(c) Of the infrastructure and public works needs in Oregon counties;

(d) Of issues related to ports that affect the state;

(e) Of issues related to special service district services furnished across the state; and

(f) Of infrastructure and public works necessary to further Oregon's long term economic growth.

(3) The office of the State Treasurer may recommend persons with expertise in the field of state and municipal finance for membership on the board.

(4) The term of a member of the board appointed by the Governor, the State Treasurer or the President of the Senate is four years. The term of a member appointed by the Speaker of the House of Representatives is two years.

(5) In case of a vacancy on the board for any cause, the appointing authority shall appoint a successor to serve for the unexpired term.

(6) A member of the board may be appointed to serve two consecutive terms. A member who serves two consecutive terms is not eligible for reappointment within one year following the expiration of the second term.

(7) The board shall select one of its members to chair the board for such term and with duties and powers necessary to perform the functions of the office as the board determines.

(8) A majority of the voting members of the board constitutes a quorum for the transaction of business.

SECTION 2. The Oregon Infrastructure Finance Authority Board shall:

(1) Serve as a body to advise municipalities, state agencies and private persons on the development and implementation of state policies and programs relating to the infrastructure needs of this state and its communities.

(2) Advise the Governor, the Director of the Oregon Business Development Department and the Oregon Business Development Department on all matters relating to infrastructure and public works programs and activities administered by the Oregon Infrastructure Finance Authority.

(3) Develop a recommended biennial budget for the operation of the authority and submit the budget to the director and the Governor.

(4) Seek and receive the views of all levels of government and the private sector with respect to state policies and programs to address the infrastructure needs of this state.

(5) Prepare and submit to the Director of the Oregon Business Development Department suggested administrative rules that the board determines are necessary for the operation of the programs under the direction of the authority.

(6) Establish policies and procedures for loan and grant programs administered by the authority.

SECTION 3. (1) The Oregon Infrastructure Finance Authority is established as an administrative section within the Oregon Business Development Department, subject to the supervision of the administrator of the authority. The authority consists of the administrator and all personnel employed by the authority.

(2) The authority shall develop and administer programs and funds of the department that address the infrastructure needs of this state pursuant to the policies of, and as may be recommended by, the Oregon Infrastructure Finance Authority Board.

(3) The authority shall provide the Oregon Infrastructure Finance Authority Board with staff and other assistance as necessary for the board to perform its duties.

(4) The authority shall employ, in accordance with the State Personnel Relations Law, the staff necessary to allow the authority to carry out its responsibilities.

SECTION 3a. (1) The Oregon Infrastructure Finance Authority may:

(a) Conduct hearings and conferences to develop facts, explain programs and activities, and obtain advice;

(b) Enter into agreements with other public bodies, as defined in ORS 174.109, or associations or private persons for services to assist the authority and the Oregon Infrastructure Finance Authority Board;

(c) Enter into agreements with other public bodies, as defined in ORS 174.109, the federal government, associations or private persons for cooperative endeavors that further programs administered by the authority;

(d) Subject to applicable policies and procedures, enter into agreements for loans, grants or other assistance, including, but not limited to, direct purchase of goods or services, with local governments, as defined in ORS 174.116, special government bodies, as defined in ORS 174.117, or other eligible applicants for infrastructure development;

(e) Appoint committees, consultants or other persons with expertise in infrastructure-related matters to advise the Oregon Infrastructure Finance Authority Board or the authority;

(f) Obtain assistance or data from any state agency; or

(g) Perform any other act necessary to carry out the duties of the authority.

(2) The authority shall administer the state's participation in the federal Community Development Block Grant funding program authorized by 42 U.S.C. 5301 et seq.

SECTION 4. (1) The Director of the Oregon Business Development Department, upon consultation with and the approval of the Oregon Infrastructure Finance Authority Board, shall appoint an administrator of the Oregon Infrastructure Finance Authority who shall serve at the pleasure of the director.

(2) The administrator shall receive such salary as may be provided by law or as fixed by the director.

(3) The administrator shall be the administrative head of the authority.

(4) The administrator may suggest rules to the director for the government of the authority, the conduct of its employees, the assignment and performance of its business and the custody, use and preservation of its records, papers and property.

(5) The administrator shall hire the staff necessary to allow the authority to carry out its duties. In accordance with the State Personnel Relations Law, the administrator and any manager hired by the administrator shall be in the unclassified service.

SECTION 5. (1) The Oregon Infrastructure Finance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Infrastructure Finance Fund shall be credited to the fund. The Oregon Infrastructure Finance Fund consists of all moneys credited to the fund, including moneys from the Administrative Services Economic Development Fund, federal funds collected or received and fees, moneys or other revenues, including miscellaneous receipts, collected or received by the Oregon Infrastructure Finance Authority. The moneys in the Oregon Infrastructure Finance Fund are continuously appropriated to the Oregon Business Development Department for the authority for the purposes of sections 1a to 7 of this 2009 Act.

(2) The authority may finance programs and projects determined to further infrastructure development within this state by making grants or loans using moneys in the fund.

(3) The Oregon Infrastructure Finance Authority Board may suggest to the Director of the Oregon Business Development Department administrative rules for establishing standards, objectives and criteria for use of moneys in the fund. The department shall adopt rules to establish standards, objectives and criteria for use of moneys in the fund.

SECTION 6. The Oregon Infrastructure Finance Authority may not direct, supervise or control the policy, programs, personnel or administration of any program or entity unless specifically authorized by statute.

SECTION 7. The Director of the Oregon Business Development Department, in accordance with ORS chapter 183, may adopt rules for the operation of the Oregon Infrastructure Finance Authority as the director determines necessary or convenient for the authority to perform its duties and functions and as are consistent with and necessary to carry out the policies established by the Oregon Infrastructure Finance Authority Board.

OREGON BUSINESS DEVELOPMENT COMMISSION ADMINISTRATIVE PROVISIONS

SECTION 8. ORS 285A.010 is amended to read:

285A.010. As used in ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, unless the context requires otherwise:

(1) "Administrator" means the administrator of the Oregon Infrastructure Finance Authority.

(2) "Association" means a nonprofit, private, incorporated or unincorporated institution, foundation, organization, entity or group, whether local, state, regional or national, that is operating or doing business in Oregon.

(3) "Authority" means the Oregon Infrastructure Finance Authority.

(4) "Board" means the Oregon Infrastructure Finance Authority Board.

[*(1)*] **(5)** "Commission" means the [*Oregon Economic and Community Development Commission*] **Oregon Business Development Commission**.

[*(2)*] **(6)** "Community" means an area or locality in which the body of inhabitants has common economic or employment interests. The term is not limited to a city, county or other political subdivision and need not, but may be, limited by political boundaries.

[*(3)*] **(7)** "Department" means the [*Economic and Community Development Department*] **Oregon Business Development Department**.

[*(4)*] **(8)** "Director" means the Director of the [*Economic and Community Development Department*] **Oregon Business Development Department**.

[*(5)*] **(9)** "Distressed area" means a county, city, community or other geographic area that is designated as a distressed area by the department, based on indicators of economic distress or dislocation, including but not limited to unemployment, poverty and job loss.

[*(6)*] **(10)** "International trade" means the export and import of products and services and the movement of capital for the purpose of investment.

(11) "Local government" has the meaning given that term in ORS 174.116.

(12) "Municipality" means an Oregon city or county, the Port of Portland created by ORS 778.010, a county service district organized under ORS chapter 451, a district as defined in ORS 198.010, a tribal council of a federally recognized Indian tribe in this state or an airport district organized under ORS chapter 838.

(13) "Public body" has the meaning given that term in ORS 174.109.

[*(7)*] **(14)** "Rural area" means an area located entirely outside of the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth boundaries of cities with populations of 30,000 or more.

[*(8) "Traded sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.*]

[*(9)*] **(15)** "Small business" means a business having 100 or fewer employees.

(16) "State agency" includes state officers, departments, boards and commissions.

(17) "Traded sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.

SECTION 9. ORS 285A.020 is amended to read:

285A.020. (1) The Legislative Assembly finds that:

(a) Oregon possesses [*many*] unique and sustaining virtues that will guide and assist in maintaining the state's economic health, including but not limited to Oregon's:

(A) Special heritage;

(B) Respect for and cultivation of the environment; and

(C) Attention to quality of life issues that are important to the state's economic development, including but not limited to access to quality, affordable child care for all children in Oregon.

(b) Oregon is strategically placed to compete and succeed in the global [*community.*] **marketplace.**

(c) All regions of the state should share in Oregon's economic recovery.

(d) Creating and retaining quality jobs [*is*] **are** vital to the state's [*continued economic development.*] **economic health.**

(e) Oregon's agriculture and natural resource industries provide opportunities for beneficial economic enterprise, including sustainable [*economic*] **business** development activities.

(f) A well educated and trained workforce is necessary to [*advance in today's global economy.*] **support business and industry needs throughout the state.**

(g) The ability of existing businesses to grow [*and prosper*] is critical to Oregon's [*economy.*] **prosperity.**

(h) [*Utilizing the state's*] **The state must utilize its** competitive advantages [*is essential*] to retain existing businesses and attract new companies and investment into the state.

(i) Continued [*economic*] development **in Oregon** depends on strengthening traded sector industries.

(j) International trade **and** development [*and promotion is invaluable*] **of international trade are essential** for future [*economic*] **business** development opportunities.

(k) Small businesses remain a critical element of the state's [*economic development, comprising more than 90 percent of Oregon's businesses.*] **economy.**

(L) Capacity building **to support business development** in rural and distressed areas is a key component of economic development and revitalization efforts.

(m) Oregon's ports are important partners in the state's economic development efforts and are key components of local and state economic development strategies.

(n) Improving and enhancing infrastructure is necessary to the state's future economic development.

(o) Federal, state and local agencies working together will continue to enhance industrial site development and other economic development activities.

[*(p) The Economic and Community Development Department should be encouraged to convene community development partners to explore the prospect of making loans to private industrial landowners from the Brownfields Redevelopment Fund for future development opportunities.*]

(2) It is the purpose of ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C [*to advance Oregon's economy.*] **to enable the creation, retention, expansion and attraction of businesses that provide sustainable, living wage jobs for Oregonians through public-private partnerships and leveraged funding and to support economic opportunities for Oregon companies and entrepreneurs.**

(3) The Legislative Assembly declares that it is the immediate economic strategy of the state to:

(a) Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages;

(b) Improve the national and global competitiveness of Oregon companies; and

(c) Assist [*Oregon communities in building capacity*] **and further efforts** to retain, expand and attract businesses.

(4) To promote the advancement of the Oregon economy and implement the immediate economic strategy of the state, the [*Economic and Community*] **Oregon Business** Development Department shall invest resources in accordance with the following principles:

(a) Processes for making public investments and working with local and regional issues must be designed for flexibility so that actions can adapt to the constantly changing conditions and demands under which communities and businesses operate.

(b) Partnerships among local, state and federal governments and public and private organizations and entities should be strengthened to further the economic strategy of the state.

(c) The expected impact of public investment and assistance shall be identified, in terms of measurable outcomes, whenever possible.

(d) State, federal and community goals, constraints and obligations should be identified at the beginning of the planning process, and the state should work actively with community partners, regions and state and local agencies to address and accomplish their mutual objectives.

(5) When the department provides funds or assistance for projects, programs, technical support or other authorized activities pursuant to ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, the department shall give priority to projects, programs and activities that:

(a) Retain and create jobs and raise real wages;

[*(b) Promote capacity building, emphasizing rural and distressed areas;*]

(b) Promote capacity building, emphasizing rural and distressed areas to further economic development initiatives;

(c) Assist small business creation and expansion;

(d) Invest and engage in training a skilled workforce;

(e) Retain and expand existing companies and recruit new investment to Oregon;

(f) Capitalize on Oregon's competitive advantages and strategically invest resources to offset competitive disadvantages;

(g) Support innovation and research;

(h) Assist industry clusters to succeed;

(i) Market Oregon's advantages;

(j) Promote international trade and attract foreign direct investment;

(k) Support the development of industrial and commercial lands;

(L) Advance the efforts of ports to promote economic development activities; and

(m) Build capacity in Oregon's arts and cultural organizations, creative businesses and individual artists.

SECTION 10. ORS 285A.040 is amended to read:

285A.040. (1) There is established the Oregon [*Economic and Community*] **Business** Development Commission consisting of nine members appointed as follows:

(a) One nonvoting[, *ex officio*] member appointed from among the members of the Senate by the President of the Senate;

(b) One nonvoting[, *ex officio*] member appointed from among the members of the House of Representatives by the Speaker of the House of Representatives; and

(c) Seven members appointed by the Governor, subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565. The Governor shall appoint members of the commission in compliance with all of the following:

(A) Members shall be appointed with consideration given to representation of the different geographic regions of the state, and at least one member shall be a resident of the area east of the Cascade Range.

(B) Not more than five members may belong to one political party. Party affiliation shall be determined by the appropriate entry on official election registration cards.

(C) Members shall be appointed with consideration given to representation of the following areas of expertise or training:

(i) International trade;

(ii) Traded sector business development;

[*(ii)*] **(iii)** Small business [*needs and issues;*] **development;**

[*(iii)*] **(iv)** Local [*government needs and issues;*] **economic development;**

[*(iv) Marketing and branding;*]

[*(v) Arts and culture;*]

[*(vi)*] **(v)** Finance **and business investment;**

[*(vii)*] **(vi)** Innovation; **or**

[*(viii) Telecommunications; or*]

[*(ix)*] **(vii)** Other areas of training or expertise identified by the [*commission.*] **Governor.**

(2)(a) The term of office of each member appointed by the Governor is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member appointed by the Governor, the Governor shall appoint a successor whose term begins on July 1 of the following year. A member appointed by the Governor is eligible for reappointment. In case of a vacancy among the members appointed by the Governor for any cause, the Governor shall appoint a person to fill the office for the unexpired term.

(b) The term of office of the member appointed by the President of the Senate is four years. In case of a vacancy for any cause, the President of the Senate shall appoint a Senator to fill the office for the unexpired term.

(c) The term of office of the member appointed by the Speaker of the House of Representatives is two years. In case of a vacancy for any cause, the Speaker of the House of Representatives shall appoint a Representative to fill the office for the unexpired term.

(3) A member of the commission who is appointed by the Governor is entitled to compensation and expenses as provided by ORS 292.495. [*Ex officio*] **Legislative** members of the commission are prohibited from receiving compensation and reimbursement for expenses.

(4) Subject to confirmation by the Senate, the Governor shall appoint one of the voting commissioners as presiding officer of the commission. The presiding officer shall have duties and powers as the commission determines are necessary for the office.

(5) Five voting members of the commission constitute a quorum for the transaction of business.

(6) The commission shall meet at least quarterly at a time and place determined by the commission. The commission shall also meet at other times and places as are specified by the call of the presiding officer or by the call of a majority of the voting members of the commission.

(7) A vacancy among the voting members of the commission does not impair the right of the remaining voting commissioners to exercise all the powers of the commission. If the remaining voting commissioners are unable to agree, the Governor shall have the right to vote as a member of the commission.

(8) A member of the commission appointed due to expertise or training in local economic development described in subsection (1)(c)(C)(iv) of this section shall also be an elected local government official with experience in economic development matters.

SECTION 11. ORS 285A.045 is amended to read:

285A.045. (1) As its primary duty, the Oregon [*Economic and Community*] **Business** Development Commission shall develop and maintain [*an*] **the** economic [*and community*] development policy **and strategy** for this state [*that implements the strategy declared*] **outlined** in ORS 285A.020 [*(3)*].

(2) The commission shall provide oversight and direction to the [*Economic and Community*] **Oregon Business** Development Department in carrying out the [*duties and creating*] **economic development** policies [*to further the economic*] **and** strategy [*set forth in ORS 285A.020.*] **established by the commission.** In addition, the commission may perform any other duty vested in the commission by law.

(3) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the [*Economic and Community Development*] department.

(4) When a power, duty or function is vested in the commission, the commission may designate department officers, agents, employees or committee members to exercise the power, duty or function of the commission. When the commission designates a person in writing to exercise a power, duty or function of the commission, the person may exercise the power, duty or function.

(5) In carrying out its duties under subsection (1) of this section, the commission shall coordinate its activities with federal, state and local agencies, community partners and regions, when appropriate.

(6) The commission may prepare and submit suggested administrative rules to the Director of the Oregon Business Development Department that the commission determines are necessary for the objectives and programs of the department.

SECTION 12. ORS 285A.050 is amended to read:

285A.050. (1) The Oregon [*Economic and Community*] **Business** Development Commission shall report biennially to the Governor and the Legislative Assembly on the success of economic development efforts. The report shall include the progress toward achievement of performance measures for the [*Economic and Community*] **Oregon Business** Development Department as adopted by the Legislative Assembly. At a minimum, the report shall include the following:

(a) For the overall [*Economic and Community Development*] department and for [*each*] identifiable [*program*] **programs** and funding [*source*] **sources**:

(A) The number of jobs created and retained;

(B) The average wage levels of jobs created and retained; and

(C) Other measures identified by the commission.

(b) The status of the Oregon economy as it relates to the economic strategy outlined in ORS 285A.020.

(c) Other issues identified by the commission.

(2) Reports to the Legislative Assembly required under this section shall be made in accordance with ORS 192.245.

SECTION 13. ORS 285A.055 is amended to read:

285A.055. Prior to the approval of bond financing of economic development projects under ORS 285B.320 to 285B.371[,] **or** the making of [*a loan*] **loans** [*under ORS 285A.666 to 285A.732 or the making of any loan*] or the granting of any moneys from any source, the Oregon [*Economic and Community*] **Business** Development Commission[, *or the Economic and Community Development Department as the designee of the commission*], **or the Oregon Business Development Department as the designee of the commission,** shall:

(1) Determine that the action is cost effective, considering both major public expenses and major public benefits;

(2) Find that the project will produce goods or services which are sold in markets for which national or international competition exists or, if the project is to be constructed and operated by a nonprofit organization, that the project will not compete with local for-profit businesses;

(3) Determine that the action is the best use of the moneys involved, considering other pending applications for those moneys;

(4) Find that the project involved is consistent with the [*Economic and Community*] **Oregon Business** Development Department's comprehensive policy and programs; and

(5) Find that the project involved is consistent with applicable adopted local economic development plans.

SECTION 14. ORS 285A.060 is amended to read:

285A.060. (1) To aid and advise the Oregon [*Economic and Community*] **Business** Development Commission in the performance of its duties, the commission may establish such advisory and technical committees as it considers necessary. Such committees may be continuing or temporary. The presiding officer of the commission shall determine the representation, membership, terms and organization of the committees and shall appoint their members. Members shall be appointed with due consideration given to the geographic representation described in ORS 285A.040 (1). The Director

of the [*Economic and Community*] **Oregon Business** Development Department, or designee, shall be an ex officio member of each committee.

(2) Members of the committees appointed pursuant to this section shall receive no compensation, but may receive payment for their actual and necessary travel and other expenses while engaged in the performance of their official duties.

OREGON BUSINESS DEVELOPMENT DEPARTMENT ADMINISTRATIVE PROVISIONS

SECTION 15. ORS 285A.070 is amended to read:

285A.070. (1) The [*Economic and Community*] **Oregon Business** Development Department is established.

(2) The department shall be under the supervision of the Director of the [*Economic and Community*] **Oregon Business** Development Department, who shall be appointed by and shall hold office at the pleasure of the Governor.

(3) The appointment of the director shall be subject to confirmation by the Senate in the manner provided by ORS 171.562 and 171.565.

(4) Subject to policy direction by the Oregon [*Economic and Community*] **Business** Development Commission, the director shall:

(a) Be the administrative head of the department;

(b) Administer the laws of the state relating to economic development; and

(c) Intervene, as authorized by the commission, pursuant to the rules of practice and procedure, in the proceedings of state and federal agencies that may substantially affect economic development within Oregon.

(5) In addition to duties otherwise required by law, and subject to policy direction by the commission, the director shall prescribe rules for the government of the department, the conduct of its employees, the assignment and performance of its business and the custody, use and preservation of its records, papers and property, based on best managerial practices as determined by the director and in a manner consistent with applicable law.

(6) The director shall organize the department in whatever manner the director considers necessary to conduct the work of the department efficiently and effectively, subject to approval by the commission.

(7) The director may appoint all subordinate officers and employees of the department and may prescribe their duties, assignments and reassignments and fix their compensation, subject to any applicable provisions of the State Personnel Relations Law. Subject to any other applicable law regulating travel expenses, the officers and employees of the department shall be allowed such reasonable and necessary travel and other expenses as may be incurred in the performance of their duties.

(8) The director may delegate the exercise or discharge of any power, duty or function that is vested in or imposed by law upon the director to any department employee for the purpose of conducting an official act in the name of the director. The official act of any person acting in the name of the director by the authority of the director is an official act of the director.

(9) The director may require a fidelity bond of any officer or employee of the department who has charge of, handles or has access to any state money or property, and who is not otherwise required by law to give a bond. The director shall fix the amount of the bond, except as otherwise provided by law, and approve the sureties. The department shall pay the premiums on the bond.

(10) The [*Oregon Economic and Community Development*] commission shall report periodically to the Governor on the director's performance and make appropriate recommendations.

SECTION 16. ORS 285A.075 is amended to read:

285A.075. (1) The [*Economic and Community*] **Oregon Business** Development Department shall:

(a) Implement programs and adopt rules in accordance with applicable provisions of ORS chapter 183 that are consistent and necessary to carry out the policies established by the Oregon [*Eco-*

nomic and Community] **Business** Development Commission and the duties, functions and powers vested by law in the department.

(b) Act as the official state liaison agency for persons interested in locating industrial or business firms in the state and for state and local groups seeking new industry or business, and maintain the confidentiality of negotiations conducted pursuant to this paragraph, if requested.

(c) Coordinate state and federal economic and community development programs.

[*(d) Administer the state's participation in the federal Community Development Block Grant funding program authorized by 42 U.S.C. 5301 et seq.*]

[*(e)*] **(d)** Actively recruit domestic and international business firms to those communities desiring business recruitment.

(e) Work with existing Oregon companies to assist in their expansion or help them retain jobs in the state.

(f) Consult with local governments to establish regions for the purpose of job development [*and community assistance*] to facilitate economic activities in the region. Regions established for this purpose need not be of the same size in geographic area or population.

(g) Establish and operate foreign trade offices in foreign countries in which the department considers a foreign trade office necessary. The department shall use department employees, contracts with public or private persons or a combination of employees and contractors to establish and operate foreign trade offices. Department employees, including managers, who are assigned to work in a foreign trade office shall be in the unclassified service, and the director shall set the salaries of such employees. ORS 276.428, 279A.120, 279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270, 279B.280, 279C.370, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.800 to 279C.870, 282.020, 282.050, 282.210, 282.220, 282.230, 283.140, 459A.475, 459A.490, 653.268 and 653.269 do not apply to the department's operation of foreign trade offices outside the state.

(h) Consult with other state agencies and with local agencies and officials prior to defining or designating distressed areas for purposes of ORS 285A.020.

(i) Budget moneys for travel and various other expenses of industrial or commercial site location agents, film or video production location agents, business journal writers, elected state officials or other state personnel to accomplish the purposes of ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C. The department may expend moneys duly budgeted to pay the travel and other expenses of such persons if the director determines the expense may promote the purposes of this subsection.

(j) Promulgate rules to govern contracts.

(k) Develop strategies to address issues that are necessary and appropriate to Oregon's future and adopt goals that include measurable indicators of success (Oregon benchmarks) that show the extent to which each goal is being achieved.

(L) Use practices and procedures that the department determines are the best practices for carrying out the duties of the department.

(2) The department shall have no regulatory power over the activities of private persons. Its functions shall be solely advisory, coordinative and promotional.

(3) Notwithstanding ORS 279A.140, the department may award grants or enter into contracts as necessary or appropriate to carry out the duties, functions and powers vested in the department by law.

SECTION 17. ORS 285A.080 is amended to read:

285A.080. The Director of the [*Economic and Community*] **Oregon Business** Development Department and all unclassified personnel shall receive such salary as may be provided by law or be fixed by the Oregon [*Economic and Community*] **Business** Development Commission. In addition to salaries, the director and all unclassified personnel, subject to the limitations otherwise provided by law, shall be reimbursed for all reasonable expenses necessarily incurred in the performance of official duties.

SECTION 18. ORS 285A.116 is amended to read:

285A.116. (1) The Oregon [*Economic and Community*] **Business** Development [*Commission*] **Department** shall establish regions for the purpose of job development [*and community assistance by the Economic and Community Development Department*]. When establishing the regions, the [*commission must*] **department shall** consider the optimal size for each region that will most effectively facilitate economic development activities in the region. Regions established by the [*commission*] **department** do not have to be of the same size or population.

(2) The Director of the [*Economic and Community*] **Oregon Business** Development Department shall provide for economic innovation coordination in the central office, which shall assist the field representatives in establishing contacts between local businesses and universities and community colleges in Oregon to promote the use of the research capacities of these institutions for development of new products.

SECTION 19. ORS 285A.152 is amended to read:

285A.152. (1) The Fujian Sister State Committee established under ORS 285A.148 may:

(a) Organize activities for and host visiting delegations from Fujian Province;

(b) Organize activities for and participate in delegations visiting Fujian Province and China;

(c) Provide for the exchange of information between the State of Oregon and Fujian Province;

(d) Work with representatives of Fujian Province on joint projects; and

(e) Take all actions necessary to facilitate and promote relations between the State of Oregon and Fujian Province.

(2) The Fujian Sister State Committee [*shall*] **may** visit Fujian Province at least biennially for the purpose of fulfilling the objectives described in subsection (1) of this section.

DIVISION OF DUTIES AMONG OREGON BUSINESS DEVELOPMENT COMMISSION, OREGON BUSINESS DEVELOPMENT DEPARTMENT AND OREGON INFRASTRUCTURE FINANCE AUTHORITY

Note: there are 67 additional pages of legislation in HB 2152

SECTION 20. ORS 285A.185 is amended to read:

285A.185. (1) As used in this section, "brownfield" means real property wh development is complicated by actual or perceived environmental contamination.

(2) The [*Economic and Community*] **Oregon Business** Development Department shall assist private persons and local governments to redevelop brownfields.

(3) The [*Economic and Community Development*] department shall:

(a) Act as the primary point of contact for information regarding public and private funding options available to a person interested in redeveloping a brownfield;

(b) Facilitate the funding process involving landowners or prospective purchasers, lending institutions, other state agencies, local jurisdictions, consultants and interested citizens;

(c) Serve as a key advocate for the redevelopment of brownfields in Oregon;

(d) Provide information to private persons and local governments on brownfield redevelopment funding;

(e) Enhance the availability of funding resources through program development, grant proposals and other appropriate opportunities; and

(f) Adopt rules necessary to carry out this section.

SECTION 21. ORS 285A.188 is amended to read:

285A.188. (1) As used in this section:

(a) "Environmental action" means activities undertaken to:

(A) Determine if a release has occurred or may occur, if the release or potential release poses a significant threat to human health or the environment or if additional remedial actions may be required at the site;

(B) Conduct a remedial investigation and a feasibility study;

(C) Plan for remedial action or removal action; or

(D) Conduct a remedial action or removal action at a site.

OREGON

ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT

2007–09
STRATEGIC PLAN

OUR MISSION: TO ADVANCE OREGON'S ECONOMY

Bob Repine, Director

econ.oregon.gov

www.oregon4biz.com

2007 MISSION & OBJECTIVES

OREGON
ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT

MISSION:

TO ADVANCE OREGON'S ECONOMY

GOALS:

Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages.

- Invest and engage in training a skilled workforce
- Retain and expand existing companies and recruit new investment
- Capitalize on competitive advantages and strategically invest resources to offset disadvantages

Assist Oregon communities to build capacity to retain, expand and attract businesses.

- Support the development of industrial and commercial lands
- Advance ports' efforts to promote economic development activities
- Promote capacity building, emphasizing rural and distressed areas
- Build capacity in Oregon's arts and cultural organizations, creative businesses and individual artists

Improve national and global competitiveness of Oregon companies.

- Support innovation and research
- Assist industry clusters to succeed
- Market Oregon's advantages
- Promote international trade and attract foreign direct investment

When we began the process to set the new direction for the Oregon Economic & Community Development Department, it was understood that this wasn't simply an exercise for the sake of going through the motions. We weren't creating a plan that sits on a bookshelf never to be looked at again. This was about setting our objectives, and defining a clear, measurable path for success that creates hope and opportunity for all Oregonians.

We identified the three core objectives of the department:

- Promote favorable investment climate to strengthen businesses, create jobs and raise real wages.
- Assist Oregon communities to build capacity to retain, expand and attract businesses.
- Improve national and global competitiveness of Oregon companies.

With a clear direction, we identified the strategies, resources and people to take us there. These are summarized in this document, but there are many specific tactics that have been produced to achieve each strategy. For information on our specific programs and services, please contact our offices to see how we can assist your business or community.

We believe the three objectives listed above best serve our mission to expand Oregon's economy. Fulfilling our mission means our work will enhance both rural and urban communities; expand both existing and emerging industries; and assist both small and large businesses. We look forward to paving the way for continued sustainable economic development in Oregon, and working with Governor Kulongoski, private industry and other state agency partners to ensure opportunity for Oregonians in 2007 and beyond.

Bob Repine,
Director

SUSTAINABLE ECONOMIC DEVELOPMENT

EXPAND GLOBAL COMPETITIVENESS

CREATE JOBS

ASSIST COMMUNITIES

STRENGTHEN BUSINESSES

"We're looking at having our best year ever. Partly as a result of good planning, but most of the credit belongs to the superior workforce we've found here in Oregon."

Matt Conable, President
William Henry Knives

Photo courtesy of the Oregon Institute of Technology

GOAL

Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages.

Oregon is strategically located to engage in the global economy and must continue to ensure that existing businesses are able to prosper and grow through global trade. Being competitive globally means Oregon must have a well-educated and trained workforce. Oregon recognizes that continuous investment in workforce training is essential for all businesses to remain competitive in the new global market.

Oregon will **invest in programs that provide training opportunities for the existing workforce**, strengthening the capacity of the individual worker and enabling companies to be more productive. Oregon also will develop strategies to identify common skill and training needs within clusters of industries throughout the state. Oregon will use leveraged resources to strengthen industry cluster consortia as a way to take advantage of common opportunities and strategies.

Oregon will **concentrate on strengthening "traded-sector" industries**, those trading outside the local economies, as a way of ensuring our place in the global economy. This approach will be comprehensive and will integrate all available resources and techniques to retain, strengthen and expand traded-sector businesses in the state. Financing, tax incentives, workforce training and technical assistance will be marketed to local partners.

Oregon will **capitalize on competitive advantages and strategically invest resources to offset disadvantages.** Industrial land availability is one of several investment areas the Oregon Economic & Community Development Department (OECDD) will focus on. Existing Oregon businesses that are expanding, as well as new startups and businesses being recruited to the state, need properly prepared "project-ready" industrial land in a predictable, timely manner. Oregon will continue to work on a comprehensive approach to expanding the development of properties with high potential and in demand through the industrial site certification process. This includes enhancing the site certification program and marketing sites to potential developers.

GOAL

Assist Oregon communities to build capacity to retain, expand and attract businesses.

As Oregon improves its global competitiveness, it's important that all Oregonians reap the benefits. By **facilitating local capacity building, especially in rural and distressed areas,** OECDD will help ensure that communities have the expertise and infrastructure needed to retain and expand existing companies and attract new businesses.

In coordination with other state and local agencies and partners, the department can help reduce barriers and **support the development of industrial and commercial lands.** This will allow communities in rural as well as urban areas to improve local opportunities for sound economic growth. A consolidated development fund will make it easier to fund important water and sewer projects, build essential community facilities and plan for the future.

Oregon's 23 ports are important partners in the state's economic development efforts. The leadership and expertise of port officials are critical to the alignment of local and state economic development strategies. Port infrastructure is a key component of local business expansion and retention plans. By **advancing ports' efforts to promote economic development activities** the department can leverage these critical assets.

The Arts Commission and Cultural Trust will **build capacity in Oregon's arts and cultural organizations, creative businesses, and individual artists** by developing and awarding strategic infrastructure funding and organizational technical assistance to Oregon's cultural and creative sector. This will attract artists and creative workers to Oregon, as well as businesses that realize the benefits of locating within a vibrant arts sector. The Arts Commission also recognizes the advantages of incorporating art and culture in rural and community development plans and will provide resources to help these plans succeed.

LOWE'S GROUNDBREAKING

After an extensive search and evaluation process, Lowe's, the world's second-largest home improvement retailer, selected Lebanon, Oregon, as the location for its new west coast regional distribution center. The facility, located on an Oregon Certified Site, will be the state's third largest building at 1.4 million square feet—roughly the size of 31 football fields under one roof.

The Port of Newport recently began the first phase of rebuilding it's international terminal facility. "Project funding is vital to maintain our ability to provide commercial shipping which contributes significantly to economic benefit through wages, products, services and marine transportation."

Don Mann, General Manager
Port of Newport

WHY INNOVATION?

Simply put, innovation helps firms compete, communities prosper and people thrive.

Competitive firms that rely on innovation offer good jobs at nearly twice the average wage, cultivate ingenious people who apply their skills at work and in the communities, and anchor key industries by attracting competitors and suppliers seeking proximity.

Most important, these firms inspire their customers, their employees and their neighbors.

Photos courtesy of Northwest Food Processors Association

GOAL

Improve national and global competitiveness of Oregon companies.

Future economic growth in our state depends on Oregon's ability to compete on a global scale. Developing and enhancing competitive advantages for Oregon businesses keeps existing businesses thriving and attracts new companies into the state.

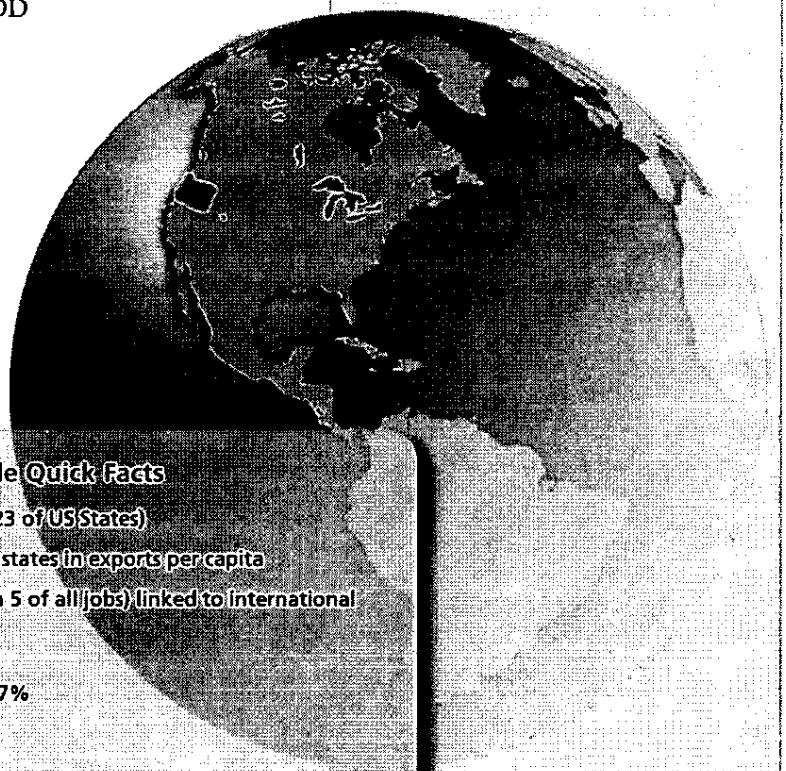
To enhance competitiveness, OECDD will leverage public funds with private investments to **support innovation and research** through the Oregon Innovation Council (Oregon InC). Working with OECDD, Oregon InC has recommended 11 high-return projects that will help existing businesses achieve growth through innovation, and help new industries emerge.

Established industries also bring opportunity for economic growth. There is an inherent competitive advantage to multiple companies that operate in the same industry in the same geographic area, making an "industry cluster." Talented workforce, established vendors and existing distribution channels are all benefits of doing business within a cluster. Recognizing this, OECDD will **assist industry clusters to succeed** by identifying clusters and investing resources to support their growth and competitiveness.

In both emerging and existing industries, Oregon is a great place to do business. OECDD will **market Oregon's advantages** to the world, communicating the compelling reasons why businesses should expand to Oregon. This will contribute to enhancing the overall brand image of Oregon including its people, products and places. OECDD will work through Brand Oregon partners such as the Department of Agriculture, Tourism Commission and private industry to identify and communicate all the competitive advantages that make Oregon attractive to business.

BRAND OREGON

Marketing Oregon products and services overseas and establishing new opportunities in foreign markets will help Oregon's economy to grow. OECDD will **promote international trade and attract foreign direct investment** to increase the global competitiveness of Oregon companies.



World Trade Quick Facts

- Total 2005 exports: $12.38 billion (#23 of US States)
- Consistently ranks among top 15 US states in exports per capita
- One in four manufacturing jobs (1 in 5 of all jobs) linked to international trade
- Top 2005 export sectors (% of total)
  - Computer & electronic products 37%
  - Transportation equipment 13%
  - Crops 12%
  - Machinery manufacturing 11%
  - Chemical manufacturing 4%
  - Primary metal manufacturing 3%
  - Paper products 2%
  - Wood products 2%
- Canada, South Korea and Japan continue to be Oregon's largest export markets but China and Mexico are becoming strong export partners

REPORT OF THE COMMISSION

Introduction

The 2007 Legislature, through a budget note, directed the Oregon Economic and Community and Community Development Commission (the "Commission") to develop a plan for the future of the Regional Investment Boards (the "Boards" or "RIBs").

During the period from August through December 2007, the Commission met with representatives of all thirteen Boards to discuss the role of the boards, what each Board saw as strengths and weaknesses of the current structure, and whether there were ways to improve that structure. The Commission also met separately with the Oregon Economic and Community Development Department ("OECDD") management team on a number of occasions to discuss the same issues.

This report sets forth the Commission's report to the Legislature in response to the directive the Commission received.

Summary of Conclusions

The following is a summary of the Commission's conclusions concerning the roles and responsibilities of the Boards:

- The original purpose for creating and funding the Boards was to create a system for deploying state funds at the local level for both economic and community development. The Commission believes the Boards have played, and continue to play, an important role in that respect, at least outside the urban areas of the State.

- The current system works most effectively in more rural parts of the State, where the population is too small to fund the kinds development activities that larger counties and cities can fund independently of the state. The Boards are less important in urban areas of the state.

- The Commission believes it is important for the Boards to maintain a regional perspective as the economic health and growth of areas within a region are interdependent and communities should not be viewed in isolation.

- In recent years, at the direction of the Commission, the Boards have been required to tie all expenditures of state funds to job creation. The Commission believes this has caused the Boards to either discount important needs on the community development side or to create strained connections between expenditures and job creation.

- The Commission believes the Boards should be permitted to direct funds to community development projects regardless of whether there is a direct link to job creation. However, the Commission and OECDD need to develop criteria to determine which community development projects should be funded with state money. The Commission and OECDD also need to develop metrics to measure the outcomes of such expenditures.

- A separate question is what role the Boards should have in setting the agenda for major infrastructure investments. This report does not address that issue, which would require input from cities, counties and other public and private stakeholders to reach an informed recommendation. The Commission does believe, however, that the Boards play a valuable role in economic and community development that is distinct from whatever role they may play with respect to investment in major infrastructure.

- The Commission believes there may be a need to modify the ways in which the Boards are structured to ensure both appropriate representation from various stakeholders and sufficient rotation of membership so as to ensure new perspectives over time.

History

The Regional Investment Program was established by the Legislature in 1987 as the Regional Strategies Program. Recognizing that economic opportunities and challenges often cross jurisdictional boundaries, counties joined together to form regions, self-selecting their partners based on shared economic interests. Volunteer boards were created and the board members, chosen from both public and private sectors, developed strategies to diversify and strengthen Oregon's regional economies. Each Board also was required to identify one industry that was key to the region's economic growth and a plan for developing that industry.

The 1993 Legislature modified the process by expanding the number of key industries for each region from one to three and moving the decision-making for strategy implementation to the local level.

Recognizing that many rural areas were severely impacted by federal forest and salmon policies and not keeping pace with the state's urban economic diversification and growth, the 1995 Legislature created the Rural Investment Fund. This flexible funding source was designed to help Boards meet the economic and community development priorities of small, rural communities. The same volunteer regional Boards added rural action plans to their existing strategies and then funded projects to implement their plans.

As the state's economy grew and the unemployment rate dropped, the focus of both programs was modified in 1999 to give the regional Boards the flexibility to fund community development and capacity building projects and to allow the regional Boards to fund various business development activities regardless of industry.

When the state's economy fell into a recession in 2001, immediate job creation and retention, along with leveraging short- and long-term investments became the emphasis of the two programs. These remain the current program priorities.

The Current Role of the Boards

The Boards currently seek to develop strategies for economic development in each region of the state, focusing on investments that contribute to the creation/retention of jobs and the leverage of short- and long-term investments. This planning involves an assessment of the region's economy, including barriers to economic development and opportunities on which the Board can capitalize. OECDD staff works with the Boards in developing their strategies and staff coordinates those strategies with OECDD's work in the region.

OECDD staff considers the Boards to be a critical part of the delivery system for economic and community development in the State. The Commission has been advised by the staff, and the Commission agrees, that the Boards add value in the following categories:

- **The Boards help OECDD at a strategic level by developing regional strategies for economic and community development.**

  The Boards provide a vehicle for elected and non-elected individuals to meet as a group to coordinate and address issues that cross-jurisdictional boundaries. Rather than individual localities working independently of each other, the Boards assist OECDD by developing regional strategies that are consistent with OECDD's statewide mission.

- **The Boards are able to target funds for economic and community development on a local and regional basis.**

  By directing grants and loans at the regional and local level, the Boards are able provide financial support for economic and community development needs that cannot be administered as effectively at the agency level. OECDD staff advises that these grants and loans form an important part of OECDD's economic development strategy. Decision-making on grants and loans is improved by the involvement of individuals who live and work in the affected communities.

- **The Boards have created an economic development delivery system that would not otherwise exist.**

  The Boards use some of the state funding they receive to fund economic and community development professionals in regions where cities and counties lack the resources to do so themselves. These individuals provide project development assistance to businesses and communities, package and coordinate funding for projects, prepare grant and loan applications for other programs, help communities with complex land-use planning regulations, and manage funded projects on behalf of communities.

The Future Role of the Boards

The Commission believes the Boards play an important role in the delivery of economic and community development services across the State. At the same time, the Commission also believes that lack of clarity in defining and measuring goals, as well as changes in direction over time, have created a climate of uncertainty and disagreement over the role of the Boards.

Part of the challenge lies in the level of unmet needs in many parts of the state. As the Oregon economy has evolved over the past two decades, and as parts of the resource-based economy eroded, the rural parts of the state have lost significant numbers of jobs. Not only have lost jobs been a hardship for families in those areas, but the reduction in employment has reduced revenues for local government. Essentially, the kinds of businesses and organizations that are necessary for communities to thrive have also eroded in those parts of the State.

The Regional Investment Boards have attempted to address these issues by investing in projects that not only are designed to create jobs, but also are designed to maintain or rebuild communities. Such investments inevitably give rise to questions about the advisability of using state funds to support private or government activities where outcomes are difficult to measure.

While the Commission believes the Boards play an important role in the delivery of economic and community development services, we also believe changes need to occur in order to provide better direction to the Boards and accountability for how state funds are expended through the program. The specific changes we would recommend will require additional discussion with interested parties. Therefore, the Commission recommends that we work with OECDD, the Governor's Office, the Legislature, and the Boards to develop further details and legislation for consideration in the 2009 Legislative Session.

Among the issues we need to address are the following:

- **Better define the strategies for the Boards**

The focus of the Boards has changed over time from job creation to community development and back to job creation. In recent years, at the direction of the Commission, the Boards have been required to tie all expenditures of state funds to job creation. The Commission believes this has caused the Boards to either discount important needs on the community development side or to create strained connections between expenditures and job creation.

The Commission recommends that the Boards be permitted to develop strategies that include community development aspects, recognizing that a singular focus on job creation may not be practical in communities that cannot afford some of the basic infrastructure and capacity that is an essential prerequisite to job creation. At the same time, consideration needs to be given to how far the state should go in funding community development through the Boards, particularly given the difficulties involved in measuring the outcomes of these expenditure.

- **Develop better metrics to measure outcomes of expenditures.**

The Boards currently attempt to measure the outcomes of their expenditures by the number of jobs created and retained. Based on the expanded focus of the program described above, the Commission and OECDD need to develop metrics to measure the outcomes of investments in infrastructure and capacity.

- **Focus on opportunities to leverage additional private and public investments**

The Commission has been advised that a regional investment can be an important piece in assembling larger investments. A relatively small grant or loan can demonstrate to a business that it is an important part of the local economy and that the Board, which represents the entire region, supports the growth and development of the business.

Similarly, a number of government and non-governmental organization programs require a demonstration of local support for a community's project before a grant or loan is awarded. Regional Investment Funds are often the only source available to demonstrate this local support.

- **Reserve a portion of the funding for the Regional Investment Program to address cross-regional needs and opportunities**

The Commission believes an important role for the Commission and OECDD is to coordinate issues and opportunities from a statewide perspective. As needs and opportunities are identified at the regional levels, the Commission and OECDD need to consider whether there are needs or

opportunities that cross regional lines. If so, OECDD needs to work with the affected Boards to assist in the funding.

- **Increase interaction between the Commission and the Boards.**

Communication between the Boards and the Commission has been infrequent. The Commission recommends establishing regular meetings with one or more Board representatives to discuss regional strategies and what kinds of assistance the State can and should provide.

- **Evaluate the structure of the Boards**

Based on its review to date, the Commission believes the governance structures of the Boards may need modification to ensure the Boards include appropriate representation from various stakeholders and that there is a sufficient rotation of membership to ensure new perspectives over time. Certain governance changes may also improve communication among the Boards, OECDD, the Commission, and the Legislature.

- **Evaluate the roles of the Boards in setting priorities for infrastructure and other capital improvement needs**

Major infrastructure investments in transportation, water, sewer, and the like are not made directly by the Boards, but some Boards have had a role in setting priorities for these investments. In some regions, the Boards have played a significant role, while participation in other regions has been relatively minor.

The Commission believes the Boards can play a significant role in setting priorities for infrastructure and other capital improvement needs in regions where county and city governments lack the resources to perform these functions themselves or in regions where priorities need to be established regionally, rather than by county or city jurisdiction. If Boards are to play this role effectively, however, they need to be given the resources to do so.

Conclusion

The Boards and their members exemplify the kind of volunteerism and collaboration that help Oregon remain competitive with larger states that invest more in economic and community development than we do.

The Legislature has declared the economic strategy of the State to be to: "(a) promote a favorable investment climate to strengthen businesses, create jobs and raise real wages; (b) improve the national and global competitiveness of Oregon companies; and (c) assist Oregon communities in building capacity to retain, expand and attract businesses." The Commission finds that the Regional Investment Boards are an important part in how we as a state pursue this strategy.

The more difficult question is how much funding to provide the Boards and what kinds of direction should be provided to the Boards with respect to how that funding should be applied. Some would argue that the Boards, which are comprised of both elected officials and community leaders, know their community needs best and therefore should have broad discretion to apply state funds as they see fit. Others would argue that whenever state funds are spent, the state has a responsibility to the taxpayers to establish concrete goals and measure progress toward meeting those goals.

The Commission believes that goals and metrics for the Regional Investment Boards can and should be established. Such goals and metrics have existed in the past, but we believe they can be improved upon. We propose to bring a more complete set of recommendations on this subject to the Legislature for its 2009 session.

Separate issues for consideration include the role of the Boards in urban parts of the state, where their functions may overlap more with local government than is the case in rural parts of the state, and what role the Boards should play in establishing priorities for major infrastructure investment. Again, we propose to bring a more complete set of recommendation to the Legislature for its 2009 session.

Finally, we would observe that the directive given the Commission by the Legislature caused us to undertake a process that we believe has already had value in itself. By discussing these issues with Boards around the state, we have learned more about the opportunities and challenges we collectively face. We look forward to learning more as the discussion continues.

business oregon

Business Financing Resources

Business Oregon has a team of professionals to assist businesses with their financing needs by packaging loan programs or by matching a partner service provider with a business.

Oregon Finance Programs

Business Oregon manages the following financing programs to assist businesses:

- Oregon Business Development Fund
- Oregon Capital Access Program
- Oregon Credit Enhancement Fund
- Oregon Industrial Development Bonds
- Entrepreneurial Development Loan Fund
- Business Retention Program
- Brownfields Redevelopment Fund

Learn more >>

Business Resources and Services

There are several assistance and financing programs available from local and federal resources that may be used to meet business needs. These resources are:

- United States Department of Agriculture (USDA)
- Farm Service Agency (FSA)
- Small Business Administration (SBA)
- Oregon Small Business Development Centers
- SCORE—Counselors to America's Small Business
- Other Small Business Service Providers

Learn more >>

Starting a Business in Oregon

The business finance team provides a range of financing services to businesses and lending partners. These services include: revolving loan funds for working capital and term loans; loan guarantees on bank loans; loans for startup businesses; and tax-exempt, bond financing for manufacturers.

Learn more >>

Printer friendly version of this page

[This page intentionally left blank]

STATE OF INDIANA

EXECUTIVE DEPARTMENT
INDIANAPOLIS

EXECUTIVE ORDER 05-01

FOR: CREATION OF THE OFFICE OF SECRETARY OF COMMERCE AND COORDINATION OF THE STATE'S ECONOMIC DEVELOPMENT AND JOB TRAINING EFFORTS

TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS.

WHEREAS, in recent years, Indiana has experienced significant job losses, resulting in diminished hope and opportunity for Hoosiers and a decline in revenues available to address the problems faced by our State;

WHEREAS, fostering opportunities for business growth and job creation is vital to restoring Indiana's economic health and helping Indiana realize its true potential;

WHEREAS, business growth and job creation depend upon the availability of a skilled workforce, resulting in the need for coordination between our State's economic development efforts and its job training and labor programs;

WHEREAS, consistent with the foregoing identification of need, the General Government Subcommittee of the Government Efficiency Commission has recommended the establishment of an office of economic development, headed by a chief economic development officer reporting directly to the Governor with complete responsibility, accountability, and authority for all functions related to economic development and job creation and retention within the State;

WHEREAS, it is in the best interests of the citizens of Indiana to establish the position of Secretary of Commerce to lead Indiana's economic development efforts and to coordinate those efforts with its job training and labor programs;

WHEREAS, the Governor has proposed legislation to the General Assembly that would abolish the Department of Commerce and expedite the transfer of its business development powers and duties to the Indiana Economic Development Corporation (IEDC); and

WHEREAS, it is appropriate and necessary to give immediate effect to actions designed to address the needs and implement the reforms described in this Executive Order;

NOW, THEREFORE, I, Mitchell E. Daniels, Jr., by virtue of the authority vested in me as Governor of the State of Indiana, do hereby order that:

1. The position of Secretary of Commerce is hereby created.

2. The Secretary of Commerce shall be appointed by, report directly to, and serve at the pleasure of the Governor.

3. The Secretary of Commerce, shall, among other things, oversee and coordinate the State's efforts to foster business growth, industry modernization, economic diversification, and job creation and retention.

4. The Secretary of Commerce shall be the chief executive officer of the Department of Commerce and, upon the elimination of such department, of the IEDC, and shall have such powers, duties and responsibilities in such capacity as may be set forth by statute upon enactment of legislation or as may be designated by the Governor from time to time consistent with the exercise of executive authority under the Constitution and laws of the State.

7. Upon the enactment of the legislation by the General Assembly to codify the measures described in paragraphs 1 through 5 of this Executive Order, this Executive Order shall expire as to those measures; provided, however, that this Executive Order shall continue in effect as to the measures described in paragraph 6 hereof.

IN TESTIMONY WHEREOF, I, Mitchell E. Daniels, Jr., have hereunto set my hand and caused to be affixed the Great Seal of the State of Indiana on this 10th day of January, 2005.

Mitchell E. Daniels, Jr.
Governor of Indiana

ATTEST: Todd Rokita
Secretary of State

SOURCE: IC 5-28; (05)HE1003.1.34. --> SECTION 34. IC 5-28 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 28. INDIANA ECONOMIC DEVELOPMENT CORPORATION

Chapter 1. Purpose

Sec. 1. (a) It is the intent of the general assembly to improve the quality of life for the citizens of Indiana by encouraging the:

(1) diversification of Indiana's economy and the orderly economic development and growth of Indiana;

(2) creation of new jobs;

(3) retention of existing jobs;

(4) growth and modernization of existing industry; and

(5) promotion of Indiana.

(b) The general assembly finds the following:

(1) Certain activities associated with the functions listed in subsection (a) may not work properly with the traditional responsibilities and activities of state agencies.

(2) The functions listed in subsection (a) can be achieved most efficiently by a body politic and corporate that:

(A) serves the interests of the state by carrying out the programs set forth in this article;

(B) is free from certain administrative restrictions that would hinder its performance; and

(C) possesses broad powers designed to maximize the state's economic development efforts.

(3) The corporation established by this article will:

(A) lead the state's economic development efforts;

(B) carry out the programs under this article, including the providing of grants and loans; and

(C) perform other essential public services for the state.

(4) In return for the corporation's economic development efforts to carry out the functions listed in subsection (a), the general assembly should appropriate state funds to the corporation.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the board of the corporation established under IC 5-28-4.

Sec. 3. Except as otherwise provided, "corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 4. "Economic development" refers to the purposes described in IC 5-28-1-1.

Sec. 5. "Secretary of commerce" refers to the secretary of commerce appointed under IC 5-28-3-4(a).

Chapter 3. Indiana Economic Development Corporation

Sec. 1. The Indiana economic development corporation is established.

Sec. 2. (a) The corporation is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions.

(b) The corporation and the corporation's funds, accounts, and financial affairs shall be

examined biennially by the state board of accounts under IC 5-11.

Sec. 3. Employees of the corporation are not employees of the state.

Sec. 4. (a) The governor shall appoint the secretary of commerce, who shall serve at the pleasure of the governor. The secretary of commerce is the chief executive officer of the corporation.

(b) The governor shall appoint the president of the corporation, who shall serve at the pleasure of the governor. The president shall report to the secretary of commerce.

Chapter 4. Corporation Board

Sec. 1. The corporation shall be governed by a board.

Sec. 2. (a) The board is composed of the following twelve (12) members, none of whom may be members of the general assembly:

---

(1) The governor.

(2) Eleven (11) individuals appointed by the governor.

The individuals appointed under subdivision (2) must be employed in or retired from the private or nonprofit sector or academia.

(b) When making appointments under subsection (a)(2), the governor shall appoint the following:

(1) At least five (5) members belonging to the same political party as the governor.

(2) At least three (3) members who belong to a major political party (as defined in IC 3-5-2-30) other than the party of which the governor is a member.

Sec. 3. (a) The term of office of an appointed member of the board is four (4) years.

(b) Each member holds office for the term of appointment and continues to serve after expiration of the appointment until a successor is appointed and qualified. A member is eligible for reappointment.

(c) Members of the board appointed under section 2(a)(2) of this chapter serve at the pleasure of the governor.

Sec. 4. The governor shall serve as chairperson of the board.

Sec. 5. The members of the board are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the board are also entitled to receive reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the members' duties as approved by the budget agency.

Sec. 6. Seven (7) members constitute a quorum for the transaction of business. The affirmative vote of at least seven (7) members is necessary for action to be taken by the board. Members may not vote by proxy.

Sec. 7. Meetings of the board shall be held at the call of the chairperson or whenever any six (6) voting members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the board.

Chapter 5. General Powers

Sec. 1. The corporation shall carry out the economic development functions of the state in conformity with the laws enacted by the general assembly.

Sec. 2. The corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this chapter.

Sec. 3. (a) Subject to approval by the budget agency, the corporation may, without the approval of the attorney general, employ legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(b) Subject to approval by the budget agency, the corporation may enter into contracts without the approval of the attorney general.

Sec. 4. (a) The corporation shall determine qualifications, duties, compensation, and terms of service for persons employed by the corporation as employees or as independent contractors.

(b) The board may adopt a resolution providing that the corporation's employees who are eligible to participate in the public employees' retirement fund under the eligibility requirements set forth in IC 5-10.2 and IC 5-10.3 shall participate in the fund.

(c) The board may adopt a resolution to allow the corporation's employees to participate in group insurance and other benefit plans, including the state employees' deferred compensation plan, that are available to state employees.

Sec. 5. The board and the employees of the corporation are:

(1) under the jurisdiction of and rules adopted by the state ethics commission; and

(2) subject to ethics rules and requirements that apply to the executive branch of state government.

However, the board may adopt additional ethics rules and requirements that are more stringent than those adopted by the state ethics commission.

Sec. 6. The board shall establish an advisory committee to advise the board and the corporation on issues determined by the board. The advisory committee must:

(1) have members that represent diverse geographic areas and economic sectors of Indiana; and

(2) include members or representatives of local economic development organizations.

Sec. 7. For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4, the board and the employees of the corporation are public employees (as defined in IC 34-6-2-38).

Sec. 8. The corporation shall adopt rules under IC 4-22-2 to carry out its duties under this article. The board may also adopt emergency rules under IC 4-22-2-37.1 to carry out its duties under

this article.

Sec. 9. Except as specifically provided by law, the corporation and the board are subject to IC 5-14-1.5 and IC 5-14-3.

Sec. 10. An employee of the corporation is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the employee's duties as approved by the budget agency.

Sec. 11. The corporation may request appropriations from the general assembly to:

(1) carry out the corporation's duties under this article; and

(2) fund economic development and job creation programs.

Sec. 12. (a) The Indiana promotion fund is established within the state treasury.

(b) Except as provided in section 13 of this chapter, the corporation shall deposit the following in the fund:

(1) All funding received from the private sector under IC 5-28-6-1(6).

(2) All other gifts, donations, bequests, devises, and contributions received by the

corporation.

(c) The corporation shall administer the fund. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) Except as provided in the terms of a gift, a donation, a contribution, a bequest, a devise, or other private sector funding, money in the fund may be used at the discretion of the board to carry out in any manner the corporation's purposes under this article.

(f) Money in the fund may be transferred to any fund administered by the corporation.

(g) Money in the fund is continuously appropriated to the corporation for the purposes of this article.

Sec. 13. (a) Notwithstanding section 12 of this chapter, the board may establish a nonprofit subsidiary corporation to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

(1) must use money received under subsection (a) to carry out in any manner the purposes and programs under this article;

---

(2) must report to the budget committee each year concerning:

(A) the use of money received under subsection (a); and

(B) the balances in any accounts or funds established by the subsidiary corporation; and

(3) may deposit money received under subsection (a) in an account or fund that is:

(A) administered by the subsidiary corporation; and

(B) not part of the state treasury.

(c) The state board of accounts shall annually audit a subsidiary corporation established under this section.

Chapter 6. Duties

Sec. 1. The corporation shall do the following:

(1) Create and regularly update a strategic economic development plan.

(2) Establish strategic benchmarks and performance measures.

(3) Monitor and report on Indiana's economic performance.

(4) Market Indiana to businesses worldwide.

(5) Assist Indiana businesses that want to grow.

(6) Solicit funding from the private sector for selected initiatives.

(7) Provide for the orderly economic development and growth of Indiana.

(8) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for the state's economic development and enhance the general welfare.

(9) Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the general assembly in an electronic format under IC 5-14-6 with respect to the state's economy.

Sec. 2. (a) The corporation shall develop and promote programs designed to make the

best use of Indiana resources to ensure a balanced economy and continuing economic growth for Indiana, and, for those purposes, may do the following:

(1) Cooperate with federal, state, and local governments and agencies in the coordination of programs to make the best use of Indiana resources.

(2) Receive and expend funds, grants, gifts, and contributions of money, property, labor, interest accrued from loans made

by the corporation, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The corporation:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the corporation be given to the corporation by an officer, agent, or employee of the executive branch of the state. The head of any other state department or agency may assign one (1) or more of the department's or agency's employees to the corporation on a temporary basis or may direct a division or an agency under the department's or agency's supervision and control to make a special study or survey requested by the corporation.

(b) The corporation shall perform the following duties:

(1) Develop and implement industrial development programs to encourage expansion of existing industrial, commercial, and business facilities in Indiana and to encourage new industrial, commercial, and business locations in Indiana.

(2) Assist businesses and industries in acquiring, improving, and developing overseas markets and encourage international plant locations in Indiana. The corporation, with the approval of the governor, may establish foreign offices to assist in this function.

(3) Promote the growth of minority business enterprises by doing the following:

(A) Mobilizing and coordinating the activities, resources, and efforts of governmental and private agencies, businesses, trade associations, institutions, and individuals.

(B) Assisting minority businesses in obtaining governmental or commercial financing for expansion or establishment of new businesses or individual development projects.

(C) Aiding minority businesses in procuring contracts

from governmental or private sources, or both.

(D) Providing technical, managerial, and counseling assistance to minority business enterprises.

(4) Assist the office of the lieutenant governor in:

(A) community economic development planning;

(B) implementation of programs designed to further community economic development; and

(C) the development and promotion of Indiana's tourist resources.

(5) Assist the commissioner of agriculture in promoting and marketing of Indiana's agricultural products and provide assistance to the commissioner of agriculture.

(6) With the approval of the governor, implement federal programs delegated to the state to carry out the purposes of this article.

(7) Promote the growth of small businesses by doing the following:

(A) Assisting small businesses in obtaining and preparing the permits required to conduct business in Indiana.

(B) Serving as a liaison between small businesses and state agencies.

(C) Providing information concerning business assistance programs available through government agencies and private sources.

(8) Assist the Indiana commission for agriculture and rural development in performing its functions under IC 4-4-22.

(9) Establish a public information page on its current Internet site on the world wide web. The page must provide the following:

(A) By program, cumulative information on the total amount of incentives awarded, the total number of companies that received the incentives and were assisted in a year, and the names and addresses of those companies.

(B) A mechanism on the page whereby the public may request further information online about specific programs or incentives awarded.

(C) A mechanism for the public to receive an electronic response.

(c) The corporation may do the following:

(1) Disseminate information concerning the industrial, commercial, governmental, educational, cultural, recreational, agricultural, and other advantages of Indiana.

---

(2) Plan, direct, and conduct research activities.

(3) Assist in community economic development planning and the implementation of programs designed to further community economic development.

Chapter 7. Training 2000 Program and Fund

Sec. 1. As used in this chapter, "business" includes an entity that has the objective of supplying a service or an article of trade or commerce.

Sec. 2. The corporation shall do the following:

(1) Establish policies to carry out a training assistance program, the purpose of which is to provide assistance to the following:

(A) New or expanding businesses, for the training of potential employees and the retraining and upgrading of the skills of potential employees.

(B) Businesses in Indiana, for the retraining and upgrading of employees' skills required to support new capital investment.

(C) Businesses in Indiana, for the development of basic workforce skills of employees, including the following:

(i) Literacy.

(ii) Communication skills.

(iii) Computational skills.

(iv) Other transferable workforce skills approved by the corporation.

(2) Provide promotional materials regarding the training program.

(3) Determine the eligibility of an industry for the training program.

(4) Require a commitment by a business receiving training assistance under this chapter to continue operations at a site on which the training assistance is used for at least five (5) years after the date the training assistance expires. If a business fails to comply with this commitment, the corporation shall require the business to repay the training assistance provided to the business under this chapter.

Sec. 3. The corporation may do the following:

(1) Adopt policies and guidelines necessary to carry out this chapter.

(2) Accept money and other things of value from all sources to carry out the purposes of the training program.

(3) Provide services and materials in order to carry out the

purposes of the training program.

(4) Develop or assist in the development of training plans.

(5) Evaluate the training program with respect to the program's impact on the improvement of workforce skills, job creation, and job retention.

(6) Involve other entities, by contract or otherwise, in carrying out the purposes of the training program.

Sec. 4. Participation in the training program is limited to businesses that:

(1) meet the eligibility requirements of the corporation; and

(2) comply with this chapter.

Sec. 5. (a) The training 2000 fund is established within the state treasury to be used exclusively for the purposes of this chapter.

(b) The fund consists of appropriations from the general assembly.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

Chapter 8. Economic Development Fund

Sec. 1. As used in this chapter, "federal agency" means the Economic Development Administration of the United States Department of Commerce.

Sec. 2. As used in this chapter, "federal program" means a federal loan or grant program that promotes economic development.

Sec. 3. As used in this chapter, "fund" refers to the economic development fund established by section 5 of this chapter.

Sec. 4. As used in this chapter, "qualified entity" means the state, a political subdivision of the state, an agency of the state or a political subdivision of the state, a nonprofit corporation, or the Indiana development finance authority established under IC 4-4-10.9 and IC 4-4-11.

Sec. 5. (a) The economic development fund is established within the state treasury. The fund is a revolving fund to provide grants and loans for economic development activities in Indiana for the purposes of this chapter.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited in the fund.

(e) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.

Sec. 6. (a) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(b) The treasurer of state shall also:

(1) receive cash receipts belonging to the fund, deposit these amounts in the fund, and submit a monthly report to the corporation of these transactions; and

(2) make payments on vouchers authorized by the corporation.

Sec. 7. The auditor of state shall draw warrants on the treasurer of state in payment of properly prepared vouchers signed by the president of the corporation or the president's designee.

Sec. 8. (a) The corporation shall receive grants allocated by a federal program for the purposes specified in section 9(c) of this chapter. Guidelines shall be prepared by the corporation enumerating the qualification procedures for receipt of grants and loans from the fund. These guidelines must be consistent with Indiana law and federal program requirements.

(b) The board, with the approval of the budget agency and the governor, shall allocate parts of the fund for the purposes specified in section 9(c) of this chapter. The corporation shall make allocations on the basis of the need of the qualified entity.

(c) The corporation shall keep complete sets of records showing all transactions by the fund in a manner that enables the corporation to prepare at the end of each fiscal year a complete report for the general assembly. The information in the report must be sufficient to permit a complete review and understanding of the operation and financial condition of the fund. The report must be submitted in electronic format under IC 5-14-6.

Sec. 9. (a) If federal money will not be used in conjunction with

fund money, a qualified entity that wants a grant from the fund must submit an application for the grant to the corporation. The corporation shall review the application and may approve the application if the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) for which this chapter permits fund money to be used.

(b) When fund money is to be used to match federal money, a qualified entity that wants a grant must submit to the corporation an application for a grant under the federal program. The corporation shall review the application and shall submit the application to the federal agency if the corporation finds that the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) for which the federal program permits money to be used.

Before submitting an application to the federal agency, the corporation must also approve the completeness and technical accuracy of the qualified entity's application.

(c) Money from the fund and money from a federal program may be used for the following projects:

(1) Public works.

(2) Technical assistance.

(3) Economic adjustment assistance.

(4) Other economic development programs.

(d) If the qualified entity proposes to use its money for a loan program, the application from the qualified entity must contain the conditions under which loans will be made and the interest rate that will be charged.

Sec. 10. (a) A qualified entity may apply to the corporation for a loan from the fund to be used for economic development programs.

(b) An amount loaned to a qualified entity is an obligation of the qualified entity and shall be repaid to the corporation within a time to be fixed by the corporation, not to exceed three (3) years.

(c) The corporation shall determine interest rates for the loans to be made under this section.

(d) Final disbursements of money under this section must be made with the approval of the state board of finance.

(e) If a qualified entity fails to make repayment of money loaned under this section, the amount payable may be:

---

(1) withheld by the auditor of state from money payable to the qualified entity and transferred to the fund; or

(2) recovered in an action by the state on relation of the corporation, prosecuted by the attorney general, in the circuit or superior court of the county in which the qualified entity is located.

21st Century Research and Technology Fund

The Indiana 21st Century Research and Technology Fund was created to stimulate the process of diversifying the State's economy by developing and commercializing advanced technologies in Indiana. The Board, representing most of the academic and commercial sectors of the State, approves awards.

Industrial Development Grant Fund (IDGF)

This grant provides money to local governments for off-site infrastructure projects associated with an expansion of an existing Indiana company or the location of a new facility in Indiana. State funding through the IDGF program must be matched by a combination of local government and company financial support.

Small Business Innovation Research Initiative (SBIR/STTR)

The Small Business Innovation Research (SBIR) — along with its sister program, the Small Business Technology Transfer program (STTR) — are highly competitive and encourage small businesses to explore their technological potential. SBIR/STTR funding is available from 11 participating agencies throughout the United States and focuses on various technological areas.

Indiana Economic Development Corporation
One North Capitol, Suite 700 • Indianapolis, Indiana 46204 • Tel
317.232.8800 • 800.463.8081 • Fax 317.232.4146 • Site Map

Tax-exempt Bonds

Private Activity Bonds are often called Industrial Revenue Bonds (IRBs) or Industrial Development Bonds (IDBs) and are issued by state or local governmental entities for the benefit of a private company, usually manufacturers. Interest on the bonds is generally exempt from federal income taxes for investors, which typically results in lower long-term interest rates to the borrower.

Loan Guaranty Program

IEDC can provide a loan guaranty to a lender for the benefit of a high-growth/high-skilled company, manufacturer, rural development project, value-added agricultural enterprise or another type of business that creates or retains a significant number of Hoosier jobs.

Capital Access Program (CAP)

The Capital Access Program (CAP) is a small business credit enhancement program that creates a specific cash reserve fund for the lender to use as additional collateral for loans enrolled in the Program. CAP allows lenders to consider loans that might not meet conventional lending requirements.

Indiana Economic Development Corporation
One North Capitol, Suite 700 • Indianapolis, Indiana 46204 • Tel
317.232.8800 • 800.463.8081 • Fax 317.232.4146 • Site Map

Economic Development for a Growing Economy (EDGE) Tax Credit

The Economic Development for a Growing Economy (EDGE) is a refundable tax credit program that rewards companies creating jobs and contributing to the growth of Indiana's economy. EDGE credits are calculated as a percentage of payroll tax withholding for net new Indiana jobs. EDGE credits may be awarded for a period of up to 10 years.

Headquarters Relocation Tax Credit

When a business relocates its corporate headquarters (defined as the location of the principal office of the principal executives) to Indiana, it is entitled to a credit against its state tax liability equal to half of the costs incurred in relocating the headquarters. A company must have a worldwide annual revenue of at least $100 million to qualify.

Hoosier Business Investment Tax Credit (HBITC)

This program encourages capital investment in Indiana by providing a credit against a company's Indiana tax liability. The credit amount is based on a company's qualified capital investment with the final credit amount determined by the Indiana Economic Development Corporation, based on an analysis of the economic benefits of the proposed investment.

Industrial Recovery Tax Credit

The Industrial Recovery tax credit provides an incentive for companies to invest in facilities requiring significant rehabilitation or remodeling expense. After a building has been designated as an industrial recovery site, companies may be eligible for a tax credit calculated as a percentage of qualified rehabilitation expense.

Venture Capital Investment Tax Credit

The Venture Capital Investment Tax Credit was established to improve access to capital to fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability.

Media Production Sales Tax Exemption

The Media Production Expenditure Tax Credit (MPETC) was established to further grow the Indiana production industry by providing individuals and companies a refundable tax credit of up to 15 percent of the amount spent in Indiana for qualified production expenditures.

Indiana Economic Development Corporation
One North Capitol, Suite 700 • Indianapolis, Indiana 46204 • Tel
317.232.8800 • 800.463.8081 • Fax 317.232.4146 • Site Map

Patent Tax Exemption

The Patent Tax Exemption allows certain income derived from qualified patents to be exempt from taxation. The Tax Exemption for Patent-Derived Income defines qualified patents to include only utility patents and plant patents. The total amount of exemptions claimed by a taxpayer in a taxable year may not exceed $5 million.

Certified Tech Parks

The Certified Technology Parks program supports the attraction and growth of high-technology business in Indiana and promotes technology transfer opportunities. Designation as a Certified Tech Park allows for the local recapture of certain state and local tax revenue which can be invested in the development of the park.

Regional Economic Development Partnership Programs

In order to spur further regional economic development initiatives, this program was created to encourage communities to think, plan and act regionally, and to provide additional resource support for regional initiatives. The objective is to build on the work already done to define regional economies, develop regional growth strategies, accelerate effective regional economic development.

• click for more information

Regulatory Ombudsman

The Indiana Economic Development Corporation's regulatory ombudsman assists in the process of obtaining the permits and approvals necessary for a business operation. The ombudsman serves as a liaison between companies, communities, local economic development organizations and regulatory agencies.

Shovel Ready

The Shovel Ready Program is a new state program created to help communities certify sites as "ready for development." Shovel Ready is designed to ultimately help companies locate and develop a property site quickly. This provides a competitive advantage for Indiana and gets Hoosier jobs here faster.

Indiana Economic Development Corporation
One North Capitol, Suite 700 • Indianapolis, Indiana 46204 • Tel
317.232.8800 • 800.463.8081 • Fax 317.232.4146 • Site Map

[This page intentionally left blank]

Department of Commerce
Innovation is in our nature.

Appendix A: Commerce Legislation Excerpt

This appendix includes relevant language from EHB2242 (Chapter 565, Laws of 2009), the legislation that directs Commerce to develop this report

Appendix A: Legislation related to the Department of Commerce.

EHB 2242 was passed during the 2009 legislative session.

The bill was originally sponsored by:
Representatives Kenney, Probst, Maxwell, Hunt, Liias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

Votes on Final Passage:
House 96-1
Senate 47-0 (Senate amended)
House 93-1 (House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section that de-codified the State Energy Program statute.

The following information is from the final bill report produced by legislative staff:

Background: The Department of Community, Trade and Economic Development (DCTED) is an executive branch agency that was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase economic vitality and the quality of citizen's lives, and (2) assisting the state's businesses to maintain and increase economic competitiveness while maintaining a healthy environment.

Summary:
A Department of Commerce (Department) is created. By November 1, 2009, its director must develop a report for the Governor and appropriate legislative committees. This report must include analyses and recommendations for statutory changes that ensure the Department will have: a concise core mission; be aligned with the state's comprehensive economic development plan; be accountable and transparent; leverage state private and federal resources; maximize partnerships and use intermediaries; be focused and flexible in response to changing conditions; and increase local capacity building to respond to opportunities and needs. The report must include recommendations for creating or consolidating programs important to meeting the Department's core mission, as well as recommendations for terminating or transferring programs that are inconsistent with the core mission.

The Director of the Department must collaborate with the Governor's Office, the Office of Financial Management, the Economic Development Commission, and

ten legislative committee chairs and ranking minority members, as well as soliciting input from businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key community and economic development stakeholders. A number of statutory references to the "Department of Community, Trade and Economic Development" are changed to the "Department of Commerce."

Excerpted important sections of the bill codified in Chapter 43.330 RCW:

RCW 43.330.007 Management responsibility. The purpose of this chapter is to establish the broad outline of the structure of the department of commerce, leaving specific details of its internal organization and management to those charged with its administration. This chapter identifies the broad functions and responsibilities of the department and is intended to provide flexibility to the director to reorganize these functions and to make recommendations for changes.

[2009 c 565 § 1; 1993 c 280 § 2.]

RCW 43.330.010 Definitions.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Associate development organization" means a local economic development nonprofit corporation that is broadly representative of community interests.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department of commerce.

(4) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business in this state under state or federal law.

(5) "Microenterprise development organization" means a community development corporation, a nonprofit development organization, a nonprofit social services organization or other locally operated nonprofit entity that provides services to low-income entrepreneurs.

(6) "Statewide microenterprise association" means a nonprofit entity with microenterprise development organizations as members that serves as an

intermediary between the department of commerce and local microenterprise development organizations.

[2009 c 565 § 2; 2007 c 322 § 2; 1993 c 280 § 3.]

RCW 43.330.020 Department created. A department of commerce is created. The department shall be vested with all powers and duties established or transferred to it under this chapter and such other powers and duties as may be authorized by law. Unless otherwise specifically provided, the existing responsibilities and functions of the agency programs will continue to be administered in accordance with their implementing legislation.

[2009 c 565 § 3; 1993 c 280 § 4.]

Because Section 4 is temporary it will not be codified into the RCW; here it is reproduced in bill format, as it reads in the final version of EHB 2242:

Sec. 4. A new section is added to chapter 43.330 RCW to read as follows:

(1) The director shall, in collaboration with the office of the governor, the office of financial management, the Washington economic development commission, the chairs and ranking minority members of the community and economic development and trade committee of the house of representatives and the economic development, trade and innovation committee of the senate, and the chairs and ranking members, or their designees, of the ways and means committees of the house of representatives and the senate and the house of representatives capital budget committee, develop a report with analysis and recommendations on statutory changes that would ensure that the department's efforts are efficient, effective, and:

(a) Are organized around a concise core mission and aligned with the state's comprehensive plan for economic development;

(b) Are capable of providing focused and flexible responses to changing economic conditions;

(c) Generate greater local capacity to respond to local opportunities and needs;

(d) Face no administrative barriers to leveraging state resources or procuring private and federal resources;

(e) Maximize results through partnerships and the use of intermediaries; and

(f) Provide transparency and increased accountability to the public, the governor, and the legislature.

(2) The report shall include recommendations for creating or consolidating programs deemed important to meeting the department's core mission and recommendations for terminating or transferring specific programs if they are not consistent with the department's core mission.

(3) In developing the recommendations, the director shall solicit the input of businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key economic and community development stakeholders.

(4) The recommendations must be delivered to the governor and the appropriate legislative committees by November 1, 2009.

Economic Incentive Summaries

In addition to the program responses summarized in the previous section, Washington state has a number of economic programs that provide tax credits, rebates or deferrals. Thirty eight of those incentive programs are summarized below.

Each of these programs is managed by the Washington Department of Revenue. For more information about any of these programs, visit the website at:

http://dor.wa.gov/Content/FindTaxesAndRates/TaxIncentives/IncentivePrograms.aspx

or contact:

Mr. Gary Grossman
Office of Legislation and Policy, Washington State Department of Revenue
Capital Plaza Building, Suite 400
PO Box 47467
Olympia, WA 98504-7467
Telephone: (360) 570-6118
Email: garyg@dor.wa.gov

The programs are outlined in Table 11 below. For easier access, the incentive programs have been categorized according to the major industry or group benefiting.

Table 11: Economic Incentive Programs

Aerospace

- Reduced B&O Tax Rate for Aerospace Businesses
- Sales & Use Tax Exemption for Aerospace Manufacturers for Computer Hardware/Software/Peripherals
- Aerospace Reduced B&O Rate for FAR Part 145 Repair Stations
- Aerospace B&O Credit for Preproduction Development Expenditures
- B&O Credit for Property/Leasehold Taxes paid on Aerospace Manufacturing Facilities

Aluminum Smelters

- Power & Gas Tax Exemption for Aluminum Smelters
- B&O Tax Credit for Property Tax on Aluminum Smelter
- B&O Tax Credit For State Portion of Sales Tax on Materials Used in Aluminum Smelter
- Reduced B&O Tax Rate for Aluminum Smelting

Anaerobic Digesters

- Sales/Use Tax Exemption for Anaerobic Digesters

Table 11: Economic Incentive Programs (continued)

Biofuels

B&O Tax Deduction for Retail Sales of Biofuels/Alcohol Fuels
Property/Leasehold Tax Exemption for Manufacturers of Biodiesel/Alcohol Fuel, etc
Reduced B&O Tax Rate for Manufacturing Biodiesel/Alcohol Fuel, etc.

Electrolytic Processing

Public Utility Tax Exemption for Power for Electrolytic Processing

Energy Systems and Facilities

Sales/Use Tax Exemption for Energy Generating Facilities
Reduced B&O Tax Rate for Solar Energy System Manufacturers & Wholesalers

Farm and Livestock Uses

Sales/Use Tax Exemption for Farm Fuel Users
Sales/Use Tax Exemption for Livestock Nutrient Management Equipment & Facilities

Food Manufacturing

Sales Tax Deferral/Waiver on Construction of Cold Storage & Certain Food Manufacturing/Processing Facilities
B&O Tax Exemption for Manufacturers of Dairy and Seafood Products
B&O Tax Exemption for Manufacturers of Fresh Fruit & Vegetables

Help Desk Operations

B&O Credit for Third Party Help Desk Services in Rural Counties

International Business

B&O Tax Credit for New Employment in International Services

Machinery and Equipment

Sales/Use Tax Exemption for Replacement Parts for Farm Machinery & Equipment
Sales/Use Tax Exemption for Machinery/Equipment, Delivery Vehicles & Construction of Facilities for Retail Sales of Biofuels

Manufacturing

B&O Credit for New Employees in Manufacturing and Research & Development in Rural County
Rural County Sales & Use Tax Deferral/Waiver for Manufacturing Facilities
Sales and Use Tax Exemption for Manufacturing Machinery & Equipment

Public Utilities

Main Street Tax Credit – B&O Tax/Public Utility Tax Credit

Semiconductors

Sales/Use Tax Exemption for Purchases of Semiconductor Gasses & Chemicals
Reduced B&O Tax Rate for Manufacturers of Semiconductor Materials

HB

369

<target><bill>HB 369</bill><subject>HB 369</subject><comm>HFIN26</comm></target>

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE
SPONSOR STATEMENT

COMMITTEE SUBSTITUTE FOR HOUSE BILL 369 (RES)

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team; and providing for an effective date."

Committee Substitute for House Bill 369(RES) was introduced as an effort to expedite the process for an in-state natural gas pipeline. The in-state gasline has been a topic of discussion in the Legislature and the Administration for a number of years. Currently, there are two separate state entities, the Alaska Natural Gas Development Authority and the in-state gasline coordinator, working on a project. House Bill 369 combines these two entities along with the Department of Transportation and Public Facilities and the Alaska Railroad Corporation to create a Joint In-state Gasline Development Team within the Office of the Governor. The Development Team is to ensure the in-state gasline is construction ready by July 1, 2011 with gas flowing by 2015. It is my hope the Development Team will be able to focus the state's efforts in putting a construction plan together and leverage the best ideas and data to get a gasline built.

The Department of Transportation and Public Facilities and the Alaska Railroad Corporation were included as members of the team due primarily to their having existing rights of way which could speed up any permitting process that may need to be undertaken. The Alaska Railroad Corporation also has bonding ability which could be an answer in financing a gasline.

The Development Team will cover all aspects of the line's development and are to select the most economically sound route that will deliver gas to Alaskans, plan permitting and construction by using existing rights of way and take any action necessary to get the project underway as soon as possible. Additional duties of the Joint Development Gasline Development Team are also spelled out within the legislation.

The bill provides for an expedited review and action process and the sharing of information that may already have been accumulated or completed. The bill also requires that state agencies or entities cooperate with and give priority to requests for information from the Development Team.

Representative_Mike_Chenault@legis.state.ak.us

1740

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE

SECTIONAL ANALYSIS

COMMITTEE SUBSTITUTE FOR HOUSE BILL 369 (FIN) version LS1527\C

*"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team; **requiring the development of an in-state natural gas pipeline plan, to be delivered to the legislature by July 1, 2011, that provides for a gasline that is operational by December 31, 2015; directing the Joint In-State Gasline Development Team to assume responsibilities under sec. 19, ch. 14, SLA 2009; requiring expedited review and action by state agencies or entities relating to the in-state natural gas pipeline project;** and providing for an effective date."*

(Changes in the House Finance version from the Resources Committee Substitute are highlighted and underlined.)

Section 1: Adds a new chapter, Chapter 34: In-State natural Gas Pipeline, to AS 38, Public Land.

Sec. 38.34.010. In-state gasline project manager. (a) Creates the position of in-state gasline project manager within the governor's Office. This position will continue until one year after commercial operation of the in-state natural gas pipeline begins. (b) The Governor appoints an individual to the position of an in-state gasline manager and may be removed at the Governor's discretion. (c) Describes the duties of the in-state gasline project manager.

Sec. 38.34.020. Expedited review and action by state agencies or entities. (a) States that any state agency **or entity** conducting and taking action relating to the in-state gasline shall be expedited. (b) A state agency **or entity** may not include in any project certificate, right of way, permit or other authorization issued to a licensee a term or condition that is not required by law if the in-state project manager determines the term or condition would prevent or impair the expeditious construction and operation or expansion of the in-state gasline. (c) A state agency **or entity** may not, unless required by law, amend or abrogate any certificate, right of way, permit or other authorization issued to a licensee if the project manager determines the action would prevent or impair the expeditious construction and operation or expansion of the in-state gasline.

Sec. 38.34.030. Joint In-state Gasline Development Team. (a) Establishes the Joint In-State Gasline Development Team in the Governor's Office. The team consists of the commissioner of the Department of Transportation and Public Facilities or designee, the chief executive officer of

Representative_Mike_Chenault@legis.state.ak.us

Copy on file

the Alaska Railroad Corporation **or designee**, the chief executive officer of the Alaska Natural Gas Development Authority, the in-state gasline project manager **and the chief executive officer of the Alaska Housing Finance Corporation**. (b) Names the **Alaska Housing Finance Corporation's chief executive officer** as chair. (c) Allows the development team to hire staff, enter into contracts and exercise other powers to carry out its functions.

Sec. 38.34.040. Duties of the Development Team. (a) Ensure **a project plan for the development** of an in-state gasline is **completed and delivered** to the legislature by July 1, 2011. **The project plan must specify and document how an in-state gasline can be designed, financed, constructed and made operational by December 31, 2015. (b) The Joint In-State Gasline Development Team is to assume all executive authority over and managerial responsibility for all activities enumerated under sec. 19, ch. 14, SLA 2009, including work previously completed, work in process, and work for which money has been encumbered but that is not completed on the effective date of this subsection. (c) Describes specific plans that are to be included within the project plan for an in-state gasline that will serve Fairbanks, the southcentral region of the state, and other communities whenever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater. (d) The development team's work product is to include an analysis of alternative possible routes and select a route that is consistent with the following requirements:** (1) is the most economical, (2) will provide gas to residents at a reasonable cost, **(3) allows for connecting lines to serve industrial, residential and utility customers along the entire route and in other regions of the state that can be served at commercially feasible rates,** (4) uses state land and existing state highway and railroad rights of way to the maximum extent **feasible**, (5) uses existing highway and railroad bridges, gravel pits equipment yards and maintenance facilities and other existing facilities and resources to the maximum extent feasible. **(e) With the intent that any project-related assets acquired or developed be available for transfer or sale to the entity best able to complete the project, the development team is to:** (1) prepare plans and designs necessary for the construction of the in-state gasline; **(2) coordinate with entities qualified to build, own and operate the gasline; (3) identify, apply for and obtain rights-of-way and other permits for the project route; (4) work with other entities to promote gas supply and purchase contracts required for the project to be commercially viable; (5) prepare cost estimates for project design, construction and operation to determine the project's feasibility and the projected cost of natural gas to consumers; (6) coordinate with and use, to the fullest extent, possible existing work by other state agencies and entities before contracting for new reports and research and analysis; (7) determine regulatory authority over the pipeline project and perform any necessary compliance requirements; (8) identify and apply for, or support extension of, existing permits for export of Alaska natural gas if that export improves project economics and will reduce the price of natural gas to in-state consumers. (f) Any rights to a gasline corridor obtained by a state agency under eminent domain may be transferred to a private entity.** (g) Describes the various aspects of the in-state gasline project the development team may consider.

Sec. 38.34.050. Cooperation and access to information. (a) States the development team may have access to a state entity's information to include confidential information that may relate to the in-state gasline or prove useful in planning, design, construction or operation of the gasline.

Confidential information received by the Development Team shall be kept confidential. (b) All state agencies are to cooperate and give priority to requests for information from the Development Team. The Development Team is to avoid duplicating studies, plans, and designs that have already been produced or otherwise obtained by state entities.

Sec. 38.34.060. Conflicts of interest. (a) If a member of the Development Team acquires, owns or controls a direct or indirect interest in property, an organization or business that might be affected by the in-state gasline project or other matters under consideration by the Development Team shall immediately disclose the interest to the Development Team. This disclosure is part of the public record and shall be included in the minutes of the first meeting of the Development Team held after the disclosure. **(b) Members of the development team are subject to AS 39.50 (Public Official Disclosure) and AS 39.52 (Alaska Executive Branch Ethics Act).**

Sec. 38.34.099. Definitions. Defines the in-state natural gas pipeline and the North Slope.

Section 2: Amends AS 39.25.110, Exempt service. Adds the in-state gasline project manager to the exempt service list.

Section 3: Immediate effective date.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 369 (RES)**
() Publish Date:

Identifier (file name): CSHB369 (RES)-GOV-EO-03-12-10
Dept. Affected: OOG
Title "An Act relating to in-state natural gas pipeline,... ..project manager/team"
RDU Executive Operations
Component Executive Office
Sponsor Representative Chenault
Requester (H) Finance
Component Number 6

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,001.7	1,001.7	1,011.6	1,021.9	1,032.5	1,036.0	1,047.0
Travel	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Contractual	***	***	***	***	***	***	***
Supplies	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Equipment	77.0	77.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	***	***	***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	***	***	***	***	***	***	***

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	6	6	6	6	6	6	6
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The fiscal impact of CSHB 369 (RES) is indeterminate at this time. Please see attached analysis.

Prepared by: Linda Perez, Director — Phone 465-3876
Division Administrative Services — Date/Time 3/12/10 4:25 PM
Approved by: Bob Swenson, Project Manager — Date 3/12/2010
Office of the Governor

(Revised 11/6/2009 OMB)

copy on file

1744

To ensure that construction may begin on the in-state natural gas pipeline by July 1, 2011 as set out in HB 369 (RES), the in-state gas line project team has identified general work products, materials, and a minimum staffing level needed to direct the work for the project team. The cost associated with contractual services to perform the detailed pipeline engineering will be approximately $350 million; field work, and permitting needed to get the project ready to begin construction by July 1, 2011 is more than $30 million. Costs associated with preconstruction readiness and pipeline materials outlined below is indeterminate at this time. A cost of transportation estimate to provide this information is scheduled to be completed by July 1, 2010. The State's ability to transfer the project to private investors by the construction date is likewise unknown. If unsuccessful, the State may assume liability for costs associated with all construction costs.

PERSONAL SERVICES: 1001.7 - increased to include 6 staff as follows:

Project Manager Rg 26
Engineering Manager Rg 26
Commercial Manager Rg 26
Legislative Liaison/Public Outreach Officer Rg 23
Finance/budget analyst Rg 22
Schedule Coordinator Rg 21

Current 6500.0 operating budget request includes 322.2 for personal services, fiscal note increases total personal services to 1,001.7. Following years include scheduled merit increases for all but professional staff.

TRAVEL: 36.0 – reflects original travel request in FY2011 Governor's budget request.

CONTRACTUAL: Indeterminate
Fiscal Implications of 7/2011 Start of Construction:

During the first construction summer, ROW construction activities would include

- Establishment of construction centerline survey benchmark grid
- Development of material sites and preparation of civil material
- Preparation of laydown areas to accept pipe delivery
- Construction camp : site prep, pad construction and camp module installation
- Note that startup is at the flow of 250 MMscfd –(no intermediate compressor stations are required at this start up flow)

Contractual - continued

To enable this construction start date the fiscal implications to the state in FY 2011:

- Let bid for Design Engineering for Pipeline and Facilities 7/2010 - a commitment of $350 million
- Accelerate additional permits for notice to proceed - a commitment of $30 million
- Ensure completion of major permits by 12/2010. An "Air Quality Permit to Construct" will be required from the ADEC for facilities at either end of the pipeline (EPA allows the ADEC to issue permits because ADEC agrees to adhere to EPA standards). Unknown is whether ADEC would, or could, issue construction permits for the pipeline before "Air Quality Permit to Construct" have been issued for necessary attendant facilities. The data acquisition of 12 months of continuous site specific meteorological data is required to support the air quality application. Even pursuing an aggressive "Fast track" process, it may already be too late to get them by summer of 2011. Unknown
- Line pipe order and facilities material order- minimum is "default" funds commitment. This required commitment could be significant especially if state proceeds without all permits in place. Vendors/suppliers may require a significant "default" commitment considering the scale of the project, that they will have to reserve fabrication infrastructure thereby turning down other clients, and that the project execution approach reasonably be considered high risk. Unknown
- Order construction camps - fabrication and delivery for 2011. Unknown

500.00 for FY2011, 2012 and 2013 for commercial analysis of downstream industrial opportunities; reduced to 200.0 for 2014 thru 2016.

100.0 for public outreach, information dissemination, printing, advertising, postage.

75.3 annual office lease space

SUPPLIES: 25.0 increases FY2011 request to 25.0 for increased staff and fast-track activities.

EQUIPMENT: 77.0 one-time office set-up

Alaska In-State Gas Pipeline Project.
February 24, 2010 - House Finance hearing on gas line funding requests
Robert Swenson, Project Manager

1. **What agencies have done with the money they spent in FY2010?**

Work that is completed to date:

- Route Alternative Analysis – Parks and Richardson Highway routes: Associated comparative pipeline cost estimates; Environmental Surveys
- Initial Project Description (for permitting)
- Commercial Group Scoping
- Initial Review of ENSTAR Capital Cost Estimate – Pipeline
- Major permits applied for: U.S. Army Corps of Engineers Section 404/10, State of Alaska Title 38 Right-of-Way, Bureau of Land Management Right-of-Way

Work currently underway:

- Updating pipeline cost estimates
- Developing cost of facilities
- Cost of transport analysis
- Preparing detailed project description
- Continued engineering support for EIS and ROW process
- Developing data package for economic analysis
- Facilities scenarios identified
- Commercial group market analysis
- Cost of transport analysis

2. **How much additional they have encumbered and for what?** $3,904,496

	Payroll & Expenditures 1/15/2010	Contract Commitments (Encumbrances)	Estimated Budget Jan-10	Estimated Budget Feb-10	Estimated Budget Mar-10	Estimated Budget Apr-10	Estimated Budget May-10	Estimated Budget Jun-10
Personal Services	170,252		26,825	26,825	26,825	26,825	26,825	26,825
Travel	17,832		3,000	3,000	3,000	3,000	3,000	3,000
Services	2,024,396	3,904,496	330,000.0	330,000.0	330,000.0	330,000.0	330,000.0	329,000.0
Commodities	2,488		2,000	2,000	2,000	2,000	2,000	1,629
Total Expended	2,214,968	3,904,496	361,825	361,825	361,825	361,825	361,825	360,454

3. **How much they need for FY2011? and what they propose doing with the money?** $6,500,000

	Per month FY2011	Total FY2011
Personal Services	26,830	321,960
Travel	3,000	36,000
Services	511,000	6,130,040
Commodities	1,000	12,000
Total expended	541,830	6,500,000

- Completion of environmental and permitting for USACE and State and Federal right-of-way approvals.
- Engineering data acquisition for detailed engineering design of the project.
- Refinement of Cost of Service estimates and Tariff modeling
- Prepare complete project documentation of In-State pipeline asset for transfer private pipeline developer

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779

145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT

SPEAKER OF THE HOUSE

SECTIONAL ANALYSIS

COMMITTEE SUBSTITUTE FOR HOUSE BILL 369 (RES)

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team; and providing for an effective date."

Section 1: Adds a new chapter, Chapter 34: In-State natural Gas Pipeline, to AS 38, Public Land.

Sec. 38.34.010. In-state gasline project manager. (a) Creates the position of in-state gasline project manager within the governor's Office. This position will continue until one year after commercial operation of the in-state natural gas pipeline begins. (b) The Governor appoints an individual to the position of an in-state gasline manager and may be removed at the Governor's discretion. (c) Describes the duties of the in-state gasline project manager.

Sec. 38.34.020. Expedited review and action by state agencies. (a) States that any state agency conducting and taking action relating to the in-state gasline shall be expedited. (b) A state agency may not include in any project certificate, right of way, permit or other authorization issued to a licensee a term or condition that is not required by law if the in-state project manager determines the term or condition would prevent or impair the expeditious construction and operation or expansion of the in-state gasline. (c) A state agency may not, unless required by law, amend or abrogate any certificate, right of way, permit or other authorization issued to a licensee if the project manager determines the action would prevent or impair the expeditious construction and operation or expansion of the in-state gasline.

Sec. 38.34.030. Joint In-state Gasline Development Team. (a) Establishes the Joint In-state Gasline Development Team in the Governor's Office. The team consists of the commissioner of the Department of Transportation and Public Facilities or designee, the chief executive officer of the Alaska Railroad Corporation, the chief executive officer of the Alaska Natural Gas Development Authority and the in-state gasline project manager. (b) Names the Alaska Railroad's chief executive officer as chair. (c) Allows the Development Team to hire staff, enter into contracts and exercise other powers to carry out its functions.

Sec. 38.34.040. Duties of the Development Team. (a) Describes the various aspects of the in-state gasline project the Development Team will consider. (b) Ensure construction for an in-state gasline is ready to commence by July 1, 2011 and to take any necessary actions to enable the flow of natural gas down the gasline by 2015. (c) (1) Shall select a route that runs from the

Representative_Mike_Chenault@legis.state.ak.us

North Slope to tidewater that is the most economical, will provide gas to the greatest number of residents at a reasonable cost, uses state land and existing state highway and railroad rights of way to the maximum extent, use existing highway and railroad bridges, gravel pits equipment yards and maintenance facilities and other existing facilities and resources to the maximum extent possible; (2) identify land or rights of way that must be obtained for construction and operation of the in-state gasline and take necessary action to enable DOT/PF to acquire those interests; (3) prepare plans and designs necessary for the construction of the in-state gasline; (4) identify all permits and applications needed to construct the in-state gasline and proceed with applications for those permits and licenses; (5) prepare and update estimates of construction and other costs of construction; and (6) take any necessary action so that construction of the in-state gasline may begin by July 1, 2011, and report to the legislature by that date.

Sec. 38.34.050. Cooperation and access to information. (a) States the Development Team may have access to a state entity's information to include confidential information that may relate to the in-state gasline or prove useful in planning, design, construction or operation of the gasline. Confidential information received by the Development Team shall be kept confidential. (b) All state agencies are to cooperate and give priority to requests for information from the Development Team. The Development Team is to avoid duplicating studies, plans, and designs that have already been produced or otherwise obtained by state entities.

Sec. 38.34.060. Conflicts of interest. If a member of the Development Team acquires, owns or controls a direct or indirect interest in property, an organization or business that might be affected by the in-state gasline project or other matters under consideration by the Development Team shall immediately disclose the interest to the Development Team. This disclosure is part of the public record and shall be included in the minutes of the first meeting of the Development Team held after the disclosure.

Sec. 38.34.099. Definitions. Defines the in-state natural gas pipeline and the North Slope.

Section 2: Amends AS 39.25.110, Exempt service. Adds the in-state gasline project manager to the exempt service list.

Section 3: Immediate effective date.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB369(RES)**
() Publish Date:

Identifier (file name): CSHB369(RES)-DNR-MLW-03-16-10
Dept. Affected: Natural Resources

Title: IN-STATE PIPELINE MANAGER/TEAM/COMMITTEE
RDU: Resource Development
Component: Title Acquisition and Defense
Claims, permits and leases

Sponsor: Rep. Chenault
Requester: House FIN
Component Number: 2459 / 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	465.7						
Travel	35.0						
Contractual	52.0						
Supplies	38.0						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**590.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts	590.7						
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**590.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	10						
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessa*

The bill establishes a joint in-state Gasline Development Committee consisting of the commissioner of DOTPF, the CEO of the Alaska Railroad Corporation, the CEO of the Alaska Natural Gas Development Authority, and the in-state gasline project manager (also created in this bill). The legislation provides this committee the authority to manage and develop an in-state gasline, mandates construction to begin by July 1, 2011, and authorizes any action that would enable gas to flow down the pipeline by 2015. While the joint in-state Gasline Development Committee is granted broad powers and authorities under the bill certain basic functions must still be performed by MLW.

Prepared by: Dick Mylius — Phone 269-8600
Division: Mining, Land and Water — Date/Time 3/16/10 12:00 AM
Approved by: Tom Irwin, Commissioner — Date 3/16/2010
Natural Resources

(Revised 11/6/2009 OMB)

1750

FISCAL NOTE

STATE OF ALASKA **BILL NO.** CSHB 369 (RES)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

In the preparation of this fiscal note certain assumptions have been made:

1) that DNR/DMLW will be required to prepare a title report regarding state owned lands in the pipeline ROW,
2) that DNR will not be required to transfer title to any state lands to DOT/PF,
3) that DOT/PF will be responsible for all title or ROW acquisitions from entities other that DNR managed state lands including lands owned by private persons, boroughs, ANCSA corporations, native allotments, and the federal government,
4) that DNR/DMLW will review and approve all land surveys associated with granting an in-state gasline ROW and developing an in-state gasline across state land,
5) DNR DMLW will participate in the ROW planning effort to some degree across state land, the review of the AS 38.35 R/W lease to be prepared.by SPCO for issuance to DOT/PF, and the ACMP review of the ROW, and
6) SPCO will issue AS 38.35 ROW accross state lands to DOT/PF.

The costs to DMLW would include expenses related to preparation of the land title report and preparing and reviewing land transfer documents, executing material sales and reviewing land and project surveys in an expedited manner by July 1, 2011. It should also be noted that focusing DNR's time and resources on such a high priority, short deadline project as conceived in this legislation would significantly impact and curtail DLWM's abilities to perform its other statutorily required functions. These costs are high in part due to the extremely tight time frames set out in the bill.

PERSONAL SERVICES COST - $465.7 total (for 12 months)

LAND TITLE ACTIONS
Four positions Anchorage; for land title review and report preparation and document review and processing.
-three Natural Resource Specialist (NRS) III (range 18) - total 6 months each at $7.24/month= $130.32
-one Natural Resource Specialist (NRS) II (range 16) - - total 6 months each at $6.40/month = $38.4

$168.72 for FY 11 Total

LAND SURVEY REVIEW
Two positions Anchorage; for reviewing land and project surveys .
-Two land surveyor II (LS) III (range 22) - 1 year each at $109.1/year

$218.2 for FY 11 Total

MATERIAL SALES
Two positions; for preparing and executing material sales for use in pipeline R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $89.2/year for Northern Region Office Fairbanks = $89.2
- OneNatural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for SouthCentral Region Office Anchorage = $86.4

$175.6 for FY 11 Total

Cont.

FISCAL NOTE

STATE OF ALASKA **BILL NO.** CSHB 369 (RES)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

PROJECT REVIEWS
One position; to participate in the R/W planning effort, the review of the AS 38.35 ROW lease , and the ACMP review of the R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 8 months each at $86.4/year for SouthCentral Region Office Anchorage = $57.6

$86.4 for FY 11 Total

TRAVEL, CONTRACTUAL, SUPPLIES - $143.0 total (for 12 positions)
Travel would be for land survey review purposes, preparation of material sales, and planning, ROW and ACMP review. $35.0 in FY11

Other contractual costs include $52.0 for office space, telephones, core service charges and related expenses for the new positions in FY11 at a rate of $5.2 per new position.

Supplies are budgeted at $38.0 per year FY11, and includes one-time start-up costs for new computers and office equipment of $3.8 per each new position.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 11, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/23/10

The FINANCE Committee considered: **HOUSE BILL NO. 369**

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team, and the In-State Gasline Steering Committee; and providing for an effective date."

HB 369-IN-STATE PIPELINE MANAGER/TEAM/COMMITTEE

Recommends it be replaced with | | HCS *or* |X| CS *for* HB 369 (FIN)
For Senate Bills with new title: | | Technical Title / | New Title: HCR_____ | | Same Title |X| New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
OOG		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Dorgan	✓			
	Joule	✓			
	KELLY	✓			
	ALLSTERMAN	X			
	FOSTER	X			
	FAIRCLOUGH	✓			
Chair:	Stoltze	★			
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 369 (FIN)
() Publish Date:

Identifier (file name): CSHB369 (FIN)-GOV-EO-03-23-10
Dept. Affected: OOG
Title "An Act relating to in-state natural gas pipeline,... ..project manager/team"
RDU Executive Operations
Component Executive Office
Sponsor Representative Chenault
Requester (H) Finance
Component Number 6

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,095.2	1,095.2	1,011.6	1,021.9	1,032.5	1,036.0	1,047.0
Travel	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Contractual	9,408.8	9,408.8	***	***	***	***	***
Supplies	29.0	29.0	25.0	25.0	25.0	25.0	25.0
Equipment	84.3	84.3	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	10,653.3	10,653.3	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10,653.3	10,653.3	***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	10,653.3	10,653.3	***	***	***	***	***

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	7	7	6	6	6	6	6
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Please see attached analysis - includes breakdown for RSA to all agencies.

Prepared by: Linda Perez, Director — Phone 465-3876
Division: Administrative Services — Date/Time 3/23/10 8:30 AM
Approved by: Bob Swenson, Project Manager — Date 3/23/2010
Office of the Governor

(Revised 11/6/2009 OMB)

Office of Governor FY11: 8,053.7 plus 2,599.6 additional contractual for RSA needs for a total request of 10,653.3.

To ensure that an in-state natural gas pipeline plan is delivered to the legislature by July 1, 2011 as set out in HB 369 (FIN), the in-state gas line project team has identified general work products, materials, and a minimum staffing level needed to direct the work for the project team. The cost associated with contractual services to perform environmental work and support of permitting, cost of service analysis, continued refinement of pipeline engineering, and development and management of development plan in FY11 will be approximately $6.5 million. A cost of transportation estimate to provide pipeline and facility costs are scheduled to be completed by July 1, 2010, which will provide partial data for cost of service models. These costs will help determine commercial viability of a pipeline. The additional $2.6 million is for RSA monies to agencies duties outlined below.

OFFICE OF THE GOVERNOR:

PERSONAL SERVICES: 1,095.2 - increased to include 7 staff for first year as follows:
Project Manager Rg 26
Engineering Manager Rg 26
Commercial Manager Rg 26
Legislative Liaison/Public Outreach Officer Rg 23
Finance/budget analyst Rg 22
Schedule Coordinator Rg 21
Technical Writer Rg 19 (first year only)

Current 6500.0 operating budget request includes 322.2 for personal services. Fiscal note increases total personal services to 1,095.2 for 7 staff in first year. Following years reduce staff to 6 and include scheduled merit increases for all but professional staff.

TRAVEL: 36.0 – reflects original travel request in FY2011 Governor's budget request.

CONTRACTUAL: 6,809.2 + 2,599.6 (Total 9,408.8)
Current 6500.0 operating budget request includes 6,130.0 for contractual. Fiscal note increases contractual to include commercial analysis of downstream industrial opportunities, public outreach and information dissemination, and annual lease space for 7 staff during the first year. Second and subsequent fiscal year contractual costs are indeterminate.

500.00 for FY2011, 2012 and 2013 for commercial analysis of downstream industrial opportunities; reduced to 200.0 for 2014 thru 2016.

Contractual (continued)

100.0 for public outreach, information dissemination, printing, advertising, postage.

79.2 first year office lease space – reduces to 75.3 for second and subsequent years

2599.6 RSA funding requirements – see below

SUPPLIES: 29.0 increases FY2011 operating budget request to 29.0 for increased staff and fast-track activities, reducing to 25.0 for second and subsequent years.

EQUIPMENT: 84.3 one-time office set-up.

Office of Governor FY12 & Beyond: Contractual; Indeterminate
Fiscal responsibility for FY12 and beyond is indeterminate at this time. These costs may include preconstruction engineering, procurement of natural gas, purchase of ENSTAR Bullet Line data package, potential application for extension of LNG export license, and other engineering and commercial activities that provide for a gasline that is operational by December 31, 2015. The State's ability to transfer the project to private investors is likewise unknown. If unsuccessful, the State may assume liability for a portion, or all of the construction costs. These costs will depend on what is determined and approved from the development plan, if anything, and could range from tens of millions to over 5 billion dollars, depending on the level of participation by the State.

Breakdown of RSAs to state agencies: 2599.6 as follows:

AHFC FY11: 500.0

This fiscal note is an estimate of what funds would be necessary for the Alaska Housing Finance Corporation should House Bill 369 become law. The preparation of a comprehensive financing plan would be completed once cost estimates for the project are available.
Contractual services will consist of Financial Advisors and legal counsel.
FY12: 0

DEC FY11: 121.1

The Department of Environmental Conservation (DEC) fiscal note reflects a project coordinator to be located in the Office of the Commissioner to coordinate with the joint in-state pipeline development team in evaluation of necessary environmental permitting, environmental impact statement review, Alaska Coastal Management

DEC (continued)

Program coordination, as well as compliance and enforcement activities for an in-state natural gas pipeline.

FY12+: Indeterminate

The costs of the environmental permitting for pipeline construction is indeterminate at this time, this fiscal note does not account for any permitting activities that may occur after the in-state pipeline plan is submitted to the legislature by July 1, 2011.

DOR FY11: 1000.0

Travel **50.0**
Contractual **950.0**
Department of Revenue working as part of the development team with experienced contractors and contractor firms to execute major elements of the assigned tasks.

1. Identify opportunities for delivering North Slope gas to rural & maritime Alaska
2. Identify and negotiate with potential gas suppliers and potential gas consumers
3. Develop pro-forma financials for the project
4. Develop a partnering agreement with a pipeline company
5. Provide a design, construction schedule, and cost estimate for an LNG plant
6. Develop and execute a public information and outreach plan

DOT FY11: 610.8 plus 367.7 for DNR State Pipeline Coordinators Office

The Department is a member of the joint pipeline development team and is the applicant for the right-of-way (ROW). A Engineer V will serve as the technical expert for the commissioner and as the technical lead for the Department's responsibilities. As the applicant for the ROW, a ROW agent will coordinate the ROW portions of the plan, providing the technical expertise to assist in determining the intricacies associated with potential routes, and will start initial coordination with utilities that are currently in the ROW. An environmental impact analysis manager will oversee and provide technical expertise for the environmental impacts and permits needed for activities in the department's ROW. Additional, costs are for

Personnel Services **418.7**
Travel **45.0**
Contractual **87.1**
Supplies **60.0**

ADDITONAL CONTRACTUAL FOR DOT: 367.7 needed for interagency funding to DNR State Pipeline Coordinators Office to be used by DNR as detailed below.

DOT FY12 +: Indeterminate
The costs for activities after the plan is submitted on July 1, 2011 are undetermined at this time.

(DNR FY11): 367.7

All State Pipeline Coordinator Office (SPCO) costs associated with the right-of-way permitting process, preparation of the Commissioner's Analysis, Proposed Decision and Action, construction oversight, and operational oversight are reimbursable pursuant to AS 38.35.140(b). Costs reflected in this fiscal note are reimbursable under AS38.35.140(b). Positions and efforts identified for SPCO work will utilize existing positions to the greatest extent possible. If additional SPCO or MLW positions are necessary they will be established as Long Term Non-Perm positions.

In the preparation of this fiscal note certain assumptions have been made:
State Pipeline Coordinators Office (SPCO)
1) Participating state agencies (ADF&G, ADEC, etc.) will provide separate fiscal notes, although their costs associated with permitting the right-of-way may be reimbursable by the applicant through the SPCO.

DNR (continued)

2) The right-of-way lease applicant, pursuant to AS 38.35. 140(b), will reimburse DNR's (and other participating state agencies as well) work associated with delivery of a right-of-way lease.
3) DLMW has completed a separate fiscal note, however portions of their costs may be reimbursable by the applicant through the SPCO.
4) Existing Program Receipt Authority will be used for the project.
5) DGGS cost estimate assumes that the state needs to understand the geohazards to ensure the applicant has identified and considered all geologic hazards along the route.
6) Construction and operational oversight begins in FY2012 and FY2014, respectively. The cost estimate for these activities is for DNR only and does not include estimates for other state agencies (ADF&G, ADEC, etc.), although their costs may be reimbursable by the applicant through the SPCO.
7) Assume SPCO will administer material sites after initial sale.
8) Assume a two-year construction schedule segregated into four geographic areas.

FY2011 costs to DNR/SPCO would include expenses to support the duties of the development team in preparing the project plan and the Analyses necessary to prepare project applications, supporting documentation, and the preparation for an expedited state review of the proposed actions. Costs for FY2011 do not include any expenses towards processing a right-of-way lease applications. Expenses associated with the right-of-way permitting process are projected to start in FY2012.

FY2011 PERSONAL SERVICES COST - $ 200.3 total (for 12 months)

BREAKDOWN of DNR FY11 costs

1- STATE PIPELINE COORDINATOR'S OFFICE
Positions in Anchorage; for preparing the project plan and analyses.
- one State Pipeline Coordinator (SPC) (range 26) - total 1 month at $9.7/month = $9.7
- one Natural Resource Specialist (NRS) III (range 18)- total 3 months/yr at 7.31/month = $21.93
-one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
- Administrative Support - total = $8.20
$90.34 for **FY 11 Total**

2- OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coordination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $10.0
$10.0 for **FY 11 Total**

DNR (continued)

3 - DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alaska Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)-
total 1 month at 7.31/month = $7.31
$7.31 for FY 11 Total

3- STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and monitoring the cultural resource project program. - one Archeologist = $20.0
$20.0 for **FY 11 Total**

4- DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 4 months = $35.80
- one LTNP Geologist III (range 19) - total 4 months = $25.52
- one Graduate Intern - total 4 months = $11.32
$72.64 for **FY 11 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY11
Travel, contractual, and supplies to support the duties of the development team in preparing the project plan and the Analyses necessary to prepare project applications, supporting documentation, and the preparation for an expedited state review of the proposed actions.
Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.

5- DIVISION OF MINING LAND & WATER
Assumptions
1) that DNR/DMLW will be required to prepare a title report regarding state owned lands in the pipeline ROW,
2) that DNR will not be required to transfer title to any state lands to DOT/PF,
3) that DOT/PF will be responsible for all title or ROW acquisitions from entities other that DNR managed state lands including lands owned by private persons, boroughs, ANCSA corporations, native allotments, and the federal government,
4) that DNR/DMLW will review and approve all land surveys associated with granting an in-state gasline ROW and developing an in-state gasline across state land,

DNR (continued)

5) DNR DMLW will participate in the ROW planning effort to some degree across state land, the review of the
AS 38.35 R/W lease to be prepared by SPCO for issuance to DOT/PF, and the ACMP review of the ROW, and
6) SPCO will issue AS 38.35 ROW accross state lands to DOT/PF.
The costs to DMLW would include expenses during FY 11 for providing assistance during the development teams planning efforts and preapplication meetings

PERSONAL SERVICES COST - $86.4 total (for 12 months in FY11)
One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for assistance with the planning effort and preparation for the authorization work in FY12.
TRAVEL, CONTRACTUAL, SUPPLIES - $2.0 total
Travel would be for planning and public meetings. $2.0 in FY11
Other contractual costs include $5.2 for office space, telephones, core service charges and related
expenses for the new positions in FY11.
Supplies are budgeted at $3.8 for FY11, and includes one-time start-up costs for new computers and office equipment .

DNR FY12 & Beyond

The FY2012 costs to DNR/SPCO would include expenses to coordinate the participation of state agencies in the right-of-way permitting process, prepare the Commissioner's Analysis, Proposed Decision and Action, develop the draft lease and, if necessary, hold public hearings. In addition the costs include right-of-way permitting expenses for the participation of the State Historic Preservation Office (SHPO), Division of Coastal and Ocean Management (DCOM), Office of Project Management and Permitting (OPMP) and the Division of Geological and Geophysical and Surveys (DGGS). It should be noted that the proposed schedule is aggressive and in order to meet the specified timeline the right-of-way permitting process will need to be conducted independent of the federal NEPA process. The FY2012 and 13 costs reflect construction oversight activities by DNR. Operational oversight costs begin in FY2014 and continue forward.

FY2012 PERSONAL SERVICES COST - $ 522.42 total (for 12 months)

DNR (continued)

Breakdown of DNR FY12 and beyond.

STATE PIPELINE COORDINATOR'S OFFICE

Positions in Anchorage; for completing the right-of-way leasing process.
-one Natural Resource Specialist (NRS) IV (range 21) - total 10 months at $9.95/month= $99.50
-one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Natural Resource Specialist (NRS) III (range 18)- total 6 months at 7.31/month = $43.86
-one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
-Administrative Support - total = $38.77
$232.64 for **FY 12 Total**
Positions in Anchorage; for construction oversight.
- two Natural Resource Specialist (NRS) III (range 18)- total 6 months/yr at 7.31/month = $87.72
- one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
- one Engineer IV (range 27) - total 2 months at 13.70/month = $27.4
- Administrative Support - total = $24.9
$149.43 for **FY 13 and 14**
Positions in Anchorage; for operational oversight.
- one Natural Resource Specialist (NRS) III (range 18)- total 4 months/yr at 7.31/month = $29.24
- one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
-one Engineer IV (range 27) - total 1 months at 13.70/month = $13.70
- Administrative Support - total = $10.47
$62.82 for **FY15 Forward**

STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and monitoring the cultural resource project program.
- one Archeologist = $20.0
$20.0 for **FY 12 Total**
Positions in Anchorage; for construction oversight.
- one Archeologist = $20.0
$20.0 for **FY 13 and 14 Totals**

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 12 months = $107.4
- one LTNP Geologist III (range 19) - total 12 months = $76.45
- one Graduate Intern - total 12 months = $34.0
$217.85 for **FY 12 Total**

DNR (continued)

OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coordination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $30.0
$30.0 for **FY 12 Total**

DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alaska Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)- total 3 months at 7.31/month = $21.93
$21.93 for **FY 12 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $322.2 total for FY 12
Travel would be for public meeting, public hearings, agency coordination and monitoring of contractors performing field work. In addition, DGGS will require travel to complete field studies. **$30.0 in FY12**
Contractual costs include helicopter support for DGGS studies, office space, telephones, core service charges and related
Miscellaneous costs include aerial photos, satellite imagery, field supplies a and maps.
Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.
TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY 13 and 14
TRAVEL, CONTRACTUAL, SUPPLIES - $10.0 total for FY 15 Forward

DIVISION OF MINING LAND& WATER, FY12
PERSONAL SERVICES COST - $465.7 total (for 12 months in FY12)
LAND TITLE ACTIONS
Four positions Anchorage; for land title review and report preparation and document review and processing.
-three Natural Resource Specialist (NRS) III (range 18) - total 6 months each at $7.24/month= $130.32
-one Natural Resource Specialist (NRS) II (range 16) - - total 6 months each at $6.40/month = $38.4
$168.72 for **FY 12 Total**
LAND SURVEY REVIEW
Two positions Anchorage; for reviewing land and project surveys .
-Two land surveyor II (LS) III (range 22) - 1 year each at $109.1/year
$218.2 for **FY 12 Total**

DNR (continued)

MATERIAL SALES
Two positions; for preparing and executing material sales for use in pipeline R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $89.2/year for Northern Region Office Fairbanks = $89.2
- OneNatural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for SouthCentral Region Office Anchorage = $86.4
$175.6 for **FY 12 Total**

PROJECT REVIEWS
One position; to participate in the R/W planning effort, the review of the AS 38.35 ROW lease , and the ACMP review of the R/W.
- One Natural Resource Specialist (NRS) III (range 18) - total 8 months each at $86.4/year for SouthCentral Region Office Anchorage = $57.6
$86.4 for **FY 12 Total**

TRAVEL, CONTRACTUAL, SUPPLIES - $143.0 total (for 12 positions)
Travel would be for land survey review purposes, preparation of material sales, and planning, ROW and ACMP review. $35.0 in FY12
Other contractual costs include $52.0 for office space, telephones, core service charges and related
expenses for the new positions in FY12 at a rate of $5.2 per new position.
Supplies are budgeted at $38.0 per year FY12, and includes one-time start-up costs for new computers and office equipment of $3.8 per each new position.

HOUSE BILL 369 CHANGES ADOPTED BY THE HOUSE RESOURCES COMMITTEE

Page 1, Line 13: Places the in-state gasline project manager under exempt service (AS 39.25.110) rather than partially exempt service (AS 39.25.120). Most of the Governor's Office personnel are covered under exempt service.

Page 2, line 9: Further defined the reporting duties of the in-state gasline project manager.

Page 3, line 11: Added duties that were originally to be carried out by the In-State Gasline Steering Committee to the list of duties to be considered by the Joint In-state Gasline Development Team. (Under subsection a).

Page 3, line 30: Deleted "to the greatest number of residents". This deletion was adopted to allow the Joint In-state Gasline Development Team to pick the route upon which they determined was the most economical along with other criteria outlined in subsection (b). The Parks Highway route would probably serve the greatest number of residents but it was decided that the team should be able to consider all route options without the legislation directing them to choose the Parks Highway route.

Page 4, line 24: Added "except for requests from the Alaska Gasline Inducement Act coordinator". This was adopted so that neither the AGIA project nor the Joint In-state Gasline Development Team project was given priority over the other when requesting information from state agencies and/or state entities.

The sections establishing the In-state Gasline Steering Committee, duties of the steering committee, and conflicts of interest and ethics for members of the In-state Gasline Steering Committee were deleted.

Page 5, line 9: The in-state gasline project manager is placed under the exempt service statutes (AS 39.25.110) instead of the partially exempt service statutes (AS 39.25.120).

Submitted by Representative Chenault's Office 3/12/10

MEMORANDUM

State of Alaska
Department of Law

To: Jerry Gallagher
Legislative Director
Office of the Governor

Date: March 3, 2010

A.G. File No.: JU2010201153

Telephone: 465-2127

From: Thomas Jantunen
Assistant Attorney General
Oil, Gas & Mining Section

Subject: HB 369 "An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team, and the In-State Gasline Steering Committee, and providing for an effective date."

CONFIDENTIAL AND PRIVILEGED

At our recent meeting, you asked for a brief overview of legal issues in HB 369, in-state natural gas pipeline. Attached is a summary of legal issues in HB 369 for the office of the governor's consideration. If you need additional information, please let me know.

TJ/jf

cc: Bob Swenson, Petroleum Geologist, DNR
Heather Brakes, Deputy Legislative Liaison, Governor's Office
Mike Ford, Legislative Liaison, LAW

CONFIDENTIAL: Attorney/Client Privilege
March 3, 2010

HB 369
Version 26-LS1527\R

An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, the Joint In-State Gasline Development Team, and the In-State Gasline Steering Committee, and providing for an effective date.

The bill adds to Title 38, a new Chapter 34 titled "In-State Natural Gas Pipeline."

Section 1.

Sec. 38.34.010. Creates the exempt position of in-state gasline project manager in the Office of the Governor. The manager is appointed by the governor and may be removed at the discretion of the governor. The manager shall collaborate with other state agencies to plan and work on the in-state gas pipeline project under this chapter and coordinate with government agencies and the private sector. The manager shall submit written monthly progress reports to the legislature.

> Comment: Proposed AS 38.34.010(c)(3) should set a date for the submission of monthly reports to the legislature. Proposed AS 38.34.010(c)(3) could also provide further guidance on the form, format, and contents of the monthly reports.
>
> On page 1, line 7 change "manger" to "manager."

Sec. 38.34.020(a). State agencies are required to expedite their reviews and actions relating to the in-state pipeline project "consistent with the timely completion of the project."

> Comment: "Timely completion" is not defined. "Timely completion" could be re-written to match proposed AS 38.34.040, which states that construction on an in-state gas pipeline should begin by July 1, 2011 and that natural gas should flow by 2015.

Sec. 38.34.020(b), (c). Requires that state agencies not include in any authorization any term or condition not required by law that the in-state gasline project manager determines would significantly prevent or impair the expeditious construction and operation or expansion of the in-state natural gas pipeline project.

> Comment: Proposed AS 38.34.020(b) and (c) include references to "the licensee," which is not defined in this legislation; the language in proposed AS 38.34.020(b) and (c) is almost the same as the language used in AS 43.90.260 (AGIA).
>
> The language in proposed AS 38.34.020(b) and (c) may limit the commissioner of natural resource's ability to include terms and conditions in an AS 38.35 right-of-way lease that would protect the environment and the public interest. *See* AS

1767

38.35.120(c), (d). The language in proposed AS 38.34.020(b) and (c) may limit the Regulatory Commission of Alaska's ability to place terms and conditions in a certificate of public conveyance and necessity that would protect the environment and the public interest. *See* AS 42.06.240(d).

Sec. 38.34.030. Establishes in the office of the governor, the Joint In-state Gasline Development Team, consisting of the department of transportation and public facilities commissioner, the Alaska Railroad CEO, the ANGDA CEO and the in-state gasline project manager.

Comment: AS 41.41.070 states that the ANGDA board "may" employ a CEO. Because it is possible that the ANGDA may not employ a CEO, the language of proposed AS 38.34.030(a)(3) should state "a designee of the Alaska Natural Gas Development Authority." AS 42.40.110 states that the ARR board appoints and sets the compensation for the ARR CEO. Because the department of transportation and public facilities commissioner is a statutory member of the ARR board, a conflict between the ARR CEO and the department of transportation and public facilities commissioner may exist.

Sec. 38.34.040(a). Duties of the development team include ensuring that construction is ready to begin on an in-state natural gas pipeline by July 1, 2011, and take action necessary to enable gas flow down the pipeline by 2015.

Comment: Because some permitting statutes set out specific timelines for public notice and hearings, a July 1, 2011 construction start date may not be feasible. *See e.g.*, AS 38.35.080.

Sec. 38.34.040(b). The team is charged with selecting the pipeline route, identifying lands or rights-of-way that need to be obtained, and take the action necessary to enable the department of transportation and public facilities to acquire those interests. The team is also charged with identifying and applying for all permits and licenses needed to construct the project.

Comment: This requirement puts the state in the position of both sovereign and applicant, including having a team member that is the commissioner of an agency that may be reviewing permits. Proposed AS 38.34.040(b)(2) states that the team shall select a route that is the most "economical." The term "economical" should be further defined: economical to operate versus economical to construct.

Sec. 38.34.040(b)(6). The team shall take "any action" necessary so that construction may begin on the instate pipeline by July 1, 2011. Proposed AS 38.34.040(b)(6) also requires a report to the legislature by July 1, 2011.

Comment: What does it mean that this team can take "any action?" Because the introduction to proposed AS 38.34.040(b)(6) does not state "notwithstanding any other provision of law," any actions taken by the team must be consistent with all

other laws. Taking action consistent with other laws may make the July 1, 2011 construction start date unrealistic. Is the report intended to be in addition to the report required under proposed AS 38.34.010(c)(3)?

Sec. 38.34.050. Gives the development team access to information of a state entity, including confidential information related to the pipeline. Confidential information received by the team shall be kept confidential.

Comment: This provision likely violates Article 1, sec. 1 of the Alaska Constitution (right to rewards of industry) and Article 1, sec. 15 of the Alaska Constitution ("No law impairing the obligation of contracts . . .. shall be passed"). Art. 1, sec. 1 would likely be held by a court to be violated if the development team used confidential information to its benefit without compensating the owner of the confidential information. Art. 1, sec. 15 would likely be held by a court to be violated if the development team gains access to information that a state agency has a contractual obligation to keep confidential. Because proposed AS 38.34.050(b) states "the development team shall avoid duplicating studies, plans, and designs that have already been produced or otherwise obtained by state entities," the possibility of a constitutional violation is more than hypothetical. A policy consideration: By simply submitting proprietary information to a state agency, should the submitter face (absent a compelling reason) the loss of the information's commercial value or be subject to a competitive disadvantage?

Sec. 38.34.060. Requires that a member of the development team disclose any interest that might be affected by the pipeline project or other matter under consideration by the team.

Comment: Sec. 38.34.060 is similar to AS 41.41.090(b) (ANGDA conflicts of interest). But, unlike AS 41.41.090, Sec. 38.34.060 does not explicitly state that AS 39.50 (Public Official Financial Disclosure) applies to the team. Policy consideration: should this section explicitly state that AS 39.50 and AS 39.52 (Alaska Executive Branch Ethics Act) apply to the team?

Sec. 38.34.070. Establishes the "In-state Gasline Steering Committee" in the office of the governor.

Comment: Because this provision requires the president of the senate and the speaker of the house to serve on the steering committee, this provision may violate the separation of powers doctrine and Article II, sec. 5 of the Alaska Constitution ("No legislator may hold any other office or position of profit under the United States or the state."). The purpose of Artcle II, sec. 5 is "to guard against conflicts of interest, self aggrandizement, concentration of power, and dilution of separation of powers." *Begich v. Jefferson*, 441 P.2d 27, 35 (Alaska 1968). Whether a legislator can serve on the committee depends upon whether the service may occasion the prohibited result: "conflicts of interest, self aggrandizement, concentration of power, and dilution of separation of powers."

Proposed AS 38.34.070(b) states that the steering committee members listed in AS 38.34.070(a)(9) shall not receive compensation. Is the intent to compensate the members listed in AS 38.34.070(a)(1) - (8)?

Sec. 38.34.080. Duties of the steering committee include consideration of all aspects of the in-state natural gas pipeline project and reporting its conclusions and recommendations to the gasline development team.

Sec. 38.34.090. Requires that a member of the steering committee disclose any interest that might be affected by the pipeline project or other matter under consideration by the team. Exempts certain individuals on the committee from the executive branch ethics act.

Comment: The blanket exemption from the Alaska Executive Branch Ethic Act may be problematic. Is the exemption for all work as a public servant? The language needs further definition.

Sec. 38.34.100. Defines "in-state natural gas pipeline," and "North Slope."

Section 2. Adds the in-state gasline project manager to the list of partially exempt service positions in AS 39.25.120(c).

Section 3. Immediate effective date.

MEMORANDUM

State of Alaska

Department of Law

TO: Pat Galvin
Commissioner
Dept. of Natural Resources

DATE: April 7, 2009

FILE NO.: 661-09-0121

TEL. NO.: 269-5211

SUBJECT: Review of Authority to Seek Professional Services forms submitted by ANGDA

FROM: Lisa Weissler
Larry Ostrovsky
Assistant Attorneys General
Oil, Gas & Mining

You asked us to review several proposed contracts that ANGDA submitted to the Department of Revenue for approval. In particular, you asked whether those contracts are consistent with ANGDA's statutory framework.

Short answer

Our review of the "Authority to Seek Professional Services" forms supplied by your administrative director, as well as a cost recovery agreement between ANGDA and the BLM concludes that these agreements are within the scope of ANGDA's authority.

Background

ANGDA was created in 2002 by voter initiative and codified in Title 41.

Title 41 sets out a broad list of purposes for the Authority, but appears to contain some internal inconsistencies, or at least ambiguities.

AS 41.41.010 sets out the overarching purpose of ANGDA - to bring natural gas from the North Slope to market. Subsumed within that broader purpose are the specific services and functions provided by ANGDA, such as acquiring North Slope natural gas; designing and constructing a pipeline system; designing, constructing and operating other facilities necessary for delivering "the gas" – presumably this article refers to North Slope gas -- to market and to Southcentral Alaska; and acquiring a natural gas share sufficient to ensure the long-term feasibility of the pipeline system.

By comparison, AS 41.41.200 (7) gives the Authority the power to issue bonds or incur indebtedness to pay for the costs of a "project." "Project," in turn, is defined somewhat more narrowly than the purpose described above:

> "[P]roject" means the gas transmission pipeline, together with all related property and facilities, to extend from the Prudhoe Bay area on the North Slope of Alaska either to tidewater at a point on Prince William Sound and the spur line from Glennallen to the Southcentral gas distribution grid or to tidewater at a point on Cook Inlet, and includes planning, design, and construction of the pipeline and facilities as described in AS 41.41.010 (a)(1) - (5). AS 41.41.990 (3).

AS 41.41.070(d) provides broad authority to ANGDA to "contract for and engage the services of bond counsel, consultants, experts, and financial advisors the authority considered necessary for the purpose of developing information, furnishing advice, or conducting studies, investigations, hearings, or other proceedings."

Finally, ANGDA is given the power "in furtherance of its corporate purpose" to "make and execute contracts and other instruments" without any limiting language as to the project. AS 41.41.200(4).

"It is a basic rule of statutory construction that courts must attempt to harmonize the specific provisions of an act with the legislature's expression of its intent." *Commercial Fisheries Entry Com'n v. Apokedak,* 680 P.2d 486, 490 (Alaska 1984). Because ANGDA's authority to make and execute contracts is broad and not specifically limited to the defined "project," in our view the Authority's power to make and execute such contracts applies to the broader purposes expressed in AS 41.41.010.

With that in mind, we have reviewed the "Authority to Seek Professional Services" forms provided by your director of Administrative Services to determine whether they are consistent with the broad purposes of ANGDA, as expressed in AS 41.41.010.

Analysis

1. **Authority to Seek Professional Services for Pipeline Alignment and Construction Engineer. Agency reference number: Asps 09-0030 RFP 2009-0400-8336.**

This contract involves hiring a contractor to refine alignment of a high pressure gas spur line connecting Delta Junction to Beluga. The form states that this contact is sought "[i]n conjunction with ANGDA's "on-going work to bring natural gas to market."

Entering into a contract related to delivering natural gas to the Alaska market clearly fits within the broad authority of ANGDA if the gas is North Slope natural gas, as

specified in AS 41.41.010. If the gas is not North Slope gas, the connection is more problematic and the Department of Revenue may want to request additional information from ANGDA to determine whether work under this contract will ultimately relate to delivering North Slope natural gas.

2. Authority to Seek Professional Services for Enterprise Coordinator. Agency reference number: Asps 09-0031 RFP 2009-0400-8363.

This contract involves hiring a contractor to develop a business and financial management framework to deliver natural gas to the Alaskan market. This includes management of a financial plan to include a combination of utility rates, bonding and legislative funding to finance the project.

We understand ANGDA's general plan is to tap into a main line to Canada with a spur line that would bring some of the North Slope gas to markets in Southcentral Alaska. The contract's purpose appears consistent with both the broad purposes of ANGDA, set out in AS 41.41.010, as well as the definition of project in AS 41.41.900(4).

3. Authority to Seek Professional Services for Permitting Coordinator. Agency reference number: Asps 09-0029 RFP 2009-0400-8335.

This contract involves hiring a permitting coordinator to execute a pipeline permitting plan to "bring North Slope natural gas to market in Alaska." This purpose appears consistent with both the broad purposes of ANGDA, set out in AS 41.41.010, as well as the definition of project in AS 41.41.900(3).

4. Standard Agreement Form for Professional Services. Agency Encumbrance Number 491017

This is an agreement with EJG Enterprises, awaiting signature of the DOR director of administrative services.

This contract for EJG Enterprises is to revise and update a business plan for ANGDA programs. This contract, under which EJG is to assist ANGDA in, among other things, work with a financial advisor in pursuit of project financing, is within the scope of ANGDA's authority to acquire gas, and design and build a pipeline.

5. Cost Recovery Agreement between ANGDA and the BLM.

Your administrative director also provided us with a copy of a cost recovery agreement between ANGDA and BLM for payment of costs for processing an ANGDA

right-of-way application for a natural gas pipeline between Palmer, Glennallen and Delta Junction and Fairbanks.

We understand that ANGDA's plan is to tap into a main line to Canada with a spur line that would bring some of the North Slope gas to markets in Southcentral Alaska, and, in this case, Fairbanks. This purpose appears consistent with both the broad purposes of ANGDA, set out in AS 41.41.010, as well as the definition of project in AS 41.41.900(4), though not necessarily consistent with the definition of "project" in AS 41.41.990(3). Accordingly, if ANGDA gets to a point where it may issue bonds "in order to pay for costs of the project" we recommend that the definition of project in AS 41.41.990(3) be amended to remove any ambiguity as to whether bonds can be issued for purposes of a line to interior Alaska.

We hope this answers your questions. If you have any questions, or if there are additional authorizations that you would like us to review, please let us know.

cc Harold Heinze

LZO:kp

Stand Alone Gas Pipeline Project

Alternative Schedule*

DRAFT

SCHEDULE	2009				2010				2011				2012				2013				2014				2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Engineering Support																																				
Design Basis	=>																																			
Corridor Selection	=>																																			
Conceptual Design	=>		====	====	====	====	====	====	====	====	====	====																								
Alternatives Analysis			==																																	
Project Description (filing)	=>		===																																	
Final Project Description					====	====																														
Cost Estimate & Logistics	=>				====	====																														
Project Documentation Package					====	====	====	====	====																												
Permitting																																				
COE 404			=	=	====	====	====	====	====																												
Federal and State ROW			=	=	====	====	====	====	====																												
Draft EIS						X																														
Final EIS										X																										
Additional Permits and NTP's					====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====				
Project Review & Sanction																																				
Company Due Diligence										====	====																									
Transfer of Permits													==																							
Project Sanction																	X																			
Detailed Engineering Design																																				
Pipeline													====	====	====	====	====	====	====	====	==	=	=	=	=	=	=	=	=	=	=	=				
Facilities													====	====	====	====	====	====	====	====	==	=	=	=	=	=	=	=	=	=	=	=				
Cost Estimate & Logistics																	==	====	====	====	==	=	=	=	=											
GCP Construction																																				
Order Equipment																	X																			
Fabricate Modules																					====	====	====	====	====	====	====	====	====							
Pre-construction Preparation																																				
Module sea-lift																													==							
Install & Testing																														==	====	====				
Compressor Stations																																				
Order Equipment																	X																			
Fabricate Skids																					====	====	====	====	====	====	====	==								
Pre-construction Preparation																									====	====	====	==								
Construction & Testing																													====	====	====	====				
Pipeline																																				
Order Pipe and Valves																	X																			
Pre-construction Preparation																					====	====	====	====												
Construction & Testing																									====	====	====	====	====	====	====	====	====	====	====	====
NGL Plant & Storage																																				
Order Equipment																	X																			
Fabricate Skids																					====	====	====	====	====	====	====	==								
Pre-construction Preparation																									====	====	====	==								
Construction & Testing																													====	====	====	====				
Start-up																																				
Start-up & Operations																																				==X

* Assumes timely availability of fabrication facilities, equipment and craftsman for GCP

ASRC Energy Services
a subsidiary of Arctic Slope Regional Corporation

Memorandum

Date: February 25, 2010
To: Bob Swenson, Executive Director
Alaska In-State Gas Pipeline Project
From: Mike Sotak, Senior Project Manager
Subject: Rough Order of Magnitude Cost Estimate for In-State Gas Pipeline Environmental and Permitting Tasks

---

ASRC Energy Services (AES), contractor to the Alaska Department of Natural Resources (ADNR) for the In-State Gas Pipeline Project, has prepared the following rough order of magnitude (ROM) cost estimate for completing the necessary environmental and permitting tasks so that construction of the pipeline can begin eighteen (18) months from now. The ROM breaks down costs by task below:

Task Name	ROM Cost Estimate	
	Pipeline (includes Compressor Stations)	Gas Treatment Plant
• State of Alaska Right-of-Way Lease and Bureau of Land management Right-of-Way Grant Applications • U.S. Army Corps of Engineers Section 404 permit (wetlands)	$1M	$500K
• Pre-Construction Permits (priority) o ADNR Permits to appropriate water, temporary water use o EPA NPDES o USCG Section 9 Bridge Permit o USACE Section 10 Navigable Waters o ADFG Fish Habitat Protection Permits o Section 106 National Historic Preservation Act o Local Land Use Permits and Authorizations o Essential Fish Habitat Consultation o Alaska Coastal Management Plan Consistency Determination (NSB, MSB)	$2.5M	$400K
• Notice to Proceed Permits and Plans o Plans of Operation o Solid Waste, wastewater disposal management o Encroachment authorizations and easements o Reclamation plans o Hazardous waste management o Oil discharge prevention plans o Letter of Authorization (polar bear)	$2.5M	$500K
• Environmental Impact Statement (expedited)	$1M	$1M
• Environmental Field Programs to support EIS and Permits	$10M	$2.5M
• Stakeholder Engagement and Environmental Justice	$1.8M	$200K
• Monitoring and Mitigation	$2.5M	$500K
• Air Quality permits to operate	$1M	$1.5M
• BLM reimbursable	$1.25M	$250K
Total Estimate	$23.55M	$7.35M

In-State Stand Alone Pipeline - FY11 Budget Narrative

1. Completion of environmental and permitting for USACE and State and Federal right-of-way approvals.

Total Estimated Expenditures **$ 2,000,000**

- Project Management - AES will continue to support the State of Alaska's project team and be involved with State of Alaska and the U.S. Army Corps of Engineers (USACE) in supporting the third-party EIS consultant with the NEPA review.
- Permitting - AES continue with the development and coordination with the USACE, BLM and State Pipeline Coordinator on the three major permits filed in 2009 and will begin working on ten other key permits for submission in late 2010 so that processing and the negotiations for permit approvals and mitigation measures may be completed in time for sale of the In-State pipeline asset to a future pipeline company.
- Stakeholder Engagement - Prepare and implement a stakeholder engagement program to support project development. Includes stakeholder contact database, and issues information. Engagement with the local boroughs, their communities and residents, tribal governments, the USACE, USFWS, BLM, State of Alaska, Native Corporations are critical.
- Wetlands - Conduct wetlands field program in the northern and southern sections of the proposed In-State Pipeline Project corridor to complete verification of wetlands pre-mapped to prepare for submission of the Preliminary Jurisdictional Determination to the USACE for their approval of the Section 404 Jurisdictional Determination; complete vegetation and habitat analysis. Provide assistance to the EIS contractor as required.
- Stream Crossings - compile the fish and wildlife resource data necessary for permit applications and assessing potential project impacts under the NEPA process. All data collection needs will be adjusted as necessary in accordance with the outcome of the draft EIS and provide information for engineering design and routing.
- Cultural - Phase one cultural resource studies will examine a potential corridor sufficiently large so that a right-of-way can be refined to the best possible alignment to avoid or minimize impacts to cultural resources.
- Lake Studies – Lake studies and surveys will be conducted primarily on the North Slope to assess the potential for water availability for use during winter construction.
- Wildlife and Bird Surveys – As needed to support the EIS process, wildlife and bird (raptor) studies will be conducted during the 2010 field season.
- Air and Noise Analysis – Evaluate compressor station locations for air emission issues and determine the need for air monitoring and weather stations to develop information for ADEC permitting.

- Pre-mapping - Prepare the wetlands pre-mapping information for route changes or alignments that have not been assessed such as the Gubik route, the Denali reroute, some of Minto Flats rerouted alignment, and so forth.

2. Engineering data acquisition for detailed engineering design of the project.

Total Estimated Expenditures: **$3,500,000**

- Gather detailed geotechnical data on major river crossings. The preferred river crossing method is assumed to be HDD (Horizontal Directional Drill). The assessment of the applicability of crossing rivers with HDD requires site specific geotechnical information. Additional field information on river approaches and total crossing length needs to be collected to verify use of HDD. This activity includes mapping and the drilling of geotechnical site investigation boreholes.

- Gather engineering field data. Pinch points such as Atigun Pass, Yukon River, and Denali Park require additional field verification of soils, available construction space and detailed routing to avoid conflicts with other facilities and to develop and verify conceptual design. Engineering field data is required to investigate and verify route geotechnical conditions and includes information on seasonal ground temperatures, geohazards and foundation conditions at project facilities (Gas Conditioning, Compressor Stations and NGL separation and storage). This information will be used to verify locations and develop conceptual designs to be included in final project documentation. This activity includes field mapping and the drilling of geotechnical site investigation boreholes with installation and monitoring of ground temperatures. Results will be analyzed and will be reported in a engineering report.

- Refine pipeline routing. The current pipeline routing is within a 2000 foot wide corridor. The actual centerline of the corridor has not been vetted and verified as the optimum route. Final route identification will be optimized for pipeline constructability, avoidance of environmentally sensitive areas, minimized TAPS, Highway and Railroad crossings, facilities location and optimized river crossings locations. These route adjustments will be made, if possible, within the 2000 foot wide corridor currently identified. Results of the engineering evaluation will be used to update the project GIS (Geographical Information System) and will be reported in a engineering report.

3. Refinement of Cost of Service estimates and Tariff modeling

Total Estimated Expenditures: **$750,000**

- Peer review engineering cost assessment of railbelt natural gas alternatives, and commercial assessment of options . There are a number of different project alternatives that have been proposed to alleviate the need for augmented for railbelt energy supply. They include two bullet line alternatives, two spur line alternatives, provision of propane from Prudhoe Bay to Fairbanks and other interior communities, LNG manufacturing on the North Slope to provide gas supply to Fairbanks and possibly other railbelt communities, and facilities to import LNG. Most of the analyses developed do not compare alternatives using similar assumptions for

input costs (e.g. steel prices, labor rates). Just as importantly, they do not make similar or consistent commercial assumptions. Peer review will assure that assumptions made by the various project proposals are consistent.

- Analyze the cost of Capital for in-state gas supply options, and Cost of Service Modeling. The commercial viability of all in-state gasline options depends on the cost of transportation. Because the contemplated scope of these projects would entail expenditures of several billion dollars, the transportation cost will be determined by the cost of capital – both the relative mix of debt and equity, and the cost of each. Assessment, for planning purposes, of the cost of capital for these small diameter pipelines is problematic and will be reviewed

- The cost-of-capital inputs need to be developed through scenario analysis. With the requested funds we will hire a financial advisor to help develop several realistic financing scenarios. Potential risks to the state's credit-rating, were the state to be called upon to take a major position in the project, will also be assessed. Some of the funds will be used for pipeline commercial expertise to develop realistic transportation contract scenarios and tariff modeling.

4. Prepare complete project documentation of In-State pipeline asset for consideration by private pipeline developer

Total Estimated Expenditures: **Budget Estimate; $250,000**

- Coordinate project team to include all, cost and design data, environmental, stakeholder, and permitting information for a 'data room' for prospective purchasers to review and evaluate. Be available to participate in presentations to the prospective purchasers and respond to technical questions that may be raised with regard to specific issues.

Alaska In-State Gas Pipeline Project.
February 24, 2010 - House Finance hearing on gas line funding requests
Robert Swenson, Project Manager

1. **What agencies have done with the money they spent in FY2010?**

Work that is completed to date:

- Route Alternative Analysis – Parks and Richardson Highway routes: Associated comparative pipeline cost estimates; Environmental Surveys
- Initial Project Description (for permitting)
- Commercial Group Scoping
- Initial Review of ENSTAR Capital Cost Estimate – Pipeline
- Major permits applied for: U.S. Army Corps of Engineers Section 404/10, State of Alaska Title 38 Right-of-Way, Bureau of Land Management Right-of-Way

Work currently underway:

- Updating pipeline cost estimates
- Developing cost of facilities
- Cost of transport analysis
- Preparing detailed project description
- Continued engineering support for EIS and ROW process
- Developing data package for economic analysis
- Facilities scenarios identified
- Commercial group market analysis
- Cost of transport analysis

2. **How much additional they have encumbered and for what?** $3,904,496

	Payroll & Expenditures 1/15/2010	Contract Commitments (Encumbrances)	Estimated Budget Jan-10	Estimated Budget Feb-10	Estimated Budget Mar-10	Estimated Budget Apr-10	Estimated Budget May-10	Estimated Budget Jun-10
Personal Services	170,252		26,825	26,825	26,825	26,825	26,825	26,825
Travel	17,832		3,000	3,000	3,000	3,000	3,000	3,000
Services	2,024,396	3,904,496	330,000.0	330,000.0	330,000.0	330,000.0	330,000.0	329,000.0
Commodities	2,488		2,000	2,000	2,000	2,000	2,000	1,629
Total Expended	2,214,968	3,904,496	361,825	361,825	361,825	361,825	361,825	360,454

3. **How much they need for FY2011? and what they propose doing with the money?** $6,500,000

	Per month FY2011	Total FY2011
Personal Services	26,830	321,960
Travel	3,000	36,000
Services	511,000	6,130,040
Commodities	1,000	12,000
Total expended	541,830	**6,500,000**

- Completion of environmental and permitting for USACE and State and Federal right-of-way approvals.
- Engineering data acquisition for detailed engineering design of the project.
- Refinement of Cost of Service estimates and Tariff modeling
- Prepare complete project documentation of In-State pipeline asset for transfer private pipeline developer

Sec. 39.20.180. Transportation and per diem expenses for members of boards, commissions, etc. Except as otherwise provided by law, the provisions in this section relating to per diem and transportation govern exclusively with respect to a member of a state board, commission, committee, judicial council, or other similar body of persons of the state organized or established under the authority of law, but excluding any other state employee other than a legislator, who is otherwise entitled by law to receive from the state payments for expenses of transportation, and for reimbursement or for per diem in lieu of reimbursement for other expenses incident to duties as such member:

(1) for transportation, the member is entitled either to the use of state transportation requests, or to be reimbursed for expenses of transportation to the same extent, in the same manner, and under the same conditions as provided for state officials and employees by the provisions of AS 39.20.110 - 39.20.170;

(2) for reimbursement for other expenses, the member is entitled to a per diem allowance prescribed by the commissioner of administration under the regulatory authority set out in AS 39.20.160 for each day or portion of a day spent in actual meeting or on authorized official business incident to duties as a member.

History -

(Sec. 1 ch 130 SLA 1953; am Sec. 1 ch 34 SLA 1960; am Sec. 1 ch 37 SLA 1962; am Sec. 5 ch 136 SLA 1967; am Sec. 12 ch 47 SLA 1974; am Sec. 31 ch 85 SLA 1988)

Cross References -

For coverage of state board and commission members under the Worker's Compensation Act, see AS 23.30.242.

AG Opinions -

In order to recover an allowance for nonmeeting activity, an occupational licensing board member must be engaged in an activity within the scope of the applicable board's powers. November 6, 1984 Op. Att'y Gen.

An occupational licensing board member cannot receive a per diem allowance for conducting an activity that should be performed by division personnel; any activity approved must be specifically defined by statute as a board duty and should be an activity that cannot be accomplished within the confines of a board meeting. If the task can be performed during a meeting, then per diem should not be paid for time unnecessarily spent by a board member outside a board meeting. It is important, of course, for budgetary reasons, that board activity for which per diem compensation is sought be kept to a minimum. November 6, 1984 Op. Att'y Gen.

The Alaska Power Authority may reimburse a member only for (1) time spent in actual meeting or (2) time spent on authorized official business incident to his duties as a member. April 19, 1984 Op. Att'y Gen.

Decisions -

Cited in Laborers & Hod Carriers Union, Local 341 v. Groothuis, 494 P.2d 808 (Alaska 1972).

Submitted by the office of Representative Mike Chenault

Sec. 39.25.110. Exempt service.

Unless otherwise provided by law, the following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

(1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;

(2) justices, judges, magistrates, and employees of the judicial branch including employees of the judicial council;

(3) employees of the state legislature and its agencies;

(4) the head of each principal department in the executive branch;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education and Early Development as correspondence teachers, teachers in skill centers operated by the Department of Education and Early Development or by the Department of Labor and Workforce Development, or in Mt. Edgecumbe School;

(8) patients and inmates employed in state institutions;

(9) persons employed in a professional capacity to make a temporary or special inquiry, study or examination as authorized by the governor;

(10) members of boards, commissions, or authorities;

(11) the officers and employees of the following boards, commissions, and authorities:

(A) [Repealed, Sec. 13 ch 43 SLA 1994].

(B) Alaska Permanent Fund Corporation;

(C) Alaska Industrial Development and Export Authority;

(D) Alaska Commercial Fisheries Entry Commission;

(E) Alaska Commission on Postsecondary Education;

(F) Alaska Aerospace Corporation;

(G) Alaska Natural Gas Development Authority;

(12) the executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;

(13) the state medical examiner, deputy medical examiner, and assistant medical examiners appointed under AS 12.65.015 and pharmacists and physicians licensed to practice in this state and employed by the Department of Health and Social Services or by the Department of Corrections;

(14) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources and by the Alaska Oil and Gas Conservation Commission, except for those employed in the division of geological and geophysical surveys in the Department of Natural Resources;

(15) [Repealed, Sec. 1 ch 32 SLA 1999].

(16) persons employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by a collective bargaining agreement provided in AS 23.40.040;

(17) officers and employees of the state who reside in foreign countries;

(18) employees of the Alaska Seafood Marketing Institute;

(19) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(20) employees of the Office of the Governor and the office of the lieutenant governor, including the staff of the governor's mansion;

(21) [Repealed, Sec. 47 ch 99 SLA 2004].

(22) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(23) [Repealed, Sec. 6 ch 28 SLA 2003].

(24) students employed by the state institutions in which the students are enrolled;

(25) [Repealed, Sec. 8 ch 2 SLA 2004].

(26) investment officers in the Department of Revenue;

(27) [Repealed, Sec. 10 ch 29 SLA 1999].

(28) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(29) [Repealed, Sec. 9 ch 115 SLA 1989].

(30) a person employed as an actuary or assistant actuary by the division of insurance in the Department of Commerce, Community, and Economic Development;

(31) [Repealed, Sec. 91 ch 163 SLA 2004].

(32) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience;

(33) a person employed as a convener under AS 44.62.730 or as a facilitator under AS 44.62.760 related to a negotiated regulation making process under AS 44.62.710 - 44.62.800;

(34) the chief executive officer and employees of the Alaska Mental Health Trust Authority employed under AS 47.30.026(b);

(35) the assistant adjutant general for space and missile defense appointed under AS 26.05.185;

(36) the victims' advocate established under AS 24.65.010 and the advocate's staff;

(37) employees of the Alaska mental health trust land unit established under AS 44.37.050;

(38) the executive director of the Council on Domestic Violence and Sexual Assault established under AS 18.66.010;

(39) the executive director and employees of the Knik Arm Bridge and Toll Authority under AS 19.75.051 and 19.75.061;

(40) the chair of the Workers' Compensation Appeals Commission (AS 23.30.007);

(41) the Alaska Gasline Inducement Act coordinator appointed under AS 43.90.250;

(42) oil and gas audit masters employed in a professional capacity by the Department of Revenue and the Department of Natural Resources to collect oil and gas revenue by developing policy, conducting studies, drafting proposed regulations, enforcing regulations, and directing audits by oil and gas revenue auditors.

History -

(Sec. 5 ch 144 SLA 1960; am Sec. 1 ch 48 SLA 1961; am Sec. 1 ch 133 SLA 1961; am Sec. 3 ch 93 SLA 1962; am Sec. 3 ch 24 SLA 1966; am Sec. 31 ch 46 SLA 1970; am Sec. 65 ch 69 SLA 1970; am Sec. 13 ch 113 SLA 1970; am Sec. 3 ch 78 SLA 1971; am Sec. 18 ch 78 SLA 1974; am Sec. 42 ch 127 SLA 1974; am Sec. 2 ch 32 SLA 1975; am Sec. 2 ch 79 SLA 1975; am Sec. 37 ch 124 SLA 1975; am Sec. 1 ch 157 SLA 1976; am Sec. 3

ch 90 SLA 1978; am Sec. 7 ch 18 SLA 1980; am Sec. 43 ch 106 SLA 1980; am Sec. 10 ch 131 SLA 1980; am Sec. 4 ch 148 SLA 1980; am Sec. 4 ch 106 SLA 1981; am Sec. 2, 3 ch 37 SLA 1982; am Sec. 7 ch 112 SLA 1982; am Sec. 1 ch 11 SLA 1983; am Sec. 1 ch 103 SLA 1984; am Sec. 58 ch 21 SLA 1985; am Sec. 1 ch 50 SLA 1985; am Sec. 69 ch 14 SLA 1987; am Sec. 1 ch 61 SLA 1987; am Sec. 2 ch 37 SLA 1988; am Sec. 2 ch 78 SLA 1988; am Sec. 26 ch 141 SLA 1988; am E.O. No. 72 Sec. 2 (1989) am Sec. 11 ch 95 SLA 1989; am Sec. 7, 9 ch 115 SLA 1989; am Sec. 10 ch 88 SLA 1991; am Sec. 1 ch 17 SLA 1992; am Sec. 4 ch 47 SLA 1993; am Sec. 13 ch 43 SLA 1994; am Sec. 111 ch 62 SLA 1995; am Sec. 17 ch 103 SLA 1996; am Sec. 25 ch 107 SLA 1996; am Sec. 6 ch 108 SLA 1996; am Sec. 1 ch 121 SLA 1996; am Sec. 4 ch 117 SLA 1998; am Sec. 10 ch 29 SLA 1999; am Sec. 1 ch 32 SLA 1999; am Sec. 1 ch 15 SLA 2001; am Sec. 2 ch 30 SLA 2001; am Sec. 20 ch 92 SLA 2001; am Sec. 1 ch 27 SLA 2002; am Sec. 2 ch 91 SLA 2002; am Sec. 3 2002 Ballot Measure No. 3; am Sec. 6 ch 28 SLA 2003; am Sec. 5 ch 49 SLA 2003; am Sec. 3 ch 77 SLA 2003; am Sec. 8 ch 2 SLA 2004; am Sec. 91 ch 163 SLA 2004; am Sec. 69 ch 10 FSSLA 2005; am Sec. 1 ch 48 SLA 2006; am Sec. 4 ch 22 SLA 2007; am Sec. 10 ch 1 SSSLA 2007; am Sec. 50 ch 41 SLA 2009; am Sec. 5 ch 47 SLA 2009)

Revisors Notes -

Former paragraph (29) was enacted as (28). Renumbered in 1989. Paragraph (32) was enacted as (31); renumbered in 1996. Paragraphs (35) and (36) were enacted as (34); renumbered in 2001.

In 1999, "Department of Commerce and Economic Development" was changed to "Department of Community and Economic Development" in paragraph (30) in accordance with Sec. 88, ch. 58, SLA 1999, and "Department of Education" was changed to "Department of Education and Early Development" in paragraph (7) in accordance with Sec. 89, ch. 58, SLA 1999.

Paragraph (38) was enacted as paragraph (37) and renumbered in 2002.

In 2003, in paragraph (39), "AS 19.75.051 and 19.75.061" was substituted for "AS 44.90.051 and 44.90.061" to reflect the 2003 renumbering of AS 44.90.051 and 44.90.061.

In 2004, in paragraph (30) of this section, "Department of Community and Economic Development" was changed to "Department of Commerce, Community, and Economic Development", in accordance with Sec. 3, ch. 47, SLA 2004.

In 2009, under Sec. 2, ch. 60, SLA 2009, in paragraph (11) of this section "Alaska Aerospace Corporation" was substituted for "Alaska Aerospace Development Corporation".

Cross References -

For statement of legislative intent regarding the oil and gas revenue audit master positions authorized by paragraph (42) of this section, see Sec. 69, ch. 1, SSSLA 2007.

Amendment Notes -

The first 2001 amendment, effective April 28, 2001, added paragraph (34).

The second 2001 amendment, effective May 25, 2001, added paragraph (35).

The third 2001 amendment, effective July 1, 2002, added paragraph (36).

The first 2002 amendment, effective August 16, 2002, added paragraph (37).

The second 2002 amendment, effective June 28, 2002, added paragraph (38).

The third 2002 amendment, effective February 25, 2003, added subparagraph (11)(G).

The first 2003 amendment, effective July 1, 2003, repealed paragraph (23).

The second 2003 amendment, effective July 1, 2003, inserted "or by the Department of Labor and Workforce Development" in paragraph (7).

The third 2003 amendment, effective September 10, 2003, added paragraph (39).

The first 2004 amendment, effective May 16, 2004, repealed paragraph (25), relating to the executive director and staff of the Alaska Science and Technology Foundation.

The second 2004 amendment, effective June 26, 2004, repealed paragraph (21), relating to employees of the Citizens' Advisory Commission on Federal Areas in Alaska.

The third 2004 amendment, effective July 1, 2005, repealed paragraph (31), relating to administrative law judges appointed to the office of tax appeals.

The 2005 amendment, effective November 7, 2005, added paragraph (40).

The 2006 amendment, effective August 30, 2006, inserted "and pharmacists" in paragraph (13), and deleted "the Division of Mental Health and Developmental Disabilities in" preceding "the Department of Health" in that paragraph.

The first 2007 amendment, effective June 8, 2007, added paragraph (41).

The second 2007 amendment, effective December 20, 2007, added paragraph (42).

The first 2009 amendment, effective June 21, 2009, in (14), added "Alaska" preceding "Oil and Gas Conservation Commission".

The second 2009 amendment, effective July 1, 2009, in (38), deleted "and staff" following "the executive director".

Editors Notes -

Section 7, ch. 117, SLA 1998, which was to repeal paragraph (33) of this section effective July 1, 2003, was repealed by Sec. 2, ch. 44, SLA 2003.

History Reports -

For governor's transmittal letter for ch. 1, SSSLA 2007 (HB 2001), presenting, among other matter, a proposal relating to classification of petroleum revenue auditors under the State Personnel Act, see 2007 House Journal 1547 - 1550.

AG Opinions -

Staff administering the Alaska Military Youth Academy are members of the classified service, and are not in the exempt service, because they are not "persons engaged" in the employment training program, as required by subsection (28). Oct. 13, 2000, Op. Att'y Gen.

Decisions -

The thrust of the exemptions in this chapter, the Public Employees Retirement System, former AS 39.35.680(5)(c), and the statutory leave provisions for state employees, AS 39.20.310, is to provide for those public employees who are not susceptible to ordinary recruiting and examining procedures. Hafling v. Inlandboatmen's Union, 585 P.2d 870 (Alaska 1978).

No inconsistency between ferry crew exemption of this section and inclusion of such personnel with Public Employment Relations Act, AS 23.40.070 et seq. - See Hafling v. Inlandboatmen's Union, 585 P.2d 870 (Alaska 1978).

National Guard exempt from Personnel Act. - Because of the state's adoption of federal personnel rules and regulation regarding promotion and separation in the Alaska National Guard, it has "otherwise provided by law" that members of the National Guard are exempt from the Alaska Personnel Act. State, Dep't of Military & Veterans Affairs v. Bowen, 953 P.2d 888 (Alaska 1998).

Effect of being in exempt service. - The "exempt service" is a category of jobs which, for whatever reason, the Legislature wanted to exclude from the state personnel system. Not every person

in the exempt service is a confidential employee. The fact that plaintiff was in the exempt service did not mean that the Alaska Energy Center lacked the power to give him a three-year contract. Zerbetz v. Alaska Energy Ctr., 708 P.2d 1270 (Alaska 1985).

Cited in State v. Haley, 687 P.2d 305 (Alaska 1984); McGrath v. University of Alaska, 813 P.2d 1370 (Alaska 1991).

Submitted By the office of Representative Mike Chenault

adn.com
Anchorage Daily News

Print Page Close Window

Chinese seen as potential Alaska natural gas customer

By BECKY BOHRER
The Associated Press
(02/14/10 18:29:57)

JUNEAU -- Alaska officials are looking to China and what some believe will be that country's strong demand for natural gas to help the state advance its long-held pipeline dreams. Gov. Sean Parnell has invited an official with China's National Energy Administration and others to visit Alaska, following up on a trade mission Lt. Gov. Craig Campbell helped lead to China in December. Campbell returned from that trip believing the rapidly developing communist nation, already a leading export market for such Alaska products as seafood, zinc and lead, could also become a major investor in or export market for Alaska natural gas or its byproducts.

The potential for Alaska is huge, said Harold Heinze, chief executive of the Alaska Natural Gas Development Authority, who was with Campbell on the trip. He sees several possibilities for the Chinese, from building a plant to convert ethane to pellets that would be used in manufacturing to signing on with a major natural gas pipeline project. Ethane is a component of North Slope natural gas that can be used for plastics.

"One thing you look for in a partner is, do they have money and do they have more money than you. And these guys have money," he said, adding: "They're major players in the world." Heinze's state agency was set up seven years ago to pursue a North Slope gas-export project.

In theory, if the interest and money are there, that could also spur progress on a pipeline that many Alaskans have long looked to for new jobs, reliable energy and as a source for more state revenue amid projections of slumping oil production.

But there are plenty of uncertainties, from permitting and pricing -- how gas holds up against other energy sources -- to what China's true long-term demands for gas will be over alternatives like coal, and the level of competition Alaska would face from other producers to meet the gas demand.

And there are the various pipeline options and plans -- including routing a pipe from the North Slope into Canada rather than to Valdez -- each with diehard constituencies and questions about their viability.

Estimates released last month by the companies working with the state to advance a major line put the project costs at $20 billion to $41 billion, depending on the route

One route, the cheaper option, estimated at $20 billion to $26 billion, would run from the harsh North Slope to Valdez, where gas would be superchilled into a liquid in a plant built for an additional cost, and then shipped elsewhere, possibly overseas.

The costlier option envisions a pipeline going from the North Slope to Canada, where gas could move on existing systems to North American markets.

But there have been numerous other proposals through the years to move North Slope gas, even a

bullet line to move some gas to Fairbanks and Southcentral Alaska for local use.

"The Chinese may, because they're interested in resources, they may be able to do things and invest in things that don't look economic in market terms," said James Jensen, a consultant in natural gas economics.

"In fact, if the Chinese said, 'Gee, if we could get this thing going and we could tie up a certain amount of American gas for our own use,' they might do something that I wouldn't think would be economic," he said. "But they might do it."

Officials with TransCanada Corp. of Calgary, Alberta, and Texas-based Exxon Mobil Corp., say the project is economically viable and hope to move by May toward an "open season," when they can court gas producers and try to secure commitments for shipping deals.

The companies, in a recent filing with federal regulators, estimated 35 trillion cubic feet of proven gas reserves on the North Slope.

A TransCanada spokeswoman declined comment on whether there'd been interest from China on the project, saying: "All discussions with individual customers are confidential."

A rival project by Britain's BP and Houston-based Conoco Phillips is also moving ahead.

Campbell said he's not advocating any specific project, but he'd like the Chinese officials to visit "earlier, rather than later." They've indicated a "huge demand," for natural gas, he said, and Alaska wants a market.

Print Page | Close Window

Copyright © Sun Feb 14 18:57:09 UTC-0900 20101900 The Anchorage Daily News (www.adn.com)

Adopted 3/22/10

26-LS1527\C
Cook
3/18/10

CS FOR HOUSE BILL NO. 369(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES CHENAULT, Ramras, Olson, Johnson, Austerman

A BILL

FOR AN ACT ENTITLED

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, and the Joint In-State Gasline Development Team; requiring the development of an in-state natural gas pipeline plan, to be delivered to the legislature by July 1, 2011, that provides for a gasline that is operational by December 31, 2015; directing the Joint In-State Gasline Development Team to assume responsibilities under sec. 19, ch. 14, SLA 2009; requiring expedited review and action by state agencies or entities relating to the in-state natural gas pipeline project; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 38 is amended by adding new sections to read:

Chapter 34. In-State Natural Gas Pipeline.

Sec. 38.34.010. In-state gasline project manager. (a) The position of in-state gasline project manager is created in the Office of the Governor. The Office of the Governor shall provide administrative support for the position. The position shall

New Text Underlined *[DELETED TEXT BRACKETED]*

L
1789

continue until one year after commencement of commercial operation of the in-state natural gas pipeline.

(b) The governor shall appoint an individual to the position of in-state gasline project manager. The manager is in the exempt service under AS 39.25.110. The person serving as the in-state gasline project manager may be removed from the position at the discretion of the governor, who shall appoint another person to the position.

(c) The in-state gasline project manager shall

(1) collaborate with other state agencies to perform planning and other work on the in-state natural gas pipeline project under this chapter;

(2) coordinate with government agencies and the private sector on issues involving construction, ownership, and operation of the in-state natural gas pipeline;

(3) submit to all legislators written monthly reports detailing progress to the date of the report on development of the project plan under AS 38.34.040 for an in-state natural gas pipeline and identifying all work performed, including

(A) each current and anticipated contract, together with the scope of work and contract amount;

(B) a cumulative and monthly accounting for all funds spent or encumbered; and

(C) a projected schedule of work anticipated to complete the in-state gasline project plan.

Sec. 38.34.020. Expedited review and action by state agencies or entities. (a) A state agency or entity conducting a review or taking action relating to the in-state natural gas pipeline project under this chapter shall expedite the review or action in a manner consistent with the timely completion of the project.

(b) Notwithstanding any contrary provision of law, a state agency or entity may not include in any project certificate, right-of-way, permit, or other authorization a term or condition that is not required by law if the in-state gasline project manager determines that the term or condition would prevent or impair, in any significant respect, the expeditious construction and operation or expansion of the in-state natural

gas pipeline project.

(c) Unless required by law, a state agency or entity may not add to, amend, or abrogate any certificate, right-of-way, permit, or other authorization if the in-state gasline project manager determines that the action would prevent or impair, in any significant respect, the expeditious construction, operation, or expansion of the in-state natural gas pipeline project.

Sec. 38.34.030. Joint In-state Gasline Development Team. (a) The Joint In-state Gasline Development Team is established in the Office of the Governor. The development team consists of five members as follows:

(1) the commissioner of transportation and public facilities, or the commissioner's designee;

(2) the chief executive officer of the Alaska Railroad Corporation or the chief executive officer's designee;

(3) the chief executive officer of the Alaska Natural Gas Development Authority;

(4) the in-state gasline project manager; and

(5) the chief executive officer of the Alaska Housing Finance Corporation.

(b) The chief executive officer of the Alaska Housing Finance Corporation is the chair of the development team.

(c) The development team may hire staff, enter into contracts, and exercise other powers necessary to carry out its functions.

Sec. 38.34.040. Duties of the development team. (a) The Joint In-State Gasline Development Team shall ensure that a project plan for the development of an in-state natural gas pipeline is completed and delivered to the legislature by July 1, 2011. The project plan must specify and document how an in-state natural gas pipeline can be designed, financed, constructed, and made operational by December 31, 2015.

(b) The Joint In-State Gasline Development Team shall assume executive authority over and managerial responsibility for all activities enumerated under sec. 19, ch. 14, SLA 2009, including work previously completed, work in process, and work for which money has been encumbered but that is not completed on the effective

date of this subsection.

(c) The project plan must include specific plans to coordinate and facilitate construction, ownership, operation, and management of a natural gas pipeline serving Fairbanks, the southcentral region of the state, and other communities whenever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater in the state.

(d) The development team's work product shall include an analysis of alternative possible routes and the selection of a route that, consistent with the other requirements of this section,

(1) is economically feasible;

(2) makes natural gas available to residents at the lowest possible cost;

(3) allows for connecting lines to serve industrial, residential, and utility customers along the entire route, and in other regions of the state that can be served at commercially feasible rates;

(4) uses state land and existing state highway and railroad rights-of-way to the maximum extent feasible;

(5) uses existing highway and railroad bridges, gravel sources, equipment yards, maintenance facilities, and other existing facilities and resources to the maximum extent feasible.

(e) With the intent that any project-related assets acquired or developed be available for transfer or sale to the entity best able to complete the project, the development team shall

(1) prepare preliminary plans and designs necessary for construction of the in-state natural gas pipeline project;

(2) coordinate with entities qualified to build, own, and operate the gasline;

(3) identify, apply for, ing ~~and obtain rights-of-way and~~ other permits for the project route;

(4) work with other entities to promote gas supply and purchase contracts required for the project to be commercially viable;

(5) prepare cost estimates for the project design, construction, and

operation to determine the project's economic feasibility and the projected cost of natural gas to consumers;

(6) coordinate with and, to the fullest extent possible, use existing work by other state agencies and entities before contracting for new reports and research and analysis;

(7) determine regulatory authority over the pipeline project and perform any necessary compliance requirements;

(8) identify and apply for, or support extension of, existing permits for export of Alaska natural gas if that export improves project economics and will reduce the price of natural gas to in-state consumers.

(f) Notwithstanding any other provision of law, any rights to a gasline corridor obtained by a state agency under eminent domain may be transferred to a private entity.

(g) In preparing the project plan required in this section, the development team may consider all aspects of the in-state natural gas pipeline project, including public, private, or joint construction alternatives, marketing of natural gas, financing alternatives for pipeline construction, procurement of natural gas from producers, maximization of local hire, opportunities for promoting value added industries, gas-to-liquids manufacturing opportunities, production and delivery of liquefied natural gas or propane to Yukon river, interior, and coastal communities, alternatives for transporting natural gas to other locations in the state, the acquisition of natural gas commitments sufficient to ensure the long-term feasibility of the in-state natural gas pipeline project, and the development of a global natural gas trading hub in the state.

(h) The Joint In-State Gasline Development Team shall take all action necessary to complete its responsibilities under this section.

Sec. 38.34.050. Cooperation and access to information. (a) Notwithstanding other laws, the Joint In-state Gasline Development Team may have access to information of all state agencies or entities, including confidential information, that may relate to the in-state natural gas pipeline or prove useful in planning, design, construction, or operation of the pipeline. Confidential information received by the development team shall be kept confidential.

(b) All state agencies or entities shall cooperate with and, except for requests from the Alaska Gasline Inducement Act coordinator (AS 43.90.250), give priority to requests for information from the Joint In-state Gasline Development Team. The development team shall avoid duplicating studies, plans, and designs that have already been produced or otherwise obtained by other state entities.

Sec. 38.34.060. Conflicts of interest. (a) If a member of the Joint In-state Gasline Development Team acquires, owns, or controls an interest, direct or indirect, in property, an organization, or a business that might be affected by the in-state natural gas pipeline project or other matter under consideration by the development team, the member shall immediately disclose the interest to the development team. The disclosure is a matter of public record and shall be included in the minutes of the first meeting of the development team held after the disclosure.

(b) The members of the development team are subject to AS 39.50 and AS 39.52.

Sec. 38.34.099. Definitions. In this chapter,

(1) "in-state natural gas pipeline" means a pipeline for transporting natural gas that runs from the North Slope to tidewater in the state;

(2) "North Slope" means that area of Alaska lying north of 68 degrees North latitude.

*** Sec. 2.** AS 39.25.110 is amended by adding a new paragraph to read:

(43) the in-state gasline project manager appointed under AS 38.34.010.

*** Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 369 (RES)**
() Publish Date:

Identifier (file name): HB369CS(RES)-DEC-CO-3-16-10
Dept. Affected: Environmental Conservati
Title: In-State Pipeline Manager/Team/Committee
RDU: Multiple
Component: Multiple
Sponsor: Representative Chenault
Requester: House Finance Committee
Component Number: Multiple

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	690.0		690.0	690.0	690.0	345.0	146.4
Travel	69.0		69.0	69.0	69.0	34.5	14.6
Contractual	138.3		143.3	98.3	188.3	91.6	24.8
Supplies	67.5		67.5	67.5	67.5	33.8	15.0
Equipment							
Miscellaneous							
TOTAL OPERATING	**964.8**	**0.0**	**969.8**	**924.8**	**1,014.8**	**504.9**	**200.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	14.0		14.0	14.0	0.0	0.0	0.0
1003 GF Match	6.0		6.0	6.0	0.0	0.0	0.0
1004 GF	880.8		830.8	730.8	730.8	362.9	145.8
1156 Receipt Supported Svcs	64.0		119.0	174.0	284.0	87.0	0.0
1093 Clean Air Protection	0.0		0.0	0.0	0.0	55.0	55.0
TOTAL	**964.8**	**0.0**	**969.8**	**924.8**	**1,014.8**	**504.9**	**200.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**9.0**		**9.0**	**9.0**	**9.0**	**4.5**	**2.0**
Part-time	0.0		0.0	0.0	0.0	0.0	0.0
Temporary	0.0		0.0	0.0	0.0	0.0	0.0

ANALYSIS: *(Attach a separate page if necessa*

The Department of Environmental Conservation (DEC) will be tasked with environmental permitting, environmental impact statement review, Alaska Coastal Management Program coordination as well as compliance and enforcement activities for an in-state natural gasline. Fiscal note reflects necessary permit positions and associated costs for: Drinking Water, Solid Waste, Food Safety & Sanitation, Air Quality, Water Quality, an environmental enforcement officer as well as a project coordinator to be located in the Office of the Commissioner.

Prepared by: Marit Carlson-Van Dort — Phone 907-465-5871
Division: Office of the Commissioner — Date/Time 3/16/10, 5:30 pm
Approved by: Dan Easton — Date 3/16/2010
Deputy Commissioner

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 369 (RES)**
() Publish Date:

Identifier (file name): CSHB 369(RES)-DNR-SPCO-03-16-10
Dept. Affected: Natural Resources

Title: IN-STATE PIPELINE MANAGER/TEAM/COMMITTEE
RDU: Resource Development
Component: SPCO

Sponsor: Rep. Chenault
Requester: House RES
Component Number: 1191

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	521.7		157.4	157.4	62.8	62.8	62.8
Travel	70.0		50.0	50.0	6.0	6.0	6.0
Contractual	215.0		10.0	10.0	2.0	2.0	2.0
Supplies	21.0		5.0	5.0	2.0	2.0	2.0
Equipment	0.0						
Miscellaneous	16.3		5.0	5.0			
TOTAL OPERATING	**844.0**	**0.0**	**227.4**	**227.4**	**72.8**	**72.8**	**72.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	844.0		227.4	227.4	**72.8**	**72.8**	**72.8**
TOTAL	**844.0**	**0.0**	**227.4**	**227.4**	**72.8**	**72.8**	**72.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessa*

The bill establishes a joint in-state Gasline Development Committee consisting of the commissioner of DOTPF, the CEO of the Alaska Railroad Corporation, the CEO of the Alaska Natural Gas Development Authority, and the in-state gasline project manager(also created in this bill). The legislation provides this committee the authority to manage and develop an in-state gasline, mandates construction to begin by July 1, 2011, and authorizes any action that would enable gas to flow down the pipeline by 2015. While the joint in-state Gasline Development Committee is granted broad powers and authorities under the bill certain basic functions must still be performed by MLW.

Prepared by: Mike Thompson — Phone 257-1300
Division: State Pipeline Coordinator's Office — Date/Time 3/16/10 12:00 AM
Approved by: Tom Irwin, Commissioner — Date 3/16/2010
Natural Resources

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** CSHB 369 (RES)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

In the preparation of this fiscal note certain assumptions have been made:

1) Participating state agencies (ADF&G, ADEC, etc.) will provide separate fiscal notes, although their costs associated with permitting the right-of-way may be reimbursable by the applicant through the SPCO.
2) The right-of-way lease applicant, pursuant to AS 38.35. 140(b), will reimburse DNR's (and other participating state agencies as well) work associated with delivery of a right-of-way lease.
3) DLMW has completed a separate fiscal note, however portions of their costs may be reimbursable by the applicant through the SPCO.
4) Existing Program Receipt Authority will be used for the project.
5) DGGS cost estimate assumes that the state needs to understand the geohazards to ensure the applicant has identified and considered all geologic hazrads along the route.
6) Construction and operational oversight begins in FY2012 and FY2014, respectively. The cost estimate for these activities is for DNR only and does not include estimates for other state agencies (ADF&G, ADEC, etc.), although their costs may be reimbursable by the applicant through the SPCO.
7) Assume SPCO will administer material sites after initial sale.
8) Assume a two-year construction schedule segregated into four geographic areas.

The FY2011 costs to DNR/SPCO would include expenses to coordinate the participation of state agencies in the right-of-way permitting process, prepare the Commissioner's Analysis, Proposed Decision and Action, develop the draft lease and, if necessary, hold public hearings. In addition the costs include right-of-way permitting expenses for the participation of the State Historic Preservation Office (SHPO), Division of Coastal and Ocean Management (DCOM), Office of Project Management and Permitting (OPMP) and the Division of Geological and Geophysical and Surveys (DGGS). It should be noted that the proposed schedule is agressive and in order to meet the specified timeline the right-of-way permitting process will need to be conducted indepent of the federal NEPA process. The FY2012 and 13 costs reflect construction oversight activities by DNR. Operational oversight costs begin in FY2014 and continue forward.

PERSONAL SERVICES COST - $ 521.65 total (for 12 months)

STATE PIPELINE COORDINATOR'S OFFICE
Positions in Anchorage; for completing the right-of-way leasing process.
-one Natural Resource Specialist (NRS) IV (range 21) - total 10 months at $9.95/month= $99.50
-one Natural Resource Manager (NRM) II (range 20) - total 1 months at $9.41/month = $9.41
-one Natural Resource Specialist (NRS) III (range 18)- total 6 months at 7.31/month = $43.86
-one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
-Administrative Support - total = $38.0

$231.87 for FY 11 Total

Positions in Anchorage; for construction oversight.
- two Natural Resource Specialist (NRS) III (range 18)- total 6 months/yr at 7.31/month = $87.72
- one Natural Resource Manager (NRM) II (range 20) - total 1 months at $9.41/month = $9.41
- one Engineer IV (range 27) - total 2 months at 13.70/month = $17.4
- Administrative Support - total = $22.9

$137.43 for FY2012 and 13

Positions in Anchorage; for operational oversight.
- one Natural Resource Specialist (NRS) III (range 18)- total 4 months/yr at 7.31/month = $29.24
- one Natural Resource Manager (NRM) II (range 20) - total 1 months at $9.41/month = $9.41
-one Engineer IV (range 27) - total 3 months at 13.70/month = $13.70
- Administrative Support - total = $10.47

$62.82 for FY2014 Forward

FISCAL NOTE

STATE OF ALASKA **BILL NO.** CSHB 369 (RES)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and montoring the cultural resource project program.
- one Archeologist = $20.0
$20.0 for FY 11 Total

Positions in Anchorage; for construction oversight.
- one Archeologist = $20.0
$20.0 for FY 12 and 13 Totals

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 12 months = $107.4
- one LTNP Geologist III (range 19) - total 12 months = $76.45
- one Graduate Intern - total 12 months = $34.0
$217.85 for FY 11 Total

OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coodination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $30.0
$30.0 for FY 11 Total

DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alasaka Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)- total 3 months at 7.31/month = $21.93
$21.93 for FY 11 Total

TRAVEL, CONTRACTUAL, SUPPLIES - $322.3 total for FY2011
Travel would be for public meeting, public hearings, agency coordination and monitoring of contractors performing field work. In addition, DGGS will require travel to complete field studies. $30.0 in FY11

Contractual costs include helicopter support for DGGS studies, office space, telephones, core service charges and related Miscellaneous costs include aerial photos, satellite imagery, field suppliesa and maps.

Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.

TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY2012 and 13

TRAVEL, CONTRACTUAL, SUPPLIES - $10,000 total for FY2014 Forward

Pursuant to AS 38.35.140(b), the lease applicant or lessee shall reimburse the state for all reasonable costs incurred in processing an application filed under AS 38.35.050 and in monitoring the construction, operation, maintenance and termination of the pipeline on the right-of-way. The commissioner shall use best efforts to reach agreement with the lessee addressing the details of cost reimbursement under this subsection and shall provide the lessee with an annual estimate of the projected costs and scope of work." The State Pipeline Coordinator's Office has been delegated this responsibility and will work with the applicant/lessee to construct a reimbursement agreement addressing all state work associated with pipeline right-of-way permitting and oversight.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 369
() Publish Date:

Identifier (file name): HB369-CED-ARR-3-12-10
Dept. Affected: DCCED
Title: In-State Pipeline Manager/Team/Committee
RDU
Component: Alaska Railroad Corporation
Sponsor: Reprentative Chenault
Requester: House Finance
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

House Bill 369 establishes the Joint In-state Gasline Development Team, of which the President/CEO of the Alaska Railroad Corporation is the chair. At this point, it appears that the only incremental costs ARRC would incur to support this team would be minor travel costs related to its CEO attending team meetings. As the prevailing assumption is that the meetings would be held predominately in Anchorage, the duty station of the CEO, no material fiscal impact is noted at this time. However, as it is still unclear as to whether additional ARRC staff may be necessary to support the CEO in his role, ARRC may revise this analysis at a later date as greater clarity is provided.

Prepared by: Wendy Lindskoog — Phone 265-2498
Division: Vice President Corporate Affairs — Date/Time 3/2/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/12/2010
Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 369(RES)
(H) Publish Date: 3/11/10

Identifier (file name): HB369-DOT-SDES-2-26-10
Dept. Affected: DOT&PF&PF
Title: In-State Pipeline/Team/Committee
RDU: Design, Engineering and Construction
Component: Statewide Design & Engineer Services
Leased Facilities
Sponsor: Rep. Chenault
Requester: H. RES
Component Number: 2882, 2892

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	314.3		314.3	314.3	314.3		
Travel	45.0		45.0	45.0	45.0		
Contractual	47.1		49.6	49.6	49.6		
Supplies	45.0		10.0	10.0	10.0		
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**451.4**	**0.0**	**418.9**	**418.9**	**418.9**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**1,000.0**		**1,000.0**	**1,000.0**			
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,451.1		1,418.9	1,418.9	418.9		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1,451.1**	**0.0**	**1,418.9**	**1,418.9**	**418.9**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	3.0		3	3	3		
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

DOT&PF is a member of the Joint In-state Gasline Development Team and is tasked with determining status of current right-of way (ROW), expediting permits for use of the ROW and overseeing construction to insure compliance with federal and state permit requirements. It is anticipated DOT&PF will assist in determing the needs for and acquisition of additional ROW. An Engineer V position will serve as the technical expert for the Commissioner of DOT&PF, manage consultant activities and oversee regional staff who will be issuing permits and authorizations. An Environmental Impact Analysis Manager will oversee work done in the ROW to insure compliance with federal and state requirements, insure our processes provide for rapid permitting decisions and no delays in construction. An administrative assistant will assist with the day to day activities of the two professionals.

Prepared by: Mary Siroky, Legislative Liaison, Phone 465-4772
Division: Department of Transportation Date/Time 2/26/10 8:00 AM
Approved by: Frank Richards, Deputy Commissioner Date 2/26/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

1800

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 369(RES)

ANALYSIS CONTINUATION

DOT&PF estimates 30% of the pipeline may not be economically or efficiently located within the designated state ROW. Of that 30% it is estimated that 30% must be acquired by acquisitions with appraisals, surveys, condemnation authority, etc resulting in between 60 to 125 miles of ROW to be identified, appraised, negotiated, etc. For this fiscal note DOT&PF assumed, as a ROW owner, it makes sense for the DOT&PF to coordinate the contracts for these services and estimates a cost of $2,000.0. This does not include acquisition costs. DOT&PF has assumed that DNR will require surveys and applications for use of material sites estimates consulting services to be $1,000.0. The department anticipates the ROW and material site aquistiation costs are capital costs and will not be needed in the final year of construction.

Additional contractual costs are for annual cores service costs ($5.0) and annual lease space costs ($42.1) for these staff as our Anchorage offices are already overcrowded. In FY2012, contractual costs increase by $2.5 for annual maintenance costs for copier, printer, fax machines.

Supplies costs in FY2011 include the office start up expenses and supplies. Ongoing costs are $10.0 annually.

DOT&PF will budget the leased office space in a separate RDU (Administration and Support), Component (Leased Facilities - 2892) for centralized lease payments to DOA.

HB

376

<target><bill>HB 376</bill><subject>HB
376</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 17, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/29/10

The FINANCE Committee considered: **HOUSE BILL NO. 376**

"An Act extending the termination date of the Board of Psychologist and Psychological Associate Examiners; and providing for an effective date."

HB 376-EXTEND BD OF PSYCHOLOGIST & PSYCH. ASSOC.

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Foster	✓			
	Gara	✓			
	Toole	✓			
Anna L. Fairclough	FAIRCLOUGH	✓			
	KELLY	X			
Chair:	STOLTZE	X			
Chair:	Hawker	X			

1803

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 376
(H) Publish Date: 3/17/10

Identifier (file name): HB376-CED-CBPL-3-12-10
Dept. Affected: Commerce
Title: Extend Board of Psychologist & Psych. Assoc.
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: House Health and Social Services
Requester: House Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	35.0	35.0	35.0	35.0	35.0	35.0
Travel	0.0	15.3	15.3	15.3	15.3	15.3	15.3
Contractual	0.0	28.2	28.2	28.2	28.2	28.2	28.2
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**78.5**	**78.5**	**78.5**	**78.5**	**78.5**	**78.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	78.5	78.5	78.5	78.5	78.5	78.5
TOTAL	**0.0**	**78.5**	**78.5**	**78.5**	**78.5**	**78.5**	**78.5**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 376 extends the Board of Psychologist and Psychological Associate Examineers to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 3 times each year in accordance with AS 08.86.030.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 3/11/2010 2:30PM
Approved by: Emil Notti, Commissioner
Date 3/11/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE
House Health and Social Services Committee

Wes Keller, Co-Chair

State Capitol Building, Room 13
Juneau, AK 99801-1182
Phone (907) 465-2186
Fax (907) 465-3818
Rep_Wes_Keller@legis.state.ak.us

Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, AK 99801-1182
Phone (907) 465-4942
Fax (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

House Bill 376

"An Act extending the termination date of the Board of Psychologist and Psychological Associate Examiners; and providing for an effective date."

HB 376 is a simple sunset extension bill for the State of Alaska's Board of Psychologist and Psychological Associate Examiners, currently set to expire June 30, 2010.

Alaska's Board of Psychologist and Psychological Associate Examiners is composed of five members who regulate licensed psychologists and psychological associates in the State. Major Board duties include examining and issuing licenses to qualified applicants, adopting regulations to enforce governing statutes, holding hearings and imposing disciplinary sanctions as necessary on individuals who violate associated statutes and regulations.

A 2009 Division of Legislative Audit review found no substantive problems, and recommends extending the Board for an additional eight years. HB 376 does just that, carrying it forward through June 30, 2018.

As House Health and Social Services Committee Chairmen, we ask your support of this legislation. Please contact Liz Clement, aide to Representative Herron, at 465-6576 or Liz.Clement@legis.state.ak.us, with any questions or concerns.

Board of Psychologist and Psychological Associate Examiners

Applications

Examinations

Meeting Dates

Meeting Minutes

Psychologist & Psychological Associate Statutes & Regulations

Central Licensing Statutes & Regulations

National Organizations

The Board of Psychologist and Psychological Associate Examiners is staffed by the Division of Corporations, Business and Professional Licensing. The Board consists of three psychologists, one psychological associate, and one public member. Board members are appointed by the governor and confirmed by the legislature.

The Board adopts regulations to carry out laws governing the practice of psychology in Alaska. It makes final licensing decisions and takes disciplinary actions against people who violate licensing laws. The Board meets three times a year and offers a public comment period at each meeting. Meeting agendas are available from the licensing examiner.

Professions Regulated by the Board

a. Psychological Associate
b. Psychologist

Contact Information

Licensing Examiner: Jan Mays
Phone: (907) 465-5470
Fax: (907) 465-2974
E-mail: janalete.mays@alaska.gov
Address: PO Box 110806
Juneau, AK 99811-0806

Investigations/Complaints

To file a complaint or to bring a matter pertaining to the actions of a licensed, or unlicensed, professional to the attention of our investigative staff, please send an email to: investigations@alaska.gov

Quick Links...

- Buy a Business License
- Business License Search
- Professional License Search
- Download List of License Holders

Of Interest...

- Business Licensing
- Small Business Development
- Other Occupations Licensed in Alaska
- Notices of Proposed Regulations

Get Acrobat Reader

Applications may be viewed and printed with Adobe Acrobat Reader 6.0 or higher. If you do not have Adobe Acrobat Reader 6.0 or higher, please click on the Adobe logo and download the free software now. If you are unable to view or download an application, please contact us by telephone or e-mail. Providing your complete mailing address will enable us to mail you the application.

Other application forms may be mailed to you or picked up at a division office. Completed applications must be signed and submitted to the division with the appropriate fees.

Acupuncturists
Architects, Engineers, and Land Surveyors
Audiologists and Speech-Language Pathologists
Barbers and Hairdressers
Big Game Commercial Services Board
Chiropractic Examiners

Webmaster Contact the Division

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

December 4, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Psychologist and Psychological Associate Examiners (BPPA) and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT
BOARD OF PSYCHOLOGIST AND PSYCHOLOGICAL
ASSOCIATE EXAMINERS

October 28, 2009

Audit Control Number
08-20066-10

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). If not extended by the legislature, BPPA is required to terminate on June 30, 2010. Under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. In our opinion, BPPA should continue to regulate the psychology profession. We recommend the board be extended to June 30, 2018, the maximum extension allowed in statute.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

Copy on file 3/29/10

1807

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	9
Agency Responses	
Office of the Governor	15
Department of Commerce, Community, and Economic Development	17
Board	19

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Psychologist and Psychological Associate Examiners (BPPA) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BPPA should be reestablished. Currently under AS 08.03.010(c)(18), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BPPA will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report were:

1. To determine if the board's termination date should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed psychologists and psychological associates.

The assessment of the operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

The major areas of our review were licensing, investigations, board proceedings, and duplication of efforts. We reviewed and evaluated the following:

- Statutes and regulations for the psychology profession. Statutes and regulations were reviewed to identify board duties and responsibilities, and board member composition and qualifications. We also identified additions, deletions and changes to BPPA statutes and regulations.

- BPPA license files and documentation. Licensing documentation was reviewed to determine if individuals were licensed in accordance with regulations. We also evaluated compliance with continuing education requirements.

- Board meeting minutes, budget documents, and annual reports related to or issued by BPPA to gain an understanding of board proceedings and activities.

- Public notice documentation to ascertain whether public notice for BPPA meetings and proposed regulation changes were published as required by statute.

- Financial records related to BPPA revenues and expenditures to identify the surplus or deficit for each fiscal year.

- Complaints related to individuals licensed by BPPA to gain an understanding of the nature of complaints and timeliness of the investigative process. Complaints filed with the following organizations were reviewed: the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing; the Human Rights Commission; the Office of the Ombudsman; the Office of Victims' Rights; and the Federal Equal Employment Opportunity Commission.

Additionally, we conducted interviews with staff within the Division of Corporations, Business and Professional Licensing.

ORGANIZATION AND FUNCTION

The Board of Psychologist and Psychological Associate Examiners (BPPA) was established for the purpose of controlling and regulating the practice of psychology in the State.

Board Membership

BPPA is composed of five members. Alaska Statute 08.86.010 requires board positions to consist of three licensed psychologists, one licensed psychological associate, and one individual from the general public. Statute prohibits the public member from having a direct financial interest in the health care industry.

Board Duties

The board regulates licensed psychologists and psychological associates in the State. It sets education, training, and work experience standards necessary for an individual to be licensed as a psychologist or psychological associate.

A psychologist is licensed to use psychological principles, methods, and procedures for the treatment of emotional and mental disorders. A psychological associate is licensed to practice under the supervision of a licensed psychologist.

Board of Psychologist and Psychological Associate Examiners
(As of June 30, 2009)

Licensed Psychologists
John DeRuyter, Ph.D.
Lorin Bradbury, Ph.D.
Kristi Fuller, Ph.D.

Psychological Associate Examiner
Lisa Turner, M.S.

Public Member
Camille Carlson

The board's duties include:

1. Examining and issuing licenses to qualified applicants.

2. Holding hearings in order to impose disciplinary sanctions on persons who violate the statutes or regulations related to the licensure of psychologists and psychological associates.

3. Adopting regulations necessary to enforce BPPA statutes.

An applicant may be licensed either by passing an examination given by the board or by "credentials." In order to be licensed by credentials, an applicant must provide proof of licensure by another authority, such as a state, that has equal or more stringent licensing requirements than the State of Alaska.

In order to become licensed as a psychologist by examination, an applicant must have a doctorate degree; one year of post doctoral experience approved by the board; and pass a written examination.

To qualify for licensure by examination, a psychological associate must have at least two years of supervised experience after having obtained a masters degree in a board-recognized field of psychology. An applicant for licensure must also have passed the professional examination, the state's jurisprudence test, and obtained the required letters of recommendation.

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing

The Division of Corporations, Business and Professional Licensing provides administrative and investigative assistance to BPPA. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.087 empowers DCCED with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;
2. Bring an action in Superior Court to enjoin the act;
3. Examine the books and records of an individual; and
4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

The Board of Psychologist and Psychological Associate Examiners (BPPA) is operating in an efficient and effective manner and should continue to regulate the psychology profession. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who present themselves to the public as psychologists and psychological associate examiners.

Alaska Statue 08.03.010(c)(18) requires BPPA be terminated on June 30, 2010. If the legislature does not extend the board's termination date, under AS 08.03.020, BPPA will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2018, the maximum extension allowed in statute.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing's administrative officer should take steps to ensure courtesy licensees comply with reporting requirements.

State regulation 12 AAC 60.035(a) authorizes a courtesy licensee to practice psychology for no more than 30 days in a 12-month period. The regulation requires the licensee to submit a report to the board each month during the period of courtesy licensure indicating the number of days practiced during the month.

The licensing examiner that provides administrative support to the Board of Psychology and Psychological Associate Examiners (BPPA) did not monitor or report compliance with monthly reporting requirement. From FY 05 through FY 09, 11 courtesy licenses were issued by the board. We examined three of the 11 courtesy license files. Each had varying degrees of incomplete reporting. One licensee failed to submit any monthly reports; another submitted a report that covered a nine month period; and the third submitted late reports. There was no follow-up by division staff or the board. Without adequate reporting, it is unclear whether courtesy licensees are complying with regulatory requirements.

We recommend that the division's professional licensing administrative officer develop procedures to monitor reporting requirements and report compliance to BPPA.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in division administrative support. Specifically:

- FY 05, FY 07, and FY 08 annual reports contained errors in license statistics.
- Nine of 16 board meetings were not published on the State's online public notice system.
- Fee analyses were not performed for the licensing periods FY 05 and FY 06.
- Indirect costs for the division were treated inconsistently between fiscal years.
- Fines of $1,000, recorded in FY 07, were incorrectly reported as BPPA revenue.

The division is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. DCCED is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BPPA is required by AS 08.01.070 to submit, before the end of each fiscal year, an annual performance report to the department stating the board's accomplishments, activities, and needs. The division's policy is to produce a single annual report incorporating both board and division information requirements.

Most of the deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exacerbated by a lack of accounting and reporting procedures. Turnover in staff positions caused the oversight in posting public notices.

Inadequate administrative support hampers BPPA's ability to fulfill its responsibilities and may provide policymakers with misleading information. We recommend the division's administrative officer responsible for professional licensing take steps to improve administrative support.

Recommendation No. 3

BPPA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

BPPA appointments did not fully comply with state law. A psychological associate member position was vacant for 32 months beginning in FY 04. A public member position was vacant for eight months of FY 04. A licensed psychologist member position was vacant for 15 months beginning in FY 08.

Alaska Statute 08.86.010 requires the board to consist of three licensed psychologists, a licensed psychological associate, and one person with no direct financial interest in the health care industry. A lack of qualified applicants caused the board vacancies.

The board cannot function effectively with extended vacancies in board positions. Technical expertise is provided by professional members. Public members provide a consumer prospective. Full representation provides the board with balance to prevent undue bias toward the profession being regulated.

We recommend BPPA and staff within the Office of the Governor work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Psychologist and Psychological Associate Examiners (BPPA) has served the public through licensing qualified applicants, drafting new regulations, taking appropriate disciplinary action, and informing the public of upcoming meetings and regulatory changes. The board keeps abreast of national regulatory concerns by annually sending a representative to the Association of State and Provincial Psychology Boards' conference.

The board expanded the pool of people allowed to practice psychology by creating a courtesy license. A courtesy license allows certain qualified persons to practice psychology for no more than 30 days over a twelve month period. Only one courtesy license may be issued during a person's lifetime. Expert witnesses are common applicants for courtesy licenses.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Under 08.01.065(c), the Department of Commerce, Community and Economic Development (DCCED) must *"establish fee levels... that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* BPPA reviews and provides feedback on changes to fees proposed by the division.

BPPA revenues come from licensing and renewal fees. Renewals are conducted on a biennial basis. This creates a two-year cycle in board revenues, with BPPA receiving most of its revenues during the odd-numbered fiscal years. We reviewed the division's internal records to identify BPPA revenues and expenditures. The table on the following page presents the board's revenues and expenditures for FY 05 through FY 09.

State of Alaska
Board of Psychologist and Psychological Associate Examiners
Schedule of Revenues and Expenditures
FY 05 through FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$185,700	$20,900	$123,300	$40,000	$166,600
Direct Expenses					
Personal Services	37,400	29,900	28,500	41,500	49,300
Travel	8,700	12,300	17,300	13,200	16,100
Contractual	17,500	18,100	10,900	45,500	3,500
Supplies	-0-	100	100	-0-	100
Equipment	-0-	-0-	-0-	100	-0-
Total Direct Expenses	63,600	60,400	56,800	100,300	69,000
Indirect Expenses	11,400	8,900	13,100	13,200	12,200
Total Expenses	75,000	69,300	69,900	113,500	81,200
Annual Surplus (Deficit)	110,700	(48,400)	53,400	(73,500)	85,400
Beginning Cumulative Surplus (Deficit)	(75,400)	35,300	(13,100)	40,300	(33,200)
Ending Cumulative Surplus (Deficit)	$35,300	($13,100)	$40,300	($33,200)	$52,200

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The only change to BPPA statutes from FY 05 through FY 09 was the passage of Senate Bill 177 in 2005. A board member testified in support of the bill which eliminated the prohibition on the use by certain licensed professionals of titles or descriptions of services that incorporate the terms *psychoanalysis, psychoanalyst, psychotherapy, psychotherapeutic,* or *psychotherapist.* The purpose of the bill was to change statute to reflect changes to the mental health profession and expand access to services.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Notices of upcoming board meetings were published consistently in the *Anchorage Daily News*. However, nine of 16 board meetings, held from FY 05 through FY 09, were not posted on the State's online public notice system (discussed in Recommendation No. 2). Time for public comment was set aside at each board meeting.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board encouraged public participation in regulation changes by posting notices of proposed changes in the State's online public notice system and in the *Anchorage Daily News*. Public notices include instructions for submitting comments for consideration. BPPA reviewed and considered public comment before adopting new regulations.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

During May 2004 through February 2009, there were 20 complaints and 20 cases opened related to psychologists or psychological associate examiner licensees or applicants. Three of the complaints were closed and re-opened as cases; six were determined not in violation; four lacked jurisdiction, were unfounded, or were resolved; two were closed for other reasons; and five remained open as of February 2009. Of the twenty cases, twelve had been closed during our audit period. Seven of those resulted in licensing action; two were sent advisement letters; and three were not in violation.

We reviewed two of the complaints and three of the cases to evaluate the reasonableness and timeliness of the investigative effort. One of the two complaints was not investigated in a timely manner. The complaint was assigned a low priority and still open after a year. According to investigative staff, other higher priority complaints/cases took precedence. Additionally, one of three cases reviewed was open for an unreasonable amount of time – approximately four and a half years. The delay was partially due to staff turnover and partially caused by procedural delays between investigative staff, the board, and the Department of Law. Except for these deficiencies, investigations were conducted in an effective and efficient manner.

There were no BPPA complaints filed with the Office of Victim's Rights, Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

BPPA is adequately regulating entry into the profession by licensing qualified applicants to serve the public. Continuing education is required and monitored by the board to promote a high level of quality and ensure the integrity of the profession. Board meeting minutes reflect that BPPA considers each applicant and verifies licensing requirements prior to issuing a license.

During FY 06, BPPA began to issue courtesy licenses.[1] The table below summarizes licensing activity for the past five fiscal years.

	Newly Issued Licenses (Exclusive of Renewals)					
Type of License	FY 05	FY 06	FY 07	FY 08	FY 09	Total Licensees as of June 30, 2009
Psychologist	11	6	9	11	11	59
Temporary Psychologist	4	3	3	7	2	22
Psychological Associate	3	1	1	0	1	7
Temporary Psychological Associate	0	1	2	0	0	5
Courtesy License	0	4	3	0	4	11

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board has not complied with state personnel practices, including affirmative action, in the qualifying process of applicants.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As noted previously, improvements are needed in the enforcement and monitoring of monthly reporting requirements for courtesy licenses (discussed in Recommendation No. 1).

The administrative support provided by the division's professional licensing section was not accurate, comprehensive, or consistent. The administrative staff should provide the necessary and required information so that the board can perform its functions and serve the interest of the public effectively and efficiently (discussed in Recommendation No. 2).

[1]If certain criteria are met, regulations provide that a qualified person may be awarded a courtesy license. A courtesy license allows a licensee to practice psychology for no more than 30 days over a twelve month period.

BPPA and staff within the Office of the Governor should work to expand the pool of qualified applicants available for board appointments to ensure full representation (discussed in Recommendation No. 3).

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

Except for the deficiencies already discussed, BPPA successfully met its goals and objectives in an efficient manner.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

There are several national and state psychology related organizations that work in positive conjunction with BPPA. The efforts of these organizations enhance rather than duplicate BPPA efforts.

We compared various elements of the psychology profession to several other mental health licenses (marital and family therapists, social workers, and professional counselors). We noted similarities in the issues treated, intervention techniques, and client populations. There are common issues for groups, such as professional accessibility for supervised experience, license portability, distance counseling, and background checks.

Though similarities exist, there are still distinctions between the license types and professional philosophies. Though there are parallels, and some possible duplication of efforts between these license types, there are sufficient practical and philosophical distinctions that it is reasonable that these professions be licensed separately.

(Intentionally left blank)

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907- 269-7450
fax 907- 269-7463
www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

RECEIVED
DEC 30 2009
LEGISLATIVE AUDIT

December 30, 2009

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your October 28, 2009 "CONFIDENTIAL" preliminary audit report on the Board of Psychologist and Psychological Associate Examiners (BPPA).

The Office of the Governor concurs with recommendation number three which states, "BPPA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation." A board functions most effectively with full representation. Currently, the board is operating with full membership, and we are currently recruiting applicants for consideration for a seat with a term beginning March 1, 2010. I am committed to assisting the Governor in making a timely appointment to allow the board to function productively.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

(Intentionally left blank)

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

RECEIVED
1/7/2010

January 4, 2010

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box 113300
Juneau, Alaska 99811-3300

Re: Preliminary Audit, Board of Psychologist and Psychological Associate Examiners

Dear Ms. Davidson:

Thank you for the opportunity to comment on your Preliminary Audit findings concerning the Board of Psychologist and Psychological Associate Examiners (BPPA).

Recommendation No. 1

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing's administrative officer should take steps to ensure courtesy licensees comply with reporting requirements.

The department agrees that procedural oversight of courtesy licensees should and will be made a priority. Regulatory reporting requirements are somewhat cumbersome to administer. It is not the role of the division's administrative officer to ensure statutory compliance of BPPA licensees however, the department will ensure licensing staff work with the Board to review its reporting requirements and ease unnecessary requirements or to establish more efficient options for licensees to comply.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

As we have stated on many occasions, we could not agree more. The division has undergone a number of changes in key management positions and is now optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

Unfortunately, the current incumbents are also faced with clean up of the accounting inaccuracies created by former employees in recent past years. We are confident that progress is being made to clean up the inaccuracies and to reestablish credibility of the division's cost-accounting system. Procedures for accounting for revenues and expenditures and preparation of financial reports did exist before it went awry. Correcting past errors has been a priority since current and future financial analysis is dependent on using correct data.

Recommendation No. 3

BPPA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

The department agrees with the recommendation.

The department concurs with the extension of the BPPA to June 30, 2018. Thank you for the opportunity to comment on your recommendations.

Sincerely,

for Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

Lorin L. Bradbury, Ph.D.
Chairman
Board of Psychologist and Psychological Associate Examiners
P.O. Box 1748
Bethel, AK 99559

December 28, 2009

RECEIVED
DEC 30 2009
LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99559

Dear Mr. Davidson:

I have reviewed the Preliminary Audit Report of the Board of Psychologist and Psychological Associate Examiners (BPPA). I appreciate your thorough work and agree with the recommendations. Below I have noted the steps we either will take, or have already taken, to implement the recommendations.

Recommendation No. 1
Beginning with the next meeting (February 25-26, 2009) of the BPPA a report of the hours of use of each courtesy license will become a standard agenda item.

Recommendation No. 2
This is an administrative issue that the BPPA has little or no control over.

Recommendation No. 3
A representative of the Alaska Psychological Association (AK-PA) meets with the Board at each regularly scheduled meeting of the BPPA. The Board will continue to inform the AK-PA of vacancies or anticipated vacancies so that the membership can contact the Office of the Governor of an interest in serving on the Board. Please be aware that during the lengthy vacancies on the Board noted in the audit, the BPPA took the above steps and were informed that individuals had submitted letters of interest, but no appointments were made.

Sincerely,

Lorin L. Bradbury, Ph.D.
Licensed Psychologist
Chairman
Board of Psychologist and Psychological Associate Examiners

Division of Legislative Audit

Report Digest #08-20066-10

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Psychologist and Psychological Associate Examiners (BPPA), October 28, 2009

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BPPA. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BPPA should be reestablished. Currently under AS 08.03.010(c)(18), BPPA will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BPPA will have one year from that date to conclude its administrative operations.

REPORT CONCLUSIONS

BPPA is operating in an efficient and effective manner and should continue to regulate the psychology profession. The board is safeguarding the public interest by ensuring the competence and integrity of those who present themselves to the public as psychologists and psychological associate examiners. We recommend the legislature extend the board's termination date to June 30, 2018, the maximum extension allowed in statute.

FINDINGS AND RECOMMENDATIONS

1. DCCED Division of Corporations, Business and Professional Licensing's administrative officer should take steps to ensure courtesy licensees comply with reporting requirements.

2. The division's professional licensing administrative officer should take steps to improve administrative support.

3. BPPA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

RECEIVED
MAR 10 2010

Phillip Baker MBA, Ed.D.
Licensed Clinical Psychologist
4325 Laurel Street Suite 215
Anchorage, Alaska 99508
(907) 562-2392

Representative Kurt Olson,
Chairman, House Labor and Commerce Committee
Alaska State Capitol, Room24
Juneau, Alaska 99801

Reference: HB376

Dear Representative Olson;

I am legislative Chairman of the Alaska Psychological Association (AK-PA) and I am writing to inform you of our associations support of the passage of HB376, the extension of the sunset date of the Board of Psychologists and Psychological Associate Examiners to 2018. The legislative Audit Department recommended the longest sunset extension allowed, eight years (8). This action speaks to the effectiveness of the Psychological Licensing Board.

The Alaska Psychological Association (AK-PA) feels that the Board is meeting its obligations to properly license the professionals in our field and is protecting the public by ensuring the proper education and competency of licensed psychologists in the Alaska. Please pass HB376 and allow this board to continue doing its work.

I will be teleconferencing with you on this bill as it is heard in the House HESS committee and Labor and Commerce Committee.

Sincerely,
Phillip Baker Ed.D.
Phillip Baker MBA, Ed.D
Licensed Clinical Psychologist
Legislative Chair, AK-PA

03/09/2010 11:59 9075620780 TUDOR PROF BLDG #3708 P.002 /002

HB

381

<target><bill>HB 381</bill><subject>HB 381</subject><comm>HFIN26</comm></target>

1830

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Sponsor Statement

CSHB 381 (JUD)
SELF DEFENSE

The House Judiciary CS for HB 381 recognizes that Alaskan residents have right to use deadly force to protect their families, persons and property whether they are at home, work, or in any place they have a right to be present. It does this by expanding your right to stand your ground to where they have a right to be.

By expanding the rights of Alaskans to stand their ground to any place they are legally present we tell our residents that their decision to use deadly force to defend themselves and their families will not be second judged, and makes it clear that it is ***criminals*** who have a duty to retreat.

I believe that HB 381 strengthens the legal recognition of the basic human right of self defense and ask for your support.

26-LS1534\S

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 29, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/8/10

The FINANCE Committee considered: **HOUSE BILL NO. 381**

"An Act relating to self defense."

HB 381-SELF DEFENSE

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 381 (JUD)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFIN/LAW			✓	

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DPS	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara			✓	
	Foster	✓			
	KELLY	✓			
	DOOGAM		✓		
	Joule			✓	
	Salmon	X			
Chair:	Stoltze	✱			
Chair:	Hawker	✱			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB 381 (JUD)**
() Publish Date:

Identifier (file name): HB381CS(JUD)-LAW-CRIM-04-08-10
Dept. Affected: Law
Title: An Act relating to self defense
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Representative Neuman
Requester: House Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	*	*	*	*	*	*	*
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	*	*	*	*	*	*	*

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/8/2010 12:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/8/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 381(JUD)
(H) Publish Date: 3/29/10

Identifier (file name): HB381-DPS-AST-03-12-10
Title "An act relating to self defense."
Sponsor Representative Neuman
Requester House Judiciary

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill amends AS 11.81.335 (justification for the use of deadly force) by adding areas (exceptions) a person is not required to leave prior to the application of deadly force. This bill also adds a new section that provides prima facie evidence for the justification for the use of deadly force. Finally, this bill prohibits a law enforcement agency from arresting a person for using force permitted under AS 11.81.355.

Passage of this legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial — Phone 907-247-4480
Division Alaska State Troopers — Date/Time 3/12/10 10:30 AM
Approved by: Joseph Masters, Commissioner — Date 3/12/2010
Department of Public Safety

(Revised 11/6/2009 OMB)

26-LS1534\S

CS FOR HOUSE BILL NO. 381(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/29/10
Referred: Finance

Sponsor(s): REPRESENTATIVES NEUMAN, Stoltze, Peggy Wilson, Keller, Ramras, Tammie Wilson, Olson, Kelly

A BILL

FOR AN ACT ENTITLED

"An Act relating to self defense in any place where a person has a right to be."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 11.81.335(b) is amended to read:

(b) A person may not use deadly force under this section if the person knows that, with complete personal safety and with complete safety as to others being defended, the person can avoid the necessity of using deadly force by leaving the area of the encounter, except there is no duty to leave the area if the person is

(1) on premises

(A) that the person owns or leases;

(B) where the person resides, temporarily or permanently; or

(C) as a guest or express or implied agent of the owner, lessor, or resident;

(2) a peace officer acting within the scope and authority of the officer's employment or a person assisting a peace officer under AS 11.81.380;

(3) in a building where the person works in the ordinary course of the

person's employment; [OR]

(4) protecting a child or a member of the person's household**; or**

(5) in any place where the person has a right to be.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 381(JUD)**
() Publish Date:

Identifier (file name): HB381CS(JUD)-LAW-CRIM-03-30-10
Dept. Affected: Law
Title: An Act relating to self defense.
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Representative(s) Neuman, Stoltze, Wilson, Keller, Ramras Wilson, Olson, Kelly
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	339.0		339.0	339.0	339.0	339.0	339.0
Travel	1.8		1.8	1.8	1.8	1.8	1.8
Contractual	49.5		49.5	49.5	49.5	49.5	49.5
Supplies	7.8		7.8	7.8	7.8	7.8	7.8
Equipment	1.9		1.9	1.9	1.9	1.9	1.9
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**400.0**	**0.0**	**400.0**	**400.0**	**400.0**	**400.0**	**400.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	400.0		400.0	400.0	400.0	400.0	400.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**400.0**	**0.0**	**400.0**	**400.0**	**400.0**	**400.0**	**400.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time	2		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

House Bill 381 expands the places from which a person need not retreat before using deadly force in self-defense to any place the person has a right to be. Thus, even though a person knows that with complete safety to oneself and others the person can leave the area of the encounter, the person is justified in using deadly force if the person is in a place the person has a right to be.

This bill will make prosecution of homicide cases more difficult for the prosecution, and it will probably result in more jury trials. The Criminal Division anticipates it would need 2 new FTE attorney positions to handle the increased cases, to both screen referrals and prosecute those that are accepted.

Prepared by: Eileen Donahue, Division Operations Manager — Phone 465-5427
Division: Administrative Services — Date/Time 3/30/10 3:00 PM
Approved by: Daniel S. Sullivan, Attorney General — Date 3/30/2010
Department of Law

(Revised 11/6/2009 OMB)

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION CENTRAL OFFICE

SEAN PARNELL, GOVERNOR

Mailing: 310 K Street, Suite 308
Anchorage, Alaska 99501
Phone: (907) 269-6250
Fax: (907) 269-7939

March 15, 2010

Hon. Jay Ramras
Chair, House Judiciary Committee
Alaska State Capitol, Room 118
Juneau, Alaska 99801

Re: House Bill 381

Dear Chairman Ramras:

I am writing to express my serious concern over the current language in House Bill 381. Every experienced prosecutor with whom I have spoken about this bill uniformly agrees that it would promote violence and be a bad idea for our state. We believe that as drafted this bill will ***encourage*** unnecessary violence in our state. Whatever source one thinks our laws should be drawn from – the ten commandments which say "thou shall not kill," simple morality, utilitarianism principles of the greater good, or simply the concept that life is sacred –this bill would encourage the needless taking of human life.

AS 11.81.335(b) as currently written sets forth the duty to retreat before resorting to deadly force. It requires that if "with complete personal safety and with complete safety to others being defended, the person can avoid the necessity of using deadly force by leaving the area" then the person must do so. This avoids the ***unnecessary*** loss of life and encourages our citizens to seek ways other than violence to resolve disputes. The addition of subsections 5 and 6 to this statute eradicates the duty to retreat - in fact should they be enacted, there would no longer be a duty to retreat in Alaska. That is to say if person A could avoid killing person B by walking away, he/she would no longer be required to do so, but instead would be authorized ***by law*** to kill person B. This does not promote the protection of our citizens or suggest that Alaska as a state places a high value on life itself. While this is highly unlikely to have been the goal of the bill's sponsors, it is nevertheless the result of what has been proposed. This is best explained by closely examing the language of the proposed changes and additions.

Section 1 of the bill proposes amending AS 11.81.335(b) by adding a subsection (5) that would say there would be no duty to retreat when the person is "in a vehicle" owned, leased, used, or even just occupied with the owner's consent. Here are but just three examples of how this would encourage violence:

First example:

A person picks up a hitchhiker, or offers a ride to someone, and, for whatever reason, a confrontation arises while in the vehicle such that deadly force could be used, but for the duty to retreat. Under the current law the hitchhiker must leave your vehicle if he knows he can do so safely. Under the proposed amendment, that hitchhiker would be authorized to kill the driver instead -- even if he could have simply walked away. These facts are similar of a recent murder trial in Anchorage, but they are close. The defendant was convicted of and sentenced for second-degree murder. The case is now on appeal. Why would we want to say killing another person is okay when it could be avoided? Why would we want to authorize the taking of a life when one could walk away in complete safety?

Second Example:

Joe Smith drives to a party. At the party he gets into an altercation and is thrown out of the party. He goes to his car and gets inside to leave. Before leaving, Mr. Smith sees the person with whom he got into the altercation. Though Mr. Smith is in his car, behind the wheel and ready to leave, he fears the other guy may come after him. Instead of driving off – which he could do with complete personal safety, he gets out of his car and grabs a shotgun from the trunk and kills the other man. Again, these are facts similar to a recent murder trial in Anchorage. The defendant was convicted of and sentenced for manslaughter. The case is now on appeal. This is yet another situation in which our current law requires our citizens to walk away if they can do so with safety, but this proposed change in the law would authorize killing another human being instead.

Third Example:

An occupant in car A points a gun at the occupant in car B. If the occupant in car B can drive away with complete safety, then under the current law he must do so. Under the proposed change, the driver in car B would be authorized by this bill to open fire instead of driving away. The law of self-defense in Alaska requires the state to prove beyond a reasonable doubt a defendant's claim of self-defense is not true. It is difficult to prove a negative. If the state cannot prove the negative beyond a reasonable doubt, then at least the state can try to prove that the driver of car B had a duty to retreat and could have done so. This law would eliminate that duty. That is a recipe for inviting gang violence on our streets. These facts are in fact very similar to another case prosecuted by our department. In 2006 there was a shooting at Reka and Bragaw in Anchorage. Two vehicles with young men exchanging gunfire. One young man was killed and the two men in the other vehicle were convicted of murder. One of those cases is on appeal. This loss of life occurred for one of the participants. What about the innocent bystander? For example, there was the election day shooting in Anchorage when a campaign worker for former Gov. Murkowski was hit by a stray bullet at campaign HQ in Anchorage across from the Sears mall. That case involved two vehicles with young men – not in gangs, but still rivals – who opened fire on one another. While we did prosecute the shooters in that case, do so would have been impossible under this law.

This bill would unintentionally encourage such conduct by making it legal or at least offering a defense – which even if not true – could not be disproved. In each of the four examples the defendants were convicted, but this proposed change would make such prosecutions much harder, if even possible.

The proposed subsection (6) in AS 11.81.330(b) would almost completely eliminate the duty to retreat. That subsection says there is no such duty when a person is "in any place where the person has a right to be." That means in the Diamond Mall, Sears Mall, McDonalds, or any other public location a person is no longer required to walk away from a confrontation, but instead may kill another citizen even if they could have walked away with complete safety. This does not express a value for human life. This does not encourage finding a resolution for disputes other than violence. The only time there would be a duty to retreat is if the person is some place they have no right to be – they must be trespassing, or committing a burglary in order to have such a duty. With this change you might as well simply eliminate the duty to retreat completely from our statutes.

The bill also proposes adding a new section that whittles away some of the other protections put in place to prevent unnecessary taking of human life. Our current self- defense law is set up with both a subjective and objective test to determine when deadly force is authorized. The subjective test means the person using the force believes he/she needs to do so. The objective tests means the "reasonable person" would have concluded the same thing. The added section proposes to eliminate the objective test in several circumstances: burglary, carjacking, and kidnapping. That is it takes away from the jury the question of whether a reasonable person would view a particular event as unlawful force against a person that required a response of deadly force. At first blush this seems reasonable. However, when you examine what is proposed more closely, it becomes very disturbing. To understand why, you must first understand each of the three crimes it references.

Burglary is found in AS 11.46 and not AS 11.41 because it is a crime against property, not a person. Burglary requires a person to enter a building with the intent to commit a crime – theft, vandalism, and assault are all examples. What must be noted though is that no person needs to be in the building in order for this to be a crime. If a person breaks into a home or business to steal something, this is a burglary. If a student breaks into a school to vandalize it, this is a burglary. If a person breaks into a home to assault another person – even if no one is home, this is still a burglary because burglary only addresses the entry of premises with the intent to commit a crime (called a target crime) whether that (target) crime is committed or not. This is why burglary is classified as a crime against property and not against a person.

Under current law ***non***-deadly force may be used to protect property, and deadly force is ***only*** authorized when terminating an arson or attempted arson on a dwelling or occupied building (*See* AS 11.81.350(b)), or when terminating a burglary upon an occupied building or dwelling if the person using the force is in possession or control of that premises, or is a guest. *See* AS 11.81.350(c)).

The current bill would now authorize deadly force against a person who burgles a dwelling whether anyone was home or not. Thus deadly force may be used even when no human life is at risk.

The proposed bill would also authorize ***any*** person to use deadly force as compared to only a person who is in possession or control of or is an invited guest in the dwelling. This means the guy driving down the street may kill a person he thinks is breaking into a home. The state must disprove defense of property, so the state must disprove that a victim was committing burglary. While this new section is fraught with the potential for misunderstandings to lead to the unnecessary loss of human life, there is another more serious problem with this section. This new section authorizes deadly force against a person who is currently committing or ***had committed*** a burglary. This language authorizes vigilantism. It authorizes deadly force against any person whom the person using the force "had reason to believe" ***had*** – past tense – had committed a burglary. This new section says such force ***is*** reasonable. The only question left is if the person using the force also thought it was "reasonable."

The section on carjacking does the same thing. It authorizes the use of deadly force against someone who ***had*** -- past tense -- taken a car by force. Even if no human life was at risk in the taking, this law would say it is okay to kill to keep your car from being taken from you or afterwards. That sounds like retaliation and vigilantism, not like a legislature enacting laws to protect our citizens and improve our lives.

The kidnapping subsection has the same issue with past tense. In each and every section this bill would legalize and authorize vigilantism.

Finally the bill also says no arrest may be made "unless the agency" determines that there is probable cause that the force that used was unlawful. This puts the police in a difficult position especially when confronting gang related violence. It is also unclear to whom "the agency" refers. This could potentially require magistrates and grand juries to start deciding if self-defense has been disproven. This in turn would require the state to act as defense counsel for the defendant to present such a defense only to have to then disprove it. This may sound confusing, and that is because this bill could cause serious problems in the criminal justice system with regard to self-defense law.

Thank you for your consideration of this letter.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: John Skidmore
Assistant Attorney General

DSS:JS: sf

cc: House Judiciary Committee Members

Alaska State Legislature

Please enter into the record my testimony to the FINANCE
Committee name

Committee on HB 381, dated 29 MAR 2010
Bill/Subject

I Fully support This bill.
No American should be required by LAW To retreat From An Aggressor. Anyone who Thinks otherwise is a traitor, and a coward. As For The Poppycock issued by The Depar. of LAW, whose They claim increased costs, more trials, And Needing More LAWyers, Maybe They should QUIT WASTEing TIME + $ on plea-deals, And JUST do Their Jobs ?. Were it up To Me, They would have Less LAWyers, STARTing with Anne Carpenet:.

Signed: Russell K Butts 156. Armor, Retired
Testifier

Representing (Optional)

BX 872642 WASILLA 99687
Address

376 3558
Phone number

1843

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 26, 2010

SUBJECT: Sectional Summary - HB 381 (Work Order No. 26-LS1534\R)

TO: Representative Mark Neuman
Attn: Jim Ellis

FROM: Gerald P. Luckhaupt
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

Section 1 of the bill amends AS 11.81.335(b) by adding to the places or locations where a person can use deadly force in self-defense without having to first leave the area.

Section 2 of the bill amends AS 11.81 by adding a new section that establishes that certain situations constitute prima facie evidence that a person's belief that the use of deadly force was reasonable; and requires law enforcement to make a probable cause determination that the force used by a person was unlawful before the person may be arrested.

GPL:plm
10-111.plm

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Summary of Changes

CH for HB 381 (JUD)
Self Defense

The current form of HB 381 has a narrowed focus that only addresses the requirement to retreat when threatened with specific crimes.

The Judiciary CS removed all sections except for two lines that stated there was no duty to leave the area of a threat if a person had a right to be there.

This change was made to make the bill narrow in its effect and scope allowing for adequate discussion during the remaining legislative session.

Specific changes to the original bill text are as follows:

Page 2, lines 3-4, deleted.

Section 2, deleted.

Section 1, subsection 6, renumbered as section 1, subsection 5.

For version 26-LS1534\S

AS 11.81.335 – 11.81.350

Sec. 11.81.335. Justification: Use of deadly force in defense of self.

(a) Except as provided in (b) of this section, a person who is justified in using nondeadly force in self-defense under AS 11.81.330 may use deadly force in self-defense upon another person when and to the extent the person reasonably believes the use of deadly force is necessary for self-defense against

(1) death;

(2) serious physical injury;

(3) kidnapping, except for what is described as custodial interference in the first degree in AS 11.41.320 ;

(4) sexual assault in the first degree;

(5) sexual assault in the second degree;

(6) sexual abuse of a minor in the first degree; or

(7) robbery in any degree.

(b) A person may not use deadly force under this section if the person knows that, with complete personal safety and with complete safety as to others being defended, the person can avoid the necessity of using deadly force by leaving the area of the encounter, except there is no duty to leave the area if the person is

(1) on premises

(A) that the person owns or leases;

(B) where the person resides, temporarily or permanently; or

(C) as a guest or express or implied agent of the owner, lessor, or resident;

(2) a peace officer acting within the scope and authority of the officer's employment or a person assisting a peace officer under AS 11.81.380;

(3) in a building where the person works in the ordinary course of the person's employment; or

(4) protecting a child or a member of the person's household.

Sec. 11.81.340. Justification: Use of force in defense of a third person.

A person is justified in using force upon another when and to the extent the person reasonably believes it is necessary to defend a third person when, under the circumstances as the person claiming defense of another reasonably believes them to be, the third person would be justified under AS 11.81.330 or 11.81.335 in using that degree of force for self-defense.

Sec. 11.81.350. Justification: Use of force in defense of property and premises.

(a) A person may use nondeadly force upon another when and to the extent the person reasonably believes it is necessary to terminate what the person reasonably believes to be the commission or attempted commission by the other of an unlawful taking or damaging of property or services.

(b) A person may use deadly force upon another when and to the extent the person reasonably believes it necessary to terminate what the person reasonably believes to be the commission or attempted commission of arson upon a dwelling or occupied building.

(c) A person in possession or control of any premises, or a guest or an express or implied agent of that person, may use

(1) nondeadly force upon another when and to the extent the person reasonably believes it is necessary to terminate what the person reasonably believes to be the commission or attempted commission by the other of criminal trespass in any degree upon the premises;

(2) deadly force upon another when and to the extent the person reasonably believes it is necessary to terminate what the person reasonably believes to be a burglary in any degree occurring in an occupied dwelling or building.

(d) *[Repealed, Sec. 7 ch 68 SLA 2006].*

(e) A person

(1) in a vehicle, or forcibly removed from a vehicle, may use deadly force upon another when and to the extent the person reasonably believes it is necessary to terminate what the person reasonably believes to be a carjacking of that vehicle at or about the time the vehicle is carjacked;

(2) outside of a vehicle may use deadly force upon another when and to the extent the person reasonably believes it is necessary to terminate what the person reasonably believes to be the theft of that vehicle when another person, other than the perceived offender, is inside of the vehicle; this paragraph does not apply to a person outside of a vehicle who is involved in a dispute with a person inside of the vehicle who is a household member of that person; in this paragraph, "household member" has the meaning given in AS 18.66.990 .

(f) A person justified in using force under this section does not have a duty to leave or attempt to leave the area of the encounter before using force.

(g) In (e) of this section,

(1) "carjacking" means a robbery involving the taking or attempted taking of a vehicle from a person in possession of the vehicle;

(2) "vehicle" means a "motor vehicle" as defined in AS 28.40.100 , an aircraft, or a watercraft.

776.031 Use of force in defense of others.--A person is justified in the use of force, except deadly force, against another when and to the extent that the person reasonably believes that such conduct is necessary to prevent or terminate the other's trespass on, or other tortious or criminal interference with, either real property other than a dwelling or personal property, lawfully in his or her possession or in the possession of another who is a member of his or her immediate family or household or of a person whose property he or she has a legal duty to protect. However, the person is justified in the use of deadly force only if he or she reasonably believes that such force is necessary to prevent the imminent commission of a forcible felony. A person does not have a duty to retreat if the person is in a place where he or she has a right to be.

History.--s. 13, ch. 74-383; s. 1189, ch. 97-102; s. 3, ch. 2005-27.

Utah Code
Title 76 Utah Criminal Code
Chapter 2 Principles of Criminal Responsibility
Section 402 Force in defense of person -- Forcible felony defined.

76-2-402. Force in defense of person -- Forcible felony defined.

(1) A person is justified in threatening or using force against another when and to the extent that he or she reasonably believes that force is necessary to defend himself or a third person against such other's imminent use of unlawful force. However, that person is justified in using force intended or likely to cause death or serious bodily injury only if he or she reasonably believes that force is necessary to prevent death or serious bodily injury to himself or a third person as a result of the other's imminent use of unlawful force, or to prevent the commission of a forcible felony.

(2) A person is not justified in using force under the circumstances specified in Subsection (1) if he or she:

(a) initially provokes the use of force against himself with the intent to use force as an excuse to inflict bodily harm upon the assailant;

(b) is attempting to commit, committing, or fleeing after the commission or attempted commission of a felony; or

(c) (i) was the aggressor or was engaged in a combat by agreement, unless he withdraws from the encounter and effectively communicates to the other person his intent to do so and, notwithstanding, the other person continues or threatens to continue the use of unlawful force; and

(ii) for purposes of Subsection (i) the following do not, by themselves, constitute "combat by agreement":

(A) voluntarily entering into or remaining in an ongoing relationship; or

(B) entering or remaining in a place where one has a legal right to be.

(3) A person does not have a duty to retreat from the force or threatened force described in Subsection (1) in a place where that person has lawfully entered or remained, except as provided in Subsection (2)(c).

HB

386

<target><bill>HB 386</bill><subject>HB 386</subject><comm>HFIN26</comm></target>

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 386
Sponsor Statement

"An Act establishing a uniform format and procedure for citations for certain violations of state law; relating to the form, issuance, and disposition of citations for certain violations; relating to certain crimes and penalties for noncompliance with citations; and providing for an effective date."

House Bill 386 gives the Department of Public Safety necessary authority to prescribe a uniform citation format and process. Standardizing the citation process will improve efficiency and interdepartmental communications, facilitating electronic sharing of citation data between law enforcement, prosecution, courts and state and municipal collection departments.

By standardizing deadlines for payments, responses and paperwork filing by the citation issuer, HB 386 will also reduce confusion for citizens receiving citations and allow more fines to be paid through the courts' online e-payment system. A standard process is also an integral step in preparing for a statewide database and digital interoperability.

Staff Contact: Juli Lucky 465-4949

3/15/2010

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 386
Summary of Changes

The House Judiciary Committee made the following changes:

- Added sections of existing statute pertaining to citations that were inadvertently overlooked in the original draft (sections 32 and 57).
- Removed language stating that a citation is considered a summons for failure to obey a citation and the court may issue a bench warrant wherever it appeared in the bill (sections 2, 6, 33, 36, 42, and 55).
- Amended section 22 to clarify that the commissioner of the Department of Public Safety shall adopt regulations in order to implement the standard citation format. This language makes section 22 consistent with section 48 of the bill.

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/29/10

The FINANCE Committee considered: **HOUSE BILL NO. 386**

"An Act establishing a uniform format and procedure for citations for certain violations of state law; relating to the form, issuance, and disposition of citations for certain violations; relating to certain crimes and penalties for noncompliance with citations; and providing for an effective date."

HB 386-CITATIONS

Recommends it be replaced with [ ] HCS *or* **[ ] CS for** HB 386 (FIN)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ [✓] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓
LAW	2			✓
DPS	3			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna L. Fairclough	FAIRCLOUGH	✓			
	FOSTER	✓			
	Thomas	✓			
	Gard	✓			
		✓			
		✓			
	KELLY	X			
	Salmon			X	
Chair:	Steele	X			
Chair:	Hawkins	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-CED-CBPL-3-16-10
Dept. Affected: DCCED
Title: Citations
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative Hawker
Requester: House Judiciary
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: (1156) RSS							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would establish a uniform format and procedure for citations of certain violations of state law and adjusts penalties for noncompliance with citations.

The department does not expect a fiscal impact as a result of this legislation.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 3/16/2010 9:20AM
Approved by: Emil Notti, Commissioner
Date 3/16/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-LAW-CRIM-03-12-10
Dept. Affected: Law
Title: An Act establiishing a uniform format and procedure for citations for certain violations of state law
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Representative Hawker
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides for statutory amendments and would require all citations issued in Alaska to be in the form designated by the Department of Public Safety. According to the new section, AS 12.25.175(b), DPS will either "provide or prescribe citation forms for use by...persons who are authorized by law to issue citations." The Department of Law does not anticipate a fiscal impact from this bill.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 3/12/10 12:00 PM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 3/12/2010

(Revised 11/6/2009 CMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-DPS-AST-03-16-10
Title "An act relating to uniform citations."
Sponsor Representative Hawker
Requester House Judiciary

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would set a uniform standard for citations used by law enforcement agencies and facilitate the electronic transfer of information. This legislation will help eliminate the need for duplicative data entry and reduce data entry errors.

This legislation will have no fiscal cost and is expected to increase the productivity of the department in the long term.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Approved by: Joseph Masters, Commissioner
Department of Public Safety

Phone 907-247-4480
Date/Time 3/16/2010 430:00 PM
Date 3/16/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-CED-CBPL-3-16-10
Dept. Affected: DCCED
Title: Citations
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative Hawker
Requester: House Judiciary
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: (1156) RSS							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would establish a uniform format and procedure for citations of certain violations of state law and adjusts penalties for noncompliance with citations.

The department does not expect a fiscal impact as a result of this legislation.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 3/16/2010 9:20AM
Approved by: Emil Notti, Commissioner
Date 3/16/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-LAW-CRIM-03-12-10
Dept. Affected: Law
Title: An Act establishing a uniform format and procedure for citations for certain violations of state law
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Representative Hawker
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides for statutory amendments and would require all citations issued in Alaska to be in the form designated by the Department of Public Safety. According to the new section, AS 12.25.175(b), DPS will either "provide or prescribe citation forms for use by...persons who are authorized by law to issue citations." The Department of Law does not anticipate a fiscal impact from this bill.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 3/12/10 12:00 PM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 3/12/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 386(JUD)
(H) Publish Date: 3/19/10

Identifier (file name): HB386-DPS-AST-03-16-10
Title "An act relating to uniform citations."
Sponsor Representative Hawker
Requester House Judiciary

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would set a uniform standard for citations used by law enforcement agencies and facilitate the electronic transfer of information. This legislation will help eliminate the need for duplicative data entry and reduce data entry errors.

This legislation will have no fiscal cost and is expected to increase the productivity of the department in the long term.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Approved by: Joseph Masters, Commissioner
Department of Public Safety

Phone 907-247-4480
Date/Time 3/16/2010 430:00 PM
Date 3/16/2010

(Revised 11/6/2009 OMB)

HB 386
Uniform Citations - Overview
Prepared by Representative Mike Hawker's Office

HB 386 establishes and requires the use of a uniform format, process and standard deadlines for citations issued in the state. The process is contained in sections 21 – 31 of the bill. The rest of the bill adopts the standard process for various citations.

Uniform Citation Process and Format contained in AS 12.25.175 – 12.25.230:

- 12.25.175 (new section of law) sets out requirements for the standard citation format, requires the commissioner of the Department of Public Safety to provide or prescribe the standard citation formats, and enables the commissioner to adopt regulations. Uniform citations must adhere to a statewide numbering system and contain specific information described in AS 12.25.200 (b). The citation issuer is also required to make an oath or affirmation, if authorized to do so, or make a statement under penalty of perjury that the citation was true and personally served on the person charged.

- 12.25.180 (existing law) clarifies when an officer can issue a citation instead of making an arrest. Most of the changes reword existing law for clarity and have no substantive effect.
  - In (a)(2), the requirement that the officer have "reasonable and probable cause to believe" that a person is a danger to self or others is replaced with "reasonably believes." Probable cause indicates there are certain elements that must be met, whereas a reasonable belief can be articulated more easily. Because it is within the officer's discretion to arrest or issue a citation, that determination should be based on a reasonable belief, rather than probable cause.
  - In (b)(2), the requirement that the person receiving the citation provide a written promise to appear in court is removed to facilitate electronic transmission of the citation. The required issuer's oath or statement that a copy of the citation was correctly served (required by AS 12.25.175) satisfies the intent of this statute.

- 12.25.190 (existing law) clarifies when a person shall be given a five-day notice to appear in court. Most of the changes are language repeals to accommodate the standard process adopted in this legislation and rewording for clarity.
  - The provision allowing a person to request a hearing earlier than five days after the citation is issued is repealed. Officers in the field cannot always forward a citation to the court for a hearing in fewer than five days.

- 12.25.195 (existing law) outlines the disposition of "scheduled offenses" – violations that have an established bail or fine amount. If a person doesn't contest the citation, there is a standard 30 day deadline for paying the bail or fine, regardless of the type of citation.

- 12.25.200 (existing law) specifies a format for citations. The changes to this section expand its applicability to all citations, instead of just those issued by law enforcement.

- 12.25.210 (existing law) outlines recordkeeping requirements for citation issuers. The changes to this section expand its applicability to all citations, instead of just those issued by law enforcement. This section also sets a 10 working day deadline for citations to be filed with the court and clarifies that missing the filing deadline does not negate the citation.

- 12.25.230 (existing law) outlines the penalties for failure to pay a fine or appear in court, as required by a citation. The current language is confusing. While having two sections implies

that that each offense should have a different penalty, because the type of misdemeanor is not defined, they can be interpreted to apply the same penalty to both types of citation. Under HB 386, there would be a bright line between offenses that require a court appearance and "scheduled offenses" which carry a particular fine and can be paid by mail.

- 12.25.230 (a) states that the penalty for failing to appear to answer a citation that requires a court appearance would be a class A misdemeanor (see penalties above).
- 12.25.230 (b) states that the penalty for failing to appear or pay the bail or fine for a citation for a "scheduled offense" is a class B misdemeanor, which is punishable by up to a $2,000 fine and/or imprisonment of up to 90 days.

Statutory changes to implement the Uniform Citation Process and Format for various violations:

- Sections 1, 4, 7, 9, 14, 17, 32, 35, 38, 39, 40, 41, 45, 46, 50, 57 and 59 are statutory references changed or added to reference the standard citation process and format:

- Sections 2, 5, 33, 36, 42, 55, and 57 reflect the standard deadline of 30 days for payment for a "scheduled offense" citation (see AS 12.25.195). These sections also add language specifying that this deadline is for violators who plead "no contest," since a person contesting the citation wouldn't be sending in a payment.

- Sections 3, 6, 34, 37, 43, 54, 56 and 58 are individual penalty sections that are amended or repealed and reenacted to adopt the uniform penalties in AS 12.25.230.

- Sections 10, 14, 18, 46 and 50 remove the condition that a citation be "in writing" (see notes for AS 12.25.180 (b)(2)).

- Sections 11, 15, 19, 47, and 51 reflect the five day notice and repeal language allowing a person to request an earlier hearing (see notes for AS 12.25.190).

- Sections 12 and 52 reflect the 10 day deadline for a citation to be filed with the court by the citation issuer (see AS 12.25.210).

- Sections 13, 16, 20, 48, and 53 repeal language specifying what needs to be in particular citations and instead state that a citation that complies with the uniform format is considered to be a lawful complaint for the purposes of prosecution.

Miscellaneous Sections:

- Sections 8 and 24 ensure that the law is consistent after other previously enacted bills sunset. The language mirrors language found in sections 7 and 23, respectively.

- Section 44 allows citations to be given for violations in the Knik River Public Use Area.

- Section 49 allows DPS to establish regulations to implement standardized citations.

- Section 60 repeals statutes regarding citation formats that are made moot by adoption of the standardized format in this bill.

- Sections 61-65 provide applicability instructions, transitional provisions and effective dates.

adopted 3/29/10

26-LS1525\E
Luckhaupt
3/25/10

CS FOR HOUSE BILL NO. 386(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HAWKER

A BILL

FOR AN ACT ENTITLED

"An Act establishing a uniform format and procedure for citations for certain violations of state law; relating to the form, issuance, and disposition of citations for certain violations; relating to certain crimes and penalties for noncompliance with citations; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 04.16.205(a) is amended to read:

(a) A person who possesses alcoholic beverages in a municipality or established village in violation of AS 04.11.501 or an ordinance adopted under AS 04.11.501 may, upon conviction, be punished by a fine not to exceed $1,000 and shall forfeit the seized alcoholic beverages. When a peace officer stops or contacts a person concerning a violation of AS 04.11.501 or an ordinance adopted under AS 04.11.501, the peace officer shall seize the alcoholic beverages and may issue a citation to the person as provided in **AS 12.25.175 - 12.25.230** [AS 12.25.180].

*** Sec. 2.** AS 04.16.205(b) is amended to read:

(b) **If a** [A] person cited for a violation of AS 04.11.501 or an ordinance adopted under AS 04.11.501 for which a bail amount has been established under (c) of this section **does not contest the citation, the person** may, within 30 days after the date the citation is issued,

(1) mail or personally deliver to the clerk of the court in which the citation is filed by the peace officer the amount of bail indicated on the citation and a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail and all alcoholic beverages seized are forfeited; or

(2) perform community work in lieu of payment of the fine or a portion of the fine as provided in (d) of this section.

*** Sec. 3.** AS 04.16.205(f) is repealed and reenacted to read:

(f) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the fine, appear in court as required, or provide proof of performance to the court as specified in (d)(1) of this section.

*** Sec. 4.** AS 04.21.065(d) is amended to read:

(d) A peace officer may issue a citation for a violation of this section. The provisions of **AS 12.25.175 - 12.25.230** [AS 12.25.180(b) AND 12.25.190 - 12.25.230] apply to the issuance of a citation under this subsection.

*** Sec. 5.** AS 04.21.065(h) is amended to read:

(h) **If a** [A] person cited for a violation under this section **does not contest the citation, the person** may, **on or before the 30th day** [WITHIN 15 DAYS] after the date of the citation, mail or personally deliver to the clerk of the court in which the citation is filed

(1) the amount of bail indicated on the citation for the violation; and

(2) a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail is forfeited.

*** Sec. 6.** AS 04.21.065(j) is repealed and reenacted to read:

(j) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the bail amount established under (g) of this section or to appear in court as required.

*** Sec. 7.** AS 05.25.080(b) is amended to read:

(b) A peace officer may enforce this chapter and regulations adopted under this chapter and, in the exercise of enforcement, may stop and, if the peace officer has probable cause to believe a violation of this chapter has occurred, may board a boat subject to this chapter. A peace officer may issue a citation as provided in **AS 12.25.175 - 12.25.230** [AS 12.25.180] to a person who violates a provision of this chapter.

*** Sec. 8.** AS 05.25.080, as repealed and reenacted by sec. 18, ch. 28, SLA 2000, is amended to read:

Sec. 05.25.080. Enforcement. A peace officer may enforce this chapter and, in the exercise of enforcement, may stop and**, if the peace officer has probable cause to believe a violation of this chapter has occurred,** board watercraft subject to this chapter. **A peace officer may issue a citation as provided in AS 12.25.175 - 12.25.230 to a person who violates a provision of this chapter.**

*** Sec. 9.** AS 08.01.102 is amended to read:

Sec. 08.01.102. Citation for unlicensed practice or activity. The department may issue a citation for a violation of a license requirement under this chapter, except a requirement to have a license under AS 43.70, if there is probable cause to believe a person has practiced a profession or engaged in business for which a license is required without holding the license. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation. **A citation issued under this section must comply with the standards adopted under AS 12.25.175 - 12.25.230.**

*** Sec. 10.** AS 08.01.103(a) is amended to read:

(a) [A CITATION ISSUED UNDER AS 08.01.102 MUST BE IN WRITING.] A person receiving the citation **issued under AS 08.01.102** is not required to sign a notice to appear in court.

*** Sec. 11.** AS 08.01.103(b) is amended to read:

(b) The time specified in the notice to appear on a citation issued under AS 08.01.102 shall be at least five **working** days [, NOT INCLUDING WEEKENDS AND HOLIDAYS,] after the issuance of the citation [, UNLESS THE PERSON CITED REQUESTS AN EARLIER HEARING].

*** Sec. 12.** AS 08.01.103(d) is amended to read:

(d) **On or before the 10th working day after the issuance of a citation, the** [THE] department shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. Upon its deposit with the court, the citation may be disposed of only by trial in the court or other official action taken by the magistrate, judge, or prosecutor. The department may not dispose of a citation, copies of it, or [OF] the record of its issuance except as required under this subsection and (e) of this section.

*** Sec. 13.** AS 08.01.103(f) is repealed and reenacted to read:

(f) A citation issued under AS 08.01.102 is considered to be a lawful complaint for the purpose of prosecution.

*** Sec. 14.** AS 08.18.118(a) is amended to read:

(a) A citation issued under this chapter must **comply with AS 12.25.175 - 12.25.230** [BE IN WRITING]. A person receiving the citation is not required to sign a notice to appear in court.

*** Sec. 15.** AS 08.18.118(b) is amended to read:

(b) The time specified in the notice to appear on a citation issued under this chapter must be at least five **working** days [, NOT INCLUDING WEEKENDS AND HOLIDAYS,] after the issuance of the citation [, UNLESS THE PERSON CITED REQUESTS AN EARLIER HEARING].

*** Sec. 16.** AS 08.18.118(f) is repealed and reenacted to read:

(f) A citation issued under this chapter is considered to be a lawful complaint for the purpose of prosecution.

*** Sec. 17.** AS 08.40.340 is amended to read:

Sec. 08.40.340. Issuance of citations. The department may issue a citation **that complies with AS 12.25.175 - 12.25.230** for a violation if there is probable cause to believe a person has violated AS 08.40.210 - 08.40.490. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation.

*** Sec. 18.** AS 08.40.350(a) is amended to read:

(a) [A CITATION ISSUED UNDER AS 08.40.340 MUST BE IN

WRITING.] A person receiving the citation **under AS 08.40.340** is not required to sign a notice to appear in court.

*** Sec. 19.** AS 08.40.350(b) is amended to read:

(b) The time specified in the notice to appear on a citation issued under AS 08.40.340 must be at least five **working** days [, NOT INCLUDING WEEKENDS AND HOLIDAYS,] after the issuance of the citation [, UNLESS THE PERSON CITED REQUESTS AN EARLIER HEARING].

*** Sec. 20.** AS 08.40.350(f) is repealed and reenacted to read:

(f) A citation issued under AS 08.40.340 is considered to be a lawful complaint for the purpose of prosecution.

*** Sec. 21.** AS 12.25 is amended by adding a new section to article 2 to read:

Sec. 12.25.175. Uniform citation format and procedure. (a) Notwithstanding any contrary provision of law, a citation issued by a peace officer and by another person who is authorized by law to issue a citation in the state must comply with standards concerning uniform citation format and procedure adopted by the Department of Public Safety. The standards must include

(1) a statewide numbering system for citations;

(2) a requirement that a citation be made upon oath or affirmation before a person authorized by law to administer oaths or affirmations or signed with a certification under penalty of perjury that the citation is true and was personally served on the person charged;

(3) a requirement that the citation contain information required by AS 12.25.200(b).

(b) The commissioner of public safety shall provide or prescribe citation forms for use by peace officers and other persons who are authorized by law to issue citations.

(c) The commissioner of public safety shall adopt regulations under AS 44.62 to implement this section.

*** Sec. 22.** AS 12.25.180 is amended to read:

Sec. 12.25.180. When peace officer may issue citation or take person before the court. (a) When a **peace officer stops or contacts a** person [IS STOPPED

OR CONTACTED BY A PEACE OFFICER] for the commission of a misdemeanor or the violation of a municipal ordinance, the **officer** [PERSON] may, in the **officer's** discretion, **issue** [OF THE CONTACTING PEACE OFFICER, BE ISSUED] a citation **to the person** instead of **taking the person** [BEING TAKEN] before a judge or magistrate under AS 12.25.150, unless

(1) the person does not furnish satisfactory evidence of identity;

(2) the contacting officer **reasonably believes** [HAS REASONABLE AND PROBABLE CAUSE TO BELIEVE] the person is a danger to self or others;

(3) the crime for which the person is contacted is one involving violence or harm to another person or to property;

(4) the person asks to be taken before a judge or magistrate under AS 12.25.150; or

(5) the peace officer has probable cause to believe the person committed a crime involving domestic violence; in this paragraph, "crime involving domestic violence" has the meaning given in AS 18.66.990.

(b) When a [PERSON IS STOPPED OR CONTACTED BY A] peace officer **stops or contacts a person** for the commission of an infraction or a violation, the **officer** [PERSON] shall **issue** [BE ISSUED] a citation instead of **taking the person** [BEING TAKEN] before a judge or magistrate under AS 12.25.150, unless

(1) the person does not furnish satisfactory evidence of identity; or

(2) the person refuses to accept **service of** the citation [OR TO GIVE A WRITTEN PROMISE TO APPEAR AS PROVIDED FOR UNDER AS 12.25.190(c)].

*** Sec. 23.** AS 12.25.190 is amended to read:

Sec. 12.25.190. When person to be given five-day notice to appear in court. (a) When a person is contacted by a peace officer and the peace officer exercises **one of** the **options** [OPTION] provided for in AS 12.25.180, the officer shall prepare a written citation and issue it to the person.

(b) The time specified in the notice to appear shall be at least five **working** days after [THE ALLEGED VIOLATION OR] the issuance of the citation [, WHICHEVER IS LATER, UNLESS THE PERSON CITED REQUESTS AN

EARLIER HEARING].

(c) The person cited [FOR THE CRIME] shall **accept** [GIVE A WRITTEN PROMISE TO APPEAR IN COURT BY SIGNING] at least one copy of the written citation prepared by the peace officer [, AND THE OFFICER SHALL DELIVER A COPY OF THE CITATION TO THE PERSON. THE WRITTEN PROMISE REQUIREMENT OF THIS SUBSECTION DOES NOT APPLY TO BOATING CITATIONS FOR WHICH A BAIL SCHEDULE HAS BEEN ESTABLISHED UNDER AS 05.25.090(c), MOTOR VEHICLE AND TRAFFIC CITATIONS FOR WHICH A BAIL OR FINE SCHEDULE HAS BEEN ESTABLISHED UNDER AS 28.05.151, FISH AND GAME CITATIONS FOR WHICH A BAIL SCHEDULE HAS BEEN ESTABLISHED UNDER AS 16.05.165, CITATIONS ISSUED UNDER AS 04.21.065, CITATIONS FOR SKIING VIOLATIONS ISSUED UNDER AS 05.45.100, CITATIONS ISSUED UNDER AS 18.35.341, CITATIONS ISSUED IN STATE PARK AND RECREATIONAL FACILITIES UNDER AS 41.21.960, OR LITTERING CITATIONS ISSUED UNDER AS 46.06.080].

*** Sec. 24.** AS 12.25.190(c), as repealed and reenacted by sec. 26, ch. 28, SLA 2000, and by sec. 41, ch. 12, SLA 2006, is amended to read:

(c) The person cited [FOR THE CRIME] shall **accept** [GIVE A WRITTEN PROMISE TO APPEAR IN COURT BY SIGNING] at least one copy of the written citation prepared by the peace officer [, AND THE OFFICER SHALL DELIVER A COPY OF THE CITATION TO THE PERSON. THE WRITTEN PROMISE REQUIREMENT OF THIS SUBSECTION DOES NOT APPLY TO MOTOR VEHICLE AND TRAFFIC CITATIONS FOR WHICH A BAIL OR FINE SCHEDULE HAS BEEN ESTABLISHED UNDER AS 28.05.151, FISH AND GAME CITATIONS FOR WHICH A BAIL SCHEDULE HAS BEEN ESTABLISHED UNDER AS 16.05.165, CITATIONS ISSUED UNDER AS 04.21.065, CITATIONS FOR SKIING VIOLATIONS ISSUED UNDER AS 05.45.100, CITATIONS ISSUED UNDER AS 18.35.341, CITATIONS ISSUED IN STATE PARK AND RECREATIONAL FACILITIES UNDER AS 41.21.960, OR LITTERING CITATIONS ISSUED UNDER AS 46.06.080].

*** Sec. 25.** AS 12.25.195(a) is amended to read:

(a) **If a** [A] person cited for an offense for which a scheduled amount of bail or a fine has been established **does not contest the citation, the person** may mail or personally deliver to the clerk of the court with appropriate jurisdiction if a bailable offense, or to the clerk of the municipality that issued the citation if a scheduled municipal fine, the amount of the bail or fine indicated on the citation for the offense together with a copy of the citation signed by the person indicating the person's waiver of court appearance, entry of plea of no contest, and forfeiture of bail or fine. **The citation with the bail or fine shall be mailed or personally delivered on or before the 30th day after the date the citation was issued** [A MOTOR VEHICLE OR TRAFFIC CITATION MAY BE MAILED OR PERSONALLY DELIVERED WITHIN FIVE DAYS OF THE DATE OF THE CITATION. A CITATION FOR A SCHEDULED OFFENSE OTHER THAN A MOTOR VEHICLE OR TRAFFIC CITATION MAY BE MAILED OR PERSONALLY DELIVERED WITHIN 15 DAYS OF THE DATE OF THE CITATION].

*** Sec. 26.** AS 12.25.200 is amended to read:

Sec. 12.25.200. Form for citations. (a) The chief administrative officer of each law enforcement agency **or other agency authorized to issue citations** in the state is responsible for the issuance of books containing appropriate citations, and shall maintain a record of each book and each citation contained in it and shall require and retain a receipt for every book issued to a peace officer **or other person authorized to issue citations**.

(b) A citation issued under AS 12.25.180 **or other law authorizing the issuance of a citation** must **be in writing and** indicate**, if applicable,**

(1) the amount of bail or fine and the surcharge applicable to the offense;

(2) the procedure a person must follow in responding to the citation;

(3) that**,** if the person fails to pay the bail or fine**,** the person must appear in court;

(4) that failure to pay the bail or fine or appear in court for an offense involving a moving motor vehicle may result in

(A) suspension of the person's driver's license, privilege to

drive, or privilege to obtain a license; or

(B) attachment of the person's permanent fund dividend to pay the fine plus court and collection costs under AS 28.05.155; and

(5) that the person has a right to

(A) a trial;

(B) engage counsel;

(C) confront and question witnesses;

(D) testify; [AND]

(E) subpoena witnesses on the person's behalf.

*** Sec. 27.** AS 12.25.210(a) is amended to read:

(a) A peace officer **or other person authorized by law to issue a citation**, upon issuing a citation to an alleged violator under AS 12.25.180 **or other law, on or before the 10th working day after issuance**, shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. If the citation charges an offense under a municipal ordinance for which a scheduled fine has been established, the peace officer shall deposit the original or a copy of the citation with the clerk of the municipality that issued the citation, unless otherwise provided under rule adopted by the supreme court. **Failure to file the citation within the prescribed time is not a basis for dismissal of the citation.**

*** Sec. 28.** AS 12.25.210(d) is amended to read:

(d) The chief administrative officer of each law enforcement **or other** agency shall require each officer **or other person** in the agency to **retain** [RETURN] a copy of every citation issued by the officer **or other person** to an alleged violator of a law or ordinance and all copies of every citation that has been spoiled or upon which any entry has been made and not issued to an alleged violator.

*** Sec. 29.** AS 12.25.210(e) is amended to read:

(e) The chief administrative officer of each law enforcement **or other** agency shall also maintain, in connection with every citation issued by an officer **or other person** in the agency, a record of the disposition of the charge by the court in which the original or copy of the citation was deposited.

*** Sec. 30.** AS 12.25.230(a) is amended to read:

(a) Except as provided in (b) of this section **or otherwise specifically provided by law**, a person who fails to appear in court to answer the citation, regardless of the disposition of the charge for which the citation was issued, is guilty of a **class A** misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN $1,000, OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH].

*** Sec. 31.** AS 12.25.230(b) is repealed and reenacted to read:

(b) A person who fails to pay the bail or fine or appear in court in response to a citation for which a scheduled bail or fine is established, regardless of the disposition of the charge for which the citation was issued, is guilty of a class B misdemeanor.

*** Sec. 32.** AS 16.05.165(a) is amended to read:

(a) When a peace officer stops or contacts a person concerning a violation of this title except AS 16.51 and AS 16.52 or of a regulation adopted under this title except AS 16.51 and AS 16.52 that is a misdemeanor, the peace officer may, in the officer's discretion, issue a citation to the person as provided in **AS 12.25.175 - 12.25.230** [AS 12.25.180].

*** Sec. 33.** AS 16.05.165(c) is amended to read:

(c) **If a** [A] person cited for a misdemeanor for which a bail amount has been established under (b) of this section **does not contest the citation, the person** may, **on or before the 30th day** [WITHIN 15 DAYS] after the date of the citation, mail or personally deliver to the clerk of the court in which the citation is filed by the peace officer

(1) the amount of bail indicated on the citation for that offense; and

(2) a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail is forfeited.

*** Sec. 34.** AS 16.05.165(e) is repealed and reenacted to read:

(e) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the bail amount established under (b) of this section or fails to appear in court as required.

*** Sec. 35.** AS 18.35.341(a) is amended to read:

(a) A peace officer may issue a citation for a violation of AS 18.35.300 or

18.35.305 committed in the officer's presence or for a violation of AS 18.35.330. The provisions of **AS 12.25.175 - 12.25.230** [AS 12.25.180(b) AND 12.25.190 - 12.25.230] apply to the issuance of a citation under this subsection.

*** Sec. 36.** AS 18.35.341(e) is amended to read:

(e) **If a** [A] person cited for a violation under this section **does not contest the citation, the person** may, **on or before the 30th day** [WITHIN 15 DAYS] after the date of the citation, mail or personally deliver to the clerk of the court in which the citation is filed

(1) the amount of bail indicated on the citation for that violation; and

(2) a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail is forfeited.

*** Sec. 37.** AS 18.35.341(g) is repealed and reenacted to read:

(g) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the bail amount established under (d) of this section or fails to appear in court as required.

*** Sec. 38.** AS 28.01.010(h) is amended to read:

(h) A municipality may issue a citation for a traffic offense only if the citation complies with the provisions of **AS 12.25.175 and 12.25.200** [AS 12.25.200].

*** Sec. 39.** AS 28.05.041(a) is amended to read:

(a) The commissioner of administration shall prescribe and provide suitable application forms, certificates of title and registration, driver's licenses, and all other forms necessary to carry out the provisions of this title and regulations adopted under this title, the administration of which is vested in the Department of Administration. The commissioner of public safety shall prescribe and provide suitable forms necessary to carry out the provisions of this title and regulations adopted under this title, the administration of which is vested in the Department of Public Safety, including a standard citation form that meets the requirements of **AS 12.25.175 and 12.25.200** [AS 12.25.200] and that is in a form necessary to identify the offender and the offense and otherwise necessary to meet the needs of the public safety and the administration of justice as required under **AS 12.25.175 and 12.25.200** [THAT SECTION].

* **Sec. 40.** AS 28.32.010(b) is amended to read:

(b) A peace officer, or an employee of the Department of Public Safety who is authorized by the commissioner of that department to enforce both hazardous materials and commercial vehicle safety regulations, may issue a citation under **AS 12.25.175 - 12.25.230** [AS 12.25.180 - 12.25.230] to a person who violates a regulation adopted under AS 28.05.011(a)(2). An employee of the Department of Public Safety who is authorized by the commissioner of public safety to enforce both hazardous materials and commercial vehicle safety regulations may not take a person into custody under AS 12.25.180(b).

* **Sec. 41.** AS 41.21.960(a) is amended to read:

(a) When a peace officer stops or contacts a person concerning the commission of a misdemeanor offense committed within a park or recreational facility subject to the department's supervision, the officer may issue a citation to the person, subject to the provisions of **AS 12.25.175 - 12.25.230** [AS 12.25.180 - 12.25.230]. The person receiving the citation may not be required to endorse the citation.

* **Sec. 42.** AS 41.21.960(c) is amended to read:

(c) **If a** [A] person cited for an offense for which a bail amount has been established under (b) of this section **does not contest the citation, the person** may, **on or before the 30th day after** [WITHIN 15 DAYS FROM] the date of the citation, mail or personally deliver to the clerk of the court having jurisdiction over the place where the offense occurred

(1) the amount of bail indicated on the citation for that offense; and

(2) a copy of the citation indicating the offender's waiver of appearance, plea of no contest, and direction to forfeit the bail and any items seized from the offender.

* **Sec. 43.** AS 41.21.960(e) is repealed and reenacted to read:

(e) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the bail amount established under (b) of this section or fails to appear in court as required.

* **Sec. 44.** AS 41.23.210(b) is amended to read:

(b) A person designated in (a) of this section may, when enforcing the

provisions of AS 41.23.180 - 41.23.230 or a regulation adopted under AS 41.23.180 - 41.23.230,

(1) execute a warrant or other process issued by an officer or court of competent jurisdiction;

(2) administer or take an oath, affirmation, or affidavit; and

(3) **issue a citation or** arrest a person who violates a provision of AS 41.23.180 - 41.23.230 or a regulation adopted under AS 41.23.180 - 41.23.230.

*** Sec. 45.** AS 41.23.210 is amended by adding a new subsection to read:

(c) A citation issued under (b) of this section must comply with the provisions of AS 12.25.175 - 12.25.230.

*** Sec. 46.** AS 44.29.094(a) is amended to read:

(a) A citation issued under AS 44.29.092 must **comply with the standards adopted under AS 12.25.175 and 12.25.200** [BE IN WRITING] and must contain a notice to appear in court. A person receiving the citation is not required to sign the notice.

*** Sec. 47.** AS 44.29.094(b) is amended to read:

(b) The time specified in the notice to appear in court on the citation shall be at least five **working** days [, NOT INCLUDING WEEKENDS AND HOLIDAYS,] after the issuance of the citation [, UNLESS THE PERSON CITED REQUESTS AN EARLIER APPEARANCE IN COURT].

*** Sec. 48.** AS 44.29.094(f) is repealed and reenacted to read:

(f) A citation issued under AS 44.29.092 is considered to be a lawful complaint for the purpose of prosecution.

*** Sec. 49.** AS 44.41.020 is amended by adding a new subsection to read:

(f) The Department of Public Safety shall establish by regulation standardized forms for citations issued by law enforcement officers and other persons authorized by law to issue citations in the state.

*** Sec. 50.** AS 45.75.131(b) is amended to read:

(b) A citation issued under this section must **comply with the standards adopted under AS 12.25.175 - 12.25.230** [BE IN WRITING]. A person receiving the citation is not required to sign a promise to appear in court.

*** Sec. 51.** AS 45.75.131(c) is amended to read:

(c) The time specified in the notice to appear on a citation issued under this section must be at least **five working** [15] days after the issuance of the citation [, UNLESS THE PERSON CITED REQUESTS AN EARLIER HEARING].

*** Sec. 52.** AS 45.75.131(e) is amended to read:

(e) **On or before the 10th working day after issuance, a** [A] peace officer or an employee who issues a citation under this section shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. Upon its deposit with the court, the citation may be disposed of only by trial in the court or other official action taken by the magistrate, judge, or prosecutor. The peace officer or employee who issued the citation may not dispose of it or copies of it or of the record of its issuance except as required under this subsection and (f) of this section.

*** Sec. 53.** AS 45.75.131(g) is repealed and reenacted to read:

(g) A citation issued under this section is considered to be a lawful complaint for the purpose of prosecution.

*** Sec. 54.** AS 45.75.131(h) is amended to read:

(h) Unless the citation has been voided or otherwise dismissed by the magistrate, judge, or prosecutor, or bail has been forfeited under AS 45.75.133, a person who fails to appear in court to answer a citation issued under this section, regardless of the disposition of the charge for which the citation was issued, is guilty of **failure to obey a citation under AS 12.25.230(b)** [A CLASS B MISDEMEANOR].

*** Sec. 55.** AS 45.75.133(b) is amended to read:

(b) **If a** [A] person cited for a violation for which a bail forfeiture amount has been established under (a) of this section **does not contest the citation, the person** may, within **30** [15] days after the date of the citation, mail or personally deliver to the clerk of the court in which the citation is filed by the employee

(1) the amount of bail indicated on the citation for that offense; and

(2) a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail is forfeited.

*** Sec. 56.** AS 45.75.133(d) is repealed and reenacted to read:

(d) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230(b) if the person fails to pay the bail amount established under (a) of this section or fails to appear in court as required.

*** Sec. 57.** AS 46.06.080(d) is amended to read:

(d) A peace officer shall issue a citation as provided in **AS 12.25.175 - 12.25.230** [AS 12.25.180] to a person who violates this section. If a citation is for a minor littering violation **and the person does not contest the charge**, [THEN] the person to whom the citation is issued may, **on or before the 30th day after the date of the citation** [WITHIN 15 DAYS], mail or personally deliver to the clerk of the court in which the citation is filed

(1) a fine of $50; and

(2) a copy of the citation indicating that the right to an appearance is waived and a plea of no contest is entered.

*** Sec. 58.** AS 46.06.080(f) is repealed and reenacted to read:

(f) A person cited under this section is guilty of failure to obey a citation under AS 12.25.230 if the person fails to pay the fine or to appear in court as required.

*** Sec. 59.** AS 46.06.110(b) is amended to read:

(b) The department shall prescribe a citation form, which shall be used by all peace officers and persons in the state who are authorized to enforce the provisions of this chapter. **The citation form must meet the requirements of AS 12.25.175 - 12.25.230.**

*** Sec. 60.** AS 04.16.205(i) and 04.16.205(j) are repealed.

*** Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. This Act applies to all citations issued by peace officers and other persons authorized under state law to issue citations for violations occurring on or after July 1, 2010.

*** Sec. 62.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITIONAL PROVISIONS: REGULATIONS. The Department of Public Safety may proceed to adopt regulations necessary to implement this Act. The regulations take effect

under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

*** Sec. 63.** Section 62 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 64.** Sections 8 and 24 of this Act take effect on the date that secs. 18 and 26, ch. 28, SLA 2000, take effect under sec. 30, ch. 28, SLA 2000, as amended by sec. 3, ch. 34, SLA 2004, and by sec. 1, ch. 19, SLA 2009.

*** Sec. 65.** Except as provided in secs. 63 and 64 of this Act, this Act takes effect July 1, 2010.

HB 392

<target><bill>HB 392</bill><subject>HB 392</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB392(HSS)**
() Publish Date:

Identifier (file name): HB392CS(HSS)-DHSS-MAA-04-07-10
Dept. Affected: Health & Social Services

Title: Incentives for Certain Medical Providers
RDU: Health Care Services
Component: Medical Assistance Administration

Sponsor: Herron

Requester: House HSS
Component Number: 242

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	89.3		89.3	89.3	89.3	89.3	89.3
Travel	6.0		6.0	6.0	6.0	6.0	6.0
Contractual	2,742.4		2,742.4	2,742.4	2,742.4	2,742.4	2,742.4
Supplies	2.0		2.0	2.0	2.0	2.0	2.0
Equipment	7.6						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**2,847.3**	**0.0**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match	2,036.3		2,036.3	2,036.2	2,036.2	2,036.2	2,036.2
1004 GF	132.3		124.7	124.7	124.7	124.7	124.7
1005 GF/Program Receipts	678.7		678.7	678.8	678.8	678.8	678.8
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**2,847.3**	**0.0**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 392 creates a loan repayment program for identified health professional occupations and provides for cash incentives for eligible health professionals engaged in qualified employment. The intent of the legislation is to "address the worsening shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals who provide direct patient care."

Division of Health Care Services estimates that it will need a total of 1 FTE to fully administer the loan repayment and employment incentive programs.

(continued on next page)

Prepared by: William J. Streur, Deputy Commissioner — Phone (907) 269-7827
Division: DHSS Health Care Services — Date/Time 4/7/10 1:00 PM

Approved by: Alison Elgee, Assistant Commissioner — Date 4/7/2010
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

ANALYSIS CONTINUATION

Health Care Professions Loan Repayment & Incentive Program

The Division assumes it will need $2,715.0 for practitioner payments in FY2011. This funding will be used for either practitioner payments as cash incentives, or payments to lender institutions for loan repayments, or there can be a combination of the two types of payments. Maximum payments established for any combination of loan repayment and cash incentive are: $35.0 annually for tier I health care professionals employed in "regular" positions; $47.0 annually for tier I health care professionals employed in "very hard-to-fill" positions; $20.0 annually for tier II health care professionals employed in "regular" positions; and $27.0 annually for tier II health care professionals employed in "very hard-to-fill" positions. The need for $2,715.0 in FY2011 assumes the following:

Tier I	27 Practitioners	$1,161.0	(assumes 9 participants from each of 3 types comprising tier I at $387.0 for each type)
Tier II	63 Practitioners	$1,554.0	(assumes 9 participants from each of 7 types comprising tier II at $222.0 for each type)
Total	90 Practitioners	$2,715.0	

The Division assumes the employing entities will provide 25% of the $2,715.0 as contributing match as specified in HB392. Therefore, the expected GF match is $2,036.3 The match for the employing entities is $678.7.

Incentive payments are available to professionals for up to 3 years of qualified employment with a lifetime maximum participation of six years in the loan repayment and direct incentives aspects of the program by a tier I or tier II health care professional. The total number of participants in the program may not exceed 90 participants annually, regardless of whether the participant is a new or continuing participant.

On the fiscal note, the payments for practitioners will be paid from the contractual line:

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Practitioner Payments	$2,715.0	$2,715.0	$2,715.0	$2,715.0	$2,715.0	$2,715.0
Evaluation Contract	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0
Staff Contractual Costs	$ 9.4	$ 9.4	$ 9.4	$ 9.4	$ 9.4	$ 9.4
Total:	$2,742.4	$2,742.4	$2,742.4	$2,742.4	$2,742.4	$2,742.4

Administrative Costs
1 Health Program Manager II, $89.3 (includes fringe benefits). Assumes $9.4 per FTE annually for office space, phones, and other contractual costs; $2.6 one time costs per FTE for computers and software; $5.0 one time costs per FTE for office equipment; $2.0 per FTE annually for supplies; $6.0 per year for travel; $18.0 each year for a program evaluation contract.

Health Program Manager II.
This position will serve as lead program manager for the loan repayment and employment incentive program and will: establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program, develop the application process for participation in the program for sites and professionals, develop and disseminate public information and notices pertinent to the program, lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions, prepare annual reports that document the successes and challenges of the program, facilitate the creation of and ongoing work of the advisory committee, and establish procedures and manage the employer contribution portion of the program.

ACPE will facilitate the disbursement of the loan repayment benefit. It will not be the budgetary agency for requesting and receiving the funds. After HCS selects program participants, ACPE will verify the existence of their qualifying education debt, and, on a periodic basis, transmit the appropriate benefit amount to the individual's lender.

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

April 7, 2010

The Honorable Mike Hawker, Co-Chair
House Finance Committee
Alaska Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze, Co-Chair
House Finance Committee
Alaska Capitol, Room 515
Juneau, AK 99801-1182

RE: HB 392 (Herron)—Support

Dear Co-Chairs Hawker and Stoltze:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Finance Committee to support HB 392, authored by Representative Bob Herron.

The intent of HB 392 is to provide incentives for health care providers, especially for expertise that is in short supply in Alaska as well as to secure providers in our many underserved geographic areas.

AARP approaches HB 392 from the standpoint of the customer. Our members are the group most likely to need health care services and are often the first ones to face critical health care problems because they cannot find a provider.

You are well aware of our health care workforce shortages in Alaska. If our members cannot find a health provider, the results can be bad for them as well as for the state.

Postponing a needed health visit often results in health deterioration and, in many cases, more intense and more expensive treatment. With an increase in providers, our members are more likely to seek prevention and early treatment. The overall health status of older Alaskans will improve.

However, if our members cannot find a health care provider, Alaska will be the loser.

As you know, prior to 1990 many older Alaskans left the state after retirement because they could not count on finding medical facilities and providers to meet their needs.

This trend reversed and now Alaska has the highest percentage of older people who decide to stay in their home state after retirement. The economic value of these retirees is estimated at over $1.7 billion.

Jennie Chin Hansen, President
William D. Novelli, Chief Executive Officer

We want our citizens to stay here after retirement. The most significant determination of where retirees decide to live is the availability of quality health care. We must have an adequate health care workforce if we are going to keep older Alaskans in our state.

HB 392 will go a long way in helping us secure that workforce.

AARP recommends an "AYE" vote on HB 392.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Bill Thomas
Representative Alan Austerman
Representative Anna Fairclough
Representative Neal Foster
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon
Representative Mike Doogan
Representative Les Gara
Representative Bob Herron

Representative Bob Herron

Rep.Bob.Herron@legis.state.ak.us

State Capitol • Juneau, Alaska 99801-1182
Phone: (907) 465-4942 • Fax: (907) 465-4589

House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

Akiachak
Akiak
Atmautluak
Bethel
Chefornak
Eek
Goodnews Bay
Kasigluk
Kipnuk
Kongiganak
Kwethluk
Kwigillingok
Lower Kalskag
Mekoryuk
Mertarvik
Napakiak
Napaskiak
Newtok
Nightmute
Nunapitchuk
Oscarville
Platinum
Quinhagak
Toksook Bay
Tuluksak
Tununak
Tuntutuliak
Upper Kalskag

House Bill 392 – Loan Repayment and Incentives for Certain Medical Providers

Version 26-LS1528\C

SPONSOR STATEMENT

House Bill 392 establishes a loan repayment and direct incentive program in the Department of Health and Social Services (DHSS), for certain health care professionals employed in the state of Alaska. The goals of the program are to increase the quality and quantity of medical services in underserved regions using a combination of loan repayment and direct monetary incentives to recruit and retain experienced health care professionals. Loan repayment would apply only to loans made by the state for greater administrative efficiency.

Alaska has long faced a heath care provider shortage that is expected to worsen. The lack of health care providers is apparent not only in urban regions but also in rural communities where it is especially difficult to recruit health care practitioners. The intent of HB 392 is to create a competent and sustainable workforce that has the experience necessary to serve our citizens.

HB 392 is one of the only programs that would allow incentives to mid-career professionals and thus will be a powerful recruitment tool. Forty-four states have "support-for-service programs" and Alaska cannot compete with these states when attempting to recruit health care professionals. HB 392 is a much-needed solution to our shortage of health care professionals because the bill will allow for the employment of up to 90 participants in any given year.

DHSS would run the program and serve as the fiscal agent making quarterly loan payments directly to eligible lenders and incentive payments directly to practitioners from 10 different heath care occupations.

The amount of loan repayment and/or direct incentive payment would depend on the location of the position and the category of health care provided. There are two tiers of practitioners: Tier-1 includes dentists, pharmacists, physicians (MD and DO); and Tier-2 includes dental hygienists, nurse practitioners, nurses (RN), physical therapists, physician assistants, psychologists, and social workers (LCSW).

A provider in Tier-1 who serves in a designated "very hard-to-fill" position could receive up to an extra $47,000 and in a "regular" position an extra $35,000 per year for up to three years. A provider in Tier-2 who serves in a designated "very hard-to-fill" position could receive up to an extra $27,000 and in a "regular" position an extra $20,000 per year for up to three years.

Representative Bob Herron

Rep.Bob.Herron@legis.state.ak.us

State Capitol • Juneau, Alaska 99801-1182
Phone: (907) 465-4942 • Fax: (907) 465-4589

House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

Akiachak
Akiak
Atmautluak
Bethel
Chefornak
Eek
Goodnews Bay
Kasigluk
Kipnuk
Kongiganak
Kwethluk
Kwigillingok
Lower Kalskag
Mekoryuk
Mertarvik
Napakiak
Napaskiak
Newtok
Nightmute
Nunapitchuk
Oscarville
Platinum
Quinhagak
Toksook Bay
Tuluksak
Tununak
Tuntutuliak
Upper Kalskag

To address the shortage of health care providers in rural areas 30 of the 90 slots would be reserved for "very-hard-to-fill" positions, which are designated by the Commissioner based upon a needs assessment and employment statistics for Tier-1 and Tier-2 health care professionals in that location.

Once HB 392 goes into effect, it will immediately begin to remedy the shortage of health care professionals within the state of Alaska. In combination with current programs aimed at students, e.g. WWAMI, we can greatly enhance the availability of medical services in our underserved areas, getting this important population the access to health care that they deserve.

REVIEW OF CHANGES FROM HB 392 TO CS HB 392 (HSS)

Changes prior to first committee hearing:

Sec. 18.29.025, pg. 5, lines 14 – 16

Deleted: Lines provide restrictions on what category of provider can serve at what site.

Inserted: on pg. 5, line 15 - 16

Adds "to not fewer than three participants employed in very hard-to-fill positions at an eligible site"

Change increases the number of participants for very hard-to-fill sites to 3; regular sites have 3 slots, and 3 can be allocated as the commissioner sees fit.

Changes in HSS for HB 392 = 26-LS1528\C

Sec. 14.43.430 Loan repayment; purpose.

Inserted, pg. 1 line 8: "by the state" after education loans made

Sec. 14.43.435 Eligibility.

Inserted, pg. 2, lines 9-10: "made by the state" after education loans

Changes limit loan repayment to loans only made by the state. This change was made for administrative efficiency.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM March 11, 2010

SUBJECT: Sectional Summary (HB 392; Work Order No. 26-LS1528\R)

TO: Representative Bob Herron
Attn: Nikoosh Carlo

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires the Alaska Commission on Postsecondary Education to repay education loans made to health care professionals, as defined, under eligibility criteria established in sec. 2. Specifies that the loan repayment obligation is not a financial obligation of the corporation. Provides for quarterly payments based on the fulfillment of qualified employment at eligible sites located in the state.

Section 2. Establishes the health care professions loan repayment and incentive program in the Department of Health and Social Services for the purpose of addressing a shortage of certain health care professionals in the state and for improving the distribution of those professionals. Requires the commissioner of health and social services to administer the program, to designate and prioritize eligible employment sites, and to monitor the program in consultation with an advisory body established under this section. Provides for maximum combined loan repayment and employment incentives based on the type of employment.

Section 3. Provides for an immediate effective date for the bill.

JMM:med
10-036.med

STATE OF ALASKA
DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

March 18, 2010

The Honorable Wes Keller, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 13
Juneau, AK 99801-1182

The Honorable Bob Herron, Co-Chair
House Health and Social Services Committee
Alaska State Capitol, Room 411
Juneau, AK 99801-1182

Subject: Support for HB 392, Incentives for Certain Medical Providers

Dear Chair Keller and Chair Herron:

The Alaska Commission on Aging (ACoA) encourages support for HB 392 by the House HSS Committee, a bill to establish a loan repayment program to build Alaska's health care workforce by increasing the recruitment and retention of targeted health care professionals in urban and rural, underserved communities. This bill is authored by Representative Bob Herron.

Alaska, as with the rest of the nation, is experiencing a shortage of health care workers as fewer students are entering the health care profession and many of those already working in health care are preparing for retirement. Alaska is one of five states that does not offer a state-sponsored loan repayment program for health care professions. As a result, our hospitals, clinics, and communities lose potential health care workers to other states that incentivize their workforce with loan repayment programs.

Access to quality health care is a priority for all Alaskans and a critical need for people age 65 years and older. Older Alaskans benefit from regular health care services which enhance their overall health and decrease the need for more expensive, intensive treatment and emergency visits.

Alaska continues to lead all states with the fastest growing senior population currently comprising about 12 percent of our state's population and is projected to increase by five to six percent each year until 2020. The graying of Alaska's population is creating substantial shifts for workforce, particularly in the health care and long-term support service sectors, as demand increases and providers are reaching retirement age. If older Alaskans are unable to find a health care provider, they may be forced to leave the state in search of access to health care professionals. As a result, Alaska could suffer from a loss of retirees, who contribute more than $1.7 billion to the state's economy in addition to their significant volunteer service, caregiving activities, and community leadership.

ACoA supports HB 392 and believes that the proposed legislation will help to build a qualified health care workforce who will be available to meet the health care needs of older Alaskans. Please feel free to contact Denise Daniello, ACoA's executive director, by phone (465-4879) or email (denise.daniello@alaska.gov) should you have questions or require additional information about our position. Thank you.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Cc: Representative Tammie Wilson, Vice-Chair
Representative Bob Lynn
Representative Paul Seaton

Sincerely,

Denise Daniello
ACoA Executive Director

Cc: Representative Sharon Cissna
Representative Lindsey Holmes

Health Professional Shortage Area (HPSA) and Medically Underserved Areas and Populations (MUA/MUP) Listing 3/2009

(Listing does not include the automatic Primary Care HPSAs for Alaska Native Tribal Populations, which are available to meet designation requirements)

Census Area/Borough	Primary Care HPSA	Dental HPSA	Mental Health HPSA	MUA (Medically Underserved Area)	MUP (Medically Underserved Population per Governor's Request)
013 - Aleutians East Borough	yes	yes	yes	y	
016 - Aleutians West Census Area	yes	yes	yes	y	
020 - Anchorage Borough	CHC	CHC	CHC		y (North)
050 - Bethel Census Area	yes	CHC (applied for geographic DHPSA)	yes	y	
060 - Bristol Bay Borough	CHC	yes	applied/CHC	y	
068 - Denali Borough	yes	applied; CHC site	yes		y
070 - Dillingham Census Area	only AN; CHC shortly	yes	applied for geographic; CHC		y
090 - Fairbanks North Star Borough	Low income	CHC;applying for low income	CHC		y
100 - Haines Borough	CHC	--	yes		y
110 - Juneau Borough	--	--	--	--	--
122 - Kenai Peninsula Borough	CHC	CHC	CHC; Seward subarea is MHPSA		y
130 - Ketchikan Gateway Borough	--	--	--	--	--
150 - Kodiak Island Borough	CHC	CHC	CHC		y
164 - Lake and Peninsula Borough	yes	yes	yes	y	
170 - Matanuska-Susitna Borough	yes (north); 2 CHCs	yes (north); 2 CHCs	2 CHCs		y
180 - Nome Census Area	yes	yes	yes	y	
185 - North Slope Borough	yes	yes	yes	y	
188 - Northwest Arctic Borough	yes	yes	yes	y	
201 - Prince of Wales-Outer Ketchikan Census Area	CHC (lost geo)	CHC	CHC	y	
220 - Sitka Borough	--	--	--	--	--
232 - Skagway-Hoonah-Angoon Census Area	yes	yes	yes	y	
240 - Southeast Fairbanks Census Area	yes	--	--		y
261 - Valdez-Cordova Census Area	Cordova geo (and CHC); CHC Copper Valley	2 CHCs	2 CHCs	y part (Copper Valley)	y part (Cordova; Whittier)
270 - Wade Hampton Census Area	yes	yes	yes	y	
280 - Wrangell-Petersburg Census Area	CHC	CHC	yes		y
282 - Yakutat Borough	yes	yes	CHC	y	
290 - Yukon-Koyukuk Census Area	yes	yes	yes	y	

data from www.hrsa.gov March 3, 2009
http://www.hpsafind.hrsa.gov/HPSASearch.aspx

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility).
Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population.

USDHHS HRSA: More about shortage areas Alaska Primary Care Office information: http://www.hss.state.ak.us/dph/healthplanning/primarycare/PC_Home.htm

"Yes" in HPSA columns means there is a "geographic" HPSA designatuion approved by HRSA Office of Shortage Designation, for all or part of the census area or borough.
"CHC" indicates there is at least one Community Health Center with automatice HPSA designation. Where geographic HPSAs exist, the geographic area score is generally higher than the CHC score. Most of the areas with geographic designations also have CHCs in one or more sites within the census area or borough.

Prepared by Health Planning and Systems Development Section, Health Care Services, Alaska Department of Health and Social Services 3/19/2009

How Hard Is It for Alaska's Medicare Patients to Find Family Doctors?

By Rosyland Frazier and Mark Foster

UA Research Summary No. 14 • March 2009
Institute of Social and Economic Research • University of Alaska Anchorage

In the past few years, Alaskans have been hearing reports that some primary-care doctors won't see new Medicare patients. Medicare pays these doctors only about two-thirds of what private insurance pays—and that's after a sizable increase in 2009. But most Americans 65 or older have to use Medicare as their main insurance, even if they also have private insurance. Just how widespread is the problem of Alaska's primary-care doctors turning away Medicare patients? ISER surveyed hundreds of doctors to find out—and learned that so far there's a major problem in Anchorage, a noticeable problem in the Mat-Su Borough and Fairbanks, and almost no problem in other areas.

Medicare is the federal health insurance program for older Americans and for some younger people with disabilities. At issue is what Medicare pays primary-care doctors for their services—not what it pays for other medical costs. Alaska's 50,000 Medicare enrollees are almost all in the "fee for service" plan, which pays doctors standard fees for their services.*

Why is it so worrisome if primary-care doctors won't see Medicare patients? These are the doctors who provide broad care, track patients' overall health, and coordinate care with specialists. That's very important for older people, who often have various medical problems and chronic conditions. And the number of Alaskans over 65 is growing fast—it's expected to double in the next 15 years.

To learn how hard it is for older Alaskans to find primary-care doctors, in 2008 we tried to survey all those who could see the general population of Medicare patients. We were able to interview 229 doctors or their staffs—about 85% of those we tried to reach.

But Medicare payments for Alaska doctors increased in 2009, thanks to efforts of Alaska's U.S. senators. So we recently called back the doctors who had told us they weren't taking new Medicare patients. None of them had opened their doors to significant numbers of new Medicare patients. Four said they now see a very limited number of new Medicare patients, under special circumstances. Two doctors in a joint practice who still didn't see new Medicare patients had hired a nurse practitioner who did.

It's certainly also possible that without the 2009 increase, even more doctors would have decided not to see Medicare patients. Figure 1 shows what our 2008 and 2009 surveys found.

• *It's mainly doctors in Alaska's larger urban areas who are declining to see new Medicare patients.* But that's where the majority of older Alaskans live. Most doctors (even in Anchorage) will still see established patients—that is, patients they've seen in the past.

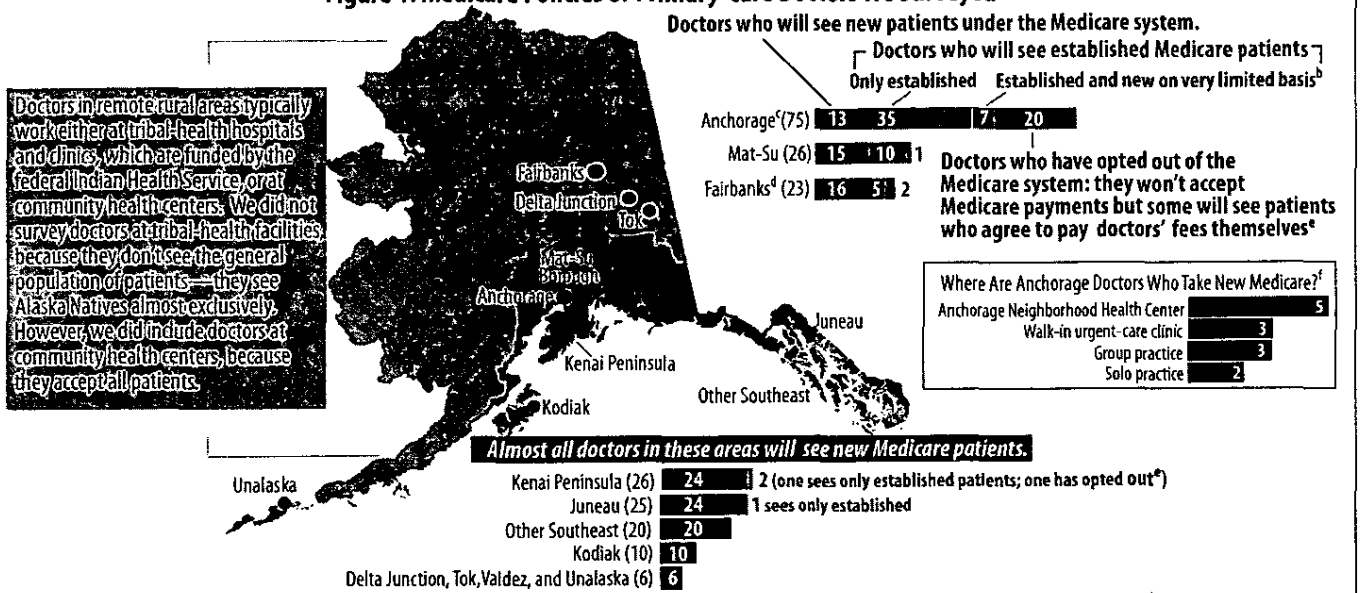
• *Almost all doctors in smaller communities take new Medicare patients.* Rural places have few doctors—so doctors probably feel more of an obligation to see all patients. For patients (Medicare or otherwise) in rural Alaska, the challenge is more likely to be recruiting and keeping doctors.

• *One in ten doctors we surveyed has opted out of the Medicare system.* Most are in Anchorage. They will not accept Medicare payments, but some will see patients who agree to pay the entire doctor's bill themselves.

• *The Anchorage Neighborhood Health Center,* which accepts all patients, saw twice as many Medicare patients in 2007 as in 2001. It has become the only choice for many of Anchorage's Medicare patients.

• *Medicare patients are not relying more on emergency rooms,* if figures for Providence Hospital's emergency room in Anchorage are typical. Numbers of Medicare patients there haven't changed much in the past several years.

Figure 1. Medicare Policies of Primary-Care Doctors We Surveyed[a]



[a]In 2008 we surveyed 229 doctors; 15 weren't taking any new patients at all; 3 had no Medicare patients. In 2009 we re-surveyed doctors who didn't take new Medicare patients in 2008. [b]Ten doctors (7 in Anchorage, 2 in Fairbanks, 1 in Mat-Su) accept a few new Medicare patients under special circumstances, but don't typically see new Medicare patients. [c]Includes Eagle River/Chugiak. [d]Includes North Pole. [e]See Figure 9. [f]See page 3.

*Nationwide, 21% of beneficiaries have enrolled in Medicare Advantage programs—which means they become members of private health plans, and Medicare then pays the plans a set monthly amount for each Medicare enrollee.

Survey of Primary-Care Doctors

We surveyed only primary-care doctors. So far there hasn't been any sign that specialists are declining to see Alaska's Medicare patients—not surprising, since Medicare tends to pay them closer to private-insurance rates.

We first had to determine how many doctors fit our survey criteria: those who currently practice general, family, or internal medicine at least 20 hours a week and who could see the average Medicare patient, if they chose to.

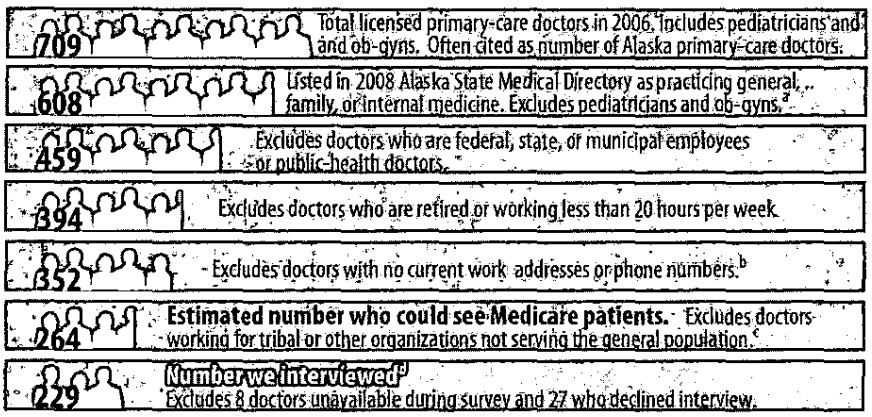
About 700 primary-care doctors are licensed in Alaska, but most aren't available to see the general population of Medicare patients. Hundreds work for government agencies, are in public health, or see only specific groups (Figure 2).

Among those who didn't fit our criteria are doctors working for tribal-health facilities that provide Indian Health Service programs for Alaska Natives. These doctors do see Alaska Native Medicare patients.

We estimated that 264 doctors were left, after we took out those who didn't fit our criteria. In 2008 we tried to reach all 264. We were able to talk with about 85%—229 doctors or their staffs. We asked them to tell us their policies for seeing Medicare patients and to rank reasons why they might be limiting or turning them away. The top reason they cited was "inadequate reimbursement"—that is, Medicare payments aren't enough to cover the costs of seeing patients.

We also followed up, in 2009, with doctors who had told us in 2008 that they weren't taking new Medicare patients. We reached all but two.

Figure 2. How Many Primary-Care Doctors Are Available to See Medicare Patients?
(Among Alaska Doctors Practicing General, Family, or Internal Medicine at Least 20 Hours per Week)



[a]We excluded pediatricians and obstetrician-gynecologists, who are often included in definitions of primary-care doctors, because they don't routinely see older patients. [b]About 42 doctors were not at the addresses and phone numbers in the medical directory. We tried but weren't able to find them, and we assume they have left the state or are not practicing [c]We excluded doctors working for tribal-health organizations, the military, the Veterans' Administration, and Planned Parenthood, because they don't see the general population of Medicare patients. Doctors who work for tribal-health facilities do see Alaska Native Medicare patients. [d]We interviewed either doctors or members of their staffs.

Medicare Versus Private Insurance

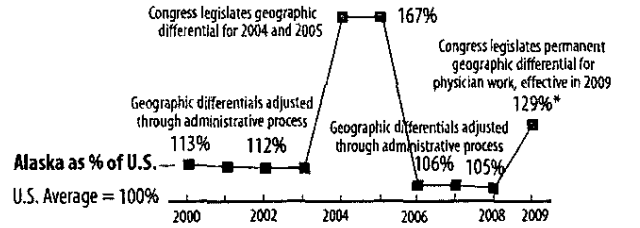
The federal Center for Medicare and Medicaid Services (CMS) calculates Medicare payments for doctors under a complex formula that takes into account geographic differences in costs around the country. Alaska's doctors have historically been paid more than the U.S. average for seeing Medicare patients.

The CMS formula actually includes three geographic differentials: one for "physician work" itself, one for doctors' costs of operating practices, and one for doctors' costs of carrying liability insurance.

In 2008, Congress set the Alaska geographic differential for "physician work" at 50% above the U.S. average, effective in 2009. Alaska's U.S. senators Lisa Murkowski and Ted Stevens were instrumental in gaining that increase for Alaska doctors. But combined with the other differentials—set by CMS—the overall Medicare geographic differential for Alaska doctors in 2009 is 29% above the U.S. average. Figure 3 shows the differential since 2000.

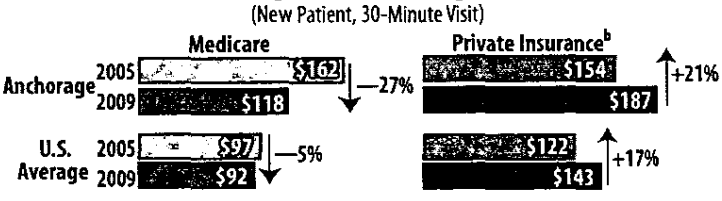
- *From 2000 to 2003, the geographic differential for Alaska doctors was about 12% above the U.S. average.* That differential was set entirely under CMS's administrative process.
- *In 2004 and 2005, the differential for Alaska doctors jumped to 67% above the U.S. average.* Ted Stevens, at that time Alaska's senior U.S. senator, spearheaded the legislation that led to the substantial but temporary increase. In those two years, Medicare paid Alaska doctors as much as private health insurance (Figure 4).
- *After that legislation expired, the Medicare differential dropped sharply,* to about 5% above the U.S. average from 2006 to 2008.
- *In 2009, the cost differential for Alaska doctors climbed to 29% above the U.S. average,* due to new federal legislation—as we just discussed. But Medicare still pays doctors less now than it did in 2005 (Figure 4).
- *Medicare pays about two-thirds of what private insurance pays, in Alaska and on average nationwide.* (But in the adjacent markets of Washington state, Medicare pays 68% to 75% of what private insurance pays.)
- *That nationwide gap helps explain why more Medicare patients are having trouble finding doctors.* Recent national surveys sponsored by the Medicare Payment Advisory Commission found that 17% of Medicare patients in the U.S. had "a big problem" finding family doctors in 2007, up from 13% in 2005. Alaska may be the harbinger of a national trend.

Figure 3. Medicare Geographic Cost Differential* for Alaska Doctors



*This is a weighted average of three geographic cost differentials the Center for Medicare and Medicaid Services uses in a complex formula that determines what doctors are paid. One of those is the differential for "physician work," and Congress set that at 150% of the U.S. average for Alaska doctors, effective in 2009. But the other differentials—for physicians' costs of operating their practices and for carrying liability insurance—are set by CMS and can vary from year to year.
Source: Center for Medicare and Medicaid Services; Medicare Payment Advisory Committee

Figure 4. Medicare and Private Insurance Payments[a] To Primary-Care Doctors, Anchorage and U.S. Average, 2005 and 2009
(New Patient, 30-Minute Visit)



[a]Figures include the amount Medicare or private insurance pays and the amount the patient pays. [b]Median payments
Source: Ingenix National Fee Analyzer

1891

Where Are the Medicare Patients?

• *Nearly 70% of non-Natives over 65 live in Anchorage, the Mat-Su Borough, and the Fairbanks area.* Figure 5 shows only where older non-Natives live, because older Alaska Native patients have access to doctors through tribal-health care facilities. For them, the issue is not that doctors won't see them but that there may not be enough doctors, especially in rural areas.

Who Accepts Medicare Patients?

Besides the doctors who will see new or established patients, some doctors have made another choice: they've opted out of the Medicare system. They don't accept any Medicare payments (see Figure 9), but some will see Medicare patients who agree to pay the doctor's fee themselves. Patients who can do that have more choices. But for those who need Medicare to help pay the bill, the access problem is the worst in Anchorage.

• *We found only 13 primary-care doctors seeing the general population of new Medicare patients in Anchorage.* Of those, 3 were at walk-in, urgent-care clinics, which mostly just treat minor injuries and illnesses (Figure 1).

• *Five of the 13 Anchorage doctors seeing new Medicare patients in 2008 were at the Anchorage Neighborhood Health Center.* That's one of dozens of federally funded community health centers in Alaska. There are hundreds more across the U.S. These centers are open to everyone, but they are mainly for medically "under-served" groups of people—poor and uninsured, for instance—or areas of the country without adequate local medical care, like many of Alaska's rural communities.

• *The Anchorage Neighborhood Health Center is the main choice for growing numbers of Medicare patients.* Both the number of Medicare patients coming to the clinic and the percentage they make up of all patients doubled between 2001 and 2007 (Figure 6). That growth did flatten out in 2004 and 2005, when Medicare paid doctors at a level comparable to private insurance. But after that, the numbers climbed. (In Fairbanks, the community health center saw a similar percentage increase. In the Mat-Su Borough, a health center just opened in 2005, so data are limited.)

• *Until recently there was another choice for Anchorage's Medicare patients—the Alaska Family Medicine Residency Program*, where some family doctors get their final phase of training. These resident doctors see patients, and they had been accepting growing numbers of Medicare patients. But to make sure the residents see a variety of patients, the program has now capped the number of Medicare patients it accepts.

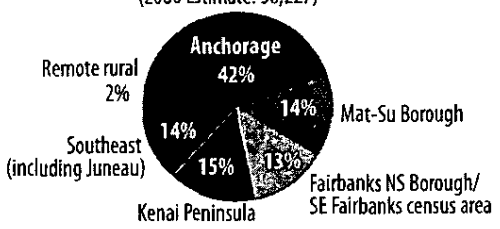
• *Anchorage's Medicare patients don't seem to be turning more to emergency rooms.* Data from Providence Hospital's emergency room show that visits by older patients have stayed mostly steady, with seasonal variations, since 2004 (Figure 7). But some health-care providers think that Medicare patients may be postponing care they need and coming in only when medical problems get much worse.

Medicare Payments to Doctors and to Health Centers

• *Medicare pays doctors and community health centers differently.* Some people believe that Medicare uniformly pays health centers more than it pays private doctors, making it more feasible for health centers to see Medicare patients. But the reality is more complex.

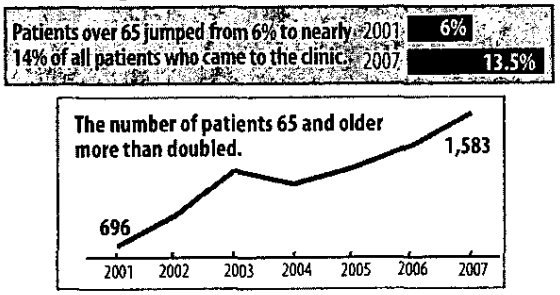
• *Medicare pays health centers the same fee for seeing Medicare patients for any visit, but private doctors more for longer, more complex visits.* Figure 8 compares payments for 30- and 60-minute visits with new patients, at doctors' offices and the Anchorage Neighborhood Health Center (ANHC). For a 30-minute visit, Medicare pays ANHC $119 and doctors about $95. But for a 60-minute visit, it still pays ANHC $119, but the doctors $189.

Figure 5. Where Do Non-Native Alaskans Over 65 Live?
(2006 Estimate: 38,227)



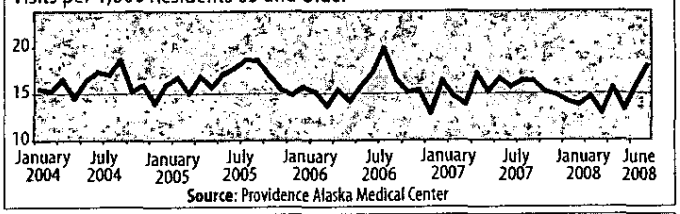
Source: Alaska Department of Labor, Research and Analysis section, 2006 bridge estimates

Figure 6. Growth in Number of Patients 65 and Older at Anchorage Neighborhood Health Center, 2001-2007



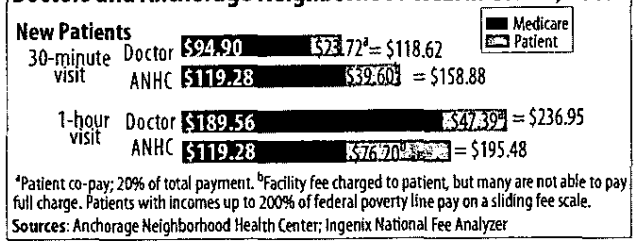
Source: Uniform Data System Reports, U.S. Department of Health and Human Services, Health Resources and Services Administration

Figure 7. Visits to Providence Hospital's Emergency Room in Anchorage, Patients 65 and Older, 2004 to 2008



Source: Providence Alaska Medical Center

Figure 8. Medicare and Patient Payments to Private Doctors and Anchorage Neighborhood Health Center, 2009



[a]Patient co-pay; 20% of total payment. [b]Facility fee charged to patient, but many are not able to pay full charge. Patients with incomes up to 200% of federal poverty line pay on a sliding fee scale.

Sources: Anchorage Neighborhood Health Center; Ingenix National Fee Analyzer

• *What Medicare patients pay at health centers and at doctors' offices is also determined in different ways.* Essentially, Medicare allows the health centers to take their own fees into account when determining what patients are charged. But Medicare doesn't allow doctors to use their own fees; instead, Medicare sets a maximum allowable charge for specific kinds of visits, and patients pay a portion of that (see Figure 9).

• *Neither ANHC nor the doctors' offices necessarily collect the amounts shown in Figure 8 as payments from patients.* At ANHC, patients with incomes up to 200% of the federal poverty line are charged on a sliding fee scale. Likewise, private doctors may not always be able to collect the patient's share. And both private doctors and ANHC report losing money when they see Medicare patients.

1892

Doctors and the System

Primary-care doctors who see Medicare patients have three choices for getting paid. Figure 9 describes those choices among doctors we surveyed.

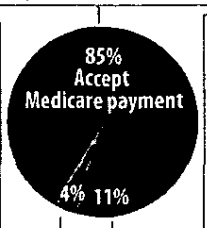
About 85% choose the standard Medicare process ("participating"). Another 4% still work with the Medicare system but charge patients somewhat more ("non-participating"). The final 11% have opted out of the Medicare system, but will still see patients who agree to foot the bill.

Patients also pay different amounts, depending on their doctors' policies. For a service with an allowable Medicare fee of $100, patients seeing doctors who accept that fee would pay $20—but only after Medicare paid the other $80. Patients seeing "non-participating" doctors would pay the doctors $109.25; Medicare would later reimburse the patients $76, so their final cost would be $33.25. Patients seeing doctors who have opted out of the Medicare system would pay a fee determined by the doctor—perhaps a negotiated fee, but still typically more than Medicare pays.

Figure 9. How Do Alaska Primary-Care Doctors Who See Medicare Patients Deal with the System?
(Among 211 Surveyed Who See New or Established Patients)

Most doctors accept standard Medicare fees and bill Medicare. They are called "participating." Medicare sets maximum allowable charges for various services. Participating doctors agree not to charge more than the allowable rate, and Medicare pays them 80% of that. The patients (and their secondary insurance, if they have any) pay the other 20%.

A few doctors (called non-participating) can charge up to 9% more than the allowable Medicare charge. But Medicare pays less and patients pay more. Here's how it works. The patient pays the entire bill, but the doctor submits a statement to Medicare so the patient is paid for the Medicare share. But instead of paying 80% of the charge, Medicare pays only 76%. The patients (and their secondary insurance, if they have any) pay the rest of the bill.



Some doctors don't accept Medicare payments for their fees. They are said to have "opted out." They will still see Medicare patients, but patients must agree to pay a fee the doctor sets. Medicare doesn't pay either doctors or patients, and patients can't bill any secondary health insurance they may have. Remember that patients pay only the fee for the doctor. They still use Medicare to help pay hospital and other medical costs. Doctors who opt out have to re-confirm their decision with Medicare every two years. They can also apply to come back into the system after two years.

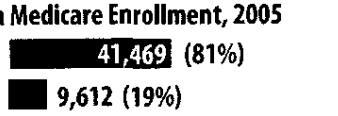
Example: How Much Would Patients Pay for a Service with an Allowable Medicare Charge of $100?

	Participating Doctors Charge $100	Non-Participating Doctors Can Charge $109.25	Doctors Who Have Opted Out Can Set Their Own Fees
Medicare pays	$80	$76	$0
Patient pays	$20[a]	$33.25[a]	Entire doctor's fee[b]

[a]Patients can bill secondary insurance to help pay their share. [b]Patients can't bill secondary insurance to pay any amount.

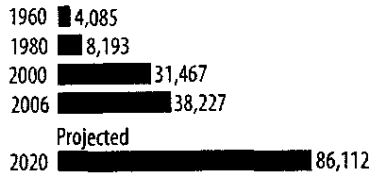
Sources: American Academy of Family Physicians; Government Accountability Office

Figure 10. Alaska Medicare Enrollment, 2005



Source: Alaska Department of Health and Social Services, Alaska Health Care Data Book 2007

Figure 11. Non-Native Alaskans 65 and Older



Sources: U.S. Bureau of the Census; ISER estimates based on census data; Alaska Department of Labor, Research Analysis, 2006 estimates and mid-range 2020 projections

Conclusion

With few exceptions, Americans 65 or older who are retired have to use Medicare as their primary insurance—even if they also carry private health insurance or have retirement benefits that include health-care coverage. Any other insurance they have can *only* be used to help pay *their share of the allowable Medicare charge*. They can't use private insurance to pay doctors more than Medicare allows.

As more Alaskans turn 65, the access problem will get worse, unless something changes. Growing numbers of Medicare patients around the country are also reporting access problems. And the American College of Physicians has reported that a nationwide shortage of primary-care doctors is looming—which would make the problem even worse.

This summary talks about just a very narrow slice of the multitude of issues facing Medicare. It's one of the largest and fastest-growing federal programs, and President Obama has said reforming it will be part of his plan to improve the U.S. health-care system. How potential reforms might affect Medicare patients' access to family doctors isn't clear today.

Because Medicare is a federal program, the state's options for helping improve access are limited. But Alaskans are talking about various possibilities—like recruiting more doctors and offering them bonuses to see Medicare patients, and either establishing an Anchorage clinic for Medicare patients or expanding the Anchorage Neighborhood Health Center.

In a publication later this year, we'll look at the implications of various ways of trying to improve access for Medicare patients. We'll also report what family doctors themselves told us—how they make decisions about seeing Medicare patients and what might make them willing to see more.

Back-up materials for figures in this summary are available from ISER. Call the authors at 907-786-7710 with questions. We've also developed a basic model that doctors—or anyone else—can use to estimate how changing the balance between patients paying with Medicare and with private insurance could affect doctors' revenues. To try that model, go to ISER's Web site:

www.iser.uaa.alaska.edu

The authors thank the doctors and others in health care who took the time to help us. We especially thank doctors Leslie Bryant, Richard Neubauer, and Thomas Nighswander; Joan Fisher of the Anchorage Neighborhood Health Center; James Jordan of the Alaska State Medical Association; and Providence Alaska Medical Center, Providence Health and Services - Alaska.

This research is part of ISER's Understanding Alaska Choices research initiative, funded by the University of Alaska Foundation. Karen Perdue, associate vice president for health programs, University of Alaska, provided additional funds.

Editor: Linda Leask Graphics: Clemencia Merrill

1893

Alaska Center for Rural Health – Alaska's AHEC
UNIVERSITY of ALASKA ANCHORAGE
August 2007

2007 Alaska Health Workforce Vacancy Study Research Summary

Key Findings: *Alaska is confronted by severe shortages of professional health workers, primarily in high-level primary care occupations that include* ***Family Physician, General Internist, Critical Care Nurse, Nurse Case Manager, Family Nurse Practitioner, Physician Assistant, Pharmacist, Dentist, Physical/Occupational/Speech Therapist,*** *and* ***Behavioral Health*** *occupations. Shortages in* ***RNs*** *and* ***Allied Health*** *are much less acute. Most affected are rural areas and Tribal Health Organizations, though growth-driven high vacancy rates affect the Anchorage-Matsu region as well.*

BACKGROUND

Alaska is confronted by a "perfect storm" of health professional shortages. The state has long suffered from a deficient "supply side" characterized by insufficient numbers of key health workers whose recruitment, retention and training have been impeded by Alaska's remoteness, harsh climate, rural isolation, low population density and scarce training resources. Now exacerbating this already difficult situation is a burgeoning "demand side" for increased health services for a steadily growing and aging population. The health services industry is the fastest growing sector of Alaska's economy, employing over 7% of the state workforce.

METHODOLOGIES

The key questions this study sought to answer were: What health occupations were at this time most critically affected by shortages? Exactly how many budgeted positions existed and how many of these currently remained unfilled? Where were these vacancies regionally and in what types of organizations? What did employers perceive to be the major underlying causes of their vacancies? How many new trainees/graduates could the job market actually absorb annually and how many organizations could absorb them?

Four hundred seventy-six (476) purposively sampled Alaska health service organizations of all types responded to the study survey (Figure 1). Survey data was used to generate estimates of positions and vacancies for the entire state of Alaska.

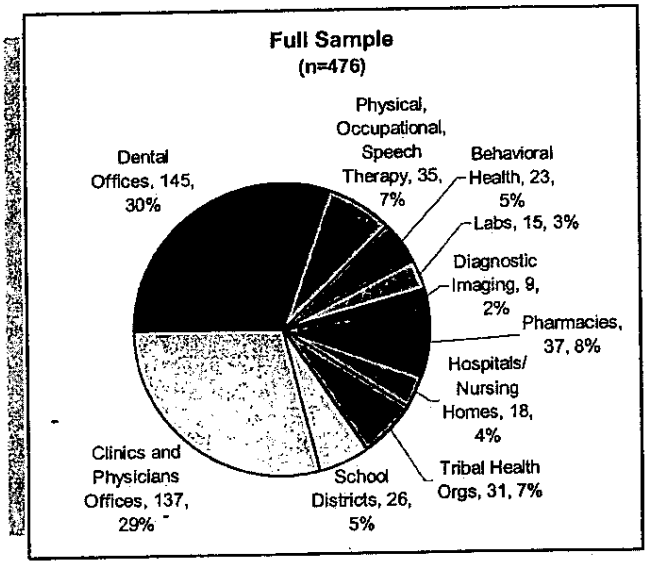


Figure 1

KEY FINDINGS

The findings confirm and quantify the trends cited in recent studies and accumulating anecdotal evidence: despite the recent progress in training and deploying health personnel, such as **Registered Nurses**, critical shortages persist (Tables 1,2).

The situation for key primary care occupations – **Family Physician, General Internist, Nurse Practitioner, and Physician Assistant** – was troubling, particularly in the rural areas, with numerous estimated vacancies and high estimated state vacancy rates between 15% and 20%.

Though vacancies for **Psychiatrists** were not numerous, they were particularly in demand (19.0% estimated vacancy rate) and difficult to recruit (mean vacancy length of 34.5 months).

This study was funded by the Office of Associate VP for Health, University of Alaska Anchorage, through Center for Disease Control and Prevention grant #5-H75S-DP024673, and by the Alaska Mental Health Trust Authority.

The national **Pharmacist** shortage has hit Alaska hard and affects every region, with high estimated vacancy numbers (98), and an estimated vacancy rate of 23.7%.

Therapists of all kinds – **Physical, Occupational, Speech, and Speech-Language Pathologists** – were in short supply, with estimated vacancy rates ranging from 15.6% to 29.3%. No part of the state escaped the shortages; vacancy rates were most acute in rural areas, but numerically high in the Anchorage Mat-Su region.

High numbers of vacancies and high vacancy rates were reported for key specialized nursing occupations, particularly for **Nurse Case Manager**, **Family Nurse Practitioner**, and **Critical Care Nurse**. These appeared to be the current areas of most critical shortage in nursing.

The estimated **Registered Nurse** vacancy rate was moderate (8.0%), but this masked 10% rates in hospitals and tribal health organizations, and an estimated rural rate of 16.1%.

While the estimated vacancy rate for **Dentist** was 10.3%, this masked a 15.3% estimated rural rate and a very high 42.0% rate for tribal health organizations, which had 39% of estimated **Dentist** vacancies.

Table 1. Occupational Groups

Occupational Groups	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
All Occupations	18158	1866	10.3%	34738	3529	10.2%
Physicians	730	109	14.9%	1931	226	11.7%
Professional Nurses	4202	462	11.0%	7139	696	9.8%
Other Nursing Staff	1769	135	7.6%	1762	111	6.3%
Professions/ Therapists	1240	217	17.5%	2281	404	17.7%
Behavioral Health	2938	327	11.1%	7450	1033	13.9%
Allied Health	3209	291	9.1%	5523	434	7.9%
Public Health/Nutrition	154	18	11.7%	189	ND	ND
Other Primary Care (PA & CHAP)	759	132	17.4%	1067	198	18.5%
Managers	1337	69	5.2%	2947	160	5.4%
Health Information/ Reimbursement	1816	106	5.8%	4451	253	5.7%

In the **Behavioral Health** occupational group, the most acute shortages – with both extremely high vacancy numbers and high vacancy rates – appeared to be among **Human Services Workers**. In addition, overall estimated **Behavioral Health** occupation vacancies were extremely numerous (1033), around 29% of all estimated vacancies – more than any other occupational group.

Among **Allied Health** occupations, high vacancy rates were affecting employers of **Physical Therapy Assistants** and **Respiratory Therapists**. **Sonographer** vacancies were difficult to fill, and **Surgical Technician** vacancies, though not numerous, were averaging 3 to 4 years in length.

One hundred (100) vacancies and a vacancy rate of 18.1% were reported for **Community Health Aide/Practitioners (CHA/Ps).**

Among "front office" and "back office" occupations, **Coding Specialist** and **Certified Coder** had 11% estimated vacancy rates and very long mean vacancy lengths.

The managerial occupations for which high vacancy rates were reported were healthcare related: **Behavioral Health Supervisor, Clinical Department Manager, Health Information Manager, Medical Director, Nurse Manager, and Practice Manager.** Behavioral health organizations had the most estimated managerial vacancies.

Table 2. Key occupations

Key Occupations (high numbers of vacancies, high vacancy rates)	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
Family Physician	252	48	18.3%	675	107	15.8%
General Internist	71	15	21.1%	200	40	20.0%
Psychiatrist	36	10	27.8%	93	18	19.0%
Registered Nurse	3109	299	9.6%	5489	439	8.0%
Critical Care Nurse	497	43	8.7%	629	60	9.5%
Nurse Case Manager	136	42	30.9%	209	49	23.4%
Family Nurse Practitioner	155	36	23.2%	364	71	19.5%
Physician Assistant	207	32	15.5%	515	98	19.0%
Pharmacist	302	73	24.2%	413	98	23.7%
Physical Therapist	271	29	10.7%	510	84	16.5%
Dentist	319	47	14.7%	692	71	10.3%
Human Services Worker	1568	170	10.8%	4800	697	14.5%
Behavioral Health Clinician	297	35	11.8%	555	71	12.8%
Case Manager/Care Coordinator	505	52	10.3%	1163	164	14.1%
Physical Therapy Assistant	35	11	31.4%	62	18	28.6%
Medical Assistant	367	38	10.4%	1092	102	9.3%
CHA/P	552	100	18.1%	552	100	18.1%
Certified Coder	85	6	7.1%	209	22	10.6%
Medical Director	49	6	12.2%	120	18	14.8%
Behavioral Health Supervisor	82	13	15.9%	176	22	12.5%

1895

Looking at respondent types, tribal health organizations reported the highest overall vacancy rate (16.5%). These organizations reported 87 **CHA/P** vacancies; approximately half of all estimated vacancies for **Nurse Case Manager, Pharmacist, Chemical Dependency Counselor, Dentist, Medical Lab Tech, Medical Technologist,** and **Health Educator**; and all the estimated vacancies for **Coding Specialist.** But every respondent type was a locus for acute shortages in key occupations, such as clinics/offices of physicians for **PAs**, hospitals/nursing homes for **RNs**, pharmacies for **Pharmacists**, behavioral health organizations for **Human Services Workers**, and school districts for **Speech-Language Pathologists**.

Higher vacancy rates were generally found in the rural respondents, particularly in the North/West and Southwest regions, which reported double digit vacancy rates for nearly all occupational groups, and overall vacancy rates of around 20% (Table 3, Figure 2). Occupations with much higher rural estimated vacancy rates included **RN** (6.9% urban, 16.1% rural), **Behavioral Health Clinician** (9.3% urban, 22.9% rural), **Dentist** (7.2% urban, 15.3% rural), **Physical Therapist** (13.5 urban, 31.6% rural), and **PA** (14.7% urban, 26.8% rural) (Table 4).

DISCUSSION

The "supply side" shortages apparently persist. "Inadequate Pool of Qualified Workers" was the top reason given for vacancies, cited by 54% of respondents, followed by "Transience/Moving Away" (28%), "Insufficient Compensation" (18%), and "Rural Isolation" (16%). Many tribal health organizations also reported "Insufficient/Expensive Housing" as a top reason for unfilled vacancies. The data also indicated a burgeoning "demand side," where shortages were exacerbated by population growth and an increased need and demand for health services, particularly in the high-growth Anchorage Mat-Su region.

Table 3. Regional vacancy rates

Occupational Group	Regions (Study Sample n=476)						
	North/West (n=10)	Southwest (n=17)	Interior (n=72)	Anchorage/ Mat-Su (n=252)	Gulf Coast (n=69)	Southeast (n=70)	Statewide/ Multiregional (n=6)
Physicians	26.7%	21.2%	21.6%	12.6%	10.4%	6.8%	30.3%
Professional Nurses	26.0%	21.6%	5.9%	11.1%	8.0%	5.9%	12.1%
Other Nursing Staff	18.6%	18.8%	5.8%	6.2%	4.6%	2.3%	8.8%
Dentists/Pharmacists/Therapists	32.4%	32.4%	20.7%	15.9%	16.5%	16.3%	12.4%
Behavioral Health	19.0%	22.7%	13.1%	8.3%	7.1%	11.1%	11.6%
Allied Health	17.0%	24.6%	7.3%	6.5%	8.4%	7.7%	8.6%
Public Health/ Nutrition	30.0%	6.3%	0.0%	4.0%	18.9%	0.0%	10.5%
Other Primary Care (PA & CHA/P)	19.7%	18.6%	24.5%	9.0%	9.1%	4.0%	0.0%
Managers	13.8%	2.4%	3.5%	3.2%	6.4%	11.7%	4.0%
Health Information/ Reimbursement	15.9%	16.9%	2.0%	5.3%	6.6%	2.8%	7.2%
All Occupations	20.1%	20.3%	9.0%	8.6%	8.1%	7.7%	10.2%

Table 4. Urban vs. Rural vacancies and vacancy rates

Occupation	Urban		Rural	
	Estimated Vacancies	Estimated Vacancy Rate	Estimated Vacancies	Estimated Vacancy Rate
Family Physician	68	14.9%	38	17.6%
General Internist	27	18.8%	13	23.1%
RN	339	6.9%	94	16.1%
Family Nurse Practitioner	36	13.3%	34	36.4%
Pharmacist	68	22.7%	30	25.9%
Behavioral Health Clinician	36	9.3%	34	22.9%
Human Services Worker	158	8.5%	209	10.1%
Dentist	32	7.2%	38	15.3%
Dental Hygienist	14	3.6%	17	10.0%
Dental Assistant	27	4.4%	64	14.9%
Physical Therapist	59	13.5%	26	31.6%
PA	50	14.7%	47	26.8%
All Occupations	1998	8.1%	1162	13.3%

Many respondents provided commentary with their surveys and noted positions that are particularly difficult to fill:

- *We have been hiring travelers for Physical Therapy positions at $67/hr — we can't find therapists to employ. We have been looking for 2 years.* (Urban Medical Clinic)
- *Without a state Physical Therapy program it is very difficult to get PT staff. Usually this area is staffed by PTs that leave competing PT clinics.* (Urban Physical Therapy Office)
- *We really need a pharmacy school in Alaska. It took two years to fill our last pharmacist position.* (Urban Pharmacy)
- *Pharmacists are always the most difficult position to fill.* (Rural Pharmacy)

1896

The availability of military spouses has apparently alleviated some of the workforce pressure, but has exacerbated the "transience" problem. Also affecting the shortages was the absence of local training resources (such as medical, dental, pharmacy, and therapy schools) to provide a local workforce pipeline. In the qualitative data, common refrains were, "we need a pharmacy school," "we need a dental school," "we need a physical therapy school."

The acuity of workforce shortages was also reflected by the high percentage of estimated vacancies the responding employers would consider filling with new grads (Table 5). Respondents indicated that they had the capacity to hire sizeable graduating cohorts of Family Physicians, PAs, Occupational and Physical Therapists, Pharmacists, and Dentists. These may be the occupations likely to yield optimal responses to substantial investments in preparation and training programs and/or targeted recruitment and retention campaigns.

Copies of the full study can be downloaded from the ACRH website at:

http://nursing.uaa.alaska.edu/acrh/

Table 5. New Grad Vacancies

Occupation	Study Sample (n=476)	Statewide Estimate
Human Services Worker – HS diploma	68	266
Registered Nurse	93	226
Human Services Worker – AA degree	47	195
Case Manager/Care Coordinator	37	120
Family Physician	25	89
CHA/P	88	88
Pharmacist	46	84
Medical Assistant	21	84
Physician Assistant	23	80
Occupational Therapist	21	75
Dental Assistant	26	75
Dentist	27	67
Physical Therapist	23	62
Speech Language Pathologist	28	53
Behavioral Health Clinician	19	53

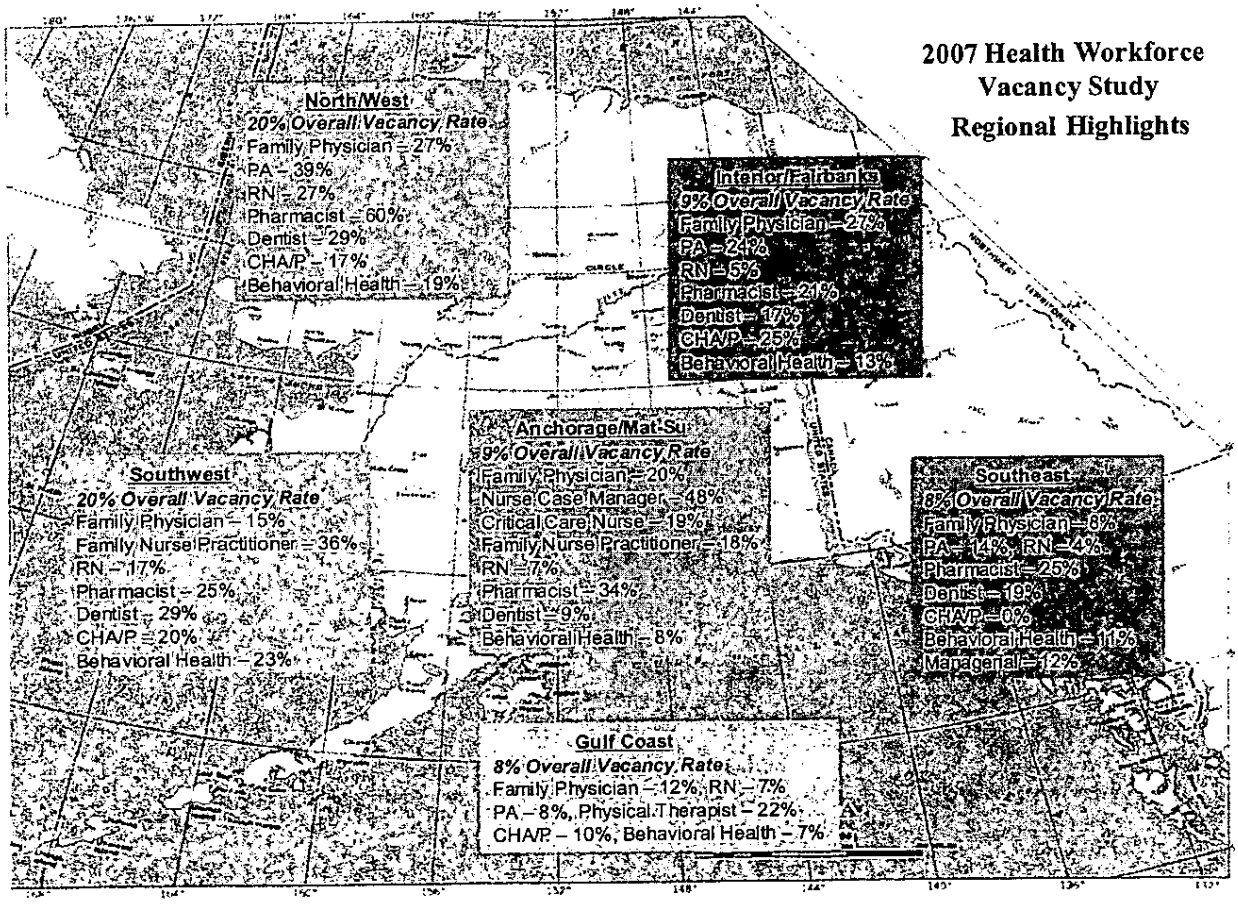
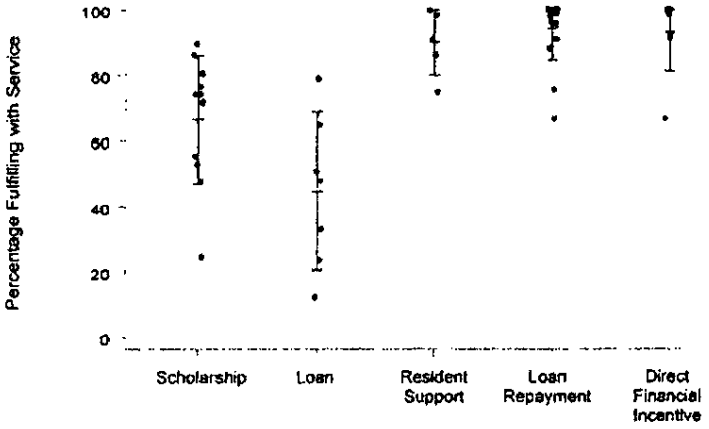


Figure 2. Regional Highlights

1897

From: Pathman DE, Konrad TR, King TS, Taylor DH, Koch GG. Outcomes of states' scholarship, loan repayment, and related programs for physicians. *Medical Care*. 2004;42:560-568.



Bars denote group means +/- standard deviations

FIGURE 1. Percentage of recent physicians in each program (°) who fulfilled their obligations with service, grouped by program type.

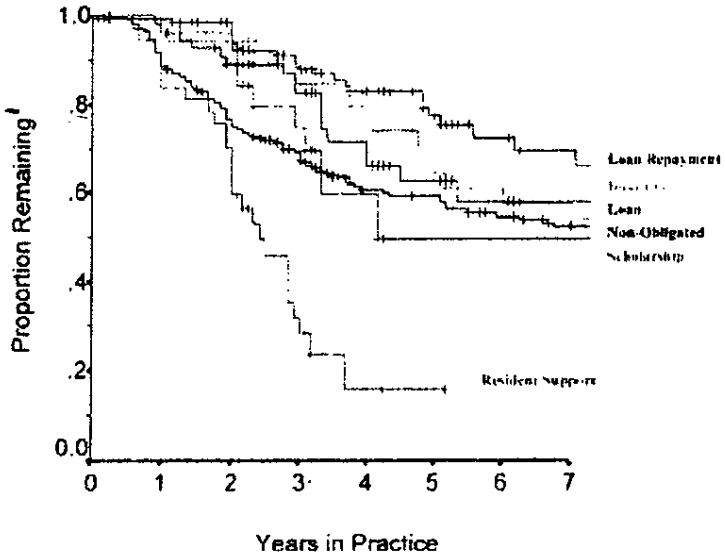


FIGURE 3. Retention of obligated physicians within their service practices: Kaplan-Meier estimations by type of program and compared with nonobligated physicians

Outcomes of States' Scholarship, Loan Repayment, and Related Programs for Physicians

Donald E. Pathman, MD, MPH,† Thomas R. Konrad, PhD,* Tonya S. King, PhD,‡ Donald H. Taylor, Jr., PhD,§ and Gary G. Koch, PhD‖*

Context: Many states attempt to entice young generalist physicians into rural and medically underserved areas with financial support-for-service programs—scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs—with little documentation of their effectiveness.

Objective: The objective of this study was to assess outcomes of states' support-for-service programs as a group and to compare outcomes of the 5 program types.

Design: We conducted a cross-sectional, primarily descriptive study.

Participants: We studied all 69 state programs operating in 1996 that provided financial support to medical students, residents, and practicing physicians in exchange for a period of service in underserved areas; federally funded initiatives were excluded. We also surveyed 434 generalist physicians who served in 29 of these state programs and a matched comparison group of 723 nonobligated young generalist physicians.

Data Collection: Information on eligible programs was collected by telephone, mail questionnaires, and from secondary sources. Obligated and nonobligated physicians were surveyed, with 80.3% and 72.8% response rates, respectively.

Main Outcome Measures: Levels of socioeconomic need of communities and patients served by physicians, programs' participant service completion and retention rates, and physicians' satisfaction levels.

Results: Compared with young nonobligated generalists, physicians serving obligations to state programs practiced in demonstrably needier areas and cared for more patients insured under Medicaid and uninsured (48.5% vs. 28.5%, $P < 0.001$). Service completion rates were uniformly high for loan repayment, direct incentive, and resident-support programs (93% combined) but lower for student-targeting service-option loan (mean, 44.7%) and scholarship (mean, 66.5%) programs. State-obligated physicians were more satisfied than nonobligated physicians, and 9 of 10 indicated that they would enroll in their programs again. Obligated physicians also remained longer in their practices than nonobligated physicians ($P = 0.03$), with respective group retention rates of 71% versus 61% at 4 years and 55% versus 52% at 8 years. Retention rates were highest for loan repayment, direct incentive, and loan programs.

Conclusions: States' support-for-service programs bring physicians to needy communities where a strong majority work happily and with at-risk patient populations; half stay over 8 years. Loan repayment and direct financial incentive programs demonstrate the broadest successes.

Key Words: physicians, health services access, rural health, primary care, student loans and scholarships, loan repayment, state health policy

(*Med Care* 2004;42: 560–568)

■ *It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.—"Louis Brandeis*
Supreme Court of the United States
New State Ice Co. v. Liebmann, *1932; dissenting opinion*[1]

States and federal agencies frequently use service-requiring scholarships, loans, loan repayment, and related incentives to entice physicians into medically underserved settings.[2–4] As of 1996, 40 states offered 69 such physician-obligating programs, the federal National Health Service Corps (NHSC) and Indian Health Service (IHS)-sponsored scholarship and loan repayment initiatives,[5] and the NHSC and states jointly sponsored an additional 29 loan repayment programs. Service-requiring programs collectively wield a sizable workforce, estimated at 2900 physicians in 1996, half each under state and federal auspices.[5]

The 5 recognized program types—scholarships, service-option loans, loan repayment, direct financial incentives,

From the *Cecil G. Sheps Center for Health Services Research, and the †Department of Family Medicine, UNC-Chapel Hill, Chapel Hill, North Carolina; the ‡Department of Health Evaluation Sciences, Pennsylvania State University, Philadelphia, Pennsylvania; the §Terry Sanford Institute of Public Policy Studies, Duke University, Durham, North Carolina; and the ‖Department of Biostatistics, UNC-Chapel Hill, Chapel Hill, North Carolina.

Reprints: Donald E. Pathman, MD, MPH, Cecil G. Sheps Center for Health Services Research, UNC CB# 7590, Chapel Hill, NC 27599. E-mail: don_pathman@unc.edu.

Copyright © 2004 by Lippincott Williams & Wilkins

ISSN: 0025-7079/04/4206-0560
DOI: 10.1097/01.mlr.0000128003.81622.ef

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

and resident support[5]—share fundamental goals and an approach that links financial support to periods of service; however, these program variations differ in important ways. *Scholarship programs* obligate medical students early in their training and many years before they are to serve their obligations. Participants in scholarship programs are firmly expected to provide service, and hefty penalties are used to discourage participants from buying out their obligations should their career interests change. *Service-option loan programs* also target medical students but offer participants a choice of performing service or repaying program funds at standard interest rates.

Loan repayment and *direct financial incentive programs* commit physicians much later, near the completion of residency training when their service is to begin. They typically levy no or minimal penalties on physicians who fail to complete a period of service. With loan repayment programs, physicians receive assistance repaying traditional education loans they acquired years earlier as students, whereas financial incentive programs provide unrestricted funds.

The newest programs, the *resident support* type, respond to the growing financial pressures on residents[6] with assistance in the form of scholarships, loan repayment, and direct financial incentives. Service is required and begins 1 to 2 years after a commitment is signed, at the end of residency.

Over the decades much has been said, with little supporting evidence, about the outcomes of these programs as a group and the relative strengths of the individual program types. It is generally believed, for example, that physicians in support-for-service programs are less satisfied and remain in their practices briefer than physicians without obligations. Many observers believe that stiff penalties are required to curtail otherwise high buyout rates, especially in programs that obligate individuals years in advance of service.[7] Others worry, however, that high penalties trap some participants in ill-suited commitments who are then unhappy as they serve and unlikely to be retained.[8–10] Proponents of loan repayment and direct incentive programs believe satisfaction and retention are better when physicians sign commitments after their training when they know their career interests, job options, and families' needs.[11] Scholarship defenders counter that only captive scholarship recipients can be drawn to the most desperately underserved communities because they are so unattractive.[12]

Few studies have assessed the outcomes of support-for-service programs, like the rates at which their practitioners complete their obligations with service and their practitioners' satisfaction and retention. Programs do not often undertake self-evaluations and those that do seldom have comparative data on other programs.[2,13] States and federal agencies regularly add, drop, and modify their programs without firm evidence of their effectiveness.[14–17]

This study has 2 primary goals: 1) to assess outcomes of states' support-for-service programs as a group, and 2) to compare outcomes for the 5 program types. We assess program outcomes we believe are important to underserved communities, physicians, and policymakers: the levels of socioeconomic need of communities and patients served by participating physicians, participant service completion and retention rates, and satisfaction levels of participants and their families. We also test the assumptions that 1) higher buyout penalties increase the proportion of physicians who fulfill their obligations with service but at a cost of lower physician satisfaction and poorer retention, and 2) scholarship programs bring physicians into the neediest communities.

METHODS

Identifying Eligible State Programs

We identified all state support-for-service physician programs nationally as of 1996[5] by supplementing previous lists of relevant programs[3,18,19] with information from telephone calls to key contacts in every state and from available online sources and printed materials. Eligibility criteria for programs were that they 1) provided financial support to students, residents, and/or practicing physicians in 1996; 2) had a service requirement or option in defined medically needy settings located across a given state; and 3) received no direct federal support. Of the 69 identified eligible programs, 20 offered scholarships, 24 provided loan repayment incentives, 12 offered loans with service options, 7 offered direct financial incentives, and 6 offered support to residents.

Program Data

We obtained basic descriptive information for all programs through initial and follow-up telephone contacts with program directors and from programs' web sites, brochures, reports, and copies of their enacting legislation. This information was verified and supplemented through an 8-page mailed questionnaire completed by 45 programs (65%). Forty-eight (86%) of the 56 programs old enough to have had more than 20 physicians eligible for placement in service sites provided estimates of the service completion rate for their obligated physicians over the previous 3 years. Programs were approached for survey and other data in no particular order other than we started with the few directors we knew and tended to recruit all programs within a particular state at the same time.

Identifying State-Obligated and Comparison Group Physicians

Programs were asked to provide names and basic information on each physician who signed a first contract with them and/or had been placed in a first-service site in 1991 and 1996. These 2 years were selected because individuals who

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

committed to student programs in 1991 and loan repayment and direct incentive programs in 1996 would have begun serving their obligations in approximately 1996. Programs created after 1991 provided names of individuals contracted in their first year of operation; very large programs provided only a randomly selected subsample of names from 1991 and 1996, and smaller programs supplemented their samples with names of physicians obligated in proximate years (eg, 1992 and 1995). We elected not to request physician names from the last 12 eligible programs as a result of project time requirements. Of the 48 programs from which we requested physician data, 29 (60%) provided all data we needed to survey their obligated physicians. Programs from which we requested and received physician-specific information, programs from which we requested but did not receive this information, and programs from which this information was not requested were similar in size, physicians' contract terms, the types of geographic locations where their obligated practitioners served, and reported service completion rates.

We surveyed all 434 family physician, general internist, and general pediatrician participants (allopaths and osteopaths) identified by programs as then serving or having served their obligations. We excluded nongeneralists and physicians who defaulted or bought out their obligations without ever serving a day of their obligations. Programs reported no international medical graduates.

We constructed a comparison group of nonobligated generalists from the American Medical Association Physician Masterfile. A sampling frame of eligible subjects was constructed of all 8742 graduates of U.S. allopathic and osteopathic medical schools in 1988 and 1992 who 4 years after graduation were in clinical practice in the United States in family practice, general internal medicine, and general pediatrics. A stratified random sample of 723 of these physicians was selected, with oversampling of strata to match the state-obligated cohort in specialty distribution and geography, and to ensure diverse racial and ethnic representation.

Physician Surveys

In 1998 and early 1999, we sent up to 4 questionnaire mailings to the state-obligated and comparison group physicians. Of the 434 obligated physicians surveyed, 23 proved to be ineligible or were never located, and there were 330 eligible respondents (80.3%). Response rates for obligated physicians were comparable across service program types, physician specialties, and racial–ethnic groups.

In the comparison sample of 723 physicians, 56 subjects proved ineligible or were never located and 468 eligible physicians responded (72.8%). Response rates for the comparison sample did not vary by subjects' rural/urban location, gender, or specialty; rates were somewhat lower for blacks (52.4%). We excluded 100 physicians from the comparison group who indicated that they had or were serving a state or federal obligation.

In the physician questionnaires, participants of state programs reported details of the first practice in which they served their obligations. On parallel questionnaire items, comparison group physicians described the first practice after residency in which they worked 9 months or longer. Both groups reported their incomes, satisfaction, their families' experiences, and their patients' insurance types. Nearly all questionnaire items had been used in earlier studies[9,20,21] and were pilot-tested again for applicability to this study with 30 obligated and nonobligated physicians in North Carolina.

We appended 1990 U.S. Census data characterizing the towns and cities where physicians worked.[22] County data on local physician-to-population numbers were appended for 1994 from the Area Resource File.[23]

Analyses

We compared obligated and nonobligated physicians on a variety of outcomes, including satisfaction and retention rates. We also compared programs of each of the 5 types individually and with the other 4 program types as a group. We used chi-squared tests, independent sample 2-tailed *t* tests, and 1-way analysis of variance (ANOVA) to compare groups on normally distributed variables. The Kruskal-Wallis test was used to compare groups on 4 nonnormally distributed variables: physician income, town population, town per capita income, and county primary care physician-to-population ratios. Bivariate comparisons were followed with linear and logistic regression models (with log transformations of nonnormally distributed variables) to adjust for key potentially confounding or explanatory variables. Life tables were used to describe proportions of physician groups remaining in their practices for specified numbers of years. Kaplan-Meier plots and Cox proportional hazards models were used to compare estimates of retention for various physician groups over time.

We also assessed relationships between programs' buyout costs and the various program outcomes with chi-squared and 2-tailed *t* tests. We further used multiple and logistic regression to test the relationships between buyout costs and the various outcomes for confounding by varying service obligation terms across programs and/or respondents' actual obligation periods. No confounding was found and we do not report these models.

Comparisons of obligated and nonobligated physicians were weighted to adjust for strata sampling fractions and response rates and run on the SUDAAN statistical software program (Research Triangle Institute, Research Triangle Park, NC). Analyses involving only obligated physicians were run on the SPSS statistical program (release 11.5.0; SPSS Inc., Chicago, IL) and not weighted. A level of statistical significance of $P \leq 0.05$ was used throughout.

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

RESULTS

State Programs

In 1996, the 69 eligible programs were relatively new and small, with a median age of just 6 years and median workforce of 11 physicians. Sixty-four programs were funded with state revenues, 2 had only private support, and 3 were self-supporting using buyout funds from earlier participants; 9 programs also used community matching funds. Forty-seven programs were based in state offices of rural health or other state agencies, 18 within individual medical schools, and 4 within private organizations.

Programs supported physicians with an average of $14,000 for each year of obligated service with no significant differences across the 5 types of programs ($P = 0.55$). Average minimum service obligation terms did vary across program types, from 12 months in resident support programs, 18 months in scholarship programs, 19 months in service-option loan programs, 29 months in loan repayment programs, and 36 months in direct financial incentive programs ($P = 0.003$).

Physicians and Their Practices

Physicians obligated to state programs, compared with physicians without obligations, were more often male (63% vs. 53%, $P < 0.05$), more often married (84% vs. 75%, $P < 0.05$), slightly older (33 vs. 32 years on average, $P < 0.001$), but no more or less likely to be black or Hispanic (8.5% vs. 6.2%, $P = 0.10$). Obligated physicians were much more likely than nonobligated generalist physicians to be family physicians (72% vs. 38%, $P < 0.001$) and more often owned the practices where they worked (36% vs. 27%, $P < 0.05$), but earned comparable salaries (median, $89,735 vs. $89,622, $P = 0.2$).

Comparing physicians obligated to the 5 types of programs, we found no differences in gender, marital status, ethnicity, or income. Loan program participants, however, were less likely to be family physicians than participants of other programs (54% vs. 75%, $P = 0.02$), and physicians in incentive programs more often owned their practices (49% vs. 16%, $P = 0.01$).

Although minimum service obligation durations varied across programs of the 5 types, the average number of years this study's respondents were actually obligated to their programs did not differ for those in 4 of the types (range, 3.13–3.48 years, $P = 0.31$) but was shorter for participants of resident-support programs (2.72 years, $P = 0.02$).

Service Completion Rates

The 5 types of programs differed greatly in how often their physicians completed their obligations with service rather than buying out or defaulting ($P < 0.001$) (Fig. 1). Service-option loan programs reported the lowest average service completion rates (44.7%) followed by scholarship programs (66.5%). The 30 programs of the remaining 3 types, programs that committed physicians after training or as residents, reported uniformly high service rates (entire group mean, 93%; 92% after omitting the 5 of these 30 programs without a minimum service period).

Program directors reported obligation default rates, the proportion of obligated physicians who failed to provide either service or repay program funds, of 5.2% on average for all programs combined with no significant differences across program types ($P = 0.78$). In contrast, the percentage of physicians who bought out-of-service commitments differed greatly across the 5 program types, greatest in service-option loan programs (49.2%) and scholarship programs (27.2%).

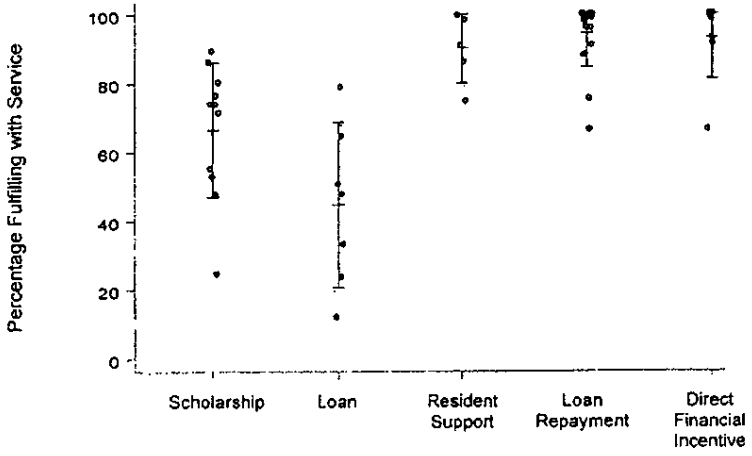


FIGURE 1. Percentage of recent physicians in each program (°) who fulfilled their obligations with service, grouped by program type.

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

Programs of the remaining 3 types reported comparable low buyout rates (2.3% combined). Thus, the high buyout rates of student programs account for their low service completion rates.

The costs that loan repayment, direct incentive, and resident support programs levy on physicians who buyout of obligations had no relationship with programs' service completion rates. Only among student programs, scholarships and service-option loans, were penalties and service completion rates related; specifically, rates averaged 80.3% for the 4 student programs that charged penalties of 3 times the amount of support provided compared with 48.6% for the 12 programs that charged less ($P = 0.02$).

Communities and Patients Served by Physicians

Physicians serving in state programs of all types combined, compared with the nonobligated physicians, worked in counties that were far more often rural and had lower primary care physician-to-population ratios, in cities and towns that were much smaller and poorer, and they reported more of their patients were uninsured or covered under Medicaid (Table 1). Even in analyses run separately for rural and urban-situated physicians and in multivariate models adjusting for physicians' rural versus urban location, specialty, and demographics, obligated physicians were still found to work in needier communities and with needier patients by all measures.

We explored whether county physician-to-population ratios were lower for obligated physicians simply because states with a greater need for physicians (and thus lower ratios) more often sponsored support-for-service programs.[24] We confirmed that, indeed, obligated physicians worked in counties with primary care physician-to-population ratios lower than their state's median county ratios more often than nonobligated physicians (37% vs. 11%, $P < 0.001$).

Among obligated physicians and weighing findings on all 5 measures of community need (Table 1), those serving in direct financial incentive programs worked in the neediest settings. Contrary to popular belief, the towns and counties where scholarship participants worked demonstrated no greater need than where participants of other programs worked.

Physician and Family Satisfaction

Physicians serving state obligations were more often satisfied with their work and practices and more often felt a sense of belonging to their communities than nonobligated physicians (Fig. 2). Obligated and nonobligated physicians gave comparable estimations of the satisfaction and needs-fulfillment of their spouses and children.

In virtually all ways tested, satisfaction was comparable for physicians and families participating in the 5 types of programs, the only exception being that scholarship program participants more often than others felt restricted by the practice sites available to them (36.6% vs. 19.3%; $P < 0.01$).

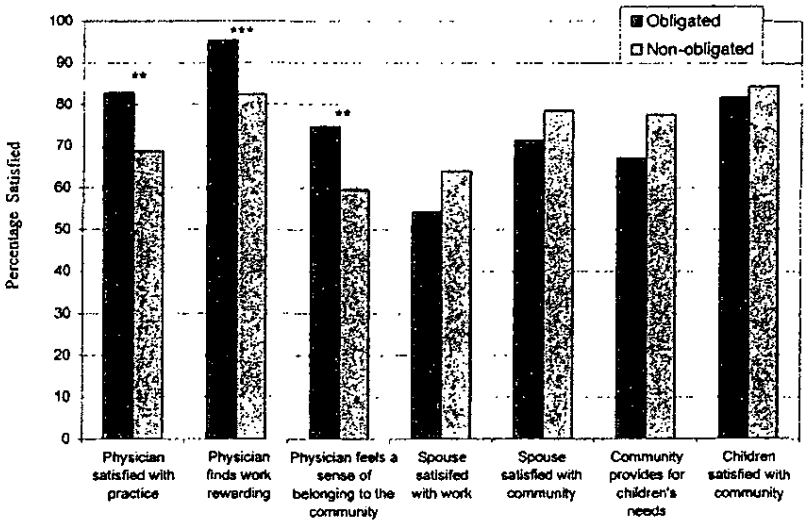
TABLE 1. Comparison of Community and Patient Characteristics of State-Obligated and Nonobligated Physicians; Physicians Serving in the 5 Types of Service Programs; and Physicians Obligated to Programs Using Different Types of Site-Eligibility Criteria

		Community and Patient Characteristics				
	(n Physicians/ Programs)	Rural (Nonmetropolitan) County (%)	Median Town/City Population	Median Town/City per Capita Income ($)	Median County Primary Care Physician-to-Population Ratio	Mean Patients Covered by Medicaid or Uninsured (%)
Obligated vs. nonobligated						
Obligated, all types	(330/29)	68.4‡	5094‡	10,813‡	78.5‡	48.5‡
Nonobligated	(368/NA)	11.6	56,129	14,090	118.1	28.5
Comparisons of 5 program types						
Scholarship	(30/5)	86.2*	3541	10,302	82	40.5
Service-option loan	(56/3)	50.0‡	7284	12,082‡	76	43.3
Resident support	(38/3)	51.4*	4062†	10,958	57‡	50.8
Loan repayment	(138/14)	73.3	5422*	10,681	91†	48.0
Direct financial incentive	(68/4)	75.4	4410	9911‡	64	55.5†

*$P \leq 0.05$;
†$P \leq 0.01$;
‡$P \leq 0.001$; 2-tailed t-test, chi-square, and Kruskal-Wallis comparisons of nonobligated versus obligated physicians, and comparisons of physicians in each program type versus obligated physicians in all four other types of programs.

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.



* $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

FIGURE 2. Satisfaction and needs fulfillment of physicians and their families serving in all state programs combined (n = 330) compared with nonobligated physicians (n = 368)

A remarkable 90.2% of obligated physicians indicated that they likely would enroll in their program if they had it to do all over again, including 64.2% who indicated that they definitely would do so. Differences across programs were found only for physicians in scholarship compared with loan repayment programs in which 47% versus 71% of physicians indicated that they would definitely sign up again ($P = 0.01$).

We explored the relationships between the buyout costs that programs levied and physicians' satisfaction, again finding associations only for medical student-targeted programs. When service-option loan and scholarship programs charged more than simple principal plus interest to buyout, most measures of physician satisfaction were lower, including fewer participants reporting, in retrospect, a definite willingness to commit to their programs again (36% vs. 65%, $P = 0.04$).

Retention

Obligated physicians remained longer in their service practices than nonobligated physicians remained in their first jobs after training (hazard ratio [HR] for leaving, 0.70; 95% confidence interval [CI], 0.51–0.96; $P = 0.029$) (Table 2). Respective group retention rates from life tables at 2 years were 92% versus 77%, at 4 years 71% versus 61%, at 6 years 59% versus 55%, and at 8 years 55% versus 52%. Retention tended to be better for obligated physicians than nonobligated physicians even after adjusting for group differences in physicians' specialties and demographics, although the differ-

TABLE 2. Comparison of the Retention of State-Obligated versus Nonobligated Physicians

	Hazard Ratio	*P* Value	95% Confidence Interval
Model 1 (unadjusted)			
Obligated vs. nonobligated	0.70	0.029	(0.51–0.96)
Model 2 (adjusted)			
Obligated vs. nonobligated	0.75	0.080	(0.53–1.03)
Family physician vs. internist	0.91	0.688	(0.58–1.43)
Pediatrician vs. internist	0.80	0.533	(0.40–1.61)
Male vs. female	0.76	0.190	(0.50–1.15)
Married vs. unmarried	0.75	0.270	(0.46–1.25)
Age when physicians began serving obligations	1.01	0.675	(0.95–1.08)

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

ence fell under the threshold of statistical significance (P = 0.08).

Among the 5 types of service-requiring programs, the longest group retention was seen for loan repayment recipients, 66% of whom remained in their service sites 8 years after starting work there, with a hazard ratio of departure compared with all other programs = 0.46 (95% CI, 0.30–0.70; P <0.001) (Fig. 3). Retention was shortest for resident support programs (HR, 6.72; 95% CI, 4.05–11.12; P <0.002). Scholarship participants demonstrated the second shortest retention (HR relative to service-option loan, loan repayment and direct incentive programs, 1.96; 95% CI, 0.97–3.97; P = 0.061).

Programs' buyout penalties were associated with retention, but once again only in scholarship and service-option loan programs, wherein penalties above simple principal plus interest were associated with lower odds of retention at 4 years (odds ratio, 12.4; P = 0.012).

DISCUSSION

Outcomes for states' support-for-service programs as a group were generally quite positive. Programs as a whole placed physicians in small and needy rural towns and counties, where physicians estimated that almost half of their patients were covered by Medicaid or were without health insurance. Physicians who served in these state programs were generally more satisfied with their work and communities and remained in their service sites longer than nonobligated "mainstream" generalists. We do not believe that the jobs and communities where these physicians served were inherently more pleasing; rather, we suspect that the benevolence of individuals who commit to and then fulfill service requirements predisposes them to find particular satisfaction from work that they believe in.[25,26]

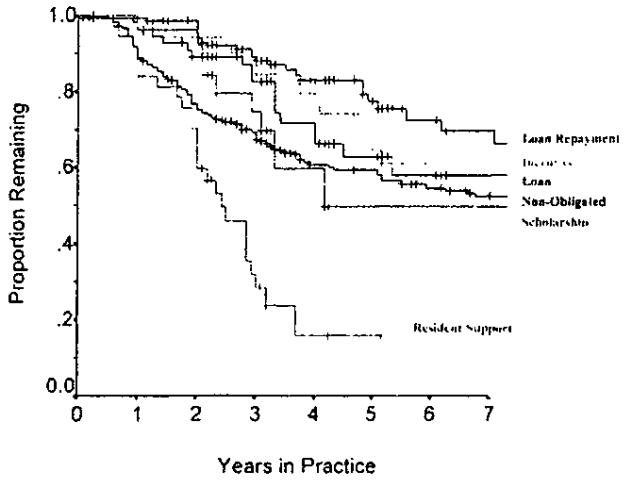


FIGURE 3. Retention of obligated physicians within their service practices: Kaplan-Meier estimations by type of program and compared with nonobligated physicians

Loan repayment and direct financial incentive programs enjoyed the greatest successes among the various program types, confirming the wisdom of recruiting physicians at the end of their training.[11] Financial buyout penalties were generally not used or needed in these programs, because their service completion rates were excellent without financial threats. Several program directors spoke of how much easier loan repayment and financial incentive programs are to administer than student-targeted programs, in which program staff must monitor participants during their training and deal with the many who buy out.[10,27] Direct financial incentive programs demonstrated an interesting niche among the program types, supporting physicians who often owned their practices, often in particularly needy settings.

Despite positive outcomes for programs overall, this study confirmed some commonly held concerns about scholarship programs. Very high penalties do seem to cut buyout rates by one third,[7] but penalties of any amount were associated with lower physician satisfaction and shorter retention. Contrary to claims,[12] state scholarship program participants did not work in demonstrably needier settings than participants of other programs. Studies of the NHSC Scholarship Program have similarly found that its participants do not serve in needier settings than those in the NHSC Loan Repayment Program.[11,27] The Congressional Government Accounting Office (GAO) and NHSC further similarly concluded that the NHSC Loan Repayment Program achieved better outcomes—higher service-completion rates, greater satisfaction, and longer retention—than the NHSC Scholarship Program, and also at a lower cost.[11,15,28]

The affordable buyout terms of student service-option loan programs allowed half of their participants to opt out of service, but the half who did serve were satisfied and long retained. Service-option loans could play an important complementary role to programs that target graduates, appealing to aspiring medical students who might otherwise choose not to pursue a medical career rather than assume the typical $100,000+ debt in traditional education loans. To embrace loan programs with service options, states must accept that it is not fatally undesirable for some participants to satisfy their loan contracts financially rather than with service. Indeed, most medical students fund their education with traditional loans, like the Health Education Assistance Loans (HEAL), where there is no option or enticement for service.[6] Concerns that too many physicians buyout of loan-for-service programs leaving too few available for shortage communities can be addressed quite readily by making more awards up front, costing programs nothing more because nearly all who opt not to serve repay their loans with interest.

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

Limitations and Unanswered Questions

Some of this study's data were self-reported and thus vulnerable to reporting inaccuracies. Directors provided figures on their programs' default and buyout rates and likely used a variety of methods to determine these rates. We are unaware, however, of any systematic inaccuracies likely to have biased our principal findings.

Some directors of scholarship and service-option loan programs who otherwise cooperated with our study would not provide the physician-specific information we needed to survey their participants, citing federal confidentiality protections of administrative data collected on students.[29] Given the demonstrated similarities between participating and nonparticipating programs, most importantly in the service completion rates of their participants, we do not suspect that the lower participation rates of student programs biased our outcomes. However, if less successful student programs withheld participants' names to hide their weaknesses, then loan repayment and direct incentive programs could actually be relatively even *more* successful than we judged (ie, bias, if present, was toward the null).

We had wanted to assess program costs and cost-effectiveness but program directors could not provide complete or comparable cost data. We also did not assess the experiences of physicians who signed up with these programs but chose not to serve.

We had no validated criteria on which to judge how often state-obligated physicians work in the very neediest settings, because states have not substantiated their site eligibility criteria and current federal criteria are inadequate.[30,31] Nonetheless, because some state programs use very broad site eligibility criteria, it is very likely that some obligated physicians do not work in the neediest areas.[5,32]

CONCLUSIONS AND RECOMMENDATIONS

As a whole, states' support-for-service programs bring physicians to needy communities where they find satisfying work caring for at-risk patient populations and remain for many years. Of all program types, the loan repayment and direct financial incentive forms, which target physicians after training, show the broadest successes. The successes of these state programs warrant their continued support and perhaps expansion to remedy the continuing maldistribution of physicians.

ACKNOWLEDGMENTS

The authors are grateful to the many state program directors, program staff, and participating physicians who provided data for this study. The authors thank the indispensable contributions of Kathleen Crook, MPA, to the data management aspects of this study, and the contributions of Tim Henderson, MSPH, of the National Conference of State Legislatures and James Bernstein, MHA, and Thomas Tucker of the NC Office of Rural Health and Resources Development to our understanding of these state programs and interpretation of the data. The authors also thank the fellows of UNC's National Research Service Award Primary Care Research Fellowship for their thoughtful suggestions on various drafts of this paper. This study was funded by grant R01-HS09165 from the Agency for Healthcare Research and Quality.

REFERENCES

1. Brandeis L. *New State Ice Co. v. Liebmann*, dissenting opinion. No 463. Supreme Court of the United States. 285 US 262; 52 S. Ct. 371;1932 US LEXIS 785;76 L. Ed. 747.
2. Donohue EA. Physician distribution and rural health care in the states: an overview of state legislative activity, 1984–1989. *Acad Med*. 1990; 65:S92–S113.
3. Henderson TM, Fox-Grage W. *Evaluation of State Efforts to Improve the Primary Care Workforce: Scholarship/Loan Programs and Medical Education Reforms*. Washington, DC: National Conference of State Legislatures; 1997.
4. National Health Service Corps. Available at: www.bphc.hrsa.gov/nhsc. Accessed January 6, 2001.
5. Pathman DE, Taylor DH, Konrad TR, et al. State scholarship, loan forgiveness, and related programs: the unheralded safety net. *JAMA*. 2000;284:2084–2092.
6. Beran RL, Lawson GE. Medical student financial assistance, 1996–1997. *JAMA*. 1998;280:819–820.
7. Duttera MJ, Blumenthal DS. Improving recruitment and retention of medical scholarship recipients in rural Georgia. *J Health Care Poor Underserved*. 2000;11:135–143.
8. Harbin RE. A Historical Perspective of the National Health Service Corps. Available at: www.clinicians.org/nhsc/history.html. Accessed January 6, 2001.
9. Pathman DE, Konrad TR, Ricketts TC. The National Health Service Corps experience for rural physicians in the late 1980s. *JAMA*. 1994; 272:1341–1348.
10. Helms LB, Helms CM. Forty years of litigation involving medical students and their education: II. Issues of finance. *Acad Med*. 1991;66:71–76.
11. National Health Service Corps. *Opportunities to Stretch Scarce Dollars and Improve Provider Placement* (GAO/HEHS-96-28). Washington, DC: US General Accounting Office; November 1995.
12. Bernstein JD. *Testimony Before the Subcommittee on Health and the Environment, Committee on Energy and Commerce*. Washington, DC: US House of Representatives; April 18, 1990.
13. Sparer MS. Laboratories and the health care marketplace: the limits of state workforce policy. *J Health Polit Policy Law*. 1997;22:789–814.
14. Mississippi Code 37-143-6, 2000.
15. *Programs for Underserved Populations Could Be Improved* (GAO/T-HEHS-00-81). Testimony by Janet Heinrich before the Subcommittee on Public Health and Safety, Committee on Health, Education, Labor and Pensions, US Senate. Washington, DC: US General Accounting Office; March 23, 2000.
16. Mullan F. The muscular Samaritan: The National Health Service Corps in the new century. *Health Aff (Millwood)*. 1999;18:169–175.
17. Council on Graduate Medical Education. *Third Report. Improving Access to Health Care through Physician Workforce Reform: Directions for the 21st Century*. Report published by Health Resources and Services Administration, US Department of Health and Human Services; October 1992.
18. Association of the American Medical Colleges. *State and Other Loan Repayment/Forgiveness and Scholarship Programs*, 2nd ed. Washington, DC: AAMC Division of Student Affairs and Education Services; 1995.
19. Office of Data Analysis and Management. *Compendium of State Health Professions Distribution Programs*; 1986 (Report No. 2–87). Rockville, MD: US Bureau of Health Professions; 1986.
20. Pathman DE, Williams ES, Konrad TR. Rural physician satisfaction: its

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

sources and relationship to retention. *J Rural Health*. 1996;12:366–377.
21. Pathman DE, Steiner BD, Williams BD, et al. The four community dimensions of primary care practice. *J Fam Pract*. 1998;46:293–303.
22. US Census. Available at: http://www.census.gov/geo/www/tiger/glossary.html. Accessed January 6, 2001.
23. Area Resource File (ARF) System. Available at: http://bhpr.hrsa.gov/arf.htm. Accessed January 6, 2001.
24. Weissert CS, Knott JH, Stieber BE. Education and the health professions: explaining policy choices among the states. *J Health Polit Policy Law*. 1994;19:361–392.
25. Eliason BC, Guse C, Gottlieb MS. Personal values of family physicians, practice satisfaction, and service to the underserved. *Arch Fam Med*. 2000;9:228–232.
26. Kohrs FP, Mainous AG, Fernandez ES, et al. Family medicine faculty development fellowships and the medically underserved. *Fam Med*. 2001;33:124–127.
27. Wheeler L, Goldstein AD. C. Suits Say 7 Doctors Failed to Repay Loans. *Washington Post*. May 7, 1992:C1, C5.
28. Konrad TR, Leysieffer K, Stevens C, et al. *Evaluation of the Effectiveness of the National Health Service Corps*. Final Report to the Heath Resources and Services Administration. Chapel Hill, NC: Cecil G. Sheps Center for Health Services Research and Mathematica Policy Research: May 31, 2000.
29. US Code, Title 20, Chapter 31, Subchapter III, section 1232g. Family Educational and Privacy Rights (Buckley Amendment).
30. US Department of Health and Human Services. Designation of Medically Underserved Populations and Health Professional Shortage Areas; proposed rule (42 CFR Parts 5 and 51c). *Federal Register*. September 1, 1998;63:46538–46555. Available at: http://www.access.gpo.gov/su_docs/aces/aces140.html.
31. Taylor DH. The natural life of policy indices: Geographical problem areas in the US and UK. *Soc Sci Med*. 1998;47:713–725.
32. Strosberg MA, Mullan F, Winsberg GR. Service-conditional medical student aid programs: the experience of the states. *J Med Educ*. 1982; 57:586–592.

© 2004 Lippincott Williams & Wilkins

Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

Health Care Professions Loan Repayment Program

Concept Proposal

Submitted by
Pat Carr, Chief
Health Planning & Systems Development
Department of Health & Human Services
State of Alaska

on
September 11th, 2007

via
PCC Workforce Subcommittee

to
Alaska Primary Care Council

1908

Health Care Professions Loan Repayment Program

Summary

Problem

Alaska is competing with other states and nations for the finite pool of available healthcare professionals. This competition will only intensify since the growth of supply is continuing to fall behind that of demand.

A common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSP's). Good outcomes have been achieved with these. There are five types: scholarships, service-option loans, loan repayment, direct financial incentives, and residency support programs. All SFSP's have the same public goal: To improve healthcare staffing in shortage areas. National studies have determined loan repayment programs to be one of the most effective of the several support-for-service strategies - in terms of both recruitment and retention (see: *HCPLRP: Issue Paper*, 2007)

A key problem is that Alaska does not have a robust support-for-service program while most other states do, many have several, and further, some of those are growing. In sum, Alaska is at a substantive disadvantage as it necessarily competes in the national healthcare labor market.

Discussion

Alaskan health care provider agencies use many approaches to recruit and retain staff. This has proved difficult, however, and particularly so where (1) federal loan repayment programs do not apply, or, (2) there is insufficient resource available to meet need. More tools are needed to confront the problem of steadily growing vacancies in the Alaskan healthcare workforce.

Most all other states have state-sponsored programs that influence health professionals' geographic and specialty distributions. Programs that integrate a number of strategies for attracting and retaining health professionals have had a greater likelihood of success than have programs which rely on a single strategy. Substantial evidence indicates that state-level support-for-service programs typically are a fundamental part of those strategies.

Support-for-Service Programs

It is well-established that many healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away. For instance, in 2004, young physicians' educational debt averages stood at over $109,000 and this cost was increasing at the rate of more than $4,000 per annum.

There are several types of support-for-service programs. One of the two most common types of such programs is the service-requiring scholarship program. These pay tuition and other costs for healthcare students while obligating them to a period of service that begins when they complete residency (or similar post-graduate training) years later. The other common program type is loan repayment. Loan repayment programs recruit healthcare practitioners as they complete their training and are ready to begin service in exchange for paying off the traditional education loans

they acquired years earlier. Programs of both types typically require one year of service for each year of training cost support they provide.

Considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel. Overall, 81 state-level programs were identified. There were 44 states with at least one program (88% of states). Fully 21 states had two or more programs (47%), with highs found in New Mexico (at 5) and Minnesota (at 7). On average, the 44 states had nearly two programs (1.8) each.

Loan Repayment Programs

In national studies, loan repayment has been found to be a successful strategy to recruit and retain health care professionals. Twenty-five years of program evaluations have clarified many of the outcomes possible from healthcare training support-for-service programs. Furthermore, studies have demonstrated that loan repayment programs, as a whole, have better outcomes than scholarship programs. Studies have shown that there are several benefits which can accrue from loan repayment programs. Selected examples include: (a) high position-fill rates, (b) high service-completion rates, and (c) high retention rates.

These programs are successful because the benefit of loan repayment is clear to potential applicants, and programs typically only provide payments to participants after they complete each 3 or 6 months of work; therefore, if a participant leaves or otherwise fails to work in the agreed upon area or practice, payments simply stop and there is no need to enforce penalties.

In 2006, the Alaska Physician Supply Task Force recommended a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need. One of the PSTF findings was that loan repayment is a proven strategy for recruiting physicians, and the federal loan repayment programs currently available to Alaska physicians need to be stabilized financially and supplemented with Alaska-based programs.

Conclusion

Reported increasing vacancy rates, increasing costs of recruitment [SORRAS report], and comparisons with national norms [PSTF report] suggest that Alaska currently experiences a shortage of healthcare professionals, and, that shortages exist in several key occupational categories. Loan repayment programs have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages.

Recommendation

It is recommended that Alaska create a "Health Care Professions Loan Repayment Program".

To do this, a planning process should be established. This process should define and prepare for adoption at least the following program elements: (a.) organizational support, (b.) oversight, (c.) fiduciary agent, (d.) practitioner eligibility, (e.) site eligibility, (f) repayment details, (g.) program design & management, and (g) program evaluation.

Resource

Health Care Professions Loan Repayment Program: Issue Paper (2007). Health Planning & Systems Development, Alaska Department of Health & Social Services.

Health Care Professions Loan Repayment Program
Issue Paper

Abstract

This paper: (1.) illustrates the current and expected healthcare workforce needs of Alaska; (2.) indicates the widespread use elsewhere of support-for-service programs, and in particular loan repayment; and (3.) recommends that Alaskans should now explore creation of a Health Care Professions Loan Repayment Program (HCPLRP).

Main Issue

Alaska is increasingly vulnerable to the competitive challenges posed by other states and nations for the finite pool of available healthcare graduates. This vulnerability will increase during coming years because of two factors. (1.) The need for health care professionals in Alaska is steadily rising, and, shortages are now evident in some categories. (2.) Further, these trends are national. These workers are part of, and often respond to, nationwide labor markets. Further, these trends are expected to accelerate. This is particularly true in those states that do not produce adequate numbers of their own health workers in the given disciplines. This puts such states at a marked disadvantage. Financial incentive programs are particularly important for those states, and Alaska is one of these. As a result, several other states have become robust competitors in recruitment of the healthcare workforce, and some are planning new and expanded loan repayment programs (Pathman, 2007).

A fundamental, and common, state-level response to these pressures is the use of financial inducements, these collectively known as support-for-service programs (SFSP's). Excellent outcomes are readily achievable from these efforts. There are five types: scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs. All support-for-service programs have the same key public goal: To improve healthcare staffing in shortage area communities.

National studies have determined loan repayment programs to be one of the most effective of the several support-for-service strategies - in terms of both recruitment and retention. As compared to the other SFSP options, here loan repayment participants sign support-for-service contracts after they complete their training, when they are older and better informed as to their career options. These professionals make commitments at the time they are ready to begin their service-obligations. They are more likely to know their own needs and those of their families at this later juncture. They know where they will serve and have a sense as to how well their chosen worksites will "fit" their needs.

Problem

This section presents evidence which indicates that:

- A healthcare workforce shortage currently exists in several occupations.
- Under current conditions these shortages will continue into the foreseeable future.
- In several occupations, these shortages will escalate.

Trends in National Workforce

Numerous, prominent sources indicate that there is a growing national shortage in the rural health care workforce. Two examples follow.

GAO Position (2001): In 2001, the General Accounting Office's (GAO's) director of health care-public health issues testified before Congress regarding growing concerns about the adequacy of the health care work force and lessons learned from the experience of the National Health Service Corps (NHSC) in addressing the maldistribution of health care professionals (Heinrich, 2001). Selected key points were:

- Recruitment and retention of adequate numbers of qualified health care workers are major concerns for many health care providers today.
- Available evidence suggests emerging shortages in some fields (e.g. nurses).
- Vacancy rates for HC workers in rural areas and inner cities are especially high.
- Although demand for most health workers will continue to grow, the increasing age of Americans, and their workforce may limit supply.
- The National Health Services Corp (NHSC) illustrates the challenges in addressing shortages of health professionals in certain locations.
- Better placement coordination with waivers for J-1 visa physicians is needed.
- Loan repayment is a better approach than service-requiring scholarships, to which individuals commit when they are still students.

NOSORH Position (2006): A representative and recent understanding can be gained from the National Organization of State Offices of Rural Health (NOSORH). In September 2006 NOSORH issued a Statement of National Priorities. Presented below are selected summaries of that document, without further comment. Interested readers should see: http://www.nosorh.org/pdf/Rural_Impact_Study_States_IT.pdf

- While most rural communities in the U.S. already experience health care workforce shortages, the demand for health care workers nationwide is projected to grow faster than the supply. This shortage of health care workers can impact health care in a variety of ways, including: decreasing quality of care, decreasing access to care, increasing stress in the workplace, increasing medical errors, increasing workforce turnover/decreasing retention rates, and increasing health care costs.

- Most rural areas ... are classified by the federal government as Health Professional Shortage Areas (HPSAs) for primary medical care. A HPSA designation is made using a formula that includes a ratio of physician to population that is greater than 1:3,500. A population is considered "adequately served" when the ratio is 1:2,000. In 1997, more than 2,200 additional physicians would have been needed in non-metropolitan areas to eliminate HPSA designations. SORH directors consider the workforce shortage to be one of the greatest issues facing rural health, in particular shortages related to physicians and nurses.

- Certain national health workforce trends that will have a profound impact on rural populations and exacerbate the current rural health workforce shortages. Examples follow:

    - If health care consumption patterns and physician productivity remain constant over time, the aging population will increase the demand for physicians per thousand population from 2.8 in 2000 to 3.1 in 2020. Demand for fulltime-equivalent RNs per thousand population would increase from 7 to 7.5 during this same period.

    - Minority and female physicians have a greater propensity than do non-minority and male physicians to practice in urban communities. Meanwhile the percentage of physicians that are minorities and women is increasing.

    - The Bureau of Health Professions projects that there will be a 33-44% increase in demand for physicians, 41 percent for RNs, and 46 percent for LPNs from 2000 to 2020.

    - According to the Bureau of Health Professions, there is an acute shortage of pharmacists in the U.S. In February 1998, there were 2,670 unfilled full and part-time positions in the U.S. as compared to 6,920 in February 2000. Adding to this, enrollment rates in U.S. schools of pharmacy declined during this period.

    - In 1970, women accounted for 13 percent of the nation's pharmacists as compared to 2000 when they were 46 percent of the nation's pharmacists. Women tend to elect part-time work as pharmacists.

    - From 1990 to 1999, there was a 46 percent increase in the number of prescriptions dispensed from hospitals.

- *NOSORH concluded the following in its 2006 statement of national priorities:* ...SORH directors around the U.S. determined that they are most concerned with issues related to rural health workforce, health care services, and the needs of special populations. Research suggests that this concern is warranted as: demand for health care workers is increasing while the supply is decreasing; rural health care facilities continue to be fragile, there are gaps in these services, and all of these rural health services are critical to the health and well-being of the U.S.; and the needs of rural populations are changing, however, the programs serving them are unable to meet their needs. While SORHs respond to a variety of rural health needs and issues, new health care policies and additional rural health programs and funding will be needed if states are to address these increasingly important rural health issues and concerns.

Growth in Alaskan Jobs

Healthcare Workforce Overall: In 2004 there were 301,300 jobs in Alaska, with 32,700 (10.9 percent) of these in health care and social assistance (HCSA). By 2014, the overall job count is projected to be 349,550, with the HCSA workforce at 43,650 (12.5 percent). Thus by 2014, the number of HCSA jobs is projected to grow by 10,950 (34 percent), accounting for 22.7 percent of overall statewide job growth for the period. By 2014, health care and social assistance is projected to be the largest single industry workforce category in Alaska with 43,650 workers. (AHCDB, 2007, Table 3.300).

Social Service Occupations: For 2004, employment in community & social service (CSS) occupations was estimated to be 6,025 jobs. By 2014, this category of jobs is forecasted to be at 7,487, a rise of 1,462 (24 percent). The highest projected growth rates from 2000-2014 are projected to include mental health & substance abuse social workers (36.2 percent), social & human service assistants (34.6 percent) and mental health counselors (32 percent). (AHCDB, 2007, Table 3.310).

Selected Occupations: Review of 42 particular healthcare occupations indicates that these held 14,083 jobs in 2000, and that these are forecasted to reach 25,009 by 2010, an overall rise of 10,026 jobs (78 percent). Registered nursing positions are expected to grow the most, from 4,439 in 2000 to 8,556 in 2010, a gain of 4,117 jobs or (93 percent). All but one of the examined occupations is expected to have more jobs available by 2010. Further, of the 42 occupations presented, employment in 8 of these will more than double (e.g. AHCDB, 2007, Table 3.330).

Shortage in Alaskan Workforce

Health Professional Shortage Areas: Alaska has a large number of federally designated "Health Professional Shortage Areas" (HPSAs), the point of these designations being to aid in health care planning and finance. Typically these are determined by the existence of: (1.) a relative lack of desired personnel, and (2.) the existence of particular socio-economic conditions. A second route to HPSA designation, which is automatic, is via the existence of a federally funded community health center (CHC). HPSAs are of three types. Statewide in 2007 the following HPSAs existed: 28 in Primary Care (with 16 scored, and 12 via CHCs), 27 in Mental Health (with 14 scored, and 13 via CHCs), and 24 in Dental Health (with 7 scored, & 17 via CHCs). (Alaska Health Care Databook, 2007, Table 3.360). However, an important caveat is that many observers feel that the federal HPSA designation process underestimates the extant need for more healthcare professionals (e.g. US GAO, 1995). Thus, these designations should be considered as a conservative method for establishing need for the healthcare workforce.

Medically Underserved Areas: Alaska also has numerous federally designated "Medically Underserved Areas" (MUA) and "Medically Underserved Populations" (MUP). These designations identify shortages of primary medical care, dental health or mental health providers. Designations may be either geographic (MUA, i.e. a county or service area), or demographic (MUP, i.e. low income, Medicaid-eligible populations, cultural and/or linguistic access barriers to primary medical care services). Each designation is assigned an Index of Medical Underservice (IMU) score, which is used to determine the eligibility of an area or population for MUA/MUP status. For 2007, there were 17 area designations and 11 population designations. (Alaska Health Care Databook, 2007, Table 3.350).

Resident Workers with Age: Two aspects of worker demographics further suggest the likelihood of a workforce shortage in the health care and social assistance (HCSA). The first of these regards "resident workers with age". In 2005 total employment in all HCSA occupations stood at 28,356. Of resident workers in all HCSA occupations statewide, 40 percent were age 45 and older; 27 percent were age 50 and older. Of resident workers who were in health care practitioner occupations per se, 47 percent were age 45 and older; and 31 percent were age 50 and older. Therefore, succession planning will be of concern over the next two decades as today's mature health care professionals retire (Alaska Health Care Databook, 2007, Table 3.320).

Non-Resident Workers: A second workforce demographic issue regards the sizeable number of "non-resident" workers. Overall, 10 percent of the workforce was non-residents in 2005, with a

high of (13 percent) among non-resident health care practitioner and technologist occupations. Expect additional pressure to build on the health care system if non-resident (itinerate) workers are not available to fill Alaska health care workforce gaps (e.g. AHCDB, 2007, Table 3.320).

Selected Occupations: Physicians

Physician Shortage – 1997: A decade ago Johnson and Norris (1997) conducted a comprehensive study to describe Alaska's geographic distribution of generalist physicians relative to population. These investigators queried all 443 generalist care physicians (family, general, general internal medicine, and pediatric) or their offices as to their specialties, employers, populations served, hours spent per week offering direct patient care, and locations. The results indicated a 30% overall shortage of generalist physicians for the state, representing roughly 141 full-time-equivalent generalists relative to national practice patterns and trends of health maintenance organizations. Of 17 primary health care areas, including the Anchorage area, 15 showed a need for additional generalist physicians. Most areas had a 20 to 40% shortage.

Physician Shortage – 2004: In 2004, a survey by the American Medical Association showed that, nationally, there were 2.38 practicing physicians per 1,000 people. Alaska's rate of practicing physicians was 2.05 per 1,000 people. Based on Alaska's 2004 population estimate of 656,834 and the national average of 2.38 physicians per 1,000 people, Alaska should have had 1,565 practicing physicians to be on par with national averages. The actual number of physicians practicing in Alaska was 1,347, indicating a shortage of 14 percent or 218 physicians. In areas outside of Anchorage, the rate of physician deficiency was 16 percent. (Alaska Health Care Databook, 2007, Table 3.370).

Physician Shortage – 2006: In 2006, the AK DHSS and the University of Alaska jointly assembled the "Alaska Physician Supply Task Force" (PSTF). This group then conducted a large inter-agency study, issuing the authoritative report, "*Securing an Adequate Number of Physicians for Alaska's Needs*". It found that Alaska had a shortage of physicians. Although not at crisis levels, the shortage was affecting access to care throughout the state, and, increasing cost to hospitals and other health care organizations. Up to 16% of rural physician positions in Alaska were vacant in 2004. Patients with Medicare were having difficulty finding a primary care physician. Several important specialties were in serious shortage in Alaska. It concluded that:

- The shortage is very likely to worsen over the next 20 years as the state's population increases and ages. Physician supply nationwide is entering a period of shortage, according to the best current predictions. Physicians in Alaska are aging and one-third may be retiring in the next 10-15 years. The new generation of physicians wants a more balanced life, meaning fewer hours on duty and more predictable schedules. These trends mean that more physicians will be required to serve the same population. Technology and scientific advances have increased the amount of medical care available, also adding to the need for physicians, as the patients expect more care than previously.

- As the supply of physicians shrinks, recruitment will become more competitive. Alaska's traditional system of recruiting physicians from federal assignment in the military and Indian Health Service is much less effective with changes in these systems. Alaska is far behind the other states in production capacity. (1-2) Long-range planning, even if it includes a four-year medical school in Alaska, will not address current physician needs in a timely fashion, so interim measures are needed. (59)

Selected Occupations: Nurses

Nursing Shortage – 2003: The nursing shortage is particularly acute, both in Alaska and nationwide. It is estimated that during this decade the need for RN's will increase by 4,117 (in 2000: 4,439; in 2010: 8,556) (Fried, N. & Keith, B. (2003). National shortages will make recruitment yet more difficult. As a result, Alaska will have a great need to recruit and retain registered nurses. Addressing the need of rural and remote areas will be yet more difficult and expensive than to do so for urban areas.

Impact on CHC's

Rosenblatt, et al. (2006) examined the status of provider workforce shortages such as these may limit CHC expansion. They noted that the federal government has continued to expand the capacity of community health centers (CHCs) to provide care to underserved populations. The researchers therefore conducted a survey of all 846 federally funded US CHCs that directly provide clinical services and are within the 50 states and the District of Columbia (May-Sept, 2004). Questionnaires were completed by the chief executive officer of each grantee. Overall response rate was 79.3%. Information was supplemented by data from the 2003 Bureau of Primary Health Care Uniform Data System and weighted to be nationally representative.

Rosenblatt, et al (2006) found that primary care physicians made up 89.4% of physicians working in the CHCs, the majority of whom are family physicians. In rural CHCs, 46% of the direct clinical providers of care were non-physician clinicians compared with 38.9% in urban CHCs. There were 428 vacant funded full-time equivalents (FTEs) for family physicians and 376 vacant FTEs for registered nurses. There were vacancies for 13.3% of family physician positions, 20.8% of obstetrician/gynecologist positions, and 22.6% of psychiatrist positions. Rural CHCs had a higher proportion of vacancies and longer-term vacancies and reported greater difficulty filling positions compared with urban CHCs. Physician recruitment in CHCs was heavily dependent on National Health Service Corps scholarships, loan repayment programs, and international medical graduates with J-1 visa waivers. The study concluded that CHCs face substantial challenges in recruitment of clinical staff, particularly in rural areas. The largest numbers of unfilled positions were for family physicians at a time of declining interest in family medicine among graduating US medical students. They stated that success of the current US national policy to expand CHCs may be challenged by these workforce issues.

Strategy

It is essential to enhance the capacity of Alaskan health care provider agencies to recruit and retain staff where: (1.) federal loan repayment programs either do not apply, or, (2.) there are insufficient resources available to meet need. More tools are needed to confront the problem of steadily growing vacancies in the Alaskan healthcare workforce.

Most other states have programs that influence health professionals' geographic and specialty distributions. Programs that integrate a number of strategies for attracting and retaining health professionals have a greater likelihood of success than do programs which rely on a single strategy. Substantial evidence indicates that state-level support-for-service programs should be, and typically are, a fundamental part of those strategies.

Debt from Health Care Training

What follows are brief summaries of recent, representative studies which suggest that:

- Health care student debt affects subsequent practitioner career choices;
- Loan repayment options support recruitment goals; and
- These programs directly help to correct practitioner maldistributions.

Factors in Recruitment & Retention: Daniels, et al. (2007) sought to identify factors associated with rural recruitment and retention of graduates from a variety of health professional programs in the southwestern United States. They conducted a longitudinal study by mailing a survey to graduates from 12 health professional programs in New Mexico. The main outcomes examined were: (1.) first rural employment, and, (2.) aspects of any rural employment, since graduation. Daniels, et al. (2007) concluded that rural background and preference for smaller sized communities are associated with both recruitment and retention. In addition, however, they stated that loan forgiveness and rural training programs appear to support recruitment. Retention efforts must focus on financial incentives, professional opportunity, and desirability of rural locations

Medical Student Debt & Career Choice: Rosenblatt & Andrilla (2005) examined the notion that medical students' rising total educational debt is one of the factors that explains the recent decline in students' interest in family medicine and primary care. They analyzed the results from questions on the Association of American Medical Colleges' 2002 Medical School Graduation Questionnaire that focused on students' debt and career choices. Students reported that higher levels of debt influenced their future career choices. An inverse relationship was observed between the level of total educational debt and the intention to enter primary care, with the most marked effect noted for students owing more than $150,000 at graduation.

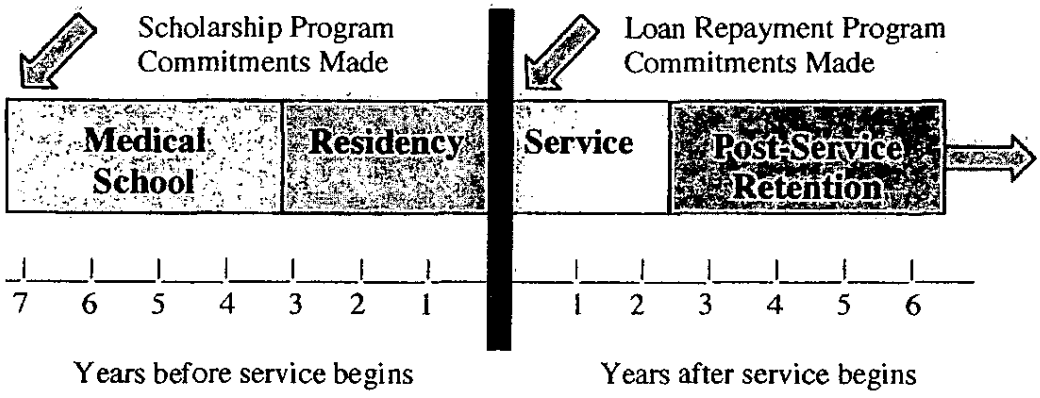
Medical Training Debt & Service Commitments: Pathman, et al (2000) assessed how student loan debt and scholarships, loan repayment and related programs with service requirements influence the incomes young physicians seek and attain, influence whether they choose to work in rural practice settings and affect the number of Medicaid-covered and uninsured patients they see. Data are from a 1999 mail survey of a national probability sample of 468 practicing family physicians, general internists and pediatricians who graduated from U.S. medical schools in 1988 and 1992. A majority of these generalist physicians recalled "moderate" or "great" concern for their financial situations before, during and after their training. Eighty percent financed all or part of their training with loans, and one-quarter received support from federal, state or community-sponsored scholarship, loan repayment and similar programs with service obligations. In their first job after residency, family physicians and pediatricians with greater debt reported caring for more patients insured under Medicaid and uninsured than did those with less debt. For no "specialty" was debt associated with physicians' income or likelihood of working in a rural area. Physicians serving commitments in exchange for training cost support, compared to those without obligations, were more likely to work in rural areas (33 vs. 7 percent, respectively, $p < 0.001$) and to provide care to more Medicaid-covered and uninsured patients (53 vs. 29 percent, $p < 0.001$), but did not differ in their incomes ($99,600 vs. $93,800, $p = 0.11$). Thus, among physicians who train as generalists, the high costs of medical education appear to promote, not harm, national physician work force goals by prompting participation in service-requiring financial support programs and perhaps through increasing student borrowing.

Support-for-Service Programs

It is well-established that a sizeable number of healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away. For instance, training to become a physician is expensive, as 80 percent of medical students who graduate in debt will attest (e.g. Jolly, 2005). In 2004, young physicians' educational debt averages stood at over $109,000 and was this cost was increasing at the rate of more than $4,000 per annum (e.g. AAMC, 2004). Nonetheless, educational costs and students' fears of acquiring six-figure debts have created a market for government programs that link support for healthcare training costs to a period of obligated clinical work in shortage areas.

There are several types of financial "support-for-service programs" (SFSP's). These include: scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs. One of the two most common types of such programs is the service-requiring scholarship program. These pay tuition and other costs for healthcare students while obligating them to a period of service that begins when they complete residency (or similar post-graduate training) years later. The other common program type is loan repayment. Loan repayment programs recruit healthcare practitioners as they complete their training and are ready to begin service in exchange for paying off the traditional education loans they acquired years earlier. Programs of both types typically require one year of service for each year of training cost support they provide.

Figure 1 - Timeline of physicians' training years, signing of commitments with service-requiring scholarship and loan repayment programs, service periods (typically two-to-four years) and post service retention.



(After: Pathman, D.E. (2006). What Outcomes Should We Expect From Programs That Pay Physicians' Training Expenses in Exchange For Service? NCMEDJ, 67(1), pg. 77)

Support-for-service programs appear to be a natural solution to both the students' and the public's needs. They have grown in popularity over the past 25 years in tandem with rising tuition costs, with both federal and state agencies using them. In one well-known federal example, in 2005 the Bureau of Health Professions reported that the National Health Service Corps (NHSC) was providing an obligated physician workforce of about 1,700 scholars and loan re-payers. As a result of NHSC shifting most of its funding to loan repayment, more workers were immediately brought into the fold, and that census has now roughly doubled. In addition, most states also

sponsor their own support-for-service programs. In 1996 there were a total of 69 state programs with an estimated workforce of 1,300 practicing physicians. These state programs doubled in number from 1990 to 1996 and very likely have grown further since (Pathman, et al. 2000).

State Scholarship, Loan Forgiveness, and Related Programs: Pathman, Taylor, et al (2000) noted that in the mid-1980s, states expanded their initiatives of scholarships, loan repayment programs, and similar incentives to recruit primary care practitioners into underserved areas. These programs have since grown substantially during the ensuing two decades. The authors thus sought to identify and describe state programs that provide financial support to physicians and midlevel practitioners in exchange for a period of service in underserved areas, and to begin to assess the magnitude of the contributions of these programs to the US health care safety net. This cross-sectional, descriptive study established the number and types of state support-for-service programs in 1996; trends in program types and numbers since 1990; distribution of programs across states; numbers of participating physicians and other practitioners in 1996; numbers in state programs relative to federal programs; and basic features of the state programs.

The study found that in 1996 there were 82 eligible programs operating in 41 states, including 29 loan repayment programs, 29 scholarship programs, 11 loan programs, 8 direct financial incentive programs, and 5 resident support programs. Programs more than doubled in number between 1990 (n = 39) and 1996 (n = 82). In 1996, an estimated 1306 physicians and 370 midlevel practitioners were serving obligations to these state programs, a number comparable with those in federal programs. Common features of state programs were a mission to influence the distribution of the health care workforce within their states' borders, an emphasis on primary care, and reliance on annual state appropriations and other public funding mechanisms.

The authors concluded that as of 1996 the several states had fielded an obligated primary care workforce comparable in size to the better-known federal programs. Thus, these state programs constitute a major portion of the US health care safety net. The study emphasized that such state programs should be considered in plans to further improve health care access.

Experience of Other States

State-Level Support-for-Service Programs (2007): Considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel. Tables 1, 2 & 3 here-present listings of those state-level support-for-service programs that were web-posted by the Association of American Medical Colleges (as of 8/10/07). These provide a selective look at state and federal loan repayment, forgiveness and scholarship programs available to allopathic medicine and other health professions students. This compilation is not exhaustive, and at present, our office is not aware of one that is. The here-derived tables shows that, overall, there were 81 programs. There were 44 listed states with at least one program (88% of US states). Fully, 21 of these states had two or more programs (47% of listing), with highs found in New Mexico (at 5) and Minnesota (at 7). On average, the 44 listed states had nearly 2 programs (1.8) each. Table 1 presents 43 listings that were designated as "state programs". Table 2 presents another 20 listings that were designated as "federal/state programs". Finally, Table 3 presents another 18 programs were not otherwise classified, though quick inspection of titles suggests that many can be readily classified. Those programs that were categorized as (strictly) "federal" (e.g. NIH, military) are not further considered. Click on any program title for more programmatic detail.

State-Level Offices: Service-for-Support Programs

Table 1: Designation as: "State Program"

State	Program
Arizona	Arizona Medical Student Loan Program
Arkansas	Community Match Physician Recruitment Program
Arkansas	Physician Grant Recruitment and Retention Program
Colorado	Colorado Health Professions Loan Repayment Program
Georgia	State Medical Education Board of Georgia Scholarship Program
Indiana	Indiana Primary Care Scholarship Program (IPCSP)
Iowa	Osteopathic Physician Recruitment Program (O.P.R.P.)
Kansas	Kansas Bridging Plan
Maine (2)	Maine Health Professions Loan Program
Maryland	Loan Assistance Repayment Program for Primary Care Physicians
Minnesota	Minnesota Dentist Loan Forgiveness Program
Minnesota	Minnesota Nurse Loan Forgiveness Program
Minnesota	Minnesota Rural Mid-level Practitioner Loan Forgiveness Program
Minnesota	Minnesota Rural Physician Loan Forgiveness Program
Minnesota	Urban Physician Loan Forgiveness Program
Mississippi (2)	Family Medical Education Loan/Scholarship Program
Mississippi	State Medical Education Loan/Scholarship Program
Missouri	Primary Care Resource Initiative for Missouri (PRIMO)
Montana (3)	Montana Rural Physician Incentive Program (MRPIP)
Montana	WICHE Professional Student Exchange Program
Montana	WWAMI Medical Exchange Program
Nebraska	Nebraska Student Loan Program
Nevada	Nevada Health Service Corps
New Mexico (5)	Allied Health Loan-for-Service Program
New Mexico	New Mexico Health Professions Student Loan-for-Service Program
New Mexico	Nursing Loan-for-Service Program
New Mexico	Osteopathic Medical Student Loan for Service Program
New York	Regents Physician Loan Forgiveness Award Program
North Carolina (4)	Community Practitioner Program
North Carolina	NC Student Loan Program for Health, Science and Mathematics
North Carolina	North Carolina State Loan Repayment Program
Ohio	Ohio Physician Loan Repayment Program

Table 1: "State Program" (continued)	
Oklahoma (3)	Family Practice Resident Rural Scholarship Loan Program
Oklahoma	Oklahoma Rural Medical Education Scholarship Loan Program
Oklahoma	Oklahoma State Loan Repayment Program
Oregon	Oregon Rural Health Services (RHS) Loan Repayment Program
South Dakota	South Dakota Midlevel Tuition Reimbursement Program
Tennessee (2)	Health Access Incentive Program: Incentive Grant: Mid-Levels
Tennessee	Health Access Incentive Program: Incentive Grant: Physicians
Virginia	Virginia Loan Repayment Program
Washington (2)	WA State Health Professional Loan Repayment Program
West Virginia	Medical Student Loan Program
Wyoming	Wyoming WWAMI Medical Education Program

State-Level Offices: Service-for-Support Programs

Table 2: Designations as: "Federal/State Program"	
Connecticut	Connecticut State Loan Repayment Program
Delaware	Delaware State Loan Repayment Program
Illinois	Illinois/National Health Service Corps Loan Repayment Program
Iowa (2)	Iowa PRIMECARRE Loan Repayment Program
Louisiana	Louisiana State Loan Repayment Program
Maine	Maine State Loan Repayment Program
Massachusetts	Massachusetts State Loan Repayment Program
Minnesota	Minnesota State Loan Repayment Program
Missouri (2)	Physician Loan Repayment
New Hampshire	NH Primary Loan Care Repayment Provider Plans
New Jersey	Primary Care Loan Redemption Program of New Jersey
New Mexico	Health Professional Loan Repayment Program (HPLPP)
Ohio	NHSC / BHPr Ohio Loan Repayment Program
Pennsylvania	Pennsylvania's Primary Health Care Practitioners Loan Repayment Program
Texas	Physician Education Loan Repayment Program of Texas
Utah	Utah Health Care Workforce Financial Assistance Program
Virginia (2)	National Health Service Corp-VA Loan Repayment Program
Washington	WA State Health Professional Scholarship Program
Wisconsin (2)	Wisconsin Health Professions Loan Assistance Program
Wisconsin	Wisconsin Physician Loan Assistance Program

(number in parentheses indicates total state-office programs for that state that are not "federal" per se)

State-Level Offices: Service-for-Support Programs

Table 3: Programs – "Not Otherwise Designated"

Arizona (3)	Arizona Loan Repayment Program
Arizona	NHSC/Arizona Department of Health Services
Arkansas (3)	Arkansas Rural Medical Practice Student Loan/Scholarship Program (ARMPSLSP)
California (2)	Dr. James L. Hutchinson & Evelyn Ribbs Hutchinson Medical School Scholarship
California	NHSC/CA State Loan Repayment Program
Georgia (2)	Georgia Physician Loan Repayment Program
Kentucky	Rural Kentucky Medical Scholarship Fund (RKMSF) Grant Program
Michigan	Michigan Essential Health Provider Program/SLRP
Minnesota (7)	Federal National Health Service Corps (NHSC) Loan Repayment Program
Nebraska (2)	Nebraska Loan Repayment Program
North Carolina	Loan Repayment Program
North Dakota (2)	The Medical Personnel Loan Repayment Program
North Dakota	The State Community Matching Physician Loan Repayment Program
Rhode Island	Rhode Island Health Professional Loan Repayment Program
South Dakota (3)	NHSC/Loan Repayment and Scholarship Program
South Dakota	South Dakota Physician Tuition Reimbursement Program
Vermont (2)	Freeman Educational Loan Repayment for Physicians Program
Vermont	Vermont State Loan Repayment Program

(number in parentheses indicates total state-office programs for that state that are not "federal" per se)

Loan Repayment Programs

In national studies, loan repayment has been found to be a successful strategy to recruit and retain physicians and nurses. Twenty-five years of program evaluations have clarified many of the outcomes possible from healthcare training support-for-service programs. Furthermore, studies have demonstrated that loan repayment programs, as a whole, have better outcomes than scholarship programs. Results of these comparisons have proved compelling. For example, studies demonstrating the strengths of loan repayment programs prompted Congress recently to allow the NHSC to make more loan repayment and fewer scholarship awards (e.g. Bureau of Health Professions, 2005) and led some states to expand their loan repayment programs (Pathman, et al. 2000).

Studies have shown that there are several benefits which can accrue from loan repayment programs. Selected examples follow:

> *High Position Fill-Rates:* Some programs, including the NHSC, have many more applicants than their funds can support and regularly fill all funded positions; other programs have many unfilled positions for lack of applicants.
>
> *High Service Completion Rates*: Very few loan repayment programs, accordingly, have found a need to set any buy-out penalties; as a group, their service completion rates average 93% without them (Pathman, et al, 2004). It is the physician-program-community fit and the financial attractiveness of the program that prompts physicians to complete their obligations with service (the "carrot"), not financial and legal threats (the "stick").
>
> *High Retention Rates:* Beyond merely completing obligations with service, there has long been the hope that obligated physicians will remain in their service communities for years afterwards ... In fact, data show that physicians participating in state-run support-for-service programs remain in their service sites as long on average as other young physicians remain in practices of all types nationwide. Physicians obligated to state-run loan repayment programs remain substantially *longer* than other young physicians (e.g. Pathman, 2004).

Effectiveness of Support-for-Service: Sempowski, I.P. (2004) attempted to evaluate the effectiveness of programs that provide financial incentives to physicians in exchange for a rural or underserviced area return-of-service (ROS) commitment. This was done via a systematic literature review using Medline and Ovid HealthSTAR databases were searched from 1966 to 2002. The initial search yielded 516 results. Bibliography review yielded additional references. Ten publications were selected as the highest level of evidence available. The main outcome measures were: (a.) initial recruitment of physicians, (b.) buyout rates, and (c.) long-term retention.

The majority of studies reported effective recruitment despite high buyout rates in some US-based programs. The one prospective cohort study on retention showed that physicians who chose voluntarily to go to a rural area were far more likely to stay long term than those who located there as an ROS commitment. Multidimensional programs appeared to be more successful than those relying on financial incentives alone. Sempowski, I.P. (2004) concluded that ROS programs to rural and underserviced areas have achieved their primary goal of short-term recruitment but have had less success with long-term retention. However, this study combined different types of support-for-service programs within its analysis thus somewhat preventing conclusions as to loan repayment programs, per se.

Loan Repayment vs. Payback Programs: Miller & Crittenden (2001) sought to determine and contrast the possible impact that two different types of support-for-service programs might have on medical school choice, and, students' intentions to return to their home states. The authors examined difference in preferences for: (a.) payback programs regarding state-subsidized medical education which are designed to increase the rate of graduates returning to those states to practice; and (b.) loan repayment programs that are designed to entice medical school graduates from rural states to return to their home states.

Miller & Crittenden (2001) surveyed 229 medical students (response rate 80 percent). The questionnaire collected background information on the students and addressed the possible

impact of payback and loan repayment policy proposals on student plans. Forty-seven percent of students reported that they would attend a different medical school if a required payback program were in place. Students who were more competitive at the time of admission to medical school were significantly more likely to say they would attend another medical school than were less competitive students. In contrast, 48 percent of students reported that they would be more likely to return to their home states if expanded loan repayment programs were available for service in areas of need. The findings suggest that payback programs may dissuade more competitive students from entering medical schools with such requirements, compromising the pool of students most likely to return to rural areas. Conversely, medical students appear willing to consider loan repayment programs upon completion of their training.

Why Do Loan Repayment Programs Work? Expert opinion was sought for insights into why loan repayment programs work. Donald Pathman, MD, MPH, (Univ. of North Carolina) was queried as to his view. Dr. Pathman stated:

> "As a whole, state-run (loan repayment) programs are successful but not because they are run well---- most are under-funded, under-staffed and can't offer individualized assistance to the health care practitioners they support. They are successful because the benefit of loan repayment is clear to potential applicants and programs typically only provide payments to participants after they complete each 3 or 6 months of work; therefore, if a participant leaves or otherwise fails to work in the agreed upon area or practice, payments simply stop and there is no need to enforce penalties." (Pathman, 2007)

Does a Loan Repayment Program Make Sense for Alaska? Expert opinion was sought for perceptions as to whether a loan repayment program makes sense for Alaska. Again, Donald Pathman, MD, MPH, (Univ. of North Carolina) was queried as to his view. Dr. Pathman stated:

> "I am glad to hear that Alaska is thinking of expanding loan repayment opportunities. I visited Alaska for the first time this past spring for the National Rural Health Association meeting, in Anchorage, with a side trip to Minto and Fairbanks. What an amazing place! I spoke with several folks working with the Native American health corporation in the state, and realize the physician shortages for the populations they serve. I was impressed that they knew little about how to attract and keep a physician. Lots of opportunities there for improvement in programs." (Pathman, personal communication, 2007)

Position of the Alaska Physician Supply Task Force (2006): The PSRF recommended a number of specific strategies and action steps to achieve four main goals related to assuring an adequate supply of physicians to meet Alaska's need. One of the PSRF findings was that Alaska's clinics and hospitals receive inquiries from physicians about the availability of loan forgiveness often. Loan repayment is a proven strategy for recruiting physicians, and the federal loan repayment programs currently available to Alaska physicians need to be stabilized financially and supplemented with Alaska-based programs. For detail, see: *"Securing an Adequate Number of Physicians for Alaska's Need"* (2006).

Precedents in Alaska: There are, and have been, other circumspect loan repayment programs for health professionals here in Alaska. These have typically been via categorical federal funding. Examples include Indian Health Service supports, and use of the National Health Service Corp. There have also been selected opportunities via the regional health corporations, and certain hospitals. Further, the Alaska Mental Health Trust has recently considered some loan repayment supports in the behavioral health field. While promising, these will collectively still fall far short of garnering the needed workforce to face projected need.

Recommendation

Recommended: Alaska should establish a Health Care Professionals Loan Repayment Program (HCPLRP). Decisions as to particular program elements must await further public process. Questions should be addressed regarding at least the following program elements:

- *Organizational Support*: What are the best ways to build legislative and public understanding and support on this issue? For instance, members of the Alaska Physician Supply Task Force supported a loan payback provision for physicians.

- Oversight: What is that governance entity most suited to provide leadership and oversight of this program? Similarly, which entity is most suited to administer the program? There is evidence that no single entity has the expertise to properly oversee and administer such a program. This might argue for a blended or interagency oversight structure. One agency might provide programmatic administration, while the other might serve as fiduciary agent.

- *Fiduciary Agent*: It may prove both workable and preferred that fiduciary mechanics and other administrative aspects be organizationally separated. If so, which agency is most to assume this fiduciary role? One approach might be to have the program work in tandem with the Alaska Commission on Postsecondary Education (ACPE). It is possible that the functions of the Alaska Commission on Postsecondary Education could be amended as these relate to repayment provisions healthcare degree program participants. It appears likely that no substantive change would be necessary for ACPE to act strictly as fiscal agent for participant payments. Further, this would not be a recommendation to change the scope of the ACPE mission to include direct workforce development. This later function would likely be accomplished by another state agency via interagency partnership.

- *Provider Eligibility*: Which healthcare occupations are to be deemed as eligible for the HCPLRP? Are all eligible occupations to benefit equally from the HCPLRP, or, will the occupations differ in terms of: (a.) maximum financial benefit, (b.) length of service required, (c.) specificity of service location, and, (d.) penalty for early-quit? There is evidence that for a loan repayment program, marked penalties are not needed, and, are actually likely harm outcomes.

- *Repayment Details*: Several policy and procedural decisions must be concluded. Examples follow. What is an adequate period of service-payback? What is the proportionality of payback when scheduled over years? What are the most useful policies with which to govern service payoff?

- *Work Processes*: Several work-process details will need to be established as regards management client relationships. Programmatically, what ways do we want to work, one-on-one, with program applicants to help them find suitable communities/positions? What types of assistance do we most want to provide to applicants, practices and communities?

- *Program Evaluation*: An ongoing evaluation should be installed and maintained as an expected part of any proposed support-for-service program (e.g. Henderson & Fox-Grage, 1997). It is in everyone's interest, and particularly in those of Alaska's medically underserved communities, that such programs: (a.) have explicit outcome objectives, (b.)

are regularly monitor as to those outcomes, (c.) openly acknowledge weaknesses, and (d.) embrace change as needed. Many different types of outcomes might be monitored. Reasonable measures might include:

- Practice in specific needy communities (e.g. HPSAs)
- Serve high-priority patient groups (e.g. Medicaid)
- Service completion of participants
- Retention rate of participants
- Satisfaction of participants
- Indictors as to the content of practice/work of program participants (e.g., proportion that provide inpatient care, that provide obstetrical care, or whatever specific services are deemed to have critical workforce shortages)

Other Support-For-Service Options to Consider:

As robust as a state-level loan repayment is likely to prove, there are other programmatic strategies. At least two other strategies should also be thoroughly examined: (a.) service-option loans, and (b.) direct incentives.

- *Strategy: Service-Option Loan Programs*

  Consider provision of educational loans to all citizens of Alaska who undertake health professions training, where the loans will be forgiven if they work within Alaska after graduation. This would provide added incentive for health care students who were raised in Alaska to return to Alaska to practice, rather than being wooed away by the states/communities where they receive their training. There is evidence that these have worked well elsewhere, given attention to key programmatic details. For Alaska, a service-option loan program should nicely complement a loan repayment program; because the former would address only Alaska residents and the latter would primarily attract those health practitioners coming from out-of-state.

- *Strategy: Direct Incentive Programs*

  Consider provision of direct incentive programs. In these, funding is provided to practitioners who agree to work in needy settings whether or not they have educational loans to be repaid. There is no reason to believe that only young practitioners-with-debt are suited to work in rural areas and/or with underserved populations.

  Loan repayment programs only target recent graduates who have weighty educational debts. For instance, as regards physicians, many recent graduates carry minimal debt (perhaps 40%). Further, a large portion of those physicians who are potentially recruit-able to Alaska are 10 or 20 years out of training and have no educational debts. It is possible, even likely, that "an Alaskan adventure" would appeal to some number of mid and late-career physicians. It may prove informative to assess the State's medical licensure files to learn the average/median/quartiles of age of physicians as to when they gain their first Alaska license. If, indeed, many are older, then this is a group that should be targeted. Direct incentive programs target those practitioners without loans, and, older practitioners.

Finally, support-for-service programs (of all types) constitute only one way to help bolster recruitment and retention of health care professionals. Alaska must develop a multi-pronged approach to confronting our growing healthcare workforce shortage.

Conclusion

Substantial evidence shows that Alaska currently experiences a shortage of healthcare professionals, and, that this shortage exists in several key occupational categories.

There are several types of support-for-service programs, and the national experience has proven loan repayment programs to be robust. These have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages. To quote from Pathman, et al. (2004),

> "As a whole, states' support-for-service programs bring physicians to needy communities where they find satisfying work caring for at-risk patient populations and remain for many years. Of all program types, the loan repayment and direct financial incentive forms, which target physicians after training, show the broadest successes. The successes of these state programs warrant their continued support and perhaps expansion to remedy the continuing maldistribution of physicians." (pg. 567).

References

1. *Alaska Health Care Databook: Selected Measures* (2007). Health Planning & Systems Development. Alaska Department of Health & Social Services.

2. Association of the American Medical Colleges, Division of Medical School Services and Studies. (2004). AAMC Data Book: Statistical Information Related to Medical Schools and Teaching Hospitals. LeEtta Robinson, Editor. Washington, DC: AAMC.

3. Bureau of Health Professions, Health Resources and Services Administration, US Department of Health and Human Services (2005). National Health Service Corps. Available at http://nhsc.bhpr.hrsa.gov.

4. Chaconas J.A. (2001). Loan repayment program provides financial incentives to practice in Delaware's health professional shortage areas. Del Med J. 2001 Aug; 73(8):305-6.

5. Daniels, Z.M., Vanleit, B.J., Skipper, B.J., Sanders, M.L., & Rhyne, R.L. (2007). Factors in recruiting and retaining health professionals for rural practice. J Rural Health. 23(1): 62-71.

6. Fried, N. & Keith, B. (2003). Alaska's Health Care Industry. Alaska Economic Trends, 23(4): 3-11.

7. Heinrich, J. (2001) Health workforce: Ensuring adequate supply and distribution remains challenging. Testimony before the Subcommittee on Health, Committee on Energy and Commerce, House of Representatives (Aug. 1st, 2001).

8. Jackson, J., Shannon, C.K., Pathman, D.E., Mason, E., & Nemitz, J.W. (2003). A Comparative Assessment of West Virginia's Financial Incentive Programs for Rural Physicians. J Rural Health, 19 (suppl): 329-339.

9. Johnson, D.R. & Norris, T.E. (1997). Geographic distribution, supply and need for generalist physicians in Alaska. West J Med. 167(5): 330-335.

10. Jolly P. (2005). Medical school tuition and young physicians' indebtedness. Health Affairs, 24:527-535.

11. Miller, J.B. & Crittenden, R.A. (2001). The effects of payback and loan repayment programs on medical student career plans. J Rural Health. 17(3): 160-164.

12. National Organization of State Offices of Rural Health (2006). National Rural Health Issues: NOSORH National Priorities, 2006. (accessed website 8/15/07: http://www.nosorh.org/pdf/Rural_Impact_Study_States_IT.pdf

13. Pathman, D.E. (2007). Personal communication. (Cecil G. Sheps Center for Health Services Research Department of Family Medicine University of North Carolina at Chapel Hill).

14. Pathman DE. (2006). What outcomes should we expect from programs that pay physicians' training expenses in exchange for service? North Carolina Medical Journal. 67:77-82.

15. Pathman DE, Fryer GE, Phillips RL, Smucny J, Miyoshi T, Green LA. (2006). National Health Service Corps staffing and the growth of the local rural non-NHSC primary care physician workforce. Journal of Rural Health. 22(4):285-293.

16. Pathman D.E., Konrad T.R., Dann, R., Koch, G. (2004). Retention of primary care physicians in rural health professional shortage areas. Am J Public Health, 94:1723-1729.

17. Pathman, D.E, Konrad, T.R, King, T.S., Spaulding, C. & Taylor, D.H. (2000). Medical training debt and service commitments: the rural consequences. J. Rural Health. 16(3): 264-272.

18. D.E., Konrad, T.R., King, T.S., Taylor, D.H., & Koch G.G. (2004). Outcomes of states' scholarship, loan repayment, and related programs for physicians. Medical Care, 42(6): 560-568.

19. Pathman, D.E., Taylor, D.H. Jr., Konrad, T.R., King, T.S., Harris, T., Henderson, T.M., Bernstein, J.D., Tucker, T., Crook, K.D., Spaulding, C., & Koch, G.G. (2000). State scholarship, loan forgiveness, and related programs: the unheralded safety net. JAMA 284:2084-2092.

20. Rosenblatt, R.A., Andrilla, C.H., Curtin, T., and Hart, L.G. (2006). Shortages of medical personnel at community health centers: implications for planned expansion. JAMA 295(9): 1042-1049.

21. Rosenblatt, R.A. & Andrilla, C.H. (2005). Impact of U.S. medical students' debt on their choice of primary care careers: An analysis of data from the 2002 Medical School Graduation Questionnaire. Academic Medicine, 80(9), 815-819.

22. *Securing an Adequate Number of Physicians for Alaska's Needs* (2006). Health Planning & Systems Development Office, Dept Health & Social Services, State of Alaska. (http://www.hss.state.ak.us/commissioner/PhysicianSupply.htm).

23. Sempowski, I.P. (2004). Effectiveness of financial incentives in exchange for rural and underserviced area return-of-service commitments: systematic review of the literature. Can J Rural Med. 9(2): 82-88.

24. Thaker SI, Pathman DE, Mark BA, Ricketts TC. (2007). Service-Linked Scholarships, Loans and Loan-Repayment Programs for Nurses in the Southeast. Journal of Professional Nursing (in press).

25. US General Accounting Office (1995). Health Care Shortage Areas. Designations Not a Useful Tool for Directing Resources to the Underserved. Washington DC, (GAO/HEHS-95-200, September 1995).

adn.com
Anchorage Daily News

Print Page | Close Window

Group advocates incentives to lure health care workers

SHORTAGE: Problem is especially acute in alaska's rural areas, planner says.

By ROSEMARY SHINOHARA
rshinohara@adn.com
(02/15/10 21:37:22)

Armed with reports of continued shortages of doctors and other health care workers in Alaska, a group of health care organizations is pushing for the state to begin offering doctors, dentists, nurses and others money to come practice in Alaska.

Shelley Hughes of the Alaska Primary Care Association, one of the backers of financial incentives for health care workers, led a workshop to talk about the idea Monday at the Alaska Native Tribal Health Consortium.

Her group represented 142 community health clinics -- nonprofits that offer health care on a sliding scale to anyone. Their turnover of doctors, physician assistants and nurse practitioners is about one-third every year, Hughes said.

Statewide, the number of doctors with active licenses in Alaska increased by 2 percent from 2007 to 2009 -- barely keeping up with population growth, and not keeping up with the health care needs of Alaska's growing number of senior citizens, said Alice Rarig, a planner with the state Department of Health and Social Services.

Rarig said the problem is especially acute in some rural areas and for primary care doctors. For example, in Anchorage and Mat-Su, there's a doctor for every 352 people, but in northern and Southwest Alaska, the ratio is closer to one doctor for more than 950 people.

Alaska has a pretty good supply of specialists in urban areas but not enough internists -- primary care doctors -- and psychiatrists, she said.

The Primary Care Association, Alaska State Hospital and Nursing Home Association, Alaska State Medical Association, Alaska Native Health Board, AARP-Alaska and numerous other groups are supporting SB 139, a bill in the Legislature that calls for the state to spend $7.9 million over the next three years on drawing people to work in medical professions in Alaska.

The bill, introduced by Sen. Donny Olson of Nome, has been approved by one committee and now sits in the Senate Finance Committee.

Under the bill, the state would repay student loans over a three-year period for health care professionals recently out of school. It would give direct payments to already-established health care workers in exchange for their practicing in Alaska, also over three years.

The $7.9 million would cover at least 90 positions, with payments ranging from $20,000 to $27,000 per year for those in jobs such as nurse practitioner, physician assistant and physical therapist, and $35,000 to $47,000 annually for doctors, dentists and pharmacists, said Hughes.

People who took especially hard-to-fill positions, such as in remote areas, would get the highest

payments.

Robert Sewell, a state health program manager, said repaying loans for newly trained doctors and other health workers, and offering direct payments to those with more experience, is the fastest way to make a dent in the need for more medical workers.

It yields much faster results, for example, than giving scholarships to people while they are still training for medical professions, he said.

Many states already offer some sort of financial incentive to attract doctors.

"This is not weird science," said Sewell. "The fact that Alaska is considering this now means only we are Johnny-come-latelies."

Find Rosemary Shinohara online at adn.com/contact/rshinohara or call her at 257-4340.

Print Page | Close Window

Copyright © Thu Mar 11 13:38:00 UTC-0900 20101900 The Anchorage Daily News (www.adn.com)

SUMMARY OF SUPPORT LETTERS: HB 392

ORGANIZATIONS:

AARP – American Association of Retired Persons
ABHA – Alaska Behavior Health Association
ANHB – Alaska Native Health Board
ANTHC – Alaska Native Tribal Health Consortium
APA – Alaska Pharmacists Association
ALPHA – Alaska Public Health Association
APCA – Alaska Primary Care Association
ASHNHA – Alaska State Hospital and Nursing Home Association
ASMA – Alaska State Medical Association
Illuliuk Family and Health Services, Inc.
NASW, Alaska Chapter – National Association of Social Workers
Alaska Commission on Aging, State of Alaska Dept. of Health + Social Services
Sunshine Community Health Center

INDIVIDUALS:

James Atti – Bethel
Darlene Buttolph – Anchorage
Nancy Byran – Palmer, AK
Ann Nora Ehret – Dutch Harbor
Janie Fillman – Glennallen
Heather Goecke – Wasilla
Sonia Handforth-Kome – Unalaska
Sandra Knight – Anchorage
James Lepich – Skagway
Julie McDonald – Florida Pharmacist wanting to move to Craig, AK
Sharon Montagnino – Talkeetna
Donna Phillips – Girdwood
Doris Robbins – Fairbanks
Mabel Smeltzer – Ketchikan
Marguerite Stetson – Anchorage

RESOLUTIONS:

Commonwealth North
Alaska Primary Care Association
Mat-Su Health Foundation

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 17, 2010

The Honorable Wes Keller, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 13
Juneau, AK 99801-1182

The Honorable Bob Herron, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 411
Juneau, AK 99801-1182

RE: HB 392 (Herron)—Support

Dear Co-Chairs Keller and Herron:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Health and Social Services Committee to support HB 392, authored by Committee Co-Chair Herron.

The intent of HB 392 is to provide incentives for health care providers, especially for expertise that is in short supply in Alaska as well as to secure providers in our many underserved geographic areas.

AARP approaches HB 392 from the standpoint of the customer. Our members are the group most likely to need health care services and are often the first ones to face critical health care problems because they cannot find a provider.

You are well aware of our health care workforce shortages in Alaska. If our members cannot find a health provider, the results can be bad for them as well as for the state.

Postponing a needed health visit often results in health deterioration and, in many cases, more intense and more expensive treatment. With an increase in providers, our members are more likely to seek prevention and early treatment. The overall health status of older Alaskans will improve.

However, if our members cannot find a health care provider, Alaska will be the loser.

As you know, prior to 1990 many older Alaskans left the state after retirement because they could not count on finding medical facilities and providers to meet their needs.

This trend reversed and now Alaska has the highest percentage of older people who decide to stay in their home state after retirement. The economic value of these retirees is estimated at over $1.7 billion.

We want our citizens to stay here after retirement. The most significant determination of where retirees decide to live is the availability of quality health care. We must have an adequate health care workforce if we are going to keep older Alaskans in our state.

HB 392 will go a long way in helping us secure that workforce.

AARP recommends an "AYE" vote on HB 392.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Representative Tammie Wilson
Representative Bob Lynn
Representative Paul Seaton
Representative Sharon Cissna
Representative Lindsey Holmes

abha

Alaska Behavioral Health Association

alaskabha.orgthehealth.net

March 15, 2010

Re: Support for HB 392 Incentives for Certain Medical Providers

Dear House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Behavioral Health Association strongly supports HB 392 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

One of our primary goals deals with Workforce Development and this bill fits well within the goal to assure that a well trained adequate workforce is available to behavioral health providers.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants, behavioral health clinicians, addiction professionals, and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. HB 392 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The Alaska Behavioral Health Association supports HB 392 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

In Health,

Steve Horn
Executive Director

Alaska Native Health Board

1840 Bragaw Street, Suite 220
Anchorage, Alaska 99508

Phone: (907) 562-6006
Fax: (907) 563-2001

March 12, 2010

Representative Bob Herron
State Capital Building, Room 411
Juneau, Alaska 99801-1182

Dear Representative Herron,

We write to express the Alaska Native Health Board's support for HB 392, establishing a health professions loan repayment and employment incentive program. Alaska is one of only six states without a state-sponsored health professions support-for-service program.

Overall, Alaska health workforce vacancy rates are now over 10% and growing, particularly for hard-to-fill positions in rural locations where most providers are "safety net" providers who deliver care to primarily to Medicaid and Medicare beneficiaries and the uninsured.

Among tribal providers, who are the only provider of health services in many areas of the state, health professional vacancy rates exceed the statewide rates across the board by 150-200%.

The challenges are daunting: The average time it takes for a tribal provider to fill a physician vacancy is over a year, while the average time to fill a mid-level vacancy is six months. **As of November 2009, within the Alaska tribal health system alone, there were over 80 physician vacancies.** These severe workforce shortages compound the challenge of providing good access to quality healthcare for all Alaskans, particularly in the rural areas.

HB 392, The Alaska Health Care Professions Loan Repayment & Incentive Program, is an important part of the solution to Alaska's health workforce shortage. It was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska.

More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively alleviate shortage problems in other states, and we are certain that HB 392 will work because it has been thoroughly reviewed and customized for Alaska.

Sincerely,

Evangelyn "Angel" Dotomain
President/CEO

Alaska Native
Tribal Health Consortium

Administration · 4000 Ambassador Drive · Anchorage, Alaska 99508 · Phone: (907) 729-1900 · Fax: (907) 729-1901 · www.anthc.org

POSITION PAPER

CONTACT: Valerie Davidson, Senior Director
Legal and Intergovernmental Affairs
Through Pat Jackson, State Liaison for Alaska Native Health
523-0363 – pajackson@anthc.org

DATE: March 12, 2010

RE: HB 392 – Incentives for Certain Medical Providers

POSITION: Support

ANTHC is a tribally controlled, non-profit, statewide tribal health organization formed pursuant to federal law to provide a range of medical and community health services for more than 130,000 Alaska Natives. ANTHC is part of the Alaska Tribal Health System (ATHS), which is owned and managed by the 231 federally recognized tribes in Alaska and by their respective regional health organizations.

ANTHC and Southcentral Foundation jointly manage the Alaska Native Medical Center (ANMC), the tertiary hospital of the ATHS located in Anchorage. ANMC hospital and SCF clinic facilities together employ 161 physicians, 37 dentists and 509 nurses, along with many more employees working in health-related professions. We face the same workforce challenges as our partner health organizations, competing with employers in the Lower 48 to recruit and retain a quality workforce.

Current reports prepared by the Indian Health Service on physician positions within the tribal system and by Alaska tribal facilities on nursing positions provide a good snapshot of workforce challenges.

Profession	***Positions Authorized***	***Vacancies***	***Percentage***
Physicians – statewide	305	81	26.6%
Physicians – ANTHC/SCF	161	35	21.7%
RN – statewide	775	113	15%
LPN – statewide	92	26	28%
APN – statewide	120	28	23%

Ideally we would grow our own health professionals in numbers that would meet our workforce needs, and we have made progress over the years. The tribal health system offers internships and scholarships that bring some of our best and brightest to the medical field. More Alaska Natives are choosing Medical and Dental careers; a University of Alaska Anchorage program, Recruitment and Retention of Alaska Natives into Nursing, is graduating Alaska Native nurses; many of our Community Health Aides have built on their basic training opportunities to prepare for advancing careers; and the Dental Health Aide Program is graduating students who fill a need for dental health services and patient education. We are inching forward, but more work needs to be done.

HB 392 is a strategy to attract skilled health professional to Alaska jobs. It would work in tandem with other efforts as Alaska's health provider community work to provide quality care to our residents. ANTHC urges your favorable consideration and passage of HB 392 to help us turn the corner on Alaska's health care workforce.

Alaska Pharmacists Association

RE: Support for HB 392
Alaska Health Care Professions Loan Repayment & Incentive Program

March 16, 2010

Dear Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, putting Alaskans in jeopardy, the Alaska Pharmacists Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a limited and shrinking national pool.

"The Mission of the Alaska Pharmacists Association is to preserve, promote and lead the profession of pharmacy in Alaska."

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, LCSWs (licensed, clinical social workers), and physical therapists are all in short supply in Alaska.

Based on statistics provided by Laura Miller, PhD, Senior Economist with the National Association of Chain Drug Stores, the national average of community pharmacists per 10,000 people is 5.36. For Alaska, the figure is 3.35. To get to the national average, Alaska would need an additional 137 pharmacists. The average number of people per community retail pharmacy is about 5,300 nationally, and in Alaska it is 8,900. Even if you add in the 15 Indian Health Service (IHS) pharmacies, Alaska's pharmacies average about 7,500 people, much higher than the national average.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

Respectfully,

Nancy O. Davis
Executive Director

E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

ALASKA PUBLIC HEALTH ASSOCIATION

Committed To Advancing Alaska's Public Health Since 1978

ALPHA

March 18, 2010

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Public Health Association (ALPHA) strongly supports HB 392 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

ALPHA supports HB 392 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Sandra Woods

Sandra Woods, RN-C, MS
President
ALPHA Board of Directors

212 Front Street, Suite 100 Fairbanks, AK 99701 907.450.2459 *e-mail:* publichealth@alaska.net
www.alaskapublichealth.org

ALASKA
PRIMARY CARE ASSOCIATION

The Honorable Bob Herron
Alaska State House of Representatives
State Capitol, Room 411
Juneau, Alaska 99801

Re: Support for HB 392 Incentives for Certain Medical Providers

March 10, 2010

Dear Representative Herron,

The Alaska Primary Care Association (APCA) works to promote primary care access for all Alaskans. The APCA represents 26 health care organizations operating 142 Community Health Center (CHC) clinic sites, as well as other primary care safety net providers, throughout Alaska. Currently, health professional workforce shortages are impacting the ability of CHC clinics and other health entities to provide access to health care services for Alaskans. The CHCs in Alaska exist to provide care for medically underserved populations and communities; however, the CHCs are having great difficulty recruiting and retaining providers. The CHCs provided primary health care services to over 81,000 patients (1 in 9 Alaskans) last year with the following estimated vacancies: 22 physicians, 20 physician assistants, 26 nurse practitioners, 6 dentists, and 10 licensed clinical social workers – to name a few.

Not only is Alaska suffering from labor shortages in most professional health care occupations,[2] but there is a national shortage of primary care providers as well. With most areas of Alaska designated as a Health Professional Shortage Area or a Medically Underserved Area,[3] the national shortages have made recruitment and retention even more challenging for clinics here. All but six of the fifty states have addressed similar professional health provider shortages by implementing state sponsored support-for-service programs which have helped to attract and retain health care providers.[4]

The APCA hears routinely from frustrated medical directors throughout Alaska that they are "losing candidates to other states." Expensive temporary hires and repeated recruitment costs are driving up the cost of health care. The lack of continuity of providers is impacting health care access and outcomes for Alaskans. It is time for

Alaska Primary Care Association
903 W Northern Lights Blvd, Suite 200
Anchorage, AK 99503

ph. 907-929-2722
fx. 907-929-2734
www.alaskapca.org

Alaska to establish a state-sponsored loan repayment and incentive program to help mitigate the health care workforce shortage problem.

In closing, the Alaska Primary Care Association strongly supports HB 392 and the creation of a "Health Care Professions Loan Repayment and Incentive Program" in Alaska. Thank you for your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly
State Affairs Coordinator

Shelley S. Hughes
Government Affairs Director

[1] Bureau of Primary Health Care. "Alaska Section 330 Grantees Uniform Data System (Provider Utilization)."
2 Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007. http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.
3 US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage
4 Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska

Alaska Primary Care Association
903 W Northern Lights Blvd, Suite 200
Anchorage, AK 99503

ph. 907-929-2722
fx. 907-929-2734
www.alaskapca.org

ASHNHA
Alaska State Hospital and Nursing Home Association

426 Main St
Juneau, Alaska 99801
(907) 586-1790
www.ashnha.org

TESTIMONY ON House Bill 392
March 17, 2010

ASHNHA represents 27 private, federal, state, and tribal health care facilities located throughout Alaska. The testimony presented here has been approved by ASHNHA's general membership (see detailed member list at bottom of testimony).

ASHNHA's membership strongly supports **HB 392.**

Health care occupation workforce shortages continue to persist throughout Alaska but are most critical in rural areas of the State.

The Alaska Legislature has been extremely responsive to addressing these shortages by providing increased funding to the University of Alaska to expand health care education programming, and by expanding the WWAMI program from 10 to 20 educational placements each year.

HB 392 complements these other initiatives by establishing a new program that will give the Department of Health & Social Services authority to attract already trained health care professionals in 10 critical occupation categories. The Department will offer either loan repayment or cash incentives commitment to willing providers in exchange for time served in health care shortage areas in Alaska. Up to 90 health care professionals could be attracted to Alaska each year through this program.

Extensive study of Alaska's health care workforce needs have been completed and those data disclose shortages that cannot be overcome by expanded educational programming or WWAMI enrollments alone. These investments, while extremely important, will take from 4 years to 10 years to produce trained clinicians depending on the health care occupation chosen for study. HB 392 will bridge the gap Alaskans face today in many rural and underserved communities throughout the State.

ASHNHA has worked with a large group of other stakeholders to help develop the program outline contained in HB 392. Passage of this measure will help Alaska become competitive with other states in attracting 'practice ready' professionals from around the country.

HB 392 has the strong support of many organizations concerned about the severe shortage of health care professionals in many rural areas of the State. The Alaska Health Care Commission recommended consideration of a loan repayment and incentive program in their report to the Governor and the Legislature.

ASHNHA respectfully urges your support for HB 392 and passage of this bill from House HSS to the next committee of referral.

Thank you for your consideration.

For questions please contact:
Rod Betit, President & CEO
ASHNHA
rbetit@ashnha.com or call 907 586-1790

This Testimony is on Behalf of the Following Alaska Health Care Facilities

Alaska Regional Hospital, Alaska Native Medical Center, Bartlett Regional Hospital, Central Peninsula General Hospital, Cordova Community Medical Center, Denali Center Nursing Home, Fairbanks Memorial Hospital, Heritage Place Nursing Home, Kanakanak General Hospital, Ketchikan General Hospital, Maniilaq Health Center, Mt. Edgecumbe Hospital SEARHC, Norton Sound Regional Hospital, Petersburg Medical Center, Providence Alaska Medical Center, Providence Extended Care Center, Providence Kodiak Island Medical Center, Providence Seward Medical & Care Center, Providence Valdez Medical Center, Sitka Community Hospital, South Peninsula Hospital, St. Elias Specialty Hospital, Wrangell Medical Center, Yukon Kuskokwim Delta Regional Hospital, North Star Behavioral Health, Wildflower Court Nursing Home.

ИАКАЛАКЖ
Iliuliuk Family and Health Services, Inc.
P.O. Box 144
Unalaska, Alaska 99685
Phone: (907) 581-1202
Fax: (907) 581-2331

Re: Support for HB 392 Incentives for Certain Medical Providers

March 11, 2010

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Iliuliuk Family and Health Services, Inc. (IFHS) strongly supports HB 392 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

Our organization, IFHS, is the only comprehensive service provider for medical, dental and behavioral health services within 800 air miles of Unalaska. We are remote, and we frequently find that we are unable to compete with "lower 48" medical practices for providers, since we also cannot compete effectively with salaries. State loan repayment options for our providers would help us offer a competitive package.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

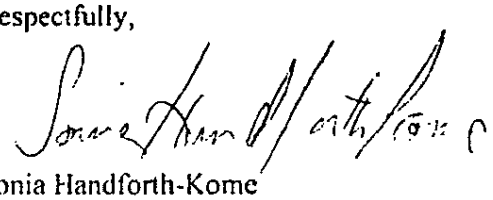
It takes IFHS over a year to recruit a single doctor; six months to recruit a behavioral health specialist, and the last time we recruited a dentist, it took us four years to do so. We cannot recruit RNs – until July of 2009, we had two open RN positions for over two years, and currently have one RN position that has been open for over three years. A state-sponsored support-for-service program would help make our recruitment package more appealing and more competitive.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. HB

392 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

IFHS supports HB 392 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,



Sonia Handforth-Kome
Executive Director

NASW · ALASKA CHAPTER
National Association of Social Workers

401 E. Northern Lights Blvd., Suite 205
Anchorage, Alaska 99503
907-332-NASW (6279) Fax: 907-332-6270
1-800-478-NASW (6279)
Director@naswak.org
http://www.naswak.org

March 10, 2010

Re: Support for Alaska Health Care Professions Loan Repayment & Incentive Program

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the National Association of Social Workers – Alaska Chapter strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the Lower 48 in recruitment of providers from a shrinking national pool.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Health Care Professions Loan Repayment & Incentive Program proposal – SB 139 and HB 392 – bring to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

We recommend the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program.

Respectfully,

/s/

LaVerne Demientieff
President, NASW-AK

P.O. Box 787 (Mile 4.4 Talkeetna Spur Road) Talkeetna, AK 99676 (Ph) (907) 733-2273 (Fax) (907) 733-1735 schc@sunshineclinic.org

RE: Support for HB 392 Incentives Alaska Health Care Professions Loan Repayment & Incentive Program

March 10, 2010

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Sunshine Community Health Center (SCHC) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

SCHC's mission is to assist people in the upper Susitna Valley to meet their health care responsibilities by providing affordable, accessible, quality health care, including preventive aspects, to all people regardless of their ability to pay for services. We are a safety-net provider, with our primary focus on patients who are uninsured and unable to pay for basic medical care. We operate two clinics, one in Talkeetna that is open 6 days a week and one in Willow that is open 5 days a week.

The biggest obstacle to accomplishing our mission is our inability to fully staff the organization with the number of medical, dental, and mental health providers we need. As of this writing, SCHC has been recruiting unsuccessfully for a medical provider to staff our Willow clinic for 3 years. We have been recruiting for a full-time mental health professional for 2 years, a nurse for 1 year, and a dentist for 6 months. Two years ago, unsuccessful recruiting and unexpected vacancies shrank our staff of five medical providers (not including dental and mental health) to just two medical providers covering both clinics, and since then we have never been fully staffed.

Our efforts at recruitment during this period have attracted a high level of interest from providers interested in relocating to our community because of the attractive quality of life we offer. Unfortunately, once excitement gives way to realism, the following factors dissuade them from actually accepting a position and moving here:

- the high cost of student loans; medical and dental graduates average over $100,000 of student debt;
- moving expenses;
- high cost of living in Alaska;
- the escalating cost of health insurance.

SCHC's experience is not unusual. With alarming and rising vacancy rates, Alaska is poised for a crisis unless there is some new intervention. Alaska is one of only six states without a state-sponsored incentive program such as a loan repayment program. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

Sunshine Community Health Center supports SB 139 and urges passage of this important legislation. Your support and action on this matter are greatly appreciated.

Respectfully,

Mary Loeb, MD
Medical Director of Sunshine Community Health Center

Rob Earl

From: James Atti [jamesatti8@gmail.com]
Sent: Tuesday, March 23, 2010 12:59 PM
To: Rob Earl
Subject: Please support HB 392 in House HSS

Representative Herron

Please support and pass HB 392.
We need Health Care Providers and this bill will help us attain our providers as a great incentive to work at our Community Health Clinic. We certainly need leverage to attract health professionals in our clinic.
Thank-you for your support.

Sincerely,

James Atti
PO Box 2714
Bethel, AK 99559

Rob Earl

From: Darlene Butttolph [lindab@ptialaska.net]
Sent: Thursday, March 18, 2010 11:58 AM
To: Rob Earl
Subject: I support HB 392 We need your help.

Representative Herron

I support HB 392 as we need it so bad. I also believe All Doctors should have to take a % of Medicare. I bless the ones that do. They care for the people not their pockets. We need this bill so bad.What are we seniors to do for a Doctor??? No one can find one to care for us. We all have paid into Medicare all our lives for what ? One of the best progaims the government every come up with. It needs to go on plus social security. It adds to our retirement so one can retire. Everyone goes on Medicare at 65 so we need to support HB 392

Sincerely,

Darlene Butttolph
2001 Shore Dr
Anchorage, AK 99515

Rob Earl

From: Nancy Bryan [nabryan46@yahoo.com]
Sent: Friday, March 19, 2010 4:46 PM
To: Rob Earl
Subject: Written HB 392 Testimony (H)HSS

Representative Herron

To have seasoned professional Medical staff able to come to Alaska and build our health community, in my opinion, is so valuable for our growing needs.
This would perhaps be a step forward to making this state competitive to lower 48 states with new ideas, that open up great incentives to better the health care areas here.
To become self sufficient in Alaska has always been our motto of looking forward has it not?
Then make it possible to help those that want to make the journey here perhaps for the first time, and stay in our great state and bring the knowledge they have as well as their wonderful medical ideas to us.
Thank you.
Nancy Bryan

Sincerely,

Nancy Bryan
22479 E Clare Way
Palmer, AK 99645

Rob Earl

From: Ann Ehret [aehret@ifhs.org]
Sent: Thursday, March 18, 2010 11:40 AM
To: Rob Earl
Subject: HB 392 - Loan repayment

Representative Herron

I am writing to urge you to support this legislation for the loan repayment and incentive program in Alaska. As a physician who works 75% time in the Aleutians I am not eligible for federal loan repayment toward my $150,000.00 medical school loans. After three years in our community health center at a average salary, I am no longer financially able to sustain the cost of living, monthly loan payments without loan repayment of some sort. I am seriously considering moving out of state to obtain more flexibility in the reimbursement options. If this legislation passes, I will stay in Alaska to provide rural primary care to under served populations.

Sincerely,

Dr. Ann Nora Ehret
PO Box 920091
Dutch Harbor, AK 99692

Rob Earl

From: Janie Fillman [akjanie1@hotmail.com]
Sent: Thursday, March 18, 2010 12:52 PM
To: Rob Earl
Subject: HB 392 Makes Sense: Please Support

Representative Herron

I live in a rural area, Glennallen, Alaska. We have one primary care center to serve the entire Copper River Valley which is the size of the entire state of Ohio. Our residents range from upper middle class and below (I believe). Cross Road Medical Center has a high turnover of providers, making it hard to have continuity of care; many people drive the approximately 400 mile round trip to get primary care. We have many seniors who simply leave our area. Please support HB 392 as it will help rural under served area's such as the one I live in, plus help our urban areas to have higher level providers (ie there is no cardiologist in all of South East Alaska. UA has a "grow our own" philosophy, but cannot grow enough of our own fast enough; some schooling isn't even available in Alaska such as dentistry and pharmacy. We truly need your help!

Sincerely,

Janie Fillman
PO Box 575
Glennallen, AK 99588

Rob Earl

From: Heather Goecke [hgoecke@scf.cc]
Sent: Thursday, March 18, 2010 10:55 AM
To: Rob Earl
Subject: HB 392

Representative Herron

Alaska needs to establish a Loan Repayment & Incentive Program so we can recruit and retain the providers we need and to help solve the shortage problem.

Average debt for occupations - especially tier 1: range 100,000 to 400,000 (like a mortgage!)

Cost of doing nothing? Economics of no action:
- Without action, ongoing recruitment costs and high locum tenens costs due to high turnover and length of vacancies will continue to increase health care costs in Alaska
- Without action, Alaska will continue to trend toward a public health crisis in pockets of the state
- Without action, Alaska can expect increased ER use, increased Medivac use, increased Medicaid travel costs, and increased costs associated with chronic disease

Sincerely,

Heather Goecke
4040 N Preston Ave
Wasilla, AK 99654

Rob Earl

From: Sonia Handforth-Kome [skome@ifhs.org]
Sent: Tuesday, March 23, 2010 11:06 AM
To: Rob Earl
Subject: HB 392 Testimony (H)HSS

Representative Herron

I am writing to urge you to support and pass HB 392. I am the executive director of the community health center in Unalaska. We budget for four physicians, three mid-levels, three RNs, two counselors, one physical therapist and one dentist. Our center currently has two open RN positions, one of which has been open for three years, one open counselor position and one open physical therapy position. One of our physicians is considering leaving because, even several years out of school, she still owes over $100,000 and is not eligible for NHSC loan repayment. Our dentist gave us a three year notice six months ago because he knew it would take that long to fill the position. We must compete nationally for our health care providers. HB 392 would be enormously helpful to us in recruiting and retaining vital staff members. Please support HB392. Thank you.

Sincerely,

Sonia Handforth-Kome
Executive Director
Iliuliuk Family and Health Services, Inc.
PO Box 144
Unalaska, AK 99685

Rob Earl

From: Sandra Knight [twowild2@yahoo.com]
Sent: Tuesday, March 23, 2010 7:15 AM
To: Rob Earl
Subject: HB 392 health care workforce

Representative Herron

I am a retiree and concerned about the dirth of available health care for our great State of Alaska.

As I read this bill, it would provide rather immediate financial incentive for sorely needed professionals statewide. Please support HB 392.

Thank you.

Sincerely,

Sandra Knight
8101 Peck Ave
Anchorage, AK 99504

Rob Earl

From: James Lepich [j.lepich@skagway.org]
Sent: Tuesday, March 23, 2010 8:57 AM
To: Rob Earl
Subject: Support and Testimony for HB 392

Representative Herron

I am writing you in regards to HB 392. I believe this bill to be of utmost importance to the future health of Alaska residents. I came to Alaska this past summer in hopes of acquiring loan repayment through the National Health Service Corps, a process that is arduous and drawn-out. When preparing for this move, I had spoken with several colleagues who had stated that they would be greatly interested in joining the ranks of Alaska Health Care Professionals, however, there is little incentive to do so. They spoke of the high cost of living and that their loans were minimal or already payed down. These are experienced individuals who have a great deal to give to this state. HB 392 and its incentive aspect would be a considerable draw for these people.

The National Health Service Corps does indeed bring many people to this state to fill openings in the health care system, however, as I stated previously, this can be a monstrous undertaking due to working with the Federal bureaucracy. This system also is flawed in that the required time of service is two years, then the people have a choice to stay or move on. It also pays up front, where HB 392 pays out after time has been delivered. My understanding of HB 392 is that it would help people choose to stay in the state due to these requirements.

By taking hold of this at the state level, Alaska can bring in qualified individuals to work and stay in our communities, many of whom will bring a great deal of needed experience.

Thank you considering my testimony and, Please, consider this bill's passing.

Sincerely,

James Lepich
Advanced Nurse Practitioner
PO Box 537
Skagway, AK 99840

Co-Chairs Stedman and Hoffman
Members of the Senate Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

March 2, 2010

Re: A Pharmacist Interested in Returning to and Working in Alaska Supports SB 139

Dear Co-Chairs Stedman and Hoffman and Members of the Senate Finance Committee,

I am a pharmacist in south Florida who previously interned in Alaska. I would like to share my story and subsequent support for SB 139 *Incentives for Certain Medical Providers* due to my desire to return and work in Alaska.

After putting myself through college to earn a bachelors degree in environmental science, I decided to move back into my parent's home in order to save for a place of my own and to begin aggressively repaying my nearly twenty thousand in student loans. After a year of working as a field biologist and living on a restricted budget, I was very excited to purchase a garden apartment. However, during this year had been very involved with a children's hospital and nursing home. This volunteer work inspired me to return to college in order to pursue a career that offered the daily opportunity to help alleviate suffering and improve the health of those in my community. I decided the best career would be the profession of pharmacy. As a result, I spent the following year continuing my same employment as a field biologist, completing prerequisite courses in the evening, volunteering on the weekends, living with my parents, and renting my apartment. I was accepted into two private colleges of pharmacy and one out of state college. I knew any choice would result in massive student loans accrued during the four years required for a Doctor of Pharmacy degree (tuition alone exceeded eighty thousand). Therefore, I choose a local college of pharmacy that allowed me to continue living with my parents throughout pharmacy school and rented my apartment that I sold a few years later without having the pleasure of ever living in it.

The summer after my first year in pharmacy school, I was thrilled to have the opportunity to spend a month working at the Prescription Center Pharmacy in Fairbanks and volunteering with the Fairbanks Native Bible Church. I anticipated enjoying the beauty of the Alaskan outdoors, but did not expect to fall in love with the people and culture of Alaska. One small example is the quick bond I developed with those who simply rode the same bus route. One day a co-worker generously offered to pick me up for work. I can still recall on the following morning how those on the bus shared they had been truly concerned since I had not been on the bus the previous day. My time in Alaska made a marked impression. Therefore, I was saddened to leave when the month was over and have hoped to return to Alaska ever since.

After graduation from pharmacy school, I felt a great responsibility to begin immediately paying down my student loans. As a result, I did not choose to defer my loans in order to complete a residency and subsequently enter into a more sought-after field of pharmacy. Rather, I entered the very demanding field of retail pharmacy. I have spent nearly two years working fulltime at

an independent retail pharmacy and as a relief pharmacist at another independent pharmacy. I have come to value and respect the vital role a local retail pharmacist has in counseling and advising patients, collaborating with practitioners on patients' medication therapy, seeking innovative ways to meet individual patient's needs (i.e. compounding medications), and often serving as a listening friend. It is a physically demanding and emotionally draining, but richly rewarding by the relationships built with your patients.

Currently my husband, who has a bachelors in business, and I are considering moving to Craig. We would be working at an independent retail pharmacy and are enthused to become a part of the Prince of Wales community. Additionally, I serve on the board of directors for a pharmacy organization where I oversee seventy-six student chapters nationwide and internationally. Part of my work in Craig would be encouraging pharmacy students from numerous states to come to Alaska for a summer position or complete a rotation during their final year of pharmacy school. My husband and I are confident the culture and spirit of Alaska would be of great benefit for us and we would continually seek to benefit the community through our combined diverse background in medicine, environmental science, business, accounting, and construction. However, my monthly student loan payment is significantly greater than our mortgage payment. My husband and I would like to relocate to Craig, but my more than two hundred thousand in student loans causes us to be very cautious with our choices.

From my perspective, SB139 would be a powerful incentive to draw pharmacists to the great state of Alaska. I have witnessed much legislation that is well intentioned, but often a significant portion ends up benefiting or rewarding those who have not necessarily made the hard choices. In contrast, I personally found SB139 to be distinctive and very encouraging. The reason for this is twofold. First, SB139 will attract medical professionals to Alaska and rural areas in particular, thus benefitting those who live in those areas and are often underserved. Second, SB139 will actually assist those who have made the continuous rigorous sacrifices of time, energy, and finances to enter the medical profession in an effort to give of themselves in the service of others.

Thank you for your time and consideration!

Sincerely,

Julie McDonald

Julie M^{c}Donald

Rob Earl

From: Sharon Montagnino [smontagnino@sunshineclinic.org]
Sent: Thursday, March 18, 2010 10:21 AM
To: Rob Earl
Subject: HB 392 Good solution for health care workforce strategy

Representative Herron

As executive director for the Sunshine Community Health Center, I cannot tell you how valuable a loan repayment and incentive program is to recruiting potential medical and dental providers.

Sunshine has been actively recruiting for a dentist now for 14 months and while there are other obstacles (i.e. licensing for one) that hamper our efforts, loan repayment has become the number one question asked by candidates. In addition to our dental vacancy, we have been recruiting for a medical provider and the last three candidates said loan repayment was critical in their choice of employment.

While AK certainly has a lot of offer we cannot compete with clinics and centers in the lower 48 if the playing field is not level. One-way to make this happen to approve a loan and incentive program in Alaska.

I urge you to support this bill because without it there is the potential of clinics closing or scaling back hours due to no providers/staff (happened in S.E. when dentist retired and there was no replacement).

Sincerely,

Sharon Montagnino
HC 89 Box 8190
Talkeetna, AK 99676

Rob Earl

From: Donna Phillips [donnaphill@acsalaska.net]
Sent: Monday, March 22, 2010 6:53 PM
To: Rob Earl
Subject: Please support loan repayment for health care professionals

Representative Herron

I have been an RN in hospital facilities for the past 31 year. I have spent 15 years in AK caring for the critically ill AK citizens and visitors to this state. Many of my new nurse colleagues come out of school with several thousands of dollars in school loans. The only facility that I am aware of that helps with loan repayment is the ANMC. It would help to keep the students educated in AK to stay in AK if they would get loan repayment assistance. I like this bill because the cost to the state is as the professional completes a certain length of time, they then receive payment.
Many states and facilities offer competitive loan repayment programs in order to get professionals to work in their state.
I urge you to look at this bill closely for securing the health care future for the state.
Thanks.

Sincerely,

Donna Phillips
PO Box 1178
Girdwood, AK 99587

Nikoosh Carlo

From: drobbins@gci.net on behalf of Doris Robbins [drobbins@gci.net]
Sent: Tuesday, March 23, 2010 12:23 PM
To: Rep. Tammie Wilson; Rep. Wes Keller; Rep. Bob Herron
Cc: Rep. Lindsey Holmes; Rep. Sharon Cissna; Rep. Paul Seaton; Rep. Bob Lynn
Subject: Support for HB 392 INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

Co-Chair Herron,
Co-Chair Keller,
Vice-Chair Wilson,
House HSS Committee,

RE: HB 392 INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

For several election cycles I have watched us lose more professionals who treat patients for their illnesses one-on-one and in auxiliary roles as well. Support for physicians and medical professionals to practice in Alaska is so long overdue. We have a crisis in interior Alaska!

The lack of proper care resulted in my daughter, who has very good insurance, being rushed through a quick clinic, being told that she just had a virus and to go home and treat it with fluids and rest. A week later, no better, she went back again. She went back for additional treatment, was handled quickly, and given some kind of antibiotic as she continued to cough and become more weak.

Finally, she wrangled an office visit with a physician in an outlying area through a family contact. He examined her thoroughly to find that she had been trying to function with walking pneumonia and had developed damage to one lung. She was required to have bed rest with antibiotics and inhalers, and then was restricted to only very minimal activity, as necessary to prevent the loss of her job, so that her lung could heal. She, having deteriorated from lack of early care, had more antibiotics, inhalers and months of re-exams and repeated X-rays to make sure her lung healed. This is a lady who has completed the Fairbanks Equinox Marathon at least 5 times, so it wasn't because she was a softie!

This is one reason that we must act to make physicians and other medical professionals work in Alaska. Remember that Alaska serves a large number of military dependents that add to our patient population. It is no longer only those who are on Medicare. We have a critical shortage for a conglomerate of reasons. Typically, an appointment for someone who is currently ill, not a check-up, has a 6-week wait. If you get very ill, rather than have a regular patient go into emergency for a "temporary patch job" your doctor will likely try to get you in where someone cancelled or between appointments during his lunch time.

Please pass HB 392 so that over time we will have some improvements in our situation.

Thank you,

Doris Robbins

1281 Overhill Dr.
Fairbanks AK 99709
(907) 374-0597
drobbins@gci.net

Rob Earl

From: Mabel Smeltzer [mmses@kpunet.net]
Sent: Monday, March 22, 2010 6:13 PM
To: Rob Earl
Subject: Request that you please support HB392

Representative Herron

We need to retain our providers in order to give the care that is needed and to support caregivers. There is a shortage of practitioners in Alaska which hinders adequate health care that is needed.

We urge you to vote in favor of this bill in order to fill the vacancies that exist throughout the area and bring medical care to the community.

Please vote your support of HB392

Sincerely,

Mabel Smeltzer
2729 Tongass Ave Apt 304
Ketchikan, AK 99901

Rob Earl

From: Marguerite Stetson [mstetso1@alaska.edu]
Sent: Thursday, March 18, 2010 11:29 AM
To: Rob Earl
Subject: Health Care Loans to providers

Representative Herron

As I understand it, this HB 392 would provide loans to providers in order to attract more providers to Alaska.

It is apparent that there is a problem now in accessing care when you are on Medicare.

I would support this bill to help ease the problem of care.

Sincerely,

Marguerite Stetson
1810 Ponds Cir
Anchorage, AK 99507

COMMONWEALTH
NORTH

Resolution 2009-2
In support of Incentives for Certain Medical Providers as proposed in Senate Bill 139
April 14, 2009

This resolution is based on the 2005 Commonwealth North study entitled "Alaska Primary Health Care: Opportunities and Challenges."

Commonwealth North:

Encourages and promotes the establishment of incentives to bring more qualified Medical professionals to Alaska.

Requests all state legislators to approve authorizing legislation in Senate Bill 139; and

Forwards this resolution to all members of the Alaska State Legislature, Governor Sarah Palin, and Alaska's congressional delegation.

Resolved for the following reasons:

1. There are critical health manpower shortages in both our urban and rural areas
2. The State of Alaska is in competition with over forty states who already offer similar programs
3. Without this incentive, it will be difficult for Alaska to compete for medical and health professionals
4. Multiple millions of dollars are being spent annually in Alaska to have temporary health professionals from Outside fill our current needs
5. Current and potential future shortages can be identified in specific specialties including family practice physicians, internists, nurse practitioners, physician's assistants, nurses and clinical support health manpower areas such as physical therapist, x-ray and laboratory technicians

Approved by the Commonwealth North Board of Directors
April 14, 2009

David Wight

David Wight, President

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

Alaska Primary Care Association
Board of Directors

RESOLUTION 2009-02

Health Care Professions Loan Repayment and Incentive Program for Alaska

WHEREAS the Alaska Primary Care Association strives toward the goal of a healthy population, it recognizes that a robust health care workforce is necessary to provide adequate health care access for all Alaskans and is a key ingredient in improving the public health of all Alaskans; and

WHEREAS Alaska is competing with other states and nations for the finite pool of available health care professionals; and

WHEREAS Alaska is suffering from labor shortages in most professional health care occupations[1], and these shortages are hitting primary care "safety net" agencies particularly hard; and

WHEREAS most of the State of Alaska has been designated either a Health Professional Shortage Area or a Medically Underserved Area;[2] and

WHEREAS a common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSPs), and good outcomes have been achieved with these;[3] and

WHEREAS national studies have determined loan repayment and incentive programs to be two of the most effective of the several SFSP strategies in terms of both recruitment and retention;[4] and

WHEREAS a key problem is that Alaska does not have a robust SFSP while most other states do, many have several, and further, some of those are growing;[5] and

WHEREAS most all other states have state-sponsored SFSPs that influence health professionals' geographic and specialty distributions;[6] and

WHEREAS it is well-established that many health care professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away; and

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

WHEREAS for areas in the state where providers are required to work in professional isolation due to remote settings, direct incentives are needed to attract more experienced health care providers who do not carry debt and are considered desirable placements; and

WHEREAS considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of health care personnel; and

WHEREAS in 2006, the Alaska Physician Supply Task Force recommends a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need, including creation of a SFSP, and the 2007 Alaska Workforce Vacancy Study and the 2005-2006 Status of Recruitment Resources and Strategies (SORRAS II) point to the need for a state loan repayment and incentive program in order for Alaska to compete with the lower 48 to recruit from a limited pool of numerous types of health care providers nationwide; and

WHEREAS a concept proposal submitted to the Alaska Primary Care Council by Pat Carr, Chief Health Planning and Systems Development for the Department of Health and Human Services, concludes the following:

> Reported increasing vacancy rates, increasing costs of recruitment [SORRAS report], and comparisons with national norms [PSTF report] suggest that Alaska currently experiences a shortage of healthcare professionals, and, that shortages exist in several key occupational categories. Loan repayment programs have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages;[7] and

WHEREAS the above proposal recommends that "Alaska create a 'Health Care Professions Loan Repayment Program.' "[8]

THEREFORE BE IT RESOLVED that the Alaska Primary Care Association supports the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" and will advocate for the necessary authorizing and fiduciary legislation.

SUBMITTED BY:
Regan Mattingly, State Affairs Coordinator
Shelley S. Hughes, Government Affairs Director
Marilyn Kasmar, Executive Director

Phone 907-929-2722 • Fax 907-929-2734 • www.alaskapca.org • alaskapca@alaskapca.org
903 West Northern Lights Blvd., Suite 200 • Anchorage, AK 99503-2400

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

DONE AND DATED THE 21st DAY OF January IN THE YEAR 2009

SIGNED BY _____

Sonia Handforth-Kome, APCA Board President

---

[1] Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007. http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.

[2] US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage Area. http://hpsafind.hrsa.gov/.

[3] Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska DHSS. September 11, 2007. http://www.hss.state.ak.us/primarycare/assets/loan-proposal.pdf.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Health Planning & Systems Development, Alaska Department of Health & Social Services. *Health Care Professions Loan Repayment Program Concept Proposal*, September 11, 2007.

[8] Ibid.

Mat-Su Health Foundation Resolution to Support Health Care Professions Loan Repayment & Incentive Program for Alaska

WHEREAS the Mat-Su Health Foundation's mission is to enhance the health of Alaskans living in Mat-Su, where health is in part determined by access to primary, behavioral, and dental care and preventive services;

WHEREAS an adequate healthcare workforce is necessary to provide this access, and according to the *2005-2015 Mat-Su Borough Health Plan*, Mat-Su has an "inadequate number of providers to meet the demands of a growing population" in both the core area and the outlying rural areas of the borough;[i]

WHEREAS Mat-Su is designated a Medically-Underserved Area/Population by the U.S. Health Resources and Services Administration and has sub-regions designated Primary Care Health Professional Shortage Area, Mental Health Professional Shortage Area, and Dental Care Health Professional Shortage Area;[ii]

WHEREAS the Mat-Su Borough is the fastest growing area of Alaska, growing from 5,188 in 1960 to 82,515 in 2008 due to both positive birth and in-migration rates; and the AK Department of Labor projects that all Mat-Su age groups will continue to grow through 2020;[iii]

WHEREAS the Mat-Su Borough is experiencing one of the highest rates of population growth in the state among senior citizens, who use the healthcare system disproportionately more than any other age group; and the Alaska Commission on Aging reports Mat-Su's senior growth rate at 11.6%, which includes a net gain from a senior in-migration rate that is almost double its senior out-migration rate;[iv]

WHEREAS the Alaska Health Care Commission has designated Medicare-access as one of its six focus areas; and the University of Alaska Anchorage Institute of Social and Economic Research has reported that access to primary care for Medicare beneficiaries is problematic in Mat-Su, where data reveals that only 57.7% of Mat-Su primary care physicians will see new Medicare patients;[v]

WHEREAS the Mat-Su Health Foundation believes that an investment in the education of Mat-Su residents will help to build the healthcare workforce of the future and an engaged citizenship with a higher capacity to address the health-related challenges impacting Mat-Su and Alaska; and to this end has offered scholarships to help defray the cost of higher education and encourage Mat-Su residents to complete a degree or certificate program that emphasizes health and/or wellness; but also recognizes that more needs to be done to bolster the healthcare workforce in Mat-Su and Alaska;

WHEREAS Mat-Su Regional Medical Center has spent $6,238,438 on contract labor over the last five years on temporary health professionals from outside the state to fill current needs;

WHEREAS Alaska is competing with other states for the finite pool of available health care professionals; and over 40 states currently offer Support-for-Service Programs (SFSPs) that have influenced health professionals' geographic and specialty distributions;

WHEREAS national studies have determined loan repayment and incentive programs to be two of the most effective strategies in terms of both recruitment and retention;[vi]

WHEREAS without this incentive, it will be challenging for Alaska to compete for medical and health professionals, especially to work in rural areas;

BE IT THEREFORE RESOLVED that the Mat-Su Health Foundation promotes and advocates for the establishment of the Health Care Professions Loan Repayment & Employment Incentive Program to bring more qualified medical professionals to Alaska and will advocate for the necessary authorizing and fiduciary legislation.

***Approved by the Mat-Su Health Foundation Board of Directors on* January 18, 2010.**

Deborah Prator, President

---

[i] 2005-2015 Mat-Su Borough Health Plan. Information Insights. January 2006. http://www.matsugov.us/planning/index.php?option=com_content&view=article&id=69:mayors-blue-ribbon-taskforce-on-forming-a-health-and-social-service-board&catid=29:health-and-human-services-board&Itemid=20147#.

[ii] U.S. Department of Human Services, Health Resources and Service Administration. Health Professional Shortage Area. http://datawarehouse.hrsa.gov/GeoAdvisor/shortagedesignationadvisor.aspx.

[iii] Matanuska-Susitna Borough. Alaska Department of Labor, Division of Research & Analysis. http://laborstats.alaska.gov/cgi/databrowsing/localAreaProfileQSResults.asp?geogArea=02040001170&population=census:data:Population&B1=View+Report.

[iv] Alaska State Plan for Senior Services FY2008-FY2011. Alaska Commission on Aging. June 2007. http://www.hss.state.ak.us/acoa/documents/statePlan/finalFY08_FY11.pdf.

[v] How Hard Is It for Alaska's Medicare Patients to Find Family Doctors? University of Alaska Anchorage Institute of Social and Economic Research. UA Research Summary No. 14. March 2009. http://www.hss.state.ak.us/healthcommission/200905/iser_doctors.pdf

[vi] Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska DHSS. September 11, 2007. http://www.hss.state.ak.us/primarycare/assets/loan-proposal.pdf.

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

April 6, 2010

Honorable Mike Hawker
Honorable Bill Stoltze
Co-Chairs
State of Alaska
House of Representatives
House Finance Committee
Room 519
State Capitol
Juneau, Alaska

Re: HB392 – Recruitment Incentives for Certain Health Professionals

Dear Representatives Hawker and Stoltze:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA strongly supports HB392. It was one of the stakeholders that came together to develop the concept for loan repayment and direct incentive program proscribed in HB392. This measure will provide for an effective recruitment tool for physicians as well as other health care professionals in short supply.

Alaska competes with all other states in the recruitment of an ever shrinking pool of physicians practicing general internal medicine or family medicine. Currently only about 2% of medical school graduates are choosing general internal medicine or family medicine residencies. 44 of those states with whom Alaska competes for these physicians already have a loan repayment or direct incentive program.

HB392 will help to solve Alaska's chronic and acute (in certain practice specialties) physician workforce shortages. A study recently reported in the Journal of the American Medical Association that the shortages have been further exacerbated by a reduction in the hours that physicians are engaging in patient care. That study is "Trends in the Work Hours of Physicians in the United States", JAMA, February 24, 2010.

This study concluded that in the decade from 1996 to 2006, the hours of physician patient care decreased by 5.7%. The study concluded in part "...A 5.7% decrease in hours worked by nonresident physicians in patient care, out of a workforce of approximately 630,000 in 2007, is equivalent to a loss of approximately 36,000 physicians from the workforce, had the hours worked per physician not changed."

Massachusetts in 2006 adopted its own form of health system reform that resulted in more of its citizens having insurance coverage. The result was that not enough physicians were available to meet that increased demand for care. With the passage of health system reform at the federal level adding to those citizens with insurance coverage, if what happened in Massachusetts follows suit, the increased demand for care will outpace the number of physicians available to provide the necessary care.

HB392 is needed to help put Alaska on a more level playing field with other states trying to recruit for the same limited and shrinking supply of physicians needed to provide the care.

ASMA urges you to support HB392 and to expeditiously take action to insure enactment of this critical measure.

Sincerely,

By: James. J. Jordan, Executive Director
For: The Alaska State Medical Association.

Helen Phillips

From: Nikoosh Carlo
Sent: Thursday, April 08, 2010 10:03 AM
To: House Finance Legislation
Subject: HB 392: Updated Expected Testimony List

Here is an updated Expected Testimony List for HB 392 Direct Incentive for Certain Medical Providers:

Jon Stewart or Patricia Carr (Dept. HSS) – will speak to the mechanics of the bill.

Diane Barrans, Exec. Dir. – Alaska Commission on Secondary Education, 907.465.6740 or in person. Can speak to the execution of loan repayments.

Evangelyn Dotomain, CEO/President of the Alaska Native Health Board – calling via off-net # from 907.232.4293, wrote letter of support

Rod Betit, ASHNA – in person, cell 321.2461, email: rodbetit@msn.com

Julie Lynch McDonald, pharmacist in Florida. – calling via off-net # from 561.222.3330, worked as an intern in Fairbanks and wants to move to Craig, wrote letter of support for SB139/HB392

C. Nikoosh Carlo
Office of Rep. Bob Herron
State Capitol Building, rm 411
Phone: 907.465.4942
Fax: 907.465.4589

CONFIRMED LIST OF EXPERT TESTIFIERS

Dr. Donald Pathman (MD, MPH), University of North Carolina Rural Health Research and Policy Analysis Center – expert on facts about loan repayment programs in other states
calling via off-net # from either 919.966.4270 (office), 919.493.7923 (home), 919.698.5890 (cell).

Patricia Carr (Dept. HSS) – will speak to the mechanics of the bill.

CONFIRMED PUBLIC TESTIFIERS: Supporting HB 392

Julie Lynch McDonald, pharmacist in Florida. – calling via off-net # from 561.222.3330, worked as an intern in AK and wants to come back, wrote letter of support for SB139/HB392

Jerry Grower, a Masters of Social Work student – LIO in Anchorage

Evangelyn Dotomain, CEO/President of the Alaska Native Health Board – calling via off-net # from 907.232.4293, wrote letter of support

Jim Lynch (AWIB-CFO, Fairbanks Memorial) – calling via off-net #, 458.5305
Worked on a taskforce that recommended a loan repayment and direct incentive program.

Shelley Hughes, APCA – calling via off-net #, wrote letter of support

WWAMI students, currently in Anchorage – calling via off-net #, will call from (907) 786-4631 as a group on one line:

1) Brie Barnes
2) Erika Beheim
3) Nancy Bishop
4) Natalie Hale
5) Elizabeth Embick
6) Jack Huttenlocher
7) Brian Iutzi
8) Thomas Kinsley
9) Ashley Lundgren
10) Christie Martinez
11) Lisa Milton
12) Sheridan Morgan
13) Bill Perry
14) Linnea Pudwill
15) Alan Swenson
16) Jon Van Ravensway
17) Kelsey Yorks

Sharon Montagnino, MD (Sunshine Community Health Center) – calling via off-net #, wrote letter of support

Ann Ehret, MD, physician in Unalaska – calling via off-net #, wrote letter of support

HB

408

<target><bill>HB 408</bill><subject>HB 408</subject><comm>HFIN26</comm></target>

1975

Alaska State Legislature
House Judiciary Committee

Representative Jay Ramras
Chairman
(907) 465-3004
Fax: (907) 465-2070
Representative_Ramras@legis.state.ak.us

1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701

Committee Members
Representative Nancy Dahlstrom
Vice Chairman
Representative Bob Lynn
Representative Carl Gatto
Representative Bob Herron
Representative Max Gruenberg
Representative Lindsey Holmes

Sponsor Statement
HB408 "An Act relating to misconduct involving weapons"

Under Alaska law, an individual who has been convicted of a felony can carry hand guns and have their right to bear arms restored by any of three occurrences: (1) a pardon, (2) the underlying conviction having been set aside under AS 12.55.085, or (3) by the passage of ten years time from an unconditional discharge.

However, the U.S. Supreme Court in the case of *Caron v. U.S.*, 524 U.S. 308 (1988), ruled that if a person who has been previously convicted of a felony is prohibited from possessing firearms, in any way, under state law, then they are prohibited from possessing firearms under federal law.

While under state law a previously convicted ex-felon's right to possession of firearms is fully restored, there are still limitations on carrying concealed weapons. Ex-felons can carry concealed on their own property, while engaged in lawful hunting, fishing, or trapping, or while engaged in other lawful activities that necessarily involves the carrying of a weapon for personal protection.

However, the ATF and the FBI are interpreting Alaska's statute to be a restriction upon possession. Due to this interpretation, Alaskans who under state law are allowed to possess firearms are being threatened with prosecution for serious Federal offenses.

This bill addresses the language in AS 11.61.200, Misconduct Involving Weapons in the Third Degree. AS 11.61.200(a)(12) bars all people convicted of felonies from caring concealed weapons, while AS 11.61.200(g) sets out exemptions to (a)(12)'s blanket ban.

The Alaska State Legislature has made its own policy decision about how to handle the gun rights of ex-felons; however the Federal Government has stripped Alaska of the right to make its own judgments, excepting an all-or-nothing decision on gun rights for ex-felons. HB408 is one of many bills that have been drafted in this legislation session to bring this issue back before the Alaska State Legislature for consideration.

Representative_Jay_Ramras@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 26, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/8/10

The FINANCE Committee considered: **HOUSE BILL NO. 408**

"An Act relating to misconduct involving weapons."

HB 408-MISCONDUCT INVOLVING WEAPONS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 408 (JUD)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
LAW	1			✓
DPS	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	DOOGAN	✓			
	Joule	✓			
	FOSTER	✓			
	KELLY	✓			
	Salmon	X			
Chair:	Stoltze	✱			
Chair:	Hawker	✱			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 408(JUD)
(H) Publish Date: 3/26/10

Identifier (file name): HB408-LAW-CRIM-03-08-10
Title: An Act relating to misconduct involving weapons.
Sponsor: Judiciary
Requester: Judiciary

Dept. Affected: Law
RDU: CRIMINAL
Component: Criminal Justice Litigation
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 408 proposes amendments to the law relating to misconduct involving weapons in the third degree. It changes the affirmative defense, for example, to the crime of a felon in possession of a concealable weapon. Under current law it is an affirmative defense to this charge if the person had received a pardon, the conviction was set aside, or 10 years had elapsed from the felony conviction and the felony conviction was not a crime against a person. The bill would provide that the crime of felon in possession of a concealable weapon would not apply to these persons, rather than that the circumstances give rise to an affirmative defense. Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager
Division: Administrative Services
Phone 465-5427
Date/Time 3/8/10 12:20 PM

Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 3/8/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 408(JUD)
(H) Publish Date: 3/26/10

Identifier (file name): HB408-DPS-AST-03-12-10
Title "An act relating to misconduct involving weapons."
Sponsor House Judiciary
Requester House Judiciary

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would amend AS 11.61.200(b) and repeal (f) and (g), (misconduct involving weapons in the third degree). This bill changes language from one that currently provides an affirmative defense to prosecution, to one that states this statue "does not apply" if certain qualifiers exist.

Passage of this legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Phone 907-247-4480
Date/Time 3/12/10 10:50 AM

Approved by: Joseph Masters, Commissioner
Department of Public Safety
Date 3/12/2010

(Revised 11/6/2009 OMB)

West's Alaska Statutes Annotated Currentness
Title 11. Criminal Law
Chapter 61. Offenses Against Public Order
Article 2. Weapons and Explosives

→§ 11.61.200. Misconduct involving weapons in the third degree

(a) A person commits the crime of misconduct involving weapons in the third degree if the person

(1) knowingly possesses a firearm capable of being concealed on one's person after having been convicted of a felony or adjudicated a delinquent minor for conduct that would constitute a felony if committed by an adult by a court of this state, a court of the United States, or a court of another state or territory;

(2) knowingly sells or transfers a firearm capable of being concealed on one's person to a person who has been convicted of a felony by a court of this state, a court of the United States, or a court of another state or territory;

(3) manufactures, possesses, transports, sells, or transfers a prohibited weapon;

(4) knowingly sells or transfers a firearm to another whose physical or mental condition is substantially impaired as a result of the introduction of an intoxicating liquor or controlled substance into that other person's body;

(5) removes, covers, alters, or destroys the manufacturer's serial number on a firearm with intent to render the firearm untraceable;

(6) possesses a firearm on which the manufacturer's serial number has been removed, covered, altered, or destroyed, knowing that the serial number has been removed, covered, altered, or destroyed with the intent of rendering the firearm untraceable;

(7) violates AS 11.46.320 and, during the violation, possesses on the person a firearm when the person's physical or mental condition is impaired as a result of the introduction of an intoxicating liquor or controlled substance into the person's body;

(8) violates AS 11.46.320 or 11.46.330 by entering or remaining unlawfully on premises or in a propelled vehicle in violation of a provision of an order issued or filed under AS 18.66.100-18.66.180 or issued under former AS 25.35.010(b) or 25.35.020 and, during the violation, possesses on the person a defensive weapon or a deadly weapon, other than an ordinary pocketknife;

(9) communicates in person with another in violation of AS 11.56.740 and, during the communication, possesses on the person a defensive weapon or a deadly weapon, other than an ordinary pocketknife;

(10) resides in a dwelling knowing that there is a firearm capable of being concealed on one's person or a prohibited weapon in the dwelling if the person has been convicted of a felony by a court of this state, a court of the United States, or a court of another state or territory, unless the person has written authorization to live in a dwelling in which there is a concealable weapon described in this paragraph from a court of competent jurisdiction or from the head of the law enforcement agency of the community in which the dwelling is located;

(11) discharges a firearm from a propelled vehicle while the vehicle is being operated in circumstances other than described in AS 11.61.190(a)(2); or

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

(12) knowingly possesses a firearm that is concealed on the person after having been convicted of a felony or adjudicated a delinquent minor for conduct that would constitute a felony if committed by an adult by a court of this state, a court of the United States, or a court of another state or territory.

(b) It is an affirmative defense to a prosecution

(1) under (a)(1) of this section that

(A) the person convicted of the prior offense on which the action is based received a pardon for that conviction;

(B) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or

(C) a period of 10 years or more has elapsed between the date of the person's unconditional discharge on the prior offense or adjudication of juvenile delinquency and the date of the violation of (a)(1) of this section, and the prior conviction or adjudication of juvenile delinquency did not result from a violation of AS 11.41 or of a similar law of the United States or of another state or territory;

(2) under (a)(2) or (10) of this section that

(A) the person convicted of the prior offense on which the action is based received a pardon for that conviction;

(B) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or

(C) a period of 10 years or more has elapsed between the date of the person's unconditional discharge on the prior offense and the date of the violation of (a)(2) or (10) of this section, and the prior conviction did not result from a violation of AS 11.41 or of a similar law of the United States or of another state or territory.

(c) It is an affirmative defense to a prosecution under (a)(3) of this section that the manufacture, possession, transportation, sale, or transfer of the prohibited weapon was in accordance with registration under 26 U.S.C. 5801 - 5872 (National Firearms Act).

(d) It is an affirmative defense to a prosecution under (a)(11) of this section that the person was using a firearm while hunting, trapping, or fishing in a manner not prohibited by statute or regulation.

(e) The provisions of (a)(3) and (11) of this section do not apply to a peace officer acting within the scope and authority of the officer's employment.

(f) For purposes of (a)(12) of this section, a firearm on a person is concealed if it is covered or enclosed in any manner so that an observer cannot determine that it is a firearm without removing it from that which covers or encloses it or without opening, lifting, or removing that which covers or encloses it. A firearm on a person is not concealed if it is unloaded and is encased in a closed container designed for transporting firearms.

(g) It is an affirmative defense to a prosecution under (a)(12) of this section that

(1) either

(A) the defendant convicted of the prior offense on which the action is based received a pardon for that convic-

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

tion;

(B) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or

(C) a period of 10 years or more has elapsed between the date of the defendant's unconditional discharge on the prior offense or adjudication of juvenile delinquency and the date of the violation of (a)(12) of this section, and the prior conviction or adjudication of juvenile delinquency did not result from a violation of AS 11.41 or of a similar law of the United States or of another state or territory; and

(2) at the time of possession, the defendant was

(A) in the defendant's dwelling or on land owned or leased by the defendant appurtenant to the dwelling; or

(B) actually engaged in lawful hunting, fishing, trapping, or other lawful outdoor activity that necessarily involves the carrying of a weapon for personal protection.

(h) As used in this section,

(1) "prohibited weapon" means any

(A) explosive, incendiary, or noxious gas

(i) mine or device that is designed, made, or adapted for the purpose of inflicting serious physical injury or death;

(ii) rocket, other than an emergency flare, having a propellant charge of more than four ounces;

(iii) bomb; or

(iv) grenade;

(B) device designed, made, or adapted to muffle the report of a firearm;

(C) firearm that is capable of shooting more than one shot automatically, without manual reloading, by a single function of the trigger; or

(D) rifle with a barrel length of less than 16 inches, shotgun with a barrel length of less than 18 inches, or firearm made from a rifle or shotgun which, as modified, has an overall length of less than 26 inches;

(2) "unconditional discharge" has the meaning ascribed to it in AS 12.55.185.

(i) Misconduct involving weapons in the third degree is a class C felony.

CREDIT(S)

SLA 1978, ch. 166, § 7; SLA 1990, ch. 63, § 1; SLA 1990, ch. 189, § 1; SLA 1991, ch. 59, §§ 4--6; SLA 1991, ch. 64, § 3; SLA 1992, ch. 79, §§ 11--14; SLA 1994, ch. 113, §§ 2, 3; SLA 1996, ch. 60, § 4; SLA 1996, ch. 64, § 7; SLA

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

1998, ch. 1, §§ 1, 2.

CROSS REFERENCES

Attempt, classification of offenses, see § 11.31.100.
Classification of offenses, see § 11.81.250.
Felonies, sentence of imprisonment, see § 12.55.125.
Fines, see § 12.55.035.
Legal accountability based upon the conduct of another, see §§ 11.16.110 and 11.16.120.
Offenses defined by statute, see § 11.81.220.
Prior convictions, effect on sentencing, see § 12.55.145.
Restitution and compensation, see § 12.55.045.
Victims of crimes, rights, see § 12.61.010 et seq.

LAW REVIEW AND JOURNAL COMMENTARIES

Compelling testimony in Alaska: The coming rejection of use and derivative use immunity. Jeffrey M. Feldman and Stuart A. Ollanik. 3 Alaska L. Rev. 229 (December 1986).

LIBRARY REFERENCES

Explosives 4.
Weapons 4 to 15.
Westlaw Key Number Searches: 164k4; 406k4 to 406k15.
C.J.S. Explosives §§ 9 to 14, 20, 22, 26, 31.
C.J.S. Weapons §§ 9 to 27, 29 to 30, 37 to 48.

UNITED STATES CODE ANNOTATED

Drive by shooting, federal crimes and offenses, see 18 U.S.C.A. § 36.

Explosives and other dangerous articles, federal crimes and offenses, see 18 U.S.C.A. § 831 et seq.; 18 U.S.C.A. § 841 et seq.

Firearms and weapons offenses, federal crimes and offenses, see 18 U.S.C.A. § 921 et seq.

UNITED STATES SUPREME COURT

Weapons offenses,

Possession of firearm by convicted felons, misdemeanor crime of domestic violence, domestic relationship as element of predicate offense, see U.S. v. Hayes, 2009, 129 S.Ct. 1079, 172 L.Ed.2d 816.

Use of firearm, firearm traded for drugs, see Watson v. U.S., 2007, 128 S.Ct. 579, 552 U.S. 74, 169 L.Ed.2d 472.

NOTES OF DECISIONS

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

In general 2
Admissibility of evidence 15
Aggravation and mitigation, sentence and punishment 19
Arrest 12
Attorney discipline 11
Defenses 10
Double jeopardy 5
Due process 4
Equal protection 3
Instructions 16
Joint or separate trial 13
Nature and elements of offense 9
Pleas 14
Probation and related dispositions, sentence and punishment 20
Review 22
Right of association 6
Right to keep and bear arms 7
Right to privacy 8
Sentence and punishment 18-21
Sentence and punishment - In general 18
Sentence and punishment - Aggravation and mitigation 19
Sentence and punishment - Probation and related dispositions 20
Sentence and punishment - Sufficiency 21
Sufficiency, sentence and punishment 21
Sufficiency of evidence 17
Validity 1/2
Validity of prior laws 1

1/2. Validity

Statute that prohibited a convicted felon from possessing a concealable firearm did not violate Alaska Constitution's provision guaranteeing an individual's right to keep and bear arms. Wilson v. State, 2009, 2009 WL 1424468. Weapons 3

1. Validity of prior laws

Term "gravity knife," which is included as prohibited weapon under statute making it a felony to possess such weapon, is not unconstitutionally vague; "gravity knife" is commonly understood as knife in which blade opens, falls into place, or is ejected into position by force of gravity or by centrifugal force, and "gravity knife" is included in statute in conjunction with switchblade knife, thus providing ordinary person with notice that "gravity knife" must be similar to switchblade in operating automatically or semiautomatically. AS 11.61.200(e)(1)(D). State v. Weaver, 1987, 736 P.2d 781. Weapons 3

2. In general

Legislature has considerable discretion in creating classifications denoting which former felons can possess firearm and classifications need not be perfect. AS 11.61.200(b); Const. Art. 1, § 6. McCracken v. State, 1987, 743 P.2d 382, dismissal of habeas corpus reversed 985 F.2d 573. Weapons 2

3. Equal protection

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Statute defining misconduct involving weapons in the first degree, requiring passage of five years from unconditional discharge on prior felony offense before a person can possess firearm, did not violate equal protection clause of State Constitution, even though statute provided that receipt of pardon for prior conviction or having conviction set aside was affirmative defense. AS 11.61.200(b); Const. Art. 1, § 6. McCracken v. State, 1987, 743 P.2d 382, dismissal of habeas corpus reversed 985 F.2d 573. Constitutional Law 3234; Weapons 3

4. Due process

State did not deny defendant due process under Alaska Constitution by convicting him on a felon in possession charge even though his underlying conviction was reversed on constitutional grounds. AS 11.61.200(a)(1). Clark v. State, 1987, 739 P.2d 777. Constitutional Law 4509(25)

In prosecution of an ex-convict for possessing a concealable weapon, State was not required, as a matter of due process, to establish defendant's awareness of statute prohibiting such conduct. U.S.C.A. Const.Amend. 14. Afcan v. State, 1986, 711 P.2d 1198. Constitutional Law 4694

5. Double jeopardy

Conviction in the Court of the Municipal Magistrate of Anchorage, Alaska, of the crime of carrying a concealed weapon, in violation of an ordinance of that city did not bar prosecution on the same facts under Alaska statute forbidding persons convicted of a felony involving assault and like crimes from carrying firearms capable of being concealed upon the person. Act March 3, 1899, §§ 107, 143, 146, 147, 30 Stat. 1296, 1301; U.S.C.A.Const. Amend. 5; Laws Alaska 1947, c. 70. U.S. v. Farwell, 1948, 11 Alaska 507, 76 F.Supp. 35. Double Jeopardy 187

6. Right of association

Statute prohibiting felon from residing in dwelling with knowledge that concealable firearm was kept there, unless permission had been given by court or local law enforcement, did not infringe upon felon's First Amendment right of association by prohibiting felon from living with his family, absent assertion that stepson who owned gun was unwilling to keep gun elsewhere or that felon had ever applied to court or law enforcement for permission to reside in dwelling with gun. U.S.C.A. Const.Amend. 1; AS 11.61.200(a)(10). Morgan v. State (1997) Alaska App., 943 P.2d 1208, denial of habeas corpus affirmed 242 F.3d 382. Constitutional Law 1443; Weapons 3

7. Right to keep and bear arms

Statute prohibiting felon from residing in dwelling with knowledge that concealable firearm was kept there, unless permission had been given by court or local law enforcement, does not violate right to keep and bear arms, guaranteed by state constitution. Const. Art. 1, § 19; AS 11.61.200(a)(10). Morgan v. State (1997) Alaska App., 943 P.2d 1208, denial of habeas corpus affirmed 242 F.3d 382. Weapons 3

8. Right to privacy

Statute which makes possession of "gravity knife" in one's home a felony does not violate right to privacy under State Constitution; legislature may properly prohibit possession of object which interferes in serious manner with health, safety, rights, and privileges of others, or with public welfare. AS 11.61.200(a)(3); Const. Art. 1, § 22. State v. Weaver, 1987, 736 P.2d 781. Constitutional Law 1225; Weapons 3

9. Nature and elements of offense

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

The state forbidding persons convicted of a felony involving assault and like crimes from carrying firearms capable of being concealed upon the person did not forbid consideration of felony committed in Oregon seven years earlier, the statute being otherwise valid. Laws Alaska 1947, c. 70. U.S. v. Farwell, 1948, 11 Alaska 507, 76 F.Supp. 35. Weapons 6

A .45 caliber Colt Automatic pistol was a "firearm capable of being concealed upon the person" within statute forbidding persons convicted of felony involving assault and like crimes from carrying a "firearm capable of being concealed upon the person." Laws Alaska 1947, c. 70. U.S. v. Farwell, 1948, 11 Alaska 507, 76 F.Supp. 35. Weapons 8

Defendants who either have entered guilty plea or have been found guilty of felony at trial are "convicted of a felony" for purposes of the felon in possession of a firearm statute. AS 11.61.200(a)(1). Brant v. State (1999) Alaska App., 992 P.2d 590. Weapons 4

Felon can be convicted of violating statute prohibiting felon from residing in dwelling with knowledge that concealable firearm is kept there unless permission has been given by court or local law enforcement, even if felon was unaware of statute; it is widely known that felons are subject to variety of legal disabilities and restrictions, which thus makes it reasonable to hold felons to duty of inquiry concerning such restrictions. AS 11.61.200(a)(10), 11.81.620(a). Morgan v. State (1997) Alaska App., 943 P.2d 1208, denial of habeas corpus affirmed 242 F.3d 382. Weapons 4

Belated set aside of conviction, following completion of probation on suspended imposition of sentence, related back to date defendant was discharged from probation and, thus, previous conviction could not be used as basis for subsequent conviction of possessing weapon after having been previously convicted of felony. AS 11.61.200, 12.55.085; Rules Crim.Proc., Rules 11(h)(2), 35.2. Hansen v. State, 1992, 824 P.2d 1384. Weapons 4

Butterfly knife is not "switchblade or gravity knife" and therefore does not qualify as prohibited weapon. AS 11.61.200(a)(3), (e)(1)(D). Jacobson v. State, 1990, 786 P.2d 388. Weapons 4

"Butterfly" or "balisong knife" was not "switchblade" or "gravity knife" for purposes of statute making it felony to possess prohibited weapon which is defined to include switchblade or gravity knife. AS 11.61.200(a)(3), (e)(1)(D). State v. Strange, 1990, 785 P.2d 563. Weapons 4

Convicted felon's possession of partner's handgun for less than one-half hour for purpose of pawning it constituted "possession" within meaning of felon-in-possession statute. AS 11.61.200(a)(1). Baker v. State, 1989, 781 P.2d 1368. Weapons 4

Prosecution was not required to prove that defendant had notice or knowledge that his conduct in possessing firearm constituted crime in order to convict defendant of misconduct involving weapons in the first degree. AS 11.61.200(a)(1). McCracken v. State, 1987, 743 P.2d 382, dismissal of habeas corpus reversed 985 F.2d 573. Weapons 4

Defendant violated felon in possession law by possessing a concealable firearm while underlying conviction was on appeal, notwithstanding that underlying conviction was later reversed. AS 11.61.200(a)(1). Clark v. State, 1987, 739 P.2d 777. Weapons 4

In prosecution of an exconvict for possessing a concealable weapon, State was not required to establish defendant's awareness of statute prohibiting such conduct. AS 11.81.620(a). Afcan v. State, 1986, 711 P.2d 1198. Weapons 4

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Defendant could be convicted of being a felon in possession of a concealable firearm while predicate conviction was on appeal and sentence stayed. AS 11.61.200(a)(1). Berg v. State, 1985, 711 P.2d 553. Weapons 4

Guilt of possession of gun by felon does not require actual possession and custody or control is sufficient, but knowledge is prerequisite to possession, control or custody. AS 11.55.030. Davis v. State, 1972, 499 P.2d 1025, certiorari granted 93 S.Ct. 1392, 410 U.S. 925, 35 L.Ed.2d 586, reversed 94 S.Ct. 1105, 415 U.S. 308, 39 L.Ed.2d 347. Weapons 4

Weapon is "concealed" if it is hidden from ordinary observation, and need not be absolutely invisible to other persons. AS 11.55.030. McKee v. State, 1971, 488 P.2d 1039. Weapons 10

10. Defenses

Applicant whose prior felony conviction was pardoned by governor would not have affirmative defense to unlawful possession of firearm by convicted felon, and thus, applicant was not eligible for permit to carry concealed weapon under state law, in that he would be subject to criminal liability if he carried concealed handgun in any place outside his dwelling or land appurtenant to dwelling or carried handgun while not engaged in lawful hunting, fishing or trapping, or other lawful activity. Gabrielle v. State, Dept. of Public Safety (2007) Alaska, 158 P.3d 813. Weapons 12

Defendant's alleged reliance on fact that probation officer failed to inform him of statute prohibiting felon from residing in home in which concealable firearm was kept did not present sufficient basis to assert statutory mistake-of-law defense to prosecution for violation of weapons statute. AS 11.61.200(a)(10), 11.81.420(a), (b)(1). Morgan v. State (1997) Alaska App., 943 P.2d 1208, denial of habeas corpus affirmed 242 F.3d 382. Criminal Law 32

Defendant's personal belief that he was not convicted for purposes of the felon in possession statute during the pendency of the appeal of the underlying conviction was not sufficient to establish the defense of mistake of law. AS 11.61.200(b)(1-3). Clark v. State, 1987, 739 P.2d 777. Criminal Law 32

Affirmative defenses provided under felon in possession statute arise only when the actions described therein occurred before the felon in possession offense was committed. AS 11.61.200(b)(1-3). Clark v. State, 1987, 739 P.2d 777. Weapons 4

11. Attorney discipline

Federal crime of aiding and abetting a convicted felon and mental defective in receiving ammunition is a "serious crime" within meaning of bar rule, which provides that an attorney convicted of a serious crime shall be suspended from practice pending final disposition of a disciplinary proceeding and which defines a "serious crime," in part, as including any crime that would be a felony in state, though state does not specifically prohibit furnishing ammunition to a convicted felon. State Bar Rules, rules 12, 16(c), 23, 23(d); 18 U.S.C.A. §§ 2, 922(h); AS 11.55.030, 12.15.010. Matter of Robson, 1978, 575 P.2d 771. Attorney And Client 39

12. Arrest

Police officer had probable cause for warrantless seizure and search of contents of plastic box containing crack cocaine, which was found on defendant's person during search incident to arrest for possessing firearm while intoxicated; officer's knowledge that type of glass pipe found on defendant was commonly used to smoke cocaine and that people who smoke cocaine and possess pipe usually carry cocaine, furnished probable cause for arrest of defendant for un-

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

lawful possession of drugs as well as probable cause for search of contents of plastic box for cocaine, and officer's observations of defendant's erratic behavior while possessing firearm, provided probable cause for officer to believe that defendant was high and thus to search defendant's person for cocaine. AS 11.61.200(a)(1), 11.71.040(a)(3)(A). Snider v. State (1998) Alaska App., 958 P.2d 1114. Arrest 71.1(6)

Where officer knew that hand guns and ammunition had been taken in recent burglary committed near where defendant was walking, he knew defendant had a criminal record, the hour was late, protrusions in defendant's coat were unusual and the position of his hand suggested that he was carrying a hand gun, officer was justified in stopping defendant and, when defendant kept his hand positioned so as to suggest that he was carrying unholstered gun, a search of defendant was also proper and gun uncovered by search should not be suppressed. AS 11.20.100, 11.55.010, 11.55.03 (Repealed); Const. Art. 1, § 14. Ozenna v. State, 1980, 619 P.2d 477. Arrest 63.5(5); Arrest 63.5(8)

13. Joint or separate trial

Trial judge did not abuse his discretion in denying defendant's motion for severance filed on morning of trial on ground that it was not timely where misconduct involving weapons in first degree was properly joined to kidnapping and other charges since all the charges were based on the same act or transaction, severance of the misconduct involving weapons charged would have resulted in essentially the same evidence being presented twice to two different juries, defendant made no showing that his failure to move for a severance was in any way related to State's misconduct in making late discovery, there was no claim that counsel obtained any new information which would justify failure to move for severance at earlier time and where it appeared that there could have been strategic reasons for the fact that defendant did not make his motion to sever at an earlier time. Rules Crim.Proc., Rules 8(a), 12(b, c, e), 16(f)(3); AS 11.41.200(a)(1, 3), 11.61.200(a). Wortham v. State, 1984, 689 P.2d 1133. Criminal Law 620(7)

Joint trial of defendant for not only crimes of burglary and larceny but also the crime of possession, by a person convicted of felony, of a firearm capable of being concealed on person was not so prejudicial as to require reversal of judgment and ordering of separate trials where jury was not told nature of prior conviction involved possession of firearm count and there was nothing inflammatory about way fact of prior conviction was presented to jury. Mead v. State, 1968, 445 P.2d 229, certiorari denied 90 S.Ct. 117, 396 U.S. 855, 24 L.Ed.2d 104. Criminal Law 1166(6)

14. Pleas

Refusing to let defendant withdraw guilty plea to charge of possessing weapon after having been convicted of felony was error given that defendant was entitled to set aside of previous conviction after completing probation on suspended imposition of sentence, and defendant was misinformed by his attorney when defendant entered his plea. AS 11.61.200; Rules Crim.Proc., Rules 11(h)(2), 35.2. Hansen v. State, 1992, 824 P.2d 1384. Criminal Law 274(4); Criminal Law 274(8)

15. Admissibility of evidence

Trial judge acted within his discretion, during prosecution for possession of altered firearm, in permitting police officer to testify as to why serial number would be removed from firearm; officer's testimony was not speculative, but was instead based on her experience and training with handguns. AS 11.61.200(a)(6). Collins v. State (1999) Alaska App., 977 P.2d 741. Criminal Law 474.5; Criminal Law 476.1

Evidence of defendant's prior conviction was admissible in prosecution for misconduct involving weapon, even though defendant had conceded existence of prior felony conviction and that his prior conviction precluded him from possessing concealable firearm, as jury had legitimate right to be informed of all elements of crime charged and of proof bearing on those elements so that jurors would not be misled to think that they were being asked to convict

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

defendant for mere possession of firearm. AS 11.61.200(a)(1); Rules of Evid., Rule 404(b)(1). State v. McLaughlin, 1993, 860 P.2d 1270. Criminal Law 661

Any error in trial court's failure to withhold from jury evidence of defendant's prior convictions in light of his proffered stipulation, for purposes of charge of misconduct involving weapons in first degree, that he had prior felony conviction, was harmless, given strength of state's case against defendant on robbery, murder, assault, and attempted murder charges; defendant conceded that he was guilty of robbery, was in possession of handgun, and had previously been convicted of felony, defendant was arrested at scene, his identity was not in doubt, and evidence of intent in shooting at police officers was overwhelming. Rules of Evid., Rule 403; Rules Crim.Proc., Rule 47(a); AS 11.61.200(a)(1). Weitz v. State, 1990, 794 P.2d 952. Criminal Law 1168(2)

Admission of prior felony charge in prosecution of defendant for kidnapping and misconduct involving weapons in first degree did not result in such unfair prejudice to defendant that he was entitled to new trial in spite of fact that his motion to sever was untimely, where defendant stipulated to existence of prior felony, jury was not informed of nature of conviction, evidence of prior conviction came in with minimum emphasis, and there was no emphasis on existence of prior conviction during remainder of trial, notwithstanding that court failed to give limiting instruction that prior felony was admissible only for purpose of proving misconduct involving weapons charge. AS 11.41.200(a)(1, 3), 11.61.200(a). Wortham v. State, 1984, 689 P.2d 1133. Criminal Law 1169.11

In prosecution of defendant for kidnapping, assault, robbery and misconduct involving weapons, trial judge did not abuse his discretion in refusing to admit testimony of defendant's proffered witness which was offered on narrow ground that pimp would not go to police if he had dispute with someone like defendant but that pimp and defendant would try to work things out, where defendant was able to introduce evidence through another witness' testimony that victim was a pimp, jurors could reason that pimp would prefer not to contact police and proffered witness' testimony would not have assisted jury in understanding defendant's case that victim was pimp who had disagreement with defendant and would be biased against him. AS 11.41.200(a)(1, 3), 11.41.300(a)(1), (a)(1)(E), 11.61.200(a); Rules of Evid., Rules 403, 702. Wortham v. State, 1984, 689 P.2d 1133. Witnesses 374(1)

Eyewitness' testimony, in prosecution for being a convict in possession of a prohibited weapon, that defendant took knife from his pocket, described how he had stabbed and raped his sister-in-law, mentioned he was on parole, and kissed witness was admissible to explain why defendant would be the kind of person who would carry a concealed weapon in a public building and exhibit it to a virtual stranger. McKee v. State, 1971, 488 P.2d 1039. Weapons 17(3)

16. Instructions

Ambiguity of definition of constructive possession in defendant's trial for weapons offenses after the police recovered a pistol from under the passenger seat of the vehicle in which he was riding, was harmless; the defense was that defendant did not know the pistol was under the seat, but the alleged flaw in the instruction would make a difference only if defendant conceded he was aware of the pistol; moreover, defendant was also convicted of possession of firearm in furtherance of a drug felony, so jury necessarily found that defendant knowingly possessed the pistol in aid or in furtherance of his drug offense. AS 11.61.200(a)(1). Alex v. State (2006) Alaska App., 127 P.3d 847, rehearing denied, dismissal of post-conviction relief vacated 210 P.3d 1225. Criminal Law 1172.1(3)

Defendant was not entitled to instruction on defense of necessity in trial for misconduct involving weapons in the first degree, despite defendant's testimony that he received threats from relatives of victim of defendant's former felony offense, absent showing that defendant had taken reasonable steps, other than illegally purchasing concealable firearm, in order to defend himself. AS 11.61.200(a)(1), 11.81.320. McCracken v. State, 1987, 743 P.2d 382, dismissal of habeas corpus reversed 985 F.2d 573. Weapons 17(6)

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

In prosecution of defendant for kidnapping and misconduct involving weapons in first degree, trial court's failure to give limiting instruction that prior felony was admissible only for purpose of proving the misconduct involving the weapons charge was not plain error where defendant never requested limiting instruction, although defendant was entitled to limiting instruction if he had requested one and better practice would have been for trial judge to have offered to give limiting instruction. AS 11.41.200(a)(1, 3), 11.61.200(a). Wortham v. State, 1984, 689 P.2d 1133. Criminal Law 1038.2

In prosecution of defendant for kidnapping, assault, robbery, and misconduct involving weapons, trial court did not err in refusing to give defendant's proposed instruction which summarized his theory of the case that victim voluntarily accompanied defendant, that victim had possessed the firearm involved and that victim was wounded as a result of his own actions in a struggle over the weapon, where instructions informed jury of elements of the crimes, law of self-defense and necessity, burden of proof, witness credibility and bias, defendant's theory of defense was adequately covered in the instructions which were given and defendant's attorney was able to argue the defense theory in closing argument. AS 11.41.200(a)(1, 3), 11.41.300(a)(1), (a)(1)(E), 11.61.200(a). Wortham v. State, 1984, 689 P.2d 1133. Criminal Law 829(4)

Where possession of concealable firearm by defendant, a convicted felon, was the only crime charged, where idea of obtaining firearm originated with defendant while he was in prison, where defendant retained exclusive control over firearm until it was later found by prison officials, and where defendant's cell mate shared no dominion and control over the gun, there was no basis from which jury could have reasonably inferred that cell mate was an accomplice, and thus trial judge did not err in refusing to give accomplice instruction to jury. AS 11.55.030; Rules of Criminal Procedure, rule 30(b)(2). Gordon v. State, 1975, 533 P.2d 25. Criminal Law 780(1)

Defendant charged with being a convict in possession of a prohibited concealed weapon was entitled to an instruction defining the term "concealed." AS 11.55.030. McKee v. State, 1971, 488 P.2d 1039. Criminal Law 800(2)

17. Sufficiency of evidence

Evidence that accused had been convicted of assault with intent to rob under the laws of Oregon and that at time of his subsequent arrest he had in his possession a .45 caliber Colt Automatic pistol justified conviction under Alaska statute forbidding persons convicted of a felony involving assault and like crimes from carrying a firearm capable of being concealed upon the person. Laws Alaska 1947, c. 70. U.S. v. Farwell, 1948, 11 Alaska 507, 76 F.Supp. 35. Weapons 17(4)

There was sufficient evidence that defendant possessed firearm knowing that its serial number had been altered with intent of rendering firearm untraceable to support his conviction for possession of altered firearm; defendant admitted that he purchased two handguns, including the altered handgun, on street from person he did not know for $50, the loaded handguns were found under mattress of bed in bedroom where defendant was found, and police officers testified that removal of serial number from weapon exhibited intent to render that firearm untraceable. AS 11.61.200(a)(6). Collins v. State (1999) Alaska App., 977 P.2d 741. Weapons 17(4)

In prosecution of an ex-convict for possessing a concealable weapon, State fully satisfied its burden of establishing defendant's culpable mental state by showing: that defendant knew he had been convicted of a felony; that he knew he had been discharged from probation for the felony within the past five years; and that he knew he was in possession of a concealable firearm. AS 11.61.200(a)(1), 11.81.610(b)(2). Afcan v. State, 1986, 711 P.2d 1198. Weapons 17(4)

Evidence sustained conviction for possession of pistol by felon, despite claim that exclusive possession was not established and although pistol did not have clip. AS 11.55.030. Davis v. State, 1972, 499 P.2d 1025, certiorari granted 93 S.Ct. 1392, 410 U.S. 925, 35 L.Ed.2d 586, reversed 94 S.Ct. 1105, 415 U.S. 308, 39 L.Ed.2d 347. Weapons 17(4)

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

18. Sentence and punishment--In general

Imposition of maximum sentence upon conviction for misconduct involving weapons in first degree was not clearly mistaken where state proved that defendant's prior criminal history included repeated instances of assaultive behavior and that defendant had three or more prior felony convictions. AS 11.61.200(a)(1), 12.55.125(e)(2), 12.55.155(c)(8, 15). Simmons v. State, 1995, 899 P.2d 931. Weapons 17(8)

Sentence of 11 years in prison for combination of crimes consisting of first-degree burglary, second-degree theft, first-degree weapons misconduct, and forgery was not excessive, where trial court found that defendant was third felony offender who could not be deterred or easily rehabilitated, and maximum term for defendant's single most serious offense was ten years. AS 11.46.130(b), 11.46.300(b), 11.61.200(f); AS 12.55.185(9) (1990). Wesolic v. State, 1992, 837 P.2d 130. Burglary 49; Forgery 51; Larceny 88; Weapons 17(8)

Defendant's abuse of his landlord's trust by burglarizing locked bedrooms and garage of home while landlord was absent was proper factor to consider when judging seriousness of burglary for purposes of sentencing. AS 11.46.130(b), 11.46.300(b), 11.61.200(f), 12.55.155(c)(15, 20, 21), (d)(9); AS 12.55.185(9) (1990). Wesolic v. State, 1992, 837 P.2d 130. Burglary 49

Defendant's prior sentences in Oregon for unauthorized use of motor vehicle and in Fairbanks for first-degree burglary and driving while intoxicated were sufficiently significant to support finding that defendant was danger to community, as basis for making defendant's sentence for misconduct involving weapons consecutive to defendant's sentences for first-degree burglary counts. AS 11.46.300(a)(2)(A), 11.61.200(a)(1), 12.55.125(d)(1), (e)(1), 12.55.155(c)(20). Ecklund v. State, 1986, 730 P.2d 161. Sentencing And Punishment 602

Trial court should, prior to imposing sentence, inquire of defendant and his counsel and resolve any factual questions in dispute regarding defendant's credit for time served based on conditions of presentence release, and should expressly identify those periods of time for which credit is to be allowed. AS 11.41.220(a)(2), 11.61.200(a)(1), 12.55.125(e)(1). Ackermann v. State, 1986, 716 P.2d 5. Sentencing And Punishment 354

In sentencing defendant on convictions of assault in the first degree, kidnapping, robbery in the first degree, and misconduct involving weapons in the first degree, trial judge was authorized to impose consecutive sentences and was also free to give little weight to mitigating factor that, except for misconduct involving weapons charge, defendant's former charges consisting of five prior felony offenses were less serious offenses that his current charges. AS 11.41.200(a)(1, 3), 11.41.300(a)(1), (a)(1)(E), 11.61.200(a); AS 12.55.155(d)(8)(Repealed). Wortham v. State, 1984, 689 P.2d 1133. Sentencing And Punishment 94; Sentencing And Punishment 590

Three-judge panel could legitimately conclude that conduct of defendant, who was convicted of first-degree misconduct involving weapons on basis of his possession of a handgun, was not the least serious included in the definition of the offense; furthermore, review of defendant's entire criminal record supported finding by three-judge panel and by original sentencing judge that defendant's conduct exhibited contempt for the law and law enforcement warranting a substantial sanction. AS 11.61.200(a), 12.55.155(d)(9, 13). Shaw v. State, 1983, 673 P.2d 781, modified on rehearing 677 P.2d 259, appeal after new sentencing hearing 1985 WL 1078167. Weapons 17(8)

Three-judge panel was not clearly mistaken in determining that presumptive sentence for misconduct involving weapons in the first degree was not manifestly unjust. AS 11.61.200(a)(1), (f). Shaw v. State, 1983, 673 P.2d 781, modified on rehearing 677 P.2d 259, appeal after new sentencing hearing 1985 WL 1078167. Sentencing And Punishment 77

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Defendant convicted of misconduct involving weapons in the first degree, with prior convictions for assault with dangerous weapon and felon in possession of weapon, could properly be sentenced as third offender, even though a prior conviction was necessary element of both the present charge of misconduct involving weapons and the prior conviction of felon in possession of a weapon; same conviction could be used to prove element of misconduct involving weapons as well as to trigger application of presumptive sentencing. AS 11.61.200(a)(1), 12.55.125(e)(2), 12.55.155(c). Gilbreath v. State, 1983, 668 P.2d 1354. Sentencing And Punishment 1349

Even though defendant's prior felony conviction was a necessary element of the offense involving violation of statute prohibiting felons from possessing any concealable firearm, such conviction could form basis for applying presumptive sentence applicable to second felony offender. AS 11.61.200(a)(1), 12.55.125, 12.55.155, 12.55.185(7). Fry v. State, 1983, 655 P.2d 789. Sentencing And Punishment 94

In prosecution for assault in third degree and misconduct involving weapons in first degree, trial court erred in imposing sentence in excess of presumptive sentence absent finding of aggravating factors, even if excess term was suspended. AS 11.41.220, 11.61.200(a)(1), 12.55.155-12.55.175. McManners v. State, 1982, 650 P.2d 414. Assault And Battery 100; Weapons 17(8)

Fact that, with regard to process of determining sentence to be imposed for offense of being a felon in possession of a prohibited weapon, accused's prior "police contacts" not leading to convictions were discussed in ascertaining length of time he had served on a prior conviction and other matters did not prejudice accused, in view of indication that such police contacts were not a significant factor in trial court's decision to impose four-year sentence. AS 11.55.030, 11.55.040. Deveroux v. State, 1976, 548 P.2d 1296. Criminal Law 1177.3(2)

Where plea bargain entered into by accused, who pled guilty to being a felon in possession of a prohibited weapon, entailed his admitting, for purposes of sentencing, a charge of larceny in a building, such charge could be considered for sentencing purposes, though the charge was dropped. AS 11.55.030, 11.55.040. Deveroux v. State, 1976, 548 P.2d 1296. Sentencing And Punishment 98

Though some of accused's prior convictions of 11 criminal offenses and 13 traffic offenses were petty in nature, the number of such convictions warranted their consideration in determining sentence to be imposed for accused's offense of being a felon in possession of a prohibited weapon. AS 11.55.030, 11.55.040. Deveroux v. State, 1976, 548 P.2d 1296. Sentencing And Punishment 95

Trial court, in stating that "there is no question in my mind that * * * [defendant] is a danger to society" and in indicating that court had considered and rejected the possibility of rehabilitation "at least * * * unless there is a complete change of attitude by the defendant," sufficiently articulated court's reasons for and purpose to be served by imposition of four-year sentence against defendant for offense of being a felon in possession of a prohibited weapon. AS 11.55.030, 11.55.040. Deveroux v. State, 1976, 548 P.2d 1296. Sentencing And Punishment 373

19. ---- Aggravation and mitigation, sentence and punishment

Defendant's actions which formed the basis of his third-degree weapons misconduct conviction were not among the least serious forms of conduct encompassed by the crime of weapons misconduct, and thus was not a mitigating factor for sentencing purposes; court found that defendant was legally intoxicated and had concealed his loaded weapon under his clothing. AS 11.61.200(a)(1), 12.55.155(d)(9). Brockway v. State (2001) Alaska App., 37 P.3d 427. Sentencing And Punishment 66

Fact that defendant waited until owner of home was absent before burglarizing home was not mitigating factor with respect to sentencing for first-degree burglary conviction. AS 11.46.130(b), 11.46.300(b), 11.61.200(f),

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

12.55.155(c)(15, 20, 21), (d)(9); AS 12.55.185(9) (1990). Wesolic v. State, 1992, 837 P.2d 130. Burglary 49

Mitigating factor for cases where defendant's conduct is among least serious conduct within definition of offense may be applied to offense of felon in possession of concealable firearm. AS 11.61.200(a)(1), 12.55.155(d)(9). State v. LaPorte, 1983, 672 P.2d 466. Weapons 17(8)

Though offense of misconduct involving weapons in the first degree is defined in terms merely of knowing possession of a firearm, aggravating factor of directing the "conduct constituting the offense" at a law enforcement officer was shown by evidence that gun was pointing directly at officer when defendant first turned, that defendant refused at least three times to drop the weapon, and that defendant knew that person confronting him was a police officer. AS 11.61.200(a)(1), 12.55.155(c)(13). Gilbreath v. State, 1983, 668 P.2d 1354. Sentencing And Punishment 124

Aggravating factor of directing "conduct constituting the offense" at a law enforcement officer was applicable, despite defendant's contention that offense of misconduct involving weapons in the first degree was "complete" when police officer first saw him with the gun, before defendant was even aware of officer's presence. AS 11.61.200(a)(1), 12.55.155(c)(13). Gilbreath v. State, 1983, 668 P.2d 1354. Sentencing And Punishment 124

"Most serious conduct" aggravating factor with respect to offense of misconduct involving weapons in the first degree was shown by possession of concealable weapon by defendant, who was a felon, under circumstances indicating possible intent to use the weapon against a police officer or another. AS 11.61.200(a)(1), 12.55.155(c)(10). Gilbreath v. State, 1983, 668 P.2d 1354. Sentencing And Punishment 79

Finding of mitigating factor that harm caused by defendant's conduct was "consistently minor and inconsistent with the imposition of a substantial period of imprisonment" was not warranted, given circumstances of instant offense of misconduct involving weapon in the first degree and nature of defendant's original felony, an assault with a dangerous weapon in which victim was clearly placed in substantial fear. AS 11.61.200(a)(1), 12.55.155(d)(13). Gilbreath v. State, 1983, 668 P.2d 1354. Sentencing And Punishment 84

20. ---- Probation and related dispositions, sentence and punishment

Conviction in which person receives probation and suspended imposition of sentence is to be set aside at time defendant is discharged from probation, unless State can meet its burden of showing good cause why conviction should not be set aside. AS 11.61.200. Hansen v. State, 1992, 824 P.2d 1384. Sentencing And Punishment 1953

21. ---- Sufficiency, sentence and punishment

Composite sentence of 20 years for 12 offenses in six separate criminal cases was not excessive; defendant could have been sentenced to a term of 20 years imprisonment alone for class A felony burglary, the most serious of the crimes committed by defendant, trial judge found that defendant had not responded to five years worth of prior rehabilitative efforts and that it would be fruitless to place defendant on probation, defendant conceded to two aggravating factors during sentencing, and defendant had been under State supervision since he was 12-years-old. Smith v. State (2008) Alaska App., 187 P.3d 511. Sentencing And Punishment 645

Sentencing defendant, for convictions of two counts of first-degree burglary and one count of first-degree misconduct involving weapons, to concurrent six-year terms with two years suspended for two burglaries and consecutive two-year term for weapons misconduct, was not clearly mistaken. AS 11.46.300(a)(2)(A), 11.61.200(a)(1), 12.55.125(d)(1), (e)(1), 12.55.155(c)(20). Ecklund v. State, 1986, 730 P.2d 161. Burglary 49; Weapons 17(8)

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Defendant's sentence totaling 53 years of imprisonment for convictions of assault in the first degree, misconduct involving weapons in the first degree, kidnapping, and robbery in the first degree was not excessive where trial judge could have properly given great weight to jury's finding that defendant kidnapped victim, intending to injure him and that defendant intentionally shot victim and then robbed him, defendant had record of five prior felony convictions, defendant had served sentences of greater than one year and had not been deterred by these former sentences, and defendant was on parole at time of the offenses and had just completed lengthy sentence four months before. AS 11.41.200(a)(1, 3), 11.41.300(a)(1), (a)(1)(E), 11.61.200(a). Wortham v. State, 1984, 689 P.2d 1133. Sentencing And Punishment 645

Sentence on charge of misconduct involving weapons in the first degree was illegal, since sentencing judge gave less than presumptive sentence of two years without finding any mitigating factors, and sentence therefore had to be vacated. AS 11.61.200(a)(1), 12.55.125(e)(1), (g), 12.55.165. State v. LaPorte, 1983, 672 P.2d 466. Sentencing And Punishment 995

Sentence of five years with 18 months suspended, imposed on conviction of defendant for misconduct involving weapon in the first degree, with two aggravating factors, was not excessive. AS 11.61.200(a)(1), 12.55.155(c)(10, 13), (d)(13). Gilbreath v. State, 1983, 668 P.2d 1354. Weapons 17(8)

Imposition of four-year sentence for offense of being a felon in possession of a prohibited weapon was not clearly erroneous with regard to accused who had prior convictions for 13 traffic offenses and 11 criminal offenses including burglary, and who had recently committed a larceny in a building. AS 11.55.030, 11.55.040. Deveroux v. State, 1976, 548 P.2d 1296. Weapons 17(8)

22. Review

In determining meaning of terms "switchblade" and "gravity knife" that are included in definition of prohibited weapons which it is felony to possess, Court of Appeals had to look to general usage for meaning of terms, where neither of the terms was defined in statutes. AS 01.10.040, 11.61.200(a)(3), (e)(1)(D). State v. Strange, 1990, 785 P.2d 563. Weapons 4

Trial court's failure to make factual finding as to whether knife seized from defendant was "gravity knife" within meaning of statute making possession of such weapon a felony required remand for further proceedings. AS 11.61.200(a)(3). State v. Weaver, 1987, 736 P.2d 781. Criminal Law 1181.5(3.1)

AS § 11.61.200, AK ST § 11.61.200

Current through the 2009 First Regular Session and First Special Session of the 26th Legislature

(c) 2010 Thomson Reuters

END OF DOCUMENT

© 2010 Thomson Reuters. No Claim to Orig. US Gov. Works.

Westlaw.

158 P.3d 813
158 P.3d 813
(Cite as: 158 P.3d 813)

Supreme Court of Alaska.
Joseph R. GABRIELLE, Appellant,
v.
STATE of Alaska, DEPARTMENT OF PUBLIC SAFETY, Appellee.
No. S-11490.

May 18, 2007.

Background: Applicant sought judicial review of decision by Department of Public Safety to revoke permit to carry concealed handgun and to deny application to renew permit. The Superior Court, Third Judicial District, Anchorage, Sharon L. Gleason, J., affirmed, and applicant appealed.

Holdings: The Supreme Court held that:
(1) applicant was not eligible for permit to carry concealed weapon under state law, and
(2) federal statute prohibiting possession of firearm by convicted felon did not render applicant whose prior felony conviction was pardoned ineligible for permit to carry concealed weapon.

Affirmed.

West Headnotes

[1] Statutes 361 219(1)

361 Statutes
361VI Construction and Operation
361VI(A) General Rules of Construction
361k213 Extrinsic Aids to Construction
361k219 Executive Construction
361k219(1) k. In General. Most Cited Cases
When state and federal statutes do not involve substantial expertise by an administrative agency, in construing these statutes on an administrative appeal, the court will apply its independent judgment in determining their meaning, adopting the rule that is most persuasive in light of precedent, reason, and policy.

[2] Weapons 406 12

406 Weapons
406k5 Carrying Weapons
406k12 k. Licenses or Permits. Most Cited Cases
Applicant whose prior felony conviction was pardoned by governor would not have affirmative defense to unlawful possession of firearm by convicted felon, and thus, applicant was not eligible for permit to carry concealed weapon under state law, in that he would be subject to criminal liability if he carried concealed handgun in any place outside his dwelling or land appurtenant to dwelling or carried handgun while not engaged in lawful hunting, fishing or trapping, or other lawful activity. AS 11.61.200(a)(12), (g)(2)(A, B).

[3] Weapons 406 12

406 Weapons
406k5 Carrying Weapons
406k12 k. Licenses or Permits. Most Cited Cases
Federal statute prohibiting possession of firearm by convicted felon did not render applicant whose prior felony conviction was pardoned by governor ineligible for permit to carry concealed weapon, in that pardon did not expressly state that applicant could not ship, transport, possess or receive firearms. 18 U.S.C.A. §§ 921, 922(g)(1).

*813 Wayne Anthony Ross, Ross & Miner, P.C., Anchorage, for Appellant.
Timothy W. Terrell, Assistant Attorney General,

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

Office of Special Prosecutions and Appeals, Anchorage, and Gregg D. Renkes, Attorney General, Juneau, for Appellee.

Before: BRYNER, Chief Justice, MATTHEWS, EASTAUGH, FABE, and CARPENETI, Justices.

OPINION

PER CURIAM.

Joseph R. Gabrielle appeals the Alaska Department of Public Safety's refusal to renew his permit to carry a concealed handgun as well as the department's decision to revoke his existing permit. The department concluded that Gabrielle was ineligible for a permit because he was convicted of a felony in 1983 and Alaska law forbids a felon to carry a concealed handgun. Gabrielle, who received a gubernatorial pardon in 1993, argues that he is entitled to a permit because the plain language of the licensing statute does not prohibit a felon from obtaining a permit, and because he has an affirmative defense to criminal liability. Because the legislature intended to bar felons from obtaining concealed handgun permits, and because it would be futile to issue Gabrielle a permit to carry a concealed handgun that would not give him the right to carry a concealed handgun beyond that which is available to all citizens, we affirm the department's decision.

*814 We have considered each of appellant's arguments and points on appeal. The record fully supports the Memorandum Decision on Appeal entered by Superior Court Judge Sharon L. Gleason, which we adopt as the opinion of this court. It is set forth below.[FN1]

FN1. We have edited the superior court's decision to conform to our technical rules.

APPENDIX

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

JOSEPH R. GABRIELLE, Appellant.

vs.

STATE OF ALASKA, DEPARTMENT OF PUBLIC SAFETY, Appellee.

Case No. 3AN-03-07244 CI

MEMORANDUM DECISION ON APPEAL

This is an appeal from a decision of the Department of Public Safety (DPS), which revoked Mr. Gabrielle's concealed handgun permit and refused to renew it. For the reasons set forth below, the decision of the Department is AFFIRMED.

Facts and Proceedings

In January 2003, the Alaska State Troopers Division of DPS revoked Mr. Gabrielle's concealed handgun permit and refused to renew the permit because Mr. Gabrielle had been convicted of two felonies in the early 1980's. The State Troopers took this action even though Mr. Gabrielle had received a pardon from Governor Hickel for the felony convictions in October 1993. Mr. Gabrielle appealed the Troopers' decision to the Commissioner of the Department of Public Safety in February 2003. On March 7, 2003, the Commissioner issued a letter denying that administrative appeal, and indicated that based on DPS's interpretation of the applicable statutes, specifically AS 11.61.200(a)(12) and (g), pardoned felons were precluded from obtaining handgun permits. The Commissioner's letter indicated that it "is a final administrative decision" and that Mr. Gabrielle could "seek judicial review of this decision under AS 44.62.560-44.62.570 within 30 days of receipt of this letter." The record reflects that Mr. Gabrielle received the letter on March 12, 2003.

On March 22, 2003, Mr. Gabrielle submitted a request for reconsideration to the Commissioner of DPS. On April 29, 2003, the Deputy Commissioner summarily denied the request, indicating that "there is no process for administrative 'reconsideration' of denial of an appeal."

On May 5, 2003, Mr. Gabrielle filed this appeal.

1. Is Mr. Gabrielle "eligible to own or possess a handgun under the laws of this state"?

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

Alaska Statute 18.65.705 lists several requirements for a person to be qualified to receive and hold a permit to carry a concealed handgun. The parties dispute whether Mr. Gabrielle meets one of those requirements-whether he "is eligible to own or possess a handgun under the laws of this state and under federal law." [FN2] The State argues that Mr. Gabrielle is not eligible under either state or federal law to possess a handgun, and this statutory subsection therefore precludes the issuance of the permit to Mr. Gabrielle.

FN2. AS 18.65.705(2).

[1] The state and federal statutes regulating possession and ownership of handguns do not involve substantial agency expertise. Accordingly, in construing these statutes in this administrative appeal, this court will apply its independent judgment in determining their meaning, adopting the rule that is most persuasive in light of precedent, reason, and policy.[FN3]

FN3. *Alyeska Pipeline Serv. Co. v. DeShong*, 77 P.3d 1227, 1231 (Alaska 2003) (citation omitted).

[2] Turning first to state law, the State argues that pursuant to AS 11.61.200(a)(12), Mr. Gabrielle is precluded from possessing a handgun. This statute provides that a person*815 commits the crime of misconduct involving weapons in the third degree if the person "knowingly possesses a firearm that is concealed on the person after having been convicted of a felony...."

The parties dispute whether AS 11.61.200(g), which establishes an affirmative defense to this statutory provision, operates to allow Mr. Gabrielle to possess a handgun. AS 11.61.200(g) provides:

> It is an affirmative defense to a prosecution under (a)(12) of this section that
>
> (1) either
>
> (A) the defendant convicted of the prior offense on which the action is based received a pardon for that conviction;
>
> (B) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or
>
> (C) a period of ten years or more has elapsed between the date of the defendant's unconditional discharge on the prior offense ... and the date of the violation of (a)(12) of this section, and the prior conviction ... did not result from a violation of AS 11.41...; *and*
>
> (2) at the time of possession, the defendant was
>
> (A) in the defendant's dwelling or on land owned or leased by the defendant appurtenant to the dwelling; or
>
> (B) actually engaged in lawful hunting, fishing, trapping, or other lawful outdoor activity that necessarily involves the carrying of a weapon for personal protection.

(Emphasis added).

Mr. Gabrielle asserts that as a result of his pardon, he has an affirmative defense to a prosecution under (a)(12), and is thus eligible to possess a concealed handgun under state law. The State argues that the affirmative defense in subsection (g) requires not only that Mr. Gabrielle receive a pardon or qualify under either of the other two components of subsection (g)(1), but that he must also meet the requirements of subsection (g)(2), which limits the places where the concealed handgun may be possessed as a precondition to this affirmative defense. In response to this argument, Mr. Gabrielle asserts that subsection (2) of the statute only modifies subsection (1)(C), and is not an additional requirement for a person who has been pardoned who falls within subsection (1)(A).

The State's reading is consistent with fundamental principles of statutory construction. To be entitled to the affirmative defense under AS 11.61.200(g), a criminal defendant would need to establish at least one of the components of subsection (1) *and* one of the components of subsection (2).

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

Alaska Statute 18.65.705 lists several requirements for a person to be qualified to receive and hold a permit to carry a concealed handgun. The parties dispute whether Mr. Gabrielle meets one of those requirements-whether he "is eligible to own or possess a handgun under the laws of this state and under federal law." [FN2] The State argues that Mr. Gabrielle is not eligible under either state or federal law to possess a handgun, and this statutory subsection therefore precludes the issuance of the permit to Mr. Gabrielle.

FN2. AS 18.65.705(2).

[1] The state and federal statutes regulating possession and ownership of handguns do not involve substantial agency expertise. Accordingly, in construing these statutes in this administrative appeal, this court will apply its independent judgment in determining their meaning, adopting the rule that is most persuasive in light of precedent, reason, and policy.[FN3]

FN3. *Alyeska Pipeline Serv. Co. v. DeShong*, 77 P.3d 1227, 1231 (Alaska 2003) (citation omitted).

[2] Turning first to state law, the State argues that pursuant to AS 11.61.200(a)(12), Mr. Gabrielle is precluded from possessing a handgun. This statute provides that a person*815 commits the crime of misconduct involving weapons in the third degree if the person "knowingly possesses a firearm that is concealed on the person after having been convicted of a felony...."

The parties dispute whether AS 11.61.200(g), which establishes an affirmative defense to this statutory provision, operates to allow Mr. Gabrielle to possess a handgun. AS 11.61.200(g) provides:

> It is an affirmative defense to a prosecution under (a)(12) of this section that
>
> (1) either
>
> (A) the defendant convicted of the prior offense on which the action is based received a pardon for that conviction;
>
> (B) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or
>
> (C) a period of ten years or more has elapsed between the date of the defendant's unconditional discharge on the prior offense ... and the date of the violation of (a)(12) of this section, and the prior conviction ... did not result from a violation of AS 11.41...; *and*
>
> (2) at the time of possession, the defendant was
>
> (A) in the defendant's dwelling or on land owned or leased by the defendant appurtenant to the dwelling; or
>
> (B) actually engaged in lawful hunting, fishing, trapping, or other lawful outdoor activity that necessarily involves the carrying of a weapon for personal protection.

(Emphasis added).

Mr. Gabrielle asserts that as a result of his pardon, he has an affirmative defense to a prosecution under (a)(12), and is thus eligible to possess a concealed handgun under state law. The State argues that the affirmative defense in subsection (g) requires not only that Mr. Gabrielle receive a pardon or qualify under either of the other two components of subsection (g)(1), but that he must also meet the requirements of subsection (g)(2), which limits the places where the concealed handgun may be possessed as a precondition to this affirmative defense. In response to this argument, Mr. Gabrielle asserts that subsection (2) of the statute only modifies subsection (1)(C), and is not an additional requirement for a person who has been pardoned who falls within subsection (1)(A).

The State's reading is consistent with fundamental principles of statutory construction. To be entitled to the affirmative defense under AS 11.61.200(g), a criminal defendant would need to establish at least one of the components of subsection (1) *and* one of the components of subsection (2).

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

The State then notes that AS 11.61.220(b)(1) and (2) permits all citizens to carry a concealed weapon in the same two circumstances specified in AS 11.61.200(g)(2).[FN4] Therefore, as the State correctly notes, "the net result of the statutory scheme is that a pardoned felon can only carry a concealed handgun in those situations where an ordinary citizen would be able to carry a concealed handgun without a permit."

FN4. [This reference is to a prior version of AS. 11.61.220. Following both the department's revocation and the superior court's decision, the statute was amended in ways not relevant here.]

Under the statutory scheme, a pardoned felon could be prosecuted under AS 11.61.200(a)(12) for misconduct involving weapons in the third degree if the individual possessed a concealed firearm at any place other than the two statutory exceptions set out in AS 11.61.200(g)(2)(A) and (B). And, unlike a prosecution under AS 11.61.220(a)(1) for fifth degree misconduct, it would not be a valid affirmative defense to a prosecution for violation of AS 11.61.200(a)(12) that the individual was the holder of a valid permit to carry a concealed handgun.[FN5]

FN5. *See* former AS 11.61.220(b)(3).

And yet, as a pardoned felon, Mr. Gabrielle *is* eligible to own or possess a concealed handgun in at least some locations within the state-within his dwelling and while hunting and undertaking other specified outdoor activities. Moreover, as a pardoned felon, he cannot be prosecuted for violation of *816AS 11.61.200(a)(1) for "knowingly possessing a firearm capable of being concealed."[FN6]

FN6. *See*AS 11.61.200(b)(1)(A).

Harmonizing these different statutory provisions is a somewhat tortured process from any perspective. But resolution of these provisions is best determined, in this court's view, by assessing the consequences of issuing a concealed handgun permit to Mr. Gabrielle. Under the statutory scheme, possession of such a permit would constitute an affirmative defense to one of the bases for misconduct involving weapons in the fifth degree. Under AS 11.61.220(a)(1), a person commits the crime of misconduct involving weapons in the fifth degree if the person "knowingly possesses a deadly weapon ... that is concealed on the person." Under AS 11.61.220(b)(3), it is an affirmative defense to the prosecution for that crime that the person was "the holder of a valid permit to carry a concealed handgun." However, possession of the permit would *not* constitute a valid affirmative defense to a prosecution for misconduct involving weapons in the third degree based on a pardoned felon's knowing possession of a concealed firearm under AS 11.61.200(a)(12). And, as the State correctly notes, a pardoned felon has the same affirmative defenses as any other citizen to prosecution for weapons violations if, at the time of possession, the defendant was at his dwelling or actually engaged in lawful hunting, fishing, trapping, or other lawful outdoor activity that necessarily involved the carrying of a weapon for personal protection. In effect, the fifth degree misconduct weapons charge is a lesser-included offense to the third degree charge for pardoned felons, but the affirmative defense of a permit is not available to pardoned felons in a prosecution under the third degree charge.

Accordingly, issuance of a concealed handgun permit to Mr. Gabrielle would serve no lawful purpose since such a permit could not serve as an affirmative defense to a prosecution under AS 11.61.200(a)(12). Therefore, the court finds that Mr. Gabrielle should not be considered "eligible to own or possess a handgun under the laws of this state."[FN7] Since such eligibility is one of the necessary qualifications for issuance of a concealed handgun permit,[FN8] DPS's revocation of the permit and denial of the permit renewal was appropriate. Moreover, such a result is consistent with the legislative history regarding the concealed handgun permitting laws.[FN9]

FN7. AS 18.65.705(2).

FN8. *See*AS 18.65.705.

FN9. See Sen. Green, Sponsor Statement for Senate Bill 141, 20th Leg., 1st Sess. (April 23, 1997) (noting the bill was intended to "make clear that no felon, even a non-violent felon, would ever be able to apply for a concealed carry permit").

2. Mr. Gabrielle is not precluded from owning and

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

possessing a handgun under federal law.

[3] The State also asserts that Mr. Gabrielle cannot be issued a concealed carry permit because he is ineligible to own and possess a handgun under federal law. 18 U.S.C. § 922(g)(1) provides in pertinent part:

> It shall be unlawful for any person ... who has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year ... to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.

However, 18 U.S.C. § 921 provides in pertinent part:

> Any conviction which has been expunged, or set aside or for which a person *has been pardoned* or has had civil rights restored shall not be considered a conviction for purposes of this chapter, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms.

(Emphasis added.) Mr. Gabrielle's pardon did not expressly provide that he could not possess firearms. Therefore, federal law is not a bar to Mr. Gabrielle's permit eligibility.

The State asserts that two federal cases have held that this exception does not permit *817 the carrying of handguns if state law forbids it.[FN10] But neither Brown nor Caron were pardoned. Mr. Gabrielle references *United States v. Laskie*,[FN11] which held that Mr. Laskie's prior conviction could not be used as a predicated conviction under 18 U.S.C. § 922(g)(1) because Mr. Laskie had been honorably discharged and that discharge did not include a prohibition of firearm possession. Further, in *United States v. Gallaher*,[FN12] the Ninth Circuit held:

> Under our decisions in *Laskie* and [*United States v.*] *Herron*[45 F.3d 340 (9th Cir. 1995)], a criminal defendant cannot be charged with a federal crime after receiving a certificate restoring his civil rights that contains no express warning that he cannot possess firearms in spite of the restoration of his civil rights or that his state conviction may constitute an element of a crime if he is found in possession of a weapon.

Following this case law, Mr. Gabrielle is not subject to the prohibition under 18 U.S.C. § 922(g)(1) since he received a pardon for his convictions and his pardon did not contain an express warning that he cannot possess firearms.

3. Conclusion

Because this court concludes that Mr. Gabrielle was not "eligible to own or possess a handgun under the laws of this state," the decision of the Department of Public Safety is AFFIRMED.

/s/ Sharon L. Gleason

SHARON L. GLEASON

Superior Court Judge

Alaska,2007.
Gabrielle v. State, Dept. of Public Safety
158 P.3d 813

END OF DOCUMENT

FN10. *See* *Caron v. United States*, 524 U.S. 308, 118 S.Ct. 2007, 141 L.Ed.2d 303 (1998); *United States v. Brown*, 69 F.Supp.2d 925 (E.D.Mich.1999).

FN11. 258 F.3d 1047, 1052-53 (9th Cir.2001).

FN12. 275 F.3d 784, 792 (9th Cir.2001).

© 2008 Thomson Reuters/West. No Claim to Orig. US Gov. Works.

Cornell University Law School

Search Law School Search Cornell

LII / Legal Information Institute

Supreme Court

CARON v. UNITED STATES (97-6270)

Affirmed.

Syllabus	Opinion [Kennedy]	Dissent [Thomas]
HTML version PDF version	HTML version PDF version	HTML version PDF version

---

Opinion of the Court

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D. C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 97—6270

GERALD R. CARON, PETITIONER v. UNITED STATES

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

[June 22, 1998]

Justice Kennedy delivered the opinion of the Court.

Under federal law, a person convicted of a crime punishable by more than one year in prison may not possess any firearm. 18 U.S.C. § 922(g)(1). If he has three violent felony convictions and violates the statute, he must receive an enhanced sentence. §924(e). A previous conviction is a predicate for neither the substantive offense nor the sentence enhancement if the offender has had his civil rights restored, "unless such ... restoration of civil rights expressly provides that the person may not ... possess ... firearms." §921(a)(20). This is the so-called "unless clause" we now must interpret. As the ellipses suggest, the statute is more complex, but the phrase as quoted presents the issue for our decision.

The parties, reflecting a similar division among various Courts of Appeals, disagree over the interpretation of the unless clause in the following circumstance. What if the State restoring the offender's rights forbids possession of some firearms, say pistols, but not others, say

rifles? In one sense, he "may not ... possess ... firearms" under the unless clause because the ban on specified weapons is a ban on "firearms." In another sense, he can possess firearms under the unless clause because the state ban is not absolute. Compare, *e.g.*, *United States* v. *Estrella*, 104 F.3d 3, 8 (CA1) (adopting former reading), cert. denied, 521 U.S. ___ (1997) and *United States* v. *Driscoll*, 970 F.2d 1472, 1480–1481 (CA6 1992) (same), cert. denied, 506 U S. 1083 (1993), with *United States* v. *Qualls*, ___ F.3d ___, No. 95–50378, 1998 WL 149393, *2 (CA9, Apr. 2, 1998) (en banc) (intermediate position), and *United States* v. *Shoemaker*, 2 F.3d 53, 55–56 (CA4 1993) (same), cert. denied, 510 U.S. 1047 (1994).

The Government contends the class of criminals who "may not ... possess ... firearms" includes those forbidden to have some guns but not others. On this reading, the restoration of rights is of no effect here, the previous offenses are chargeable, and petitioner's sentence must be enhanced. On appeal, the Government's position prevailed in the Court of Appeals for the First Circuit, and we now affirm its judgment.

I

Petitioner Gerald Caron has an extensive criminal record, including felonies. In Massachusetts state court, he was convicted in 1958 of attempted breaking and entering at night and, in 1959 and 1963, of breaking and entering at night. In California state court, he was convicted in 1970 of assault with intent to commit murder and attempted murder.

In July 1993, petitioner walked into the home of Walter Miller, carrying a semiautomatic rifle. He threatened Miller, brandished the rifle in his face, and pointed it at his wife, his daughters, and his 3-year-old grandson. Police officers disarmed and arrested petitioner.

In September 1993, a federal agent called on petitioner at home to determine if he had other unlawful firearms. Petitioner said he had only flintlock or other antique weapons (not forbidden by law) and owned no conventional firearms. Federal law, the agent told him, forbade his possession of firearms and was not superseded by state law. In December 1993, agents executed a search warrant at petitioner's house, seizing six rifles and shotguns and 6,823 rounds of ammunition.

A federal jury convicted petitioner of four counts of possessing a firearm or ammunition after having been convicted of a serious offense. See 18 U.S.C. § 922(g)(1). The District Court enhanced his sentence because he was at least a three-time violent felon, based on his one California and three Massachusetts convictions. See §924(e). Petitioner claimed the Court should not have counted his Massachusetts convictions because his civil rights had been restored by operation of Massachusetts law. Massachusetts law allowed petitioner to possess rifles or shotguns, as he had the necessary firearm permit and his felony convictions were more than five years old. Mass. Gen. Laws §§140:123, 140:129B, 140:129C (1996). The law forbade him to possess handguns outside his home or business. See §§140:121, 140:131, 269:10.

At first, the District Court rejected the claim that Massachusetts had restored petitioner's civil rights. It held civil rights had to be restored by an offender-specific action rather than by operation of law. The First Circuit disagreed, vacating the sentence and remanding the case. *United States* v. *Caron*, 77 F.3d 1, 2, 6 (1996) (en banc). We denied certiorari. 518 U.S. 1027 (1996). On remand, the District Court, interpreting the unless clause of the federal statute, disregarded the Massachusetts convictions. It ruled Massachusetts law did not forbid petitioner's possession of firearms because he could possess rifles. 941 F. Supp. 238, 251–254 (Mass. 1996). Though Massachusetts restricted petitioner's right to carry a handgun, the District Court considered the restriction irrelevant because his case involved rifles and shotguns. See *ibid.* The First Circuit reversed, counting the convictions because petitioner remained subject to significant firearms restrictions. We granted certiorari. 522 U.S. ___ (1998).

II

A federal statute forbids possession of firearms by those convicted of serious offenses. An abbreviated version of the statute is as follows:

"It shall be unlawful for any person-

"(1) who has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

. . . . .

"to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce." 18 U.S.C. § 922(g).

Three-time violent felons who violate §922(g) face enhanced sentences of at least 15 years' imprisonment. §924(e)(1). "Violent felony" is defined to include burglary and other crimes creating a serious risk of physical injury. §924(e)(2)(B)(ii). This term includes petitioner's previous offenses discussed above.

Not all violent felony convictions, however, count for purposes of §922(g) or §924(e). Until 1986, federal law alone determined whether a state conviction counted, regardless of whether the State had expunged the conviction. *Dickerson* v. *New Banner Institute, Inc.*, 460 U.S. 103, 119–122 (1983). Congress modified this aspect of *Dickerson* by adopting the following language:

"What constitutes a conviction of such a crime shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any conviction which has been expunged, or set aside or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction for purposes of this chapter, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms." §921(a)(20).

The first sentence and the first clause of the second sentence define convictions, pardons, expungements, and restorations of civil rights by reference to the law of the convicting jurisdiction. See *Beecham* v. *United States*, 511 U.S. 368, 371 (1994).

Aside from the unless clause, the parties agree Massachusetts law has restored petitioner's civil rights. As for the unless clause, state law permits him to possess rifles and shotguns but forbids him to possess handguns outside his home or business. The question presented is whether the handgun restriction activates the unless clause, making the convictions count under federal law.

We note these preliminary points. First, Massachusetts restored petitioner's civil rights by operation of law rather than by pardon or the like. This fact makes no difference. Nothing in the text of §921(a)(20) requires a case-by-case decision to restore civil rights to this particular offender. While the term "pardon" connotes a case-by-case determination, "restoration of civil rights" does not. Massachusetts has chosen a broad rule to govern this situation, and federal law gives effect to its rule. All Courts of Appeals to address the point agree. See *Caron*, 77 F.3d, at 2; *McGrath* v. *United States*, 60 F.3d 1005, 1008 (CA2 1995), cert. denied, 516 U.S. 1121 (1996); *United States* v. *Hall*, 20 F.3d 1066, 1068–1069 (CA10 1994); *United States* v. *Glaser*, 14 F.3d 1213, 1218 (CA7 1994); *United States* v. *Thomas*, 991 F.2d 206, 212–213 (CA5), cert. denied, 510 U.S. 1014 (1993); *United States* v. *Dahms*, 938 F.2d 131, 133–134 (CA9 1991); *United States* v. *Essick*, 935 F.2d 28, 30–31 (CA4 1991); *United States* v. *Cassidy*, 899 F.2d 543, 550, and n. 14 (CA6 1990).

Second, the District Court ruled, and petitioner urges here, that the unless clause allows an offender to possess what state law permits him to possess, and nothing more. Here, petitioner's shotguns and rifles were permitted by state law, so, under their theory, the weapons would not be covered by the unless clause. While we do not dispute the common sense of this approach, the words of the statute do not permit it. The unless clause is activated if a restoration of civil rights "expressly provides that the person may not ... possess ... firearms." 18 U.S.C. § 921(a)(20). Either the restorations forbade possession of "firearms" and the convictions count for all purposes, or they did not and the convictions count not at all. The unless clause looks to the terms of the past restorations alone and does

not refer to the weapons at issue in the present case. So if the Massachusetts convictions count for some purposes, they count for all and bar possession of all guns.

III

The phrase "may not ... possess ... firearms," then, must be interpreted under either of what the parties call the two "all-or-nothing" approaches. Either it applies when the State forbids one or more types of firearms, as the Government contends; or it does not apply if state law permits one or more types of firearms, regardless of the one possessed in the particular case.

Under the Government's approach, a state weapons limitation on an offender activates the uniform federal ban on possessing any firearms at all. This is so even if the guns the offender possessed were ones the State permitted him to have. The State has singled out the offender as more dangerous than law-abiding citizens, and federal law uses this determination to impose its own broader stricture.

Although either reading creates incongruities, petitioner's approach yields results contrary to a likely, and rational, congressional policy. If permission to possess one firearm entailed permission to possess all, then state permission to have a pistol would allow possession of an assault weapon as well. Under this view, if petitioner, in violation of state law, had possessed a handgun, the unless clause would still not apply because he could have possessed a rifle. Not only would this strange result be inconsistent with any conceivable federal policy, but it also would arise often enough to impair the working of the federal statute. Massachusetts, in this case, and some 15 other States choose to restore civil rights while restricting firearm rights in part. The permissive reading would make these partial restrictions a nullity under federal law, indeed in the egregious cases with the most dangerous weapons. Congress cannot have intended this bizarre result.

Under petitioner's all-or-nothing argument, federal law would forbid only a subset of activities already criminal under state law. This limitation would contradict the intent of Congress. In Congress' view, existing state laws "provide less than positive assurance that the person in question no longer poses an unacceptable risk of dangerousness." *Dickerson*, 460 U.S., at 120. Congress meant to keep guns away from all offenders who, the Federal Government feared, might cause harm, even if those persons were not deemed dangerous by States. See *id.*, at 119. If federal law is to provide the missing "positive assurance," it must reach primary conduct not covered by state law. The need for this caution is borne out by petitioner's rifle attack on the Miller family, in which petitioner used a gun permitted by state law. Any other result would reduce federal law to a sentence enhancement for some state-law violations, a result inconsistent with the congressional intent we recognized in *Dickerson*. Permission to possess one gun cannot mean permission to possess all.

Congress responded to our ruling in *Dickerson* by providing that the law of the State of conviction, not federal law, determines the restoration of civil rights as a rule. While state law is the source of law for restorations of other civil rights, however, it does not follow that state law also controls the unless clause. Under the Government's approach, with which we agree, the federal policy still governs the interpretation of the unless clause. We see nothing contradictory in this analysis. Restoration of the right to vote, the right to hold office, and the right to sit on a jury turns on so many complexities and nuances that state law is the most convenient source for definition. As to the possession of weapons, however, the Federal Government has an interest in a single, national, protective policy, broader than required by state law. Petitioner's approach would undermine this protective purpose.

As a final matter, petitioner says his reading is required by the rule of lenity, but his argument is unavailing. The rule of lenity is not invoked by a grammatical possibility. It does not apply if the ambiguous reading relied on is an implausible reading of the congressional purpose. See *United States* v. *Shabani*, 513 U.S. 10, 17 (1994) (requiring use of traditional tools of statutory construction to resolve ambiguities before resorting to the rule of lenity). For the reasons we have explained, petitioner's reading is not plausible enough to satisfy this condition.

2004

In sum, Massachusetts treats petitioner as too dangerous to trust with handguns, though it accords this right to law-abiding citizens. Federal law uses this state finding of dangerousness in forbidding petitioner to have any guns. The judgment of the Court of Appeals is

2005

Law Offices of
ROSS & MINER
A Professional Corporation
327 East Fireweed Lane, Suite 201
Anchorage, Alaska 99503

Wayne Anthony Ross
Curtis Patteson

(907) 276-5307
(907) 276-6672 - FAX

Edward L. Miner
Tamara Huffman, paralegal

6 January 2009

[redacted]
State Capitol
Juneau, AK 99801

Dear [redacted]

Several weeks ago, I furnished you some prosed draft legislation involving possession problems under Alaska law for persons who were pardoned or received suspended imposition of sentences for felony charges I have since run our proposed changes by the NRA attorneys and they have some improvements. As a result, I am resending this to you with what we originally sent along with the suggested improvements. This, then, is an updated version of what was sent previously. Please note the highlighted portions of the last paragraph.

The laws regarding possession of firearms in Alaska—laws which were contemplated and enacted by our own state legislature—are being attacked, gutted and rewritten by bureaucrats at the ATF and FBI. Attempts to correct these errors at the federal level have been ignored. It is now incumbent upon the Alaska legislature to take action to defend the rights of Alaskans. In this letter I will explain the source of the problem, illustrate particular grievances against the federal agencies involved, and offer the proper solution—a recrafting of Alaska Statute 11.61.200(g)(2).

Under Alaska law, an individual who has been convicted of a felony can have their right to bear arms restored by any of three occurrences: a pardon, a suspended imposition of sentence, or by the passage of ten years from unconditional discharge. The Alaska legislature, recognizing both the distinctions of life in Alaska and also the profound respect that the majority of Alaskans

have for the right to bear arms, has made the decision to establish a means by which individuals who have previously been convicted of a felony may regain their right to bear arms. The bureaucrats at the ATF and FBI have subverted the goals of the Alaska legislature through the tortured and twisted application of limited U.S. Supreme Court cases to Alaska law. In doing so, these agencies have wrongfully deprived Alaskans of their rights.

In Caron v. U.S., the U.S. Supreme Court held that if a person who has previously been convicted of a felony is prohibited from possessing any type of firearm under state law, then they are prohibited from possessing all firearms under federal law.[1] Prior to this ruling, several states allowed previously convicted felons to regain the right to possess rifles and shotguns but prohibited them from possessing handguns.[2] Alaska law draws no distinctions among the types of firearms which a previously convicted felon may posses.[3] Alaska law allows an individual whose rights have been restored to possess rifles, shotguns and handguns. The only limit contained in our state law is upon the carrying of a concealed firearm by a person whose rights have been restored.[4] While the right of possession is fully restored, an individual who has previously been convicted of a felony may only carry a firearm concealed under limited circumstances - either while he is upon his own land or while he is engaged in outdoor activities that would "necessarily involve the carrying of a weapon for personal protection."[5]

An accurate reading of the Alaska statutes reveals that our state law should not be impacted by the Court's holding in Caron. Alaska law does not limit the "type" of firearms which a previously convicted felon may possess. Furthermore, the single limitation in place for previously convicted felons proscribes only their ability to carry a firearm in a concealed manner, and does not limit their right of possession in any way. The ATF and FBI are, however, interpreting the Alaska statute as a restriction upon possession. Because of this interpretation, Alaskans who have led productive lives, but who have convictions sometimes decades in their past, are being denied their right to own guns, and even being threatened with prosecution for serious Federal offenses.

---

[1] Caron v. U.S., 524 U.S. 308, 314 (1988).

[2] See U.S. v. Tomlinson, 67 F.3d 508 (4th Cir. 1995); see also U.S. v. Dahms, 938 F.2d 131 (9th Cir. 1991).

[3] See AS 11.61.200(a) and (b).

[4] AS 11.61.200(a)(12) and (g)(2).

[5] Id. The Alaska appellate courts have not established an objective test or enumerated specific criteria to consider when determining which activities Anecessarily involve the carrying of a weapon for personal protection.@

To better understand the plight of the individuals being affected by this law, I will offer some specific examples. In 1970, at the tender age of 19, R.S. made the mistake of getting caught up in recreational drug use. He was arrested for the possession of hallucinogens and convicted of a felony. As a first-time youthful offender, he was granted a suspended imposition of sentence, and given the opportunity to mend his ways. He is now a happily married 56-year-old father. He has worked, hunted and fished his entire life. He only learned recently, when he applied for the purchase of a new firearm, that he is now suddenly prohibited from owning firearms, despite having been granted a suspended imposition of sentence more than 30 years ago.

R.P. was convicted of a felony in 1992. After paying for his crime, he went straight to work helping the public. He became the director of the search and rescue organization for an Alaskan borough. Governor Murkowski granted him a full pardon, expressly for the purpose of allowing him to possess a firearm to help him fulfill his duties. He recently became aware of the fact that—despite the Governor's pardon—federal law prohibits him from possessing firearms.

The Federal law has stripped Alaska of the right to make its own decision on restoring gun rights to ex-felons. The overreaching actions of the bureaucrats at the ATF and FBI have left Alaska with a single option - to amend AS 11.61.200 to remove the disability on carrying a concealed weapon by a person convicted of a felony who has had their rights restored. By removing this disability in Alaska's law, the ATF and FBI will have no basis whatsoever to challenge Alaska's laws, and we can allow ex-felons who have proven their rehabilitation to participate in the full rights that all Alaskans enjoy.

I have included the text of two sample bills that would amend AS 11.61.200, and restore Alaska's policy of allowing rehabilitated ex-felons to own firearms. **I had the proposed legislation reviewed by the NRA and the NRA still sees problems with our proposed solutions. I've enclosed a copy of the memo I received from the NRA outlining such problems and the NRA's suggested proposal. We would urge the Legislature to adopt these changes, as suggested by the NRA,** to assure the continued support of the right of Alaskans to bear arms for the defense of themselves and others.

Sincerely,

Wayne Anthony Ross
Attorney at Law
Director, NRA

cc Brian Judy, NRA

Memorandum

Re: Proposed legislation
File: *11.61.220 Project*
Date: 9 September 2008

Several of our clients have experienced problems in either being denied an Alaska Concealed Handgun Permit (CHP) or denied permission to purchase firearms during a "National Instant Criminal Background Check System" (NICS) check.

These problems stem from the language of AS 11.61.200, the Alaska Statute for Misconduct Involving Weapons in the Third Degree. AS 11.61.200(a)(12) bars all people convicted of felonies from carrying a concealed weapon, while AS 11.61.200(g) sets out the exceptions to (a)(12)'s blanket ban.

Because of the limited nature of subsection (g)'s exceptions, the Alaska Department of Public Safety takes the position, upheld by the Alaska Supreme Court in *Gabrielle v. State of Alaska*, that anyone with a felony conviction is ineligible for an Alaska CHP. Additionally, the FBI has taken the position that the limit on a felon's ability to carry a concealed weapon under AS 11.61.200(a)(12) & (g) activate the federal ban on the possession of any firearm under 18 USC §922(g), as intepreted in *Caron v. U.S.*

I shall attempt to describe how the particular provisions of Alaska and Federal law have created these twin problems, and what we can do to attempt to fix them by changing Alaska's law.

The Alaska CHP Issue

The Alaska Department of Public Safety has taken the position that anyone with a prior felony conviction, regardless of the time since the conviction or whether the conviction was set aside or pardoned, does not qualify for an Alaska CHP. They have based this determination on the limited scope of the exceptions in AS 11.61.200(g) to the total ban in 11.61.200(a)(12) of any felon carrying a concealed firearm.

AS 11.61.200(g) only allows a convicted felon to carry a concealed firearm if; (1) the conviction has been pardoned, (2) the conviction has been set aside, or (3) 10 years have elapsed since the conviction, and either (a) the person was in their home or on land immediately adjacent to their home, or (b) was engaged in an outdoor activity that necessitated carrying the weapon for personal protection. Thus, without both some evidence of rehabilitation in (1)-(3), and observing the limited conditions for carrying in (a)-(b), a person convicted of a felony is guilty of

Misconduct Involving Weapons in the Third Degree if they carry a concealed weapon.

The Alaska Department of Public Safety's interpretation of AS 11.61.200 was upheld in *Gabrielle v. State of Alaska.*[1] There, the Supreme Court of Alaska held that a person with a felony record of any description, though not prohibited from applying for an Alaska CHP under the statutes and regulations governing eligibility for the permit, nevertheless was not entitled to an Alaska CHP because of the restrictions found in AS 11.61.200. Because this issue has been appealed to the highest court capable of deciding the issue, the only way to change this outcome is through legislation.

The NICS Check / 18 USC §922(g)(1) Issue

The FBI's National Instant Criminal Background Check System implements a federal requirement that all federally licensed firearms dealers conduct a background check on all prospective firearms purchasers. The background check screens those that have been disqualified from purchasing firearms through operation of federal law. Information is entered into the NICS system by multiple state and federal agencies, but the FBI determines whether the information provided disqualifies an individual from purchasing firearms.

Many of the federal restrictions on possession of firearms are found at 18 U.S.C. §922(g). §922(g)(1) prohibits anyone who has been convicted of a felony from possessing a firearm, however §921(a)(20) contains an exception for those felons who have had their civil rights restored (through operation of law, a pardon, or any similar means). The exception in §921(a)(20) has its own exception, however, prohibiting those convicted of a felony whose civil rights have been restored from possessing a firearm if state law prohibits them from possessing a weapon of any type.

The exception to the exception found in §921(a)(20) was interpreted by the U.S. Supreme Court in *Caron v U.S.*[2] There, the Court faced a person whose civil rights had been restored under Massachusetts law, including the right to possess long guns and handguns. However, he was not allowed to carry handguns outside his home or business, though this right was afforded to non-felons. The Supreme Court found that this restriction, though not strictly a prohibition against of possession of handguns, was enough of a restriction to activate the exception to the exception found in §921(a)(20).

Applying *Caron* to Alaska law, the FBI has taken the position that the restrictions on ex-felons carrying concealed weapons found in AS 11.61.200(a)(12) & (g) are sufficient to activate the exception to the exception found in 18 U.S.C. §921(a)(20). Because of this interpretation, ex-

[1] 158 P.3d 813 (Alaska 2007).

[2] 524 U.S. 308 (1998).

felons in Alaska, even those who have had convictions set aside or pardoned, are barred from possessing any firearm by §922(g)(1).

The FBI's interpretation of the effect of AS 11.61.200 on the application of 18 U.S.C. §922(g)(1) is contrary to the Alaska Supreme Court's interpretation in *Gabrielle* (which was not binding on the FBI), and has been questioned in other federal cases such as the unpublished *U.S. v Flores*.[3] However, given the similarity between Alaska law and the Massachusetts law at question in *Caron* (both allowed possession of all types of weapons, but restricted where and how handguns could be carried), the FBI's interpretation of the law is not clearly incorrect. It would be possible to challenge the FBI in court, but it is far from certain that we could obtain a favorable result.

The Common Factor

The common factor in both of these issues is AS 11.61.200, and the restriction on ex-felons carrying concealed weapons in Alaska, except under certain narrow exceptions. While Alaska has several statutes covering the crime of "Misconduct Involving Weapons," enumerating different degrees of the offense, no other iteration of the statute implicates the carrying or possession of weapons by ex-felons, and so would not impact either eligibility for an Alaska CHP or eligibility under the FBI's NICS system.

Likewise, Alaska's statutes and regulations governing Alaska's CHP program (AS 18.65.700-790, 13 AAC 30.010-900) set out eligibility requirements, including disqualifications if an applicant has had multiple recent misdemeanor offenses or has been ordered by a court to attend a drug- or alcohol-rehabilitation clinic. However, none of the requirements for a CHP touch on the status of the applicant as an ex-felon; pardoned, conviction set aside, or otherwise. Thus, none of these statutes or regulations need to be revised in addressing either the CHP or NICS issue.

Therefore, a legislative fix to this issue need only modify the restrictions on ex-felons carrying or possessing weapons that are found in AS 11.61.200.

The Possible Solutions

Alaska is unusually *laissez-faire* in its approach to gun rights (being one of two states that allows concealed carry of firearms without a permit). However, Alaska also tends towards a tougher stance on crime issues than other states. In attempting to change the policy embodied in AS 11.61.200 towards the gun rights of ex-felons, we will be working in the cross-currents of these two conflicting political priorities.

[3] 118 Fed. Appx. 49 (C.A.6 (Mich.)).

From a strictly political perspective, we could attempt to counter some of the turbulence of a legislative proposal by noting that it is federal law that has forced us to seek a modification of our state law, in order to allow us to pursue our own policy of granting forgiveness to, and restoring the rights of, ex-felons. Federal law has stripped Alaska of its right to make its own determination of how ex-felons are to exercise their gun rights, and leaves us only a simplistic all-or-nothing choice as to whether ex-felons should regain their gun rights.

There are several different methods we could pursue to change AS 11.61.200 so as to allow for ex-felons to apply for an Alaska CHP and to bypass the federal ban on possession found in 18 U.S.C. §922(g)(1). The principal question in changing the restrictions found in AS 11.61.200, however, is how far to expand the re-enfranchisement of gun rights to ex-felons.

First, in order to permit ex-felons to apply for an Alaska CHP, or to possess a weapon under 18 U.S.C. §922(g)(1) and *Caron*, we must remove the restrictions on where an ex-felon may carry a concealed weapon found in AS 11.61.200(g)(2) (I have attached two sample proposed bills with this memo for you to review). This would allow an ex-felon to carry a concealed weapon under the same circumstances that any other citizen would be able to. This would broaden the rights of ex-felons, as it allows them to carry concealed weapons where previously they were not allowed to. However, this is the only means of restoring their right to own weapons at all, given the FBI's interpretation of 18 U.S.C. §922(g)(1).

As for how far to extend re-enfranchisement, currently AS 11.61.200(g) identifies three groups of ex-felons that it restores gun rights to; ex-felons who (1) received a pardon, (2) had their conviction set aside, or (3) had more than 10 years elapse since they finished serving their sentence and who had not committed a violent felony. There is a strong argument that all three groups should be granted full re-enfranchisement, as all three demonstrate some individualized showing of rehabilitation, rather than automatically granting an ex-felon gun rights as soon as they get out of jail.

Conclusion

Alaska has made its own policy decision about how to handle the gun rights of ex-felons, however the Federal Government has stripped Alaska of the right to make our own judgments except for an all-or-nothing decision on the gun rights of ex-felons. That message of Federal interference with Alaska's laws is the message we should emphasize in attempting to amend AS 11.61.200, in order to restore the gun rights of those denied them under the federal government's ban.

State of Alaska
Department of
Public Safety

Sarah Palin, Governor
Walt Monegan, Commissioner

May 13, 2008

[redacted]

By certified mail with return receipt

Dear Mr. [redacted]

I received your e-mail dated April 6, 2008 appealing the denial of your application to obtain an Alaska Concealed Handgun Permit, and have given careful consideration to your appeal. Your appeal is denied. An explanation of the reason for this denial is as follows.

In stating your case, you provide abundant evidence of your good character and legal standing, as well as expressing frustration with an action by this department which you feel unwarranted in your circumstances.

The original decision to deny your application was based upon your convictions for 2nd degree burglary. Sentencing for your convictions was suspended and eventually your convictions were set aside. Burglary in the second degree is a felony. A felony conviction disqualifies an applicant from obtaining an Alaska Concealed Handgun Permit. A felony conviction that has been set aside is still a disqualifier for the issuance of an Alaska Concealed Handgun Permit. State law (13 AAC 30.900(6)) defines a conviction as meaning "...that a person has entered a plea of guilty or no contest to, or has been found guilty by a court or jury of, a criminal offense, **regardless of whether the judgment was after that set aside under AS 12.55.085** or a similar procedure in another jurisdiction, or was the subject of a pardon or other executive clemency..." (emphasis added) Consequently, because of your set aside felony convictions, we are prohibited, by law, from issuing you an Alaska Concealed Handgun Permit.

Office of the Commissioner
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

[redacted] [redacted] [redacted] 09:TT 8002/ZT/90

2014

Your message also indicates that you have not been denied a firearm transfer when presenting yourself for a NICS check. Although it is logical to assume that you are eligible to possess a firearm under federal law, an Alaska Concealed handgun permit may only be granted to those who are eligible to possess a handgun under both federal and state law. Alaska law (AS 11.61.200(a)(12)) prohibits you from carrying a concealable firearm. There is no unrestricted right to carry a concealed handgun for a convicted felon under Alaska law.

As a final administrative decision, the appeal to this action is denied.

You are reminded of your right to seek judicial review of this decision under Alaska Statute 44.62.560-570 within 30 days of receipt of this letter.

Sincerely,

John D. Glass
Deputy Commissioner

To whom it my Concern,

My name is [redacted] and I'm writing this letter in regards to the denial of a concealed carry permit that I applied for in the beginning of [redacted] of 2008.I have taken the concealed carry course and paid a considerable amount of money for that course to try and be a law abiding gun owner and carrier, even though in the state of Alaska it is not necessary to do so.

I'm a 36 year old father of [redacted] and a devoted husband,and I'm currently a superintendent for a multi-million dollar [redacted] and work year round at that job.I'm a tax payer,a voter and a yearly supporter of our Alaska Peace Officers and Public Safety Employee Association and a Member of the N.R.A. I'm a law abiding citizen that does not drink or do drugs and haven't even had a traffic violation in over ten years.

I was 17 years old when I found myself on the wrong side of the law for the first and only time in my life.
I was young and dumb as we've all been, and made a bad choice in my young life, I was involved in a non-violent crime in which a felony was charged.I plead no contest because I knew what I did was wrong and there was no sense in fighting it andwaisting the courts time.I did a short jail term and was ordered to payrestitution and do 3 years probation.And because I was so young and payed my restitution in full and did my probation with no problems or violations. I was given a S.I.S (Suspended Imposition of Sentencing) my conviction was Dropped, Dismissed by a federal judge.(I'm not concidreda felon.)So why put me in that category.

I was given a second chance and have made a great life with that second chance, I'm allowed to vote,buy and posses firearms and I"m a avid hunter and sportsman.(Because I'm not concidered a felon that is all possible.)

In the State of Alaska I'm allowed to carry a concealed weapon without a permit,but yet I can't get a concealed carry permit if I want one.It doesn't make sense, why you would not want me on paper to show law enforcement that I would carry a concealed weapon.I have court documents,F.B.I and N.I.C.S background checks to prove my eligibility to own a handgun. I have talked to people at the permits and licensing unit that agree and don't understand it either.

I ask of you to grant me the right and please allow me to get my concealed carry permit and to go on paper as a permit holder and to be able to give law enforcement officers the ability to know that I have a weapon on my person and to be a law abiding and safety trained citizen.

Sincerely,

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] [redacted] [redacted] 11:55 AA07/27/90

State of Alaska
Department of Public Safety
Division of

Statewide Services

Sarah Palin, Governor
Walt Monegan, Commissioner

June 9, 2008

CERTIFIED RETURN RECEIPT

[redacted]

RE: Alaska Concealed Handgun Permit

Dear Mr. [redacted]

This is to notify you that your application for renewal of your Alaska Concealed Handgun permit is denied. Enclosed please find your cash in the amount of $25.00.

Upon receiving an application for renewal, we are obliged to review the eligibility status of the applicant. In your case we have determined that you are not eligible to hold a concealed handgun permit and that the original issue was done in error.

Effective immediately, your concealed handgun permit is revoked. You must surrender the permit to the nearest peace officer. We recommend that you surrender the permit at the nearest State Trooper office or police department.

We apologize for any inconvenience this may cause you but the law does not allow any other course of action.

Alaska statute 18.65.705 states that, in order to be eligible for a permit, an applicant "must be eligible to own or possess a handgun under the laws of this state and under federal law." We understand that your right to possess a firearm has been returned to you under federal law but Alaska law continues to bar you from unrestricted possession of a firearm. As a result, you may not be issued an Alaska concealed handgun permit.

Presidential pardon!

Under Alaska statute 11.61.200, misconduct involving weapons in the third degree, it is a class C felony for a person to knowingly possess a firearm capable of being concealed on

one's person or to knowingly possess a firearm that is concealed on the person after having been convicted of a felony by a court of this state, a court of the United States, or a court of another state or territory.

The same statute does provide for two affirmative defenses to a prosecution for these offenses but does not make it legal conduct for a convicted felon. In your case, your felony convictions will forever bar you from unrestricted possession of a firearm in Alaska even in light of the fact that the federal government has apparently restored your federal rights.

Presidential Pardon!

The person who initially reviewed your eligibility status mistakenly interpreted the restoration of your federal rights to possess a firearm as restoring your state right as well. It does not. Pardons do not create an exception. Set asides, whether court ordered or statutory, do not create an exception.

Please surrender your permit immediately to insure compliance with Alaska law.

Alaska statute 18.64.740 provides that you may appeal this revocation decision to the commissioner of the Department of Public Safety. The appeal must be received in writing within 30 days after the date of the notice of revocation, and must set out the reasons for the appeal.

Sincerely,

Terrie Satterfield
Permits and Licensing Unit

Terrie,

Here is what I had this e-mailed to me on the Pardon. Here is what I was told:

I meet the requirements of AS 18.65.705
There was "no change" on the renewal application
I meet all Federal and State laws to own and posses a handgun
Pardon granted by President not Governor of State of Alaska
Per AS a "Pardon" is the only way to restore rights lost and remove disabilities under Alaska Law
The ACHP Rules .doc was an information paper created by someone in DPS, not the State Attorney's Office

I have no idea of all the all the AS that apply and have been told that several contradict one another. In several AS it states that when a Pardon is issued it is as though the conviction never occurred. I have had CCW permits in several states (including Alaska).

If this does not clear it up to everyones satisfaction, please forward me the appeal procedures so I may address this to the Commissioner of Public Safety.

Thank you for your patience with me! I really do appreciate all your help!

Respectfully,

[redacted]

back to him. He objected. A replevin petition was filed in the Circuit Court of Phelps County on June 18, 2005, seeking return of his revolver. On October 27, 2005, the Attorney General filed his answer. The state's position was that Mr. Troyer needs a permit to acquire a pistol prior to obtaining custody of the revolver. The court held a hearing on August 21, 2006. The parties subsequently signed on October 5, 2006, a stipulation for dismissal. Mr. Troyer agreed to drop his lawsuit and the police agreed to return the revolver to Mr. Troyer without requiring that he obtain a pistol acquisition permit. The revolver was returned.

MONTANA

Van der Hule, Frank (Montana). The issue is whether Montana's restoration of rights satisfies the requirements of 18 U.S. Code section 921(a)(20), or is it insufficient based on the holding in Caron v. United States, 118 S.Ct. 2007 (1998), which held a person cannot be convicted under federal law of being a felon in possession of a firearm stemming from a state felony conviction if the state law that removed the disability allows the person to possess all firearms (rifle, shotgun, pistol). On the other hand, a person may be convicted under federal law of being a felon in possession of a firearm stemming from a state felony conviction if state law allows such a person to possess only certain firearms, e.g., rifles and shotguns, but not pistols. In this case, Mr. Van de hule was denied permission to purchase a hunting rifle following a background check. A lawsuit was filed. Plaintiff subsequently filed a motion for summary judgment. The government likewise filed a motion for summary judgment. Mr. Van der hule filed his reply on November 6, 2006. Oral argument occurred on March 23, 2007. The court held on September 21, 2007, that Montana's refusal to grant a license to carry a pistol to a person whose civil rights have been restored meant that under Caron he could not possess any firearm under federal law. However, there is a possibility that Montana law grants a licensing official discretion to grant the carrying license to such a person. Therefore, the court certified the question to the Montana Supreme Court.

NEW HAMPSHIRE

Lone Pine Hunter's Club, Inc. (New Hampshire). This is an effort to shut down a shooting range. New Hampshire has a range protection statute. The club has been operating a shooting range on the property since 1966. The case resulted in two reported decisions. Lone Pine Hunters' Club v. Town of Hollis, 149 N.H. 668, 826 A.2d 582 (2003), held that evidence was sufficient to uphold finding that the zoning board of adjustment's finding that, 34 years earlier, it merely decided that hunt club did not need a variance to build a proposed addition, rather than deciding that the club did not need a variance to use the property as a fish and game club. Consequently, under the 1999 zoning ordinance the club's use of the property could be approved as special exception. The club would have to cease and desist unless the club applied for a special exception and presented a site plan to the planning board depicting the nature of the club's entire operation. Residents Defending Their Homes v. Lone Pine Hunters' Club, Inc., 924 A.2d 366 (N.H. 2007), held that the range protection statute only protected a shooting range that was in lawful operation at its inception. The court held the club was not operating lawfully from its inception in 1966. Accordingly, the club must obtain approval from the town, in compliance with the zoning provisions allowing for a special exception as a shooting range.

Wayne Anthony Ross

From: Frazer, John [John.Frazer@nrahq.org]
Sent: Thursday, December 04, 2008 11:16 AM
To: Ross, Col. Wayne Anthony
Cc: Judy, Brian; Conte, Christopher
Subject: FW: Gun Rights for Ex-Felons

Dear Mr. Ross:

Chris Conte, Brian Judy and I have reviewed your memo and draft legislation.

It appears to us that we will need to go a little farther than your drafts to fix the problem entirely.

Draft #2 completely repeals the limitation under which an ex-felon can only possess a gun on his own property, or while engaged in hunting, fishing, etc. This is the exception the Alaska Supreme Court relied on in *Gabrielle*, pointing out that under Alaska law at the time, "a pardoned felon [could] only carry a concealed handgun in those situations where an ordinary citizen would be able to carry a concealed handgun without a permit." 158 P.3d at 815. The flip side is that a pardoned felon couldn't carry a handgun anywhere else. This is similar to *Caron*, where (as Justice Thomas pointed out in his dissent) the ex-felon was only prohibited "from possessing only certain firearms (handguns) in only certain places (outside his home or office)." Getting rid of this limitation for all ex-felons would largely solve the *Caron* problem.

Draft #1 would reorganize AS 11.61.200(g) so that the property and hunting limitations only apply to persons whose rights are restored by operation of law after 10 years. This would help solve the problem for those whose rights are restored by a more particularized method (i.e., a pardon or set aside). Because there would be no limitations on gun possession by those people (and no problem with eligibility for carry permits), they would no longer be prohibited from possessing guns at the federal or state level. However, because the property and hunting limitations would still apply to those whose rights are restored by the passage of time, they would still be federally prohibited under *Caron*.

However, there is a potential problem with both drafts. AS 11.61.200(g) only creates an affirmative defense to prosecution under AS 11.61.200(a)(12). It is not a total exception, and therefore BATFE could argue that all pardons, set-asides, and 10-year restorations still limit ex-felons' right to possess firearms because they create a situation where the ex-felon can be arrested and put on trial before successfully raising his affirmative defense. BATFE would argue that if the Alaska legislature wanted to create a total exception, it knew how to do that; see, e.g., AS 11.61.200(e) (bans on possessing prohibited weapons and on discharging weapons from motor vehicles "do not apply to a peace officer acting within the scope and authority of the officer's employment.)" If any limit exists on gun possession by ex-felons, those felons would still be prohibited from possessing firearms under federal law, and therefore from getting an Alaska carry permit. To avoid this problem, it would be necessary to change the affirmative defense to a full-scale exception.

As an aside on the federal interpretation of these provisions, I would not rely on the Alaska Supreme Court's holding that Gabrielle wasn't prohibited from possessing a gun under federal law because he was pardoned, rather than receiving a restoration of rights. The language in the federal statute is parallel for pardons and restorations, and I think a federal court would likely take a different view than the Alaska Supreme Court did.

Fortunately, drafting a bill that will solve these problems is not difficult. All it needs to do is change the affirmative defense in AS 11.61.200(g) to an exception, and get rid of the property and hunting/fishing limitations. See attached, and please let us know if you have any questions.

Sincerely,

John Frazer

P.S. I am attaching a copy of the Gabrielle case for Brian's reference.

-----Original Message-----
From: Conte, Christopher
Sent: Tuesday, December 02, 2008 1:41 PM
To: Frazer, John
Subject: FW: Gun Rights for Ex-Felons

Here it is.

Christopher A. Conte
Legislative Counsel, NRA/ILA
(703) 267-1166

The information contained in this message and any attachments hereto, if any, should be presumed to be confidential. In addition, attorney/client and/or attorney/consulting privileges may attach. The information is intended only for the use of the addressee. If you are not the intended recipient or authorized agent, employee or counsel for the addressee, you are hereby notified that any use, dissemination, distribution or copying of this communication, in whole or in part is strictly prohibited. Have a nice day.

-----Original Message-----
From: Judy, Brian
Sent: Tuesday, December 02, 2008 12:35 AM
To: Conte, Christopher
Subject: Fw: Gun Rights for Ex-Felons

FYI.

---- Original Message ----
From: Ross & Miner Paralegal
To: bjudy@nrahq.org
Sent: Monday, December 01, 2008 3:29 PM
Subject: Gun Rights for Ex-Felons

Mr. Judy,

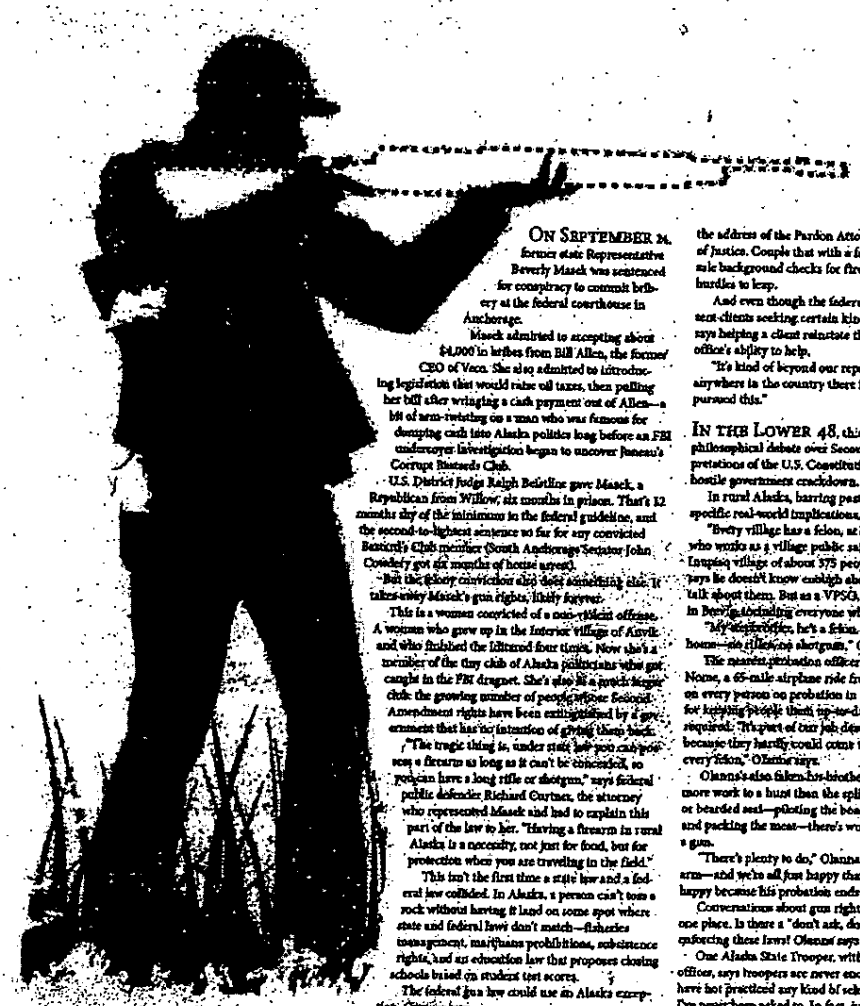
Wayne has asked me to forward the attached documents to you. I made the assumption that you do not have WordPerfect and converted the files into Word, which means they may look a bit different from the documents you have. Please let me know if there is anything else I can do.

Sincerely,

Hidden punishment

In rural Alaska, where gun rights matter most, there's no way for reformed felons—even non-violent ones—to get them back.

Story and photos by Scott Christianse



On September 26, former state Representative Beverly Masek was sentenced for conspiracy to commit bribery at the federal courthouse in Anchorage.

Masek admitted to accepting about $4,000 in bribes from Bill Allen, the former CEO of Veco. She also admitted to introducing legislation that would raise oil taxes, then pulling her bill after wringing a cash payment out of Allen—a bit of arm-twisting on a man who was famous for dumping cash into Alaska politics long before an FBI undercover investigation began to uncover Juneau's Corrupt Bastards Club.

U.S. District Judge Ralph Beistline gave Masek, a Republican from Willow, six months in prison. That's 12 months shy of the minimum in the federal guideline, and the second-to-lightest sentence so far for any convicted Bastard's Club member (South Anchorage Senator John Cowdery got six months of house arrest).

But the felony conviction also does something else. It takes away Masek's gun rights, likely forever.

This is a woman convicted of a non-violent offense. A woman who grew up in the Interior village of Anvik and who finished the fifteenth four times. Now she's a member of the tiny club of Alaska politicians who got caught in the FBI dragnet. She's also in a much larger club: the growing number of people whose Second Amendment rights have been extinguished by a government that has no intention of giving them back.

"The tragic thing is, under state law you can possess a firearm as long as it can't be concealed, so you can have a long rifle or shotgun," says federal public defender Richard Curtner, the attorney who represented Masek and had to explain this part of the law to her. "Having a firearm in rural Alaska is a necessity, not just for food, but for protection when you are traveling in the field."

This isn't the first time a state law and a federal law collided. In Alaska, a person can't toss a rock without having it land on some spot where state and federal laws don't match—fisheries management, marijuana prohibitions, subsistence rights, and an education law that proposes closing schools based on student test scores.

The federal gun law could use an Alaska exemption, Curtner says.

"But people convicted of crimes don't have any lobby. There are all kinds of exceptions written into law for banks and for corporations, but when you've done something wrong in your past, there's no lobbyist for that," he says.

The federal government has a process for reinstating civil rights. In the case of gun rights, a felon who has paid their debt to society or been exonerated by a presidential pardon, can file an application for reinstatement of rights with the Bureau of Alcohol Tobacco Firearms and Explosives. The bureau's agents process the application, performing a background check to make certain the applicant qualifies.

But ATF agents don't do those background checks anymore, and haven't for the last 17 years. That's according to a form letter ATF sends to anyone who inquires about reinstatement of rights. The letter calls Second Amendment rights "federal firearms privileges" and says that ever since 1992, Congress has used the bureau's annual budget appropriation to prohibit the ATF from spending money to "investigate or act upon" any restoration of rights application. The letter also says the convict may seek a presidential pardon, and gives the address of the Pardon Attorney's Office at the U.S. Department of Justice. Couple that with a federal law that created strict point-of-sale background checks for firearms, and you have some tall legal hurdles to leap.

And even though the federal public defenders occasionally represent clients seeking certain kinds of post-conviction relief, Curtner says helping a client reinstate their gun rights would be outside his office's ability to help.

"It's kind of beyond our representation, and I don't know that anywhere in the country there is a case where (a public defender) h pursued this."

In the Lower 48, this issue might stand out as a mostly philosophical debate over Second Amendment rights, modern interpretations of the U.S. Constitution, or the hypothetical threat of a hostile government crackdown.

In rural Alaska, barring past felons from possessing a gun has specific real-world implications, ones that aren't just theoretical.

"Every village has a felon, at least one," says Winfred Olanna, who works as a village public safety officer in Brevig Mission, an Inupiaq village of about 375 people on the Seward Peninsula. Olanna says he doesn't know enough about federal firearms prohibitions to talk about them. But as a VPSO, he's tasked with knowing everyone in Brevig, including everyone who returns from prison.

"My stepbrother, he's a felon, so he can't have any firearms in hi home—no rifles, no shotguns," Olanna says.

The nearest probation officer to Brevig Mission is based in Nome, a 65-mile airplane ride from the village. Olanna checks in on every person on probation in the village. He's even responsible for keeping people there up-to-date with drug testing, when it's required. "It's part of their job description to work with the P.O.s, because they hardly could come to every village twice a month for every felon," Olanna says.

Olanna's also taken his brother-in-law hunting. After all, there's more work to a hunt than the split-second it takes to shoot a caribo or bearded seal—piloting the boat, spotting animals, field dressing and packing the meat—there's work a hunter can do without holdi a gun.

"There's plenty to do," Olanna says. "He just can't carry a firearm—and we're all just happy that he is following his probation. H happy because his probation ends next year."

Conversations about gun rights in rural Alaska inevitably lead one place. Is there a "don't ask, don't tell" policy when it comes to enforcing these laws? Olanna says there isn't in Brevig Mission.

One Alaska State Trooper, with experience as a VPSO oversight officer, says troopers are never encouraged to let anyone slide. "I have not practiced any kind of selective enforcement like that, and I've never been asked to. In fact, just the opposite," says Trooper Terrence Shanigan.

Shanigan, who is 38, grew up in rural Alaska, in the Bristol Bay villages of Pilot Point and Ugashik. He remembers being one of the excited village kids who would run, not walk, to the airstrip when state troopers landed at Ugashik.

"I only knew him as 'trooper' but it was always exciting when he came to town," he says, adding troopers were piled with coffee and skimp. He says a successful state trooper or VPSO must insert themselves into the community, making a point to attend potlatch and community events such as planning meetings.

Troopers are charged with enforcing state laws, and that's wher their focus is. Shanigan's current patrols the Parks Highway from Talkeetna north to Cantwell. When he worked as a VPSO oversigh officer, he was sometimes assigned to villages with only on-and-off VPSO coverage, where he made frequent visits even though he couldn't be there every day. He's trained in wildlife enforcement, s he knows how to prosecute hunting and fishing violations.

Shanigan says it's possible that a trooper might come into conta with a felon on probation—someone the state law doesn't allow to

2023

03/03/2010 WED 18:08 FAX 035/035

Alaska State Trooper Terrence Shanigan: "Someone with that knowledge might say, 'Hey, that trooper let somebody go'—but that's not really what they saw," he says.

armed—without the information on-hand to charge that person with a probation violation.

"When you go down to the river, well, everybody is packing firearms," Shanigan says, but the trooper may not know who on the river has had their rights revoked until he is back at the office, running names through databases. "Now someone with that knowledge might say, 'Hey, that trooper let somebody go'—but that's not really what they saw," he says.

Cops can be suspicious for all kinds of reasons, Shanigan says, but they have to be careful to not trounce on anyone's rights. "You have to make decisions based on what you know to be true," he says.

ALL OF THE COMPETING STATE and federal regulations are further complicated by something called the National Instant Criminal background Check System. NICS, as it's informally known, is the background check licensed gun dealers use to see if federal gun control laws allow a particular customer to purchase a gun. And the NICS system has flagged people who have their rights restored in their home state.

Anchorage attorney and gun rights activist Wayne Anthony Ross has represented people attempting to earn their gun rights back. Ross says the reason NICS flags all Alaska felons is fallout from a U.S. Supreme Court ruling called Caron v. U.S. The case was decided in 1993, and requires that a person have all gun rights restored before the federal government recognizes any of their gun rights. The FBI applies this "all-or-nothing" approach to managing NICS.

Alaska law allows for restoration of most, but not all, of a felon's gun rights. A state felon cannot have a concealed weapon, Ross says, unless the felon wears the weapon on private property. (His interpretation differs slightly from that of Curtner, who tells clients they can't own a "concealable" weapon.)

A state felon is also prohibited from receiving Alaska's concealed weapons permit. The permit itself is an odd-duck. It's no longer required in order to carry a concealed weapon in Alaska. Yet the state continues to offer them because gun rights activists want the right to carry in other states where Alaska has reciprocal agreements.

"The problem is that this Supreme Court case that says if there is any state prohibition on having firearms, no mater how minimal, then you can't own a firearm at all," Ross says. "So a guy who feeds his family through subsistence, and has paid his debt to society, isn't able to do that."

Ross believes changing state law can solve the NICS problem for some felons. He's even drafted model legislation, but it hasn't been introduced despite his efforts to recruit a legislator to sponsor it. "I've got clients who have received pardons. There is one guy who has received a presidential pardon and others are people who have completed their probation. So we have multiple classes of people who are affected by this," he says.

In a letter to state Senator Charlie Huggins, Ross identified two clients by their initials and related their stories. One was convicted in 1970, becoming a felon at age 19 after being caught with hallucinogenic drugs, Ross wrote. "He has worked, hunted and fished his entire life. He only learned recently, when he applied for purchase of a new firearm, tat he is now suddenly prohibited form owning firearms, despite having been granted a suspended imposition of sentence more than 30 years ago."

Ross's second example was a man convicted of felony assault in 1992 and granted a full pardon by Governor Frank Murkowski in 2006. The man was a search and rescue pilot who wanted to carry a weapon while performing his job.

FEDERAL GUN LAWS ARE STRONGEST when applied to felons in possession of weapons, or people accused of using a gun while committing a felony crime. A drug dealer or repeat violent offender can have up to five years added to their sentence if they have a gun in their home. Newsrooms often get press releases from the U.S. Attorneys office touting new indictments and sentences related to such charges.

"We use our discretion when applying the law," Assistant U.S. Attorney Frank Russo says. "Usually we are applying the law at the request of the local community."

The implication is there won't be hordes of FBI or ATF agents flying around Alaska and rappelling into hunting camps to check IDs and round up gun owners. But defense attorneys aren't really satisfied with that.

"A client might know that it's very unlikely that they would be charged (for being a felon in possession)," Curtner says. "But I can't tell my people that, to trust the government not to charge you. I can only advise the client on the law, and the law in this case says you can't own a weapon."

So that's what Curtner told Beverly Masek, and every other nonviolent offender he's represented who was found guilty. "We talked about it, and it's one of those things that's 'what are you going to do?'" Curtner says. "There is just no getting around it." ◆

scott@anchoragepress.com

Brevig Mission VPSO Winfred Olanna: "Every village has a felon, at least one."

NATIONAL RIFLE ASSOCIATION OF AMERICA
INSTITUTE FOR LEGISLATIVE ACTION
555 CAPITOL MALL, SUITE 625
SACRAMENTO, CALIFORNIA 95814
916/446-2455 PHONE 916/448-7469 FAX

STATE & LOCAL AFFAIRS DIVISION
BRIAN JUDY, ALASKA STATE LIAISON

March 11, 2010

Background Information
House Bill 408
Restoration of Firearm Rights in Alaska

• Under Alaska State law, a person who has been convicted of a felony is NOT prohibited from possessing a rifle or shotgun. In effect, the person's right to possess such a firearm is restored by operation of law upon the person's release from incarceration.

• Under Alaska State law, a person who has been convicted of a felony IS prohibited from possessing a firearm *capable of being concealed* on one's person (Alaska Stat. § 11.61.200(a)(1)) and, separately, IS prohibited from possessing a firearm that *is actually concealed* on the person (Alaska Stat. § 11.61.200(a)(12)).

• Alaska State law also provides, however, for an "affirmative defense" to a prosecution under either the felon-in-possession-of-a-*concealable*-firearm statute or the felon-in-possession-of-a-*concealed*-firearm statute if the person's civil rights have been restored as follows:

(1) For possession of firearms *capable of being concealed*, if the person has received a pardon or if the conviction has been set aside or if a period of ten years or more has elapsed since the date of the person's unconditional discharge (Alaska Stat. § 11.61.200(b)); and

(2) For possession of firearms that *are actually concealed*, if the person has received a pardon or if the conviction has been set aside or if a period of ten years or more has elapsed since the date of the person's unconditional discharge. The restoration of the right to possess a *concealed* firearm is further limited, however, to the following circumstances: in the person's dwelling, on land owned or leased by the person appurtenant to the dwelling or while the person is actually engaged in lawful hunting, fishing, trapping or other lawful outdoor activity that necessarily involves the carrying of a weapon for personal protection (Alaska Stat. § 11.61.200(g)).

• Further, it is important to note that under Alaska State law, restoration, by operation of law after the passage of time, of the right to possess either a firearm that is *capable of being concealed* or a firearm that *actually is concealed* is limited to persons who were NOT convicted of an offense against the person (Alaska Stat § 11.41).

• It is also important to note that under Alaska State law, the rights to vote (and, as a qualified voter, to hold public office) and to serve on a jury are lost upon conviction of a felony but automatically restored, by operation of law, immediately upon the person's unconditional discharge (Alaska Stat. §§ 09.20.020; 15.05.030(a); 33.30.241).

• Under Federal law, a person who has been convicted of a "crime punishable by imprisonment for a term exceeding one year" may not possess a firearm (18 USC § 922(g)).

• Federal law also provides, however, that "any conviction which has been expunged, or set aside or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction... *UNLESS* such pardon, expungement, or restoration of civil rights expressly provides that the person may not...possess firearms" (18 USC § 921(a)(20)).

• In the case of Caron v. United States (524 U.S. 308 (1998)), the Supreme Court of the United States:

(1) Found that "nothing in the text of §921(a)(20) requires a case-by-case decision to restore civil rights" so restoration of such rights by operation of law is sufficient; and

(2) Interpreted the aforementioned "unless clause" found in 18 USC § 921 (a)(20). The Court held that an "all-or-nothing" test must be applied and that "a state weapons 'limitation' activates the uniform ban on possessing any firearm at all." In other words, a state must completely restore "all" of a person's rights and treat the person whose rights have been restored in the same manner that other law-abiding citizens are treated. If a person does not have "all" rights restored by the state then, for the purpose of federal law, the person has no rights. Subsequent cases have held that complete restoration of "all" rights includes, not only ALL firearm rights, but also the rights to vote, hold public office and serve on a jury.

• Alaska State law contains two "limitations" on persons who have had their right to possess firearms otherwise restored that are not imposed on persons who have never lost their rights and which, therefore, activate the federal ban on possessing any firearm at all:

(1) A person whose right to possess firearms has been otherwise restored can not possess a firearm concealed outside their dwelling, property or while engaged in a lawful outdoor activity (Alaska Stat. § 11.61.200(g)(2); and

(2) A person whose right to possess firearms has been otherwise restored would be in the position of having to raise an affirmative defense to a charge of either possessing a concealable firearm (Alaska Stat. § 11.61.200(b)) or carrying a firearm concealed (Alaska Stat. § 11.61.200(g)), while a person who never lost his or her rights cannot be charged with such a crime whatsoever.

• Unless the Alaska State Legislature amends existing law to modify these two limitations, the existing policy of the State of Alaska to allow for the restoration of firearm rights cannot be implemented without impacted persons being subject to felony prosecution under Federal law.

NATIONAL RIFLE ASSOCIATION OF AMERICA
INSTITUTE FOR LEGISLATIVE ACTION
555 CAPITOL MALL, SUITE 625
SACRAMENTO, CALIFORNIA 95814
916/446-2455 PHONE • 916/448-7469 FAX

STATE & LOCAL AFFAIRS DIVISION
BRIAN JUDY, ALASKA STATE LIAISON

March 11, 2010

TO: Representative Bill Stoltze
CC: Members of the House Judiciary Committee
FROM: Brian Judy, NRA-ILA Alaska State Liaison
RE: House Bill 408 – **SUPPORT**

I am writing on behalf of the National Rifle Association – Institute for Legislative Action to express **support for House Bill 408.** HB 408 would facilitate the implementation of the current Alaska state law that allows persons who have long-past felony convictions but whose rights have been restored to possess firearms in the state. Although the legislative fix necessary to solve this problem is simple, the reason it is necessary is quite a technical and complicated interaction between state law, federal law and a U.S. Supreme Court decision (attached is a detailed summary of the various issues at conflict).

While many advocates for the restoration of voting rights for persons with past felony convictions talk about dignity, with respect to the restoration of firearm rights there is not only the issue of dignity but of life and death. The nature of life in Alaska, especially in the rural areas, makes possession of firearms a necessity not only for food but for protection in the field.

Current Alaska State law provides for the restoration of roughly 95% of firearms rights to those former offenders who qualify. They can possess rifles and shotguns, they can possess handguns, they can carry handguns openly and they can carry handguns concealed in their home, on their property and while engaged in lawful outdoor activities out in public. The only thing they cannot do under state law is put on a coat and cover a handgun when they are somewhere other than those places previously listed.

The problem is that, based on the Court decision discussed in my attachment, because the State of Alaska does not restore 100% of an affected person's firearm rights, under federal law the person is considered to have NO rights whatsoever! In a Legal Services Memorandum dated April 1, 2009, Legislative Counsel Gerald Luckhaupt described the Court's conclusion as "obviously incorrect." While the NRA would completely agree with Mr. Luckhaupt, only three Supreme Court Justices shared such a view and the decision was 6-3 in this case.

As discussed in my attachment, there are two changes that must be made to State law: first, the restriction on concealed carry must be repealed and second, two affirmative defenses found in AS § 11.61.200 must be changed to exceptions. With these two changes, Alaska State law would treat persons who have had their rights restored exactly the same as those who have never lost their rights and the problem would be solved.

It is the hope of the National Rifle Association that legislators can get beyond the perceived stigma of "giving firearms to felons" and realize the legitimacy of allowing persons, who have long ago paid their debt to society, to attain the restoration of their rights already provided by the State of Alaska but extinguished by an "obviously incorrect" U.S. Supreme Court decision.

Please support House Bill 408.

Helen Phillips

From: Rep. Bill Stoltze
Sent: Tuesday, April 06, 2010 1:15 PM
To: House Finance Legislation
Subject: FW: HB408

Please add to the packet for HB 408.

-----Original Message-----
From: housemajority_email@housemajority.org [mailto:housemajority_email@housemajority.org]
Sent: Tuesday, April 06, 2010 10:07 AM
To: Rep. Bill Stoltze
Subject: HB408

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to pat@barrow.com If suspected Spam please forward to: support@housemajority.org
+----------+

From: pat@barrow.com

Thank you for your work on HB408. I stand in full support. I have earned a full unconditional pardon from Gov. Murkowski with specific firearm rights restoration listed on it. However even with this rare legal instrument of restoration with the state seal embossed and signed by the Governor I am not able to posses firearms. I can find no other state that has such a dilemma. Please continue to exercise your just wisdom to right 11.61.200. My life and those I serve depends on it.

Respectfully yours,

Pat Patterson

~ Richard \"Pat\" Patterson
Zip Code: 99723
Voter ID: 08014006

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to pat@barrow.com If suspected Spam please forward to: support@housemajority.org
+----------+

HB 410

<target><bill>HB 410</bill><subject>HB 410</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18 of the Alaska Constitution, I am transmitting a bill relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority. The bill will also make changes to the loan program financed by the rural development initiative fund.

This bill is designed to modernize lending practices of the Alaska Industrial Development and Export Authority (Authority) so that Authority loan programs can benefit the economy, and the Authority can more easily be a participant in large scale economic development projects with other partners. First, the bill will change how the Authority determines minimum interest rates for certain loan participations. Second, the bill will permit the Authority to pay incentive rate rebates on certain loan participations that satisfy economic development criteria, such as job creation or investment in rural areas. Third, the bill will clarify that the Authority has statutory authority to finance, own, and operate a percentage of a development finance project. Finally, the bill will permit the rural development initiative fund to finance more than one loan to one or more borrowers, and with larger cumulative loan amounts.

Section 1 of this bill will amend the method by which the Authority determines the minimum interest rate that may be charged on loan participations the Authority finances with Authority assets, rather than with bond proceeds. AS 44.88.159(e) currently requires the Authority to establish the minimum interest rate, in part, by the Authority estimating the bond interest rate the Authority would have obtained had the Authority issued bonds to finance the loan participation. The proposed amendments would enable the Authority to establish minimum interest rates based upon the greater of either (1) the rates achieved by a type or category of financial security in a published, nationally recognized market index; or (2) the five year rate of return the Authority achieved on investment funds of the Authority. The Authority believes it appropriate to move to a market-based methodology for determining interest rates. The Authority has not issued bonds to finance loan participations in more than 10 years. Thus, the accuracy of how the Authority estimates bond based rates has not been tested against actual rates from bonds issued to finance loan participations. Further, the current bond based methodology can result in unusually high interest rates when bond

markets fail to function efficiently, such as happened during recent national and global economic market distresses.

Section 2 of the bill will permit the Authority to establish in regulations a new program to pay certain loan participation borrowers incentive rate rebates. Under the new program, the Authority will be able to rebate up to one percent of interest charged on a loan participation to a borrower that creates jobs, promotes rural development, or fosters other economic development criteria. An incentive rate rebate may reduce the interest rate to a rate below what would otherwise be the statutory minimum rate. The Authority may not commit to pay incentive rate rebates on a loan participation for more than five years, and the balance of loans subject to rebates would be limited to no more than five percent of the outstanding balance of all loan participations of the Authority. Finally, the Authority may establish a separate account for the incentive rate rebate program. The separate account will enable the Authority to more easily account for, and pay, rebates owed to loan participation borrowers.

Section 3 of the bill will clarify that the Authority may finance, own, and operate a percentage of a development finance project, and may provide for operation of a project by agreement with other owners. Existing statutes of the Authority do not clearly establish that the Authority may finance and own an indivisible percentage of a project. Clarifying this power will enable the Authority to jointly finance development finance projects with partners and other lenders or financiers more easily, and better promote economic development and spread project risks.

Finally, Sections 4 and 5 of the bill will revise the rural development initiative fund owned by the Alaska Industrial Development and Export Authority and administered by the Alaska Division of Investments. The purpose of the revisions is to foster the utilization of the program in the state by increasing the amount that may be borrowed from the fund. The sections will remove the restriction that a borrower may only have one loan but limits a borrower's participation in the loan program to an allowable dollar amount. The sections will reduce the minimum interest rate that may be charged from six percent to four percent.

I urge your prompt and favorable action on this measure.

Sincerely,

Sean Parnell
Governor

Enclosure

House Bill 410

An Act relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority; and relating to loans from the rural development initiative fund.

Sectional Analysis

Section	Analysis
1	AS 44.88.159(e) is amended to change the method by which AIDEA determines the minimum interest rate to be charged on loan participations that AIDEA finances with AIDEA assets rather than bond proceeds. Current method requires AIDEA to establish a minimum by estimating the true interest cost if AIDEA were to use bond proceeds. The proposed method would allow the minimum to be based on the greater of either the rates achieved by a type or category of financial security in a published nationally recognized market index or the 5-year rate of return on AIDEA's investments.
2	AS 44.88.159 is amended by adding a new subsection that allows AIDEA to establish in regulation a new program to provide incentive rate rebates to certain loan participations that create jobs, promote rural development or foster other economic development criteria. • Rate rebates are limited to no more than 1% of the interest rate charged to AIDEA's portion of the loan participation. • The balance of loans subject to rebates would be limited to no more than 5% of the outstanding balance of all loan participations. • The authority may not commit to pay an incentive rebate for more than 5 years. • Allows AIDEA to establish a separate account for this program.
3	AS 44.88.172(a) is amended to clarify that AIDEA can own or operate a percentage of a project – not the entire project
4	AS 44.88.610(a) is amended to allow borrowers to have multiple Rural Development Revolving Loan Fund loans and increases the cumulative amount a person may borrow from $100,000 to $150,000 and increases the cumulative amount two or more persons may borrow from $200,000 to $300,000.
5	AS 44.88.610(b) is amended by reducing the RDIF minimum interest rate from 6% to 4%.

Prepared by AIDEA 3/2/10

Alaska Bankers Association
P.O. Box 100720 • Anchorage, Alaska 99510-0720 • 907-777-3011 • Fax 907-777-3029

March 8, 2010

Representative Kurt Olson, Chairman
House Labor & Commerce Committee
State Capitol, Room 24
Juneau, Alaska 99801—1182

Re: House Bill 410

Representative Olson:

On behalf of the Alaska Bankers Association, I wish to express our support for enactment of House Bill 410.

Enactment of House Bill 410 will facilitate AIDEA lending transactions and thereby work to the benefit of all of our members who participate in loan transactions with AIDEA.

Sincerely yours,

David A. Lawer
President

Cc: Chris Anderson

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 410
(H) Publish Date: 2/26/10

Identifier (file name): 0811-CED-AIDEA-1-6-10
Dept. Affected: DCCED
Title: AIDEA programs
RDU: AIDEA (125)
Component: AIDEA operations
Sponsor
Requester
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes to 1) amend the method by which AIDEA determines minimum interest rates for certain loan participations; 2) provide AIDEA the ability to provide incentive rate rebates for loan participations that meet certain economic development criteria; 3) clarify AIDEA to ability finance, own and operate a percentage of a development finance project. The amount of potential AIDEA payments for the proposed incentive rate rebates is indeterminate until the program criteria are established and demand for the program is evaluated.

(continued on Page 2)

Prepared by: Sara Fisher-Goad, Deputy Director — Phone 771-3012
Division: AIDEA — Date/Time 1/6/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 1/6/2010
Department of Commerce, Community and Economic Development

FISCAL NOTE #1

Bill Number: HB 410

The bill limits the total amount of loans subject to incentive rate rebates to 5% of the total of the amount of the proposed loan participation which would be subject to rebate plus the combined outstanding balance of all loan participations of the Authority. As of 6/30/09, AIDEA's outstanding balance of loan participations was $340,346,000; 5% = $17,017,300.

The bill also makes changes to the Rural Development Initiative Fund (RDIF). The RDIF provides long term financing to small businesses located in communities of 5,000 population or less if not connected by road or rail to Anchorage or Fairbanks or communities of 2,000 population or less if connected by road or rail to Anchorage or Fairbanks. This legislation would increase the amount that could be borrowed from the fund and it would remove the restriction that a borrower may only have one loan. It would also reduce the interest rate that may be charged.

To date there is $4,137,900 outstanding with $1,411,400 available to lend in the RDIF. There will be no change in operating budget expenditures to facilitate the proposed changes.

The adoption of regulations will not require additonal operating funds.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 410
(H) Publish Date: 2/26/10

Identifier (file name): 0811-REV-CO-1-6-10
Dept. Affected: Revenue
Title: AIDEA Loan Participation and Finance Projects
RDU: Admin and Support
Component: Commissioner's Office
Sponsor: Rules
Requester: Request of Governor
Component Number: 123

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Department of Revenue anticipates no additional expenses or revenues associated with this legislation.

Prepared by: Ginger Blaisdell, Director — Phone 465-2312
Division: Administrative Services Division — Date/Time 12/18/09; 1:40pm
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:13am
Administrative Services Division

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 410
(H) Publish Date: 2/26/10

Identifier (file name): 0811-DOT-CO-11-18-09
Title: Loan participation &development of finannce project AIDEA
Sponsor:
Requester:

Dept. Affected: DOT&P
RDU: DOT&PF
Component: Admin Support
Commissioner's Office
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill has no fiscal impact to the Deaprtment of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 11/18/09 2:00pm
Approved by: Frank Richards — Date 11/18/2009
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

HB

412

<target><bill>HB 412</bill><subject>HB 412</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 23, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/12/22

The FINANCE Committee considered: **HOUSE BILL NO. 412**

"An Act establishing the Alaska microloan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans; and providing for an effective date."

HB 412-MICROLOAN REVOLVING FUND

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 412 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[✓] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan				✓
	Joule			✓	
	Austerman	X			
	KELLY			✓	
	FOSTER	✓			
	Saltman			X	
	FAIRCLOUGH	✓			
Chair:	Hawkins				
Chair:	Stutes				

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1 ***CORRECTED***
Bill Version: HB 412
(H) Publish Date: 3/8/10

Identifier (file name): HB412-CED-INV-2-26-10
Dept. Affected: DCCED
Title: Microloan Revolving Fund
RDU: 122
Component: Investments
Sponsor: Rules Committee by Request of the Governor
Requester: House Labor and Commerce Committee
Component Number: 383

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	72.3		74.6	76.7	79.2	81.6	84.2
Travel	2.5		2.5	2.5	2.5	2.5	2.5
Contractual	0.0		0.0	0.0	0.0	0.0	0.0
Supplies	0.5		0.5	0.5	0.5	0.5	0.5
Equipment	2.4		0.1	0.1	0.1	1.1	0.6
Land & Structures							
Grants & Claims							
Misc (Fund capitalization)	3,500.0						
TOTAL OPERATING	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (Micro Loan)	**95.8**		**131.6**	**239.9**	**250.8**	**257.3**	**270.4**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1140 AIDEA Dividend	3,577.7						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Micro Loan Revolving Loan Program		0.0	77.7	79.8	82.3	85.7	87.8
TOTAL	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This new program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment, and inventory, and leasehold improvements. The initial capitalization would be $3.577 million from the AIDEA dividend. The fund would be set up as a revolving fund so that all earnings and loan repayments would be retained by the fund for future loans. All operating expenses would also be paid from earnings of the fund. Projected operating expenses are for personal services for a Loan/Collection Officer, two trips to rural Alaska per year, initial set-up expenses (supplies and equipment) plus projected supplies and equipment use through 2016.

Increases to revenue have been projected through FY2016. We estimate that approximately 75 loans will be made in the first year and that 100 loans would be made in the second year for a total of $3.5 million in loan demand. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 25 additional loans each year thereafter.

(Continued on page two.)

Prepared by: Greg Winegar, Director — Phone 465-2510
Division: Division of Investments — Date/Time 2/26/10 10:59 AM
Approved by: Emil Notti, Commissioner — Date 2/26/2010
Department of Commerce, Community, and Economic Development

ANALYSIS CONTINUATION

Earnings retained by the Micro Revolving Loan Fund would be comprised of interest repayments, fees collected and earnings on the daily cash balances.

The program would promote economic development through job creation by helping new and existing Alaska small businesses succeed. This is consistent with the departments' mission and the benefits to the state would be documented through job creation performance measures.

Capitalization of the Alaska Micro Loan Program is contingent upon the passage of legislation to sell the Alaska Energy Authority's Power Project Fund (AS 42.45.010) loan portfolio. The sale of the loan portfolio is expected to provide approximately $21 million to the power project fund to be used for future loans. If the legislation passes, the capital appropriation in section 8 of the FY 2011 capital bill (page 47, line 1-3) that capitalizes the Power Project Fund with AIDEA dividend will be reduced by $3.577 million.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1 ***CORRECTED****
Bill Version: HB 412
(H) Publish Date: 3/8/10

Identifier (file name): HB412-CED-INV-2-26-10
Dept. Affected: DCCED
Title: Microloan Revolving Fund
RDU: 122
Component: Investments
Sponsor: Rules Committee by Request of the Governor
Requester: House Labor and Commerce Committee
Component Number: 383

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	72.3		74.6	76.7	79.2	81.6	84.2
Travel	2.5		2.5	2.5	2.5	2.5	2.5
Contractual	0.0		0.0	0.0	0.0	0.0	0.0
Supplies	0.5		0.5	0.5	0.5	0.5	0.5
Equipment	2.4		0.1	0.1	0.1	1.1	0.6
Land & Structures							
Grants & Claims							
Misc (Fund capitalization)	3,500.0						
TOTAL OPERATING	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (Micro Loan)	**95.8**		**131.6**	**239.9**	**250.8**	**257.3**	**270.4**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1140 AIDEA Dividend	3,577.7						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Micro Loan Revolving Loan Program		0.0	77.7	79.8	82.3	85.7	87.8
TOTAL	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This new program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment, and inventory, and leasehold improvements. The initial capitalization would be $3.577 million from the AIDEA dividend. The fund would be set up as a revolving fund so that all earnings and loan repayments would be retained by the fund for future loans. All operating expenses would also be paid from earnings of the fund. Projected operating expenses are for personal services for a Loan/Collection Officer, two trips to rural Alaska per year, initial set-up expenses (supplies and equipment) plus projected supplies and equipment use through 2016.

Increases to revenue have been projected through FY2016. We estimate that approximately 75 loans will be made in the first year and that 100 loans would be made in the second year for a total of $3.5 million in loan demand. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 25 additional loans each year thereafter.

(Continued on page two.)

Prepared by: Greg Winegar, Director — Phone 465-2510
Division: Division of Investments — Date/Time 2/26/10 10:59 AM
Approved by: Emil Notti, Commissioner — Date 2/26/2010
Department of Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

ANALYSIS CONTINUATION

Earnings retained by the Micro Revolving Loan Fund would be comprised of interest repayments, fees collected and earnings on the daily cash balances.

The program would promote economic development through job creation by helping new and existing Alaska small businesses succeed. This is consistent with the departments' mission and the benefits to the state would be documented through job creation performance measures.

Capitalization of the Alaska Micro Loan Program is contingent upon the passage of legislation to sell the Alaska Energy Authority's Power Project Fund (AS 42.45.010) loan portfolio. The sale of the loan portfolio is expected to provide approximately $21 million to the power project fund to be used for future loans. If the legislation passes, the capital appropriation in section 8 of the FY 2011 capital bill (page 47, line 1-3) that capitalizes the Power Project Fund with AIDEA dividend will be reduced by $3.577 million.

Passed Amend #1 (Gara) p. 3 Line 26 delete
Passed Amend #2 (Fairclough) p3. Line 17 add
Failed Amend #3 (Doogan) p. 3 Line 25 delete
adopted Amend 4 (Hawker) delete Sec. 1

26-GH2896\A

HOUSE BILL NO. 412

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/26/10
Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

"An Act establishing the Alaska microloan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Amend 4 delete

*** Section 1.** The uncodified law of the State of Alaska is modified by adding a new section to read:

FINDINGS. The legislature finds and declares that

(1) it has become essential for the ongoing economic health and well-being of the state and its citizens and families for the state to help small businesses access critically needed capital; and

(2) economic growth and self-employment in the small business sector is hampered due to lack of available capital resources.

*** Sec. 2.** AS 44.33 is amended by adding new sections to read:

Article 15. Alaska Microloan Revolving Fund.

Sec. 44.33.950. Alaska microloan revolving fund. (a) There is created within the Department of Commerce, Community, and Economic Development a revolving loan fund to be known as the Alaska microloan revolving fund to carry out the purposes of AS 44.33.950 - 44.33.990.

(b) The Alaska microloan revolving fund consists of the following:

(1) money appropriated to, transferred to, or received by gift, devise, bequest, or donation to the fund;

(2) principal and interest payments or other income earned on loans or investments of the fund;

(3) money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 44.33.950 - 44.33.990.

(c) Money in the fund may be used by the legislature to make appropriations for costs of administering AS 44.33.950 - 44.33.990.

Sec. 44.33.955. Powers and duties of the department. The department may

(1) make loans to eligible applicants under AS 44.33.960 to be used for working capital, equipment, construction, or other commercial purposes by a business located in the state;

(2) receive, take, hold, and administer any appropriation, gift, grant, bequest, devise, or donation of money for the fund;

(3) establish amortization plans for repayment of loans, including extensions of the terms of loans;

(4) allow an assumption of a loan if

(A) the applicant meets the requirements established under this section; and

(B) approval of the assumption would be consistent with the purposes of this section;

(5) establish the rate of interest for loans consistent with law;

(6) charge and collect fees for services provided under AS 44.33.950 - 44.33.990; and

(7) adopt regulations, under AS 44.62, necessary to carry out the

provisions of AS 44.33.950 - 44.33.990, including regulations to establish reasonable fees for services provided; and

(8) designate agents and delegate powers as necessary to the agents.

Sec. 44.33.960. Eligibility. (a) For an applicant to be eligible for a loan under AS 44.33.950 - 44.33.990, the applicant must

(1) be a resident of the state as determined under (b) of this section; and

(2) provide a reasonable amount of money from other nonstate sources for use on any project or enterprise for which money from a loan will be used.

(b) To meet the residency requirements of (a) of this section, the applicant

(1) must physically reside in this state and maintain a domicile in this state during the 12 consecutive months before the date of application for the program; and

(2) may not have

(A) declared or established residency in another state; or

(B) received residency or a benefit based on residency from another state. Amendment 2 add in the previous 12 months,

Sec. 44.33.965. Limitations on loans. (a) The department may use money from the Alaska microloan revolving fund to make loans of up to $35,000 to a person, or loans of up to $70,000 to two or more persons.

(b) A loan established under AS 44.33.950 - 44.33.990

(1) may not exceed a term of six years, except for extensions authorized under AS 44.33.955 or regulations adopted under AS 44.33.955;

(2) may not bear interest exceeding the prime rate, as defined in AS 44.88.599, plus one percentage point [~~but interest may not be less than six percent per year~~ delete #3 ~~and not more than eight percent per year;~~] delete #1 Amendment 1 Adopted Amend 3 failed

(3) must be secured by collateral acceptable to the commissioner; and

(4) may not be made to a person who has a past due child support obligation established by court order or by the child support services agency under AS 25.27.160 - 25.27.220 at the time of application.

Sec. 44.33.970. Special account established. (a) There is established as a

special account within the Alaska microloan revolving fund the foreclosure expense account.

(b) The department may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans granted under AS 44.33.965 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 44.33.975. Disposal of property acquired by default or foreclosure. The department shall dispose of property acquired through default or foreclosure of a loan made under AS 44.33.950 - 44.33.990. Disposal must be made in a manner that serves the best interest of the state, and may include the amortization of payments over a period of years.

Sec. 44.33.990. Definitions. In AS 44.33.950 - 44.33.990, unless the context otherwise requires,

(1) "commissioner" means the commissioner of commerce, community, and economic development;

(2) "department" means the Department of Commerce, Community, and Economic Development.

*** Sec. 3.** The uncodified law of the State if Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may immediately proceed to adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to implement the changes made in sec. 2 of this Act. The regulations take effect under AS 44.62 but not before July 1, 2010.

*** Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2010.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 12, 2010

SUBJECT: CSHB 412(FIN) establishing the Alaska microloan revolving fund (Work Order No. 26-GH2896\E)

TO: Representative Mike Hawker
Representative Bill Stoltze
Co-Chairs of the House Finance Committee
Attn: Christine Marie

FROM: Theresa Bannister
Legislative Counsel

This memo accompanies the bill described above.

1. Dedicated fund issue. In sec. 44.33.950(b)(1) and (2) of the bill, there appears to be a dedicated fund issue because the money described as being part of the fund by those paragraphs is not described as being appropriated to the fund. That carries through to the spending direction in sec. 44.33.970(b) because the money to be spent under that subsection may consist of money that has not been appropriated to the fund. To remove these issues, the phrase, "and appropriated to the fund," could be added at the end of sec. 44.33.950(b)(1) and at the end of sec. 44.33.950(b)(2).

2. Suggested changes. In sec. 44.33.960(b)(1), it appears that "program" should be changed to "loan." In sec. 44.33.955(4)(B), do you want "section" changed to "AS 44.33.950 - 44.33.990"?

3. Technical changes made. Several technical changes were made and can be identified on request.

Since this has passed out of your committee, you may want to pass this memo along to the next committee of referral.

If I may be of further assistance, please advise.

TLB:ljw
10-262.ljw

Enclosure

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/12

Amendment: Conceptual #1

MEMBER	Favor	Oppose
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. STOLTZE		✓
REP. HAWKER	✓	
	8	3

PASSED

YEA _____

NAY _____

2050

CITY AND BOROUGH OF WRANGELL
INCORPORATED JUNE 15, 1903

P.O. BOX 531 (907)-874-2381
Wrangell, AK 99929 FAX (907)-874-3952

March 30, 2010

Representative Hawker, Co-Chair House Finance Committee
Representative Stoltze, Co-Chair House Finance Committee

Re: HB412 - Hearing March 30, 2010 at 1:30pm.

Dear Representative Hawker and Representative Stoltze and Finance Committee,

I am writing to offer support of HB412 and SB302 introduced by Governor Parnell. Small businesses statewide have been dramatically impacted by the recession, but businesses in Wrangell were impacted even before that, due to the loss of so many jobs directly or indirectly related to the disappearing timber industry.

Wrangell survives by the success of our small businesses. Many individuals in Wrangell have even turned hobbies into full time job opportunities, or into successful supplemental incomes. However, because of our declining population and the seasonal ups and downs of fishing, tourism and timber, Wrangell is considered a "high risk" community from a lending standpoint. The proposed Micro-Lending program will enable small business to access needed credit for seasonal operations, expand operations when the opportunities present themselves, and provide necessary upgrades or retooling to keep up with the rapidly changing technologies needed to be competitive.

Wrangell Economic Development Committee fully supports the passage of this legislation as a critical step to grow our communities and diversify the economy of Alaska.

Sincerely,

Carol Rushmore
Economic Development Director

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18 of the Alaska Constitution, I am transmitting a bill establishing the Alaska micro loan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans.

In an effort to promote economic development in the state by helping small businesses access critically needed capital, a new loan program has been developed that is modeled after a program currently operated through the federal Small Business Administration (SBA). The SBA program, known as the micro loan program, provides small, short-term loans to small businesses. This federal program, however, is not currently available in the state because an intermediary lender is required and to date no lenders meeting the SBA's qualifications have been identified in the state.

This bill will create the Alaska micro loan revolving program in the Department of Commerce, Community, and Economic Development. The program will be set up as a revolving loan fund so that all earnings and loan payments will be retained by the fund for future loans. All operating expenses will also be paid from earnings of the fund.

An applicant for the loan must be a resident of the state of Alaska and provide a reasonable amount of money from other non-state sources for use on projects for which money from a loan will be used. Loans under this program may not exceed $35,000 to one person, or $70,000 to two or more persons. A loan under the program bears interest at the rate of prime plus one percentage point, but may not be less than six percent per year and not more than eight percent per year. The maximum term for a loan under this program will be six years; however, extensions may be granted. Finally, a loan must be secured by collateral acceptable to the commissioner of the Department of Commerce, Community, and Economic Development.

I urge your prompt and favorable action on this measure.

Sincerely,

Sean Parnell
Governor

Enclosure

Sectional Analysis of HB 412

Prepared by Greg Winegar
Alaska Division of Investments
(907) 465-2510

Alaska Microloan Revolving Fund

Summary: This bill creates the Alaska Microloan Revolving Fund (Fund) within the Department of Commerce, Community, and Economic Development (department). The purpose of the Fund is to help promote economic development in the state by helping small businesses access critically needed capital. The Fund will be set up as a revolving loan fund so that all earnings and loan payments would be retained by the Fund for future loans. All operating expenses would also be paid from earnings of the Fund.

Section 1 modifies the uncodified law of the State of Alaska to describe findings related to the Fund.

Section 2 creates a new article in AS 44.33 titled "Alaska Microloan Revolving Fund".

AS 44.33.950 establishes the Fund as a revolving fund and describes the various components of the Fund. It also authorizes the legislature to make appropriations from the Fund to pay for administrative costs.

AS 44.33.955 describes the powers and duties of the department. It allows the department to make loans for working capital, equipment, construction or other commercial purposes. Additionally, it allows the department to receive money for the Fund; establish amortization plans for repayment of loans, including extensions of the terms of loans; allow assumptions; establish interest rates, charge and collect fees; adopt regulations and designate agents.

AS 44.33.960 establishes the eligibility requirements for applicants. The applicant must be a resident of the State and provide a reasonable amount of money from other nonstate sources for use on the project for which loan funds will be used. This section also stipulates the residency requirements. It states that an applicant must physically reside in the state and maintain a domicile in the state during the twelve consecutive months before the date of application. It goes on to state that an applicant may not have declared residency in another state or to have received a benefit based on residency from another state.

AS 44.33.965 sets out limitations on the loans. Loans may be made for up to $35,000 per person or, up to $70.000 to two or more persons. The loan term may not exceed six years and may not bear an interest exceeding the prime rate plus one percentage point; however, it may not be less than six percent per year and not more than eight percent per year. The loan must be secured by collateral acceptable to the commissioner and may not be made to a person who has a past due child support obligation.

AS 44.33.970 establishes a special account within the Fund called the "foreclosure expense account." The department may expend money from this account to protect the state's security position in loan collateral or to defray expenses incurred during foreclosure proceedings.

AS 44.33.975 requires the department to dispose of property acquired through default or foreclosure in a manner that serves the best interest of the state. It also authorizes the department to finance the sale of property obtained through a foreclosure action.

AS 44.33.990 provides definitions for "commissioner" and "department."

Section 3 of the bill amends the uncodified law of the State of Alaska by adding a new section titled, "TRANSITION: REGULATIONS." This section authorizes the department to immediately proceed with the adoption of regulations necessary to implement the changes made in Section 2. It further stipulates that the regulations may not take effect before July1, 2010.

Section 4 stipulates that Section 3 of this Act takes effect immediately.

Section 5 states that except as provided in Section 4 of this Act, the Act takes effect on July 1, 2010.

Alaska Micro Loan Program **DCCED/ Division of Investments**

Summary of Bill:
In an effort to promote economic development in Alaska by helping small businesses access critically needed capital to grow their businesses, the Alaska Division of Investments (ADI) has developed the framework for a new loan program that would be modeled after a program currently operated through the federal Small Business Administration (SBA). For the purposes of this discussion we have named the program the "Alaska Micro Loan Program" (AMLP). The SBA program is currently available in 46 states, however it is not available in Alaska. The reason the program is not available in Alaska is that an intermediary lender is required and to date no lenders that meet SBA's qualifications have an interest in pursuing this type of loan in the state.

AMPL Program Specifics

Eligibility:	*Alaska resident borrowers.*
Maximum Loan:	*$35,000.*
Maximum Term:	*6 years.*
Collateral:	*Sufficient to secure the loan.*
Equity:	*Borrower must have at least a 10% equity position.*
Capitalization:	*$3.5 million. The program would be set up as a Revolving Loan Fund so that all earnings and loan repayments would be retained by the fund for future loans. All operating expenses would also be paid from earnings of the fund.*
Fees:	*$100 application fee and a 1% origination fee to be paid at loan closing.*
Interest Rate:	*Prime plus one with a floor of 6% and a ceiling of 8%*
Operating Expenses:	*Approximately $77K per year. All operating expenses would be covered by income produced by the program.*

Other Comments:
The AMLP program would complement two existing small business loan programs currently administered by ADI, the Small Business Economic Development Revolving Loan Fund (SBEDRLF) and the Rural Development Initiative Fund (RDIF).

The SBEDRLF program involves federal money from the Economic Development Administration and is targeted at specific communities that have experienced economic hardship. The program has been primarily used for long term financing and requires that numerous federal requirements be met.

The RDIF program was created with state funds and is only available to small businesses located in communities of 5,000 or less if not connected by road or rail to Anchorage or Fairbanks or communities with populations of less than 2,000 if connected by road or rail to Anchorage or Fairbanks. The RDIF program has also primarily been used for long term financing.

On the other hand, the AMLP program would provide relatively short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment, inventory and leasehold improvements. Loans would be available in all regions of the state and the application process would be relatively streamlined.

Bristol Bay Economic Development Corporation

P.O. Box 1464 • Dillingham, Alaska 99576 • (907) 842-4370 • Fax (907) 842-4336 • 1-800-478-4370

March 11, 2010

The Honorable Sean Parnell
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing to thank you and urge your continued support for SB 302 and HB 412 – bills to create a microloan revolving loan fund. As you are no doubt aware from your experiences in rural Alaska, access to start up capital is a key initial component of starting new enterprises and creating jobs in Alaska. Residents of the Bristol Bay region are creative and enterprising and there is no lack of entrepreneurial spirit; however there is a huge lack of supporting capital. Our organization provides technical assistance to entrepreneurs with feasibility studies, business plans and funding searches. By far, the most challenging aspect of starting a small business in our region is a lack of capital; even when it involves a very small amount of money. Traditional sources of capital such as banks and other financial institutes are not viable sources of capital for small entrepreneurs in rural Alaska.

As with many other states, Alaska residents understand that supporting small business development is a key part of their overall economic development. However, Alaska is one of four states in the nation that does not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses and rural Alaska residents.

We urge your support and thank you in advance for your efforts.

Sincerely,

H. Robin Samuelsen
Chief Executive Officer

AEDC
Anchorage Economic
Development Corporation

Voting Members

Anand Vadapalli ACS
Bill O'Leary Alaska Railroad Corporation
Bob Locher CH2M HILL
Brian Wenzel ConocoPhillips
Bruce Bustamante Princess Tours
Bruce Lamoureux Providence Alaska Medical Center
Chris Brown AT&T
Chris Stephens Bond Stephens & Johnson, Inc.
Claire Fitzpatrick BP Exploration Alaska, Inc
Connie Carter FedEx Express
Dale Pittman Exxon Mobil Corporation
David Hamilton Alaska USA Federal Credit Union
Dennis Mitchell Lynden International
Ed Herndon Chugach Alaska Corporation
Greg Kessler Totem Ocean Trailer Express
Greg Pearce GCI
Jeffrey Davis Premera Blue Cross Blue Shield of Alaska
Joseph Everhart Wells Fargo Bank N.A
Lon Wilson The Wilson Agency, LLC
Mark Liland Northern Air Cargo
Marla Wellington Continental Airlines
Michael Prozeralik kpb architects
Mike Devlin Evergreen Films, Inc.
Pat Walsh Walsh|Sheppard
Peter Grunwaldt Premier Alaska Tours
Scott Hansen Carpenters Local 1281
Sophie Minich CIRI
Stephanie Holthaus Alta Air Logistics
Stewart Osgood DOWL HKM
Suzanne Cherot Birch, Horton, Bittner & Cherot
Tim Vig USKH, Inc.

Ex-Officio Members – Legislators

Rep. Craig Johnson Alaska State Legislature
Rep. Harry Crawford Alaska State Legislature
Sen. Johnny Ellis Alaska State Legislature
Sen. Lesil McGuire Alaska State Legislature

Ex-Officio Members – Municipality

Mayor Dan Sullivan Municipality of Anchorage
Assemb. Bill Starr Municipality of Anchorage
Assemb. Dan Coffey Municipality of Anchorage

Ex-Officio Members – Appointed by the Board

Brian Nerland KeyBank Alaska
Carol Comeau Anchorage School District
Chris Anderson AIDEA
Christine Klein Acting Airport Director, State of Alaska
Elisha Baker University of Alaska Anchorage
George Vakalis AWWU
Julie Saupe Anchorage Convention & Visitors Bureau
Larry Cash RIM Architects
Mary K. Hughes Past Chairman of the AEDC Board
Tennys Owens Artique, Ltd
Tony Izzo Anchorage Chamber of Commerce

March 10, 2009

The Honorable Governor Sean Parnell
State of Alaska
State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

Re: SB302 and HB412 Alaska Micro Loan Program

Dear Governor Parnell:

I write to you today to offer the strong support of the Anchorage Economic Development Corporation for passage of legislation enacting the Alaska Micro Loan Program. The passage of this legislation, important to small businesses across Alaska, will provide a key source of needed capital that is vital to health and growth of our economy.

In reviewing the specifics of the legislation, it is apparent that this modest investment by the state of Alaska could yield significant benefits for communities in every region of the state. The sizes of the loans offered are quite modest, as are the corresponding fees and interest rates charged. The infusion of capital this program offers will help both existing businesses and start-up businesses to bridge short-term funding gaps, purchase new equipment, expand services and employ more Alaska citizens.

Thank you for introducing this important legislation. AEDC supports the passage of this legislation as an important step to grow and diversify the economy of Alaska.

Sincerely,

Bill Popp
President & CEO

FAIRBANKS
Economic Development
CORPORATION

301 Cushman St., Suite 301, Fairbanks, AK 99701

March 2, 2010

Dear Governor Parnell,

We appreciate your continued interest in developing jobs and opportunity in Alaska. The recent legislation submitted by your office, Senate Bill 302 and House Bill 412, creating an Alaska microloan revolving fund is a good example of your continued efforts.

Here at the Fairbanks Economic Development Corporation we recognize the need for this legislation and offer our support as you move this legislation forward.

Thank you,

Jim Dodson
President & CEO
Fairbanks Economic Development Corporation

Phone: (907) 452-2185
1-888-476-FEDC
www.investfairbanks.com
Fax (907) 451-9534

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 11, 2010

Governor Sean Parnell
State of Alaska
PO Box 110001
Juneau, AK 99811

Re: Support for SB 302 and HB 412

Dear Governor Parnell,

Thank you for submitting SB 302 and HB 412, two bills aimed at creating a microloan revolving fund for the State of Alaska. By introducing this legislation, you have proven your awareness that access to startup and working capital is a key component of starting new enterprises and creating jobs in Alaska.

In Southwest Alaska, a revolving loan fund could help boat owners or smaller fish processors with equipment purchases. It could assist bed and breakfast owners with upgrades to their homes and business. Or it could provide much-needed construction capital to mechanics, day care providers, and a host of other small business startups and entrepreneurs.

Alaska is one of four states in the nation that do not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses, which is why SWAMC supports them.

Again, thank you for introducing these bills. I hope they can help add to Alaska's efforts to support our small businesses and entrepreneurs.

Sincerely,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Andy Varner

Executive Director

ALASKA
SBDC
ALASKA SMALL BUSINESS DEVELOPMENT CENTER

State Office
430 West 7th Avenue, Suite 110
Anchorage, AK 99501
TEL 907.274.7232
FAX 907.274.0565
www.aksbdc.org

March 4, 2010

Office of Governor Sean Parnell
Susan K. Bell
Special Staff Assistant
P.O. Box 110001
Juneau, AK 99811-0001

RE: SB302 & HB412

Dear Susan,

The Alaska Small Business Development Center (SBDC), with its 7 statewide locations, supports the governor's introduction of bills SB302 and HB412. As an organization that was initiated, nationwide, in the 80's by the U.S. Small Business Administration, we have helped Alaska businesses locate loan opportunities for almost 25 years.

Micro-lending is an opportunity for many small businesses who typically do not find the lending options with banks due to the small amount of their loan request. Many lending institutions prefer loan applications with values of $100,000 or more. The micro-lending bill that the governor has introduced will assist many small businesses move their operations to the next level.

In 2009, the Alaska SBDC assisted over 4,000 clients, by providing free and confidential one on one business counseling and low cost workshops. In addition to these services, we also have formal agreements in place to serve as Technical Assistance (TA) providers to many SBA loan recipients. This process requires loan recipients to have specific counseling and training based on their individual needs as a condition of the loan. These needs can run the gamut from business planning/development, marketing, to financial management, as well as many training opportunities.

The approval of the micro-lending bills will significantly impact and support many small businesses throughout Alaska, including the clients we assist in rural villages and communities through our Rural Outreach Program for Entrepreneurs (ROPE). We offer our support and look forward to many future business successes as a result of this initiative.

Sincerely,

Debi Fowler
Associate State Director
Alaska Small Business Development Center

King Crab Shack
JUNEAU, ALASKA

March 2, 2010

Office of the Governor
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

Thank you for introducing HB 412 & SB 302 – Microloan Revolving Fund. Please let me elaborate on what this would mean for me and my business.

I have an unusual situation that can be only be categorized as very "Alaskan". I am a small summer seasonal business. I buy strictly Alaskan king crab, Dungeness Crab & Opilio crab and try to support local vendors. I am going into my 5th year of business. I have approximately 10 employees over the course of the summer. I have finally achieved a decent net profit as of last year.

However, every year, I scramble with the banks to be able to purchase enough crab at reasonable rates, to get through my season. As with most fisheries, the Crab fishery is a cash business.

Here in lies the problem:

- I have to purchase my crab in October (during crab season) which is at the end of my season.
  - This causes hardship as I am trying to pay down my loans at the end of the season, pay sales & Federal taxes and save enough money to get through the winter.
  - I am having to pay interest and storage on crab for 6 months before I reopen

- My sales have increased each year by 60-78%. That is pretty exceptional for a down economy. However, that means my inventory needs to increase.
  - Because I can't get enough money up front to buy crab, the price of crab goes up. This can mean a difference of $7,000 - $15,000 in would be profits that just disappear.
  - This money could be used to buy down my loans with the bank & buy inventory.
  - This doesn't give the required equity position in my business because I'm on a "treadmill".

- Banks hesitate to loan on a perishable inventory. The most I have been able to get is 60% LTV ratio, (I have to provide 40%) on enough crab that only lasts me 6 weeks.
  - This makes coming up with 40% difficult because the above problems.
  - Banks want more collateral, but because I am currently banking with **FIVE** institutions, they all have 1st or 2nd position on everything I have. None of them are willing to take crab as full

collateral even though the price goes up, there is a market for it and it is the only thing I need money for.
    - If I get an unsecured loan, the interest rates are so high that once again, it negates the margin of profit.

- SBA & JEDC loans only tend to support start-up businesses. I have not been successful in applying for a line of credit for inventory, especially in the amount that I need and on a perishable product. (Approx $200,000). I have found that:
    - There is money for start ups. (Most of which fail)
    - Money for "bush" or rural areas or disadvantaged sector
    - Money for larger businesses that need $1m or more
    - Absolutely no help for businesses that only need money for inventory in the ($100-$500k range)

Even though I have proven over and over that I pay back my lines of credit or working capital loans, (to the tune of $150,000 each year) I scramble to get enough money to keep up with the increase in business.

While I also struggle with typical "Alaskan" hurdles such as the high cost of shipping, high costs of rent, and lack of cold storage, I have continued to be a staunch supporter of Alaska and Alaska products. I have chosen to take a smaller profit margin to keep my business in Alaska, but this is proving harder each year.

Granted I am a seasonal business that depends on the cruise ship sector, but I NEVER thought that being successful would present the obstacles it has. Businesses such as mine are in desperate need of way to get capital at a low cost for "unusual" situations to continue to stay in state and in business.

While I would like to see the dollar amount of the bill be higher, I support and applaud the idea of offering a low cost way for businesses to grow.

Thank you for your efforts.

Sincerely,

Tracy LaBarge, Owner
PO Box 21082
Juneau, AK 99802
907.723.2004

To whom it may concern;

My name is Ted Ragains and I am young entrepreneur in Anchorage. The reason I am writing this letter is to inform all who will listen of the plight of small business owners across Alaska. As everyone knows we are in a recession, which has impacts for all businesses. I believe that small businesses have especially been impacted because of the limited credit available for business operation and expansion.

As a small business owner, I depend on credit to place orders for inventory, expansion, advertising and payroll during slow times. Availability of this credit has allowed many businesses to weather economic slow downs in the past and even to emerge stronger when the economy recovers. This recession is different; all forms of available credit have dried up, especially those for small businesses.

Let me give you some details about my situation. I started my first business as a senior project while working toward my Bachelors Degree in Marketing and Finance. My first business, Solara Skin and Laser Center, does all sorts of cosmetic procedures. Our services include laser treatments, Botox, Juvederm, and medical grade facials. Our lasers can get rid of unwanted hair, tattoos, sunspots, spider veins, rosacea and can also give you a mini face lift. Solara has been a great success for the last five years because we identified a niche in the marketplace and successfully capitalized on it.

Just twelve months ago my sister and I started Off the Rack, a men's clothing store that specializes in high-end clothing at a fraction of the price of department stores. In addition to selling new men's clothing we also will take gently used clothes on consignment. We are the only store in Alaska that is oriented exclusively to men's fashion clothing. The response to our store has been amazing and I am looking forward to growing as the buzz spreads.

Our two companies and our personal credit is excellent with the exception of having too much individual revolving credit which has been necessary for business operation. Our credit cards started cutting our credit limits to the exact amount that we had on the card. This was not only happening to cards that carried a balance from month to month but also cards that we paid in full every month. Cards that we had faithfully paid in full cut our available limits from $25,000 to $500. In one month we lost nearly $60,000 in available credit. In addition, the banks cut our working lines of credit to virtually nothing and the credit cards raised their rates by approximately 15% across the board on cards with or without a balance.

This has put small businesses like mine in a difficult position with many owners laying off employees or closing their doors altogether. We have gone to banks and have been told that we have great credit scores but our credit cards and lines of credit are all maxed. We have explained that the credit card companies and banks have lowered the limits to the exact amount that we have on the card but it doesn't seem to change anything. With available credit being cut by half to three quarters of what we originally had. Interest rates are being changed without warning and banks are unwilling to extend credit to small businesses. We are left with no viable options for operating let alone expanding our businesses.

Small businesses are the backbone of the American economy providing nearly 60 percent of employment opportunities in the Country. I have spoken with many small businesses owners in Anchorage and with trade groups including the chamber of commerce and

have found that I am not alone in this difficulty. One colleague, who represents 450 small businesses in the municipality, said that she talks to business owners every day who say they are either going to have to do major layoffs, sell or go bankrupt because they can't order enough inventory to keep their doors open.

Alaska has weathered this financial crisis fairly well compared to the lower 48 but I fear that it may change if something is not done to free up a credit source for business owners. As small businesses we are people who have put everything on the line to succeed including our homes, retirement plans and land. It doesn't seem right that we are being punished for the irresponsible lending of the very banks and credit card companies who are now denying the responsible and credit worthy individuals and businesses access to the credit they need to stay afloat.

With oil being at higher than average rates Alaska is in a position that most of the other states are not. Alaska and Governor Parnell have a unique opportunity to help small business owners get access to a line of credit at a reasonable interest rate. This would keep the unemployment numbers down and keep very viable businesses afloat through the storm. The state can actually help small businesses while at the same time earning a respectful interest rate on the money lent.

I am asking the powers that be to act with urgency. Establish a fund for small businesses so that we can lock in interest rates for 3-4 years that would beat bank loans and credit cards (10%-12%). This would allow us to order the inventory that we need to operate, minimize layoffs, finish expansion efforts, and have a stable interest rate for business forecasting. In addition, the state would be making an interest rate that is enviable to most other options and certainly involves less risk than some of the other options. I can assure you that small business owners are tenacious and will fight to keep their businesses afloat. We just need to be given weapons to fight with.

Sincerely,

Ted Ragains

From: Made In Mat-Su Association
March 18, 2010
1100 E. Dan Street
Wasilla, Alaska 99654

To: The Honorable members of the 2010 Alaska State Legislature

The Made In Mat-Su Association lends the full support of its members and affillitates to SB302/HB 412. The Association supports the proposed Small Business Micro Loan program as the most important small business legislation in many years.

This bill when passed will create opportunities for Alaskan small businesses of all kinds to aquire needed funding for capital improvements, raw materials, inventory, marketing and a variety of other needs. This potential funding will allow small businesses to become more competative, more financially viable and thus allow for a greater share of the Alaska Market.

We ask for your consideration and support of this extremely important bill.

Thank You
Mike A. Borgford
Executive Director
Made In Mat-Su Association

HB

413

<target><bill>HB 413</bill><subject>HB 413</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

Sponsor Statement HB 413
Funding for the Alaska Challenge Youth Academy

HB 413 restructures the funding mechanism for the Alaska Challenge Youth Academy to more accurately reflect the needs of the Academy.

The Alaska Challenge Youth Academy is a residential high school for students who have dropped out of regular school. The Academy is highly successful with a 70% graduation rate and works closely with the National Guard following a strict model that gives students structure, challenge, and discipline. The Academy is located in Anchorage and has two sessions a year where students live on campus for 5 months while going through the rigorous program. After they graduate from the program, staff continues to track their behavior through a mentorship program. Students are considered a success if a year after graduation they are enrolled in a postsecondary program, the military, or in full time employment.

Funding for the Academy is based the following formula: 7 times the Base Student Allocation (BSA) times all residential students plus .6 times the BSA times all non-residential students. When this formula was constructed in 2002 it reflected the dollars they needed to operate. However, as the BSA has grown over the years to cover retirement costs and other increases in education this has resulted in a windfall and is no longer reflective of the true cost of the program.

HB 413 would set a per child amount for state dollars in statute, $11,990 and multiply that by the number of residential and non-residential students enrolled. The Academy and the Department of Education and Early Development both agree this would give them sufficient dollars to run the program. Under HB 413 the projected total state dollars they would receive in fiscal year 2011 would be approximately $5.2 million, within $300 of the amount they would get under the current formula. Alaska Military Youth Academy also receives separate federal funds that supplement this amount ($2.7 million for FY2011).

The Academy is a valuable alternative that requires higher funding as a residential program for at-risk youth than other boarding schools. HB 413 identifies an appropriate and transparent way to fund this important educational institution.

Staff Contact: Katie Koester 465-2028

Prepared by the office of Rep. Seaton
March 15, 2010
HB 413 v.A

State Capitol, Room 102 Juneau, AK 9980 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

MEMORANDUM

TO: Representative Bill Stoltze
Representative Mike Hawker
Co-Chairman, House Finance Committee

FROM: Representative Paul Seaton
Chair, House Education Committee

DATE: March 15, 2010

RE: Request for hearing, HB 413

I respectfully request a hearing before the House Finance Committee on HB 413, legislation that restructures the funding formula for the Alaska Challenge Youth Academy.

Attached please find HB 413, sponsor statement, fiscal note and back up on the Academy/program.

Invited Testimony:
-Eddy Jeans, Director of School Finance, Department of Education and Early Development
-McHugh Pierre, Deputy Director, Department of Military and Veterans Affairs

Please make the teleconference available to Legislative Information offices state wide.
At this time I do not expect any off-net participation.

Staff contact: Katie Koester: 465-2028

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 413
(H) Publish Date: 3/15/10

Identifier (file name): HB413-EED-ESS-3-10-2010
Title "An Act relating to the Alaska Challenge Youth Academy"
Sponsor House Education Committee
Requester Education, Finance

Dept. Affected: Education & Early Development
RDU K-12 Support
Component AK Challenge Youth Academy
Component Number 2837

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.3						
Miscellaneous							
TOTAL OPERATING	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.3	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would rewrite the state formula in AS14.30.740 so the Alaska Challenge Youth Academy would be paid at a flat rate of $11,990 per full-time residential and non-residential student. The number of students enrolled is to be provided by October 1st.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 3/10/10 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 3/10/2010

(Revised 10/13/2009 OMB)

2070

Department of Education & Early Development Prepared by School Finance
Prepared 3/10/2010
HB 413 - Fiscal Note #1

ALASKA MILITARY YOUTH ACADEMY

FY2011 Projection	
189 x $5680 x 7 =	7,514,640
297 x $5680 x 60% =	1,012,176
less $2,700,000	(2,700,000)
TOTAL $	**5,826,816**

HB413	
189 x $11,990 =	2,266,110
297 x $11,990 =	3,561,030
TOTAL $	**5,827,140**

HB413 Change over FY11	**$ 324**

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

MEMORANDUM

TO: Representative Bill Stoltze
Representative Mike Hawker
Co-Chairman, House Finance Committee

FROM: Representative Paul Seaton
Chair, House Education Committee

DATE: March 15, 2010

RE: Request for hearing, HB 413

I respectfully request a hearing before the House Finance Committee on HB 413, legislation that restructures the funding formula for the Alaska Challenge Youth Academy.

Attached please find HB 413, sponsor statement, fiscal note and back up on the Academy/program.

Invited Testimony:
-Eddy Jeans, Director of School Finance, Department of Education and Early Development
-McHugh Pierre, Deputy Director, Department of Military and Veterans Affairs

Please make the teleconference available to Legislative Information offices state wide.
At this time I do not expect any off-net participation.

Staff contact: Katie Koester: 465-2028

State Capitol, Room 102, Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

Alaska Military Youth Academy Overview

Training schedules:

2 classes offered each year, consisting of:

- 2 week pre-challenge phase
- 20 week residential course
- 12 month non-residential tracking period

Education options:

A cadet may receive a GED or a high school diploma from the AMYA. The AMYA is an accredited high school, through the Northwest Association of Accredited Schools and offers a maximum of 7 credits during the residential phase of the program.

There are also work place certificate programs offered as well as internship opportunities for the cadets during the residential course to include:

- National Center for Construction Education and Research certificate, foundation training for any student going into vocational trades
- Carpentry proficiency certificate
- UPS store customer service certified training
- Culinary ServeSafe certification (required by the cabaret association that at least one employee on shift must have this certification)
- Emergency Trauma Tech certification
- Emergency Medical Tech certification
- Win and Work Keys, career readiness certificate (national program administered through the Department of Labor that shows baseline employee skill level)
- First aid and CPR certification

Success:
Success is determined by the ChalleNGe program national office located in Washington DC under the control of National Guard Bureau, which oversees all 33 ChalleNGe programs nationwide. A cadet is considered a successful graduate of the ChalleNGe program if at the end of the 12-month non-residential period he or she is:

- Working at least 30 hours per week
- Enrolled in college taking at least 12 semester hour credits
- Enrolled in a vocational training/ apprentice program
- A member of the United State's military

Alaska Military Youth Academy Budget details

Q: Do we expend funds on the mentorship program? If so what are they used for?
A: No funds are given to the mentors or the cadets for being mentored. Funds are used to pay staff to coordinate the mentor program. One staff member is dedicated full-time to running the mentor program and two other staff members spend about half of their time supporting the mentor program.

Q: How will doing away with the stipend affect the mentorship program?
A: There is an indication the stipends were an incentive for cadets to be more responsible in self-reporting. AMYA staff has invested twice as much time to contact Cadets for post-residential information than with previous classes that received the benefit.

Q: How do we plan to use the stipend money if it remains in the budget?
A: The funds will be used to replace educational equipment and material for the cadets. This includes outdated classroom resources, replacing 25% of computers yearly, adding software licenses with the Microsoft programs, replacing barracks furnishings, increasing the enrollment of additional students, and office supplies.

There has **not** been any DEED funding in the past three years that has gone towards capital projects. The only situation where this was possible was with the infrastructure money we received. However, we did not use any DEED funding as match against the infrastructure projects.

In the past three years there **has** been DEED funding that was used to pay for maintenance to the AMYA facilities. The info. is as follows:

SY08 – spent $441.72 in "repair parts & supplies". It was coded against FFY09 DEED allowable.
SY09 – spent $399.00 in "repair guardrail supplies". It was coded to FFY08 DEED allowable.
SY10 – nothing has been spent on maintenance so far.

60/40 maintenance dollars
SY08 - $118,959.25
SY09 - $93,199.28
SY10 - $15,137.88 so far this year

As for the stipends, they weren't clear on whether they were talking about graduation stipends or aftercare stipends so I provided both just in case. It was not possible to break stipends down by class without going through a labor intensive exercise. I summarized the total graduation and aftercare stipends by fund source for each SY, and

also broke out each fund source by FFY (if applicable) and what type of stipend it was. In the past three years we have paid the following in stipends:

SY08 – $79,000 Total graduation stipends paid ($47,400 FED/$31,600 GFM)
$168,600 Total aftercare stipends paid (DEED I/A)
$247,600 Total graduation & aftercare stipends paid in SY08

60/40
FFY07 Graduation Stipend $42,000
FFY08 Graduation Stipend $37,000
Total graduation stipends paid in SY08 $79,000 ($47,400 FED/$31,600 GFM)

I/A (DEED)
Aftercare Stipend $168,600

SY09 – $91,200 Total graduation stipends paid ($54,720 FED/$36,480 GFM)
$120,700 Total aftercare stipends paid (DEED I/A)
$211,900 Total graduation & aftercare stipends paid in SY09

60/40
FFY08 Graduation Stipend $42,900
FFY09 Graduation Stipend $48,300
Total graduation stipends paid in SY09 $91,200 ($54,720 FED/$36,480 GFM)

I/A (DEED)
Aftercare Stipend $120,700

SY10 – $81,600 Total graduation stipends paid ($48,960 FED/$32,640 GFM)
$58,900 Total aftercare stipends paid (DEED I/A)
$140,500 Total graduation & aftercare stipends paid so far in SY10

60/40
FFY09 Graduation Stipend $40,800
FFY10 Graduation Stipend (estimated) $40,800
Total graduation stipends paid so far in SY10 $81,600 ($48,960 FED/$32,640 GFM)

I/A (DEED)
Aftercare Stipend (there should be no more) $58,900

Advertising with us can place you in front of thousands of visitors a day. Learn more!

Bright Solutions IT Help

Ask a Lawyer: State Law
24 Lawyers Are Online. Ask a Question. Get an Answer ASAP

Touch N' Go Desktop In/Out Board

Alaska Statutes.
Title 14. Education, Libraries, and Museums
Chapter 30. Pupils and Educational Programs For Pupils
Section 740. Funding For Alaska Challenge Youth Academy Program.

previous: Section 720. Definitions.
next: Section 750. Alaska School Counseling Program Grant Fund. [Repealed, Sec. 12 Ch 42 SLA 1997].

AS 14.30.740. Funding For Alaska Challenge Youth Academy Program.

(a) Each fiscal year, the department shall allocate funding for the Alaska Challenge Youth Academy program in an amount equal to the base student allocation multiplied by seven for each residential student and the base student allocation multiplied by 6/10 for each nonresidential student, minus the amount received by the program in federal matching grant funds. The determination of the number of residential and nonresidential students shall be made by the department on October 1 of the prior year.

(b) In this section,

(1) "base student allocation" means the amount established under AS 14.17.470;

(2) "nonresidential student" means a student who receives services but does not reside at the program site;

(3) "program" means the Alaska Challenge Youth Academy program;

(4) "residential student" means a student who resides at the program site.

All content © 2008 by Touch N' Go/Bright Solutions, Inc.

Note to HTML Version:

This version of the Alaska Statutes is current through December, 2007. The Alaska Statutes were automatically converted to HTML from a plain text format. Every effort has been made to ensure their accuracy, but this can not be guaranteed. *If it is critical that the precise terms of the Alaska Statutes be known, it is recommended that more formal sources be consulted.* For statutes adopted after the effective date of these statutes, see, Alaska State Legislature If any errors are found, please e-mail Touch N' Go systems at E-mail. We hope you find this information useful.

This page has been updated: 01/05/2009 15:56:11

Alaska Military and Youth Academy

Class	Start Date	Residential Grad Date	# Registered (Intake Day)	# Enrolled (After 1st Two Wks)	Graduated (end of 22 Wks)	Post Residential Compl Date	Number Receiving Stipends
2006/2007							
2006-1	4/3/2006	9/1/2006	162	140	109	10/1/2007	92
2006-2	10/1/2006	3/2/2007	257	194	154	4/1/2008	116
2007/2008							
2007-1	4/2/2007	8/31/2007	210	177	140	9/1/2008	108
2008-1	10/1/2007	3/1/2008	206	154	123	4/1/2009	91
2008/2009							
2008-2	4/1/2008	8/29/2008	206	160	143	9/1/2009	106
2009-1	10/1/2008	2/27/2009	209	184	161	4/1/2010	This is the last class to receive Post-Residential stipends
2009/2010							
2009-2	4/1/2009	8/29/2009	197	176	136	9/1/2010	Not eligible
2010-1	10/1/2009	2/27/2010	192	155	TBD	4/1/2011	Not eligible

Provided by the Department of Military and Veterans Affairs

HB

416

<target><bill>HB 416</bill><subject>HB
416</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON
Chairman
State Capitol, Room 124
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sponsor Statement

House Bill 416

" An Act adopting and relating to the Uniform Prudent Management of Institutional Funds Act; relating to the investment of money for charitable purposes by institutions, including governmental institutions; and relating to the University of Alaska"

House Bill 416 would allow the State of Alaska to adopt the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

UPMIFA replaces obsolete rules and concepts of investment and management of endowments and charitable funds currently in use. It provides current, industry best practices guidelines, essential to proper management.

HB 416 is will help administrators fulfill their fiduciary responsibilities to the funds they manage. Clear definitions on prudent practices and applicable standards are laid out for administrators of charitable funds and endowments.

The UPMIFA will assist nonprofits and volunteer trustees to minimize exposure to disputes and legal challenges over issues related to currently unclear administrative rules and practices.

Traditional trust principles regarding the distribution of what might otherwise be considered the corpus differ from the UPMIFA. In conjunction with Financial Accounting Standards Board requirements, UPMIFA allows advances against future earnings to the extent such advances are prudent and consistent with the mission and purpose of the endowment.

At present, only 3 other states have not adopted or introduced UPMIFA legislation.

I urge your support of House Bill 416.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SEAN PARNELL, GOVERNOR

LEGISLATION & REGULATIONS SECTION
P.O. BOX 110300
DIMOND COURT HOUSE, 6TH FLOOR
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2520

March 18, 2010

RECEIVED
MAR 18 2010

Honorable Kurt Olson, Chair
Labor and Commerce Committee
Alaska State Legislature
State Capitol, Room 24
Juneau, Alaska 99801-1182

Re: HB 416 -- Uniform Prudent Management of Institutional Funds Act

Dear Representative Olson:

The Alaska Uniform Law delegation met on March 8, 2010 and discussed the Uniform Prudent Management of Institutional Funds Act. HB 416 was introduced, which would enact the Uniform Prudent Management of Institutional Funds Act into state law. We believe that the bill would make important improvements to the law on management of institutional funds in this state by providing statutory guidelines for management, investment, and expenditures of endorsement funds held by charitable institutions. The bill is based on a Uniform Act that brings the law governing charitable institutions in line with modern investment and expenditure practices. About 45 states have enacted a version of the Uniform Act.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: Deborah E. Behr
Deborah E. Behr
Chief Assistant Attorney General

DEB:pav

cc: Senator Joe Paskvan, Alaska State Legislature
Jim Lynch, University of Alaska Fairbanks
Jerry Gallagher, Legislative Director, Office of the Governor
Randy Ruaro, Deputy Chief of Staff, Office of the Governor
Mike Ford, Legislative Liaison, Dept. of Law
Alaska Uniform Law Delegation

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 6, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/11/10

The FINANCE Committee considered: **HOUSE BILL NO. 416**

"An Act adopting and relating to the Uniform Prudent Management of Institutional Funds Act; relating to the investment of money for charitable purposes by institutions, including governmental institutions; and relating to the University of Alaska."

HB 416-PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
LAW	1			✓
UA	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Austerman	X			
	Foyle	✓			
	FOSTER	✓			
	KELLY	✓			
	FAIRCLOUGH	✓			
	Salmon	X			
Chair:	Stoltze	☆			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 416
(H) Publish Date: 4/6/10

Identifier (file name): HB416-LAW-CIV-04-02-10
Dept. Affected: Law
Title: An Act relating to the Uniform Prudent Management of Institutional Funds
RDU: Civil
Component: Commercial and Fair Business
Sponsor: Labor & Commerce
Requester: Labor & Commerce
Component Number: 2717

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This act revises the Uniform Management of Institutional Funds Act of 1972, bringing the law governing charitable institutions in line with modern investment and expenditure practice. Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager — Phone 465-5427
Division: Administrative Services — Date/Time 4/2/10 2:00 PM
Approved by: Daniel S. Sullivan, Attorney General — Date 4/2/2010
Department of Law

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 416
(H) Publish Date: 4/6/10

Identifier (file name): HB416-UA-Sysbra-03-26-10
Title: PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS
Sponsor: Labor & Commerce
Requester: Representative Olson

Dept. Affected: University of Alaska
RDU: University of Alaska
Component: Sysbra
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Passage of HB416 is not anticipated to have a measurable fiscal impact on the University of Alaska.

Prepared by: Alesia Kruckenberg
Division: Statewide Budget, University of Alaska
Phone: 450-8426
Date/Time: 03/26/2010;10:00am

Approved by: Michelle Rizk
AVP Statewide Budget, University of Alaska
Date: 3/26/2010

(Revised 11/6/2009 OMB)

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM March 22, 2010

SUBJECT: HB 416, a bill adopting and relating to the Uniform Prudent Management of Institutional Funds Act
(Work Order No. 26-LS1591\R)

TO: Representative Kurt Olson
Attn: Konrad Jackson

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Adds a new chapter adopting the Uniform Prudent Management of Institutional Funds Act.

Sec. 13.70.010. Directs an institution, when managing and investing an institutional fund, to consider the institution's charitable purposes and the fund's purposes. Directs the responsible persons to comply with the duty of loyalty and to act in good faith and with the care an ordinarily prudent person would exercise in the circumstances. Gives directions regarding cost incurrence and fact verification regarding fund investment and management. Allows an institution to pool funds. Provides management and investment rules, including the factors to consider, appropriate investment property, and diversification.

Sec. 13.70.020. Allows an institution to appropriate or accumulate as much of an endowment fund that is prudent for the fund. Makes this subject to the donor's intent. Generally characterizes fund assets as donor-restricted until appropriated. Requires an institution to act in good faith and with the care an ordinarily prudent person would exercise in similar circumstances, and to consider, when relevant, certain listed factors. Requires a gift instrument to specifically state any limitation on appropriation or accumulation. Indicates what certain terms and words, including similar words, mean for an endowment fund.

Sec. 13.70.030. Allows an institution to delegate the management and investment of an endowment fund to an external agent if prudent. Makes this subject to certain exceptions. Directs the institution to act in good faith and with the care of an ordinarily prudent person in similar circumstances when performing certain listed acts. Describes the duty

the agent owes to the institution. Removes the liability of an institution that complies with (a) for the agent's acts. States that an agent for an institution subject to this state's laws is subject to this state's jurisdiction. Allows an institution to delegate to its own persons as authorized by other law.

Sec. 13.70.040. Allows an institution, under certain conditions, to release or change gift instrument restrictions. Allows a court to modify a gift instrument's restriction if it is impractical or wasteful or impairs the fund's management or investment, or if it will further the fund's purpose. Requires the institution to notify the attorney general of the court application. Requires a modification to be made, as far as possible, in accordance with the donor's intent. Allows a court to modify a fund's purpose or a restriction if unlawful, impractical, unachievable, or wasteful. Allows an institution to release or modify a restriction on the fund's management, investment, or purpose under certain conditions. Requires notification of the attorney general.

Sec. 13.70.050. Directs that compliance with this chapter be determined in light of the facts and circumstances existing at the time.

Sec. 13.70.060. Indicates how this chapter relates to the Electronic Signatures in Global and National Commerce Act.

Sec. 13.70.070. Indicates that another law or a governing instrument of an institution governs over this chapter when there is a conflict.

Sec. 13.70.080. Provides for uniformity of the application and construction of this chapter with other states' laws.

Sec. 13.70.090. Defines terms for the chapter.

Sec. 13.70.095. Gives the chapter a short title.

Section 2. Indicates how the new chapter and AS 37.10.071 apply to the management and investment of gifts, bequests, and endowments made to the University of Alaska.

Section 3. Indicates how the new chapter and AS 37.10.071 apply to the Board of Regents of the University of Alaska as the fiduciary of the university's endowment trust fund.

Section 4. Indicates that the chapter will apply to institutions and their decisions after its effective date.

If I may be of further assistance, please advise.

TLB:plm
10-162.plm

UPMIFA

uniform prudent management of institutional funds act

WHY STATES SHOULD ADOPT THE ACT

This 2006 Uniform Prudent Management of Institutional Funds Act replaces and updates the 1972 Uniform Management of Institutional Funds Act. Its rules govern investment of the funds of charitable organizations and total return expenditure of those funds. It establishes a prudent management investment regime derived from the Uniform Prudent Investor Act (which applies only to trusts) and a prudent total return expenditure based upon performance of the portfolio held by a charitable institution. It also provides for delegation of authority for investment to outside agents and reformation of donor restrictions (cy pres) on funds when these are so outdated that the original objective can no longer be honored.

States should adopt the Uniform Prudent Management of Institutional Funds Act:

1. To make sure that the best investment practices govern the actual investment of institutional funds.
2. To withdraw obsolete rules governing prudent total return expenditure and provide a modern rule of prudence consistent with the rules that govern investment.
3. To eliminate differences in investment and expenditure rules that apply to different types of nonprofit organizations. The same rules govern all under UPMIFA.
4. To encourage growth of institutional funds while eliminating investment risks that threaten principal.
5. To assure that there are adequate assets in any institutional fund to meet program needs.
6. To make the law governing institutional funds uniform in every state.

UPMIFA

uniform prudent management of institutional funds act

ULC Uniform Law Commission

History of UPMIFA and UMIFA

At its annual meeting in July 2006, the National Conference of Commissioners on Uniform State Laws (NCCUSL) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and recommended it for enactment by the legislatures of the various states. UPMIFA is designed to replace the existing Uniform Management of Institutional Funds Act (UMIFA), which was approved by NCCUSL in 1972 and has since been enacted in 47 states. UMIFA was a pioneering statute, providing uniform and fundamental rules for the investment of funds held by charitable institutions and the expenditure of funds donated as "endowments" to those institutions. Those rules supported two general principles: 1) that assets would be invested prudently in diversified investments that sought growth as well as income, and 2) that appreciation of assets could prudently be spent for the purposes of any endowment fund held by a charitable institution. These two principles have been the twin lodestars of asset management for endowments since UMIFA became the law of the land in nearly all U.S. jurisdictions.

UPMIFA continues these fundamental principles as a needed upgrade of UMIFA. Both investment in assets and expenditure for charitable purposes have grown exponentially in the 35 years since UMIFA was drafted; asset management theory and practice have also advanced. UPMIFA, as an up-date and successor to UMIFA, establishes an even sounder and more unified basis for charitable fund management than UMIFA has done.

INVESTMENT

In 1972, UMIFA represented a revolutionary advance over prevailing practices which imposed upon endowments the limited investment opportunities available for managing trust assets – even endowments not organized as trusts. By stating the first prudent investor rule in statutory law, UMIFA allowed endowments to invest in any kind of assets, to pool endowment funds for investment purposes, and to delegate investment management to other persons (e.g., professional investment advisors), as long as the governing board of the charitable institution exercised ordinary business care and prudence in making these decisions. A range of factors guided the exercise of prudence.

UPMIFA incorporates the experience gained in the last 35 years under UMIFA by providing even stronger guidance for investment management and enumerating a more exact set of rules for investing in a prudent manner. It requires investment "in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances." It requires prudence in incurring investment costs, authorizing "only costs that are appropriate and reasonable." Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions must be made in relation to the overall resources of the institution and its charitable purposes. No investment decision may be made in isolation, but must be made in light of the fund's entire portfolio, and as a part of an investment strategy "having risk and return

objectives reasonably suited to the fund and to the institution." A charitable institution must diversify assets as an affirmative obligation unless "special circumstances" dictate otherwise. Assets must be reviewed within a reasonable time after they come into the possession of the institution in order to conform them to the investment strategy and objectives of the fund. Investment experts, whether in-house or hired for the purpose, are held to a standard of care consistent with that expertise.

UMIFA initiated the era of modern portfolio management for charitable institutions. UPMIFA provides the standards and guidelines that subsequent experience tells us are the most appropriate for the purpose. Charitable institutions will have more precise standards to guide them. Courts will have more precise standards with which to measure prudence in the event of a challenge. The result should be more money for programs supported by charitable funds, including endowments.

EXPENDITURE

UMIFA initiated the concept of total return expenditure of endowment assets for charitable program purposes, expressly permitting prudent expenditure of both appreciation and income and replacing the old trust law concept that only income (e.g., interest and dividends) could be spent. Thus, asset growth and income could be appropriated for program purposes, subject to the rule that a fund could not be spent below "historic dollar value."

UPMIFA builds upon UMIFA's rule on appreciation, but it eliminates the concept of "historic dollar value." UPMIFA, instead, provides better guidance on prudence and makes the need for a floor on spending unnecessary. UPMIFA states that the institution "may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established." Seven criteria guide the institution in its yearly expenditure decisions: "1) duration and preservation of the endowment fund; 2) the purposes of the institution and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the institution; and, 7) the investment policy of the institution." These standards mirror the standards that apply to investment decision-making, thus unifying both investment and expenditure decisions more concretely.

UPMIFA includes an optional provision that allows states to enact another kind of safeguard against excessive expenditure. If a state does not want to rely solely upon the rule of prudence provided in UPMIFA, the state may adopt a provision that creates a rebuttable presumption of imprudence if an institution expends an amount greater than seven percent of fair market value of a fund, calculated in an averaging formula over three years. While the seven percent rule is likely not to be necessary, it is available for those states that may be uncomfortable with the general standards.

RELEASE OR MODIFICATION OF RESTRICTIONS

UPMIFA recognizes and protects donor intent more broadly than UMIFA did, in part by providing a more comprehensive treatment of the modification of restrictions on charitable funds. Sometimes a restriction imposed by a donor becomes impracticable or wasteful or may impair the management of a fund. The donor may consent to release the restriction, if the donor is still alive and able to do so, but if the donor is not available the charity can ask

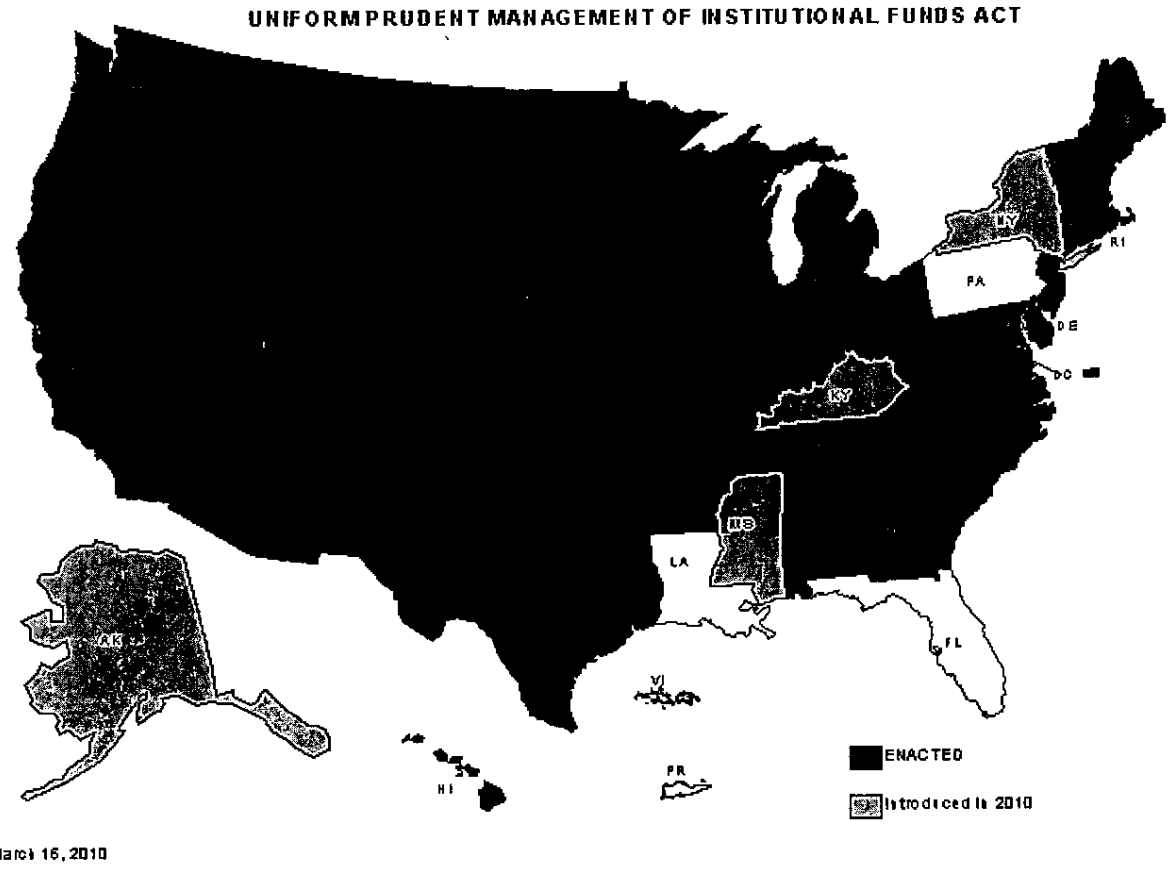
for court approval of a modification of the restriction. The trust law doctrines of cy pres (modifying a purpose restriction) and deviation (modifying a management restriction) probably already apply to charitable funds held by nonprofit corporations. UPMIFA makes this clear. Under UMIFA, the only option with respect to a restriction was release of the restriction. UPMIFA instead authorizes a modification that a court determines to be in accordance with the donor's probable intention. If the charity asks for court approval of a modification, the charity must notify the state's chief charitable regulator and the regulator may participate in the proceeding.

UPMIFA adds a new provision that allows a charity to modify a restriction on a small (less than $25,000) and old (over 20 years old) fund without going to court. If a restriction has become impracticable or wasteful, the charity may notify the state charitable regulator, wait 60 days, and then, unless the regulator objects, modify the restriction in a manner consistent with the charitable purposes expressed in any documents that were part of the original gift.

CONCLUSION

UPMIFA reflects and incorporates the 35 years of experience that has accumulated under the original UMIFA. Rather than changing institutional investment or expenditure practices, it brings them up to date and unifies them across a broad range of charitable funds. The better charitable institutions manage investments and prudently control expenditures, the more money they should have for program purposes.

©Uniform Prudent Management of Institutional Funds Act
111 N. Wabash Ave., Suite 1010
Chicago, Illinois 60602
tel: (312) 450-6600 | fax: (312) 450-6601 | e-mail: upmifa@nccusl.org


UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT
NY
RI
PA
DE
DC
KY
MS
LA
AK
FL
VI
HI
PR
ENACTED
Introduced in 2010
March 16, 2010

-1

theforakergroup
Standing Beside Alaska's Nonprofits
161 Klevin Street, Suite 101
Anchorage, AK 99508
Phone; (907) 743-1200 Fax: (907) 276-5014

Foraker Group Governance Board
Bill Allen
Will Anderson
Sherri Buretta
George Cannelos
Valerie Davidson
Mike Felix
Glen Gardner
Jeff Jessee
Bernice Joseph
Diane Kaplan
Janie Leask
Steve Marshall
John Minge
Wendy Redman
Bernie Washington
Kathie Wasserman
Ed Rasmuson, Emeritus

Foraker Group Operations Board
Stephanie Allen
Marla Berg
Carrie Brown
Michele Brown
Jim Caldarola
Karen Cameron
Jerry Drake
Charlotte Fox
Stephanie Garrard
Mary Gibbs
Sven Haakanson, Jr.
Randy Hagerstein
Nick Hardigg
Tina Marie Herford
Brenda Hewitt
Mark John
Jim Maley
Joan O'Keefe
Ira Perman
Sammye Pokryfki
Jake Poole, Chair
Elizabeth Ripley
June Rogers
Jaclyn Sallee
Ivy Spohnholz
Wayne Stevens
Joy Steward
Saralyn Tabachnick
Deborah Vo

March 24, 2010

The Honorable Representative Kurt Olson, Chair
House Labor and Commerce Committee
Alaska State Capitol, Room # 24
Juneau, AK 99801

Dear Representative Olson:

Please allow me to thank the House Labor and Commerce Committee for your sponsorship of House Bill 416. It is a timely piece of legislation which replaces obsolete rules, and in doing so brings Alaska trust law into this century. But the real value The Foraker Group sees in this legislation is the ability to provide solid options and realistic opportunities for Alaska nonprofit institutions and the University of Alaska in pursuing long-term sustainability.

The Foraker Group is a statewide Management Support Organization established in 2000, with a straightforward mission: Assuring the success of Alaska's nonprofit organizations by helping them build their own sustainability. Foraker does this by providing high-quality, efficient, and cost-effective assistance to staff and boards of directors in three broad areas: shared/professional services, education and training, and organizational development. And more and more, we are also speaking out on behalf of Alaska's nonprofit sector – this is what leads us to submit a letter of support for House Bill 416. Last year we wrote in support of the companion bill SB 134.

We support House Bill 134 because the legislation can have positive impacts on Alaska nonprofits, as well as the University of Alaska. Simply stated, developing an Alaska version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides solid guidance to managers and investors of charitable funds and endowments. As they respond to the nation's economic crisis and build their sustainability, this kind of "best practice" is essential to nonprofit organizations of all kinds.

The best possible response to economic uncertainty is rooted in long-term sustainability. Alaska organizations of all shapes and sizes are responding to threats to sustainability in many ways, all in pursuit of important missions in their communities. Building a sustainable income stream and ensuring financial resilience is essential in Alaska's nonprofit sector – sustainable organizations are better positioned to meet their important missions, are more effective, more efficient and above all more self-reliant. They form the foundation of a strong Alaska economy, and healthy, productive Alaska communities.

The current economic crisis has proven to be especially troublesome for organizations that manage or rely on charitable funds and endowments. But it would be a mistake to portray the passage of HB 416 as a response to economic uncertainty. The "fixes" in HB 416 are not made in response to economic turmoil – the changes are warranted now, regardless of economic circumstances. It is all about being "good stewards" of the donated or endowed dollars of others – a task that becomes harder and harder in the face of growing economic turmoil.

Prudent stewardship is all the more difficult in a demanding digital age using antiquated and inadequate analog tools. The proposed legislation can provide the tools to meet that donor intent while at the same time help develop long-term sustainability.

We know the economy is in turmoil, and that turmoil is hitting all Alaska organizations – government, corporate entities, education, tribal, private foundations, the nonprofit sector, and the University of Alaska. The economic situation makes this legislation timely, but it is change that should come regardless.

Please feel free to contact Foraker Vice President Dr. Michael Walsh with any questions you might have. He can be reached via email at mwalsh@forakergroup.org

Sincerely,

Dennis McMillian, President
The Foraker Group

HB

421

<target><bill>HB 421</bill><subject>HB 421</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

March 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to State employees' compensation.

This bill will revise the salary schedule for State employees who are not covered by collective bargaining agreements. Specifically, the bill will provide for two percent increases in fiscal years 2011, 2012, and 2013. These increases are consistent with the State's parameters for negotiations with the labor unions that represent employees in collective bargaining units. The bill will cover employees in the executive, legislative, and judicial branches.

I urge your prompt and favorable action on this measure.

Sincerely,

Sean Parnell
Governor

Enclosure

HOUSE BILL NO. 421

HOUSE COMMITTEE REPOI

(11)
Date Referred to Committee: March 26, 2010 FURTHER REFERRALS:

Date of Committee Action: 4/14/10

The FINANCE Committee considered: HOUSE BILL NO. 421

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

HB 421-PUBLIC EMPLOYEE SALARIES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____(_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG		✓		
CRT		✓		
GOV		✓		

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Jowle	✓			
	KELLY	✓			
	Austerman	X			
	Foster	✓			
	Salmon	X			
	FAIRCLOUGH	✓			
Chair:	STOLTZE			✓	
Chair:	Hawker	✓			

2095

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 421
(H) Publish Date: 4/7/2010

Identifier (file name):
Title: An act relating to compensation for certain...
Sponsor: Rules by Request
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Alaska Court System
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,346.0	1,346.0	2,741.5	4,128.2	4,128.2	4,128.2	4,128.2
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**1,346.0**	**1,346.0**	**2,741.5**	**4,128.2**	**4,128.2**	**4,128.2**	**4,128.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,323.8	1,323.8	2,696.4	4,059.5	4,059.5	4,059.5	4,059.5
1005 GF/Program Receipts							
1037 GF/Mental Health	22.2	22.2	45.1	68.7	68.7	68.7	68.7
Other Interagency Receipts							
TOTAL	**1,346.0**	**1,346.0**	**2,741.5**	**4,128.2**	**4,128.2**	**4,128.2**	**4,128.2**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This fiscal note reflects salary increases for non-covered judicial branch employees. Beginning in FY2011 salaries are increased by 2% and an additional 2% in FY2012 and another 2% in FY2013. The FY11 amounts required for each entity are as follows: Appellate Courts - $114.8; Trial Courts - $1,045.7; Administration - $144.1; Therapeutic Courts - $22.2; Judicial Council - $14.7; Judicial Conduct - $4.5.

Prepared by: C. S. Christensen III, Deputy Administrative Director — Phone 907-463-4736
Division: Alaska Court System — Date/Time 4/7/10 at 1:00 P.M.
Approved by: C. S. Christensen III for Christine Johnson, Administrative Director — Date 4/7/2010
Alaska Court System

(Revised 10/13/2009 OMB)

2096

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 421
() Publish Date:

Identifier (file name):
Title: Public Employee Salaries
Sponsor: Rules Committee
Requester: Governor

Dept. Affected: Exec. Branch
RDU
Component
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	4,048.9		8,171.9	12,916.1	12,916.1	12,916.1	12,916.1
Travel							
Contractual	133.4		402.6	558.9	558.9	558.9	558.9
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**4,182.3**	**0.0**	**8,574.5**	**13,475.0**	**13,475.0**	**13,475.0**	**13,475.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	389.9		807.8	1,272.5	1,272.5	1,272.5	1,272.5
1003 GF Match							
1004 GF	1,903.2		3,897.9	6,082.6	6,082.6	6,082.6	6,082.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Funds	1,889.2		3,871.8	6,119.9	6,119.9	6,119.9	6,119.9
TOTAL	**4,182.3**	**0.0**	**8,577.5**	**13,475.0**	**13,475.0**	**13,475.0**	**13,475.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This reflects the salary increases for non-covered Executive Branch employees for FY11 - FY13. Beginning in FY11 salaries are increased by 2.0%, in FY12 an additional 2% and in FY13 an additional 2%.

All of the electronic transactions have been transmitted to the Legislative Finance Division. A report showing amounts per department for FY11 is attached.

Prepared by: Lena Simmons, Operating Budget Coordinator — Phone 465-4697
Division: Office of Management and Budget — Date/Time 4/10/10 5:50 PM
Approved by: Karen J. Rehfeld, Director — Date 4/10/10
Office of Management and Budget

Rev. 9/03 (LFD/OMB)

GF/Fed/Other Summary by Department

HB 421 and SB 310 Non-Union Public Employee Salaries

Scenario: **FY2011 Sal Inc Noncovered 2% (8073)**

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	447.9	0.0	85.3	533.2	0	0	0	0
Department of Commerce, Community, and Economic Development	109.2	89.8	293.0	492.0	0	0	0	0
Department of Corrections	52.8	0.0	0.0	52.8	0	0	0	0
Department of Education and Early Development	31.1	4.7	149.8	185.6	0	0	0	0
Department of Environmental Conservation	12.3	6.1	6.1	24.5	0	0	0	0
Department of Fish and Game	45.0	3.3	82.8	131.1	0	0	0	0
Office of the Governor	296.1	1.5	11.0	308.6	0	0	0	0
Department of Health and Social Services	104.9	51.8	118.4	275.1	0	0	0	0
Department of Labor and Workforce Development	21.3	11.6	35.1	68.0	0	0	0	0
Department of Law	506.3	2.2	235.3	743.8	0	0	0	0
Department of Military and Veterans Affairs	21.0	2.6	2.6	26.2	0	0	0	0
Department of Natural Resources	119.4	4.7	119.5	243.6	0	0	0	0
Department of Public Safety	28.6	0.0	4.0	32.6	0	0	0	0
Department of Revenue	79.3	211.6	653.6	944.5	0	0	0	0
Department of Transportation/Public Facilities	28.0	0.0	92.7	120.7	0	0	0	0
Total:	**1,903.2**	**389.9**	**1,889.2**	**4,182.3**	**0**	**0**	**0**	**0**

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HB 421**
() Publish Date:

Identifier (file name): HB421-LEG-LEG-03-30-10
Dept. Affected: Legislature
Title "An Act relating to the compensation of certain public officials, officers, and employees not covered by collective..."
RDU All
Component All
Sponsor House Rules by Request of the Governor
Requester House Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	741.8		1,503.4	2,285.4			
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**741.8**	**0.0**	**1,503.4**	**2,285.4**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	741.8		1,503.4	2,285.4	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**741.8**	**0.0**	**1,503.4**	**2,285.4**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This fiscal note reflects salary increases for non-covered Legislative Branch employees. Beginning in FY2011 salaries are increased by 2% and an additional 2% in FY2012, and another 2% in FY2013.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 4/14/10 1:02 PM
Approved by: Pamela Varni, Executive Director
Date 4/14/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

OFFICE OF THE COMMISSIONER

PHONE: (907) 465-2200
FAX: (907) 465-2135

April 7, 2010

The Honorable Bill Stoltze
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Representative Stoltze:

House Bill 421 was read across the floor on March 26, 2010 and referred to the House Finance Committee for consideration. This bill addresses compensation for public employees who are not covered by collective bargaining agreements.

The Department of Administration has recently completed negotiations on five separate labor contracts with unions representing over 12,000 classified state employees. Reports of the monetary terms of these agreements have been transmitted to the President of the Senate and the Speaker of the House.

This bill would provide a similar increase to approximately 3,000 employees in the Executive (~1,700), Legislative (~500) and Judicial (~800) branches who are paid based on the statutory pay schedule found in AS 39.27.011. Specifically, the bill would increase the statutory pay schedule by 2% in each of the next three fiscal years, beginning on July 1, 2010 (FY11-12-13).

I respectfully request that HB 421 be scheduled for hearing in the House Finance Committee as early as possible.

If you have any questions or require additional information, please contact me.

Sincerely,

Annette Kreitzer

Annette Kreitzer

2100

GF/Fed/Other Summary by Department

HB 421 and SB 310 Nonunion Public Employee Salary

Scenario: FY2011 Sal Inc Noncovered 2% (8073)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	447.9	0.0	85.3	533.2	0	0	0	0
Department of Commerce, Community, and Economic Development	109.2	89.8	293.0	492.0	0	0	0	0
Department of Corrections	52.8	0.0	0.0	52.8	0	0	0	0
Department of Education and Early Development	31.1	4.7	149.8	185.6	0	0	0	0
Department of Environmental Conservation	12.3	6.1	6.1	24.5	0	0	0	0
Department of Fish and Game	45.0	3.3	82.8	131.1	0	0	0	0
Office of the Governor	296.1	1.5	11.0	308.6	0	0	0	0
Department of Health and Social Services	104.9	51.8	118.4	275.1	0	0	0	0
Department of Labor and Workforce Development	21.3	11.6	35.1	68.0	0	0	0	0
Department of Law	506.3	2.2	235.3	743.8	0	0	0	0
Department of Military and Veterans Affairs	21.0	2.6	2.6	26.2	0	0	0	0
Department of Natural Resources	119.4	4.7	119.5	243.6	0	0	0	0
Department of Public Safety	28.6	0.0	4.0	32.6	0	0	0	0
Department of Revenue	79.3	211.6	653.6	944.5	0	0	0	0
Department of Transportation/Public Facilities	28.0	0.0	92.7	120.7	0	0	0	0
Total:	**1,903.2**	**389.9**	**1,889.2**	**4,182.3**	**0**	**0**	**0**	**0**

HB

422

<target><bill>HB 422</bill><subject>HB 422</subject><comm>HFIN26</comm></target>

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

March 31, 2010

Sponsor Statement
HB 422 / SB 311
Tourism Enhancement

After decades of steady growth, Alaska is facing a decline of more than 140,000 cruise passengers in 2010 – the most significant drop in visitation the state has ever experienced. A loss of over $150 million in direct and indirect spending, and thousands of Alaska jobs, could result from this decline. Alaska already sustained a loss of approximately 125,000 air, highway, and ferry visitors last year. Visitor industry peak employment is approximately 40,000 when accounting for jobs directly or indirectly connected to non-resident visitation and spending. Including job losses already suffered and potential losses this year, visitor industry related employment is projected to decline by up to 5,000 jobs, or more than 10 percent.

In recognition of the visitor industry's significance, this legislation seeks to reverse these declines by making Alaska more visible through increased tourism marketing and by making Alaska more affordable through a reduction in the excise tax imposed upon cruise passengers. This legislation also proposes development of a report every three years to provide information about the needs of Alaska communities that host cruise ship passengers as well as usage of the excise tax.

Corporate Income Tax Credit: This bill creates a corporate income tax credit for contributions to the qualified trade association that plans and executes a destination tourism marketing campaign. Alaska will benefit from expanded marketing efforts by increasing visitation and spending. In turn, this activity will create jobs and strengthen the economy.

Commercial Passenger Vessel Excise Tax: Amendments to the commercial passenger vessel excise tax program will reduce the tax rate per passenger and create a periodic report to ensure the rate remains commensurate with the cost of hosting passengers in Alaska. The tax provides funding for projects in areas that are directly impacted by cruise passengers including port expansion and improvements, pedestrian pathways and sidewalks, and other visitor industry facilities.

We can position our economy for growth by attracting more visitors, lengthening visitors' stay, and encouraging visitors to explore new Alaska destinations. In short, we should make Alaska an appealing and affordable destination, while sending a clear message that we welcome visitors.

I urge your prompt and favorable action on the bill.

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110410
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

Sectional Analysis
HB 422 / SB 311
Tourism Enhancement

Section 1 of the bill adds a new tax credit to Alaska Net Income Tax Act for cash contributions made by corporations to a qualified trade association for use in planning and executing an Alaska tourism marketing campaign. This credit is limited to taxpayers that derive income from tourism related business in Alaska. The total amount of cash contributions by all taxpayers eligible for this credit is $20 million in 2010 and in subsequent years the cap is adjusted up or down based upon the percentage change in the amount of tax collected under the vehicle rental tax program during the two prior fiscal years. Once the total annual credit amount has been reached, taxpayers will be notified by the qualified trade association that further contributions will not be eligible for a credit. This tax credit is not refundable so taxpayers cannot reduce their tax liability below zero. Tax credits not used in the year the contribution was made cannot be applied in future years. Finally, taxpayers may not claim both a tax credit and a business expense deduction.

Section 2 amends AS 43.52.200 to codify a regulation and clarify that the commercial passenger vessel excise tax is imposed upon passengers traveling on a vessel that hosts them overnight in Alaska and stops in port(s) in Alaska where they are allowed to embark or disembark. In other words, this tax does not apply to passengers on vessels merely transiting the state's marine waters.

Section 3 amends AS 43.52.210 to reduce the tax rate from $46 a passenger per voyage to $34.50 a passenger per voyage.

Section 4 amends AS 43.52.230(a) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be appropriated to comply with federal law.

Section 5 amends AS 43.52.230(b) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be spent by municipalities to comply with federal law.

Section 6 amends AS 43.52.250 to reduce the commercial passenger vessel excise tax by the total amount of municipally-imposed passenger taxes a passenger pays when purchasing a voyage that includes a stop in municipalities imposing such taxes. This reduction, however, is limited to municipally imposed taxes that were in effect on December 17, 2006 and such municipality did not elect to receive revenue sharing of $5 per passenger under AS 43.52.230(b).

Section 7 of the bill provides for a report to the Legislature, the Governor, and the public every three years by the Department of Commerce, Community, and Economic Development that addresses the projected needs of the communities that host passengers and the extent to which, during the preceding three years, commercial vessel passenger excise tax proceeds have been utilized to defray the cost of hosting passengers in Alaska. This report may be used by the Legislature to determine if the tax rate remains commensurate with the cost of safely and efficiently hosting passengers in Alaska.

Section 8 amends AS 43.52.200 to clarify that "voyage" means spending 72 hours in the state's marine waters.

Section 9 repeals the regional cruise ship impact sub-account in the general fund. Thus, all proceeds from the commercial passenger excise tax will go into the commercial vessel passenger tax account subject to appropriation by the Legislature.

Section 10 provides an immediate effective date for the bill.

Adopted 4/5/10

26-GH2210\R
Bullock
4/2/10

CS FOR HOUSE BILL NO. 422( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the excise tax on passengers traveling on commercial passenger vessels providing overnight accommodations in the state's marine waters; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** AS 43.52.200 is amended to read:

Sec. 43.52.200. Levy of excise tax on overnight accommodations on commercial passenger vessels. There is imposed an excise tax on **passengers traveling** [TRAVEL] on commercial passenger vessels providing overnight accommodations **that anchor or moor** in the state's marine water **with the intent to allow passengers to embark or disembark**.

* **Sec. 2.** AS 43.52.210 is amended to read:

Sec. 43.52.210. Rate of tax. The tax imposed by AS 43.52.200 - 43.52.295 is levied at a rate of **$34.50** [$46] a passenger per voyage.

* **Sec. 3.** AS 43.52.230(a) is amended to read:

(a) The proceeds from the tax **imposed under AS 43.52.200 - 43.52.295** [ON TRAVEL ON COMMERCIAL PASSENGER VESSELS PROVIDING OVERNIGHT ACCOMMODATIONS IN THE STATE'S MARINE WATER] shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) [AND (c)] of this section, for state-owned port and harbor facilities, other services**, and infrastructure** to properly provide for **commercial passenger** vessel or **passenger** [WATERCRAFT] visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.

*** Sec. 4.** AS 43.52.230(b) is amended to read:

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call $5 per passenger of the tax revenue collected from the tax **imposed** [LEVIED] under AS 43.52.200 - 43.52.295. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute $2.50 per passenger to the city and $2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services **and infrastructure** to properly provide for **commercial passenger** vessel or **passenger** [WATERCRAFT] visits and to enhance the safety and efficiency of interstate and foreign commerce.

*** Sec. 5.** AS 43.52.250 is amended by adding new subsections to read:

(b) The tax imposed by AS 43.52.200 - 43.52.295 shall be reduced by the total amount of a tax on a passenger traveling on commercial passenger vessels imposed on the passenger by a municipality.

(c) The tax reduction under (b) of this subsection applies only to taxes imposed by a municipality that did not elect to receive funds under AS 43.52.200 - 43.52.295 by December 17, 2007.

(d) The tax reduction under (b) of this section may not exceed 50 percent of

the tax rate levied under AS 43.52.210.

* **Sec. 6.** AS 43.52 is amended to add a new section to read:

Sec. 43.52.260. Periodic report. The Department of Commerce, Community, and Economic Development shall prepare and submit to the governor, the legislature, and the public a report every three years that

(1) addresses the projected needs of communities to safely and efficiently host passengers that pay taxes under AS 43.52.200 - 43.52.295; and

(2) summarizes the extent to which appropriations of the proceeds of the tax have been used to defray the needs described in (1) of this subsection.

* **Sec. 7.** AS 43.52.295(4) is amended to read:

(4) "voyage" means any trip or itinerary lasting more than 72 hours **in the state's marine waters**.

* **Sec. 8.** AS 43.52.230(c) is repealed.

* **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).

March 29, 2010

Gov. Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Dear Gov. Parnell,

I am a resident of Girdwood and a founding member of Girdwood 2020, a group of concerned citizens who advocate for responsible development. One of our priorities is the economic health of Alyeska Resort, which relies on cruise visitors during the summer to carry it through the shoulder seasons.

The hotel suffered last summer and is so nervous about this season it significantly reduced personnel costs by downsizing its work force and dropping insurance for its employees.

Girdwood 2020 has long been concerned with the negative impacts of the cruise ship initiative and has passed two resolutions supporting repeal or major changes in both its environmental and economic requirements. Here is the text of the one we passed last year:

Girdwood 2020 Board of Directors
Resolution In Support of Modifying
2006 Alaska Cruise Ship Initiative

WHEREAS, Girdwood 2020 comprises a group of citizens who want Girdwood to grow and prosper as a unique, internationally recognized mountain resort community through environmentally responsible economic development,

WHEREAS, Girdwood is one of the top destinations for cruise ship passengers in Southcentral Alaska,

WHEREAS, cruise ship passengers are important to the economic viability of Alyeska Resort, along with dozens of other area businesses, including Alaska Heritage Tours and the Alaska Wildlife Conservation Center,

WHEREAS, a 2006 Alaska Cruise Ship Initiative dramatically increased the cost of cruising to Alaska by imposing three new taxes, including a $50 passenger entry fee, and environmental standards not required by other dischargers, and

WHEREAS, cruise lines have redeployed ships and shifted itineraries in an effort to reduce costs and increase margins, and

WHEREAS, the redeployments will reduce the number of cruise passengers to Girdwood and Southcentral Alaska by one-third in 2010 and cost the region more than $150 million in lost taxes, local purchases and passenger spending, along with three to five flights per week, and

WHEREAS, no other destination imposes such a costly tax and environmental fee structure and most destinations are offering the cruise industry incentives.

NOW THEREFORE BE IT RESOLVED, the Girdwood 2020 Board of Directors urges Governor Sean Parnell and the Alaska State Legislature to create a panel to evaluate the effects of the 2006 Cruise Initiative and to review, eliminate or lower the $50 entry fee.

Approved the 12th day of September, 2009

I commend you for your brave move to significantly reduce this onerous tax and return our state's competitive advantage.

Thank you.

Sincerely,

Lana Johnson
P.O. Box 708
Girdwood, AK 99587
907-783-1140

Southeast Conference

March 29, 2010

Dear Legislator;

On behalf of the Board of Directors of Southeast Conference we strongly support Governor Parnell's efforts to reduce the amount of the Alaska cruise ship head tax from $46 to $34.50 and encourage tourism marketing tax credit legislation. We have to compete in a global market that is steadily taking away the state's cruise travel market. Bermuda just lowered its cruise ship taxes and fees, which now makes Juneau the most expensive port in North America. These efforts by the Governor will bring our taxes more in line with our competitors.

Southeast Conference is a regional, nonprofit corporation that advances the collective interest of the people, communities and businesses in Southeast Alaska. Members include municipalities, native corporations and village councils, regional and local businesses, civic organizations and individuals throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities, and a quality environment for Southeast Alaska. We are the State-designated Alaska Regional Development Organization (ARDOR), the federally-designated Economic Development District (EDD), and the federally designated Resource Conservation and Development Council for Southeast Alaska. Each of these designations requires Southeast Conference to take an active role in regional resource management and economic development planning.

After decades of steady growth in the tourism sector, Alaska is facing a 17 percent decline in cruise visitation this summer. That will translate to 140,000 fewer passengers coming here during the four-month cruise season. Alaska businesses have come to rely on the tourism business for the stability they need to run a year round business. These projected reductions will be devastating to our small businesses in Southeast Alaska. This tax reduction is good faith toward the value we put on our most renewable economy, tourism. Support for this legislation will let the cruise companies know that we value their business.

Southeast Conference urges the legislature to support the head tax reduction.

On behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

3/29/10
Governor Sean Parnell
PO Box 110001
Juneau Alaska, 99811

Governor Parnell,

First, thank you for putting forward your hybrid tourism bill (SB422/HB311), to reform the cruise tax structure as well as help our industry market itself. It is not always popular to do the right thing, and you have shown outstanding leadership by acknowledging and battling a dangerous threat to Alaska's economy. The Tourism Industry touches every region of the state, and helps prop up every sector of our economy. As you know, the last two years have been brutal for our industry, and your proposal is the first ray of sunshine we've seen in quite a while. I'm confident that if it passes, it will help pull the Tourism Industry out of the quicksand it's been stuck in, as well as bolster the Alaskan economy in general.

Ballot Measure 2, when it passed, was one of the toughest initiatives to understand that I've ever seen. It was sold to the public as a minor fee that cruise ships needed to pay, in order to offset some of the costs that the State incurs on their behalf. This is a hard message to argue with, everyone should pay their own way and the Cruise Industry is no exception. Hindsight being what it is, we can now see the real, tangible, measurable effects of this legislation. Not only was the $50.00 tax enough to radically change the economics of the Cruise Industry in Alaska, the initiative as it turns out, was also packed with a whole host of regulations, stipulations and environmental requirements that made Alaska one of the toughest places for these companies to do business. At the time, its authors said to the Alaskan public "don't worry, cruise ships aren't going anywhere" and three years later, the proof is in the pudding. Ships have left, despite the assurances of the Ballot Measure's authors.

The second half of your proposal, the Tourism Marketing Tax Credit is equally important to our industry. When a ship leaves our state, it takes a proportional amount of marketing dollars with it. Add to that the overall in decline in marketing dollars this state has spent in the last 15 years, and you can see why Alaska just doesn't compete on a world stage. Cruising has proven very popular, and every region of the world is figuring out how much they have to gain by attracting visitors. Gone are the days where the Caribbean was our only competition. Now Alaska is just one of dozens of exotic cruise destinations, and getting our message out is twice as important as it was even 10 years ago. Luckily we have an easy pitch to make: Alaska is blessed with unmatched natural wonders, accessible wildlife and the most exciting native cultures in the world. We just need to get that message in front of the travelers, and that's going to take more funding.

1975 Discovery Drive Fairbanks, AK 99709 Phone (907) 479-6673 Fax (907) 479-4613
Website: http://www.riverboatdiscovery.com

My grandparents started this business 60 years ago and like any struggling family business, we have had ups and downs; but in all that time the last two years stand out. Last year we had an almost 30% drop in passengers, and bookings for this summer are down another 20% on top of that. In the last two years we have cut over 70, out of what was almost 200 seasonal workers we hired in 2007. We have also cut 4 of our 18 full time positions. These are real people; families who have mortgages and students who pay tuition. Besides the emotional aspect of these cutbacks, they also represent a dramatic decrease in dollars spent in the community. These Alaskans used their wages to pay bills, buy groceries and put gas in their car. This is how tourism touches the entire Alaskan Economy, and why this legislation is so vital, not just for us, but for the whole state.

Thank you for your leadership on this issue, I proudly support these two bills and hope that the Legislature passes them quickly.

Sincerely,

Ryan Binkley
President, Riverboat Discovery
Fairbanks Alaska

1975 Discovery Drive Fairbanks, AK 99709 Phone (907) 479-6673 Fax (907) 479-4613
Website: http://www.riverboatdiscovery.com

March 30, 2010

Governor Sean Parnell
PO BOX 110001
Juneau, AK 99811

Dear Governor Parnell:

Hello Governor, first let me say thank you for your recent introduction of House Bill 422 and Senate Bill 311. I would like to take a moment of your time to tell you about the importance of this tourism bill to myself and to countless other members of the Fairbanks community. Over the years I have been lucky enough to have the experience of growing up in a family business; it taught me invaluable skills and life lessons, and it always meant that I had a summer job that I had to show up to everyday. It also gave me the opportunity to work side by side many of my best friends and was a place where I formed lasting friendships with peers from all over Alaska.

As I have taken on a more permanent role here at the Riverboat Discovery, I have had the pleasure of hiring and managing a large portion of our full-time and summer crew. It has given me a chance to mentor outstanding young Alaskans and teach them the values and work ethic that I was taught as a young deckhand growing up on the boat. It also provides them with a steady summer income that allows them continue paying for their education, rent, living expenses, etc. This money trickles through various Fairbanks businesses and helps support all sectors of the local economy. I have seen the positive effect that this "simple summer job" has had on young Alaskans a hundred times over, and it has become one of the most rewarding aspects of my job.

Over the last two winters it has been disappointing to see how the severe drop off in Alaska tourism has had such a devastating effect on our crew size. We have been forced to cut 4 year-round positions and have seen our summer crew drop, from nearly 200 two years ago, to 120 for 2010. It is difficult having to turn away so many exceptional young people because we can no longer support such a staff.

While many of us in the industry have been battling to reverse this disturbing trend for the last two years, it has been a lonely fight. That is why I am so grateful for your recent support and leadership on this issue. HB422/SB311 is the first step in getting Alaska tourism back on track and with your continued support, coupled with the help of the legislature, Alaska can once again become a premier visitor destination.

Thank you for stepping up to the plate for all Alaskans on this issue; you have my full support in your efforts.

Sincerely,

Captain Wade Binkley
Vice President of Operations

1975 Discovery Drive Fairbanks, AK 99709 Phone (907) 479-6673 Fax (907) 479-4613
Website: http://www.riverboatdiscovery.com

KETCHIKAN

Our lifestyle, your reward

March 25, 2010

The Honorable Sean Parnell, Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

Thank you for your participation in the Cruise Shipping Miami conference and Sea Trade industry trade show last week. It was a great affirmation of your commitment to our industry to have you join us.

Perhaps more importantly, I wish to convey my thanks for your willingness to demonstrate your support for the tourism industry by offering a solution to two of the issues that most affect my community's viability as a visitor destination- changes to the state head tax and support for increased marketing of Alaska.

The ballot measure that was narrowly passed by voters during the primary elections in 2006 has created unwieldy and punitive measures against the cruise line industry. I appreciate that you understand by lowering the head tax, and eliminating the collection of fees that in the past have been used for somewhat questionable projects, we can move forward. Your proposal ensures that funds will continue to be available for needed infrastructure improvements and strongly signals that Alaska values its relationships with our business partners, who in turn bring visitors to our shores to see our sights, buy our tours, shop in our stores, dine in our restaurants and go home with a positive message about our amazing state.

Marketing Alaska as a visitor destination is equally important. Alaska's appeal is still there, but our message is often lost in the clutter of all of the travel advertising and promotion that exists in the media. While other destinations are ramping up their efforts to bring visitors in, Alaska's budget is flat, and dollars are stretched. The state has a role to play, and it is more important than ever that Alaska commit additional dollars to grow this industry.

While oil is indisputably a large factor in our state's economy, tourism is an important, long term resource that will continue to produce jobs, local and state government revenues and create small business opportunities, not only in Ketchikan but throughout Alaska. It often has taken a back seat as a priority for our elected officials. I can only say again, thank you for your interest in and elevation of solutions that will benefit us all for the long term.

Sincerely,

Patti Mackey

Patti Mackey
Executive Director

KETCHIKAN VISITORS BUREAU • 131 Front Street Ketchikan, Alaska 99901 • 907-225-6166
E-mail: pmackey@visit-ketchikan.com • www.visit-ketchikan.com

Greater Ketchikan Chamber of Commerce
P.O. Box 5957, Ketchikan, Alaska 99901
Phone: (907) 225-3184
Fax: (907) 225-3187
E-mail: info@ketchikanchamber.com
www.ketchikanchamber.com

2010 Officers

Leigh Gerber
President
Trident Seafoods

Kim Glisson
Secretary
1st Vice President
Alaska Escrow & Title Insurance Agency, Inc.

Miguel Torres
2nd Vice President
GCI

Nancy Christian
Treasurer
Alaska Pacific Bank

Andrew Spokely
Past President
P.S.S.A.

2010 Directors

Diane Naab
Exploration Gallery

Jim Fowler
Anderes Oil Inc

Doug Ward
Alaska Ship & Drydock, Inc.

Jacob Hasty
Computer HQ

John Malouf
Alaska Amphibious Tours

Eric Nichols
Alcan Forest Products

Jason Harris
Guardian Flight

Chamber Staff

Blaine Ashcraft
Executive Director

Governor Sean Parnell
Third Floor, State Capitol
PO Box 110001
Juneau, Alaska 99811-0001

Dear Governor Parnell,

On behalf of the Greater Ketchikan Chamber of Commerce and its 324 member businesses, I would like to thank you for your introductions of proposals that we feel would greatly benefit our members and our community. As you may realize our community has undergone a huge transition from a resource extraction based economy to a community that presently predominantly tourism based economy.

We are extremely fortunate that during the waning years of the timber industry, that we were at the same time seeing the offsetting growth in the tourism industry; that growth was arguably the savior of our community. As such, over the last 15 years, Ketchikan has made significant investment into our infrastructure and into reinventing and itself to be a part of this competitive market.

Although we are continually looking at ways to diversify our economy, the fact of the matter is: our community could not survive without tourism or the tourism industry.

We are in full support of your proposed solutions, specifically;

- *Reducing state head tax from $46.00 per person to $34.50 per person*
- *Providing credit for local head taxes*
- *Requiring the state to review tax rates every three years to help insure that funds are aligned with infrastructure needs.*
- *Allowing tourism revenue to be reinvested in marketing Alaska, through a corporate tax credit.*

Sincerely,

Blaine Ashcraft

Blaine Ashcraft
Executive Director
Greater Ketchikan Chamber of Commerce

Governor Sean Parnell
PO Box 11001
Juneau, AK 99811-0001

Governor

Bill # HB 422 and SB311

I'm glad you are supporting this effort to reduce the head tax and with the Alaska Tourism Marketing Tax credit. I have been involved with the Eldorado Gold Mine for 16 years and have been in a position to hire local Alaskans for our operation in the last 12 years. Last year we had a decline in passengers and with the cruise ship cancellations for 2010 we are hiring less crew members again this year.

What this results in is less college students working to help pay for their college expenses. I have seen reductions across the board in our company, full time and seasonal positions cut and not filled. This has an effect on families like my own with a son in college and my daughter going to college in the fall of 2011. With reductions in crew we have lots of college and high school students still looking for work. If they don't find work it will cost more to go to college and in fact may be the deciding factor whether they can afford to go to college at all.

We need to make Alaska more competitive in the market and this will be a huge step in achieving this. When I go to the grocery store and see parents in town here, I have had some ask about seasonal work for their kids, I hope in the future we can hire these students in the Fairbanks area with the return of the cruise passengers to the interior.

I like what you have done so far in supporting this measure it really will have an effect on jobs and the local economy in parts all across Alaska.

Sincerely

Jayson Kowalchuk
VP Eldorado Gold Mine
Fairbanks, Alaska
907-590-0849

March 29, 2010

Governor Sean Parnell
PO Box 11001
Juneau, AK 99811-001

Dear Governor Parnell:

The decline in the visitor industry is hurting our business, our community, and our residents. The loss of revenue due to the decrease in tourism (i.e. bed taxes, sales taxes, etc.) is hurting us. The loss of three additional ships in 2010 will be felt throughout the entire State. Alaska will see a loss in revenue of $165 million in 2010 and we will lose the marketing funds that go with each ship. Fairbanks will have 33 percent fewer passengers visit our community this summer. This is a trend that we cannot afford to see continue.

In order to reverse this downward spiral, we must take action. We must reduce the cost of operating in Alaska for the cruise industry and increase the State's marketing efforts. Our great State is no longer competitive in the global market in either of these areas. As other destinations are lowering fees and increasing markets, we increased fees with ballot Measure 2 and have no money to increase our marketing efforts.

I fully support the plan you have proposed and truly believe that it is our best chance to save our tourism industry. The reduction of the head tax and the Alaska Tourism Marketing Tax Credit bills (SB 311/HB 422) are the best hope for the survival of the Alaskan-owned small businesses. The passing of these bills will create a sustainable mechanism that will support marketing Alaska and hopefully bring more visitors to Alaska. Your leadership has given strength and momentum to these bills and I greatly appreciate it.

Sincerely,

S. Fischer

Susan Fischer
Vice President of Administration
Gold Dredge No. 08

1975 Discovery Drive Fairbanks, AK 99709 Phone (907) 479-2905 Fax (907) 479-4613
Website: http://www.golddredgeno8.com

Bell, Susan K (GOV)

From: Laura Cloward [director@seward.net]
Sent: Tuesday, March 30, 2010 2:18 PM
To: Parnell, Sean R (GOV)
Subject: Seward Chamber Support for Gov Parnell Tourism Marketing/Cruise Industry Efforts

March 30, 2010

The Honorable Governor Sean Parnell
Governor of Alaska
Juneau, AK 99801

Dear Governor Parnell:

The Seward Chamber of Commerce, Conference and Visitors Bureau would like to thank you for your efforts to strengthen Alaska's economy through tourism marketing and partnership with the cruise line industry. We applaud your travel to Miami and your willingness to engage with the cruise industry, and important facet of Seward's economy.

On March 15th, the Seward Chamber Board of Directors approved Resolution 2010-03 urging the Alaska State Legislature to support the passage of the Alaska Tourism Marketing Tax Credit bill (SB 138/HB 167). Since our passage of Resolution 2010-03, we were pleased to see your proposed legislation introduced into both the State Senate and House, legislation which both encourages investment into tourism marketing and sustains jobs by reducing the cost of doing business in Alaska.

It is critical in today's economy that the State take action to help our businesses remain viable and retain those jobs tied directly and indirectly to tourism. Seward is fortunate to have a diversified economy; tourism plays an important role in that balance. Beyond seasonal employment, this impact is year-round: government positions tied to Kenai Fjords National Park; a rail line that supports not only seasonal passenger travel, but year-round coal export and barge activities; cruise ship-capable berths and terminal facilities that support cargo dockings, AMHS maintenance, and visits by military vessels; and purchase of locally-processed commercial fish.

We fully support your respective bills, SB311 and HB422, which, in addition to implementing a tourism tax credit, goes a step further by reducing the fees associated with cruise visitors traveling to our great state. Thank you for your leadership on this important issue.

Sincerely,

Laura L. Cloward

Laura Cloward, Executive Director
Seward Chamber of Commerce

cc: Alaska State Legislature

3/31/2010

American Society of Travel Agents
1101 King Street, Suite 200
Alexandria, VA 22314

Tel 703.739.2787
Fax 703.684.8319
800.ASKASTA

askasta@asta.org
www.ASTA.org

The Honorable Sean T. Parnell
Alaska State Capitol Building, Third Floor
P.O. Box 110001
Juneau, AK 99811-0001

23 March 2010

Dear Governor Parnell:

On behalf of the American Society of Travel Agents (ASTA) and its approximately 3,500 domestic travel agency firms, I applaud and strongly support your recent proposal to reduce the state "head tax" on cruise ship passengers from $46 to $34.50.

Travel agents are responsible for over $14 billion in annual cruise sales--approximately 80% of all cruise travel sold. As part of its advocacy mission on behalf of the travel agency community and the travelling public, ASTA supports the reduction of regulatory and tax barriers that make travel more expensive.

The predictable effect of a tax reduction such as the one you have proposed will be an increase in the number of cruise passengers visiting your state—a welcome result for passengers, travel agents, and Alaska-based businesses alike. We look forward to working with you to help this measure to become law.

Thank you for your leadership on this and other issues affecting the travel industry.

Very Truly Yours,

Chris Russo
President and Chair

CC: Sen. Lyman Hoffman, *Co-Chairman*, Senate Finance Committee
Sen. Bert Stedman, *Co-Chairman*, Senate Finance Committee
Rep. Mike Hawker, *Co-Chairman*, House Finance Committee
Rep. Bill Stoltze, *Co-Chairman*, House Finance Committee
Rep. Jay Ramas, *Chairman*, Special Committee on Economic Development, Trade, & Tourism

Gakona Junction Village, Inc.

Memorandum

To: Members of Alaska State Senate and House of Representatives

From: Alan LeMaster, President

Re: HB 422 – Tourism Tax/Tax Credit

Date: April 2, 2010

First let me thank each of you for opening your doors to the members of Alaska's travel industry earlier in the week as we campaigned for our livelihoods that are so tied to this bill, introduced by Governor Parnell.

We know there are many issues on your plate and you were extremely cordial in allowing us so much time to state our case.

As you consider your final answer to our request, please consider the following.

Two Proposed Plans:
There are at least two plans on the table for your consideration. One is the Governor's plan as expressed in HB 422 combining certain changes in the cruise ship tax system and the request of the visitor industry to allow for a corporate tax credit. The other is the plan expressed in the Senate Bills SB 311 & SB 312, whereby the issue of the Cruise Tax is separated from the Corporate Tax Credit proposed in HB 422 and giving a one year supplemental payment to the marketing program of $5,000,000.

Legislative direction:
Last year when we were in Juneau discussing the Alaska marketing program and looking for a funding mechanism, we were told to go back to the drawing boards and look for a perpetual solution that would be long term, alleviating the need to return year after year seeking funding. So we did exactly that.

We considered many options and after a lengthy effort of our industry membership developed and agreed on a system whereby Alaska corporations involved in the tourist industry would have the option to dedicate their corporate tax dollars to the Alaska state's marketing program to a maximum of $20,000,000 a year. Those dollars would then be the base for marketing Alaska to the world through their public partnership with the Alaska Travel Industry Association.

Administration Support:
After several sessions with the Administration they recognized that an additional problem was brewing with the cruise ship companies over what is commonly referred to as the "cruise ship tax". In an effort to come to resolution, the first move by the Governor was to attend the Cruise convention in Miami where he was able to sit down with the presidents of the major cruise ship companies cruising Alaska. In those meetings which were, at times a bit contentious, he was able to come to agreement that if he would reduce (not eliminate) the tax, add marketing dollars to our efforts and use the tax monies collected to enhance the port facilities where they traveled, they would drop the law suit in process, add

Gakona Junction Village, Inc. dba:
Copper River Salmon Charters ~ Gakona Stop 'n Shop ~ Gakona ECO Gas ~ Gakona Cabins
P. O. Box 222 – Gakona, AK 99586
Phone: (907) 822-5058
Fax: (907) 822-3696
Email: gakona@gakonaank.net

additional ships to their schedules in 2012 restoring much of the over 140,000 passenger loss we have experienced over the last couple of years.

Governor Parnell saw the benefit of both the cruise ship tax issue and the corporate tax contribution issue. He thus combined them into a single bill providing for that long term solution we all are seeking. He proposed a comprehensive program and submitted it in the form of HB 422.

Legislative resistance:
For reasons that I am unable to discern, the Senate Finance Committee has not been able to bring this bill forward for hearing. In its place, we learned during our Fly-In that two new bulls were introduced splitting the Governor's bill into SB 311 and SB 312 and allowing for a one time contribution of $5,000,000 to the Marketing Program. We view this as a short range, stop gap effort and not a real solution to the problem we are seeking in HB 422.

Our recommendation:
Your choice?

A. You can choose to pass a comprehensive bill (HB 422) using corporate tax credits that allows for a long term solution with adequate funding enabling us to build a sustainable growth program of up to $20,000,000 in exchange for:
   i. The cruise industry dropping the litigation now in process
   ii. Additional ships in the 2012 schedule adding thousands more visitors to Alaska
   iii. Restoring up to 5000 jobs lost in the last two years from reducing visitation by over 140,000 guests.

B. You can choose to support a short range, stop gap solution adding $5,000,000 to our existing budget for one year. But, this proposal does not provide for sustainable marketing program, making it necessary for us to return to Juneau in 2011 to continue the fight for what you said you were seeking ~ "a perpetual, long term solution to marketing Alaska".

C. Finally, you can do nothing. That option can only exacerbate the problem of the continuing reduction of employment in our industry, fewer businesses willing or able to profitably participate in serving the visitors and a major impact on the families depending on tourism, the second largest industry in Alaska, as their primary and/or secondary income.

Of course, the loss to the city, borough and state revenues will be significant. This is already being felt through fewer dollars in taxes, fees, permits, and premiums at every level.

Summary:
So here we are at the crossroads and the journey nearing an end with only a couple of weeks left in the session. We in the industry fully support HB 422 and ask that you consider it carefully; then join us in passing this important legislation. Our very lives depend on it.

Please consider the options carefully. Ask questions. Think hard. Do the right thing. Call us if you have concerns. And finally, help us solve this urgent problem once and for all by passing HB 422 and sending it on to the Senate for their approval.

Sincerely,

L. Alan LeMaster, President

Responsible Cruising in Alaska

Governor Sean Parnell
Juneau, Alaska

March 12, 2010

Dear Governor Parnell:

RE: Cruise Ship Tourism

Responsible Cruising in Alaska supports both your travel to the Seatrade Conference in Miami and sustainable tourism, including large cruise ships, when these activities provide positive economic and revenue benefits to the state. Also, the large-ship cruise industry must meet Alaska's existing water quality standards at the point of discharge, as set out in Alaska law, in order to protect marine waters used for sport, commercial and subsistence fisheries.

Regarding pollution, the Alaska cruise industry has made enormous strides in preventing pollution since a decade ago when the industry was routinely being charged and convicted for felony dumping offenses. Installing working Advanced Wastewater Treatment systems on these vessels has put the industry on the cusp of meeting all Alaska's water quality standards (WQS's) at the point of discharge. The January issue of ***The Maritime Executive*** magazine supports this view that compliance with Alaska WQS's is now attainable. Remaining concerns are removing harmful discharge amounts of ammonia and copper, which directly affect marine growth and returning salmon. In fact, it is evident from DEC review and industry comments that the high levels of copper on some ships stem from water softeners interacting with the ship's copper plumbing; a problem easy to solve. The copper problem is the ships themselves, not local water sources.

Because tourism is a vital part of Alaska's economy, the great news is that recent financial upheavals and world-wide recession are ending. According to recent travel publications and journals like ***The Economist***, advance cruise bookings including trips to Alaska are robust. In fact, one good measure of cruise booking strength is the rising cost of Alaska tickets. The average cost of berths for the state Ocean Ranger program is up 21% in 2010 compared to last year. That is a clear and positive sign of industry rebound and recovery.

When you meet with cruise executives in Miami to encourage increased cruise tourism to Alaska, please stress the following points:

- ✓ Industry is very close to achieving Alaska WQS's for pollutants, especially heavy metals and ammonia. Keep working to reach these goals, using the rapidly improving removal technologies.

Box 21884 Juneau, Alaska 99802 (907) 586-2117 chipt@alaska.net

- ✓ The cruise lines spend $70 M a year to market cruises here. Alaska can either add to that figure or market primarily to independent air travelers.
- ✓ When cruise ticket prices are up in 2010 by hundreds of dollars, a $46 tax that pays solely for primary cruise infrastructure in Alaska is stable.
- ✓ Alaska is not 'hoarding' tax revenues collected from the passengers. Every available dollar has been appropriated for docks, sidewalks, restrooms and road projects, all used by the passengers on their visits.
- ✓ Capital projects proposed for FY 2011 from the passenger tax are for primary cruise infrastructure in many Alaska ports. These projects also mitigate the economic impact on local and state residents.
- ✓ As one of the most beautiful and desirable travel destinations, the industry and state should work together to expand other opportunities for cruise passengers when traveling in Alaska, e.g., development of a world-class lodge on the south side of Denali.

Alaska is a great place for cruising. Passengers come to Alaska from around the world to experience the vast beauty of Glacier Bay and the scenic splendor of Prince William Sound. Passengers love the sights and sounds in historic communities like Ketchikan, Skagway, Sitka and Talkeetna.

RCA urges you to continue working with the cruise industry so that Alaska remains a premier visitor destination. But Alaska cannot afford to alter the water quality standards that protect the marine waters and resources directly related to those experiences that cruise visitors seek. And at least for the next decade, the current, stable tax structure is needed to build primary infrastructure for the safe and efficient movement of passengers. These capital improvements are critical to the long-term viability of the industry.

Cruise tourism in Alaska will continue to grow in the coming decades, as it has each year for the past 25 years. Working together with port communities, the industry, and with fair and stable passenger taxes, Alaska can be the best cruise destination on Earth, sustaining a vital economic sector for many years to come. Thank you for your continuing interest and assistance,

_____

Theodore Thoma, President
Responsible Cruising in Alaska

Copy: Mike Nizich, Chief of Staff
Larry Hartig, Commissioner, DEC
Pat Galvin, Commissioner, Revenue
Emil Notti, Commissioner, Commerce, C & ED

Responsible Cruising in Alaska

House Finance Committee
Juneau, Alaska

April 5, 2010

Dear Representatives,

RE: HB 422

Thank you for the opportunity to comment on HB 422. This Governor-submitted bill would severely degrade the Commercial Vessel Passenger Fund. The following bullet points regarding HB 422 are meant to critique this Governor's bill, to improve it, and make it less punitive to Alaska port communities that host cruise ships in Alaska each summer. I trust these points are considered and viewed favorably by the Finance Committee.

- HB 422 was industry-written as a punitive reaction to the voter-passed cruise initiative of 2006; it punishes cruise port towns.
- This bill is designed to lower the state fund by 59%, from $46 million per year to less than $19 million in cruise capital funding;
- The major result of passing this bill would be short-changing smaller cruise ports in Alaska; Sitka, Hoonah, and especially the westward ports of Seward, Whittier and Kodiak.
- The bill limits state ability to capitalize large cruise projects like Panamax docks which cost $20 million to build.
- As a direct critique, HB 422 is a "**Cap and Skim**" math trick that has no justification except to decimate the tax revenue fund.
- Funds will be limited, and municipalities will return on bended knee to Vancouver and Miami for partial dock funding.
- HB 422 takes Alaska 'back in time,' restoring bickering and competition between cruise ports for industry visits & funding.

Box 21884 Juneau, Alaska 99802 (907) 586-2117 chipt@alaska.net

ON A POSITIVE NOTE:

- All Alaska cruise ports have received some funding from the state head-tax fund. These primary port projects are good investments for both industry and local communities;
- Cruise tax funding has **not** been hoarded as many wrongly claim, but is appropriated each year for new capital projects and paying down the bonded debt for new cruise docks;
- FY 11 proposals for cruise funding thus far are exactly what the voters intended – thanks to AG and OMB leadership.
- In years ahead, as the economy keeps improving, more ships will cruise to Alaska and require new and improved port projects; the sole purpose of the passenger head-tax.

SUGGESTIONS FOR CRUISE TAX REFORM:

- ✓ A modest cut in the $46 state tax equal to the decline of 2010 passengers: 15%. A $39 tax is a positive message to industry **and** preserves state ability to appropriate funds.
- ✓ 2010 Alaska taxes have already been collected by industry in the cruise ticket price. An effective date of 2012 on HB 422 gives industry time to re-deploy more ships to Alaska and achieve the 1 million passenger high-mark of 2009;
- ✓ Eliminate the words Regional Fund in state cruise law, but not the funding. The Legislature has always appropriated tax revenue as a whole, not by the words Regional Fund.

In conclusion, Alaska voters want reform of cruise ship practices in our state; **Protection of Clean Water** and **Fair Taxation** of this multi-billion dollar industry. While modest changes in state cruise law will be tolerated, wholesale changes that cripple funding for cruise capital projects should be addressed by Alaska voters, not by Miami-based threats. Please conduct an objective, state review of this important issue, which may lead to modest reforms in HB 422. Thank You,

Theodore Thoma, President
Responsible Cruising in Alaska

Attachment: 3/12/10 letter to Governor Parnell

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

March 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that provides for (1) a corporate income tax credit for contributions to the qualified trade association that plans and executes a destination tourism marketing campaign, and (2) amendments to the commercial passenger vessel excise tax program to reduce the tax rate and provide for a periodic review of the tax rate to ensure that it remains commensurate with costs of hosting passengers in Alaska.

After decades of steady growth in cruise ship passenger visits to Alaska, Alaska is facing a 17 percent decline in cruise visitation this summer. Currently, that would translate into 140,000 fewer passengers coming here during the four-month cruise season, fewer Alaska jobs, and less revenue for Alaska's small businesses. In recognition of the significant impact this decline in cruise ship travel has on Alaska, I propose legislation to increase tourism marketing through a corporate income tax credit mechanism, and a reduction of the excise tax imposed upon passengers visiting Alaska by cruise ship. I am also proposing a periodic review to assess the projected community needs and use of appropriations to safely and efficiently host visitors in Alaska.

We can grow our economy by bringing more visitors to fuel our own Alaska businesses. In short, we should make Alaska a more affordable destination and send a message that we welcome travelers.

I urge your prompt and favorable action on the bill.

Sincerely,

Sean Parnell
Governor

Enclosure

2127

HOUSE BILL NO. 422

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 422
(H) Publish Date: 3/26/10

Identifier (file name):1210-CED-OED-3-25-10
Dept. Affected: DCCED
Title: CPV Excise Tax Review and Report
RDU: Comm Assist and Ec Dev
Component: Office of Economic Development
Sponsor: Rules by Request of the Governor
Requester:
Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	10.0				10.0		
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0				10.0		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill establishes a tourism marketing tax credit, lowers the commercial passenger vessel excise tax on passengers, and requires the Department of Commerce, Community and Economic Development to conduct a periodic review of projected community needs and usage of past appropriations.

The travel component of this fiscal note represents staff outreach to communities and industry to better understand existing conditions and anticipated needs in port communities as a component of periodic review requirement in section 7 of this legislation.

The report and recommendation will be completed with existing staff resources.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: Commissioner's Office — Date/Time 3/25/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/25/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 422
(H) Publish Date: 3/26/10

Identifier (file name): 1210-REV-TAX-03-24-10
Title: Tax Credit for Tourism Marketing
Sponsor: Rules
Requester: Governor

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Tax Division
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**(20,000.0)**	**(20,000.0)**	**(20,000.0)**	**(20,000.0)**	**(20,000.0)**	**(20,000.0)**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached

Prepared by: Johanna Bales, Deputy Director — Phone (907) 269-6628
Division: Tax Division — Date/Time 3-24-10; 3:20 pm
Approved by: Ginger Blaisdell, Director — Date 3-24-10; 7:00pm
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE #2

STATE OF ALASKA **BILL NO.** HB 422
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Bill Language:

This bill would allow corporations engaged in any type of tourism activity in the state to take a credit against the Alaska corporate income tax (CIT) for contributions made to a qualified trade association. The contribution would have to be used by the the trade association for a destination tourism marketing campaign and could not be used to directly benefit the entity that made the contribution. The credit would be allowed on 100% of corporate income tax of a corporation, but would be limited to the first $20 million in contributions made to the trade association. The $20 million limit would be adjusted each year for the change in vehicle rental tax collections under AS 43.52.010 - 43.52.099. If vehicle rental tax collections drop, the overall contribution limit would drop by the same percentage. If vehicle rental tax collections increase, the overall contribution limit would increase accordingly.

Revenues:

Corporate income tax revenues would decline by approximately $20 million due to the new tourism tax credit.

Expenditures:

The provisions of this bill can be implemented using existing resources.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 422
(H) Publish Date: 3/26/10

Identifier (file name): 1210-REV-TAX-03-25-10
Dept. Affected: Revenue
Title: Reduce CPV Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Rules
Requester: Governor
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	0.0	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached

Prepared by: Johanna Bales, Deputy Director — Phone (907) 269-6628
Division: Tax Division — Date/Time 3-24-10; 3:00 pm
Approved by: Ginger Blaisdell, Director — Date 3-25-10; 1:28pm
Administrative Services Division

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 422

ANALYSIS CONTINUATION

Bill Language:

This bill will reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill would allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of $34.50 regardless of the amount of passenger fees charged by other communities. All revenues collected from the CPV tax would be deposited in the commercial vessel passenger tax account in the general fund. The language which created the regional cruise ship impact fund would be repealed. Department of Revenue would continue to share $5 with the first five ports of call. This bill would not affect community revenue sharing.

Revenues:

Commercial passenger vessel tax revenues would decline by approximately $22 million in fiscal years 2011 and forward due to the reduction in the CPV tax from $46 to $34.50 per passenger and the further reduction allowed for passenger fees paid to municipalities with passenger fees in place in 2006. Again, this bill does not change the rate at which the state shares CPV tax with communities that do not levy a passenger fee. We expect passenger fee sharing to remain at approximately $10 million each year. Since the bill has an immediate effective date, we expect a reduction in fiscal year 2010 CPV tax revenues of approximately $3.2 million.

Expenditures:

The provisions of this bill can be implemented using existing resources.

Helen Phillips

From: Blaisdell, Ginger (DOR) [ginger.blaisdell@alaska.gov]
Sent: Friday, April 02, 2010 3:22 PM
To: House Finance Legislation
Subject: RE: HB 422 Tourism Enhancement bill packet

Testifying on HB422 will be:
Curtis Thayer, Deputy Commissioner, Department of Community, Commerce and Economic Development
Presenting the bill and responding to questions regarding statewide tourism issues
Johanna Bales, Deputy Director, Tax Division, Department of Revenue
Tax questions and fiscal notes

I'm also going to forward a few more letters of support to Ben Mulligan this afternoon

Ginger Blaisdell
Director, Admin Services
Department of Revenue
465-2312

4 6 3 4 3 1 2

1500 .30 4,500,000

From: House Finance Legislation [mailto:House_Finance_Legislation@legis.state.ak.us]
Sent: Thursday, April 01, 2010 6:30 PM
To: Blaisdell, Ginger (DOR)
Subject: RE: HB 422 Tourism Enhancement bill packet

Ginger,

Who's going to be the presenters for the bill, and who will be there for questions?

NF

Ben

From: Blaisdell, Ginger (DOR) [mailto:ginger.blaisdell@alaska.gov]
Sent: Wednesday, March 31, 2010 2:29 PM
To: Ben Mulligan
Subject: HB 422 Tourism Enhancement bill packet

I delivered the hearing request letter and the Gov Leg Office should have already forwarded the two fiscal notes for HB 422.
In this packet are:

- Sponsor Statement
- Sectional Analysis
- Letters of support
- Economic Impact Study that has been delivered to each legislative office

Please let me know if you need anything further.
Thanks for considering HB 422

NFIB

The Voice of Small Business•

ALASKA

April 7, 2010

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 422

Dear Representative Stoltze:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 422. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

House Bill 422 will reduce the Alaska cruise ship tax from $46 to $34.50 and provides tax credits for marketing Alaska as a tourist destination. With Juneau being the most expensive port in North America, it has reduced the appeal of Alaska to cruise ships.

Many of the NFIB/AK members benefit from the tourists and their activities in Alaska, whether they are specific tour operators or suppliers to those operators or the grocery store where employees of tourism operators buy their food. The expected decline of 140,000 will dramatically affect Alaska's many small businesses and their ability to hire summertime employees.

We encourage you to pass legislation to reduce the excise tax on cruise ship passengers so that we can begin to draw passengers back to Alaska.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council
Governor Parnell

Alaska State Legislature

Please enter into the record my testimony to the House finance Committee
committee name

Committee on HB 422 / NB 167 dated 4-5-10
bill # / subject public hearing date

(1) I am Ronna Martin of Diamond M Ranch Resort. We have a B+B, Cabins + RV Park here on the Kenai. Diamond M Ranch has been on the board of both the Kenai Peninsula B+B Association + the Alaska Campground Owner's Association. I feel confident that I represent these associations and their members as well.

Due to the economic downturn of our country, we have seen our guest #'s down considerably last year and in our bookings for the upcoming season. As a small business, we are faced with very difficult decisions. →

Signed: R Martin
Testifier

Representing (optional)

48500 Diamond M Ranch Rd Kenai AK 99611
Address

907-283-9424
Phone number

2135

We do not have the revenue to pay for our past advertising venues, but if you don't advertise you can't increase your revenues. I would like to thank the Governor for his efforts to help Alaska Tourism by

1) Proposing a reduction of the cruise industry head tax
2) Advocating for a long-term funding solutions for tourism marketing through passage of the tourism marketing income tax credit.

The government funding allows us to have a group effort in ~~aaa~~ ~~&~~ advertising Alaska Tourism. I pay for advertising my business which also promotes my local community. With the state funding ATIA can promote AK Tourism as a whole. It is critical that we work together. As far as the cruise industry — Many of my guests first got their foot wet in AK by a cruise and are back 2136 see more of this great state. If cruise ships

We do not have the revenue to pay for our past advertising venues, but if you don't advertise you can't increase your revenues. I would like to thank the Governor for his efforts to help Alaska Tourism by

1) Proposing a reduction of the cruise industry head tax
2) Advocating for a long-term funding solutions for tourism marketing through passage of the tourism marketing income tax credit.

The government funding allows us to have a group effort in ~~[illegible]~~ advertising Alaska Tourism. I pay for advertising my business which also promotes my local community. With the state funding ATIA can promote AK Tourism as a whole. It is Critical that we work together. As far as the cruise industry — Many of my guests first got their foot wet in AK by a cruise and are back to see more of this great state. If cruise ships

(3)
leave Alaska, the whole State is effected in a big way. I feel we all benefit from the cruise industry and my husband and I even enjoyed a cruise up the inside passage last ~~year~~ May. What an opportunity!

Thank you for reading my testimony and a Special thank you to House Finance Committee and all their hard work. You all deserve the applause of the day.

Sincerly,

Ronna Martin
Diamond M Ranch Resort
Kenai, AK

Alaska State Legislature

Please enter into the record my testimony to the _____
committee name

Committee on _____, dated _____
bill # / subject public hearing date

Signed: _____
Testifier

_____
Representing (optional)

_____
Address

_____
Phone number

Alaska Airlines

Bradley D. Tilden
President

March 25, 2010

The Honorable Sean Parnell
Office of the Governor
550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501

Dear Governor Parnell:

I am writing this short note to express our encouragement for the many things you are doing to ensure a strong economy for the state of Alaska, and specifically your effort to reduce the state head tax on cruise ship passengers and, in turn, increase cruise traffic in Alaska.

Our business is heavily reliant on a strong economy in the state of Alaska and, as we all know, the cruise ship industry is an important driver for the state economy. Unfortunately, we anticipate a significant decline in the number of cruise passengers we will carry this year.

We believe the tax as it is currently structured is counterproductive to our collective effort to maintain and grow jobs in the state of Alaska.

Thank you for everything you are doing for Alaska, and if we can help you in any way, please let us know.

Sincerely,

Brad Tilden

2140 [illegible] SEATTLE WA [illegible]

PremierGarage
907 E. Dowling Rd #11
Anchorage, AK. 99518

907-561-2200 T.
907-561-3300 F.
alaska@premiergarage.com
www.premiergarage.com

Gov. Sean Parnell
P.O. Box 110001
Juneau, AK. 99811-0001

Communities across Alaska are losing thousands of jobs. The decline in visitors is hurting our businesses and our local communities. The loss of visitor spending is causing dramatic layoffs in our businesses – some may not survive. Decreased visitor spending is also causing a significant reduction in local revenue through bed taxes, sales taxes, dock fees, etc.

We must take action now to turn around this decline, get our jobs back and rebuild our economy. To bring in more visitors, it is imperative the State address **two** issues. We must reduce the cost of operations in Alaska for the cruise industry and we must increase the State's marketing effort.

Governor Parnell, I support your plan to;

- Reduce $46 head tax to $34.50
- Provide credit for local head taxes
- Require state to review tax rate every three years to help ensure funds are aligned with infrastructure needs
- Allow tourism revenue to be reinvested to marketing Alaska, through a corporate tax credit
- Adequately fund the State's travel marketing program
- Provide for a stable marketing funding model
- Make Alaska more competitive and increase the number of visitors

Alaska is no longer open for business. The high cost of taxes on the cruise industry has made Alaska no longer competitive in the global market. Ballot Measure 2 imposed $72 million a year in new taxes on the industry on top of the millions in existing local taxes. Due to the high costs to operate in Alaska and

heavily discounted fares we have seen in recent years, Alaska has become less profitable resulting in ships being deployed to other destinations.

In addition to addressing tax policies, Alaska **must** increase its marketing. Other destinations are becoming more aggressive to attract visitors. We do not have the funds to compete with these destinations causing a loss of market share. Increased marketing will drive demand for more ships and bring in more air, marine highway, and road visitors.

More visitors means more dollars into our economy, providing revenues for our businesses, jobs for Alaskans and local revenue through sales, bed and other taxes to support local services.

Bryan Trombley
Owner
Trombley Construction Services, LLC
PremierGarage of Alaska
907 E. Dowling Rd. #11
Anchorage, AK. 99518
(907) 561-2200
alaska@premiergarage.com

Anchorage Convention & Visitors Bureau

524 West Fourth Avenue, Anchorage, Alaska 99501-2212 | Phone: 907.276.4118 | Fax: 907.278.5559 | Explore Anchorage.net

April 2, 2010

The Honorable Sean Parnell
Governor for the State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

On behalf of the Anchorage Convention & Visitors Bureau (ACVB) and our 1,150 business members, please accept our sincere appreciation for your participation and attendance at the 2010 SeaTrade, recognizing the value of Alaska's tourism industry to businesses, families and local governments across the state. It was also a pleasure to see you again as part of the Alaska Travel Industry Association delegation in Juneau earlier this week. Your words and commitment towards doing what is right to grow this economic engine is appreciated and your leadership has truly earned the respect of our industry.

Small businesses and many Alaskan communities rely on the economic benefits brought by cruise passengers each summer and we see the revenues generated by those same passengers throughout the entire state as they enjoy pre & post cruise options. Likewise, the cruise industry values the credibility, additional messaging, and lead-generation programs that the state's marketing program provides.

Passage of your "united tourism bills" - HB422 and SB311 – will assist all fronts of our industry, from those catering to truly independent visitors to those businesses that have found valuable partnerships with Alaska's cruise industry.

A healthy tourism industry is a key component to the long history of growth that we've enjoyed in Alaska. We know that to have continued growth and sustained well being of community and business investments, we need to work together to create a stable and viable business environment. Your proposal will provide a much needed long-term and sustainable funding mechanism for the state's destination marketing program as well as a needed adjustment to the cruise head tax to return Alaska to a competitive position.

I'm proud of our industry and proud of the fact that year after year tourism contributes significantly to the state's general fund and to the funding of local governments throughout Alaska. Perhaps even more satisfying are the contributions our industry makes in creating robust and lively communities that our residents and families enjoy year-round.

Your forceful support of this legislation can expand this win-win cycle for everyone's benefit. ACVB is actively encouraging legislators to pass the proposed united tourism bills. I welcome your suggestions for any adiditonal advocacy or support we can provide. Thank you for keeping the tourism industry a priority and thank you for your service to Alaska.

Sincerely,

Julie Saupe
President & CEO

cc: ACVB Board of Directors
Alaska Cruise Association
Alaska Travel Industry Association

AEDC
Anchorage Economic
Development Corporation

Voting Members

Anand Vadapalli ACS
Bill O'Leary Arctic Slope Regional Corporation
Bob Lacher CH2M HILL
Brian Wenzel ConocoPhillips
Bruce Bustamante Princess Tours
Bruce Lamoureux Providence Alaska Medical Center
Chris Brown ATT Alaska
Chris Stephens Bond Stephens & Johnson Inc
Claire Fitzpatrick BP Exploration Alaska Inc
Connie Carter FedEx Express
Dale Pittman ExxonMobil Corporation
David Hamilton Wells Fargo USA Federal Credit Union
Dennis Mitchell Exxon International
Ed Herndon Chugach Alaska Corporation
Greg Kessler Horizon Alaska Airlines
Greg Pearce GCI
Jeffrey Davis Premera Blue Cross Blue Shield of Alaska
Joseph Everhart Wells Fargo Bank NA
Lon Wilson The Wilson Agency LLC
Mark Liland Northrim Bank
Marla Wellington Carlson Restaurants
Michael Prazeralik Kpb architects
Mike Devlin Evergreen Fleet Inc
Pat Walsh WasteShed.com
Peter Grunwaldt Premier Alaska Tours
Scott Hansen Carpenters Local 1281
Sophie Minich GCI
Stephanie Holthaus Alaska Air Logistics
Stewart Osgood BCWH, P&M
Suzanne Cherot Dorsey Whitney & Cherot
Tim Vig UMIAQ Inc

Ex-Officio Members – Legislators

Rep. Craig Johnson Alaska State Legislature
Rep. Lindsey Holmes Alaska State Legislature
Sen. Johnny Ellis Alaska State Legislature
Sen. Lesil McGuire Alaska State Legislature

Ex-Officio Members – Municipality

Mayor Dan Sullivan Municipality of Anchorage
Assemb. Bill Starr Municipality of Anchorage
Assemb. Dan Coffey Municipality of Anchorage

Ex-Officio Members – Appointed by the Board

Brian Nerland Seafood Alaska
Carol Comeau Anchorage School District
Chris Anderson MIDEA
Elisha Baker University of Alaska Anchorage
George Vakalis WWSS
Jim Posey Municipal Light & Power
John Parrott Ted Stevens Anchorage International Airport
Julie Saupe Anchorage Convention & Visitors Bureau
Larry Cash RSA Architects
Mary K. Hughes Past Chairman of the AEDC Board
Tenny Owens Arctos Ltd
Tony Izzo Anchorage Chamber of Commerce

March 31, 2010

The Honorable Governor Sean Parnell
State of Alaska
State Capital
P.O. Box 110001
Juneau, AK 99811-0001

Re: HB422 & SB311 Passenger Tax; Tourism Tax Credit Legislation

Dear Governor Parnell:

On behalf of the Anchorage Economic Development Corporation (AEDC), we write to offer our support for your efforts to promote increased tourism in Alaska through your proposal to adjust taxation related to the cruise ship industry. Your efforts to create a comprehensive approach to address the visitor decline while rebuilding and strengthening relationships with the cruise industry are important to the future health of the visitor industry in Anchorage and the Southcentral region.

Your proposed legislation, HB422 & SB 311, will strengthen Alaska's competitive position in global tourism and will help to stem the loss of visitors that now totals over 140,000 cruise ship passengers who will not visit the Southcentral region this year. Additionally, your commitment to increased support for marketing of Alaska in the global marketplace will help to put Alaska back on track towards renewed growth in visitor numbers and the resulting growth in economic benefit to our region.

AEDC supports legislation reducing the head tax to $34.50. AEDC also supports legislation that will allow tourism revenue to be reinvested to marketing Alaska, through a corporate tax credit. HB422 and SB311 accomplish these important needs for the future health of tourism in Alaska and the Southcentral region.

Sincerely,

Lon G. Wilson
Chair, Board of Directors

Bill Popp
President & CEO

510 L Street, Suite 603 • Anchorage, AK 99501 • (907) 258-3700 • www.AEDCweb.com

Date: April 2, 2010
Action: Passed
Vote: Unanimous

SEWARD CHAMBER OF COMMERCE, CVB
BOARD OF DIRECTORS
RESOLUTION 2010-04

A RESOLUTION IN SUPPORT OF CREATING INCENTIVES FOR INVESTMENT AND INCREASING COMPETITIVENESS OF ALASKA.

WHEREAS, the mission of the Seward Chamber of Commerce, Conference and Visitors Bureau is to maintain a diversified economy and positive business environment; and

WHEREAS, one aspect of that mission is to support a strong and growing job base; and

WHEREAS, Alaska's seasonally adjusted unemployment rate was 8.5% in February 2010, a 37% increase from February 2008's rate of 6.2% and the highest rate for the month of February since 1992; and

WHEREAS, Alaska Department of Labor data clearly shows that Alaska employment in most every industry has dramatically fallen since the last 4 months of 2008*, including 1,500 lost oil and gas industry jobs; and

WHEREAS, Alaska's economy is built mainly on the sale of natural resources and inflows of cash from the federal government; and

WHEREAS oil & gas investment, development and production is by itself one of the three major supports of Alaska's economy; and

WHEREAS, more than one third of all working Alaskans owe their livelihood to resource exploration, development and extraction in Alaska, including not only jobs within the petroleum and mining sectors but also jobs in the State and local government, finance, infrastructure, trade, construction, small business, and service sectors; and

WHEREAS, oil production in Alaska has declined from 2.1 million barrels per day in 1988 to approximately 700,000 barrels per day today, and is expected to decline by more than five percent per year+, and more investment is needed to stem that decline; and

WHEREAS, other areas in the world encourage oil and gas investment with fiscal terms and incentives not offered by Alaska's existing policies; and

WHEREAS:

- North Slope oil development activity has declined,
- Total Alaska drilling activity has decreased 14% while Lower 48 oil drilling activity has increased,
- Exploration drilling activity is down nearly 64%, e.g. one major producer will not be drilling an exploration well for the first time in 45 years,
- Over $2.5 billion in North Slope oil and gas projects have been deferred, and
- Outer continental shelf ("OCS") permitting delays are limiting offshore oil development in Alaska; and

WHEREAS, Alaskans are in a position to positively affect our state's economic future and to reverse the current momentum of decline by creating a more competitive environment for continued investment and reinvestment by the resource extraction industries that sustain the economy and state revenues of Alaska;

*Except government, health, manufacturing (fish processing), and categories that were excluded because their growth is not closely related to the underlying strength or health of the Alaska economy.
+Alyeska Pipeline Service Company to the Alaska Department of Revenue.

NOW THEREFORE, BE IT RESOLVED

1. The Seward Chamber of Commerce urges the Alaska State Legislature to act in the 2010 regular legislative session to halt the loss of jobs for Alaskans and to reduce Alaska's unemployment rate by establishing policy and/or amending law to further incentivize investment and increase the competitiveness of Alaska relative to other oil and minerals producing areas, so that creation of jobs for Alaskans and opportunities for Alaska businesses may sustain our state's economy for generations of Alaskans to come.
2. That copies of this resolution be sent to Governor Sean Parnell, the Alaska Legislature, Seward Chamber members, and statewide media.

PASSED AND APPROVED BY THE SEWARD CHAMBER OF COMMERCE, CVB BOARD OF DIRECTORS THIS 2nd Day of April, 2010.

President

ATTEST: Laura L. Coward

Governor Sean Parnell
State of Alaska
Governor's Office
550 West 7th Avenue, Suite 1700
Anchorage, AK 99501

ANCHORAGE DOWNTOWN PARTNERSHIP, Ltd.
317 West 4th Avenue, Suite 317
Anchorage, AK 99507
Tel. 907-279-5650
Fax 907-279-5651

April 2, 2010

Re: Support for SB 311 "PASSENGER TAX; TOURISM TAX CREDIT"

Dear Governor Parnell,

We are writing to you today on behalf of the 700+ business and property owners in downtown Anchorage whom we represent.

The downtown Anchorage community relies upon annual visitations from travelers across the globe. Whether it's a gift shop, an art gallery or a restaurant, everyone relies upon the economic impact of our summer visitors and the visitor industry.

The recession and the decrease in visitors to Alaska has been – and will continue to be – a one-two punch to our downtown community. We are witnessing first hand the negative impact of declining numbers of both visitors and visitor spending. That is why we are supporting your efforts to reduce the head tax for cruise ship passengers in Alaska for the cruise industry and increase marketing dollars for the state.

Tourism is a huge economic engine for our community and for the state at large. Your support for the tourism industry, and, in turn, those of us who rely upon the tourism industry for our businesses, is truly appreciated

With regards,

Garret Wong
PRESIDENT, BOARD OF DIRECTORS
ANCHORAGE DOWNTOWN PARTNERSHIP, LTD.

Christopher M. Schutte
EXECUTIVE DIRECTOR
ANCHORAGE DOWNTOWN PARTNERSHIP, LTD.

From: Ravnit LaChapelle [mailto:aklachapelle@yahoo.com]
Sent: Tuesday, April 06, 2010 10:27 AM
To: Governor Sean Parnell (GOV sponsored)
Subject: Other

Title: Mrs.
FIRSTNAME & LASTNAME: Ravnit LaChapelle
MAILING ADDRESS: 7201 Tree Top Cir
CITY: Anchorage
STATE: Ak
ZIP: 99507
TELEPHONE: 907-522-1455
EMAIL: aklachapelle@yahoo.com
Topic: Other
YOUR COMMENTS: Governor Parnell, I wanted to send out a kudos to you for looking at cruise taxes instead of easing ship effluent regulations. The industry doesn't seem to understand that a pollution-free Alaska is what visitors from all over the world come to see and it is in their best interest as well as ours.

IP: 24.237.34.214

ANCHORAGE CHAMBER
of COMMERCE

1016 W. Sixth Avenue, Suite 303
Anchorage, AK 99501

March 29, 2009

Gov. Sean Parnell
State of Alaska
Governor's Office
550 W 7th Ave., Ste. 1700
Anchorage, AK 99501

Dear Gov. Parnell:

On behalf of the Anchorage Chamber of Commerce, we would like to thank you for your efforts to create a comprehensive approach to address the visitor decline while strengthening relationships with the cruise industry. Your plan not only makes Alaska more competitive, but attracts more visitors through increased marketing – it provides our best chance of turning things around for the visitor industry, Alaska business owners, and the economic climate of the state as a whole.

Specifically, we are pleased to support:

- A reduction in head tax to $34.50
- Allow tourism revenue to be reinvested to marketing Alaska, through a corporate tax credit

Tourism is a very important economic engine not only for Anchorage, but for all of our members within Southcentral Alaska. Your support is appreciated and needed.

Please feel free to call on us if we can be of further assistance in finding support for your proposal.

Sincerely,

Tony Izzo,2009-10 chair
Anchorage Chamber of Commerce

Sami Glascott, MPA, president
Anchorage Chamber of Commerce

T 907.272.2401 www.anchoragechamber.org F 907.272.4117

msicommunications
marketing • strategy • interactive

March 29, 2010

Gov. Sean Parnell
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Gov. Parnell,

I am the owner of MSI Communications, a full service advertising agency serving clients in the oil and gas, mining, transportation and tourism industries. I am very concerned about the livelihood of the cruise industry as tourism represents one third of my annual revenues and helps me sustain fulltime employment for my 22 employees.

2009 was a very difficult year for our firm and I am not much more optimistic about 2010. I laid off three full time professional staff due to slow economic conditions and complete uncertainty as a small business owner that we would be able to weather the storm. Every one of our tourism clients made dramatic cuts to their advertising budgets and our annual media purchasing was cut in half. Additional cuts were made as natural attrition occurred and we were forced to absorb the workload.

Critics of the cruise industry say that tourism jobs are seasonal and low paying. These jobs are important to our economy. In fact, more than twenty five years ago, I had one of those low paying jobs as the concierge at the local Holiday Inn. Today, I proudly serve many tourism clients and I own one of the busiest ad agencies in town.

For me, it's clear. When the cruise industry looses passengers, we all lose revenue, jobs, and livelihood. It's time to let the cruise industry know we are OPEN FOR BUSINESS and create an environment that encourages growth and sustainable development for all Alaska businesses.

I thank you for taking a stand on the needless $50 head tax and encourage you to continue efforts to revive the economic health of the tourism industry.

Regards,

Laurie Fagnani
President / Owner
MSI Communications

907-569-7070, MSI Communications, 3501 Denali, Anchorage, AK 99503, www.msialaska.com

O·R·S·O

Brews Brothers, LLC
737 West 5th Ave.
Anchorage, AK 99501
Phone (907) 792-3761 Fax (907) 792-3740

March 29, 2010

Governor Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Sean,

Thank you for your leadership in the resent meetings with the cruise industry in Miami.

As one of the owners of the Glacier BrewHouse and ORSO in Anchorage we clearly see how the cruise industry is essential in the growth of the visitor industry in Alaska. At the Glacier BrewHouse and ORSO we currently employ approximately 230 full and part time employees. With the loss of the cruise ships in 2010 we will experience a substantial decline in our revenues which will also potentially impact our employees. Your administration's efforts to reverse this trend are extremely helpful in promoting a strong business community in Anchorage as well as Alaska.

Thank you for your efforts and please let me know if there is anything I can personally do to help your endeavors in supporting a clean, safe and environmentally sound growing cruise industry.

Sincerely,

James C. Anderson
Operating Partner

Gastineau Guiding
Juneau's Premier Guiding Company

Email: tour@gguiding.com
Website: StepIntoAlaska.com
Phone : 907.586.2666
FAX: 907.586.3990
1330 Eastaugh Way, #2
Juneau, Alaska 99801

March 30, 2010

Dear Governor Parnell,

Thank you for your support of Tourism Bill HB 422 & SB 311

The decline in visitors is hurting our businesses and our local communities. Decreased visitor spending is also causing a significant reduction in local revenue.
To bring in more visitors, it is imperative the State address **two** issues. We must reduce the cost of operations in Alaska for the cruise industry and we must increase the State's marketing effort. We must take action now to turn around this decline, get our jobs back and rebuild our economy.

Other destinations are becoming more aggressive to attract visitors. We do not have the funds to compete with these destinations causing a loss of market share. Increased marketing will drive demand for more ships and bring in more air, marine highway, and road visitors.

You have proposed a comprehensive approach to address the visitor decline and strengthen our communities, which will give our businesses a chance to survive. Your plan includes making Alaska more competitive and attracting more visitors through increased marketing.

Your plan is our best chance of turning things around.

I appreciate your support for Tourism Bill HB 422 & SB 311.

Sincerely,
Theresa Walden
Gastineau Guiding Company
Manager, Mt. Roberts Nature Center
1330 Eastaugh Way, #2
Juneau, AK 99801

(907) 586-2666

Gastineau Guiding
Juneau's Premier Guiding Company

Email: tour@gguiding.com
Website: StepIntoAlaska.com
Phone : 907.586.2666
FAX: 907.586.3990
1330 Eastaugh Way, #2
Juneau, Alaska 99801

Date: March 30th, 2010

Attention: The Governor of the State of Alaska,

I wanted to write to thank you Governor Parnell for being the kind of leader that listens and seeks to solve our State's problems through the 'art of compromise'. The need for the state to show its support for the travel industry has been a long time coming and I can't tell you how good it felt to learn that you were traveling to Miami on our behalf, and introducing legislation to mitigate the effect of an arbitrary $46 head tax. Thank you again.

I hope you will continue to support this process as it heads into the legislature. Some may be tempted or otherwise believe that we should try to do away with the head tax in its entirety. But history has recently shown us that the stalled negotiation during the Knowles administration and the industry's failure to recognize their responsibility in Alaska, has subsequently led to the ballot initiative and this pickle we are currently in. Others are steadfast in their support of the tax because they believe the industry should be penalized and deterred. But in doing so these people are hurting the people in Alaska who depend on this industry to provide for their family and well being.

The way forward lay in the middle. I just received an inquiry today from a woman interested in booking our Photo Safari tour. She asked some questions about the tour then stated how excited she was about coming (with her family) to see our beautiful state. Her comment that stuck with me was this, "We are not as thrilled about taking the cruise, but are really looking forward to seeing the state. The cruise just gets us there." This illustrates the symbiotic relationship we have with the cruise industry: A balance between the destination and the transportation. "Making the State open for business", is important, but should also include the creation of responsible environmental policy and the workings of sound fiscal policy.

Thank you again for your leadership and for your support of a sustainable tourism industry in Alaska.

Warm regards,

Jeremy Gieser

Director of Tours and Marketing
Gastineau Guiding Company
1330 Eastaugh Way, Suite 2
Juneau, AK 99801
Jeremy@gguiding.com
www.StepIntoAlaska.com

THE GREATER SITKA chamber OF COMMERCE
329 Harbor Drive, Suite 212
Mail: P.O. Box 638 • Sitka, Alaska 99835
(907) 747-8604 • Fax (907) 747-7413

April 1, 2010

Governor Sean Parnell
Alaska State Capitol Building
P.O. Box 110001
Juneau, AK 99811-0001
Fax: 907-465-3532

Re: HB 422 and SB 311

Dear Governor Parnell,

On behalf of the Greater Sitka Chamber of Commerce board of directors, I am writing in support of your proposal to help increase tourism in Alaska through the Tourism Marketing Tax Credit.

As you are aware, Sitka is losing 40% of the cruise ship passenger numbers that we had last year. Together with the decline we experienced in 2009, the number of cruise ship passengers that we will see this year will barely be enough to sustain our existing businesses.

At least two of our better retail business owners have each been forced to shut down one of their stores in Sitka, and are establishing shops in other Southeast communities that still have adequate cruise traffic. This is not only difficult for these families - it represents a significant loss of jobs and revenue to our community.

Sitka is an attractive destination for independent travelers, and we are working hard to increase the number of visitors who come by plane or ferry to spend quality time in our town. At the same time, we recognize that two thirds of the people who return to Alaska came here first on a large cruise ship. With the low numbers of visitors in that category, we lose the ability to 'sell' them, while they're here, on the idea of returning for longer stays.

Sitka cannot solve these problems alone. We need the help and cooperation of the State of Alaska. Those of us in Sitka very much appreciated your trip to the Sea Trade convention in Florida and your willingness to talk with the cruise lines about an adjustment in the Cruise Ship Passenger Head Tax. A reduction in those fees would go a long way towards helping to attract the larger cruise lines back to Alaska and to Sitka.

The Tourism Marketing Tax Credit can have a significant impact on Alaska's ability to reach potential visitors all over the world. We need to show travelers that we are indeed open for business. Thank you for your efforts on behalf of Alaska's business owners and residents.

Sincerely,

Sheila Finkenbinder, Executive Director

PHILLIPS CRUISES & TOURS, LLC
Reservations: (907) 276-8023 · Fax (907) 265-5890
Administration: (907) 274-2723 · Fax (907) 276-5315
www.26glaciers.com E-Mail: info@26glaciers.com

March 30, 2010

The Honorable Sean Parnell
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

I would like to personally thank you for your strong support of the tourism industry in our state. Last year was really tough on the small business community and with the loss of over 140,000 cruise ship passengers this season; it looks like more dark days are ahead.

The decline in visitor spending is causing drastic layoffs all across Alaska not to mention the loss of community revenue in the form of bed taxes, sale taxes and other fees. Your plan in HB-422 and SB-311 will go a long way to stabilizing the business climate in Alaska and finally provide the needed funding for the State's marketing effort.

Some businesses will not survive this economic downturn and I pray that our company is not on that list. I truly feel there is reason for hope when the Governor of the State personally takes the fight to the cruise ship executives and then backs up his words with legislation. I want you to know that I'm totally behind your actions and deeply appreciate you commitment in helping solve this problem. Thank you again for all you have done and for your continued support.

Sincerely,

PHILLIPS CRUISES & TOURS, LLC

Barrie Swanberg
General Manager

519 West 4th Avenue · Anchorage, Alaska 99501

March 31, 2010

The Honorable Sean Parnell
Governor, State of Alaska
Alaska State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

The board of directors of the Juneau Convention & Visitors Bureau and I would like to thank you for taking a pro-active stance on behalf of Alaska's tourism industry. We appreciate that you attended the Seatrade Cruise Shipping Miami event on behalf of Alaska and met with cruise industry leaders. We also appreciate your efforts to address the impacts of the head tax with a reduction in the passenger fee and supporting the corporate tax credit. Regardless if the head tax or the recession or a combination of both are the reason for declining cruise traffic, the end result is the same - the ships are leaving our state.

It will become increasingly clear this summer how vital the tourism industry is to our communities and that the economic benefits of the industry go far beyond the port cities. The loss of jobs and tax revenues in 2010 is going to be significant, but we are hopeful that changes to the 2006 tax initiative and an improving economy will turn things around in 2011.

The Juneau Convention & Visitors Bureau is encouraged by and grateful for your interest, support and leadership to find solutions to the issues facing the visitor industry and taking steps to improve Alaska's economy.

Sincerely,

Lorene Palmer

Lorene Palmer
President/CEO

JCVB Board of Directors:

Jeffra Clough, Eaglecrest Ski Area
Bob Janes, Gastineau Guiding Company
Nancy Woizeschke, Alaskan Brewing Company
Jill Ramiel, Silverbow Inn
Christa Hagan, Holland America/Princess Tours - Alaska
Holly Johnson, Wings Airways
Rick Kasnick, The Island Pub
Richard Burns, Alaska Broadcast Communications, Inc.
Steve Hamilton, Westmark Baranof
Craig Jennison, NorthStar Trekking
Lynda Foreman, Juneau Travelodge

cc: Ms. Susan Bell, Special Staff Assistant

VISITOR INFORMATION
101 Egan Drive
Juneau, Alaska 99801
888-581-2201
(907) 586-2201
Fax (907)-586-6304

ADMINISTRATIVE OFFICES
One Sealaska Plaza, Suite 305
Juneau, Alaska 99801
(907) 586-1737
Fax (907) 586-1449
e-mail:info@traveljuneau.com
www.traveljuneau.com

KODIAK

RESOLUTION # 01-10

A RESOLUTION BY KODIAK ISLAND CONVENTION VISITORS BUREAU URGING THE ALASKA STATE LEGISLATURE TO SUPPORT THE PASSAGE OF THE "ALASKA TOURISM MARKETING TAX CREDIT" BILL (SB138 / HB 167) THAT PROVIDES ADDITIONAL TOURISM MARKETING FUNDING.

WHEREAS, the travel industry is one of the three largest private sector contributors to Alaska's economy, by generating over 1.7 billion in direct expenditures annually, and have an economical impact of over 3.4 billion dollars annually; and

WHEREAS, many local jobs and local economies are dependent upon the visitor industry; and

WHEREAS, the visitor industry contributes 200 million dollars annually to local and states taxes; and

WHEREAS, the state will see a decline for the second year in a row of summer visitors, and thereby a loss of jobs and revenue to local businesses, many of which are small, Alaskan-owned; and

WHEREAS, the national and international tourism budget for promoting Alaska has been less than twelve (12) million for the last two years; and

WHEREAS, the travel industry has stated for several years that a meaningful marketing promotion budget should exceed 20 million dollars.

NOW THEREFORE BE IT RESOLVED: that the Kodiak Island Convention and Visitors Bureau urges the State of Alaska Legislature to pass Senate Bill 138 / House Bill 167 which would allow defined travel-related business activities to receive a credit against their tax due for a cash contribution to the State of Alaska Travel Industry Marketing Program.

PASSED and APPROVED by the KODIAK ISLAND CONVENTION VISITORS BUREAU this 11 day of March, 2010.

Katie Oliver, Chairperson, KICVB Board of Directors

KODIAK CHAMBER OF COMMERCE
100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

Kodiak Chamber of Commerce

RESOLUTION NUMBER 03-10-01

A RESOLUTION OF THE KODIAK CHAMBER OF COMMERCE SUPPORTING SENATE BILL 138 AND HOUSE BILL 167 "ALASKA TOURISM MARKETING TAX CREDIT" THAT PROVIDES ADDITIONAL TOURISM MARKETING FUNDING.

WHEREAS, the Kodiak Chamber of Commerce is dedicated to Kodiak's future; and.

WHEREAS, the Kodiak Chamber of Commerce recognizes the importance and contributions of the visitor industry to the local economy; and

WHEREAS, the travel industry is one of the three largest private sector contributors to Alaska's economy; and

WHEREAS, many local jobs and local economies are dependent upon the visitor industry; and

WHEREAS, the state will realize a decline for the second year in a row of visitors, and thereby a loss of jobs and revenue to local businesses, many of which are small, Alaskan-owned.

NOW, THEREFORE, BE IT RESOLVED the Kodiak Chamber of Commerce encourages the Alaska Legislature to pass SB 138/ HB 167 which would allow defined travel-related business activities to receive a credit against their tax due for a cash contribution to the State of Alaska Travel Industry Marketing Program.

Passed and approved by the Board of Directors of the Kodiak Chamber of Commerce this 23 day of March 2010.

Signed this 23 day of March 2010.

KODIAK CHAMBER OF COMMERCE **ATTEST:**

Lindsay Knight — President

Nora McRae — Secretary to the Board

Dedicated to Kodiak's Economic Future

HOTEL
Hälsingland
"NATIONAL REGISTER OF HISTORICAL SITES"

April 2, 2010

Governor Sean Parnell
State of Alaska

Dear Mr. Parnell,

I wish to take this opportunity to voice my support for Tourism Bills HB 422 and SB 311.

I have been in the hospitality industry in Alaska since 1994 and during that time have witnessed both good times and bad. I was very disappointed to see the state eliminate the marketing effort and fall to the back of the pack with respect to tourism marketing funding. Many states, as you well know, spend MUCH more than Alaska to attract visitors. Some say that the state markets itself since it is so beautiful, abundant and unique. This is simply not true as evidenced by the decline in tourism visitation growth after the state reduced its funding for marketing. This was during a time of economic growth. Now that times are tough, it is even more important to renew the marketing effort of the State of Alaska.

Tourism is an important industry for the state. The contributions in terms of tax revenues and employment justify investment in tourism marketing. I strongly support increased tourism marketing expenditures by the State of Alaska.

The other issue, which is just as important, is the proposal to realign the head tax. This tax has had a direct impact in Haines, reducing cruise ship visitation. This segment of the tourism industry in Haines is crucial to its survival and prosperity and this effort (to reduce the tax) will have a positive effect on the community.

In summary, let me applaud your efforts to breathe a bit of life in to this long-neglected segment of the Alaska economy. I am happy to see that you are interested in helping the tourism industry survive.

Sincerely,

Jeff Butcher
Owner
Hotel Halsingland

POST OFFICE BOX 1649
HAINES, ALASKA 99827

TELEPHONE (907) 766-2000
FAX (907) 766-2060

CALL TOLL FREE 800-542-6363

Reservations@HotelHalsingland.com
www.HotelHalsingland.com

the hotel
Captain Cook

939 W. 5th Avenue, Anchorage, Alaska 99501
Phone (907) 276-6000
Sales/Catering Phone (907) 343-2207
Fax (907) 343-2211
Reservations Fax (907) 343-2298
Accounting Office Fax (907) 343-2262

April 2, 2010

Governor Sean Parnell
Sean.parnell@alaska.gov

Dear Governor Parnell,

I applaud your effort to address the serious decline in visitor traffic this summer by introducing the Tourism Bills HB 422 and SB 311.

Alaska is facing an economic crisis! With the redeployment of three cruise ships this season, our port communities including South-central Alaska and Fairbanks will experience a decline in passenger visitation that will hurt Alaskan businesses. There will be a reduction in tax receipts; decreased visitor spending and jobs will be lost! We must reduce the cost of operations in Alaska for the cruise industry and we must increase our marketing efforts.

Thanks for your support.

If I can be of any assistance in helping the passage of your bill this session please call me.

Sincerely,

Walter J. Hickel Jr.
President

ALASKA RAPTOR CENTER

Our mission is to rehabilitate injured bald eagles and other birds of prey, to educate the public and to conduct bald eagle research.

Board of Directors

Paula Scott
Board Chairman
Principal, Scott Insurance
Silverdale, WA

Diana Fowler
Vice Chair
Volunteer Bird Handler
Gig Harbor, WA

Roger Hames
Secretary / Treasurer
President, Hames Corporation
Sitka, AK

John Litten
President, Sitka Tours
Sitka, AK

Jeff Davis
President
Blue Cross Blue Shield of Alaska
Anchorage, AK

Bill Royce
Attorney at Law
Anchorage, AK

Sam Kito
President
Kito Inc.
Juneau, AK

Bill MacKay
Sr. V.P.
Alaska Airlines
Anchorage, AK

Rul West
Sitka, AK/Maui, HI

Linda Huston
Director, Southeast Alaska and Yukon
Holland America & Gray Line of Alaska
Seattle, WA

Rebecca Branson
Business Manager
Anchorage, AK

March 30, 2010

Governor Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

I am writing to voice my support of HB 422 and SB 311.

Sitka has already lost many jobs to the reduction in visitor numbers and 2010 will prove to be disastrous to many small businesses. Although many of those jobs may be seasonal in nature, they are important to our economy.

To bring in more visitors, it is imperative the State address **two** issues. We must reduce the cost of operations in Alaska for the cruise industry and we must increase the State's marketing effort.

Alaska needs to have our "open for business" sign back on. The high cost of taxes and other mandates on the cruise industry has made Alaska no longer competitive in the global market. While we have been busy coming up with more expenses, other areas have been courting the cruise lines with lower costs and a welcoming atmosphere.

In addition to addressing tax policies, Alaska **must** increase its marketing. Other destinations are becoming more aggressive to attract visitors. We do not have the funds to compete with these destinations causing a loss of market share. Increased marketing will drive demand for more ships and bring in more air, marine highway, and road visitors.

I wholeheartedly support this legislation. We need to stop bickering over small details and get something started before we lose another visitor season.

Thank you for the support you have shown us.

Regards,

Debbie Reeder
Executive Director

March 30, 2010

The Honorable Governor Sean Parnell
Governor of Alaska
Juneau, AK 99801

Dear Governor Parnell:

The Seward Chamber of Commerce, Conference and Visitors Bureau would like to thank you for your efforts to strengthen Alaska's economy through tourism marketing and partnership with the cruise line industry. We applaud your travel to Miami and your willingness to engage with the cruise industry, and important facet of Seward's economy.

On March 15th, the Seward Chamber Board of Directors approved Resolution 2010-03 urging the Alaska State Legislature to support the passage of the Alaska Tourism Marketing Tax Credit bill (SB 138/HB 167). Since our passage of Resolution 2010-03, we were pleased to see your proposed legislation introduced into both the State Senate and House, legislation which both encourages investment into tourism marketing and sustains jobs by reducing the cost of doing business in Alaska.

It is critical in today's economy that the State take action to help our businesses remain viable and retain those jobs tied directly and indirectly to tourism. Seward is fortunate to have a diversified economy; tourism plays an important role in that balance. Beyond seasonal employment, this impact is year-round: government positions tied to Kenai Fjords National Park; a rail line that supports not only seasonal passenger travel, but year-round coal export and barge activities; cruise ship-capable berths and terminal facilities that support cargo dockings, AMHS maintenance, and visits by military vessels; and purchase of locally-processed commercial fish.

We fully support your respective bills, SB311 and HB422, which, in addition to implementing a tourism tax credit, goes a step further by reducing the fees associated with cruise visitors traveling to our great state. Thank you for your leadership on this important issue.

Sincerely,

Laura L. Cloward

Laura Cloward, Executive Director
Seward Chamber of Commerce

cc: Alaska State Legislature

From: Frank Flavin [flavin@alaska.net]
Sent: Tuesday, March 30, 2010 12:05 PM
To: sean.parnell@alaska.gov
Subject: Tourism Bill HB 422 & SB 311-Frank Flavin Photographer

Dear Governor Parnell,

Our sincere thanks to you for visiting with the cruise industry in Florida.
One on one communication is no doubt the best way to understand everyones point of view.

Additionally we thank for your proposal to change legislation to:

Reduce the $46.00 head tax to $34.50
Provide credit for local head taxes.
Require the state to review tax rates every three years to help ensure funds are aligned with infrastructure needs.
Allow tourism revenue be reinvested to marketing Alaska, through a corporate tax credit.
Adequately fund the State's travel marketing program.
Provide for a stable marketing funding model.
Making Alaska more competitive.
Resolve legal challenges.

Competition and add on taxes is a large factor.
Here are some current competition budgets:

Hawaii	2010 Budget	71.4 Million	
Alberta,Canada	2010 Budget	71 Million	
British Columbia	2010 Budget	50 Million	
Mexico	2006 Budget	150 Million	Unable to find 2010 Budget-Tight Lipped.

Alaska's budget of 11.7 Million is not much of a comparison or a competitor.

My family has been involved with tourism in Alaska for over 25 years and since the Cruise Tax of 2006 our business, our bread & butter, has declined due to increased marketing from other tour destinations and withdrawal of marketing dollars by existing companies who must move there operations to less restrictive and more profitable locations.

We sincerely hope that the legislators will listen to your proposals to HB 422 & SB 311.

Thank you for trying to make Alaska the best it can be for all Alaskans.

Sincerely,

Frank P. Flavin
Alaskan resident since 1968

Frank Flavin, Photographer
Flavin Photography
907.561.1606
flavin@alaska.net
flavinphotography.com

CITY OF VALDEZ, ALASKA
RESOLUTION NO. 10-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA URGING THE ALASKA STATE LEGISLATURE TO SUPPORT THE PASSAGE OF THE "ALASKA TOURISM MARKETING TAX CREDIT" BILL (SB138 / HB 167) THAT PROVIDES ADDITIONAL TOURISM MARKETING FUNDING

WHEREAS, the travel industry is one of the three largest private sector contributors to Alaska's economy, by generating over 1.7 billion in direct expenditures annually; and

WHEREAS, many local jobs and local economies are dependent upon the visitor industry; and

WHEREAS, the visitor industry contributes over 200 million dollars annually to local and state taxes and fees; and

WHEREAS, the state will see a decline for the second year in a row of summer visitors, and thereby a loss of jobs and revenue to local businesses, many of which are small, Alaskan-owned; and

WHEREAS, the national and international tourism budget for promoting Alaska has been less than twelve (12) million for the last two years; and

WHEREAS, the travel industry has stated for several years that a meaningful marketing promotion budget should exceed 20 million dollars; and

WHEREAS: A competing state such as Hawaii will expend 80 million dollars for tourism promotion and marketing activities.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA THAT:

The City Council of the City of Valdez urges the State of Alaska Legislature to pass Senate Bill 138 / House Bill 167 which would allow defined travel-related business activities to receive a credit against their corporate income tax due for a contribution to the State of Alaska Travel Industry Marketing Program

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA THIS 1st DAY OF MARCH, 2010.

CITY OF VALDEZ, ALASKA

Bert L. Cottle, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk

SEAL OF THE CITY OF VALDEZ, ALASKA INC. 1901

From: Ann Reddig [mailto:annreddig@hotmail.com]
Sent: Tuesday, March 30, 2010 1:43 PM
To: Governor Sean Parnell (GOV sponsored)
Subject: Other

Title: Ms.
FIRSTNAME & LASTNAME: Ann Reddig
MAILING ADDRESS: po BOX 100421
CITY: anchoraeg
STATE: alaska
ZIP: 99510
TELEPHONE: (907) 222-7658
EMAIL: annreddig@hotmail.com
Topic: Other
YOUR COMMENTS:

March 30, 2010

State of Alaska

Juneau, AK

I wish to offer my support for your proposal addressing the issue of the decline of visitor tourism. I was opposed to Measure 2 when it was on our ballot. We have witnessed the cruise line reduction of business in Alaska. Your plan would make us more competitive and help turn things back to the right direction.

Tourism is ext remely important to Alaska. Marketing is a key to tourism. Making our location attractive to the cruise lines is very important.

Push this agenda through!

Sincerely,

Ann Reddig

Secretary/Treasurer

IATSE Local 918

From: Karen Hess [mailto:riveradventures@aptalaska.net]
Sent: Tuesday, March 30, 2010 4:13 PM
To: Governor Sean Parnell (GOV sponsored)
Subject: Other

Title: Mrs.
FIRSTNAME & LASTNAME: Karen Hess
MAILING ADDRESS: P.O. Box 556
CITY: Haines
STATE: Ak
ZIP: 99827
TELEPHONE: 907-766-2050
EMAIL: riveradventures@aptalaska.net
Topic: Other
YOUR COMMENTS: Dear Governor Parnell,

I would like to thank you for introducing a bill to help the tourism industry by reducing the head tax. Although the economy of Alaska reaches far and wide, from Oil to Tourism, we are but one heart beat. Without every aspect of the economy, when it rings in the cash register, it is one more heart beat for Alaska. I appreciate your efforts of traveling to Florida and meeting with the cruise lines and SeaTrade. I urge you to stay strong and keep the faith, even though you may get opposition from special interest groups. Remember, those groups are people whose agenda is simply to get rid of the cruise industry altogether. My husband and I were with the group from Alaska ACT that met wit h you in January. As my husband said to you at that time, "Our little town of Haines is depending on you". So, thank you for your time that you have taken to meet with the cruise lines and we do appreciate your interest. If you can get the bill through, we will do what we do best, show them the real Alaska.

The last thing we want to hear is "Alaska is no longer open for business".

In addition to addressing tax policies, Alaska must increase its marketing. Other destinations are becoming more aggressive to attract visitors. We do not have the funds to compete with these destinations causing a loss of market share. Increased marketing will drive demand for more ships and bring in more air, marine highway, and road visitors.

Sincerely,

Karen M. Hess

From: Gary Sommerfeld [mailto:gsommerfeld@26glaciers.com]
Sent: Friday, March 26, 2010 12:30 PM
To: Governor Sean Parnell (GOV sponsored)
Subject: International Relations & Trade

Title: Mr.
FIRSTNAME & LASTNAME: Gary Sommerfeld
MAILING ADDRESS: Box 110588
CITY: Anchorage
STATE: Alaska
ZIP: 99511
TELEPHONE: 529-9072
EMAIL: gsommerfeld@26glaciers.com
Topic: International Relations & Trade
YOUR COMMENTS: Good job on the bill to reduce Cruise ship taxes. I hope you can get it passed before we lose them completely.

IP: 209.124.141.103

From: Louis Juergens [mailto:info@akwhalewatching.com]
Sent: Friday, March 26, 2010 9:54 AM
To: Governor Sean Parnell (GOV sponsored)
Subject: Economic Development

Title: Mr.
FIRSTNAME & LASTNAME: Louis Juergens
MAILING ADDRESS: P.O. Box 33311
CITY: Juneau
STATE: Alaska
ZIP: 99803
TELEPHONE: 907-209-3233
EMAIL: info@akwhalewatching.com
Topic: Economic Development
YOUR COMMENTS: Govenor Parnell,

I just wanted to applaud the job that you have done in listening to the tourism industry and proposing a middle ground alternative to the head-tax initiative. I run a small family tour business in Juneau. The capacity reduction this year is going to be tough to deal with, but with you at the helm, our future looks much better.

The original inititive was written by people who want to push tourism out of Alaska. Thank you for understanding the big picture and for supporting our industry! If you ever want to go out on a fishing trip or whale watching we'd love to take you out on a complimentary trip.

May God bless you and your family,

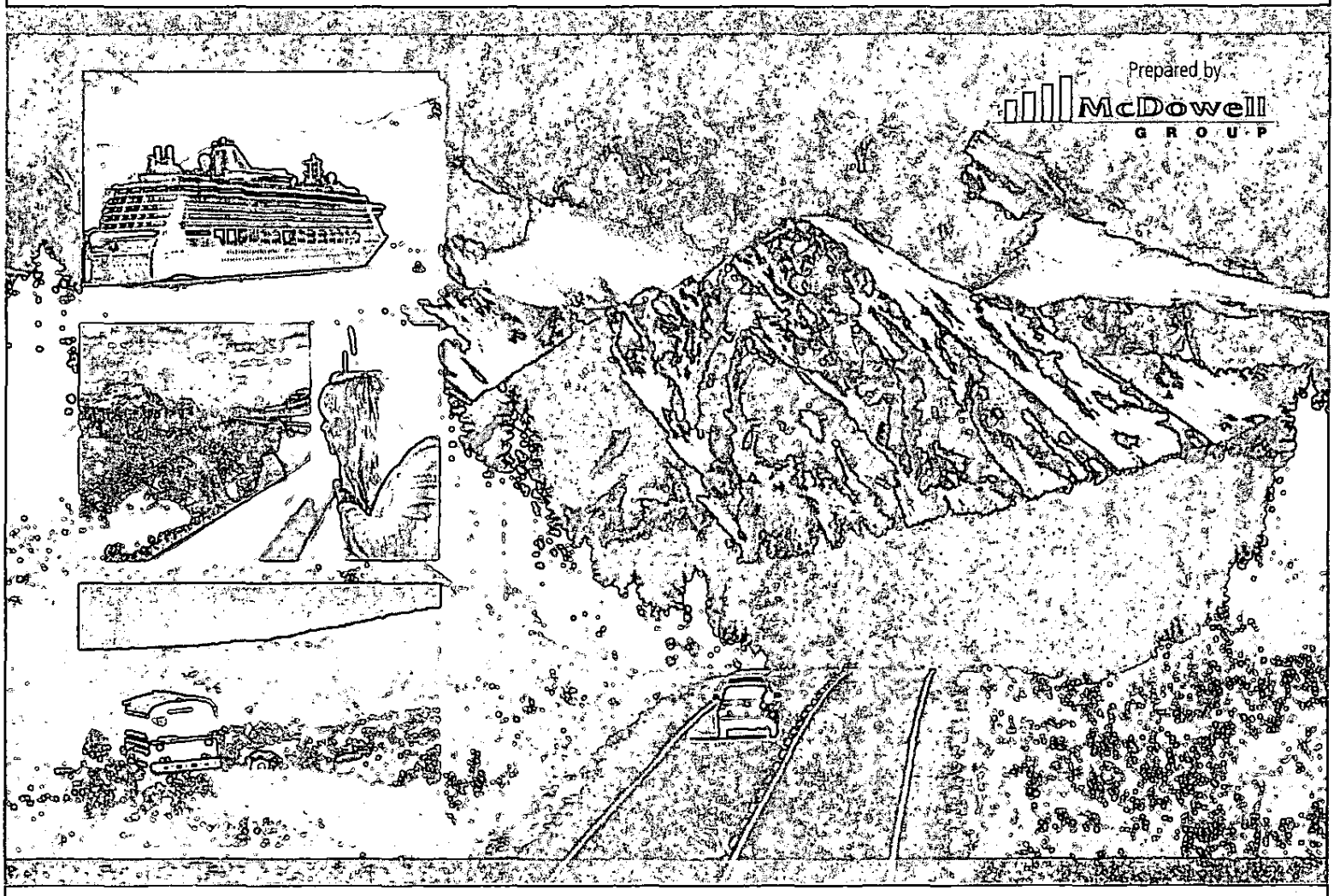
Louis Juergens

IP: 24.237.7.163

Economic Impact of

Alaska's Visitor Industry

March 2010



Prepared by
McDowell Group

Prepared for
State of Alaska
Department of Commerce, Community, & Economic Development
Office of Economic Development

2171

Economic Impact of

Alaska's Visitor Industry

March 2010

Prepared by

McDowell GROUP

Prepared for

State of Alaska
Department of Commerce, Community, & Economic Development

Office of Economic Development

2172

Table of Contents

Executive Summary 1
Introduction and Methodology 6
Introduction 6
Methodology 6
Visitor Volume 10
Visitor Volume, Summer 2009 10
Visitor Volume, Fall/Winter 2008-09 11
Visitor Industry Spending 12
Visitor Spending, Summer 2009 12
Visitor Spending, Fall/Winter 2008-09 14
Additional Visitor Industry Spending 15
Full Year Visitor Industry Spending 17
Economic Impact Analysis 18
Direct Employment and Labor Income Effects 18
Importance in Regional and Statewide Economies 20
Employment and Labor Income by Sector 20
Alaska's Visitor Industry: Recent Changes and Future Outlook 22
Decline in Visitor Industry, 2008 to 2009 22
Industry Outlook 28
Revenues to Municipal and State Governments 30
Summary 30
Municipal Tax Revenues 31
State of Alaska Revenues 33

Executive Summary

Introduction

The purpose of this study is to measure the economic impacts of Alaska's out-of-state visitors. The visitor industry is a challenging one to measure, reaching into a wide variety of economic sectors, including transportation, lodging, and retail, among others. The nationwide economic crisis of 2008-09 and accompanying drop in visitor traffic and spending added urgency to the need for up-to-date information on this critical component of Alaska's economy. The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to gauge the impacts of Alaska's visitor industry, including direct, indirect, and induced effects.

Visitor Volume and Spending

- An estimated 1.58 million out-of-state visitors traveled to Alaska between May and September 2009. Two-thirds of this total (1,026,600, or 65 percent) were cruise passengers. An additional 242,500 out-of-state visitors traveled to Alaska between October 2008 and April 2009.

- Visitor traffic to Alaska dropped an estimated 7.3 percent between summer 2008 and summer 2009, the largest decline since McDowell Group started tracking visitor traffic in 1985. The decrease occurred primarily in air passenger exits, which dropped an estimated 15 percent. Ferry exits fell 16 percent, and highway exits were down 8 percent.

- Declines in the air, ferry, and highway markets were moderated by flat cruise passenger volume between 2008 and 2009. However, cruise passengers traveled less within the state, more often choosing cruise-only packages (rather than cruise-plus-land tour packages).

Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

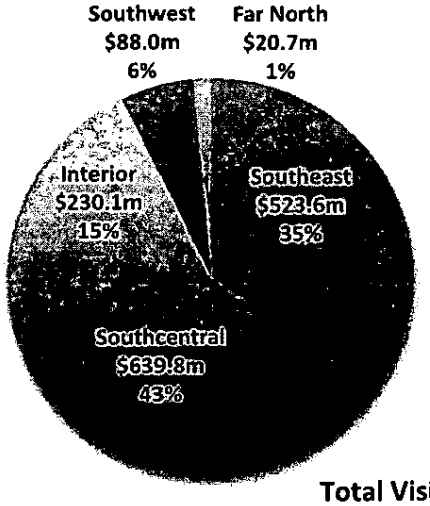
- Another impact felt by businesses throughout the state was lower spending levels. Many businesses were forced to lower their prices to compete for fewer visitors, and visitors themselves tended to spend less on everything from lodging to gifts and tours. A survey of 172 visitor industry businesses found that two-thirds of businesses experienced a decrease in gross sales to out-of-state visitors (11 percent reported an increase, 7 percent reported no change, and 14 percent didn't know). The average estimated change in gross sales among all surveyed businesses was a decline of 16 percent.

- A number of additional indicators reinforce the lower volume and spending estimates in summer 2009:
  - 13 percent decline in cruise passenger land tour volume
  - 16 percent decline in out-of-state visitors on the Alaska Marine Highway
  - Bed tax revenue declines (second and third quarter only) ranging from 10 percent in the Mat-Su, to 22 percent in Anchorage, to 30 percent in Sitka
  - 23 percent decline in Anchorage car rental tax revenues (second and third quarter only)
  - 16 percent decline in non-resident sportfishing license sales (calendar year 2008 to 2009).

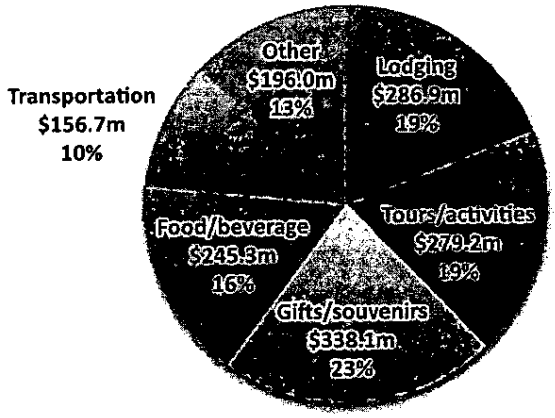
- In contrast, fall/winter visitor volume was down only 2 percent from the previous fall/winter period (2007-08). However, surveyed businesses reported slightly larger declines in gross sales, an average of 8 percent. Some decreases were reported in bed tax revenues over this period, including a 6 percent decrease in Anchorage (first and fourth quarter only).

- Out-of-state visitors spent an estimated $1.5 billion in Alaska during the study period of October 2008 through September 2009. This figure does not include spending on travel to enter and exit Alaska (such as cruise packages, ferry passage, or air tickets). Spending figures are based on visitor survey data from the 2006-07 *Alaska Visitor Statistics Program*, conducted by McDowell Group, adjusted to account for changes in overall visitor volume, volume by region, spending behavior, and inflationary factors. Spending was further adjusted to extract commissions that do not affect the Alaska economy.

Visitor Spending, Oct. 2008-Sept. 2009 By Region



Visitor Spending, Oct. 2008-Sept. 2009 By Sector



Total Visitor Spending: $1.5 Billion

- Additional visitor industry spending that must be taken into account for the purposes of economic impact analysis includes spending by cruise lines, estimated at over $300 million during the 2008-09 study period. The largest components of cruise line spending include employee payroll, payments to local and state government on taxes and fees, payments for transportation services, and payments to accommodations (on behalf of cruise/tour passengers traveling before or after their cruise, whose package price includes lodging).

- Crew members sailing on board cruise ships spent an estimated $16 million while visiting Alaska ports.
- Further, the visitor spending above excludes spending to enter and exit the state. An estimated $282 million in visitor spending on air and ferry tickets to enter and exit the state affects the Alaska economy.
- This additional $610 million in spending by cruise lines, crew members, and visitors purchasing air and ferry tickets brings total *visitor industry* spending in 2008-09 to $2.1 billion.

Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending, cruise line labor income, and crew spending	$328.4 million
Air and ferry tickets	$282.2 million
Total spending	**$2.1 billion**

Economic Impacts

- Direct visitor industry spending in Alaska of approximately $2.1 billion in the 2008-09 study period directly generated 27,100 jobs in Alaska, and $800 million in labor income.
- Indirect or secondary visitor-related spending totaled approximately $1.3 billion. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income.
- In summary, Alaska's visitor industry accounted for a total of 36,200 full and part-time jobs in 2008-09, over $1.1 billion in labor income, and $3.4 billion in total spending, including all direct, indirect and induced effects.
- The visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Therefore, peak employment directly or indirectly connected to the industry is estimated at over 40,000 in 2009.
- Approximately half (49 percent) of visitor industry employment occurred in the Southcentral region, and slightly less than one-third (29 percent) in Southeast. About one in six (17 percent) visitor industry-related jobs were in the Interior region.

Total Visitor Industry Employment, Labor Income and Spending in Alaska, October 2008-September 2009 (including direct, indirect and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

- Compared to other Alaska regions, visitor industry employment is most important in the Southeast economy. The region's 10,600 visitor-related jobs represented 21 percent of the total 50,000 full and part-time jobs in Southeast. Total visitor industry-related labor income of $373 million was 17 percent of total regional labor income of approximately $2.2 billion.

- In Alaska's Interior region, 6,200 visitor industry-related jobs accounted for about 9 percent of employment (regional total of 65,500 jobs) and 6 percent of all labor income (regional total of $3.4 billion).

- Visitor industry-related employment of 17,600 in Southcentral Alaska represented approximately 7 percent of total employment in the region (263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

- Statewide visitor industry-related employment of 36,200 accounted for 8 percent of all employment in Alaska. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.

Impacts of Visitor Volume Changes

- The decline in visitor traffic between 2007-08 and 2008-09 was accompanied by an estimated $270 million decline in visitor spending, a 15 percent drop.

- As a result of the decline in visitor spending in 2009, summer season visitor industry-related employment in Alaska was about 2,000 to 2,500 jobs below the 2008 level. Businesses likely addressed the decline in visitor sales with a combination of reductions in personnel and non-personnel costs. As such, the decline in employment in 2009 was less than proportional to the decline in sales.

- Alaska is facing a loss of more than 140,000 passengers in the 2010 cruise season, accompanied by a potential loss of up to $150 million in direct and indirect spending in Alaska.

Revenues to Municipal and State Governments

- Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

- Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, revenues to Alaska Marine Highway and Alaska Railroad, and corporate income taxes. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees.

Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Introduction and Methodology

Introduction

The most recent comprehensive assessment of the economic impact of Alaska's non-resident visitor industry was conducted in 1999 (by McDowell Group).[1] Since then, visitor volume has increased substantially, as has visitor spending and the number of visitor industry businesses, warranting re-assessment of the economic impact of one of Alaska's most important basic industries. Recent changes in Alaska's visitor industry added urgency to the need for an up-to-date economic impact measurement. The global economic recession in late 2008 and 2009 fundamentally affected Alaska visitor traffic and spending.

The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to measure the regional and statewide economic impact of Alaska's visitor industry in fall 2008 through summer 2009, including direct, indirect and induced effects. In addition to measuring visitor-related spending, employment, payroll and tax payments over a one-year period, the study provides objective, quantitative information on how recent events have affected Alaska's visitor industry.

Methodology

Visitor Volume

The last primary data collection on visitor volume was conducted (by McDowell Group) in 2006-07 as part of the *Alaska Visitor Statistics Program V* (AVSP). Visitor/resident ratios were collected at airports, onboard ferries, and at border stations as visitors exited Alaska. Since 2006-07, McDowell Group has estimated visitor volume by applying 2006-07 visitor/resident ratios, by month and location, to traffic statistics (ferry embarkations, highway exits, and airplane enplanements). Prior to this study being undertaken, this exercise was completed for the study periods (fall/winter 2008-09 and summer 2009). Sources for traffic data included: Cruise Line Agencies of Alaska, Alaska Marine Highway System, Yukon Department of Tourism and Culture, Alaska Airlines, and the Anchorage and Fairbanks airports.

Since the 2009 season was so different from previous years in terms of visitor volume, and because it has been three years since the original ratios were determined, the original summer 2009 visitor volume estimates were adjusted to more accurately reflect the latest visitor season.

In order to gather information on the 2009 season, and how it differed in terms of visitor volume and spending from previous seasons, a survey of visitor industry businesses was conducted in early 2010. A total of 172 businesses were interviewed by the study team. Specific businesses were targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Most businesses

[1] The Office of Economic Development commissioned a Tourism Satellite Account in 2004 that measured the economic impact of all travel and tourism activity in the state; however, the data from that study is not comparable with this study or previous studies.

were selected from the mailing list of the Alaska Travel Industry Association. Other sources included the websites of Convention and Visitors Bureaus and *The Milepost* guidebook.

Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease from 2008 to 2009 in both visitor volume and gross sales, among other questions. Nearly all businesses contacted were willing to participate, and often offered additional perspectives on the 2009 season, and/or described factors affecting their particular business.

Additional sources considered in the volume adjustments included:

- Information provided by Alaska Airlines and Alaska Marine Highway on resident travel.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Fishing and hunting license sales data from the Alaska Department of Fish and Game.
- Previous studies conducted by McDowell Group, including economic impact studies for the Juneau Convention and Visitors Bureau, Ketchikan Visitors Bureau, and the Alaska Cruise Association.
- Employment data from the Alaska Department of Labor and Workforce Development.

Fall/winter visitor volume was not adjusted, reflecting the flat traffic trends and little change reported in the business survey.

Visitor Spending

As with visitor volume, the last primary data collection on visitor spending was conducted for AVSP V in 2006-07. The survey of visitor businesses conducted for this study provided valuable data on how visitor spending changed in 2009 compared to previous seasons. Another important source of information was shore excursion sales data provided by cruise lines, showing changes in cruise passenger spending patterns over the last several years.

All of the sources cited above (bed tax revenues, vehicle rental tax revenues, and previous economic impact studies) were taken into consideration in determining the spending adjustments. Inflation was also accounted for, by economic sector, based on the Anchorage Consumer Price Index.

Additional Visitor Industry Spending

Additional visitor industry spending includes cruise line spending, crew member spending, and spending on air and ferry tickets to enter and exit Alaska.

- Cruise line spending was derived from expenditure and payroll data provided by cruise lines for a study of the 2007 season, prepared for Alaska Cruise Association (ACA granted permission to use this data for the current study). Spending was adjusted to account for inflation as well as the drop in land tour volume between 2007 and 2009. (Overall passenger volume was flat between the two years.)

- Crew member spending was based on previous surveys of crew members conducted by McDowell Group, modified to account for changes in crew member volume by port.

- Spending on air tickets was based on average Seattle-Alaska airfares, estimated volume by location, and an assumption that roughly half of spending on air tickets to enter and exit Alaska actually stays in Alaska.

- Spending on ferry tickets was based on reported spending in AVSP V, adjusted for inflation, and estimated visitor volume entering and exiting Alaska via ferry. All spending on ferry tickets was assumed to stay in Alaska.

Economic Impact Analysis

McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska. Estimates of direct visitor industry employment and payroll are derived from visitor industry spending estimates, and verified using employment and payroll data from the Alaska Department of Labor and Workforce Development and U.S. Bureau of Economic Analysis. The model incorporates IMPLAN multipliers to estimate indirect and induced impacts. IMPLAN is a predictive input-output model of local and state economies, and is widely used to measure the economic impact of industries and industrial/commercial development. Indirect effects include those jobs and income created as a result of visitor industry businesses purchasing goods and services in support of their business operations. Induced effects include jobs and income created as a result of employees of the visitor industry spending their payroll dollars in support of their households. Together, indirect and induced impacts are often termed "multiplier effects."

Visitor Industry Tax Revenues

The report includes estimates of tax revenues to municipalities and state government from out-of-state visitors, to the extent possible.

Regional sales tax revenue estimates were calculated based on visitor industry spending and visitor volume at the community and regional level. Bed tax revenues were based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research. For both bed and sales tax estimates, tax rates and total taxes collected by community (from the *Alaska Taxable* report, 2009) were taken into account in the analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Cruise ship dockage/moorage revenues were collected from municipalities.

Cruise line payments to the State of Alaska were reported by the Departments of Revenue and Environmental Conservation. Fishing and hunting licenses and tag revenues were reported by the Department of Fish and

Game. Vehicle rental taxes were reported by the Department of Revenue, adjusted to account for out-of-state visitors (using business survey results). The Department of Revenue also reported corporate income taxes associated with the visitor industry. An Alaska Railroad official reported passenger-related revenues and the percentage attributable to out-of-state visitors.

Visitor Volume, Summer 2009

An estimated 1.58 million out-of-state visitors came to Alaska between May and September, 2009. Over half of these visitors (53 percent) exited the state via cruise ship; 43 percent exited via air; 3 percent exited via highway; and 1 percent exited via ferry.

Because some cruise ship visitors exit the state by air after completing their cruise, it is also useful to consider volume in terms of cruise and non-cruise visitors. As the chart below shows, 65 percent of all summer visitors spent at least one night on a cruise ship while in Alaska.

Chart 1
Alaska Visitor Volume, Summer 2009
By Exit Mode

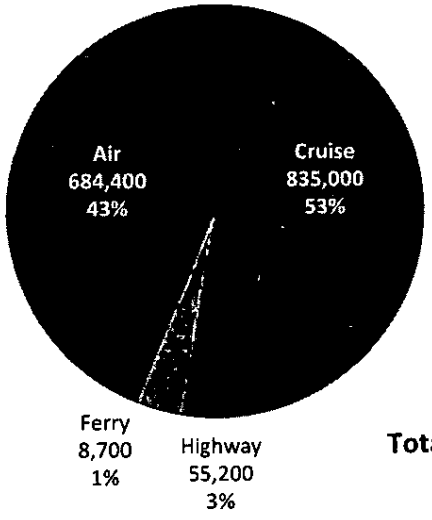
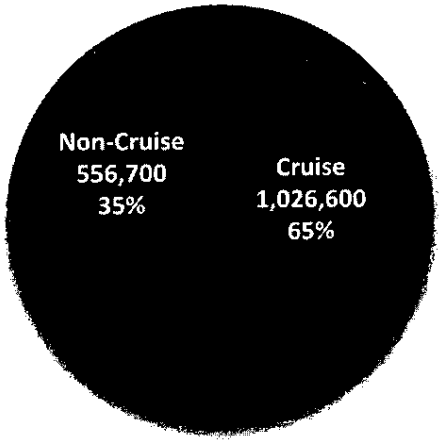


Chart 2
Cruise Market Share, Summer 2009



Total Visitors: 1.58 million

Visitor Volume Decline, 2008 to 2009

Visitation to Alaska dropped an estimated 7.3 percent between summer 2008 and 2009. While cruise passenger volume remained essentially the same, air visitor traffic decreased by 15 percent (from 800,600 to 684,400). Highway exits were down by 8 percent, while ferry exits decreased by 16 percent. (See table, next page.)

The visitor volume figures for air, ferry, and highway are based on visitor/resident ratios collected in summer 2006.[2] Additional information was taken into account to adjust the 2006 ratios, including: a survey of 172 visitor businesses on their 2009 season; reports from air carriers and the Alaska Marine Highway on resident travel; reports from cruise lines on in-state travel; and changes in bed tax revenues reported by municipalities.

[2] Because cruise passengers are assumed to be 100 percent visitors, and cruise passenger data is more measurable, there is less uncertainty in the cruise volume figures.

The overall decline of 7.3 percent may appear low in light of the larger decreases felt by many businesses in the state. It is important to keep several factors in mind when considering the overall decrease:

- Total cruise passenger traffic was flat; because cruise visitors represent two-thirds of overall visitation, this moderated the significant declines in the other modes.
- While total cruise passenger volume to Alaska did not change, there was a significant decrease in the number of passengers who purchased land tours, translating to less in-state travel, particularly to Fairbanks and Denali. These decreases are not reflected in total traffic volume.
- Because visitors were reportedly spending less money while in Alaska, their impact in terms of dollars spent was more dramatic than their decrease in volume.

Please see the chapter in this report on "Recent Changes" for a more detailed discussion on the summer 2009 visitor season, along with survey data and other indicators.

Table 1
Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in Summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

Visitor Volume, Fall/Winter 2008-09

An estimated 242,500 out-of-state visitors came to Alaska between October 2008 and April 2009. Nearly all of these visitors (95 percent) exited the state via airplane, while 5 percent exited via highway or ferry. Fall/winter 2008-09 saw a slight (2.0 percent) decrease in visitor volume from fall/winter 2007-08. Air visitor exits were down by 1.9 percent, and highway visitor exits were down by 4.0 percent. While ferry volume increased, it had little impact on overall volume, as ferry exits represent less than 1 percent of all fall/winter visitors.

(These estimates are unchanged from the previously published report on fall/winter visitor volume 2008-09. The survey of visitor businesses revealed no significant changes in visitation between 2007-08 and 2008-09. Please see the chapter on "Recent Changes" for more detailed survey results.)

Table 2
Visitor Volume, by Exit Mode, Fall/Winter 2008-09

Exit Mode	Number of Visitors
Air	231,300
Highway	9,700
Ferry	1,500
Total	**242,500**

Visitor Industry Spending

The spending figures presented below are based on survey data from the 2006-07 *Alaska Visitor Statistics Program V*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development. To update these spending figures to 2008-09, the study team took into account changes in the visitor market since 2006-07 in terms of visitor volume, visitor type, and spending behavior. Information sources for estimating the effects of these changes included:

- Survey of 172 visitor businesses on changes in their business in terms of both volume and sales from previous seasons. (For detailed survey results, please see the chapter on "Recent Changes.")
- Traffic data including air passenger data from airports and Alaska Airlines; ferry passenger data from the Alaska Marine Highway; cruise passenger data from Cruise Line Agencies of Alaska; and highway border traffic from the Yukon Department of Tourism and Culture and U.S. Customs.
- Data on cruise passenger spending on shore excursions provided by cruise lines.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Inflation factors, by economic sector, based on the Anchorage Consumer Price Index.
- Employment data from the Alaska Department of Labor and Workforce Development.

Visitor Spending, Summer 2009

Out-of-state visitors to Alaska spent an estimated $1.31 billion in Alaska between May and September 2009. This figure includes instate spending only, excluding the cost of transportation to and from the state, such as air tickets, cruise or cruise/tour packages, and ferry tickets.

While cruise visitor spending on cruises and cruise/tour packages is excluded in this figure, cruise line spending in Alaska is accounted for in the economic impact analysis, and is addressed further, below. This spending includes payments to hotels, motorcoach companies, the Alaska Railroad, and other components of land tours that are included in the cruise package price.

For the purposes of this study, tour commissions were extracted from passenger spending data because they accrue directly to travel agents, tour operators, and cruise lines at the time of the sale.

Spending by Region

In the 2006 AVSP survey, respondents were asked to estimate how much they spent in each community they visited. This spending was updated to reflect 2009 visitation by region and changes in spending behavior, among other factors. The chart below shows how summer visitor spending is distributed throughout the state. Southeast and Southcentral account for the bulk of visitor spending at 39 percent each, followed by the Interior at 15 percent, Southwest at 6 percent, and Far North at 1 percent.

Spending by Sector

In the 2006 AVSP survey, respondents were asked to estimate how much they spent by spending category (lodging, tours/activities/entertainment, gifts/souvenirs/clothing, food/beverage, cars/fuel/ transportation, and other). Spending estimates were updated to reflect changes in visitor volume and spending behavior in 2009. Total spending by sector is presented in the chart below.

Visitor spending is widely distributed, with no one category accounting for more than one-quarter of spending. The largest sectors were gifts/souvenirs/clothing at 23 percent, tours/activities/entertainment at 21 percent, and lodging at 17 percent. Readers are reminded that all tour commissions have been excluded from the tours/activities category. The "other" category is primarily spending on lodge packages within one community.

Chart 3
Visitor Spending, Summer 2009, by Region

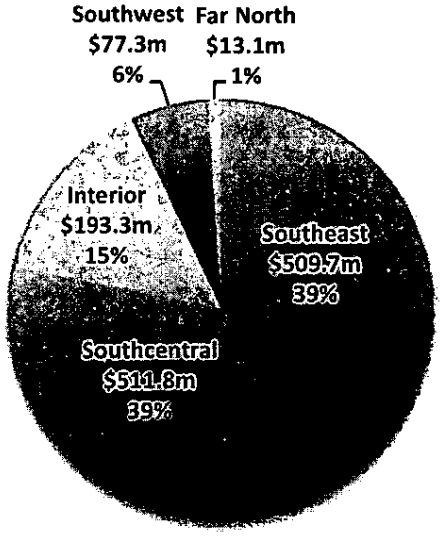
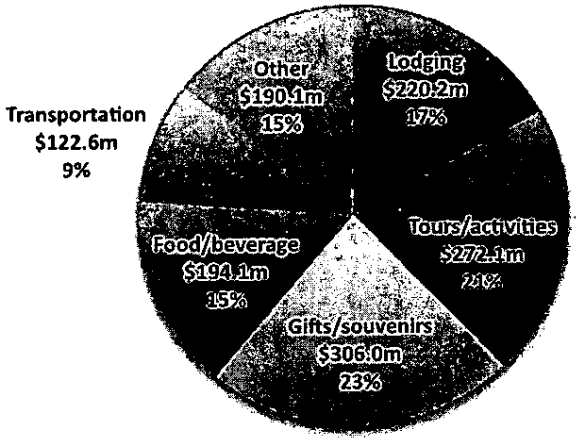


Chart 4
Visitor Spending, Summer 2009, by Sector



Total Summer Visitor Spending: $1.3 Billion

Visitor Spending, Fall/Winter 2008-09

Out-of-state visitors spent an estimated $197 million in Alaska between October 2008 and April 2009. This figure excludes spending on air and ferry travel to enter and exit the state. Like the summer spending figures, the basis for the fall/winter spending estimates is survey results from 2006-07. However, fewer adjustments were necessary to update these figures: volume only dropped by 2 percent between 2007-08 and 2008-09 (3 percent since 2006-07), in contrast to summer traffic. The data was updated to reflect a small decrease reported in the business survey and corroborated in other data such as bed and vehicle tax revenues. It was also adjusted to reflect the effects of inflation, by sector.

Spending by Region

In contrast to summer season spending, fall/winter visitor spending is much more focused in the Southcentral region, which accounts for two-thirds of all fall/winter spending. This reflects the much higher visitor traffic to the Southcentral region, nearly all of it to Anchorage. One-fifth of spending occurs in the Interior region, while Southeast, Southwest, and Far North each account for less than 10 percent of fall/winter spending.

Spending by Sector

Fall/winter visitor spending is more focused in the lodging and food/beverage categories when compared to the summer season, when gifts/souvenirs and tours/activities are the top two spending categories. This different spending pattern reflects the very different make-up of the fall/winter market: few visitors are shopping for vacation/pleasure purposes, and instead are much more likely to be traveling for business or to visit friends or relatives. They are therefore much less likely to participate in tours or purchase souvenirs.

Chart 5
Visitor Spending, Fall/Winter 2008-09
By Region

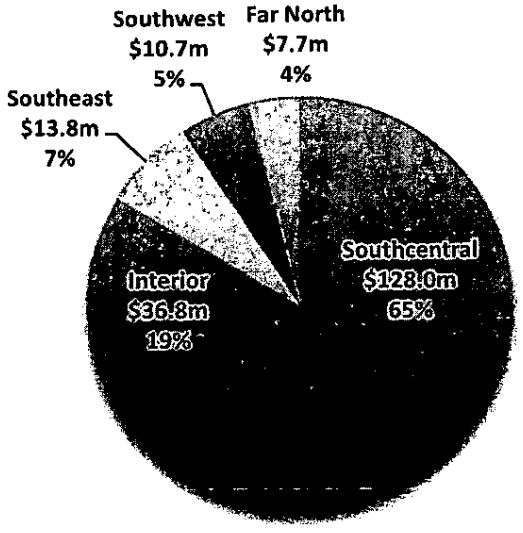
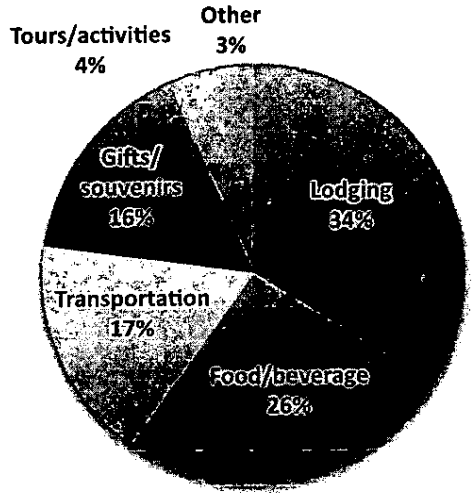


Chart 6
Visitor Spending, Fall/Winter 2008-09
By Sector



Total Fall/Winter Visitor Spending: $197 Million

Additional Visitor Industry Spending

Cruise Line Spending and Payroll

Cruise lines and their subsidiaries spent approximately $250 million on goods and services from Alaska businesses during the 2008-09 study period. This estimate is derived from detailed 2007 purchasing information provided by six major cruise lines for a report conducted by McDowell Group on cruise industry impacts for the Alaska Cruise Association. (Permission was granted by ACA to use the cruise line data for the purposes of this study.) The data was sorted to eliminate spending outside of Alaska, as well as payments to tour vendors accounted for under passenger spending.

To develop an estimate of 2009 cruise line spending, the 2007 spending data was adjusted to account for differences in the cruise market between 2007 and 2009, including a drop in land tour participation. (Total passenger volume was essentially the same between the two years.) The 2007 data was also adjusted to account for the effects of inflation.

One-third of all cruise line spending accrues to government in the form of taxes and fees. Transportation spending accounts for over one-fifth of all cruise line spending, while the accommodations sector receives 17 percent of all spending.

In addition to spending in Alaska on goods and services, cruise lines also paid their Alaska employees a total of approximately $62 million in payroll and benefits. Cruise lines directly employed approximately 1,800 workers in Alaska in 2009, including motorcoach drivers, hotel employees, and other shoreside personnel. This does not include any shipboard personnel.

Crew Spending

Approximately 25,000 crew members visited Alaska in 2009, each crew member generally sailing on 10 to 20 individual voyages, visiting multiple communities on each voyage. Crew members make a wide variety of purchases while in port: they visit restaurants and bars; they purchase communication-related items such as phone cards, Internet, and postage; and they visit retail outlets such as Fred Meyers, Costco, and Wal-Mart. Spending data for crew is primarily based on surveys of crew members previously conducted by McDowell Group, updated to reflect 2009 crew member visitation.

Table 3
Crew Member Spending, By Region, Summer 2009

	Total Spending
Southeast	$16.1 million
Southcentral	$0.3 million
Total	**$16.4 million**

Visitor Spending on Air and Ferry Travel

Air Travel

Although visitors did not report their spending on airplane tickets to enter and exit the state in the 2006-07 AVSP, a rough estimate is necessary to complete the picture of visitor spending in 2008-09. Visitor spending

on air travel impacts the state's economy in the form of landing fees, fuel purchases, airline employee wages, and other purchases in support of airline operations.

To estimate visitor spending on air travel, the estimated number of air visitors was multiplied by average Seattle-Alaska round-trip fares, for both summer ($600) and fall/winter ($500). One-half of the total ticket spending was assumed to stay in-state. Spending was distributed by region based on exiting air traffic. This methodology is inexact: passengers fly to and from various destinations with various pricing, and many passengers fly to or from points other than Seattle. In the absence of more specific data, this provides a reasonable and conservative estimate of impacts from visitor spending on airfare in and out of the state. (See table, below.)

Ferry Travel

Similar to airplane tickets, spending on ferry tickets to enter and exit Alaska are not included in the initial visitor spending estimates because the expenditures are not "out-of-pocket." To estimate this spending, the total number of visitors estimated to have entered or entered Alaska by ferry from fall 2008 through summer 2009 was multiplied by the average spending on ferry tickets reported in AVSP, with adjustments for inflation. This results in a total spending estimate of $11.4 million. This does not include spending on in-state ferry travel by visitors, which is captured elsewhere in the expenditure data. For the purposes of economic impact analysis, all ferry spending is attributed to Southeast because all ferries entering and exiting Alaska sail between Southeast ports and Bellingham or Prince Rupert (though visitors sailing to Southcentral and Southwest ports clearly have economic benefit to those regions).

Table 4
Visitor Spending on Air and Ferry Travel to Enter/Exit Alaska
October 2008-September 2009

	Air Travel	Ferry Travel
Southcentral	$209.0 million	n/a
Southeast	$25.5 million	$11.4 million
Interior	$36.3 million	n/a
Total	**$270.8 million**	**$11.4 million**

Full Year Visitor Industry Spending

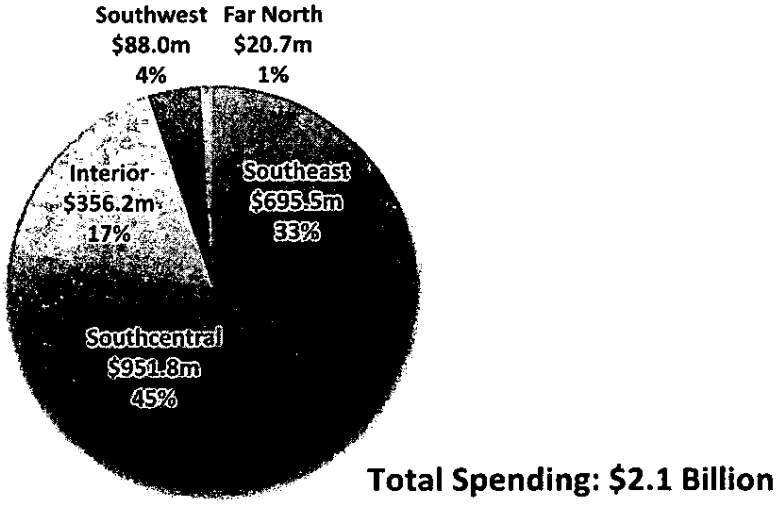
The table below shows full year (October 2008 through September 2009) visitor industry spending, combining the spending by visitors, cruise lines, and crew members, along with spending on air and ferry tickets to enter/exit Alaska. The total figure of $2.1 billion is primarily focused on visitor spending, which accounts for 71 percent of total spending.

Table 5
Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending	$250.0 million
Cruise line payroll spending	$62.0 million
Crew member spending	$16.4 million
Air tickets	$270.8 million
Ferry tickets	$11.4 million
Total spending	**$2.1 billion**

The chart below shows how visitor industry spending is distributed by region. Regionally, Southcentral captures the largest share at 45 percent, followed by Southeast at 33 percent, Interior at 17 percent, Southwest at 4 percent, and Far North at 1 percent.

Chart 7
Visitor Industry Spending, October 2008-September 2009, By Region



Economic Impact Analysis

Spending in Alaska by visitors and visitor industry businesses creates jobs, income, and business activity throughout the Alaska economy. Visitor spending creates jobs and payroll with tour companies, hotels and lodges, retail establishments, transportation providers, and a range of other business. Visitor industry businesses and their employees in turn re-spend a portion of that money with other Alaska businesses (some is spent outside Alaska).

For most industries in Alaska, it is possible to rely on government agencies to routinely report employment and payroll. However, because visitor activity directly affects a blend of numerous other industries (retail, transportation, services, and others) there are no regularly published data on visitor industry employment and payroll, either in Alaska or elsewhere in the U.S. Tourism "satellite accounts" have been developed for the purpose of isolating and measuring tourism economic activity; however, these efforts still fail to provide a true measure on tourism activity in Alaska because resident travel is included in the analysis. Therefore, for a pure analysis of the economic impact of non-resident visitor travel to Alaska, custom research and modeling is required. McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska.

All impact analysis refers to the October 2008 through September 2009 study period, abbreviated to "2009."

Direct Employment and Labor Income Effects

The visitor industry's direct economic impacts include the jobs and income created by:

- Non-resident visitor spending on all goods and services purchased while in Alaska.
- Half of visitor spending on air travel to Alaska (based on fares for travel from Seattle to Alaska destinations) and all visitor spending on Alaska Marine Highway tickets. None of the expenditures made by cruise passengers on their cruise package is included, though some of that money flows through the state in the form of cruise line purchases of goods and services.
- Spending in Alaska by cruise lines in support of their operations, including payroll for their shoreside employees in Alaska and all taxes and fees paid to state and local governments.
- Spending by cruise ship crew while in Alaska.

As described in the previous chapter, all these components of direct visitor industry spending totaled approximately $2.1 billion in the 12-month study period. This spending directly generated 27,100 full- and part-time jobs in Alaska, and $800 million in labor income, based on McDowell Group's economic impact modeling. Approximately half (46 percent) of direct visitor industry employment is in the Southcentral region, and approximately one-third (31 percent) is in Southeast.

Table 6
Visitor Industry Employment and Labor Income in Alaska, 2009
(direct effects only)

	Employment	Labor Income
Southcentral	12,600	$349 million
Interior	4,900	154 million
Southeast	8,300	256 million
Southwest	1,100	30 million
Far North	200	8 million
Total	**27,100**	**$797 million**

These employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in Alaska as the visitor dollar is re-spent by visitor industry businesses and their employees. In fact, modeling indicates that this secondary spending totaled approximately $1.3 billion. That amount, added to the initial direct spending of $2.1 billion, indicates total direct, indirect and induced spending of approximately $3.4 billion in 2009. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income. Regional direct and indirect employment and labor income totals are presented in the following tables.

Table 7
Direct, Indirect, and Total Visitor Industry Employment in Alaska, 2009

	Direct	Indirect	Total
Southcentral	12,600	5,000	17,600
Interior	4,900	1,300	6,200
Southeast	8,300	2,300	10,600
Southwest	1,100	400	1,500
Far North	200	100	300
Total	**27,100**	**9,100**	**36,200**

Table 8
Direct, Indirect, and Total Visitor Industry Labor Income in Alaska, 2009

	Direct	Indirect	Total
Southcentral	$349 million	$165 million	$514 million
Interior	154 million	51 million	205 million
Southeast	256 million	117 million	373 million
Southwest	30 million	11 million	41 million
Far North	8 million	2 million	10 million
Total	**$797 million**	**$346 million**	**$1,143 million**

In summary, Alaska's visitor industry accounted for a total of 36,200 jobs in 2009, and over $1.1 billion in labor income, including all direct, indirect and induced effects. It should be noted that this estimate of visitor industry-related employment is a tally of the total number of full and part-time jobs linked to non-resident visitor travel to Alaska in 2009. This tally includes annual average wage and salary employment, and total proprietors' employment (the total number of sole proprietorships or partnerships active at any time during the year). Though non-resident travel to Alaska occurs year-round, the visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Because of the seasonal nature of

the industry, estimates of annual average employment understate the total number of people directly employed in the industry during the peak of the travel season. In the accommodations sector, for example, wage and salary employment averaged about 7,700 jobs in 2009. Peak employment that year, in July, totaled 11,000 jobs. Alaska's "scenic & sightseeing transportation" sector is even more seasonal, with annual average employment of about 1,800 and peak employment of about 3,800, according to Alaska Department of Labor and Workforce Development data. Therefore, while this study measured 36,200 full and part-time jobs related to Alaska's visitor industry, the total number of workers whose jobs are directly or indirectly connected to the industry was over 40,000 in 2009.

Table 9
Total Visitor Industry Employment, Labor Income, and Spending in Alaska, 2009
(including direct, indirect, and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

Importance in Regional and Statewide Economies

Proportionately, visitor industry employment is most important in Southeast Alaska. Visitor industry-related employment of approximately 10,600 represented 21 percent of the region's 50,000 full and part-time jobs. Total visitor industry-related labor income of $373 million was 17 percent of total Southeast region labor income of approximately $2.2 billion.[3] In the Interior region the visitor industry accounted for about 9 percent of employment (out of a regional total of 65,500 jobs) and 6 percent of labor income (out of a regional total of $3.4 billion).

Total Southcentral employment of 17,600, represented approximately 7 percent of total employment in the region (about 263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

Statewide, visitor industry-related employment of 36,200 accounted for 8 percent of all employment. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.[4]

Employment and Labor Income by Sector

Jobs created as a direct result of visitor spending are concentrated in five sectors of Alaska's economy. Visitor spending directly accounted for 4,200 accommodations jobs in 2009, 3,500 jobs with firms providing tours and other visitor activities, and 4,500 retail jobs. Visitor spending also directly generated 4,400 jobs with

[3] Based on Bureau of Economic Analysis employment and labor income data for the Southeast region in 2007.
[4] Based on BEA employment and labor income data for the Alaska in 2008.

restaurants/bars and 2,700 jobs with transportation providers. Another 2,600 jobs were scattered among a number of other sectors of the Alaska economy, as a direct result of visitor spending.

Spending by cruise lines was also broadly distributed throughout the Alaska economy, creating jobs in the same sectors as those affected by visitor spending, plus jobs in professional and business services, wholesale businesses, and construction, among others, and in the government sector as a result of tax payments to state and local governments.

Indirect and induced jobs linked with the visitor industry are the most broadly distributed throughout the Alaska economy and includes all of the sectors that provide goods and services to Alaska businesses and households – virtually the entire service and support sector.

Table 10
Visitor Industry Employment and Labor Income, with Sector Detail, 2009

	Employment	Labor Income
Direct jobs from visitor spending		
Accommodations	4,200	$101 million
Tours & Activities	3,500	140 million
Retail	4,500	102 million
Food/Drink Services	4,400	91 million
Transportation	2,700	116 million
Other	2,600	70 million
Total	**21,900**	**$620 million**
All other direct jobs	**5,200**	**$177 million**
All indirect and induced jobs	**9,100**	**$346 million**
Total visitor industry-related employment and labor income	**36,200**	**$1.1 billion**

Alaska's Visitor Industry: Recent Changes and Future Outlook

Decline in Visitor Industry, 2008 to 2009

As described in the Visitor Volume chapter of this report, Alaska's out-of-state visitor market declined considerably (by an estimated 7 percent) in summer 2009 when compared to summer 2008. In fact, the visitor market has not seen this significant a decline since McDowell Group began tracking visitor volume in 1985. While the cruise market was basically flat, the air market dropped an estimated 15 percent; the ferry market 16 percent; and the highway market 8 percent. In addition, the cruise passengers that did visit Alaska were less likely to travel within the state, making the declines in the Southcentral and Interior regions more dramatic. Following is a more detailed description of the 2008-09 visitor season, and how it differed from previous years.

Business Survey Results

A major source for this study was a survey of 172 visitor industry businesses, specifically targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease in 2008-09 in both visitor volume and gross sales, among other questions.

Results from the survey should be viewed in light of the fact that responses are not weighted by size or type of business. It should also be noted that the survey sample included only a few Southeast tour operators catering exclusively to cruise ship passengers, because the study team had access to shore excursion sales data provided by cruise lines. This data was taken into consideration along with survey data when making adjustments to passenger spending data.

Table 11
Visitor Business Survey Sample Definition

	% of Total
Location	
Southcentral	39%
Southeast	24
Interior	18
Statewide	8
Southwest	6
Far North	5
Business Type	
Accommodations	32%
Activities and attractions	25
Retail	20
Transportation	10
Dining	6
Package tours	6
Average # of years in business	25 years
Average # of employees	35 employees

CHANGE IN GROSS SALES AND VISITOR VOLUME, SUMMER 2008 TO SUMMER 2009

Two-thirds of businesses surveyed said their volume and their sales decreased in summer 2009 compared to 2008. One in ten saw an increase, and about the same said there was no change year-to-year.

Businesses that saw an increase, as well as those that saw a less-than-average decrease, often explained their results. They were a growing business, for example, or they anticipated the decline by offering lower rates or special promotions. Respondents also commented that visitors were buying lower-priced tours and lodging – if a business was in the right price range, they may have had a better year than those in the higher price range.

Retail businesses were asked a follow-up question: whether per-visitor spending changed (as opposed to overall gross sales). In response, 6 percent said that per-visitor spending increased, 58 percent said decreased, 26 percent said it stayed the same, and 10 percent didn't know. These results correspond with comments that visitors were buying lower-price retail items (as well as lower-price tours and lodging).

Table 12
Changes in Sales and Visitor Volume, Summer 2008 to Summer 2009

	% of Total
Change in number of visitors served	
Increase	11%
Decrease	67
No change	7
Don't know	14
Average % change	**14% decrease**
Change in gross sales	
Increase	9%
Decrease	65
No change	10
Don't know	16
Average % change	**16% decrease**

CHANGE IN GROSS SALES AND VISITOR VOLUME, FALL/WINTER 2007-08 TO FALL/WINTER 2008-09

Businesses who reported operating in the fall/winter were asked about their last fall/winter season (October 2008-April 2009) compared to the previous season (October 2007-April 2008).

There was much less change reported in the fall/winter season compared to the summer season – not surprising, considering that fall/winter visitors tend to be traveling to visit friends and relatives or for business, and these markets were not as affected by the economic crisis. In addition, traffic data reflected only a 2 percent decrease in visitation between the two periods.

A little less than one-quarter reported an increase in visitors, a little more than one-quarter reported a decrease, but the most popular answer was "no change." There were a few more reports of decreases in terms of sales, probably reflecting lower prices. The reports of lower sales were reinforced by bed tax and vehicle rental tax declines.

Table 13
Changes in Sales and Visitor Volume, Fall/Winter 2007-08 to Fall/Winter 2008-09

	% of Total
Change in number of visitors served	
Increase	23%
Decrease	28
No change	41
Don't know	8
Average % change	**1% decrease**
Change in gross sales	
Increase	20%
Decrease	31
No change	42
Don't know	7
Average % change	**8% decrease**

Summary of Business Survey Comments

Additional comments were offered by respondents on their 2009 season, summarized below.

- Although cruise lines filled their ships, it required heavily discounting prices. According to some contacts, this led to passengers with lower incomes and higher price sensitivity.
- Although a couple of contacts reported a decrease in international visitors, most of those who commented on this market said they held steady or increased. Several noted increases in the European and Japanese markets.
- The group tour and incentive markets were reported to be down.
- The excellent weather experienced statewide in 2009 not only tempted more visitors to purchase outdoor tours, it allowed for fewer flightseeing cancellations.
- Businesses selling all-inclusive package tours that included a cruise component were especially hard hit because they were competing heavily with cruise lines, which were offering unprecedented prices.
- Businesses selling add-on packages to cruise passengers (such as two-day tours to Nome) were also affected. One contact pointed out that with cruise packages priced so low, it became hard for visitors to justify paying as much or more for add-on packages as they had paid for their cruise.
- The sportfishing market reported heavy losses in both the charter and lodge sectors. Owners cited new sportfishing regulations as a factor in the downturn, in addition to the economic recession.
- A few contacts reported more travel by Canadians.
- There were several comments on the in-state market, that Alaskans were traveling in-state as much or more than before. (This report measures impacts from out-of-state visitors only.)

- Retail vendors commented on how sales have fluctuated over the last several years. For many, the trend towards lower-priced items began in 2008 and continued in 2009.

Additional Visitor Industry Indicators

The table below presents additional indicators that help describe the 2009 season. They tend to reinforce what was reported in the survey, and were taken into account in the adjustments made to spending and volume for the 2009 season.

- Domestic air passenger traffic exiting Alaska was down in every market, ranging from 7 percent in Fairbanks to 20 percent in Sitka, for a total decline of 10 percent. While resident travel is included in these figures, resident air travel was reported to have held fairly steady in summer 2009. International air traffic was likewise down, by 8 percent.

- Cruise passenger traffic was down only 1 percent between 2008 and 2009; however, as reported previously, cruise passengers were traveling less within the state. Based on information provided by cruise lines on 2008-to-2009 shifts in the land tour market (passengers that purchase overnight tours, generally to Denali and Fairbanks, in addition to their cruise), it is estimated that land tour volume dropped 13 percent between 2008 and 2009.

- Some of the more striking declines can be seen in bed tax revenues, with declines ranging from 14 percent in Denali to 30 percent in Sitka. The increase in Valdez' bed tax revenues likely reflects their relative dependence on the in-state market. (In viewing these figures, it is important to keep in mind that these declines reflect decreases in prices as well as room nights.)

- Anchorage showed a 23 percent decrease in vehicle rental tax revenues, and a 26 percent in RV rental tax revenues. As with bed tax revenues, these figures likely reflect decreases in prices as well as rentals.

- Department of Fish and Game license sales show a 16 percent decline in non-resident fishing license sales between 2008 and 2009, reinforcing reports from lodge and charter operators. While hunting licenses were down only 2 percent, big game tags were down 18 percent.

- While sales tax revenues are not direct indicators of visitor spending as they reflect both resident and non-resident spending, it is interesting to note that sales tax revenues were down 16 percent in Sitka, 12 percent in Juneau, and 9 percent in Skagway. The Skagway figure is particularly indicative of the visitor market, as visitor spending represents the vast majority of spending on goods and services in Skagway during the 2nd and 3rd quarters.

Table 14
Summer 2009 Visitor Industry Indicators

	Change 2008 to 2009
Domestic airplane passengers exiting Alaska, May-September	
Anchorage	-10%
Fairbanks	-7%
Juneau	-15%
Ketchikan	-12%
Sitka	-20%
Other	-6%
Total	**-10%**
International airplane passengers exiting Alaska, May-September	
Anchorage	-9%
Fairbanks	-8%
Total	**-8%**
Cruise passenger traffic	
Total passenger volume	-1%
Land tour volume	-13%
Out-of-state ferry passenger volume	
Total	-16%
Bed Tax Revenues, April-September	
Anchorage	-22%
Fairbanks	-18%
Denali	-14%
Juneau	-28%
Mat-Su	-10%
Sitka	-30%
Valdez	+7%
Vehicle Rental Tax Revenues, April-September	
Anchorage car rental	-23%
Anchorage RV rental	-26%
Department of Fish and Game License Sales (calendar years 2008 and 2009)	
Nonresident sport fishing licenses	-16%
Nonresident King Salmon tags	-18%
Nonresident hunting licenses	-2%
Nonresident big game tags	-18%
Sales Tax Revenues, April-September	
Juneau	-12%
Skagway	-9%
Sitka	-16%

Sources: Alaska Airlines, Ted Stevens Anchorage International Airport, Fairbanks International Airport, Cruise Line Agencies of Alaska, cruise lines, Alaska Marine Highway, Alaska Department of Fish and Game, and the municipalities/boroughs of Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, Valdez, Skagway, and Sitka.

Economic Impact of 2009 Decline

While within the scope of this project it is not possible to measure precisely the economic impact of the decline in visitor spending in 2009, available data provides an indication of the significance of the decline. Alaska Department of Labor and Workforce Development employment data indicates that statewide annual average employment in the accommodations sector (hotels, lodges and B&Bs) was down by 600 jobs in 2009. Accommodations employment in July 2009, at the peak of the visitor season, was 1,100 jobs below the July 2008 level. Other visitor-affected sectors of the Alaska economy also experienced employment declines in 2009, as illustrated in the following table. Not all of the job loss in these sectors can be attributed to a decline in visitor spending; Alaska residents account for a significant portion of spending in these sectors. Nevertheless, it is clear from the long list of declining visitor industry indicators (reported above) that lower visitor spending was a key contributing factor.

Table 15
Annual Average and Peak Month Employment Declines in Visitor-Affected Sectors, 2009 versus 2008

	Annual Average Change, 2008 to 2009	Change, July 2008 to July 2009
Retail	-600	-500
Air transportation	-300	-500
Accommodations	-600	-1,100
Food and drink	-400	-1,200

Source: Alaska Department of Labor and Workforce Development.

Detailed sector employment data for the third quarter of 2009 further illustrates job losses during the peak of the visitor season. In these selected visitor-affected categories, statewide employment during the third quarter of 2009 was about 2,300 jobs below the third quarter of 2008, a decline of about 7 percent. Payroll was down $14 million for the quarter, a decline of 6 percent. Two sectors that are most heavily affected by non-resident visitor travel, scenic/sightseeing transportation and tour companies, saw employment declines of 9 percent and 25 percent, respectively.

Table 16
Changes in 3rd Quarter Employment in Selected Visitor-Affected Sectors, 2008 to 2009

	3rd Qtr 09 Employment	Change from 3rd Qtr 08	Percent Change	Total Change in Payroll	Percent Change
Jewelry stores	598	-17	-3%	-$507,708	-10%
Gift, novelty, and souvenir stores	1,276	-65	-5%	-566,046	-9%
Nonscheduled air transportation	1,718	-140	-8%	-224,008	-1%
Scenic and sightseeing transportation	3,106	-310	-9%	-3,161,303	-11%
Support activities for transportation	2,848	-243	-8%	-1,386,541	-4%
Passenger car rental	425	-27	-6%	-84,549	-3%
Tour operators	674	-224	-25%	-974,955	-15%
Amusements and recreation	4,333	-112	-3%	-1,084,540	-6%
Traveler accommodation	8,885	-665	-7%	-4,672,572	-8%
Full-service restaurants	8,455	-465	-5%	-1,541,174	-4%
Total All Categories	**32,318**	**-2,268**	**-7%**	**-$14,203,396**	**-6%**

Source: Alaska Department of Labor and Workforce Development.

Based on the modeling conducted for this study, total visitor spending in Alaska declined by approximately $270 million between 2007-08 and 2008-09, a 15 percent drop. A 15 percent drop in visitor spending could translate in to loss of 5,000 direct and indirect jobs if it were to persist for several years. In the near term, however, the direct employment loss during the summer of 2009 was significantly less than that amount.

In 2009, on average, $82,000 in visitor spending created one direct job. At that rate, a spending decline of $270 million would suggest a loss of approximately 3,300 jobs. However, employers are often more inclined (at least initially) to reduce non-personnel costs and/or earn reduced profits before resorting to job cuts. As such it is likely that statewide the decline in visitor spending resulted in the loss of perhaps 2,000 to 2,500 mostly seasonal jobs.

Industry Outlook

One aspect of the 2010 visitor market that is currently measurable is a forecasted decline in cruise passenger capacity. Overall, capacity is expected to be down 14 percent from 2009, based on several changes. The following ships will be re-deployed to other markets: 1,270-passenger Ryndam (Holland America Line), 2,600-passenger Star Princess (Princess Cruises), 2,002-passenger Norwegian Sun (Norwegian Cruise Line), 2,100-passenger Serenade of the Seas (Royal Caribbean International), and 114-passenger Spirit of Oceanus (Cruise West). Holland America's Amsterdam will make 11 Alaska voyages (of 14 nights each) instead of 20 seven-night voyages. There have also been changes from cross-gulf to round trip itineraries for two ships (the 1,950-passenger Coral Princess and the 2,124-passenger Carnival Spirit), which eliminates the option for passengers to travel additionally in-state (either independently or on land tour packages).

Different ports will feel the drop to different degrees, as seen in the following table.

Table 17
Anticipated Changes in Cruise Passenger Volume, 2009 to 2010

	% Change
Juneau	-14%
Ketchikan	-12
Skagway	-12
Sitka	-36
Whittier	-40
Seward	-16
Icy Strait Point	-11
Haines	-26
Statewide	**-14%**

Source: Cruise Line Agencies of Alaska.

A decline in cruise passenger travel to Alaska of approximately 14 percent (140,000 passengers overall) in 2010 could reasonably be expected to result in a 14 percent decline in cruise passenger spending, compared to 2009. If a decline of 140,000 passengers is accompanied by a proportional decline in spending, $90 million in direct spending would be lost, and as much as $150 million in total direct and indirect spending. This spending decline, plus the decline experienced in 2009, could bring the total employment loss from the 2008 peak to near 5,000 jobs, including all the direct and indirect effects.

However, 2009 was an unusual year in the Alaska cruise market. The result of a severe national recession, deep discounting was required to fill berths on cruise ships. The discounting fulfilled its objective; cruise traffic was down only about 1 percent. However, cruise passengers that did travel to Alaska in 2009 proved to be reluctant spenders, purchasing fewer excursions and spending less on gifts and souvenirs. Early indications for the 2010 season suggest that Alaska can expect a return of the more traditional (less frugal) cruise passenger. Anecdotal information indicates discounting is not being required to fill berths, meaning the typical cruiser in 2010 will spend at a higher rate than the typical 2009 cruiser. To the extent that 2010 cruisers do spend more, the spending and employment losses potentially stemming from the decline in cruise traffic will be mitigated.

Looking ahead to 2011, Cruise Line Agencies of Alaska predicts that overall passenger volume will be about the same as in 2010, with additional losses being balanced out by new arrivals.

Further decline in the independent (non-cruise) travel market is not expected in 2010, and the outlook is for a modest rebound from 2009. Several factors point to this outcome.

- The reduction in cruise capacity – and stronger early cruise bookings despite lack of significant discounting – indicate better overall demand for Alaska and increased consumer economic capability. Cruise capacity limitations likely mean some visitors will choose a non-cruise Alaska trip.
- National retail spending and consumer confidence show some modest promise in early 2010. Since Alaska visitors tend to be well above average in income and education, they are less affected by an economic downturn.
- Past research in the Alaska market indicates that potential visitors may postpone their Alaska trip during uncertain times but not cancel their Alaska ambitions altogether. Some pent-up demand from the recent independent visitor downtum is expected.
- Most independent visitors enter and exit by air, and Alaska's dominant carrier – Alaska Airlines – is doing much better financially in 2010 than the aviation industry overall, so is likely to maintain sufficient summer frequency to service independent Alaska demand.
- Independents will be looking for value, as opposed to low price, and travel offerings throughout the state are more modestly priced as a result of the recession. The perceived (and true) value of an independent Alaska experience has improved since 2008.
- While the U.S. dollar may be strengthening somewhat in 2010, Alaska travel is still a good value for overseas visitors, and some additional independent traffic might be expected.

While all of these factors point to modest improvement in Alaska independent visitor volume and spending for 2010, the nation's recent economic troubles are indicators of much more comprehensive and long-term systemic issues with the U.S. economy that will continue to be of concern for all travel markets.

Revenues to Municipal and State Governments

The visitor industry generates significant revenues for state and local governments in Alaska. User fees, sales taxes, bed taxes, property taxes, income taxes and other payments all flow to state and local governments in Alaska directly or indirectly from the visitor industry. This chapter details, to the extent possible, state and local government revenues that can be attributed to out-of-state visitors.

Summary

Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, corporate income taxes, and revenues to the Alaska Marine Highway System and the Alaska Railroad. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees. Additional revenues to the State of Alaska from the visitor industry not included in this total are airport fees, State Parks user fees, and State Museum revenues, among others.

Please see the following pages for more details on these revenues.

Table 18
Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Municipal Tax Revenues

Sales Tax Revenues

Total sales tax revenues associated with visitor industry spending are estimated at $28.9 million for the October 2008 to September 2009 study period. Visitor-related sales tax revenues are particularly important in communities such as Juneau, Ketchikan, and Skagway, where spending by visitors provides a significant portion of total spending in each community.

Regional sales tax totals were calculated based on visitor industry spending and visitor volume at the community and regional level. Tax rates and total taxes collected by community were taken into account in the analysis (total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009). Taxable spending rates were also considered in the analysis. Not all visitor-related spending is taxable; for example, spending on flights is exempt, and some communities have sales tax caps.

Table 19
Sales Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Sales Tax Revenues
Southeast	$18.3 million
Southcentral	$9.8 million
Other regions combined	$0.8 million
Total	**$28.9 million**

Sources: McDowell Group estimates based on sales tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); and AVSP visitor survey and volume data.

Bed Tax Revenues

Out-of-state visitors paid an estimated $23.5 million in bed tax revenues in the one-year study period. The bulk of the revenues accrue to Southcentral, where Anchorage has the highest bed tax rate in the state (12 percent) *and* attracts the highest number of overnight visitors. The Interior, with Fairbanks at 8 percent and Denali at 7 percent, accounted for about one-fifth of all bed tax revenues. While most Southeast communities charge bed taxes, revenues are not as high as in other regions because they have fewer overnight visitors (cruise ship visitors rarely overnight in Southeast). Both Southwest and Far North regions are estimated to receive less than $1 million each in bed tax revenues from out-of-state visitors.

Over 30 different communities with bed taxes were considered in this analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Each community's tax revenues were assigned a different "percentage out-of-state visitors" rate, based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research.

Table 20
Bed Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Bed Tax Revenues
Southcentral	$15.6 million
Interior	$5.6 million
Southeast	$1.7 million
Southwest	$0.5 million
Far North	$0.1 million
Total	**$23.5 million**

Sources: McDowell Group estimates based on bed tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); AVSP visitor survey and volume data; and business survey data.

Property Tax Revenues

It is beyond the scope of this study to measure property tax revenues in each Alaska community affected by visitor traffic. The analysis would be very complex; most property tax revenues are indirect, that is, paid by businesses that provide goods and services to visitors. Many visitor-affected businesses also provide goods and services to Alaska residents. Therefore, not all of the property taxes paid by these businesses could be attributed to the visitor industry.

A previous study estimated property tax revenues associated with the cruise industry at $3.5 million for 2007. This figure was based on data provided by cruise lines on property tax payments, a review of property tax payments on cruise industry-related businesses in Ketchikan and Juneau, and previous estimates. This is only a relatively small portion of property tax revenues accruing to local governments from visitor industry-related sources. It does not include the lodging, tour operators, and other businesses serving the non-cruise market; nor does it include property taxes paid by businesses less dependent on visitor activity (but still deriving income from visitors) or taxes paid by households of employees of visitor-related businesses.

Cruise Ship Revenues

Some municipal governments in Alaska's cruise port communities receive revenues from cruise lines in the form of moorage and docking fees, primarily Juneau, Ketchikan, Sitka, and Haines. (The docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by the Alaska Railroad.) Juneau has both private and public docks. Sitka does not have a deep-water dock, but charges lightering fees.

Each community has its own system of charging cruise lines for using port facilities. Dock charges are generally assessed on a per foot/per day basis. Additional charges may include tonnage fees, passenger fees, lightering fees, and water fees, depending on the community.

Total revenues for 2009 were $17.4 million, most of it collected in Southeast. Juneau and Ketchikan account for the vast majority of this figure, with $8.6 million and $8.5 million, respectively.

Table 21
Cruise Ship Dockage/Moorage Revenues to Municipalities, Summer 2009

Port	Revenues
Juneau	$8,587,000
Ketchikan	$8,478,000
Sitka	$115,000
Haines	$99,000
All other ports	$75,000
Total	**$17,354,000**

Sources: City and Borough of Juneau; City of Ketchikan; City and Borough of Sitka; City and Borough of Haines.
Note: Docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by Alaska Railroad.

State of Alaska Revenues

Direct Payments from Cruise Lines

The State of Alaska receives several forms of direct payments from cruise lines: the head tax (Departments of Revenue and Environmental Conservation), the gambling tax (Department of Revenue), the Commercial Passenger Vessel Environmental Compliance Program (Department of Environmental Conservation) and state corporate income tax (Department of Revenue).

Head Tax

At the end of December 2006, a new head tax was established for passengers on large vessels. The tax is $50 per passenger, with $46 dedicated to the Department of Revenue for redistribution, and $4 dedicated to the Alaska Department of Environmental Conservation to operate the Ocean Ranger Program.

According to the Alaska Department of Revenue, the State received $46.4 million for the $46 portion of the tax in 2007. These revenues are deposited in a special "commercial vessel passenger tax account" in the General Fund. For each voyage of a commercial passenger vessel providing overnight accommodations, the Commissioner of the Department of Revenue must identify the first five ports of call and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner distributes $5 per passenger of the tax revenue to each port of call. Each port of call must use the funds to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to improve the safety and efficiency of interstate and foreign commerce.

Head tax revenue for Department of Environmental Conservation amounted to $4.0 million in 2009. This revenue is used to operate the Ocean Ranger program, which requires U.S. Coast Guard licensed marine engineers on board vessels to act as independent observers monitoring State environmental and marine discharge requirements, and to ensure that passengers and crew are protected from improper sanitation, health, and safety practices.

The large passenger vessel gambling tax was also introduced in December 2006. This tax applies to the use of playing cards, dice, roulette wheels, and coin-operated instruments or machines designed for gaming or gambling activities aboard cruise ships operating in Alaska waters. The tax is 33 percent of the adjusted gross income from these gambling activities.[5] Gambling taxes are payable to the Department of Revenue and deposited in a special "commercial vessel passenger tax account" in the General Fund. The Department of Revenue reports gambling tax revenues of $6.3 million in 2009.

Commercial Passenger Vessel Environmental Compliance Program

The Commercial Passenger Vessel Environmental Compliance (CPVEC) Program was established in July of 2001. This program requires all large passenger vessels to register and comply with quality control regulations. The program is operated with fees collected from large and small passenger vessels ($1 per berth). In 2009, $1.0 million was collected for the Commercial Passenger Vessel Environmental Compliance Program.

Corporate Income Tax

Alaska's corporate income tax rates are graduated from 1 percent to 9.4 percent in increments of $10,000 of taxable income. The 9.4 percent maximum rate applies to taxable income of $90,000 and over. Multistate corporations apportion income on a water's edge basis using the standard apportionment formula of property, payroll, and sales.

Tax payments by individual corporations are confidential; however, the Department of Revenue reports total corporate income taxes in the "tourism" category, including payments by cruise lines and other visitor industry businesses, of $21.4 million in Fiscal Year 2009.

Vehicle Rental Tax

Alaska levies a 10 percent passenger vehicle tax as well as a 3 percent recreational vehicle tax. In Fiscal Year 2009, the Department of Revenue collected a total of $8.0 million in vehicle tax revenues. Survey results indicate that approximately 70 percent of rental vehicle revenues are attributable to out-of-state visitors. Visitor-related tax revenues from vehicle rental are therefore estimated at $5.6 million.

Revenues to Alaska Marine Highway and Alaska Railroad Corporation

While not in the category of fees or taxes, out-of-state visitors account for significant revenues to two transportation providers operated by the State of Alaska: the Alaska Marine Highway and the Alaska Railroad.

The Alaska Marine Highway reports that in calendar year 2009, out-of-state residents accounted for $17.6 million in revenues to AMHS. For purposes of this report, this figure is assumed to represent the study period of October 2008 through September 2009. (This figure does not resemble the $11.4 million reported in the Visitor Spending section because it is *total* spending, rather than spending only on passage to and from Alaska.)

The Alaska Railroad Corporation reports total passenger-related revenues of $21.5 million in 2009, $19.4 million of which is attributable to out-of-state visitors.

[5] "Adjusted gross income" refers to gross income, minus prizes awarded and federal and municipal taxes paid or owed on the income.

HB

424

<target><bill>HB 424</bill><subject>HB 424</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

716 W. 4th Avenue
Anchorage, Alaska 99501

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

600 E. Railroad Avenue
Wasilla, Alaska 99654

State Capitol, Juneau, Alaska 99801-1182

Sponsor Statement
for
House Finance
Committee Substitute for
House Bill 424

House Bill 424 allows Alaskans to vote on a general obligation bond package for statewide education and educational research facilities.

The proposal totals $384,200,000 for major K-12 and University of Alaska educational facilities around the state and would provide additional funding for Alaska's educational system. The proposal also funds library construction and vocational education projects across the state.

House Bill 424 is similar to legislation that passed in 2002 which authorized $236,805,441 in general obligation bond authority for statewide educational facilities. That proposal was adopted by 59.6% of the voters at the November 2002 general election. This was the first general obligation bond vote for education projects since 1978. Since statehood, Alaskan voters have approved over ten general obligation bonding packages for education.

Using state general obligation bonds is the right step in addressing our educational infrastructure backlog by accelerating the completion of many statewide projects. The bonds will be sold utilizing the "Build America Bond" financing mechanism that Congress passed in the stimulus package in 2009. Under this mechanism, the federal government would cover up to 35% of the interest over the 20 year maturity of the bond.

If adopted, this proposal would be placed on the ballot at this November's general election.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 7, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/11/10

The FINANCE Committee considered: **HOUSE BILL NO. 424**

"An Act providing for and relating to the issuance of general obligation bonds in a principal amount of not more than $1,000,000 for the purpose of paying the cost of education projects for public schools and the University of Alaska; and providing for an effective date."

HB 424-G.O. BONDS FOR EDUCATION PROJECTS

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 424 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			✓
	Gara			✓	
	DOGAN			✓	
	Joule	✓			
	Salmon	✓		X	
	KELLY	✓			
	AUSTERMAN	X			
	FOSTER	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 424(FIN)
(H) Publish Date: 4/11/10

Identifier (file name): CSHB424(FIN)-REV-TRS-04-11-10
Dept. Affected: Revenue
Title: G.O. Bonds for Education Projects
RDU: Taxation and Treasury
Component: Treasury Division
Sponsor: House Finance Committee
Requester: House Rules Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	10.0	10.0					
TOTAL OPERATING	**10.0**	**10.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**
1005 GF/Program Receipts							
1037 GF/Mental Health							
Miscellaneous	10.0	10.0					
TOTAL	**10.0**	**10.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**	**28,773.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Bill authorizes the voters of the state to consider up to a $384,200,000.00 general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2010 it is anticipated Bonds would be issued in early 2011 and debt service would commence in FY 2012. The current interest rate is very favorable with 20 year amortization net interest cost for credits of this type below 4% after subsidy. Interest rate acheived would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.2% and 20 year amortization for the bonds.

Prepared by: Jerry Burnett, Deputy Commissioner — Phone 465-3669
Division: Treasury Division — Date/Time 04-11-10; 7:23pm
Approved by: Ginger Blaisdell, Director — Date 04-11-10; 7:42pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHB 424(FIN)**
() Publish Date:

Identifier (file name): CSHB424(FIN)-REV-TRS-04-10-10
Title: G.O. Bonds for Education Projects
Sponsor: House Finance Committee
Requester: House Finance Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Treasury Division
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	10.0	10.0					
TOTAL OPERATING	**10.0**	**10.0**	**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**
1005 GF/Program Receipts							
1037 GF/Mental Health							
Miscellaneous	10.0	10.0					
TOTAL	**10.0**	**10.0**	**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**	**29,095.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Bill authorizes the voters of the state to consider up to a $388,500,000.00 general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2010 it is anticipated Bonds would be issued in early 2011 and debt service would commence in FY 2012. The current interest rate is very favorable with 20 year amortization net interest cost for credits of this type below 4% after subsidy. Interest rate acheived would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.2% and 20 year amortization for the bonds.

Prepared by: Jerry Burnett, Deputy Commissioner — Phone 465-3669
Division: Treasury Division — Date/Time 04-10-10; 8:36pm
Approved by: Ginger Blaisdell, Director — Date 04-10-10; 8:41pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

Sample Bonding Proposition Ballot

State of Alaska

November 6, 1962

- Mark only with cross marks, "X" marks, checks, or plus signs. Marks must be inside the squares.
- Erasures and corrections shall invalidate the ballot.
- A mark in the square opposite the word "Yes" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "No" shall be recorded as a vote against the bond issue.

Bonding Proposition No. 1
(Ch. 121, SLA 1962)

State General Obligation University of Alaska Construction Bonds
$5,950,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,950,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making necessary improvements to the academic and related facilities of the University of Alaska?

BONDS — YES ☐

BONDS — NO ☐

Bonding Proposition No. 2
(Ch. 122, SLA 1962)

State General Obligation School Construction Bonds
$5,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,000,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all the cost of acquiring, constructing, equipping, and improving certain elementary and secondary public schools within the state and as provided in the Capital Improvement Program for the state dated March 1962?

BONDS — YES ☐ 39,117

BONDS — NO ☐ 16,306

Bonding Proposition No. 3
(Ch. 123, SLA 1962)

State General Obligation Trunk Airport Construction Bonds
$4,175,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $4,175,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, and equipping trunk airports and acquiring, constructing, equipping, and making necessary capital improvements to existing trunk airports at Lower Yukon, Sand Point, Barrow, Sitka, and Savoonga?

BONDS — YES ☐

BONDS — NO ☐

Bonding Proposition No. 4
(Ch. 157, SLA 1962)

State General Obligation Vocational School Construction Bonds
$2,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,200,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making necessary capital improvements to a vocational school to be located in the Kodiak-Aleutians Senate District?

BONDS — YES ☐

BONDS — NO ☐

structions

INES

NOTE: This is a sample only. Candidates' names will be rotated on the various voting machines.

G - your marks must be showing for
gister
when finished voting, pull red lever
pen curtains -
rested in writing in a person's name

GENERAL ELECTION
STATE OF ALASKA
November 8, 1966

COLUMN 1a

Name of CANDIDATE

BONDS Yes

BONDS No

BONDING PROPOSITION
No. 1

(Ch. 98, SLA 1966)

State General Obligation
Outdoor Recreation
Construction Bonds

$900,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $900,000, bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of providing funds in addition to federal funds available for the payment of the cost of planning, acquiring, constructing, equipping and making other capital improvements to parks, campgrounds and other outdoor recreation facilities within the state?

BONDS Yes

BONDS No

BONDING PROPOSITION
No. 2

(Ch. 121, SLA 1966)

State General Obligation
School Construction Bonds

$2,285,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,285,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to certain elementary and secondary public schools within the state?

For 50,532
Against 12,367

BONDS Yes

BONDS No

BONDING PROPOSITION
No. 3

(Ch. 134, SLA 1966)

State General Obligation
Farm Construction Bonds

2214

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 4

(Ch. 165, SLA 1966)

State General Obligation
University Construction Bonds

$16,900,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $16,900,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to buildings for the University of Alaska at various locations and for utilities, streets, parking facilities, and other capital improvements at the University of Alaska?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 5

(Ch. 166, SLA 1966)

State General Obligation
Highway Construction Bonds

$10,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,500,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of providing funds for payment of the cost of designing, acquiring, and constructing highways and roads in the state?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 6

(Ch. 167, SLA 1966)

State General Obligation
Airport Construction Bonds

$11,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,500,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of providing funds in addition to federal funds available to pay the cost of acquiring, constructing, equipping, and making other necessary capital improvements to certain trunk, secondary, and bush airports which are presently or will be owned or operated, or both, by the state or its political subdivisions?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 7

(Ch. 168, SLA 1966)

State General Obligation
Regional High School
Construction Bonds

$5,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements necessitated by the establishment of regional high schools at appropriate locations throughout the state?

49,007 For
14,004 Against

2216

Sample Bonding Proposition Ballot

State of Alaska

NOVEMBER 5, 1968

Fold Ballot to this Line

★ Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.

★ Erasures and corrections shall invalidate only that part of the ballot in which they appear.

★ A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.

★ A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.

★ If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1
(CH. 91, SLA 1968)

STATE GENERAL OBLIGATION SOUTHCENTRAL PIONEERS' HOME CONSTRUCTION BONDS

$2,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing and equipping a branch of the Alaska Pioneers' Home in the Southcentral area?

BONDS – YES ☐

BONDS – NO ☐

BONDING PROPOSITION NO. 2
(Ch. 142, SLA 1968)

STATE GENERAL OBLIGATION HIGHWAY CONSTRUCTION BONDS

$11,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,200,000 bearing interest not to exceed six per cent

BONDING PROPOSITION NO. 5
(CH. 207, SLA 1968)

STATE GENERAL OBLIGATION SCHOOL CONSTRUCTION BONDS

$10,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to certain elementary and secondary public schools within the state?

BONDS – YES ☐ 61,619

BONDS – NO ☐ 15,661

BONDING PROPOSITION NO. 6
(Ch. 224, SLA 1968)

STATE GENERAL OBLIGATION UNIVERSITY CONSTRUCTION BONDS

$8,500,000

Feb 1971

STATE OF ALASKA

November 3, 1970

1 FOLD BALLOT TO THIS LINE

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.
- If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 170, SLA 1970)
State General Obligation School Construction Bonds $20,300,000

61,528

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $20,300,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping certain elementary and secondary public schools within the state?

BONDS — YES ☐
BONDS — NO ☐ 15,305

BONDING PROPOSITION NO. 2 (CH. 180, SLA 1970)
State General Obligation Alaska Remote Housing Construction Bonds $3,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $3,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping the Alaska Remote Housing Program?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 3 (CH. 181, SLA 1970)
State General Obligation Recreational Facilities Construction Bonds $2,300,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,300,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping state recreational facilities?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 4 (CH. 182, SLA 1970)
State General Obligation Highway Construction Bonds $29,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $29,200,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping highways and roads in the state?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 5 (CH. 183, SLA 1970)
State General Obligation Health and Welfare Correctional Facilities Construction Bonds $8,600,000

Shall the State of Alaska issue its general obligation bonds in the principal sum not to exceed $8,600,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping and making capital improvements to State Correctional buildings for use by the Department of Health and Welfare?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 6 (CH. 190, SLA 1970)
State General Obligation Health and Medical Facilities Construction Bonds $5,600,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,600,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping mental health facilities, health and child care centers, and to provide state matching funds for federal funds available under the Hill-Burton hospital construction program?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 7 (CH. 220, SLA 1970)
State General Obligation Water and Sewerage System Construction Bonds $11,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping water supply and sewerage systems?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 8 (CH. 221, SLA 1970)
State General Obligation Highway Maintenance Facilities Construction Bonds $5,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,500,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping highway maintenance facilities?

BONDS — YES ☐
BONDS — NO ☐

BONDING PROPOSITION NO. 9 (CH. 222, SLA 1970)
State General Obligation Airport Construction Bonds $10,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping and making capital improvements to certain airports in the state?

BONDS — YES ☐
BONDS — NO ☐

STATE OF ALASKA

LIEUTENANT GOVERNOR
JUNEAU

CERTIFICATE

I, H. A. BOUCHER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, DO HEREBY CERTIFY THAT the following is a full, true and correct copy of the total vote count for the bond proposals appearing on the ballot in the November 7, 1972, General Election, in the State of Alaska, as shown by the official returns of the State Canvass as provided by AS 15.15.450 now on file in my office.

	YES	NO
Bond Proposition No. 1 (State Health and Medical Facilities Construction Bonds $3,500,000)	62,374	30,159
Bond Proposition No. 2 (State Highway Construction Bonds $10,000,000)	65,985	26,899
Bond Proposition No. 3 (State General Obligation Civic, Convention and Community Recreation Centers and All-Weather Sports Facilities Construction Bonds $11,500,000)	42,936	48,730
Bond Proposition No. 4 (University of Alaska Construction Bonds $18,000,000)	55,190	37,130
Bond Proposition No. 5 (State Airport Construction Bonds $24,000,000)	57,413	33,971
Bond Propsition No. 6 (State General Obligation State-Operated School Construction Bonds $16,000,000)	59,942	31,576
Bond Proposition No. 7 (State General Obligation Flood Control and Small Boat Harbor Bonds $20,000,000)	51,995	39,708
Bond Proposition No. 8 (State General Obligation Water Supply and Sewerage System Construction Bonds $33,000,000)	63,817	28,777

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed hereto the Seal of the State of Alaska, at Juneau, the Capital,

2218

SAMPLE BONDING PROPOSITION BALLOT

B

STATE OF ALASKA

November 5, 1974

FOLD BALLOT TO THIS LINE

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.
- If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 62 SLA 1974)
State General Obligation Fire Protection Facilities Bonds $2,700,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $2,700,000 for the purpose of paying the cost of constructing fire protection facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 2 (CH. 86 SLA 1974)
State General Obligation Port Facilities Development Bonds $22,500,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $22,500,000 for the purpose of paying the cost of capital improvements for port facilities development projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 3 (CH. 116 SLA 1974)
State General Obligation 1974 Library Construction Bonds $7,900,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $7,900,000 for the purpose of paying the cost of

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 8 (CH. 135 SLA 1974)
State General Obligation Pioneers' Homes Bonds $7,515,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $7,515,000 for the purpose of paying the cost of constructing and adding to Pioneers' Homes?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 9 (CH. 142 SLA 1974)
State General Obligation Rural School Construction Bonds $40,337,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $40,337,000 for the purpose of paying the cost of rural school construction?

59,327
BONDS - YES ☐
BONDS - NO ☐
35,567

BONDING PROPOSITION NO. 10 (CH. 144 SLA 1974)
State General Obligation University of Alaska Construction Bonds $39,523,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $39,523,000 for the purpose of paying the cost of capital improvements for the University of Alaska?

BONDS - YES ☐
BONDS - NO ☐

SAMPLE BONDING PROPOSITION BALLOT

STATE OF ALASKA
NOVEMBER 7, 1978

FOLD BALLOT TO THIS LINE — To Be Removed By Election Board

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the work "NO" shall be recorded as a vote against the bond issue.
- If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 95 SLA 1978)
STATE GENERAL OBLIGATION EROSION AND FLOOD CONTROL, PORT FACILITIES DEVELOPMENT, AND SMALL BOAT LANDINGS AND HARBORS PROJECTS BONDS $33,290,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $33,290,000 for the purpose of paying the cost of erosion and flood control, port facilities development, and small boat landing and harbor projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 2 (CH. 96 SLA 1978)
STATE GENERAL OBLIGATION RECREATIONAL FACILITIES CONSTRUCTION BONDS $5,850,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $5,850,000 for the purpose of paying the cost of capital improvements to parks, waysides, trails, footpaths, and other recreational facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 3 (CH. 122 SLA 1978)
STATE GENERAL OBLIGATION HEALTH FACILITIES AND SENIOR CITIZEN CENTERS AND PIONEERS' HOMES CONSTRUCTION BONDS $25,000,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $25,000,000 for the purpose of paying the cost of capital improvements for health facilities, senior citizen centers, and pioneers' homes?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 4 (CH. 137 SLA 1978)
STATE GENERAL OBLIGATION EDUCATIONAL FACILITIES CONSTRUCTION BONDS $33,656,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $33,656,000 for the purpose of paying the cost of capital improvements for the educational facilities for vocational education and the University of Alaska?

BONDS - YES ☐ 65,211
BONDS - NO ☐ 57,896

BONDING PROPOSITION NO. 5 (CH. 138 SLA 1978)
STATE GENERAL OBLIGATION HIGHWAY, FERRY, AIRPORT, LOCAL SERVICE ROADS AND TRAILS CONSTRUCTION, CONSTRUCTING AND EQUIPPING MAINTENANCE FACILITIES, AND PLANNING VARIOUS TRANSPORTATION PROJECTS BONDS $88,450,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $88,450,000 for the purpose of paying the cost of highway, ferry, airport, local service roads and trails construction, constructing and equipping maintenance facilities, and planning various transportation projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 6 (CH. 139 SLA 1978)
STATE GENERAL OBLIGATION CORRECTIONAL AND PUBLIC SAFETY FACILITIES CONSTRUCTION BONDS $30,504,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $30,504,000 for the purpose of paying the cost of capital improvements for correctional and public safety facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 7 (CH. 140 SLA 1978)
STATE GENERAL OBLIGATION FISH FACILITIES CONSTRUCTION BONDS $26,965,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $26,965,000 for the purpose of paying the cost of capital improvements for fisheries management and development facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 8 (CH. 142 SLA 1978)
STATE GENERAL OBLIGATION ARMORIES AND NATIONAL GUARD FACILITIES CONSTRUCTION BONDS $3,645,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $3,645,000 for the purpose of paying the cost of capital improvements for construction of armories and National Guard

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION G

EDUCATION FACILITIES, TEACHER HOUSING, LIBRARY FACILITIES AND UNIVERSITY OF ALASKA FACILITIES

(Chapter 121, Session Laws of Alaska 1980)

Providing for the issuance of general obligation bonds in the amount of $63,651,000 for the purpose of paying the cost of capital improvements for education facilities, teacher housing, library facilities, and University of Alaska facilities; providing for an effective date.

BALLOT QUESTION:

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $63,651,000 for the purpose of paying the cost of capital improvements for education, teacher housing, library, and University of Alaska facilities?

Bonds Yes ☐ 89,958
Bonds No ☐ 66,718

VOTE CAST BY MEMBERS OF THE 11TH STATE LEGISLATURE ON FINAL PASSAGE

Senate	(20 members):	Yeas 15	Nays 3	Absent or Not Voting 2
House	(40 members):	Yeas 28	Nays 2	Absent or Not Voting 10

LEGISLATIVE AFFAIRS AGENCY SUMMARY

This proposal, if approved, would provide for the issuance of general obligation bonds of the State in the amount of $63,651,000 to provide funds for the cost of construction of the following projects:

Project	Location	Amount
1. Library facilities	Statewide	**$ 500,000**
2. Teacher housing	Statewide	**$ 1,000,000**
3. University of Alaska facilities		**$ 37,270,000**
(A) University Center, Phase I	Juneau	3,500,000
(B) Sewer connection	Sitka Community College	75,000
(C) Marine Center — Phase I	Seward	1,000,000
(D) Library and classroom building	Matanuska-Susitna Community College	3,500,000
(E) Applied science building	Anchorage Community College	5,000,000
(F) Arts, theater, bookstore, and classroom building	Anchorage	5,200,000
(G) Purchase adult basic education building	Anchorage Community College	220,000
(H) Classroom, shop	Kenai	5,600,000
(I) Adult Learning Center	Kodiak Community College	2,300,000
(J) Rasmusson Library, Phase II	Fairbanks	8,500,000
(K) Central receiving	Fairbanks	1,300,000
(L) Utilities modification	Statewide	800,000
(M) Handicapped barrier removal	Statewide	275,000

BONDING PROPOSITION G (cont.)

4. Education facilities		**$24,881,000**
(A)	Southeast Island regional educational attendance area schools	856,000
(B)	Bartlett high school	1,500,000
(C)	Kodiak Island Borough schools	500,000
(D)	Lake-Peninsula regional educational attendance area schools	1,000,000
(E)	Southwest regional educational attendance area schools	2,072,000
(F)	Lower Kuskokwim regional educational attendance area schools	2,415,000
(G)	Saint Marys' school	2,000,000
(H)	Northwest regional educational attendance area vocational technical school	1,500,000
(I)	Bering Straits regional educational attendance area schools	1,934,000
(J)	Yukon/Koyukuk regional educational attendance area schools	500,000
(K)	Iditarod regional educational attendance area schools	900,000
(L)	Lower Yukon regional educational attendance area schools	750,000
(M)	Kuspuk regional educational attendance area schools	1,900,000
(N)	Chatham regional educational attendance area schools	1,251,000
(O)	Haines school	1,332,000
(P)	Karluk school	960,000
(Q)	Metlakatla school	2,000,000
(R)	Wrangell school	1,500,000
(S)	Holy Cross school	11,000

Amounts appropriated for specific projects listed in this act may be reappropriated among the projects by law.

11/5/02

Bonding Proposition C

133,348 For

90,386 Against

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

Relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and major maintenance of educational and museum facilities; and providing for an effective date.

BALLOT QUESTION

State General Obligation Educational and Museum Facility, Design, Construction, and Major Maintenance Bonds — $236,805,441

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $236,805,441 for the purpose of paying for the cost of design, construction, and major maintenance of educational and museum facilities?

BONDS YES ⬭

BONDS NO ⬭

VOTE CAST BY MEMBERS OF THE 22ND STATE LEGISLATURE ON FINAL PASSAGE

House: Yeas: 36 Nays: 2 Excused: 1 Absent: 1
Senate: Yeas: 20 Nays: 0 Excused: 0 Absent: 0

BONDING PROPOSITION SUMMARY
Prepared by the Legislative Affairs Agency

This would permit the sale of $236,805,441 in state bonds. The state bonds would be used to pay for capital projects.

$170,101,441 from the bonds would be used to pay for grants to school districts. The grants to school districts would be used to pay for school projects.

$61,704,000 from the bonds would be used to pay for projects at the University of Alaska.

$5,000,000 from the bonds would be used to pay for a grant. The grant would be used to pay for a project at the Anchorage Museum of History and Art.

STATEMENT OF SCOPE
This bond proposition, if approved, would provide for the issuance of general obligation bonds of the State in the amount of $236,805,441 to provide funds to pay the costs of the following programs or projects:

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The amount of $170,101,441 would be allocated among the following projects subject to reallocation as provided by law:

	Project	Municipality or REAA Location	Amount
(1)	Tuluksak School improvement	Yupiit	$17,703,793
(2)	Akiak School improvement	Yupiit	$13,228,730
(3)	Akiachak School improvement	Yupiit	$19,099,094
(4)	Scammon Bay replacement school	Lower Yukon	$17,029,762
(5)	Teller K-12 remodel/addition	Bering Strait	$ 9,426,570
(6)	Hooper Bay addition/renovation	Lower Yukon	$24,423,467
(7)	Circle School replacement	Yukon Flats	$ 4,068,521
(8)	Naukati School replacement	Southeast Island	$ 4,018,031

Bonding Proposition C

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

	Project	Municipality or REAA Location	Amount
(9)	Sheldon Point (Nunam Iqua) school improvement	Lower Yukon	$ 728,549
(10)	White Mountain K-12 remodel/addition	Bering Strait	$ 1,138,767
(11)	Arctic Village addition/renovation	Yukon Flats	$ 679,162
(12)	Howard Valentine School improvement	Southeast Island	$ 340,170
(13)	New Stuyahok School improvement	Southwest Region	$ 2,009,178
(14)	Wendler Middle School building renovation, phase 2	Anchorage	$12,821,521
(15)	Hooper Bay structural repairs	Lower Yukon	$ 258,901
(16)	Gustavus gymnasium renovation	Chatham	$ 394,065
(17)	Glennallen Elementary School upgrade	Copper River	$ 927,069
(18)	Hoonah Elementary major maintenance	Hoonah City	$ 1,805,501
(19)	Akiak Elementary School repairs	Yupiit	$ 3,234
(20)	Angoon ADA access renovation	Chatham	$ 134,806
(21)	Glennallen High School gym renovation	Copper River	$ 152,709
(22)	Hydaburg School renovation	Hydaburg City	$ 5,822,106
(23)	Galena High School floor renovation	Galena	$ 154,841
(24)	Skagway roof replacement	Skagway City	$ 177,756
(25)	Nenana kitchen/cafeteria renovation	Nenana City	$ 324,287
(26)	Elicavicuar Elementary boiler replacement	St. Mary's	$ 161,346
(27)	Kaltag School renovation	Yukon-Koyukuk	$ 2,461,577
(28)	Tanana major maintenance	Tanana City	$ 2,606,707
(29)	Yakutat High School gymnasium structural repair	Yakutat Borough	$ 125,801
(30)	Klukwan mechanical system renovation	Chatham	$ 138,137
(31)	Chenega Bay major maintenance	Chugach	$ 10,520
(32)	Chalkyitsik sewage lagoon and water tank project	Yukon Flats	$ 156,249
(33)	Kake Middle School renovation	Kake City	$ 470,415
(34)	Elicavicuar Elementary tank farm upgrades	St. Mary's	$ 218,035
(35)	George Morgan Sr. High School sewage system replacement	Kuspuk	$ 452,647
(36)	Akiak High School access ramp	Yupiit	$ 29,821
(37)	Nenana vocational education building renovation	Nenana City	$ 494,205
(38)	Northway School structural upgrade	Alaska Gateway	$ 956,636
(39)	Tetlin sewer line project	Alaska Gateway	$ 77,081
(40)	Nenana ADA access	Nenana City	$ 173,195
(41)	District-wide structural repairs	Yukon-Koyukuk	$ 474,162
(42)	District-wide fuel tank upgrades	Yukon-Koyukuk	$ 5,066,932
(43)	Yakutat High School interior renovation	Yakutat Borough	$ 72,258
(44)	District-wide fuel tank upgrade	Chugach	$ 133,428
(45)	Tatitlek generator replacement	Chugach	$ 154,312
(46)	District-wide ADA code upgrades	Yukon-Koyukuk	$ 981,036
(47)	Elicavicuar Elementary gymnasium/cafeteria upgrade	St. Mary's	$ 339,567
(48)	Hoonah pool upgrades	Hoonah City	$ 171,092
(49)	Bethel Regional High School deferred maintenance	Lower Kuskokwim	$10,505,286
(50)	Fort Yukon High School gym sprinklers	Yukon Flats	$ 109,406
(51)	Nome-Beltz High School renovation	Nome	$ 2,691,000
(52)	Lower Kuskokwim School District asbestos abatement	District-wide	$ 4,000,000

Bonding Proposition C

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

UNIVERSITY OF ALASKA. The amount of $61,704,000 is allocated for the following projects subject to reallocation as provided by law:

	Project	Location	Amount
(1)	BioScience class/laboratory, infrastructure design, buildout, and site development	Fairbanks	$21,500,000
(2)	Integrated science facility, Phase 1	Anchorage	$ 8,400,000
(3)	Lena Point fisheries laboratory	Juneau	$ 9,000,000
(4)	Prince William Sound building acquisition	Valdez	$ 1,500,000
(5)	Classroom expansion	Kenai	$ 850,000
(6)	Classroom completion	Sitka	$ 540,000
(7)	Classroom addition/land acquisition, Phase 1	Homer	$ 3,000,000
(8)	Biomedical facility addition	Anchorage	$ 4,750,000
(9)	West Ridge research addition	Fairbanks	$ 2,000,000
(10)	Paul/Ziegler classroom renovation	Ketchikan	$ 3,900,000
(11)	Prince William Sound classroom building renovation	Valdez	$ 835,000
(12)	Matanuska-Susitna classroom building renovation	Palmer	$ 650,000
(13)	Robertson classroom/parking lot renovations	Ketchikan	$ 385,000
(14)	Classroom building renovations	Kodiak	$ 500,000
(15)	Tanana Valley space renovation	Fairbanks	$ 2,000,000
(16)	Chukchi classroom building renovation	Kotzebue	$ 580,000
(17)	Interior/Aleutians classroom building renovation	Interior/Aleutians	$ 240,000
(18)	Northwest College classroom building renovation	Nome	$ 190,000
(19)	Kuskokwim College classroom building renovation	Bethel	$ 180,000
(20)	Bristol Bay Campus addition	Dillingham	$ 704,000

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. The amount of $5,000,000 would be allocated to the Department of Community and Economic Development to be awarded as a grant to the Municipality of Anchorage for renovation of the Anchorage Museum of History and Art.

HB 426

<target><bill>HB 426</bill><subject>HB 426</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **HOUSE BILL NO. 426**

"An Act providing for, relating to, and approving the issuance of certificates of participation for the construction, acquisition, and equipping of the Alaska Scientific Crime Detection Laboratory in Anchorage; providing notice of and authorizing the commissioner of the Department of Administration to enter into a lease-purchase agreement with the Department of Public Safety for the Alaska Scientific Crime Detection Laboratory; and providing for an effective date."

HB 426-CRIME LAB

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____(_____)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	FAIRCLOUGH	✓			
	Salmon	X			
	Gara	✓			
	DOGAN	✓			
	ACKERMAN	X			
	KELLY	✓			
Chair:					
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB426
() Publish Date:

Identifier (file name): HB426-REV-TRS-04-13-10
Title: Crime Lab
Sponsor: House Finance Committee
Requester: House Finance Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Treasury
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	15.0						
Contractual	735.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
debt service	1,600.0		5,600.0	5,600.0	5,600.0	5,600.0	5,600.0
TOTAL OPERATING	**2,350.0**	**0.0**	**5,600.0**	**5,600.0**	**5,600.0**	**5,600.0**	**5,600.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,600.0		5,600.0	5,600.0	5,600.0	5,600.0	5,600.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Certificate Proceeds	750.0						
TOTAL	**2,350.0**	**0.0**	**5,600.0**	**5,600.0**	**5,600.0**	**5,600.0**	**5,600.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The bill authorizes the Issuance of $75,750,000 in Certificates of Participation (COPs) to fund a portion of the construction of a crime lab for the Department of Public Safety. The legislation provides flexibility to begin spending on construction as soon as the bill from the general fund and reimbursing from COP money. This flexibility is needed to ensure the construction season is utilized.

Assuming an interest rate of 4.2% and a 20 year term annual payments are $5.6 million. An initial interest payment would be made in Fy 2011.

Prepared by: Deven Mitchell, Debt Manager — Phone 465-3750
Division: Treasury Division — Date/Time 12-07-09; 1:26pm
Approved by: Ginger Blaisdell, Director — Date 04-13-10; 6:53am
Administrative Services Division

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

HB 426

Certificates of Participation
Alaska Scientific Crime Detection Laboratory

House Bill 426 would enable the issuance of Certificates of Participation (COPs) for the construction, acquisition and equipping of the Alaska Scientific Crime Detection laboratory in Anchorage; providing that the Department of Administration would enter into a lease-purchase agreement with the Department of Public Safety. This bill authorizes the issuance by the state of $75,750,000 in Certificates of Participation at an annual estimated cost of $5.6 million.

I appreciate your support in this important legislation.

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

HB 426

Sectional Analysis
Certificates of Participation
Alaska Scientific Crime Detection Laboratory

Section 1: Established the findings and intent of financing the crime laboratory in Anchorage in the amount of $75,750,000.

Section 2: States that the lease-purchase payments are subject to appropriation by the legislature.

Section 3:

(a) Authorizes the Department of Public Safety to enter into a lease-purchase agreement related to the Alaska Scientific Crime Detection Laboratory.

(b) Authorizes the Department of Revenue to issue Certificates of Participation to finance the construction, acquisition and equipping of the crime laboratory in the amount of $75,750,000. This section also provides the estimated rental obligations of $5,600,000 totaling $112,000,000 for the life of the lease-purchase agreement.

(c) The State of Alaska shall own the title of the facility upon payment of all principal and interest.

(d) Authorizes the State Bond Committee to contract for services related to issuing the bonds for the crime laboratory.

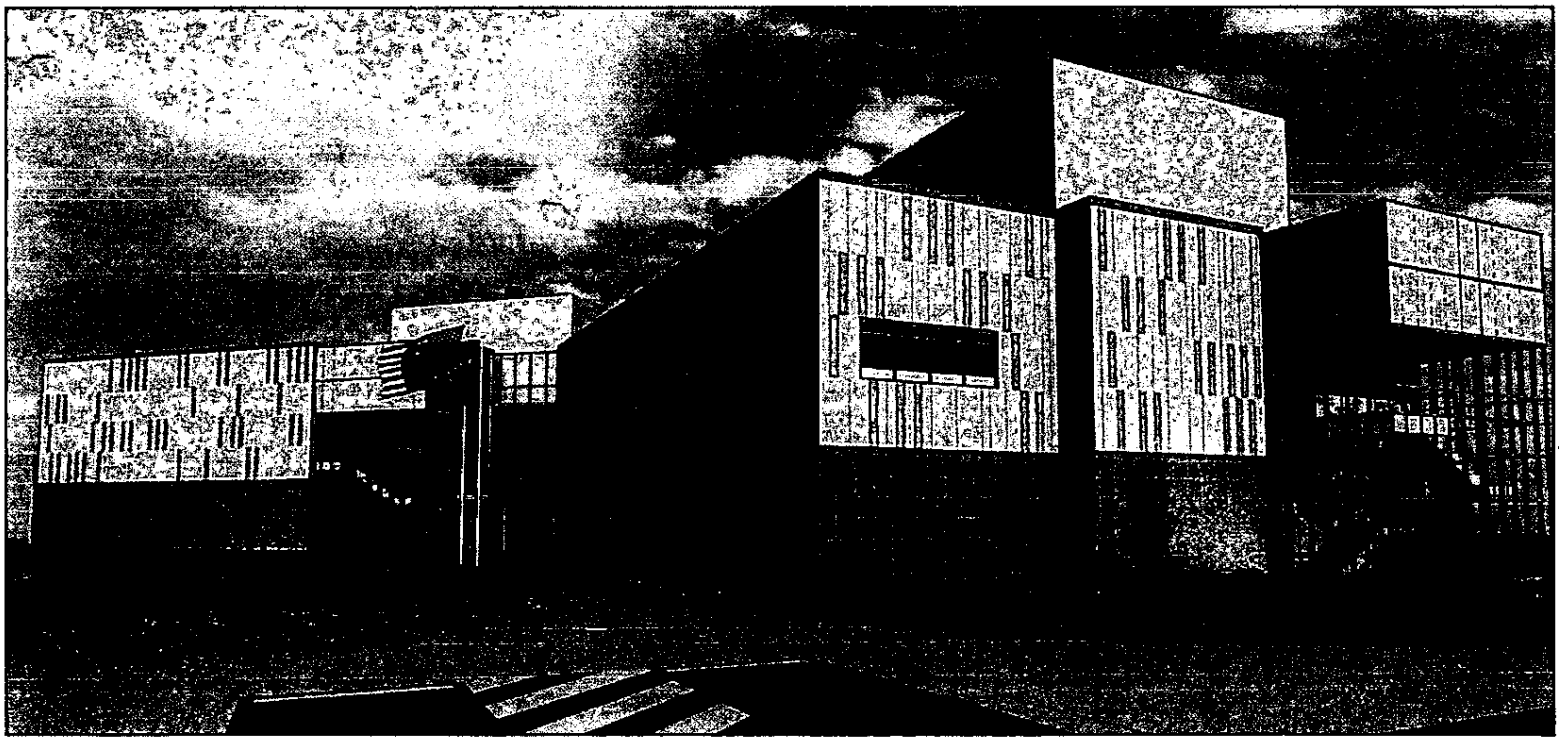
Section 4: Identifies legislative approvals for the notice of the lease-purchase agreement.

ALASKA SCIENTIFIC CRIME LABORATORY REPLACEMENT PROJECT

Legislative Brief

SB 226/HB 294
HB 426-CRIME LAB

February 18, 2010



Prevent crime...protect Alaskans

TABLE OF CONTENTS

EXECUTIVE SUMMARY **2**

INTRODUCTION **4**

Services provided 4

Laboratory sections 5

NEED **7**

BENEFIT **11**

SCOPE **13**

Location 13

Synergistic municipal land lease 14

Size 14

Basis of sizing 15

Site plan 16

First floor plan 17

Second floor plan 18

Third floor plan 19

COST **20**

The construction cost is valid 20

A team of experts delivers a valid project 23

COST SAVINGS **25**

On-site expansion 25

Split facility 25

Smaller replacement lab 26

Full size new lab 26

STATUS **27**

Construction 27

Design 28

Public process 29

2232

EXECUTIVE SUMMARY

Summary: The state needs a new crime lab to prevent crime and protect Alaskans. The proposed lab is the right size. It is the right cost. It will benefit Alaskans now and long into the future.

This legislative brief presents general information about the Alaska Scientific Crime Laboratory Project in support of SB226/HB299, a bill to provide $75.75 million in funding for finishing lab construction. The brief explores the following topics:

- Benefit
- Scope
- Cost
- Status

The benefit: prevent crime and protect Alaskans

Alaska ranks 1st in the nation in rape and 9th in violent crime. The state clearly needs a new lab to responsibly attack its problem. A new lab does more than process evidence to convict the guilty. It actually reduces rape and other violent crime rates by preventing some of these crimes from occurring in the first place.

It prevents crime in several ways. The capacity of a new lab provides more timely analysis of evidence to move perpetrators off the street before they commit more crimes. Most significantly, for the first time it enables the state to apply DNA techniques to evidence from "gateway crimes" such as home burglaries, providing possible answers when latent fingerprints cannot. Evidence from these crimes often link criminals to more serious crimes and gets them off the street before they victimize others.

A new lab protects Alaskans in other ways. It can shield the innocent from false accusation with timely evidence processing to clear them of suspicion. And it can lead to the exoneration of the wrongly convicted.

Further, new laws virtually mandate the construction of a new lab. HB316 requires long term evidence retention. The existing lab does not have the capacity to sustain this requirement. Finally, post conviction DNA testing will increase case load and require a larger DNA suite.

The scope: a crime lab sized to meet today's need, with room for future growth

The lab is sized optimally with compatibility for future growth. Most of the new 84,000 sf lab building will be finished internally to meet today's highest priority needs. About 19% of the facility will remain unfinished ("shelled out") for completion when further funding is available to meet second priority needs. This strategy will carry the laboratory for the next 20 years. The site is large enough to permit subsequent building expansion to serve the state's forensic need beyond the next 75 years.

The cost: optimized, validated, delivered with synergy

Synergy at the local level benefits all Alaskans. The state leased the lab's 12 acre site from the Municipality of Anchorage at $1 per year for 50 years with an option to extend for 25 years. The Municipality of Anchorage's contribution benefits all Alaska as the crime lab processes evidence for all law enforcement agencies throughout the state. This will be especially beneficial for rural Alaska where over 60% of the state's violent crimes occur.

The state spent $8 million to date on design and $8.8 million on site construction. The $75 million appropriation under SB226/HB299 will fund the completion of the construction work.

The project team optimized and validated the cost of the project. It trimmed $20 million from its initial budget through value engineering and deferred build-out of some lab spaces to time of need.

The status: hammer ready

The design of the new crime lab is finished and we are now under contract with Neeser Construction, Inc. All site preparation work is finished. SB226/HB299 will fund the rest of construction from the foundation up. The project is currently on time and on budget. It will provide an immediate economic boost with over 250 new jobs, $30 million toward Alaskan wages, $30 million toward materials supplied by local vendors, and business for 15 Alaska subcontractors.

****

INTRODUCTION

The state needs a new crime lab to prevent crime and protect Alaskans. The proposed lab is the right size. It is the right cost. It will benefit Alaskans now and long into the future.

This legislative brief explores several topics of relevance to a new crime lab for the entire state of Alaska. The Governor introduced SB226/HB299 to the legislature in January, 2010. The bill requests an appropriation of $75.75 million to supplement prior appropriations amounting to $16.8 million. The new appropriation will fund the completion of work on the new lab located on Tudor Road in Anchorage, Alaska.

The brief opens with an explanation of why the state needs a new crime lab and how it benefits Alaskans. It follows with a description of the project's scope and how it meets the needs of the state, its cost, and finally the status of the project.

Services provided

The state's new crime laboratory will be the only full-service, accredited forensic lab supporting Alaska's state and municipal law enforcement agencies. Its mission is to provide forensic science support to all Alaskan law enforcement agencies and the criminal justice system. This is accomplished by:

- Examining physical evidence in a manner that is objective, reliable, and timely.
- Conveying the results of these examinations through clear and objective laboratory reports, consultations, and expert witness testimony.
- Managing the state breath alcohol testing program.
- Providing crime scene investigation support.
- Providing investigative information through the use of individual characteristic databases.
- Providing training to law enforcement and other members of the criminal justice system in the proper use and application of forensic evidence.

The lab provides expert and professional forensic examination and testimony to aid in the investigation, prosecution, and defense of criminal defendants through the analysis of physical evidence collected and submitted by law enforcement personnel.

Examination of evidence utilizes sophisticated equipment and scientific techniques. The majority of evidence submitted to the forensic laboratory establishes an association among offenders, victims, scenes, and objects (weapons, tools, etc.). The lab receives evidence for the purpose of corroborating or refuting other information gathered by investigating officers from victims, witnesses, and suspects. Evidence often helps reconstruct how a crime actually occurred. Examiners prepare written reports of examination results.

In addition to providing forensic testing services, the examiners from each laboratory section frequently provide expert witness consultation and/or testimony in criminal proceedings. The staff can be called upon to provide information relevant to chain-of-custody issues as well. Staff might also give scientific expertise to assist law enforcement personnel with crime scene review or case investigation. Forensic technicians are called to crime scenes to assist in evidence collection.

Also, the forensic laboratory provides training of in-house staff and external personnel, such as law enforcement officers, attorneys (both prosecution and defense) and students.

Laboratory sections

The existing laboratory provides 12 functions that will carry over into the new lab. The functions include:

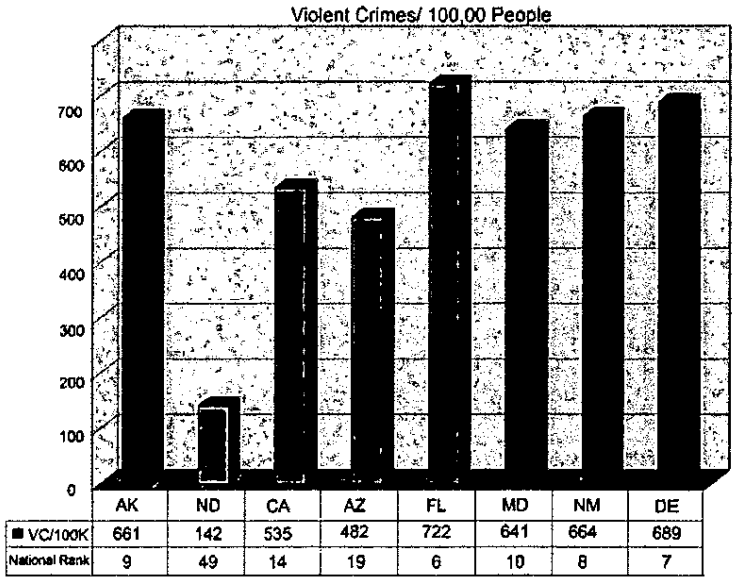
- Laboratory Administration
- Laboratory Support
- Training/Classroom/Break Room
- Central Evidence Section
- DNA section (including CODIS)
- Bio-Screening Section
- Firearms/Tool Marks Section
- Controlled Substances Section
- Latent Prints Section / AFIS / Footwear and Tire Impressions
- Breath Alcohol Section
- Blood Alcohol Section
- Crime Scene / Vehicle Exam

The new lab will still include all of these programs, but will also include three new lab sections when funding is available to complete them.

- Trace Evidence Section
- Toxicology
- Questioned Documents / Digital Evidence Section

NEED

Alaska is ranked 1st in the country in per capita rape. It ranks 9th in the nation in violent crime, sandwiched between Florida and California. Alaska simply cannot afford to see its current state of affairs continue or deteriorate further. Without a new lab the state's problems may persist and become worse.



	AK	ND	CA	AZ	FL	MD	NM	DE
VC/100K	661	142	535	482	722	641	664	689
National Rank	9	49	14	19	6	10	8	7

The state's new crime lab is a key element of a comprehensive strategy to prevent crime and protect Alaskans.

Governor Sean Parnell ~

> "Last month, I promised Alaskans that we would take every step necessary to move this state out of our shameful first-place ranking among the states in this terrible category," Governor Parnell said. "This legislation won't solve the problem on its own, but these are important steps we must pursue, even as we take action in the executive branch and urge our civic leaders to spread the message that epidemic rates of domestic violence and sexual assault must be ended."

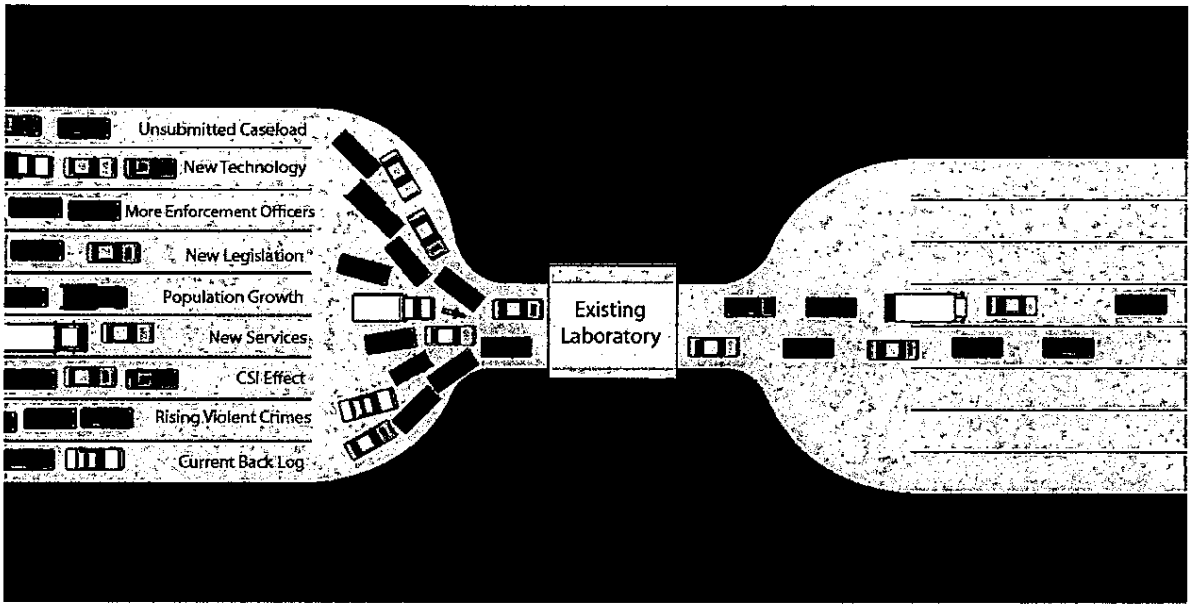
On January 18, 2010 Governor Sean Parnell announced that he will present the Legislature with four bills related to his 10-year plan to end the scourge of domestic violence and sexual assault in Alaska. The bills include:

- The Alaska Scientific Crime Detection Laboratory in Anchorage ($75.75 million)
- Specific procedures for post-conviction DNA testing
- A revision of bail laws
- Changes in crimes and sentences involving sexual assault and domestic violence

Unfortunately the state has long outgrown its existing laboratory to the extent where it can no longer keep up with the demand to process evidence from crimes. The problem has become so severe that the size of the lab, not the number of people employed there, is what restricts lab output. Placing roughly the same number of employees in a new lab sized to meet need will enable the

state to keep up with current forensic caseloads. That is what this project accomplishes.

The existing crime lab creates a traffic jam in the criminal justice system.



Major developments creating a worsening problem for the state's existing crime lab include:

- **Recent legislation increases work load.** HB90 generates an additional 7,000 samples per year. HB 316 requires long term retention of all biological evidence. The existing lab does not have the secure storage capacity to accept more evidence for retention.
- **The CSI effect.** Law enforcement agencies, judges and attorneys expect far broader arrays of analytical methods in part because they know it's available. The expectations of forensic crime laboratories by the public and juries continues to escalate, creating higher case loads for the lab.
- **New technologies.** New technologies as Low Copy DNA, YSTR, and Minifiler increase demand on the lab and the need for more building space to accommodate them.
- **Increased numbers of law enforcement officers.** More boots on the ground will lead to a significant increase of evidence requiring analysis. The state will add 150 new Village Public Safety Officers (VSPOs) to its force. Municipalities will increase their number of patrol officers as well. The old lab can't handle higher evidence submission rates. The lab's backlog will

increase and/or the law enforcement agencies may not submit evidence to the crime lab or collect it at the crime scene.

- **New crime lab services.** New services create a need for more lab space. Toxicology samples are presently sent to outside labs for analysis. However the state's crime lab can do it for less cost and more efficiently. Similarly, funding constraints of the FBI require that the state's computer forensics work occur in a certified crime lab. The new lab has space for the computer forensics section.
- **Population growth.** Evidence submissions to the lab may increase as the state's population continues to grow. Population growth projections published by the State of Alaska show a steady increase for the future.

Noteworthy signs of the traffic jam caused by the lab include:

- **DNA backlog is not eliminated**. The new lab is sized to eliminate the DNA backlog. Without it the backlog will remain. The existing laboratory has eliminated its backlog of database samples, and significantly reduced its backlog of cases awaiting biological screening. However, the backlog of cases awaiting DNA analysis remains high. Currently, 422 cases (227 violent crimes, 195 property crimes) are backlogged awaiting DNA analysis. A committee of prosecutors from the Department of Law was formed to prioritize which DNA cases will be worked each month. Officers and prosecutors must plead their case to this committee as to why their case is more important than other cases and warrants being worked ahead of another case. Likewise, sexual assault cases where there is not a readily identifiable suspect are given lower priority for investigation (due to backload of cases) than those with a more readily identifiable suspect.
- **Cannot handle evidence from burglaries**. With the backlog of violent crime cases awaiting DNA analysis, crimes related to lesser offenses are simply not being worked. The backlog DNA requests for the analysis of property crimes has remained unchanged for years, and the submissions of these cases stopped nearly completely two years ago as agencies realized their cases simply were not getting worked.
- **Evidence not submitted by law enforcement agencies**. A recent study documented that law enforcement agencies withhold a very significant body of evidence from the state's crime lab that is plugged with an evidence backlog. When evidence goes un-submitted, it goes un-worked, related crimes may go unsolved, the public loses some measure of protection, and the justice system is compromised. The phenomenon of

evidence withholding to a backlogged lab is a clear and present danger to Alaska.

Popular notions offered to enhance the existing lab's output would not solve the problem either.

- **Outsourcing to reduce lab crowding is not effective**. Outsourcing DNA analysis costs more than processing it in-house. When the costs of analysis, testimony, discovery, and case consultation are evaluated, even with the cost of the new crime laboratory amortized over the life of the building, the Alaska Scientific Crime Detection Laboratory is a more cost effective operation than outsourcing.

  In addition to being cost effective, the State must have an accredited crime laboratory and DNA section (including a CODIS administrator and Technical Manager) to participate in the DNA database. No private laboratory is permitted to have access to the database. When DNA cases are sent to private labs to be worked, the Alaska crime laboratory must "Take Ownership" of the case by performing technical and administrative reviews of the casework, site visits and proficiency testing of the private laboratory, as well as having analysts proficient in the techniques used by the private lab. This burden of case ownership places 80% of the work load of case work on the Alaska crime lab for outsourced cases.

- **24-hour shifts to improve output do not work**. To reduce the problems of overcrowding, the crime lab is currently operating 13 hours a day through flexible scheduling. While shift work can be used for short term relief, it is not a cost effective solution. If analytical space and reagents are to be shared, then the measures needed to prevent cross contamination (complete cleaning and storage of evidence at the end of a shift, set up at start of a shift) will consume 1 hour (30 minutes front and rear) of a 7.5 hour work shift.

  Also, while officers work 24 hour shifts, prosecutors, defense attorneys, and the courts (felony trials) work roughly 8-5 shifts. This creates the problem of B and C shift scientists not being available, and having to continually shift and adjust their hours to be available for court testimony. Furthermore, the requirements of technical oversight and quality assurance compliance, as well as other staff to support second and third shifts greatly increases expenses without a corresponding return in productivity.

Conclusion: Alaska needs a new crime lab sized to get the job done.

BENEFIT

Prevent crime and protect Alaskans: A new crime lab will do more than process evidence used to put criminals in jail. It will effectively prevent some crimes from occurring and it will protect Alaskans in meaningful ways, some of which appear below.

- **Convict the guilty before they commit other crimes**. The crime laboratory provides accurate and objective information that reflects the events that have occurred at a crime. On the path of justice, the crime laboratory bridges law enforcement (boots on the ground) with correct and successful prosecution of the guilty. Once removed from society, perpetrators can no longer offend.
- **Protect the innocent from false accusation**. Reliable scientific testing ensures protection of the wrongly accused and identifies the true perpetrator. In 40% of DNA cases submitted for analysis, the suspect is eliminated as the source of DNA. Once a suspect is eliminated, the investigation can continue to identify other possible suspects.
- **Reduce rape – Alaska is number 1 in the nation.** While Alaska's rape rate holds steady, it declines elsewhere around the country. A new crime lab will help Alaska follow the national trend. From USA Today 10/6/2009—
  Reported rapes hit 20-year low

  > "Reported rapes have fallen to the lowest level in 20 years as DNA evidence helps send more rapists to prison and victims are more willing to work with police and prosecutors, victims' advocates and crime researchers say. Rape prosecutions have improved dramatically over the past two decades because of advances in DNA testing to pinpoint a rapist rather than forcing prosecutors to rely solely on a victim's identification of her attacker, says Kim Gandy, past president of the National Organization for Women and a former prosecutor. Use of DNA evidence has expanded gradually over the past 15 years and can put a rapist in prison the first time he's caught, preventing him from harming other women, Berkowitz says. Many rapists are repeat offenders."
- **Reduce violent crime – Alaska is 9th in the nation.** Alaska is nearly as bad as Florida (6^{th}). Early identification of criminals prevents further criminal activity. A crime laboratory with sufficient capacity ensures timely analysis and rapid identification of the perpetrator.
- **Process evidence from home burglaries.** The new lab will enable routine evidence processing for burglary cases and reduce crime in Alaska.

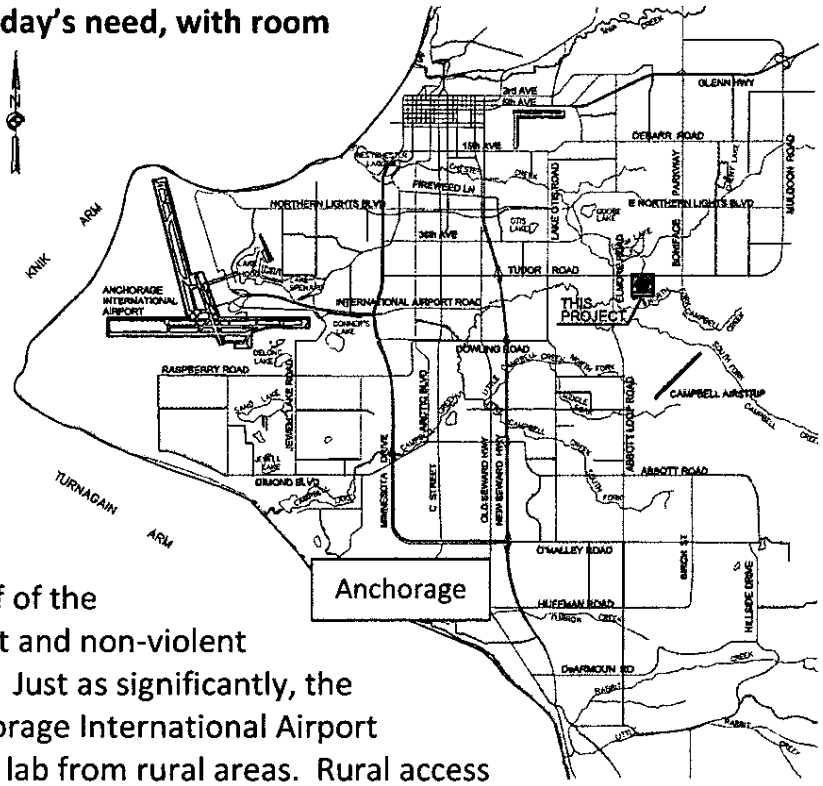
Intervention in the criminal cycle at the non violent stage affords the opportunity to affect real change in Alaska's violent crime rate. Studies show most burglars are caught by their 9th break-in. Studies also show that burglars may be involved with other more serious crimes, or go on to commit them. A study by the Urban Institute of Justice Policy Center determined that evidence from 40% of these non-violent crime scenes could contain evidence leading to a match from a previous assault, rape or murder.

In other words the lab will result in more burglars being caught before they violate the sanctity of more homes and before they move on to more serious crimes. The lab may also link about half of the burglars to other more serious crimes.

- **Solve more cases with new techniques and faster output**. A properly sized crime laboratory will allow for more efficient operations and enhanced techniques yielding greater scientific information.
- **Support rural Alaska** – 60% of Alaska's violent crimes happen outside Anchorage. Although the lab is located in Anchorage, it benefits the entire state. Anchorage yields the best access to and from rural Alaska because of Anchorage International Airport, the air hub of the state.
- **Economic boost** - over 50 new jobs within 1st month of construction, 250 jobs overall, $30 million to Alaska wages, $30 million to materials supplied by local vendors, business for 15 Alaska subcontractors

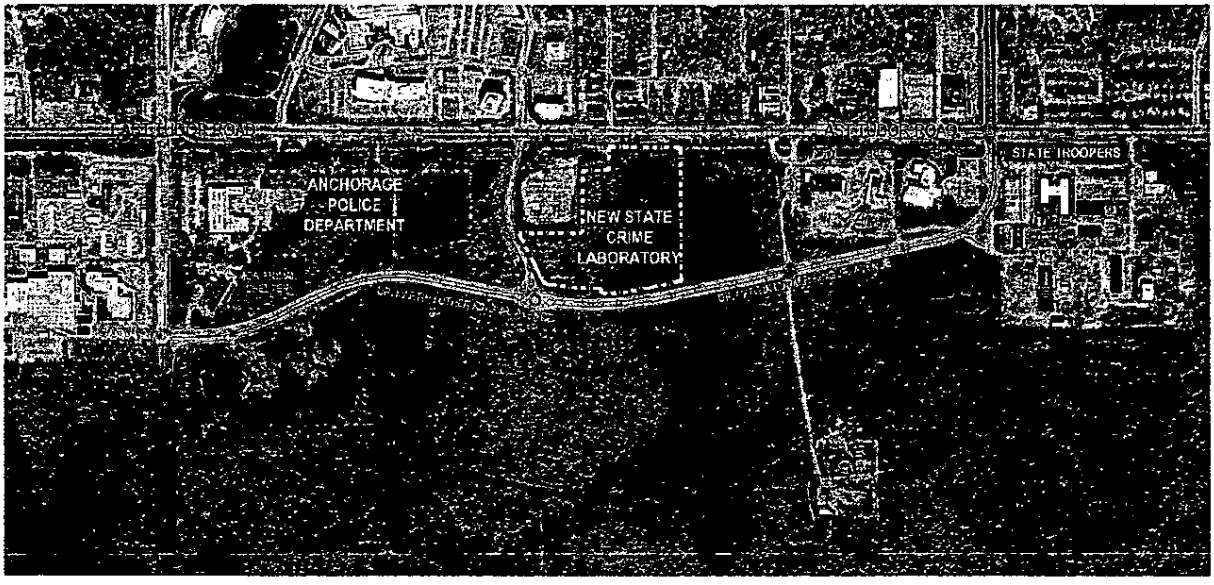
SCOPE

A crime lab sized to meet today's need, with room for future growth



Location

The new crime lab is under construction on an approximately 12 acre parcel of land in Anchorage, Alaska. It is situated conveniently near the Anchorage Police Department off Tudor Road. Being near the APD benefits Anchorage because over half of the state's total caseload (violent and non-violent crimes) comes from the city. Just as significantly, the lab's location near the Anchorage International Airport provides direct access to the lab from rural areas. Rural access to the lab is important because, while fewer crimes occur in rural areas, more of the crimes committed there tend to be violent. In fact, over 60% of the state's violent crimes happen outside of Anchorage.



East Tudor Road Vicinity Map

Synergistic Municipal Land Lease

Synergy at the local level benefits all Alaskans. The state leased the lab's 12 acre site from the Municipality of Anchorage at $1 per year for 50 years with an option to extend for 25 years.

Size

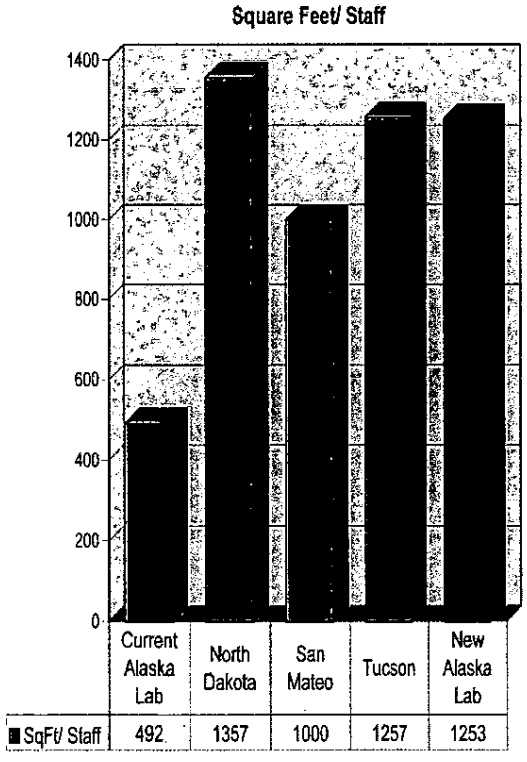
The new lab facility is approximately 84,000 gross square feet, of which 19% will be unfinished, or "shelled out" initially until time of future need. The building space is broken down as follows:

▪ Laboratory	45,000 sf
▪ Evidence storage	6,000 sf
▪ Office	10,000 sf
▪ Mechanical support*	12,000 sf
▪ Building support**	11,000 sf
TOTAL:	84,000 sf

*Boiler rooms, hvac rooms, etc.

**stairs, elevators, corridors, bathrooms, etc.

At 45,000 sf, the new lab space is slightly over double the size of the existing lab. As shown in the figure below, the size of Alaska's new lab compares well with those of other states. Its existing lab is significantly undersized.



Basis of sizing

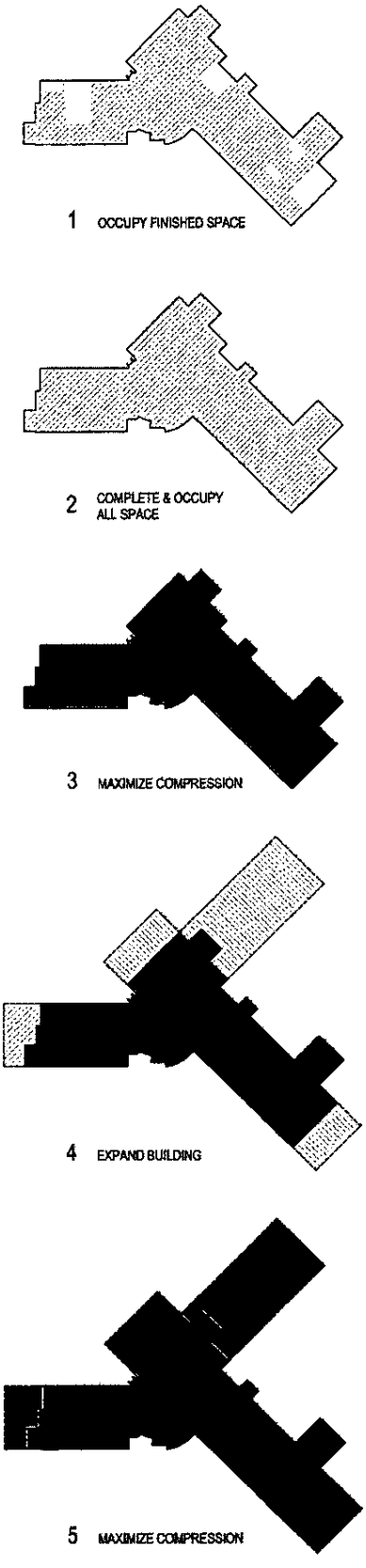
Internal Expansion,
Compression & Growth

The lab is sized optimally for today with compatibility for internal growth without an expansion of the building footprint for 20 years or more. Expansion and growth are accommodated in the design in several ways. Sufficient space has been included in the floor plan to accommodate new laboratory sections including Toxicology, Trace Evidence, Questioned Documents, and a dedicated CODIS lab. These sections can be rapidly brought online when staff, equipment, and finish funding is appropriated in the future. No expansion of the building footprint or structure will be necessary. However, once the programmed space is fully occupied and maximum compression is reached, building expansion can occur on site, attached to existing infrastructure. The orientation of the building wings will accommodate future expansion in four directions.

To meet today's highest priority needs, about 81% of the building will be finished initially and the current staff of 40 employees plus a few new positions will work within the finished space. To meet second priority needs of today, the remaining 19% of unfinished "shell space" will be built out when possible. A supplemental appropriation may be necessary for shell space build-out. Expansion within shell space is the most cost efficient way to serve today's need while planning for near- and long-term growth.

Building expandable to meet need beyond 75 years

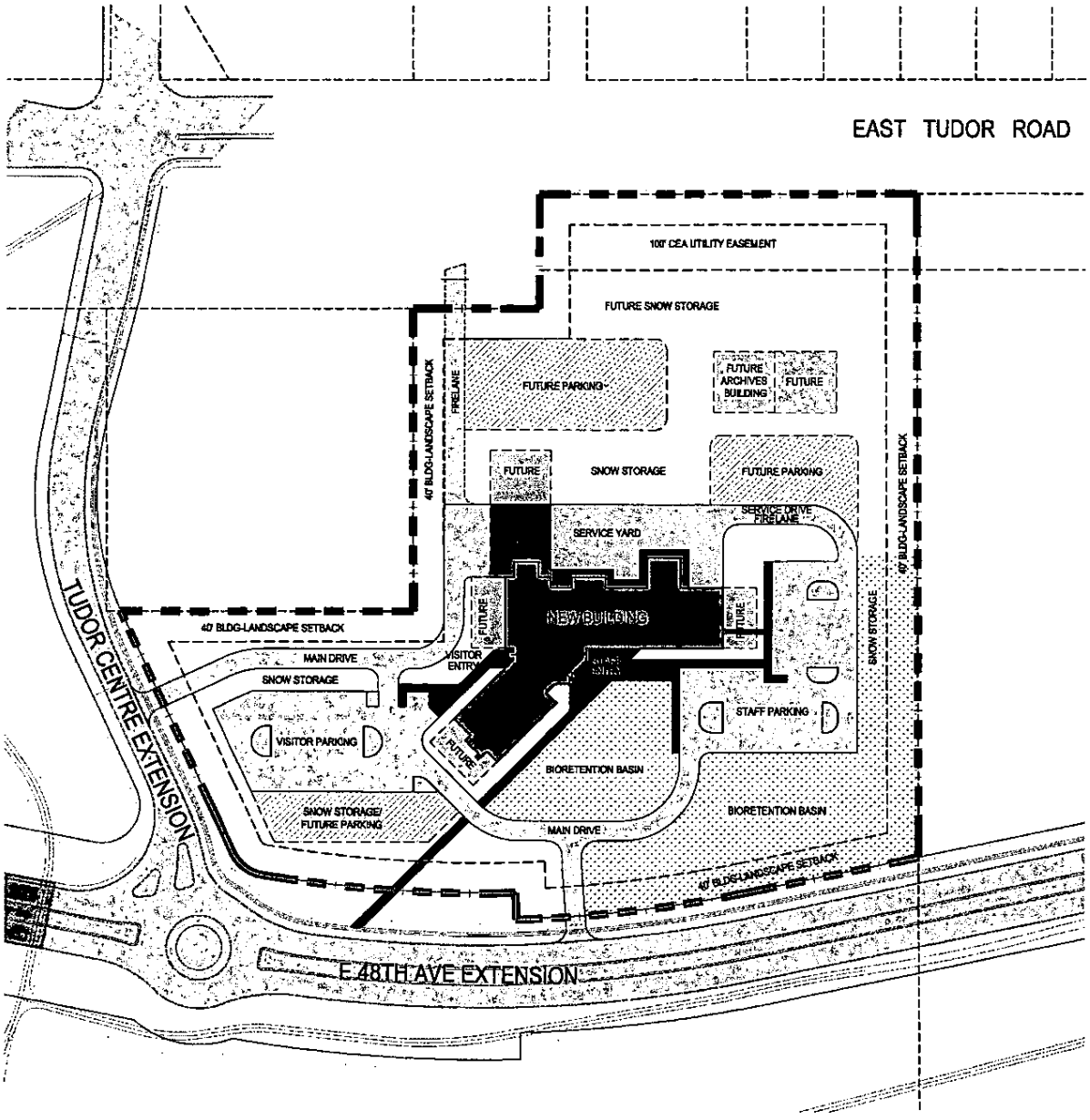
The building is designed for expansion without disruption to lab operations. As shown in the figure at right, additions to each wing of the building can accommodate future growth. This planning assures the state will not find itself in another situation like today



Expansion & Growth Plan

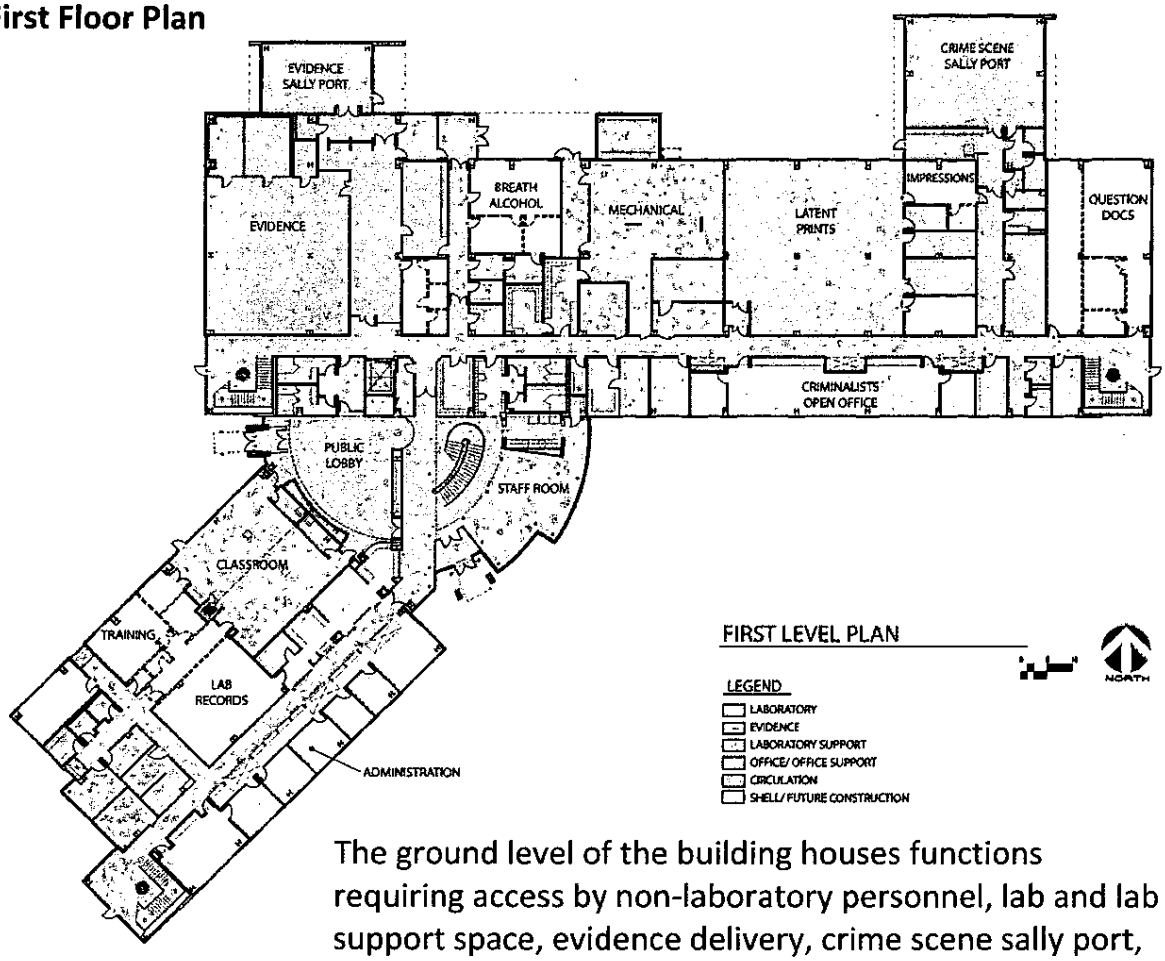
where it must relocate its laboratory. The existing lab was designed such that it cannot expand without going out of service or causing unacceptable disruption to forensic science during construction.

Site Plan



The site is located between Martin Luther King Boulevard to the south (formerly East 48th Avenue Extension), Tudor Road at the north, and Tudor Centre Drive to the West. Public and delivery access to the lab is off the Tudor Centre Drive entrance. Staff can enter off Martin Luther King Boulevard. A driveway off Tudor Road provides north access to the site for the Anchorage Fire Department.

First Floor Plan



The ground level of the building houses functions requiring access by non-laboratory personnel, lab and lab support space, evidence delivery, crime scene sally port, mechanical space, and administrative office areas.

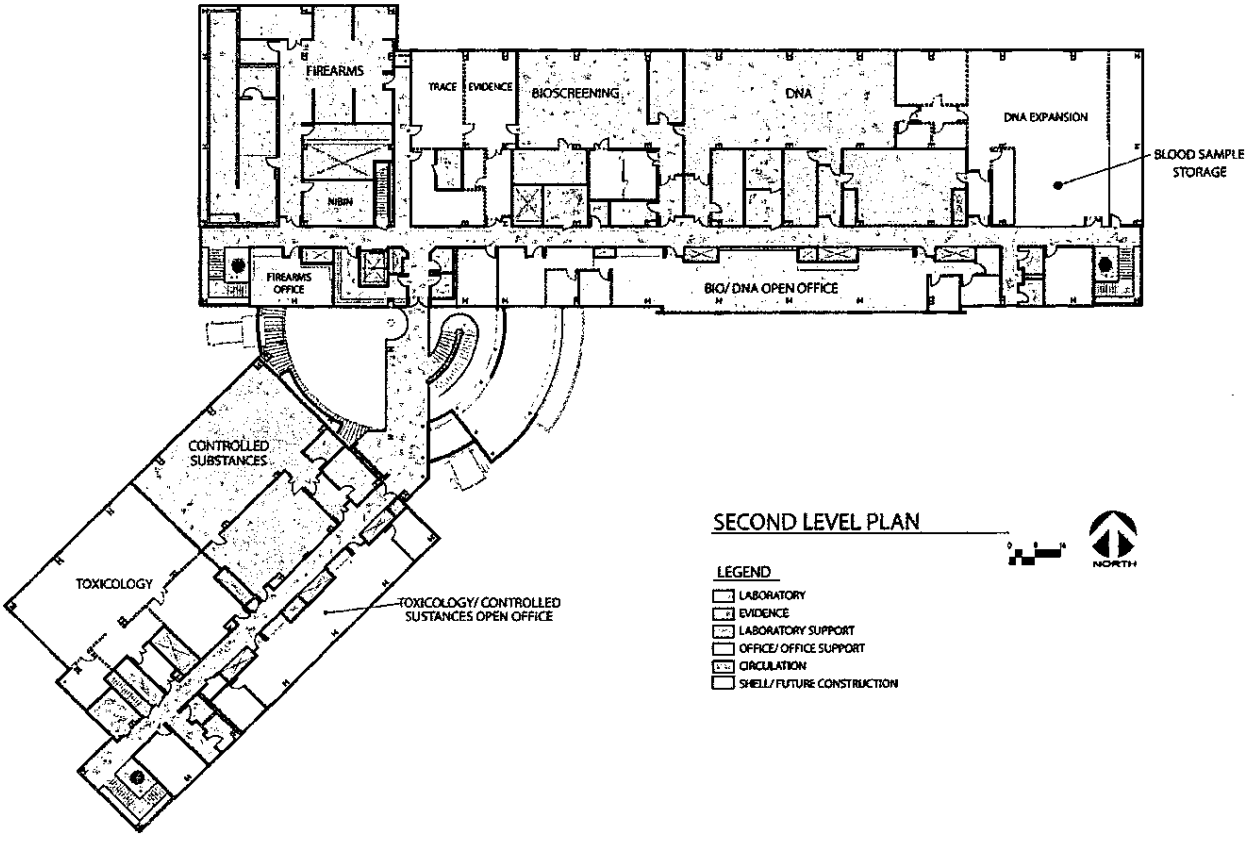
Priority functions to be finished include:

- Training Classroom
- Administrative Offices
- Public Lobby and Staff room
- Central Evidence Storage
- Evidence Receiving
- Evidence Sally Port
- Crime Scene Sally Port
- Latent Prints

Second priority spaces slated for build-out when possible include:

- Questioned Documents
- Impressions / Alternate Light Source / Latents Supervisor Office
- Breath Alcohol program
- Lab Records Storage / Library / Assistant director's office
- Training Lab & Blood Spatter
- Evidence Lab

Second Floor Plan



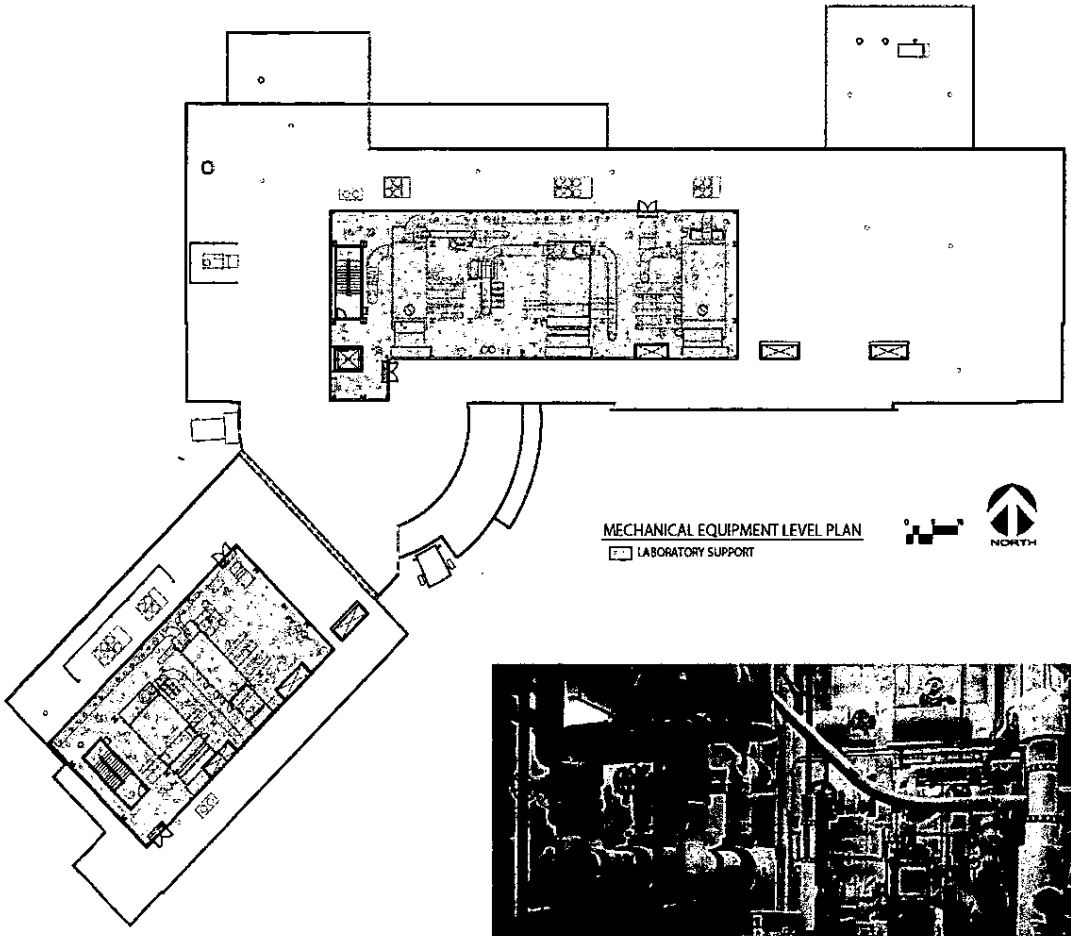
The second floor contains trace evidence, biological and chemical laboratory suites, and the forensic firearms section. Priority lab functions slated for immediate build-out include:

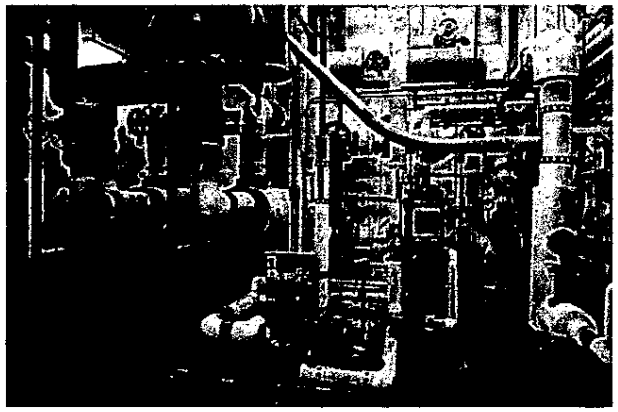
- Controlled substances
- Firearms
- Bioscreening
- DNA

Second priority lab functions slated for build-out when possible include:

- Toxicology
- Trace evidence
- DNA expansion
- Alternate light source labs

Third Floor Plan





The third level of the building houses major heating, ventilating, and air conditioning systems. Subarctic conditions in Alaska make it standard practice to house major mechanical equipment in roof-top penthouses. This feature adds cost to the project, but is necessary. Similar buildings in the lower 48 states often do not require penthouses for mechanical equipment, sometimes resulting in lower cost.

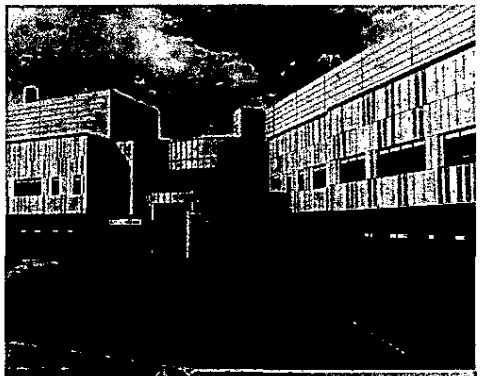
COST

Cost of the lab

The appropriation under consideration is for an amount of $75.75 million. It will fund the completion of construction work at the lab from the foundation up. Prior appropriations of $16.8million for design and site work construction were used for their intended purpose.

The construction cost is valid

The cost of the lab is in line with those of other laboratories built in the State, as shown below.



Alaska Scientific Crime Detection Laboratory
Location: Anchorage
Project Cost per Square-foot: $1,258

UAF / DHHS Virology Laboratory
Location: Fairbanks
Project Cost per Square-foot: $1,136

DEC Food Safety Laboratory
Location: Anchorage
Project Cost per Square-foot: $949

Laboratories cost more than other types of buildings primarily because they come densely packed with lab equipment, mechanical systems and casework.

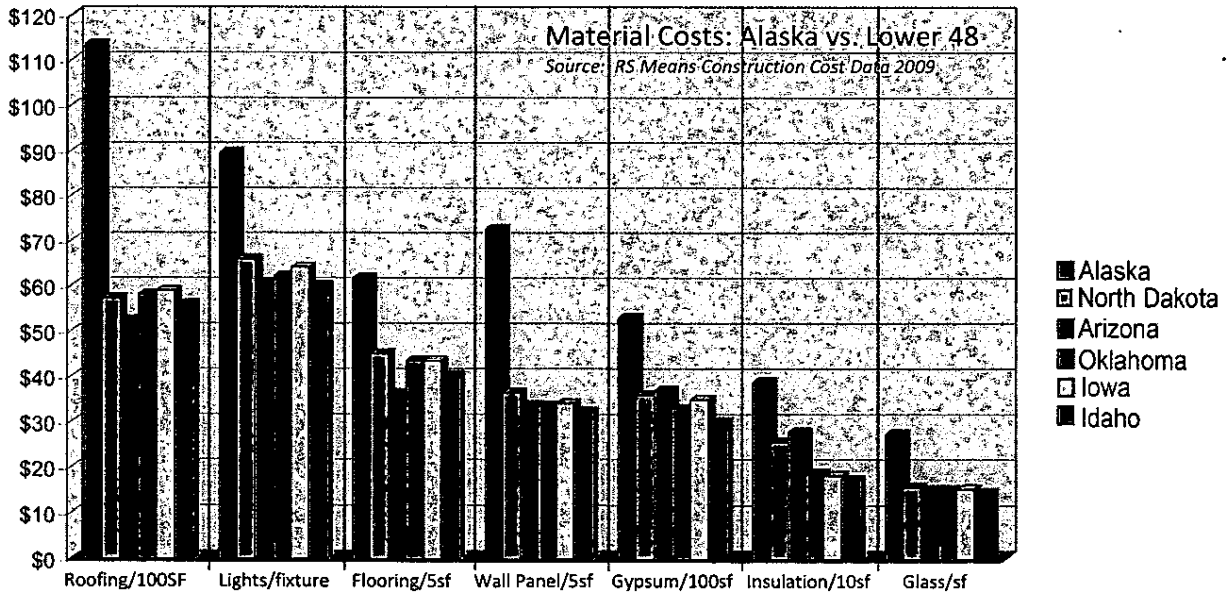
The methodology used to develop and validate the construction cost estimate is more rigorous than the industry typically applies (the project team prepared eight estimates). The process includes several elements:

- Construction Manager/General Contractor (CM/GC) delivery method - the general contractor, mechanical and electrical subcontractors bring expertise to the design team
- Independent estimates - develop and reconcile separate estimates from contractor and architect's estimator at each design phase
- Third-party opinion of cost – by an independent Alaskan estimator
- Fourth-party validation - of estimating process
- Competitive bidding – by building trades

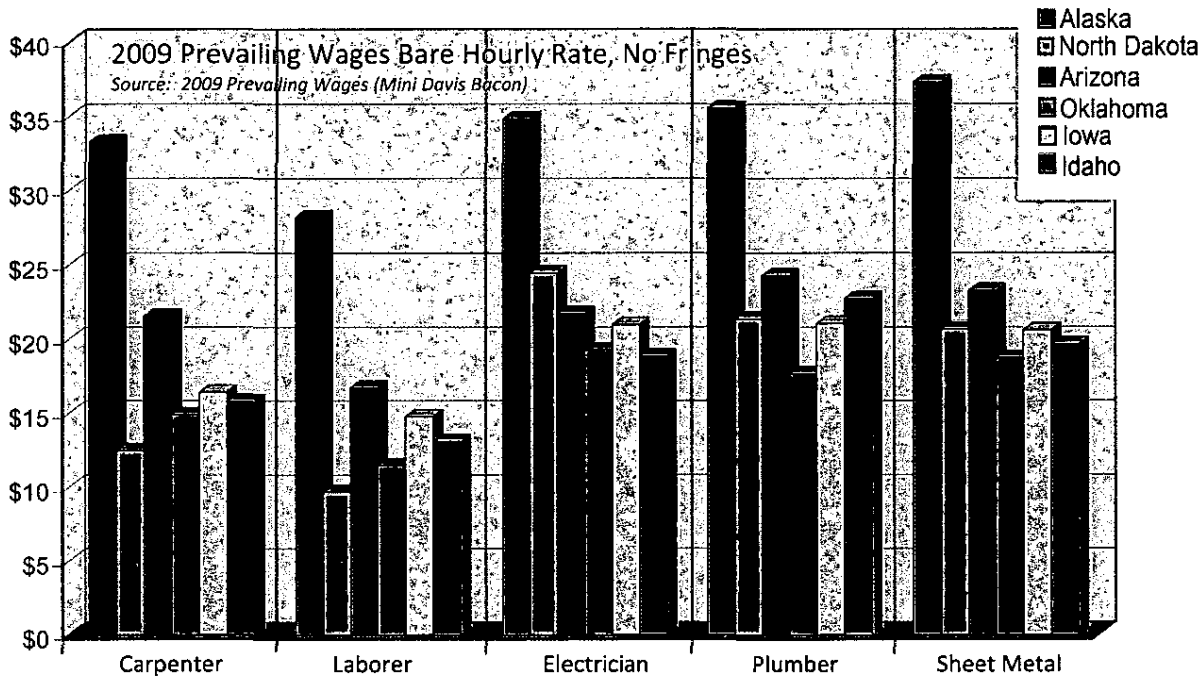
In summary, the project team used an exhaustive estimating process to arrive at the project's cost. Cost comparisons with other labs built in Alaska show conclusively that the cost of the Crime Lab is in line with what it actually costs to build labs in Alaska.

<u>Construction costs are higher in Alaska than in the lower 48 states</u>

It costs more to build in Alaska than in the lower 48 states. Many factors account for this trend. Materials in particular cost more in Alaska primarily because they must ship from the lower 48. The figure below illustrates this point.



The largest cost increase in Alaska comes from higher labor costs, because they can make up over half the cost of a building. And Alaska's labor costs greatly exceed those of the lower 48 states, as shown in the following figure.

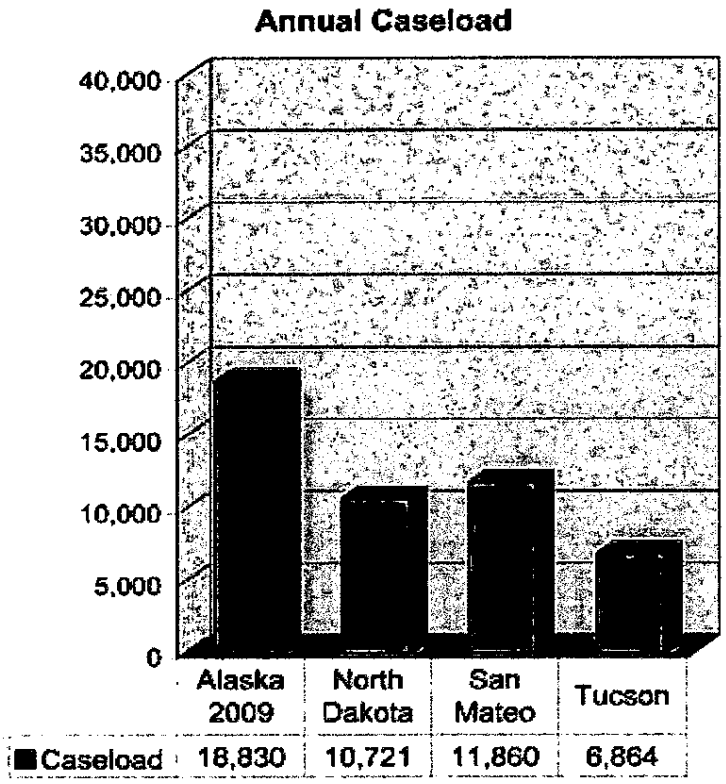


For example, Davis Bacon Prevailing Wage Rates for some labor types are as much as five times higher in Alaska than elsewhere. Even greater discrepancies occur for 18 other states that do not require contractors to pay established wage rates mandated by "Little Davis Bacon" laws for state funded projects, or the Davis Bacon Act for federally funded projects. Alaska law requires payment of "Little Davis Bacon" wage rates for state funded construction contracts like the Alaska crime lab. That is why the labor costs for the Alaska crime lab are orders of magnitude higher than those for many other states that do not require payment of higher wage rates.

<u>The cost of Alaska's crime lab is comparable to others in the Lower 48 when scope and cost adjusted</u>

A question has arisen about why Alaska's proposed crime lab appears to cost more than some other, seemingly comparable labs around the country. With regard to building materials and labor costs, this trend is valid. It is an unavoidable cost of doing business in Alaska.

The apparent difference between the Alaska crime lab's cost and that of other labs around the country more often reflects significant dissimilarities of project scope. Incorrect conclusions occur when one compares the published cost of another lab with that of the Alaska lab without first understanding, then normalizing the scope of the two projects. For example, Alaska's annual case load is higher than those of other recently completed labs in the lower 48, as shown in the figure at right.



The figure illustrates that one cannot compare the size of labs without considering differences in case load.

Another example is the North Dakota Lab. Last legislative session it was referred to by others as an outside lab that cost significantly less to build. Upon further study it was determined this conclusion was invalid because the scope of the projects were vastly dissimilar. By accounting for scope differences between the projects, the costs were actually proven similar.

One can continue indefinitely scope and cost comparisons with other labs anywhere around the world and, like the North Dakota Lab, they will validate the cost of the Alaska crime lab. This is because the Alaska lab was sized correctly by a team of experts. And its price is a phenomenon of the local construction market.

A team of experts delivers a valid project

The state's design team consists of leading experts in all related fields. The assembly of a team of experts best assures the lab is the right size, right design, and optimized to meet the current and future needs of the State of Alaska. Their product, the new Alaska Scientific Crime Detection Laboratory, has been well vetted and it has withstood the challenge of public scrutiny. The team includes:

The best crime lab expert in Alaska. The assembly of a successful project team begins with the laboratory director. A new and more expert laboratory director, Mr. Orin Dym, came into the project at the onset to infuse national crime lab experience, and to strengthen and improve local crime lab capabilities. Mr. Dym's

experience with numerous other crime labs in the lower 48, when coupled with that gained at Alaska's lab, makes him the state's premier and unmatched authority in the crime lab arena.

The most experienced crime lab architect in the United States. The keystone of the design team is the laboratory architect, Bill Lawrie, of McClaren, Wilson & Lawrie, Inc. Bill's experience and reputation is virtually unparalleled in the design industry. He has designed over 90 crime labs when his peers at best can offer the experience of only a few labs. His experience and international reputation are well deserved. Alaska can rest assured that its new crime lab design is sized optimally to meet its needs.

The most experienced lab designer in Alaska. To put crime lab concepts onto paper, a local architectural firm, Livingston Slone Inc., teamed with Bill Lawrie. LSI has successfully designed 5 large, state-of-art labs in Alaska in addition to several smaller labs. LSI's experience in Alaska lab design is virtually unchallenged in the State.

The most experienced lab project manager in Alaska. The design team is under the management of the Statewide Public Facilities Section of the Department of Transportation and Public Facilities. Project manager, Matt Tanaka P.E., has successfully delivered other laboratory projects for the state. He completed the Department of Environmental Conservation's Environmental Health Lab, and also the Department of Health and Social Service's Virology Laboratory on time and under budget. Mr. Tanaka has more recent experience managing laboratory projects than anyone in the State of Alaska and his track record is excellent.

A most experienced and reputable contractor in Alaska. Assisting the design team is one of the state's leading and most experienced contractors, Neeser Construction, Inc. They built the State's Public Health Laboratory & Medical Examiner's Facility, a building comparable in sophistication to the crime lab. Their expertise with design-assist and construction projects in the state further validates the project cost, and assures it will arrive on time and under budget.

COST SAVINGS

When the legislature considered the crime lab for funding in 2008, the design was largely complete. A significant capital investment of about $8 million went to planning and design activities. But, concern arose about the size of the $95 million capital appropriation the State would need to build the facility. To address this concern, the State considered at least three options to reduce capital and operating costs without diminishing forensic service to Alaska.

Options include:

- **On-site expansion** – expand the existing lab and renovate the existing lab
- **Split facility** - build a smaller new lab elsewhere and stay in existing lab
- **Smaller replacement lab –** build a smaller new lab and stop using existing lab
- **Full size new lab** - build the full laboratory structure but leave some space unfinished and seek a smaller capital appropriation.

On-site expansion

Several consultants have explored the concept of on-site renovation and expansion, beginning with the original 2005 Expansion Study conducted by USKH, Inc. in association with Earl Walls Associates (lab design specialists), and continuing through the site analysis and site selection process conducted independently in 2007 by DOWL/HKM in association with Livingston Slone and McClaren, Wilson & Lawrie. It is important to note that both the 2005 Expansion Study and the later site analysis process both indicated that this option, while possible, was less practical and more costly in the long term than building a new lab on a different site. Taken together, the significant disadvantages of renovation and expansion make the option simply unworkable.

Split facility

The existing lab is deficient and needs a $12 million capital appropriation to remain in service. The funding will correct failed mechanical, roofing and other building elements, and code problems. Most significantly, **the existing lab will shut down for up to 6 months** to make way for construction work.

Split facility use is also infeasible operationally. This is because forensic departments must often pass evidence between themselves to work all sides of a case. If some departments reside in different buildings, evidence must pass outside the secure perimeter of the lab. This may compromise

defensibility of forensic results and slow down lab operations, creating chain-of-custody and evidence handling issues that may compromise the evidence and the possibility of securing criminal convictions. All departments should be under one roof.

Smaller replacement lab

This option is not cost effective and will delay the project several more years. The State spent about $8 million on design for the new lab. It will lose most of this investment and spend millions more to scale back the design. Redesign costs and potential escalation during the delay will offset savings achieved by building a smaller lab. The State will spend about as much to build a smaller lab as to build the full size lab.

Build full size new lab

This option is most cost effective and offers the greatest benefit to the state. It delivers the full building structure now but leaves some areas within it unfinished, or "shelled-out". The State finishes interior space it needs most urgently and defers finishing lower priority, shelled-out space until it is possible to finish it.

Today, this option saves the State $20 million. Tomorrow it reduces operating costs by about $43,000 per year. The annual energy cost of the new laboratory with shell space is about $412,000. This figure is about 2.7 times higher than that of the existing crime lab.

STATUS

Construction

The new crime laboratory is under construction. 2009 saw the completion of site clearing, utilities construction, and building pad preparation for a cost of $8.8 million. The $75 million appropriation under SB226/HB299 will fund the continuation of building construction from the foundation up. The project is literally "hammer ready" and it awaits a final appropriation of funding.

	Regulatory Approvals Obtained to-date:	
US Army Corps of Engineers US Environmental Protection Agency	*Wetlands Development Permit* *Phase I Environmental Site Assessment* *National Pollutant Discharge Elimination System (NPDES) Construction General Permit (for Alaska) Determination* *Storm Water Pollution Prevention Plan & Notice of Intent*	Federal
US Bureau of Land Management US Fish & Wildlife Service	*Land Use Concurrence* *No Endangered Species Determination*	
Department of Environmental Conservation	*Notice of Disposal for Excavation Dewatering*	State
Department of Transportation & Public Facilities	*Temporary Construction (Utility) Permit for Tudor Road Water & Sewer Crossings* *Lane Closure Permit for Tudor Road Water & Sewer Crossings*	
Department of Natural Resources	*Alaska Heritage Resources Survey, Historic Preservation Historic Sites Determination*	
Municipality of Anchorage	*Site Selection Study* *Heritage Land Bank Lease Agreement* *Heritage Land Bank Right of Entry Permits for Geotechnical Investigation & Surveys* *Site Plan Review* *Dewatering Application & Notice of Disposal (NOI)* *Water Course Mapping Report* *Alaska Coastal Management Program Compliance* *Traffic Engineering, Parking Variance* *Fire Department Fire Hydrant Approval* *Storm Water* *Right-of-Way Driveway Permits* *Phase 1 Site Construction Permit* *Plumbing* *Mechanical Engineering* *Fire, Architectural, Electrical & Structural (approval pending)* *Landscape Design Approval* *Water & Sewer Private Development Main Extensions* *Water & Sewer Private On-site Improvements* *Notice of Intent to Discharge Industrial Wastewater*	Local
Urban Design Commission Anchorage Water & Wastewater Utility		

Design

The design of the lab is finished. It began 5 years ago with the support of a series of appropriations amounting to about $8 million. A fully-vetted design process has yielded numerous planning and design deliverables, including:

	Investigation, Planning & Design Documents:
USKH / Earl Walls Associates	2005 Existing Lab Expansion Study
DOWL Engineers	2007 Site Evaluation Study, republished 2008
R&M Consultants, Inc.	2008 Phase I Environmental Site Assessment
Shannon & Wilson, Inc.	2008 Geotechnical Engineering Report
McClaren Wilson & Lawrie, Inc.	2007 Space Needs Assessment
Earthscape / DOWL / Livingston Slone	2008 Public Facility Site Plan & Landscape Plan Review
Livingston Slone / McClaren Wilson & Lawrie, Inc.	2007 Conceptual Design 2008 Revised Conceptual Design 2008 Schematic Design 2008 Design Development Submittal 2009 Early Site Preparation Documents 2009 Construction Documents 2009 Revised Construction Documents (shell space)
AMC Engineers Inc.	2008 Projected Energy Use Estimate
Affiliated Engineers, Inc.	2009 Mechanical & Electrical Design Peer Review
HMS, Inc.	2009 Construction Cost Estimate Peer Review
RWDI Consulting Engineers & Scientists	2009 Exhaust Re-entrainment Assessment
Neeser Construction / Estimations Inc.	2007 Conceptual Design Cost Estimate 2008 Schematic Design Cost Estimate 2008 Design Development Cost Estimate 2009 Early Site Preparation Bid 2009 Construction Documents Cost Estimate

Public Process

The crime laboratory project went through a rigorous public process spanning the course of over 5 years. The public process involved municipal, state, and federal arenas associated with various elements of the project. The process included:

State

The Department of Public Safety and/or the Governor's Administration introduced the crime lab to three legislative sessions to obtain funding for the project. Current Governor Sean Parnell also introduced a bill to a fourth legislative session to obtain the balance of construction funding. During each session the project received public comment and legislative scrutiny.

Municipal

- Planning and Zoning Commission - review and approval
- Urban Design Commission - review and approval
- Heritage Land Bank board - approval obtained prior to assembly approval of land lease.
- Assembly - hearing and approval obtained prior to municipal land lease
- Municipal land lease – signed by the Mayor of Anchorage and the State of Alaska
- Campbell Creek Community Council – briefing and resolution of approval
- Fire marshal - approval
- AWWU - approval of water and sewer utilities
- Chugach Electric Association - approval of power service
- Re-platting - requiring public notice period
- Enstar Natural Gas - approval of natural gas service

Federal

- Corps of Engineers wetlands permit – for construction in class B wetlands, requiring public notice periods
- NEPA storm water permit

HCR

13

<target><bill>HCR 13</bill><subject>HCR 13</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 23, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 3/24/09

The FINANCE Committee considered: **HOUSE CONCURRENT RESOLUTION NO. 13**

Certifying that the State of Alaska requests and will use any funds provided to the state, a state agency, a municipality, or a political subdivision of the state under the American Recovery and Reinvestment Act of 2009.

HCR 13 ACCEPT FED. ECONOMIC STIMULUS PAYMENTS

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
Harvey G Crawford Jr	CRAWFORD			R	
	Joule	X			
	Austerman	X			
	FAIRCLOUGH	✓			
	KELLY			X	
Chair: Mike C Hawker	Hawker	*			
Chair:	STUTES			+	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HCR 13
() Publish Date:

Identifier (file name): HCR13-LEG-COU-3-23-09
Dept. Affected: Legislature
Title "Certifying that the State of Alaska requests and will use any funds provided to the state, a state agency, a municipality..."
RDU Legislative Council
Component Council and Subcommittees
Sponsor House Rules Committee
Requester House Finance Committee
Component Number 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 3/23/09 2:45 PM
Approved by: Pamela Varni, Executive Director
Date 3/23/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

Teleconference

Tuesday, March 24, 2009 House Finance Room 519 – 8:30 AM
HB 199-APPROPS: NON-TRANSPORTATION STIMULUS

Questions Via Teleconference:

Dennis Wiesenburg, University of Alaska

Chris Maisch, Director, Division of Forestry, Department of Natural Resources
Corporation, Department of Revenue

Bill Griffith, Environmental Program Manager, Division of Water Facilities Programs, Department of Environmental Conservation

Alaska Housing Finance Corporation
Dan Fauske, CEO/Executive Director, Alaska Housing Finance Corporation,
Jim Gurke, Alaska Housing Finance Corporation
Mike Mark Romick, Director, Planning Department, Alaska Housing Finance

Salmon
Gara
Foster } absent

HCR

16

<target><bill>HCR 16</bill><subject>HCR 16</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4-14-09

The FINANCE Committee considered: **HOUSE CONCURRENT RESOLUTION NO. 16**

Requesting the Governor to proclaim September 7, 2009, as Senator Daniel Inouye Day.
HCR 16 PROCLAIMING SENATOR DANIEL INOUYE DAY

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Wm "Bill"	Thomas	✓			
	Gara	✓			
Anna L. Fairclough	FAIRCLOUGH	✓			
	KELLY	✓			
	Austerman	X			
	Salmon	✓			
	Joule	X			
Chair:	Hawker	☆			
Chair:	STOLTZE	☆			

Alaska State Legislature

Interim: (June – Dec.)
716 West 4TH Avenue, Suite 600
Anchorage, Alaska 99501-2133
(907) 269-0129
Fax (907) 269-0128

Session: (Jan. – May)
State Capitol, Room 403
Juneau, Alaska 99801-1182
(907) 465-4859
Fax (907) 465-3799

REPRESENTATIVE JOHN HARRIS

Sponsor Statement
House Concurrent Resolution 16

Requesting the Governor to proclaim September 7, 2009, as Senator Daniel Inouye Day.

House Concurrent Resolution 16 honors United States Senator Daniel Inouye of Hawaii by respectfully asking the governor to proclaim September 7, 2009 – the senator's 85th birthday – as Senator Daniel Inouye Day.

This is to recognize him for his tireless, selfless service to the country in general and to Alaska in particular. It is aimed at showing this state's gratitude for his help on a range of issues important to our state such as opening the coastal plain of the Arctic National Wildlife Refuge to oil development, supporting a national missile defense system, opposing a plan to shut down Eielson Air Force Base, and helping to approve reparations for Aleuts who, along with Japanese-Americans, had suffered when forcibly placed in federal internment camps during World War II.

Senator Daniel Inouye stands as the largest figure in public life in the history of the State of Hawaii, having held elective office since before Hawaii attained statehood in 1959. He has received many military decorations for valor, culminating with the Congressional Medal of Honor for heroism as a member of the legendary 442nd Regimental Combat Team in World War II in which he lost his right arm

In Alaska, Senator Inouye is famous for his close friendship with former Senator Ted Stevens. Each refers to the other as his brother. When shown a copy of this resolution, Senator Stevens summarized it best why it is worth having a Senator Daniel Inouye Day in Alaska. He issued the following statement:

> "When you honor Senator Daniel Inouye, you honor a true friend of Alaska. Dan is a close friend I worked closely with for forty years. We were two new Senators serving two new off-shore states. Senator Inouye is a distinguished American who earned his Congressional Medal of Honor the hard way! It is my privilege to call him my brother – we continue to be close friends."

HCR 19

<target><bill>HCR 19</bill><subject>HCR 19</subject><comm>HFIN26</comm></target>

Chair, Judiciary
Chair, Economic Development, Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature
House of Representatives

While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

SPONSOR STATEMENT
HCR 19 – AIDEA REPORT ON IN-STATE FUEL STORAGE

In 2009 the House Judiciary Committee investigated the unusually high price of gasoline in the state of Alaska relative to the rest of the country. The public outrage had grown steadily as the prices in the Lower 48 sank and the prices in Alaska did not. To further annoy consumers, Alaskan crude oil had fallen from an all time high in July 2008 of $144.00 per barrel back to $40.00 a barrel a year later, yet gasoline prices at the pump lacked the same elasticity.

At the same time the House Judiciary was conducting its investigation, the Attorney General was exploring whether there was any evidence of collusion among companies in Alaska to either expressly or tacitly agree to fix petroleum prices. The Attorney General concluded there was not.

Throughout these investigations, two different approaches to address the problem emerged. On the one hand, some legislators and constituents called for government controlled pricing or "price gouging" legislation, on the other hand were those who strongly believed that price controls do more to hurt the economy and result in unintended consequences – even causing a counter-productive affect of discouraging potential competitors from entering the market; competition that might force prices down. People opposed to government price controls sought other ways to impact the market without increasing government regulation.

HCR 19 is designed to encourage public discourse on other ways to impact the market without increasing government regulation of oil refineries and gasoline distributors. HCR 19 urges the Alaska Development and Export Authority (AIDEA) to analyze whether or not a fuel storage facility in the state, financed by AIDEA and operated by an independent third party, would be economically viable and assist the state in meeting the fuel needs of Alaskans at competitive prices. With the Anchorage port's recent expansion there is room for a new fuel storage facility. New storage capacity could encourage in-state suppliers to receive bulk shipments of fuel from refiners outside of the state to supplement fuels produced by in-state refiners; and in-state refiners will be able to stock-pile fuel to meet demand surges at more stable prices for consumers.

Representative_Jay_Ramras@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 4, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/29/10

The FINANCE Committee considered: **HOUSE CONCURRENT RESOLUTION NO. 19**

Urging the Alaska Industrial Development and Export Authority to present a business case to the Alaska State Legislature that includes a method for financing, a plan to solicit proposals for a public and private venture, and an analysis of the economic feasibility of a state-built and privately operated fuel storage facility that would serve the public interest by providing Alaskans with a reliable source of jet fuel, diesel, and gasoline at competitive prices.

HCR 19-AIDEA REPORT ON IN-STATE FUEL STORAGE

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____(_____)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
HL+C Cmte	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna M. Fairclough	FAIRCLOUGH	✓			
	KELLY	X			
	Joule			✓	
Mike Dougan	Dougan			✓	
	Thoe	✓			
	Gara			✓	
	Foster			✓	
Fred Dyson	Salmon			✓	
Chair:	Stoltze	✓			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HCR 19
(H) Publish Date: 3/4/10

Identifier (file name): HCR19 Fiscal Note L&C 3-1-10
Title: AIDEA Report on In-State Fuel Storage
Sponsor: Representative Jay Ramras
Requester: House Labor & Commerce Committee

Dept. Affected:
RDU
Component
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Konrad Jackson, Committee Aide — Phone 907-465-2693
Division: House Labor & Commerce — Date/Time 3/1/10 12:00 AM
Approved by: Representative Kurt Olson, Chair, Labor & Commerce Committee — Date 3/1/2010

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HCR 19
(H) Publish Date: 3/4/10

Identifier (file name): HCR19 Fiscal Note L&C 3-1-10
Dept. Affected:
Title: AIDEA Report on In-State Fuel Storage
RDU
Component
Sponsor: Representative Jay Ramras
Requester: House Labor & Commerce Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Konrad Jackson, Committee Aide
Phone 907-465-2693
Division: House Labor & Commerce
Date/Time 3/1/10 12:00 AM
Approved by: Representative Kurt Olson
Date 3/1/2010
Chair, Labor & Commerce Committee

(Revised 9/10/2008 OMB)

2272

House Finance Committee
March 29, 2010
Monday
1:30

HCR 19-AIDEA REPORT ON IN-STATE FUEL STORAGE

HB 386-CITATIONS
CS WORKDRAFT CS HB 386(FIN)
26-LS1525/E

AIDEA PORT OF ANCHORAGE
LIQUID STORAGE FACILITY

The following pages will discuss benefits of the Alaska Industrial Development and Export Authority (AIDEA) building a liquid storage facility. The concept of this terminal would be that it is constructed by AIDEA and leased to a third party operator. The storage capacity would be leased to various fuel distributors, oil companies, energy trading companies, and end users.

OVERVIEW

In the Attorney General's 2008 Alaska Gasoline Pricing Investigation it was found that the structural characteristics of Alaska's petroleum products market contributed to the unusually high gasoline prices relative to other parts of the country. Indeed, Alaska is very geographically isolated, even more so when it comes to energy. In other parts of the country refined petroleum products can easily move from market to market via thousands of miles of pipelines or coastwise using marine transportation. A great example of this would be putting gasoline into a pipeline in Houston, TX and receiving it in New York Harbor. In this example storage facilities in Houston and New York, as well as the pipeline between those two cities, are fairly open to parties that wish to participate in this trade. These markets would be considered to have ample liquidity. This is a stark contrast from Alaska. To ship petroleum products from Seattle to Anchorage is a difficult task. While products are fairly available in Seattle and other parts of the world, and transportation can be found, storage in Anchorage to receive the product does not exist. This forces us to be reliant upon instate refiners. And there is only one refiner that produces significant quantities of low-sulfur diesel and gasoline. The basic structural characteristic of Alaska's Petroleum Market is very different from the rest of the country.

- There is a lack of liquidity in the Alaska petroleum market.
- There is a lack of available storage and distribution infrastructure to support alternative supply.
- Changes in the maximum sulfur specification for fuels has had a significant impact on product supply.

A large bulk liquid storage facility in Anchorage would help resolve these issues.

HISTORY

Alaskans use three primary sources of liquid fuels: jet fuel, diesel fuel, and gasoline. The product that has the most demand in the state is jet fuel or Jet-A. Jet-A is used for aviation, heating oil, and power generation. The majority of the jet fuel consumed in the state is done so at the Anchorage International Airport. Diesel fuel is used in vehicles, marine applications, power generation, and heating fuel. Gasoline is primarily used in cars, boats, snowmachines, and recreational vehicles.

Demand for gasoline, diesel and jet from the 1990's to the early 2000's was fairly stable in the State of Alaska. The approximate demand (not including the Alaska North Slope) for these products was as follows (Barrels per Day (BPD)):

In-State Demand

Type of Fuel	*2000's BPD*	*1990's BPD*
Gas	16,000	15,500
Jet	67,000	65,000
Diesel	17,000	16,000

During the 1990's the State of Alaska was a net importer of Jet fuel and a net exporter of gasoline. During the early 2000's refining capacity was increased by all three in state refineries. This led to an in-state balance for jet fuel and additional gasoline for export. In-state production for these time periods was as follows:

In-State Production

Type of Fuel	*2000's BPD*	*1990's BPD*
Gas	20,000	18,300
Jet	67,000	46,300
Diesel	18,000	16,900

During the 1990's Anchorage International Airport used about 50,000 barrels of jet fuel per day. (The recent peak demand at the airport was over 60,000 BPD.) The balance of the state demand for jet fuel was for military jet fuel, power generation, heating oil, and vehicle use in the winter months.

During the 1990's prices in Alaska remained fairly consistent with the Pacific Northwest. Specifically, a comparison of OPIS (Oil Pricing Information Service) rack prices in Seattle versus OPIS rack prices in Anchorage would indicate a difference in cents per gallon (CPG) as follows:

Anchorage OPIS Rack Prices – 1990's

Type of Fuel	*CPG Difference to Seattle OPIS Rack*
Gas	16.5
Jet	11.3
Diesel	5.7

In addition, the price differential for jet fuel at the airport was about 5 CPG above Los Angeles in the early 1990's. After the refiner expansions that lead to an increase for in-state production of jet fuel, these differentials dropped closer to 3 CPG.

FAST FORWARD TO TODAY

What has changed?

In June of 2006 the EPA mandated a shift to lower sulfur fuels. This change effected how refiners produce gasoline and diesel fuel. To produce these new fuels most refiners needed to make significant investments in their facilities. Only one Alaska refinery received such an investment to produce the lower sulfur fuels. The changes EPA mandated in the sulfur level (parts per million (ppm)) for diesel fuel and gasoline in Alaska were as follows:

Change in Maximum Sulfur Content

1990's	*Max Sulfur (ppm)*	*Versus:*	*Today*	*Max Sulfur(ppm)*
Gas	1,000		Gas	30
Diesel	5,000		Diesel	15

These new fuels are called Ultra-Low Sulfur (ULS) fuels. This large reduction in sulfur has also created a large reduction in available in-state production. One example of lost production is that the Prudhoe Bay and Kuparuk facilities on Alaska's North Slope no longer operate at capacity. This requirement is sourced from elsewhere in the state. Presently, only one in-state refiner produces ULS diesel (ULSD). Gasoline produced in-state has also been reduced because of the sulfur mandate by about 3,000 BPD. Additionally, one refiner has discontinued production for its largest crude unit. This means a reduction of about 17,000 BPD of jet fuel produced here in the state.

The impact of lower in-state production on price differentials has been an increase in Anchorage OPIS rack prices versus Seattle OPIS rack prices. Current differentials are as follows:

Current Anchorage OPIS Rack Prices

Type of Fuel	*CPG Difference to Seattle OPIS Racks*
Gas	105
Jet	38
ULSD	110

LACK OF LIQUIDITY

In petroleum markets that have sufficient liquidity, differentials are pegged at the transportation cost to move product from one market to another. In Alaska's case, the ability to bring product in from another market is not there as storage is unavailable to bring in a typical parcel (approximately 80 - 300,000 barrels). Storage is not available; thus, no liquidity exists. Current storage for ULSD and gasoline is owned and operated by in-state refiners. Sixty to seventy percent of the storage at the Port of Anchorage is controlled by two of Alaska's in-state refiners. The balance is used by the Airport Fueling Consortium and the United States Military.

The key to ensuring that Alaskans have sufficient energy at prices that change relative to the rest of the world is ensuring there is ample supply available. Current environment regulation mandates that imports are available to meet the demand requirements. Realistically those imports can only be facilitated by the two in-state refiners that control the storage facilities. To attract third-party imports, storage needs to be available for product to be brought in by barges or tank ships.

SOLUTION TO CREATE LIQUIDITY

AIDEA works with a bulk liquids terminal operator to develop construction costs and operating costs for a bulk liquids storage facility. Once construction and operating costs are identified AIDEA can go to potential users with an "Open Season" format in which to sell commitments for the facility. Once firm commitments are received AIDEA builds the facility at the Port of Anchorage. This facility would be able to receive marine or rail shipments. It would be capable of loading ships, barges, rail cars, and trucks. The facility would be leased and operated by a terminal operator for all companies willing to lease storage space. Potential candidates would include major ANS exploration companies, refiners, distributors, energy trading companies, utilities, and various other end users. Candidates would commit to storage space and sign long-term leases prior to construction. It is anticipated that the facility would have storage capacity between 500,000 barrels and 1,000,000 barrels and cost between $50 - $100 million. The facility would be able to handle other products like bio-diesel, methanol, and ethanol as well.

IMPACT ON EXISTING INDUSTRY

The AIDEA facility would allow existing refiners, distributors, end users, and others the ability to bring bulk liquids into south central for redistribution to other areas of the state. It provides access for out of state products to enter the Alaska market.

Industries that rely on diesel and gasoline for their business activities have limited options to manage their fuel costs. For the most part these companies rely on one source for their needs, as does the state. The AIDEA facility would allow for some options to meet these requirements.

SUMMARY

An AIDEA supported bulk liquid storage facility would change the basic structural characteristic of Alaska's Petroleum Market to be more in line with the rest of the country. This additional storage in Anchorage will facilitate a re-balancing of supply and demand as was the case in the early 2000's. The project as a whole will also increase the liquidity in the Alaskan petroleum products market and lead to Seattle - Alaska rack pricing being more in line with the historical averages

Alaska Industrial Development and Export Authority

Investing in Alaskans

A Presentation to the House Finance Committee on HCR 19

James Hemsath
Deputy Director – Business Development

29 March 2010

HCR 19 – Fuel Storage Business Case

Urging the Alaska Industrial Development and Export Authority to ***present a business case*** to the Alaska State Legislature that includes a method for financing, a plan to solicit proposals for a public and private venture, and an objective ***analysis of the economic and business feasibility*** of a state-built and privately operated fuel storage facility that would serve the public interest.

22281

AIDEA's Role

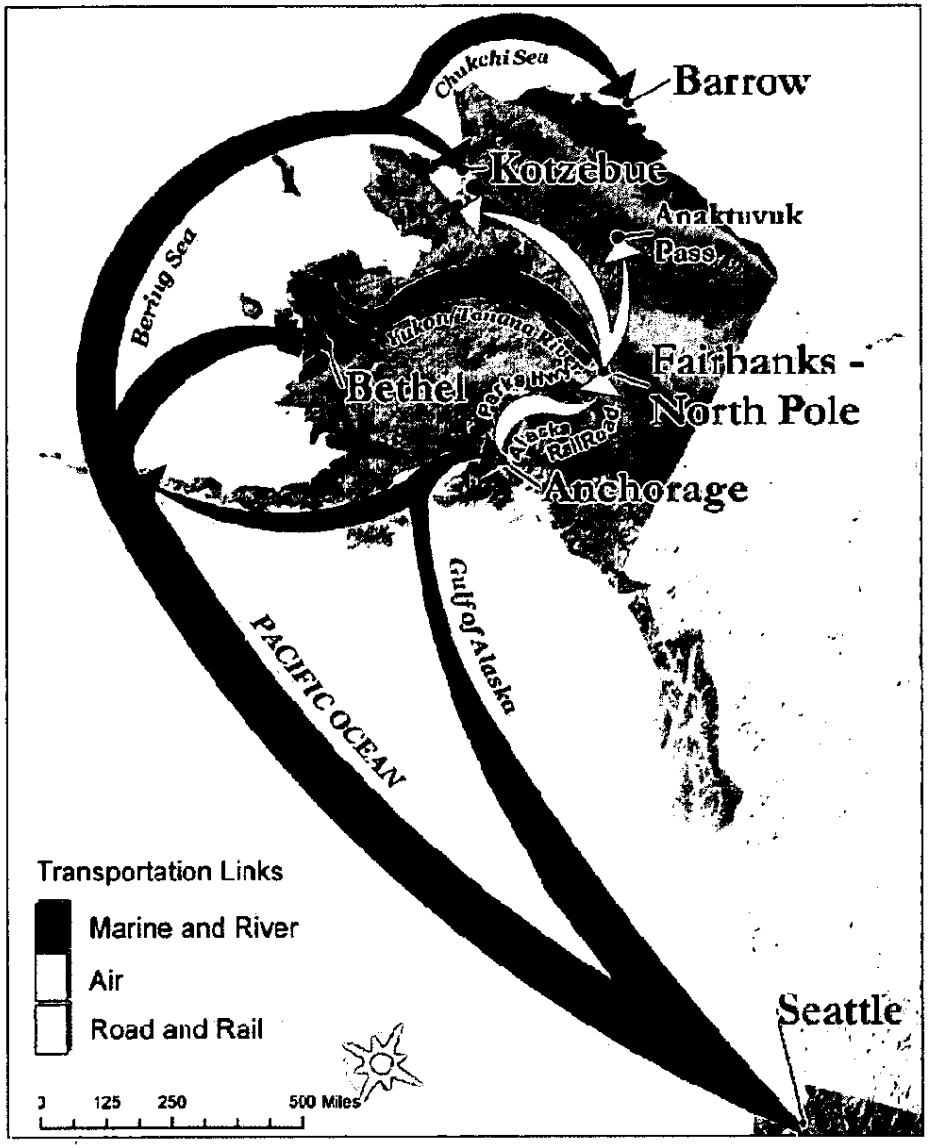
- Provide an objective analysis examining both the economic development impact and feasibility of a storage facility as well as the long term viability of the project
- As part of the analysis identify potential private and public sector users of the facility
- In conjunction with EconOne, look all aspects of the fuel supply system in the State and the impact additional storage would have for the different regions
- Examine possible ways of financing this project which could include AIDEA financing through ownership as a Development Finance Project (AS 44..88)
- As a possible owner of the storage facility, act as a consolidator for multiple users and demands assuring open access to storage

Action Plan

- Market Analysis
  - Continuation of last years efforts by EconOne
  - Military
  - Long term Air Cargo
  - Fuel supply reliability
- Engineering Layout and Cost Estimate
  - Space constraints
  - Multiple tanks, vapor recovery, additives, labs
  - Schedule
- Establish Basic Business Case Model
  - Competition
  - Market risks
  - Economic impact

AIDEA Business Case

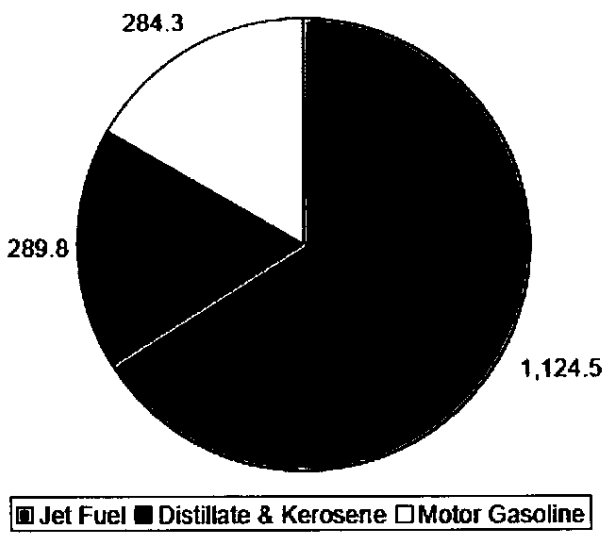
- Open access
- AIDEA owned – contracted operator
- Generate revenue
- Market and market risk
- Competition
- Economic development
  - Job creation/diversification
- Open Season


Chukchi Sea
Barrow
Kotzebue
Anaktuvuk Pass
Bering Sea
Yukon/Kuskokwim Delta
Fairbanks - North Pole
Bethel
Alaska Railroad
Anchorage
Gulf of Alaska
PACIFIC OCEAN
Seattle
Transportation Links
Marine and River
Air
Road and Rail
0 125 250 500 Miles

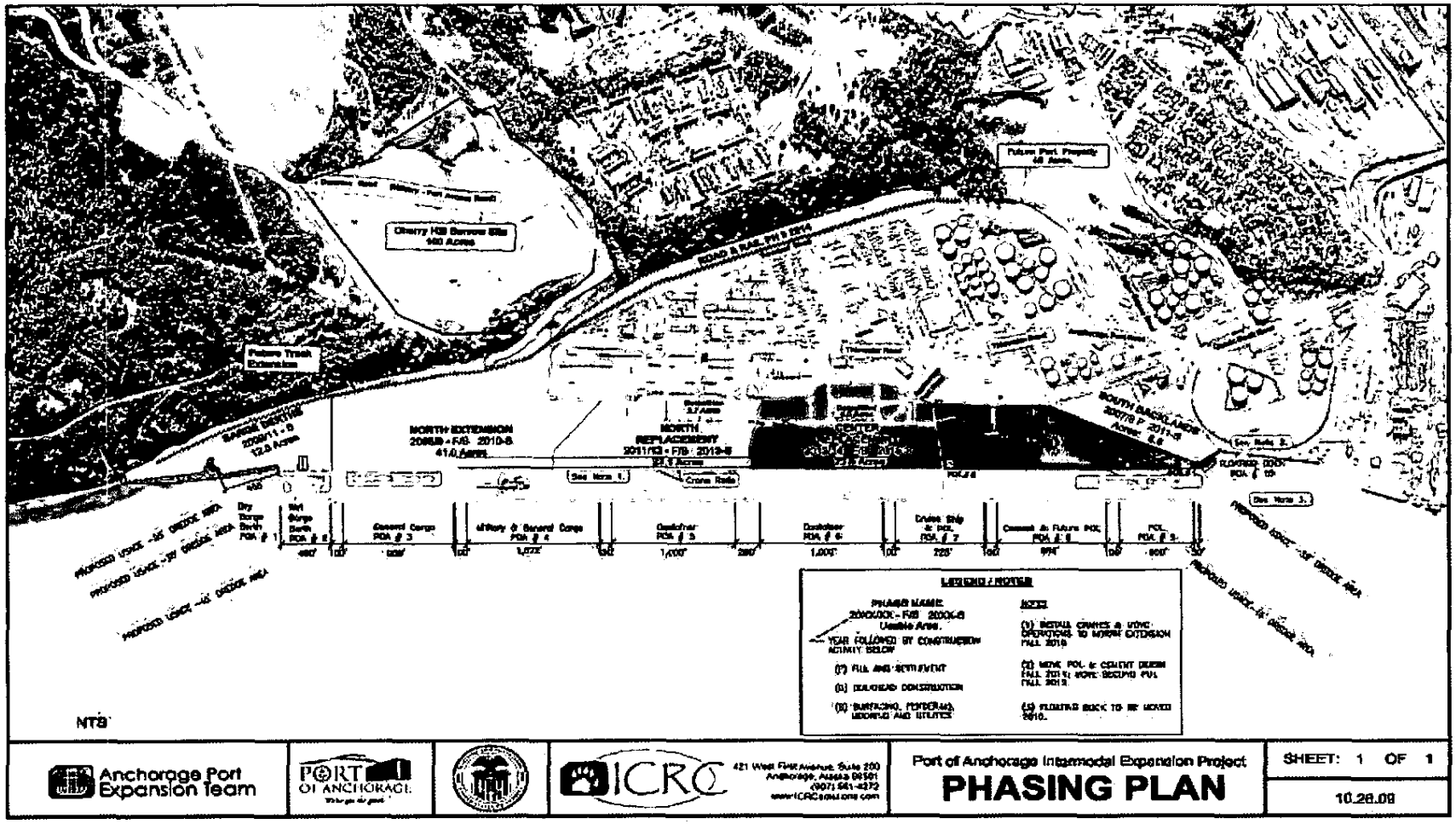
Product Storage

- Jet Fuel
  - Commercial
  - Military
  - Fuel supply reliability
- Gasoline
  - Three grades
  - Processing capacity
- Distillate
  - Ultra low sulfur
  - #2 Fuel oil
  - Western Alaska

Figure 6. Annual Sales of Petroleum Products in Alaska, 2006
(Millions of Gallons)



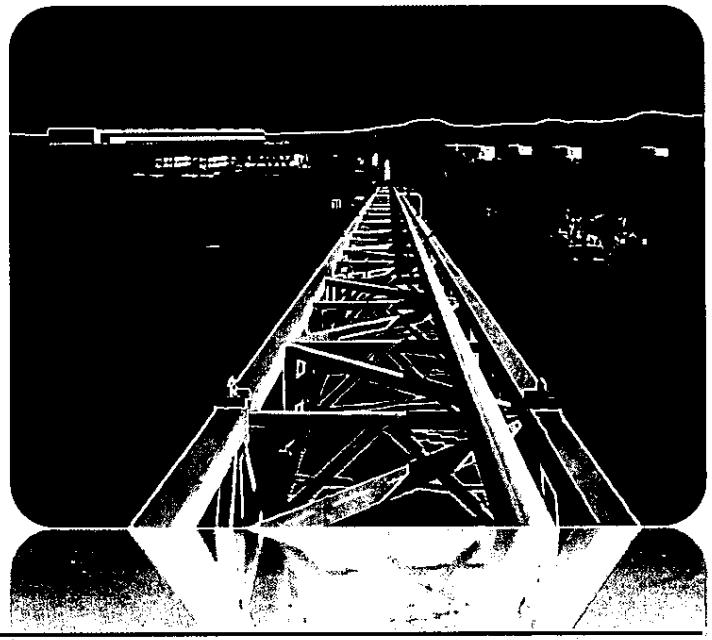
Source: EIA, 2007a. *Prime Supplier Sales Volumes*. Accessed at http://tonto.eia.doe.gov/dnav/pet/pet_cons_prim_dcu_SAK_a.htm on October 24 2007.



Anchorage Port Expansion Team	PORT OF ANCHORAGE		ICRC 421 West First Avenue, Suite 200 Anchorage, Alaska 99501 (907) 561-4372 www.ICRCalaska.com	Port of Anchorage Intermodal Expansion Project **PHASING PLAN**	SHEET: 1 OF 1 10.26.09

Moving Forward

The mission of the Alaska Industrial Development and Export Authority is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment



AIDEA

Development Finance Program

Has the ability to acquire:

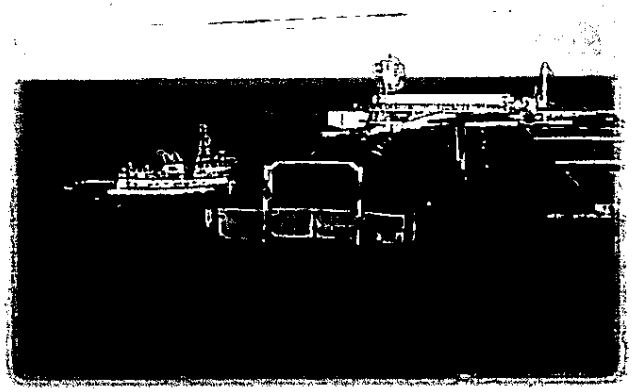
- An interest in a project as necessary or appropriate to provide financing for the project
- Manage and operate projects as the authority considers necessary or appropriate to serve a public purpose
- Equip, operate, maintain, construct, or install facilities that will enhance the competitiveness of the international airports (AS 44.88.080)

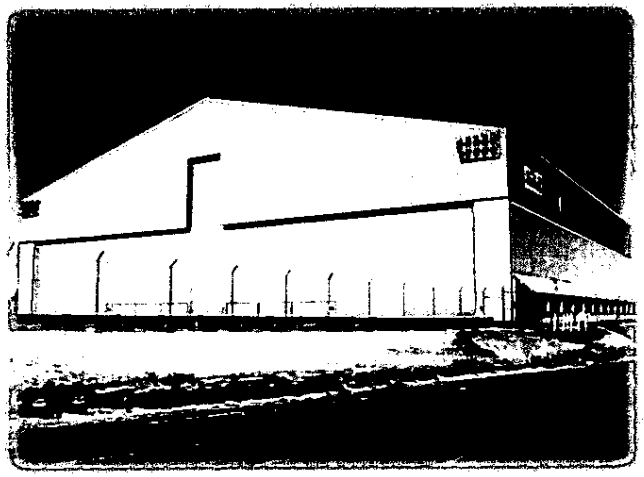
Development Finance Program

- Under AS 44.88, the project must be **endorsed** by the local government
- The project and its development must be **economically advantageous to the state** and to the general public welfare and will contribute to the economic growth of the state;
- The project applicant is **financially responsible**
- The project is economically and financially feasible and able to **produce revenue** adequate to repay the bonds or loans with which it is financed.

Development Projects

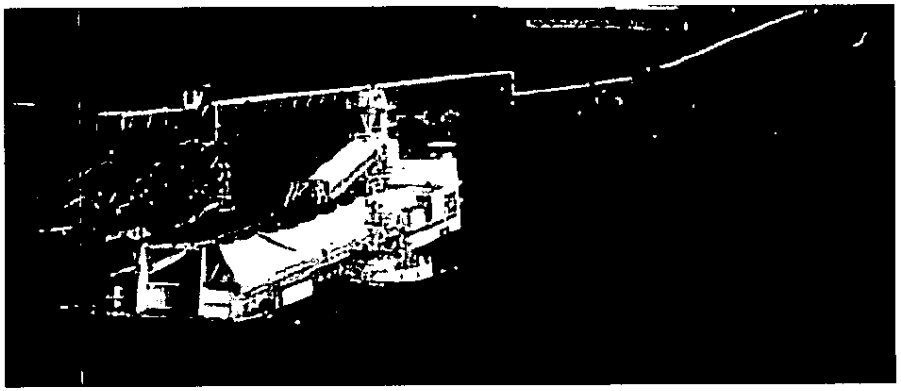
- DeLong Mt. Transportation System
- FedEx Maintenance Facility
- Snettisham Hydroelectric Project
- Ketchikan Shipyard
- Skagway Ore Terminal
- Healy Clean Coal Project





Port of Anchorage Fuel Terminal

- 500,000 to 1,000,000 barrels of fuel storage capacity
- Open access
- Product transferred by pipeline, barge, truck and railcar
- Enhance the statewide fuel system
- AIDEA contract with operator
- Open season for storage commitment
- Estimated cost $75 – 100 million



Our Mission is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment

With the vision to be an active partner with Alaskans and a dynamic resource in Statewide economic development

---

AIDEA

AIDEA

Alaska Industrial Development and
Export Authority
813 West Northern Lights Blvd.
Anchorage, Alaska 99503
907-771-3000
1-888-300-8534 (toll free in Alaska)

www.aidea.org

HCR

21

<target><bill>HCR 21</bill><subject>HCR 21</subject><comm>HFIN26</comm></target>

2/6

26-LS1446\T

CS FOR HOUSE CONCURRENT RESOLUTION NO. 21(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 4/10/10
Referred: Finance

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A RESOLUTION

Creating and relating to the Economic Development Planning Commission.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the state has a significant need for economic development; and

WHEREAS it would be beneficial to the state and its citizens to develop visions and strategies to encourage economic development; and

WHEREAS Wyoming, North Dakota, Indiana, and Oregon, among other states, have taken steps to integrate private sector leadership into economic development efforts administered by their state governments; and

WHEREAS multiple economic development strategic planning initiatives are underway in Alaska, including the Alaska Partnership for Economic Development's Alaska Forward Initiative and the Governor's Legacy Initiative;

BE IT RESOLVED that the Alaska State Legislature establishes in the legislative branch the Economic Development Planning Commission to develop and recommend to the Governor and to the legislature visions and strategies that will encourage economic development in the state; and be it

Alaska Legislature <- Add

FURTHER RESOLVED that the ~~(~~Alaska Legislative Council~~)~~ shall provide adequate

delete

Called in 4/13 10:15a

staffing for the commission; and be it

FURTHER RESOLVED that the commission shall consist of the following members:

(1) one member of the House of Representatives appointed by the Speaker of the House of Representatives;

(2) one public member appointed by the House Minority Leader who is working in the private sector and who possesses business expertise and demonstrated leadership skills;

(3) one member of the Senate appointed by the President of the Senate;

(4) one public member appointed by the Senate Minority Leader who is working in the private sector, and who possesses business expertise and demonstrated leadership skills;

(5) two public members with private sector business expertise and demonstrated leadership skills, appointed by the chair or jointly by the co-chairs of the House Finance Committee;

(6) two public members with private sector business expertise and demonstrated leadership skills, appointed by the chair or jointly by the co-chairs of the Senate Finance Committee;

(7) the commissioner of commerce, community, and economic development, ex officio, or the commissioner's designee;

(8) the commissioner of labor and workforce development, ex officio, or the commissioner's designee;

(9) the president of the Alaska Partnership for Economic Development, or the president's designee; and be it

FURTHER RESOLVED that appointed public members of the commission serve without compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180; and be it

FURTHER RESOLVED that a vacancy in the commission shall be promptly filled in accordance with the requirements applicable to the original commission member who left the office; and be it

FURTHER RESOLVED that the commission shall

(1) review recommendations produced by various economic development planning processes, including the Alaska Forward Initiative, the Governor's Legacy Initiative, and others, advise the legislature on its potential role in implementing the vision or the plans or both, and provide draft legislation to accomplish the recommendations;

(2) consider and make recommendations regarding methods, programs, and financing that may be used by the state to foster economic development;

(3) prepare proposed legislation to carry out recommendations of the commission that the commission determines may need to be implemented by law;

(4) present its recommendations and proposed legislation to the Alaska Legislative Council, the Legislative Budget and Audit Committee, the House Labor and Commerce Committee, and the Senate Labor and Commerce Committee not later than January 30, 2011; and be it

FURTHER RESOLVED that the commission may, after considering the recommendations in the Alaska Forward Initiative, the Legacy Initiative, and other economic development strategies, prepare legislation to restructure economic development activities of state government so that those functions are moved from existing state agencies to a

(1) newly created public corporation or a newly created department; or

(2) division within the Department of Commerce, Community, and Economic Development; and be it

FURTHER RESOLVED that the commission may, not later than December 15, 2011, present a supplemental report, which may include additional recommendations and proposed legislation; and be it

FURTHER RESOLVED that the commission is authorized to begin work immediately on the appointment of the members who are appointees or on April 30, 2010, whichever date is earlier, and is terminated on June 30, 2012.

IT will be zero - = new fiscal note

Revising

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS HCR 21(L&C)
() Publish Date:

Identifier (file name): CSHCR21(L&C)-LEG-COU-04-12-2010
Dept. Affected: Legislature
Title: Creating and relating to the Economic Development Planning Commission.
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs Committee
Requester: House Finance
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	108.0		108.0				
Travel	24.0		24.0				
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**132.0**	**0.0**	**132.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	132.0		132.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**132.0**	**0.0**	**132.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1		1				
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS HCR21(L&C) creates an eleven member Economic Development Planning Commission to develop and recommend to the Governor and to the Legislature visions and strategies that will encourage economic development in the State. The Commission is composed of two Legislators, seven public members, and the Commissioners of Commerce, Community, and Economic Development and Labor and Workforce Development or their designees. It is anticipated the Commission will meet by teleconference and will also hold 3 meetings per year which require travel. The Commission will review recommendations of various economic development planning processes, consider and make recommendations regarding ways to foster economic development, prepare legislation based on the recommendations of the Commission, and present the recommendations and proposed legislation to the Legislative Council, Budget and Audit Committee, and the House and Senate Labor and Commerce Committees by January 30, 2011, and may present a supplemental report by December 15, 2011. The Commission is authorized to begin work immediately on the appointment of members or April 30, 2010, whichever is earlier and will terminate June 30, 2012. Costs to print the Commission report and to teleconference meetings will be absorbed within existing budgets. Any FY10 Legislative costs for the Commission will be absorbed in the Legislative Council Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 4/12/10 9:24 AM
Approved by: Pamela Varni, Executive Director — Date 4/12/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

2298

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 10, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **HOUSE CONCURRENT RESOLUTION NO. 21**

Creating and relating to the Economic Development Planning Commission.

HCR 21-ECONOMIC DEVELOPMENT PLANNING COMMISSION

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HCR 21 (FIN)

For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFIN/LEG				✓

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Coogan	✓			
	Joule	—			
	Austerman	X			
	Thomas	✓			
	KELLY	✓			
	Foster	✓			
	FAIRCLOUGH	✓			
Chair:	Stoltze	✱			
Chair:	Hawker	✱			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HCR 21 (EDT)**
() Publish Date:

Identifier (file name): LEG-HCR21-04-13-10
Dept. Affected: Legislature
Title: Creating and relating to the Economic Development Planning Commission
RDU
Component
Sponsor: H-CRA
Requester: House Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Alaska State Legislature already has adequate funds to accomodate any expenditures for the Economic Development Planning Commission.

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/13/2010 12:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/13/2010

(Revised 9/10/2008 OMB)

2300

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

Sponsor Statement

HCR 21, Economic Development Planning Commission

House Concurrent Resolution 21 creates the Economic Development Planning Commission whose purpose would be to develop and recommend to the Governor and the Legislature visions and strategies that will encourage economic development in Alaska.

The Commission would consist of a ten-member board: one state Representative and one public member appointed by the co-chairs of House Finance, one Senator and one public member appointed by the co-chairs of Senate Finance, one public member appointed by the House Speaker and one by the Senate President, one public member appointed by the House Minority Leader and one by the Senate Minority Leader, the Commissioner of DCCED and the Commissioner of ADOL&WD.

There are numerous economic development strategy projects underway in Alaska, including the Governor's LEGACY initiative, the Alaska Forward strategic economic development planning initiative, and many regional and local level efforts. In addition, a review of state economic development best practices suggests that private sector input into economic development efforts in state government are critical for aligning state resources behind meaningful economic activities.

The Commission would integrate private sector advice and input into legislative oversight and action supporting economic development.

The Commission will monitor the planning processes currently underway, as well as state government's efforts, and make recommendations to the legislature on those economic development initiatives that may require statutory action by a future Legislature to come to fruition.

The Commission would be tasked with providing draft legislation and recommendations in advance of the 2011 legislative session. In addition, the commission may be tasked with legislation to reconfigure the state's economic development agencies and investments based on their assessment and that of other planning initiatives.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

HCR 21, Economic Development Planning Commission

For House Finance Committee

Heard in EDT&T: Changes from HCR 21 to CS HCR 21 (EDT)

- Gave one public appointment each to the Senate and House Minority Leaders, and removed one public appointment each from the Senate President and House Speaker
- Directed the Commission report to Legislative Council as well as Legislative Budget & Audit
- Changed the first reporting deadline from June 30, 2011 to January 30, 2011
- Inserted second reporting deadline of December 15, 2011
- Changed commencement of Commission work from March 15, 2010 to April 30, 2010
- Changed sunset from June 30, 2011 to June 30, 2012

Heard in L&C: Changes from CS HCR 21 (EDT) to CS HCR 21 (L&C)

- Added the President of the Alaska Partnership for Economic Development, or their designee, as a commission member (bringing total membership to 11)
- Added a requirement that the Commission report its findings to the House and Senate Labor and Commerce Committees (in addition to Legislative Budget & Audit and Legislative Council)
- Removed the requirement that appointees not be "an officer of the state or employed by officers of the state" in order to leave open the opportunity for appointments by qualified individuals in state employ
- Made changes so that Legislative members of the Commission are appointed by the presiding officers (rather than the Finance Co-Chairs); and added an additional public appointment to the Finance Co-Chairs from each body.

BRIEFING PAPER:
ECONOMIC DEVELOPMENT
IN STATE GOVERNMENT

A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system

---

Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks... these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

Current Resources within State Government and the University System

Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900 Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

Non-Governmental Economic Development Organizations in Alaska

ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

Additional Regional Economic Development Groups

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

University Economic Development Resources and Coordination with State Resources

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.

North Dakota www.business.nd.gov

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

Wyoming www.wyomingbusiness.org

- Wyoming Business Council is the economic development group in state government
  - It has a corporate structure, incorporates private business practices, regional offices
  - Has a Board of Directors and CEO, though it is within state government
    - Board members are successful business owners from Wyoming
    - Board members appointed by Governor; CEO hired by Board
    - Employees of agency are at-will
    - Board does "business plan" for department
  - Staff of 53 for WBC, plus 19 for Tourism
    - 7-8 administrative staff, all other work on economic development and management of community grant programs
  - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
  - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
  - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
    - Industries have to produce something sold outside the region to get WBC attention.
  - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

Kentucky www.thinkkentucky.com

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
  - Enabled in 1992 by HB 89.
    - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
    - Cabinet includes
      - Office of Secretary
      - Department for Business Development
        - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
      - Department of Financial Incentives
      - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

Indiana www.in.gov/iedc

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

Oregon www.oregon4biz.com

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

- Economic development staffing in these offices are about 15% of total DCCED personnel
  - Viewed alone they are 8%, 2%, and 6% respectively
  - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
  - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
    - This is a relatively new service
    - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
  - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
  - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
  - Do agencies and universities work closely to avoid duplicating tools and services?
  - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
  - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
  - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document attached to this transmission
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

EXECUTIVE SUMMARY

About this Report

Alaska's economy is challenged to provide quality jobs for the state's residents, cover the costs of government services, and build the economic infrastructure needed to be globally competitive. With support from the Denali Commission, the Alaska Partnership for Economic Development (APED) has initiated a multi-phase process to analyze the economy, create an economic development strategy and identify action initiatives to address the state's challenges.

This report is a first step in that process. It is a situational analysis that describes and analyzes the current economic development system in Alaska and the state's unique set of economic and business climate factors. Along with a suggested path forward, the report is designed to inform a next phase of collaborative formulation of practical strategic and tactical action initiatives to safeguard the future success of Alaska.

APED is a 501(c)(3) umbrella organization consisting of the 12 designated Alaska Regional Development Organizations (ARDORs). APED selected a team to undertake this report consisting of IHS Global Insight (lead consultant), the Economic Competitiveness Group, and Alaska's McDowell Group. The project's steering committee comprised representatives of the ARDORs, as well as representatives of other industry and public sector organizations, such as the State Chamber of Commerce, the University of Alaska, Western Alaska Community Development Association, Office of the Governor and the Economic Development Administration.

The research for the report was conducted from September to December 2009. The team collected and analyzed existing information and insight, conducted surveys and interviews, presented and discussed preliminary results at conferences, and engaged in a wide variety of discussions with steering committee members and other public sector and business stakeholders.

Key Findings

The economic development system in Alaska is largely ineffective both from the perspective of Alaskans as well as in comparison to best practices in other jurisdictions. A web survey of 300 business and community leaders showed that 52% of them felt that economic development efforts in Alaska have been ineffective and 61% of them felt that, at best, the outlook for Alaska's economy over the next 10 years is uncertain.

Alaskans should worry not because of any immediate economic crisis, but because of the accumulating levels of future risk and declining economic resiliency associated with:

- Poor relative economic performance compared to the rest of the country.
- A high level of dependence on the price of oil, federal government spending, and natural resource industries facing supply or regulatory/legal constraints.
- Weak linkages to rapidly expanding global market opportunities.
- Ignoring opportunities for diversification and increased resiliency by optimizing the needs and linkages within and among the state's existing portfolio of export-oriented industry "clusters."
- Weak culture of entrepreneurship.
- Sub-par support from the state's economic foundations compared to other peer states in the area of transportation and other infrastructure, quality of workforce/education, and technology.

This risk represents the basis of our call to action for a different approach to economic development. Oil prices may stay at or above current levels, significant new sources of oil and gas may be tapped, and federal government spending may keep rising. However, the probability that these events will not happen is uncomfortably high.

The path forward involves moving away from competition among industries, regions, and communities. It involves moving towards a more collaborative, state-wide approach to economic development that is focused on developing a stronger portfolio of export-oriented industry clusters. The effort should be lead by the private sector and supported by the public sector and to take a state-wide approach knowing that a stronger portfolio of industry clusters will benefit all the regions of the state.

Existing Economic Development Objectives and Strategies

The economic development system in Alaska is decentralized and fragmented with little overarching structure tying the pieces together to foster a sustainable and resilient economy for the future. Only 2.5% of the respondents to our survey felt that economic development efforts have been very effective and only 6% felt that the economic outlook over the next 10 years was very good. Interviews with economic development professionals and business leaders produced a more detailed diagnosis of the situation, but overall painted a consistent picture of generally ineffective economic development efforts and concern about the longer term outlook for the state's economy.

Past development efforts have come up short largely because of poor implementation planning and resourcing, inadequate consideration of market fundamentals, and shifting political priorities. Furthermore, it is clear that very few economic development best practices from other regions are being deployed or even tested in the state. There is no shortage of imaginative economic development ideas across the state. However, without a framework for action, these ideas are just biding their time in reports on shelves or flowing in the daily stream of ad hoc policy discussion.

While the interviews and web survey uncovered a broad range of views and insights, the following common themes were identified:

Alaska's Economic Development Organizations (EDOs) operate in an extreme environment. Alaska is a relatively new state that is remote from other business or industrial regions and has under-developed infrastructure, high energy and labor costs, and severe geographic and climate conditions.

Large-scale development of publicly owned resources has been a dominant theme in the Alaska economy. This includes seafood harvesting, mining, timber harvesting, oil exploration and, most recently, large-scale tourism. Alaska's economic development efforts have evolved, in part, around how to minimize regulatory restrictions and how to siphon off local benefits from these large, externally driven industries.

Government funding of local services, particularly rural healthcare and local and tribal government is another dominant theme. Federal funding has the greatest impact, but state employment is also very significant.

Alaska has established a workforce training infrastructure, but some question whether the types of training available are strategically targeted to support development. Although many say that consolidation of the Alaska community colleges within the University of Alaska in the 1980s was a setback to vocational education, workforce training efforts are now wide-spread. Training typically has focused on replacing imported labor with resident labor in existing industries. Critics say that training gaps include higher level technical and professional education. Other criticisms are that entry-level workers lack basic reading and math skills and what are often referred to as "soft skills" or "work ethic" by employers.[1]

[1] These criticisms are typical of feedback obtained during workforce assessments and training program evaluations performed by McDowell Group.

2312

There is a lack of state-wide planning, leadership and coordination. Although Alaska has a large number and variety of economic development entities, their focus is local or regional, rather than statewide, and this limits their effectiveness.

Alaska has a wide diversity of economic interests that must be aligned for major development efforts to succeed. For example, the large oil and gas producers and the largest seafood and shipping companies are multi-national corporations for which Alaska is only one of a portfolio of operating venues.

Within the environment described above, Alaska EDOs typically:

- Have small staffs and uncertain funding.
- Have limited established networks with other EDOs, federal and state economic development programs, businesses, or the University of Alaska. However, there has been some recent progress in this area.
- Can find themselves overwhelmed by the sheer size and number of challenges they face. For example, EDOs are largely unequipped to have an impact on natural resource development.
- Have often focused on infrastructure projects because basic issues like transportation and energy cost seem to preclude more typical business development efforts.
- Feel the State should provide more strategic direction and resources for economic development.
- Have a hard time attracting enough resources (of all kinds) to have a statewide impact.
- Have been frustrated by the financial, regulatory and practical barriers to developing projects, especially larger ones.
- Have been frustrated by what many consider an over-reliance by Alaskans in general on government, rather than business, to take the lead in economic development.
- Have had success in helping to foster workforce development programs.
- Have had some success working with the oil, mining and seafood industries (primarily) to maximize employment and other benefits to Alaskans.
- Have had limited success at fostering in-state value-added industries, either for purposes of export or for import-substitution.

In summary, the effectiveness of Alaska's EDO's is subject to six key overarching economic development issues:

1. **Need for leadership and coordination.** Lack of high-level leadership and coordination was among the most-cited challenges facing Alaska's development efforts. This leaves local, regional and statewide efforts fragmented and potentially contradictory.
2. **Need for explicit goals and strategies.** Economic development is an incremental process that requires long-term consistency and commitment.
3. **Need to integrate short-term and long-term initiatives.** Economic development is a long-term undertaking, but funding and local priorities tend to be driven by short-term needs.
4. **Challenges of geographic isolation.** EDOs have no choice but to try to address the fact that geography and climate define much of Alaska's development potential. Transportation was identified as one of the state's most significant barriers in both EDO and industry interviews.

5. **Challenges supporting and adding value to existing industries.** Import substitution, value-added processing, and support services have been widely recognized as key to Alaskans reaping more of the benefits of in-state development.
6. **Developing an institutional framework to elevate the impact of knowledge within all industries.** Alaska's next-generation economy must be one that produces and utilizes knowledge workers to facilitate growth in traditional industries and emerging industries.

Comparison with Best Economic Development Practices in Other Regions

Much can be gained by an inward analysis of Alaska's economic development system. However, a look at how other regions have tackled similar issues is also informative. From these insights and "best practices," a number of lessons for Alaska are drawn. Each should be instructive as leaders grapple with the question of how to organize for, and improve the state's economy.

In highlighting best practices, we have focused on leadership approaches, systemic changes and/or institutional efforts that were implemented in order to transform the subject region's economy. Of course, there is no single domestic or international best practice that aligns perfectly with Alaska's particular situation. But there are no doubt elements within these models that are appropriate to Alaska's particular context and the state's long-term goals.

Six regions were examined in this overview of best practices:

- Puget Sound Region—Economic development leadership and coordination
- Oregon—Explicit economic development goals and strategies
- Alberta, Canada—Integration of short- and long-term initiatives
- Chile—Addressing the challenge of geographic isolation
- Austin, Texas—Adding value to existing industries
- North Carolina—Institutional framework to elevate the impact of knowledge in its industries

Some leaders may feel that Alaska's unique history and atypical development challenges are such powerful constraints on economic development that the system and approaches that have evolved over the years are the best way forward. But the examples show that other regions having different fundamental characteristics than Alaska's have nevertheless been successful in overcoming barriers to economic development. In many instances these barriers are not so different than those faced by the state. All of the cases presented have just a few themes in common, and each theme is relevant to Alaska.

Leaders can take steps to affect the trajectory of an economy—the destiny of a state's economy is not preordained. Interventions in the status quo in the form of new public policies, bold private sector initiative, new public-private partnerships and strategic resource allocation can all affect the trajectory of an economy. The province of Alberta in Canada is a good example. The vision of a single leader in the 1970's drove new thinking in the 1980s about how to achieve a far more diverse economy. Subsequent policy initiatives launched new economic development organizations with new missions. New initiatives in education and training and in science and technology began to shift the structure of the economy in the 1990s. Analysts looking at the province's economic transformation typically note that its success relative to neighboring provinces can be attributed to successful diversification into new economic sectors that now complement resource extraction and industrial manufacturing.

Strategic planning can have a payoff—Economic analysis cannot end with a simple statement of the problems. The Situational Analysis contained in this report is meant to be a foundational document

2314

upon which a strategic plan will be based. The situation analysis is necessary but insufficient to spark the new thinking and new behaviors that will be needed to move Alaska's economy in new directions. In every best practice case analyzed, leaders took steps to design, launch and implement a comprehensive strategic plan to guide their region's development.

Leaders in states whose economies are threatened cannot afford to be idle and wait for economic conditions to improve—Waiting for new economic conditions is not a strategy. Oil prices might go up, and that would be good. But they might, as they have in years past, go down. By their nature commodity prices will vary according to demand conditions far removed from Alaska's control. Alaska's leaders need to inform residents of the "razors edge" on which the economy rests and organize for new collective action.

Assessment of Entrepreneurship and Business Climate

Alaska doesn't appear to have a particularly good climate for business risk-taking. We are told by interviewees that Alaskans do not have a willingness for "change," "innovation" or "rejuvenation." Many informed leaders told us that Alaskans seems to have an "entitlement mentality."

Ultimately, the goal is to provide a good environment for innovation—for new companies to start-up and grow and for new thinking and new behavior within and among the state's EDOs and other development organizations. This will require a significant shift in both how leaders think about the economy and in economic policies going forward. On the other hand, if incentives in the economic system can be fundamentally altered, the entrepreneurial spirit is never lurking far below the surface, and can rise to strike at good economic opportunities and to meet new economic challenges.

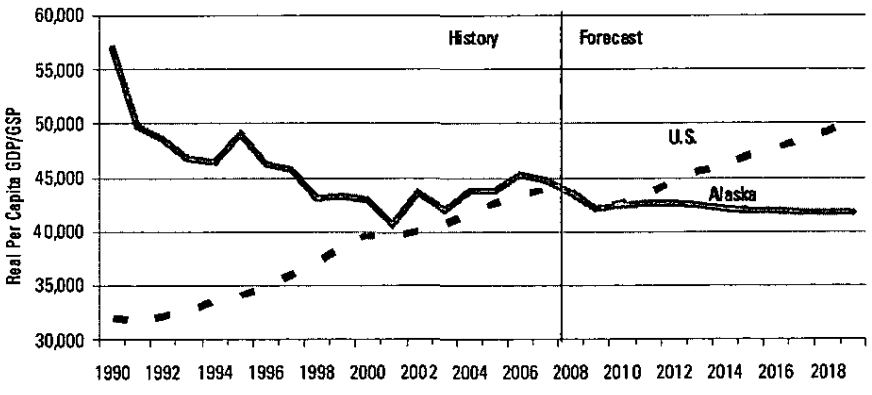
The Economy

Alaska weathered the Great Recession of 2009 well compared to other parts of the U.S. economy and Alaska will be participating in the global recovery. However, from a longer term perspective there are risks and concerns that ultimately provide a rationale for a new approach to economic development to deal with potential risks and a loss of economic resiliency.

The top line view of Alaska's economy is one of stagnation and lagging economic performance in large part due to declining oil production.

Gross state product (GSP) measures the output or total value added of all industries in Alaska. By this measure, Alaska's economy has been stagnating for the past 20 years. Over the 1990 to 2020 period we expect the U.S. economy to have doubled in constant dollar terms. Over the same period, Alaska will have barely returned to its level of total economic activity in 1990.

Figure 1. Twenty Years of Comparative Stagnation

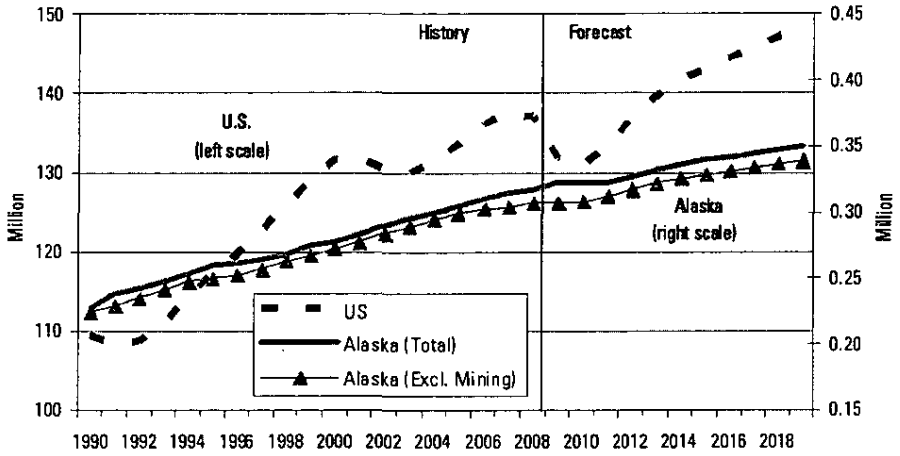


Sources: BEA and IHS Global Insight

Overall employment in the state economy may reflect more directly how people feel about the economy's performance. The oil industry is very capital intensive, so both increases and decreases

in output have a more muted impact on employment than in labor intensive industries. Second, sectors with large numbers of workers like travel and tourism have been growing and generating jobs. Third, while prices of the state's commodities are lower than the highs of 2008, they are still at historically high levels. These high price levels are supporting income and employment across the state. In this way Alaska is doing better than the GSP data alone suggests.

Figure 2. Steady, but Lagging, Employment Growth

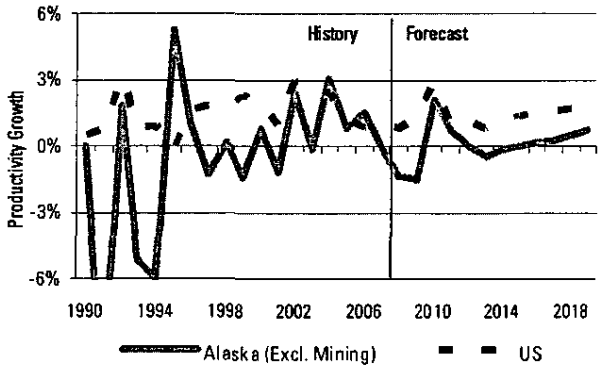


Sources: Bureau of Labor Statistics (BLS) and IHS Global Insight

It's important to notice that per capita income and non-mining labor productivity is lagging. High commodity prices are hiding structural problems and of course commodity prices can quickly become a curse when they start to fall. IHS CERA has published a number of alternative scenarios for world energy markets and not all of these scenarios envision higher prices for crude into the future. The Global Fissures Scenario has West Texas Intermediate (WTI) averaging only about $40 per barrel. In addition there is significant risk that future cutbacks in federal government spending will have a large impact on Alaska.

Figure 3. Future Risk: Lagging Labor Productivity and Oil Price Risk

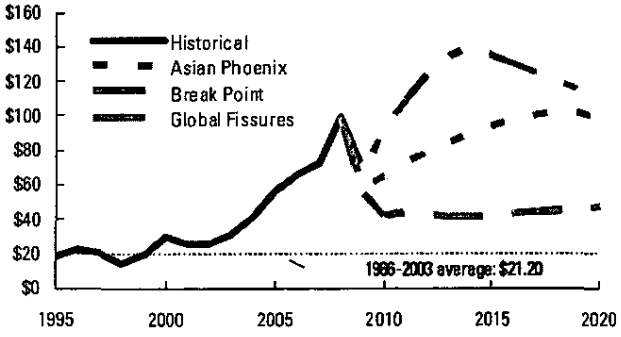
Labor Productivity, Excluding Mining and Oil and Gas



Sources: BEA, BLS and IHS Global Insight

WTI Price Scenarios to 2020

(Nominal US$ per barrel)



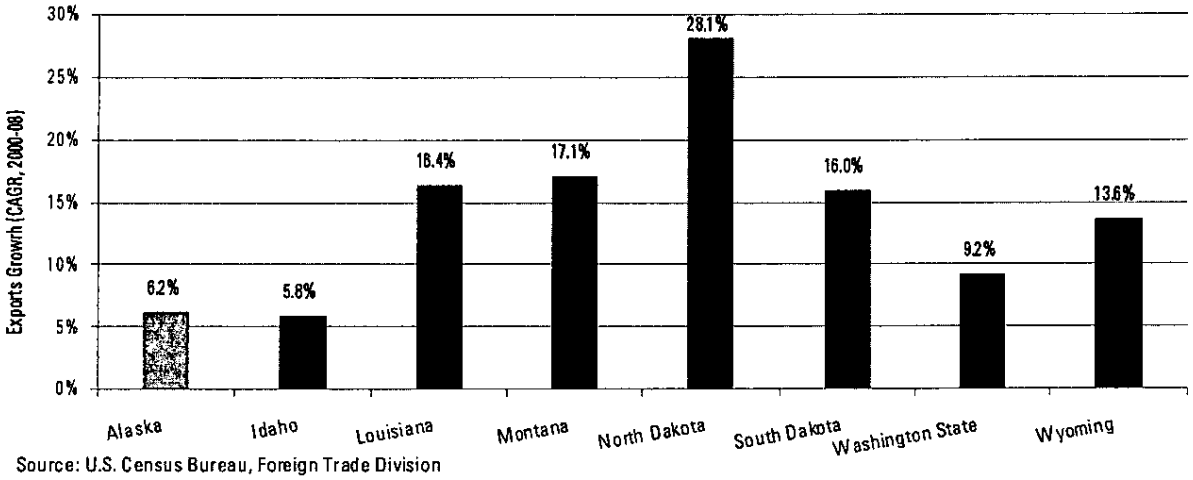
Source: IHS CERA, Global Insight

2316

Global Opportunities

There are many attractive market opportunities around the world for a resource-rich state like Alaska. However, the state is in danger of letting those opportunities go to competing regions around the world. Alaska's trade with the rest of the world expanded at a compounded annual rate of 6.2% over the period from 2000 to 2008. Most of the peer states[2] we selected for this study had considerably stronger export performances.

Figure 4. Export Perfomance of Peer States



Source: U.S. Census Bureau, Foreign Trade Division

Table 1. Top-Five Exports, 2008—Alaska and Peer States

Alaska	Idaho	Louisiana	Montana
Fishing and Seafood Processing (50.6%)	Computer and Electronic Products (58.6%)	Crop Production (37.7%)	Chemical Manufactures (25.3%)
Mining (20.2%)	Processed Foods (9.3%)	Petroleum and Coal Products (23.9%)	Mining (15.8%)
Oil and Gas Extraction (8.6%)	Chemical Manufactures (5.2%)	Chemical Manufactures (16.9%)	Machinery Manufactures (13.3%)
Transportation Equipment (6%)	Paper Products (4.6%)	Processed Foods (8.9%)	Transportation Equipment (10.9%)
Primary Metal Manufactures (4.2%)	Transportation Equipments (4.4%)	Machinery Manufactures (3.0%)	Primary Metal Manufactures (8.2%)
North Dakota	**South Dakota**	**Washington State**	**Wyoming**
Machinery Manufactures (42.7%)	Computer and Electronic Products (30.7%)	Transportation Equipment (41.1%)	Chemical Manufactures (73.1%)
Crop Production (22.1%)	Processed Foods (21.0%)	Crop Production (20.9%)	Oil & Gas Extraction (7.4%)
Transportation Equipment (8.4%)	Machinery Manufactures (15.7%)	Computer and Electronic Products (5.9%)	Machinery Manufactures (6.6%)
Processed Foods (7.9%)	Beverage & Tobacco Products (7.2%)	Processed Foods (4.9%)	Mining (5.4%)
Oil and Gas Extraction (7.5%)	Transportation Equipment (5.7%)	Petroleum and Coal Products (4.9%)	Fabricated Metal Products (1.2%)

Note: number in parenthesis is the share in total exports
Source: U.S. Census Bureau, Foreign Trade Division

[2] The peer states chosen for this study include Idaho, Louisiana, Montana, North and South Dakota, Washington and Wyoming. The criterion used for selecting the peer states is explained in Economic Foundations.

2317

There are many countries around the Pacific Rim that offer export opportunities for Alaska. However, taking advantage of these opportunities will require more of a state-wide approach to focusing on Alaska's position in the global market.

The growth prospects for Alaska's exports depend on the economic outlook for its major trading partners. These are the important end markets for Alaska's exporters. The outlook for certain industry sectors is also important.

Real GDP contracted in most of Alaska's export markets in 2009 however China and South Korea managed to avert a recession. As the world economy recovers from recession demand for Alaska's key exports will revive. The recovery patterns differ significantly across the countries. China will be leading the recovery with real GDP growth forecast of 9.8% for 2010. For Germany and Japan real GDP growth is expected to stay below 2% until 2012.

Table 2. Real Global GDP Growth
(% change)

Alaska's Trading Partners	2009	2010	2011	2012	2012	Real GDP, CAGR 2009-19
Canada	-2.6	2.2	3.4	3.6	3.2	2.7
China	8.5	9.8	8.5	8.6	8.6	8.4
Germany	-4.8	1.5	1.6	1.8	1.9	1.6
Japan	-5.3	1.4	1.3	1.9	2.3	1.5
South Korea	0.1	4.1	3.2	4.3	3.9	3.7
Belgium	-3.2	1.2	1.5	1.5	1.9	1.8
France	-2.3	1.1	1.3	1.7	2.2	1.9
Netherlands	-4.1	1.1	1.2	1.7	1.9	1.7
Portugal	-2.7	0.9	1.1	1.4	2.2	1.7
Switzerland	-1.2	1.5	1.7	1.6	1.8	1.5
Taiwan	3.8	4.4	5.7	5.3	4.7	4.3

Source: IHS Global Insight

Alaska's Clusters

The consulting team has identified 11 industry clusters that can serve as a powerful focus for a new approach to economic development. By developing strategic and tactical action initiatives on expanding and deepening the capabilities, foundations, and linkages within and among its "portfolio" of clusters, Alaska can start down the road of diversification and increased value added.

The clusters that have been identified are

- Fishing and Seafood Processing
- Oil and Gas Extraction / Pipeline / Refinery
- Military
- Mining
- Federal Government

2318

- Tourism
- Logistics and International Trade
- Community and Social Services
- Advanced Business Services
- Specialized Machinery/Capital Goods
- Forestry and Wood Products

The clusters are grouped into four segments based on employment concentration in Alaska compared to the U.S. national average and the estimated dynamism, or growth potential over the next 10 years. This segmentation is an important consideration when formulating strategic economic development policy.

In addition, we found evidence of some unique, technology-based capabilities in the state that can serve as potential future seed clusters or assets to potentially aid the 11 identified clusters. These are: Cold climate technology, Rocket launch technology, Cold climate housing, Specialized super computing capabilities, Distance delivery -- education, medical, and management services, Alternative energy and Clean-energy (bio fuels, clean coal/coal gasification, etc), Specialty solvents, Light aircraft operations and maintenance/navigation, Marine and arctic biological sciences/potential for aquaculture, Remote communications technologies/systems, Aerospace technology/operations, and Naturally grown/grazed food products.

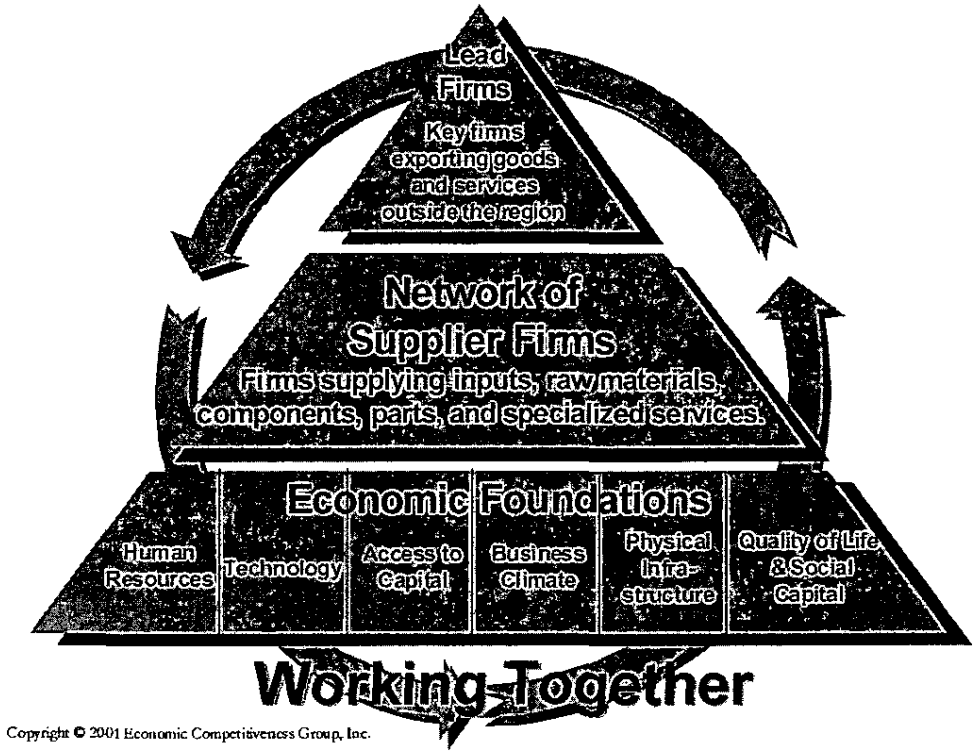
Economic Foundations

Six key economic foundation areas underpin the development of these clusters. A strong foundation is a vital element for cluster development. Alaska's economic foundations are evaluated against a set of peer states including North and South Dakota, Louisiana, Idaho, Montana, Washington and Wyoming. The selection of these states was based on a number of factors that include: (1) population and urban orientation; (2) cluster structure; (3) economic performance; (4) strategy-oriented economic development; and (5) multi-modal transportation issues.

Underpinning every successful cluster are the economic foundations of a region as described here and shown as the base of the pyramid in the cluster diagram below.

- ***Human Resources:*** an educated and productive workforce.
- ***Technology:*** the quality of research and development and other sources of innovation.
- ***Access to Capital:*** the ability of firms in the region to obtain financing.
- ***Business Climate:*** a competitive business climate; adequate funding for necessary services.
- ***Physical Infrastructure:*** well-developed, cost-effective and efficient roads, highways, transit, ports, and airports that meet the transit and transportation needs of both workers and business.
- ***Quality of Life and Social Capital:*** The quality of life a region offers its residents is comprised of many things—many of them intangible. It also consists of what is known as "social capital"—the inter-personal and organizational networks that enhance a region's ability to facilitate transactions and investment due to trust and access to information.

Figure 5. Economic Foundations of a Cluster-Based Economic Development Framework



Relative to the peer regions, Alaska offers a low tax business environment and a high level of quality of life for those that have settled in the state. In addition, the state's workforce is relatively well-educated.

Relative weaknesses of the state are its high secondary school dropout rate and the associated need of its resident workforce for educational remediation for employment. Cluster development would benefit from a tighter linkage between education and industry so that specific occupational skills are targeted. There is also evidence of a relative lack of technological commercialization within the state. Indicators such as per-capita or per-employee R&D spending show an average level of innovative activity. Data on the number of patents registered shows challenges related to the commercialization of new technology within the state. Finally, a poor system of roads and highways is a unique challenge that Alaska faces.

Conclusion: A Path Forward

Alaska's EDOs and approaches to economic development have evolved according to the state's unique characteristics and needs. This report analyzed the current situation from several perspectives. In the first section, we looked at the array of EDOs in the state and provided an outline of their various strategies and objectives. We then looked at the strengths and weaknesses of today's organizational structure and provided comments on the main features of Alaska's approach to economic development. Our findings in these two sections came from a review of past reports as well as from input from informed leaders in interviews and surveys.

From these analyses, we developed six overarching economic development themes for continuing study. Each theme highlights a critical issue for Alaska, ranging from the need for more leadership and coordination of Alaska's economic development infrastructure, to the need for new thinking about how to add more value to Alaska's important natural resource sectors. Finally, we looked at how other

2320

states and regions have addressed similar challenges. There are lessons here for Alaska's leaders that focus on how the state should organize its efforts and work toward a more competitive economy.

The next step in the analytical process was to understand the state and global economic challenges and opportunities and match these with our understanding of the state's clusters and economic foundations. For example, we noted in the Economic Profile section of the report that the slowdown in revenues from the natural resources sectors, notably in oil and gas, has caused real GSP to stagnate since 1998-9 when compared to the national economy. Over the last few years GSP has slipped even further behind the national average and the forecast is for this gap to widen. As a result per capita income has also slipped alarmingly. The forecast is for Alaska to fall well below the national average.

Looking Forward

Our comprehensive approach has lead us to conclude that Alaska's economic future is, at best, cloudy we have identified a few significant risks. Going forward commodity prices might work to the state's advantages and push per-capita income higher. Betting on this outcome however would be unwise. The conclusions of our economic research has been largely confirmed by our recent interviews and surveys. Informed leaders in Alaska know that the state is potentially facing serious economic challenges.

It seems that economic development efforts at the state, regional and local levels need to be stepped up however the basic organizational infrastructure and today's typical economic development objectives and strategies are less than optimal. The state's institutional capacity to address fundamental economic problems, while well intentioned and at times successful with tactical interventions, may not have evolved a shared economic vision among key stakeholders. Stronger and higher-level leadership and coordination is needed in order to make the most of efforts expended.

The area where we see opportunity is largely at the statewide level. We believe that a different overarching approach to economic development is needed, perhaps one driven by a public-private leadership group, with the public sector providing the initial funding and the private sector providing its knowledge of how markets work, where the opportunities for diversification lie and what makes an economy competitive. The approach might be based on contemporary economic development models used in other states (such as Oregon's cluster-based economic development networks or the Puget Sound region's well coordinated Prosperity Partnership and industry working groups to define needed policy initiatives).

With a different policy framework, such as a statewide cluster development and leadership and coordination towards this end, regional and local practitioners would have both an overarching policy framework and the flexibility to implement the policy as local needs dictate. A cluster policy strategy would not only outline the main implementation features and suggest tools for regional and local EDOs, but provide a way of coordinating most of the practices of regional and local economic development agencies. It is important to point out that whatever economic development model Alaska's moves toward in the future it needs to be an "Alaska Model." The state is too atypical in too many ways for a textbook approach to have the desired outcomes.

Moving Forward: Toward What Kind of Economy?

If asked, most people in Alaska would say that the state, fundamentally, has a natural resource economy, and that it always will. Our analysis suggests that Alaskans begin looking at the state's economy in a broader way, as a "*natural resources, PLUS*" economy. Oil, gas, mining, and fishing, along with tourism, will be the most important engines of economic growth for as long as one can see into the future. Economic development policy and practice must continue to focus on making the most of these sectors. But the notion of "*natural resources, PLUS*" means that in the future, Alaska will look to its natural resources as the state's primary economic engines while simultaneously developing emerging sectors (e.g., logistics and trade, advanced business services, specialized machinery) where the state has

comparative advantages. Some attention must also be paid to the pre-clusters, where much more research is needed to better define if these or other "faint signs on the radar" can, with the right policy support, be elevated from "radar blips" to something more. To a great degree, economic development efforts should be shifted from the very difficult task of trying to get more job and revenue impact from the state's natural resources sectors to trying to make the most of the PLUS side of the envisioned new economy.

The country's security equation is changing and these changes are likely to affect both the missions of Alaska's military installations as they shift to respond to changing threats as well as the role and reach of the Department of Homeland Security Coast Guard. Keeping abreast of how agency missions are changing, and are likely to change in the future as well as how federal resources will be spent on military and national security priorities should be a high priority of the state's economic development leaders. Federal funding for national security is not likely to decrease in the near- to mid-term.

Developing the PLUS side of the new economy should be a high priority of APED's Phase 2, Strategy Development. But there is little doubt that new strategies will be needed to address the state's climate for business entrepreneurship. For example, young people in Alaska should learn about small business, the pros and the cons, throughout their formal education. They should have a working knowledge of markets and how investment flows to economic opportunity.

New policies are most likely needed at University of Alaska (UA) to try to move basic research closer to commercialization and to support more applied research. The key roles that the university can play in long-term development strategies include: educating and nurturing the next generation of workers and leaders; conducting applied research that is critical to industrial innovation; engaging in transferring new technology and processes to businesses; conducting policy analysis to inform decision-makers; supporting small business development with skills and information and creating forums for networking and information exchange. To perform these roles well, universities must examine and mitigate policies, procedures and organizational structures that could interfere with their economic development functions. Furthermore they should initiate and align internal incentives so that faculty and staff work toward common development goals. This process must be led from the top and must be ongoing.

Putting in place other features in the state's economic environment should likewise be a priority. For example, Alaska doesn't need to lose its applied research investments, or its graduates to other states. Keeping both in-state might require implementing not only technology commercialization strategies but also complementary "technology capture" strategies that work to keep innovation in-state, within existing firms and in the hands of local entrepreneurs. Fledgling entrepreneurs will need help from the state's EDOs to secure financial resources and other pre-requisites for market success, suggesting in this light at least a review of small business programs and state financing programs designed to help launch small businesses. The range of potential new economic development strategies is wide and deep.

Three Stategic Thrusts

We envision three main strategic thrusts (similar to the three-legged stool[3] suggested by the Institute of Social and Economic Research at the University of Alaska (UAA ISER). The first strategic thrust would be to make the most of the natural resources that have made the state what it is today. Existing priorities will need to be reviewed in the context of economic forecasts and specific tactics will need to be developed to support the strategy of making the most of the state's resource advantages. An essential element of such a strategy would be continued refinement of approaches to natural resource preservation—in which Alaska is already a leader in many respects—so that future generations also derive benefits from those resources.

[3] This is referenced at http://www.alaskaseconomy.org/.

2322

The second strategic thrust would be to work with the federal government in strategic ways to maintain, if not grow, its presence in the state and generate all the public and private sector jobs associated with the government's priorities in Alaska that are possible. While this thrust has been a strategic priority for some time, opportunities noted earlier may exist for new or expanded military and homeland security initiatives as global security threats evolve. Even changes in polar region access can change the military and security calculus, potentially leading to new federal investment in preparedness. Again, specific program tactics will need to be developed to achieve this objective. Keeping track of these opportunities should be a heightened priority of Alaska's Congressional delegation. Put in the context of this initiative, *Alaska Forward: Towards a Next Generation Economy*, elected leaders and their staff should be encouraged to redouble efforts to get inside the decision-making processes of key federal agencies and influence decisions with an aim at securing new jobs and new investment, consistent with broad government needs.

The third strategic thrust would be to create a stronger entrepreneurial climate that is pro-small business. The suggestion is to nurture those that take the risks to create small companies and who most likely live in Alaska because they love it. These business people and entrepreneurs, while present today, are not particularly well-supported with the necessary ingredients for growth-oriented, commercial success. This area is wide open for new, contemporary initiatives designed to achieve the goal of new firms in small population centers. Books have been written on the topic, one published just a few months age titled "Generating Local Wealth, Opportunity and Sustainability through Rural Clusters," by Stewart Rosenfeld of Regional Technology Strategies, Inc. The author is a thought leader on the topic because his work is empirical, years of study of what kinds of firms cluster in less populated regions, and why. Rosenfeld's conclusions regarding cluster development success factors in places with small populations point to the importance of certain community characteristics including social capital trust and connections to urban centers, all of which can be enhanced through policy interventions and new community and economic development practices.

Next Steps

Can Alaska make the necessary changes in policy and practice to build a more diversified and sustainable economy? This report has made the point that when faced with similar challenges, other regions have made difficult decisions and moved in new directions with new thinking, new economic development policies, and new practices.

This report concludes that Alaska's leaders need to begin to address the risk of declining economic resiliency by transitioning from today's approaches to economic development to new approaches, based in part on the best practices of other regions. Bridging from this Situational Assessment to the upcoming Phase 2 Strategy Development work should begin immediately. We recommend the process start as other regions have started their strategic planning efforts. Puget Sound's Prosperity Partnership, for example, moved quickly from its analysis of economic conditions and opportunities to form a new strategic planning-oriented "Alaska Forward Leadership Council."

This group should be comprised of leaders drawn from companies, institutions and organizations across the state. By virtue of their position and visibility, these leaders would command a degree of authority. Involving high level government leaders who have a strong incentive to address the state's economic challenges would bring resources to the effort. Having top level private sector leaders involved would help assure that market-based principles would guide new initiatives and help avoid undesirable focus on grand, "pie in the sky" efforts. Private sector leadership would also bring executive and managerial talent to the task, helping to keep the strategic planning process lean, focused and "business-like."

From this starting point, the leadership group would prepare to launch Phase 2. If the strategy development process has a significant component which is cluster-based, as we suggest, the next step would

be to select specific clusters for priority attention. All the clusters would eventually be given full attention, but the Leadership Council should not try to take on too much at once. Top-level leaders in each cluster would be identified and briefed on their role to help coordinate and lead from their cluster's perspective an 8-10 month-long cluster development strategy effort. The notion is that each cluster would generate a set of cluster-specific priorities aimed at addressing impediments to growth and development. Facilitated discussions would lead to a shared economic vision for each cluster as well as development of a number of policy initiatives, each designed to address an impediment to the cluster's growth. Each initiative would have its own business plan and an "implementation champion" (i.e., ownership) to help take the initiative forward. In addition, a limited number of cross-cutting initiatives and policy recommendations would also emerge from each cluster group, which would be integrated into the broader state-wide strategy.

With the overall plan to move from Phase 1 to Phase 2 laid out, the Leadership Council should consider launching the effort with a high visibility event, perhaps a statewide Economic Summit. Stakeholders from across the state would be invited to a day-long program, hosted by the Leadership Council who would be introduced to the assembled leaders by the chairman. Presentations of the Situation Analysis would be made with the objective of impacting how the audience hears the messages. Questions would be solicited and answers provided by knowledgeable leaders, economists, and other experts.

In this way, Alaska will have kick-started the needed transition from its current approaches to economic development to a more strategic approach, led by leaders from the private and public sector. Similar approaches have been used, in many cases repeatedly making collaborative strategic economic development planning the prevailing practice in many regions. There is no reason that Alaska's leaders can't move in similar ways, evolving a 21st century "Alaska Model" for economic development and start afresh to build a more diverse and more sustainable economy.

2324

Southeast Conference

March 16, 2010

Representatives Jay Ramras, Chair
Economic Development, Trade & Tourism Committee
Alaska State Capitol Building
Juneau, Alaska 99801

RE: HCR21 "A resolution creating and relating to the Economic Development Planning Commission."

Dear Representative Herron:

Southeast Conference strongly supports House Concurrent Resolution 21, a resolution to create an economic development planning commission. The state has significant need for economic development and is in dire need of a strategic plan for our future. This commission and its duties spelled out in HCR21 would serve as a valuable tool for this strategic planning. It is important that we take steps to integrate private sector leadership into economic development efforts administered by our state government.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.

Please adopt HCR21 for the future of our communities and our state.

On Behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

THE ENTREPRENEURS AND MENTORS NETWORK INC

Mentors empowering Entrepreneurs

Allan R Johnston
Chief Encouragement Officer
e-mail: allanrjohnston@yahoo.com

(907) 346-1087
Fax (907) 346-1087

March 21, 2010
Representatives Jay Ramras, Chair
Economic Development, Trade & Tourism Committee
Alaska State Capitol Building
Juneau, Alaska 99801

Reference HCR 21

Dear Representative Ramras:

TEAM Network Inc supports a resolution to create an economic development planning commission. It is important that more private sector input be solicited and included in the economic planning process. Our current process is not adequately preparing Alaska for the new economic realities before us.

TEAM Network Inc. is a business mentoring organization that creates and participates in active learning opportunities to network been-there-done-that businessmen/businesswomen with want-to-go-there innovators and entrepreneurs. Alaska is in last place in the 2008 Milken Risk Capital and Entrepreneurial Infrastructure Composite Index. Our current model is preparing Alaska for yesterday's opportunities instead of laying the foundation for tomorrow's.

State Technology and Science Index

Enduring Lessons for the Intangible Economy
June 2008

Risk Capital and Entrepreneurial Infrastructure Composite Index

This measures the stock of capable entrepreneurs and risk capital available to support the conversion of research into commercially viable technology products and services. Eleven indicators are included in this Composite Index, listed at the bottom of this page. Click on an indicator to see further data comparisons at the individual indicator level.

Select a Composite | Select a State

2008			2004			2002		
State	Rank	Average Score	State	Rank	Average Score	State	Rank	Average Score
Nebraska	44	38.60	Alabama	44	30.22	Alaska	44	29.33
Montana	45	38.57	Iowa	45	28.67	Kentucky	45	27.56
North Dakota	46	36.25	Montana	46	27.56	Wyoming	46	27.33
Iowa	47	34.22	Alaska	47	24.67	Arkansas	47	18.44
West Virginia	48	32.18	Kentucky	48	23.78	West Virginia	48	18.00
Mississippi	49	30.40	Mississippi	49	22.22	South Dakota	49	15.33
Alaska	50	21.71	North Dakota	50	16.22	North Dakota	50	9.78

Average Annual SBIC Funds Disbursed per $1,000 of GSP

Increase in Number of Companies Receiving VC Investment

IPO Proceeds as Percent of GSP

Number of Business Incubators per 10,000 Business Establishments

Number of Business Starts per 100,000 People

Number of Companies Receiving VC Investment per 10,000 Business Establishments

Patents Issued per 100,000 People

Total Venture Capital Investment Growth

VC Investment in Clean Technology per $1,000 of GSP

VC Investment in Nanotechnology per $1,000 of GSP

Venture Capital Investment as Percent of GSP

http://www.milkeninstitute.org/tech/tech.taf?sub=rcic

Sincerely,
Allan R, Johnston

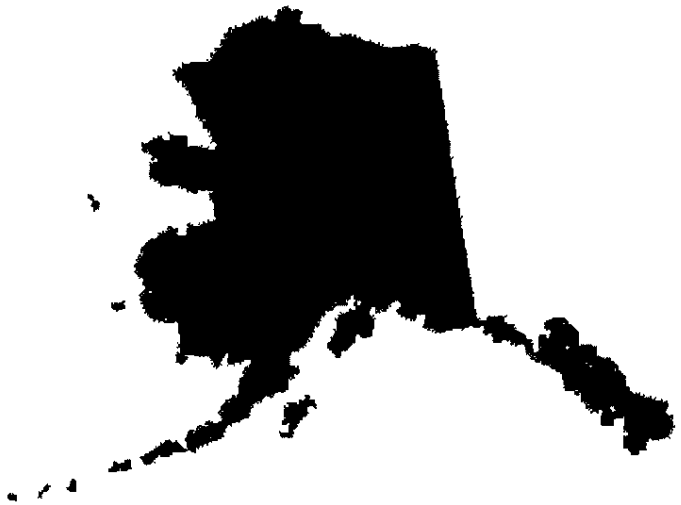
2327

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair **Rep. Bob Herron, Co-Chair**

HCR 21 – Creating an Economic Development Planning Commission



Presentation to the House Finance Committee

2328

Current Statewide Processes

- Alaska Forward
  - Led by the Alaska Partnership for Economic Development (ARDORs), other members
  - $500K Denali Commission money for Phase I
  - Currently working on Phase II funding
- Legacy
  - Governor Palin's Administrative Order
  - Project has morphed under Governor Parnell
  - Anticipate alignment of Legacy behind Alaska Forward
- Other regional, industry-specific efforts

Commission Membership	Appointment Authority
• One State Representative	← House Speaker
• One State Senator	← Senate President
• Two Public Members	← House Finance Co-Chairs
• Two Public Members	← Senate Finance Co-Chairs
• One Public Member	← House Minority Leader
• One Public Member	← Senate Minority Leader
• DCCED Commissioner	← By Resolution
• L&WFD Commissioner	← By Resolution
• President of APED	← By Resolution

Goal of HCR 21 is to provide Legislature with direct input and collaboration with private sector on subjects of economic development.

SB330

Kinds of Opportunities Commission May Identify

- Could identify financial tools to target particular areas of economic development:
  - Loan programs, incentive/tax programs
  - Target particular industry clusters, geographic regions, or other policy goals
- Enables the Legislature to address identified needs by preparing legislation in advance of sessions.
- Possible restructuring of departmental participation in economic development:
  - public corporation to work on economic development issues
  - new department
  - new division

HCR 21 – Timeline

- March, 2010: AK Forward Phase I Report
- April 30, 2010: Commission Begins Work
- Spring 2010: AK Forward Phase II Launches
- January 30, 2011: First Legislative Report Deadline
- December 15, 2011: Second Report Deadline
- June 30, 2012: Sunset

Identified Need for Cooperation on Statewide Economic Development

- "Lack of an overall Alaska Strategic plan for Economic Development is a barrier to expanded AIDEA participation in major projects."
  – AIDEA Strategic Plan

- "There is a lack of statewide planning, leadership, and coordination. Although Alaska has a large number and variety of economic development entities, their focus is local or regional, rather than statewide, and this limits their effectiveness."
  – Alaska Forward: Phase I Situational Analysis Executive Summary

- Calling for a Comprehensive Economic Development Strategy for Alaska and supporting both the "Alaska Forward" project and the Governor's "Legacy" plan.
  – Alaska State Chamber of Commerce 2010 Position Paper

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

MEMORANDUM

Date: April 9, 2010

To: Representative Bill Stoltze, Co-Chair
Representative Mike Hawker, Co-Chair
House Finance Committee

From: Rep. Bob Herron, Co-Chair
Rep. Cathy Muñoz, Co-Chair

RE: House Concurrent Resolution 21,
Economic Development Planning Commission

I respectfully request a hearing for HCR 21, "Creating and relating to the Economic Development Planning Commission."

HCR 21 creates the Economic Development Planning Commission, a working commission that will report its findings and recommendations to the Alaska State Legislature. The commission will act as a bridge between the legislature and several current economic development initiatives in the state, offering recommendations and possible statutory action to the Legislature.

Witness List:

- Rob Earl, Staff to Rep. Herron & Erin Harrington, staff to Rep. Austerman (in person presenting together)
- Wayne Stevens, Alaska Chamber of Commerce (in person)
- Marty Metiva, President, AK Partnership for Economic Development (LIO)
- Kathryn Dodge, FNSB ARDOR Director (LIO)

If you have any questions or need additional information, please call Rob Earl at 465-5141.

HCR

22

<target><bill>HCR 22</bill><subject>HCR 22</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPOI

(11)
Date Referred to Committee: March 31, 2010 — FURTHER REFERRALS:

Date of Committee Action: 4/9/10

The FINANCE Committee considered: HOUSE CONCURRENT RESOLUTION NO. 22

Establishing and relating to the Alaska Northern Waters Task Force.
HCR 22-ALASKA NORTHERN WATERS TASK FORCE

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HCR 22 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [X] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
Forthcoming Fiscal NOTE				
LEG		✓		

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	—			
	Austerman	X			
	Foster	✓			
	KELLY	✓			
	Salmon	X			
Chair:	Stoltze			✓	
Chair:	Hawker			★	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HCR22 (FIN)**
() Publish Date:

Identifier (file name): CS HCR22 (FIN)-LEG-COU-4-9-10
Dept. Affected: Legislature
Title: Establishing and relating to the Alaska Northern Waters Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs
Requester: House Finance Committee
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	140.0		70.0				
Contractual	10.0		5.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		75.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS HCR22(FIN) establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of eleven members composed of four Legislators, one member from the Executive Branch, and seven public members. It is anticipated that the Task Force will hold seven meetings in the first year and three meetings in the second year. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, Unalaska and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Task Force Chair may assign their staff to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2012 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division: Legislative Affairs Agency
Date/Time 4/9/10 4:11 PM
Approved by: Pamela Varni, Executive Director
Date 4/9/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

ANALYSIS CONTINUATION

7 meetings - all with travel
1 member of the Executive Branch - travel absorbed in Executive Branch budget
4 Legislators; 7 public members; 1 staff person, 4 experts

1 meeting	Airfare	247/day Per Diem			
Nome Meeting					
Nome Senator					
Bethel Senator	1062	494			
Kotzebue Legislator	427	494			
Nome Legislator					
Anchorage public member	568	494			
Fairbanks public member	986	494			
Barrow public member	1158	494			
Kotzebue public member	427	494			
Nome public member					
Anchorage Fed public member	568	494			
Kotzebue Staff person	427	494			
Anchorage Expert	568	494			
Anchorage Expert	568	494			
Washington, DC Expert	1450	988			
Washington, DC Expert	1450	988			
	9,659.00	6,916	16,575	1	16,575

3 meetings	Airfare	278/day Per Diem			
Anchorage Meeting					
Nome Legislator	568	556			
Bethel Legislator	494	556			
Kotzebue Legislator	568	556			
Nome Legislator	568	556			
Anchorage public member					
Fairbanks public member	418	556			
Barrow public member	709	556			
Kotzebue public member	568	556			
Nome public member	568	556			
Anchorage Fed public member					
Kotzebue Staff person	568	556			
Anchorage Expert					
Anchorage Expert					
Washington, DC Expert	1309	1112			
Washington, DC Expert	1309	1112			
	7,647	7,228	14,875	3	44,625

ANALYSIS CONTINUATION

1 meeting	Airfare	254/day Per Diem			
Barrow Meeting					
Nome Legislator	1160	508			
Bethel Legislator	1098	508			
Kotzebue Legislator	1290	508			
Nome Legislator	1160	508			
Anchorage public member	846	508			
Fairbanks public member	576	508			
Barrow Member					
Kotzebue Member	1290	508			
Nome Member	1160	508			
Anchorage Fed public member	846	508			
Kotzebue Staff person	1290	508			
Anchorage Expert	846	508			
Anchorage Expert	846	508			
Washington, DC Expert	1751	1016			
Washington, DC Expert	1751	1016			
	15,910	8,128	24,038	1	24,038

1 meeting	Airfare	282/day Per Diem			
Kotzebue					
Nome Legislator	427	564			
Bethel Legislator	878	564			
Kotzebue Legislator					
Nome Legislator	427	564			
Anchorage public member	568	564			
Fairbanks public member	986	564			
Barrow Member	1158	564			
Kotzebue Member					
Nome Member	427	564			
Anchorage Fed public member	568	564			
Kotzebue Staff person					
Anchorage Energy	568	564			
Anchorage Expert	568	564			
Washington, DC Expert	1670	1128			
Washington, DC Expert	1670	1128			
	9,915	7,896	17,811	1	17,811

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CS HCR 22 (FIN)

ANALYSIS CONTINUATION

1 meeting	Airfare	207/day Per Diem			
Unalaska					
Nome Legislator	1298	414			
Bethel Legislator	1226	414			
Kotzebue Legislator	1298	414			
Nome Legislator	1298	414			
Anchorage public member	1038	414			
Fairbanks public member	1164	414			
Barrow Member	1345	414			
Kotzebue Member	1298	414			
Nome Member	1298	414			
Anchorage Federal member	1038	414			
Kotzebue Staff person	1298	414			
Anchorage Expert	1038	414			
Anchorage Expert	1038	414			
Washington, DC Expert	2344	828			
Washington, DC Expert	2344	828			
	20,363	7,038	27,401	1	27,401
Juneau Trip					
Nome public member	978	756			
Barrow public member	1216	756			
	2,194	1,512	3,706	1	3,706
D.C. Trip - 2 people					
Nome	1,447	900			
Kotzebue	1,444	900			
	2,891	1800	4,691	1	4,691
					138,847

CS FOR HOUSE CONCURRENT RESOLUTION NO. 22(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A RESOLUTION

Establishing and relating to the Alaska Northern Waters Task Force.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska is the only Arctic state in the nation; and

WHEREAS recent warming trends have resulted in the depletion of Arctic perennial sea ice by nine percent a decade; and

WHEREAS, according to the National Aeronautics and Space Administration, the rate of depletion is accelerating because of the interaction among the ice, oceans, and atmosphere; and

WHEREAS rapidly retreating sea ice is altering fish and wildlife habitats and affecting the accessibility and viability of certain species, on which many local communities rely for nutritional and cultural purposes; and

WHEREAS reduced sea ice is affecting polar route navigation by opening oceans previously frozen year-round; and

WHEREAS the new accessibility of the Northern waters is resulting in increased marine transportation, access to resources, tourism, fisheries, and the presence of United States government agencies in the North; and

WHEREAS the waters of Northern Alaska are of national security and strategic importance to the United States and the State of Alaska; and

WHEREAS, because of national security concerns, the United States Coast Guard is increasing its presence in the North and has plans to build new infrastructure to support its heightened activity, including housing and office facilities and possibly a deep water port; and

WHEREAS Northern Alaska contains important mineral and other resources both in state waters and on the outer continental shelf; and

WHEREAS commercial activities, including resource development, and the revenue they generate for the state may be significantly affected by the changing Arctic waters; and

WHEREAS those changes will affect local communities, businesses, the state, and the natural resources on which they rely; and

WHEREAS there is no comprehensive state plan for Alaska's Northern waters; and

WHEREAS various federal agencies and international bodies are working together to form a commission to address the changing ocean patterns and the opportunities and problems that may arise as a result of those changing patterns; and

WHEREAS the State of Alaska should be involved in the process of forming the commission; and

WHEREAS a comprehensive plan to address the warming ocean, including the economic, ecological, and security effects, will benefit the state and its residents;

BE IT RESOLVED by the Alaska State Legislature that the Alaska Northern Waters Task Force is created in the legislative branch and shall consist of 11 members as follows:

(1) two senators appointed by the President of the Senate;

(2) two representatives appointed by the Speaker of the House of Representatives; and

(3) seven members appointed jointly by the President of the Senate and the Speaker of the House of Representatives, as follows:

(A) five public members, three of whom reside in coastal areas of the state;

(B) one member representing the executive branch of state government;

(C) one member representing the federal government; and be it

FURTHER RESOLVED that a vacancy on the task force shall be filled in the manner of the original appointment; and be it

FURTHER RESOLVED that the legislators on the task force shall select a chair from among themselves and the chair may assign staff to provide support to the task force; and be it

FURTHER RESOLVED that the public members, and, if the member does not receive reimbursement for expenses from the federal government, the federal government member of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180; and be it

FURTHER RESOLVED that the task force may meet during and between legislative sessions and the duties of the task force include the following:

(1) assess and facilitate creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters;

(2) facilitate regional coordination, cooperation, and outreach regarding the creation of the commission to keep local stakeholders informed and to incorporate their input into the process;

(3) identify and coordinate efforts of mutual concern for federal, state, and local agencies, as well as international interests in the creation of the commission; and

(4) conduct hearings in the Northern region of the state to fulfill its purpose; and be it

FURTHER RESOLVED that the task force shall provide recommendations regarding the formation of the commission and shall deliver a preliminary report of its findings to the legislature by January 20, 2012, and deliver a final report to the legislature on January 30, 2012, together with legislative proposals for consideration; and be it

FURTHER RESOLVED that the task force shall be available for legislative hearings regarding its final report and recommendations; and be it

FURTHER RESOLVED that the continuation or termination of the task force shall be reevaluated during the Second Regular Session of the Twenty-Seventh Alaska State Legislature.

During Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4833
Fax (907) 465-4586
1-800-782-4833
Representative_Reggie_Joule@legis.state.ak.us

During Interim:
P.O. Box 673
Kotzebue, Alaska 99752
(907) 442-3880
Fax (907) 442-3022

Alaska State Legislature
REPRESENTATIVE REGGIE JOULE

CHANGES BETWEEN 26-LS1622\E and T

Composition of the Task Force:

Pg. 2 line 21 – 11 members rather than 9

- 2 senators (not 1)
- 2 reps (same)
- 7 members appointed jointly (not 6)
  - 5 public, 3 of whom reside in coastal areas (i.e. 2 at-large) (not the 4 mayors)
  - 1 executive branch (same)
  - 1 federal (not 2)

Pg. 3 line 1 – vacancy shall be filled in the manner of the original appointment

2343

Copy on file

Adopted 4/9/10

26-LS1622\T
Cook
4/8/2010

CS FOR HOUSE CONCURRENT RESOLUTION NO. 22( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A RESOLUTION

Establishing and relating to the Alaska Northern Waters Task Force.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska is the only Arctic state in the nation; and

WHEREAS recent warming trends have resulted in the depletion of Arctic perennial sea ice by nine percent a decade; and

WHEREAS, according to the National Aeronautics and Space Administration, the rate of depletion is accelerating because of the interaction among the ice, oceans, and atmosphere; and

WHEREAS rapidly retreating sea ice is altering fish and wildlife habitats and affecting the accessibility and viability of certain species, on which many local communities rely for nutritional and cultural purposes; and

WHEREAS reduced sea ice is affecting polar route navigation by opening oceans previously frozen year-round; and

WHEREAS the new accessibility of the Northern waters is resulting in increased marine transportation, access to resources, tourism, fisheries, and the presence of United States government agencies in the North; and

WHEREAS the waters of Northern Alaska are of national security and strategic importance to the United States and the State of Alaska; and

WHEREAS, because of national security concerns, the United States Coast Guard is increasing its presence in the North and has plans to build new infrastructure to support its heightened activity, including housing and office facilities and possibly a deep water port; and

WHEREAS Northern Alaska contains important mineral and other resources both in state waters and on the outer continental shelf; and

WHEREAS commercial activities, including resource development, and the revenue they generate for the state may be significantly affected by the changing Arctic waters; and

WHEREAS those changes will affect local communities, businesses, the state, and the natural resources on which they rely; and

WHEREAS there is no comprehensive state plan for Alaska's Northern waters; and

WHEREAS various federal agencies and international bodies are working together to form a commission to address the changing ocean patterns and the opportunities and problems that may arise as a result of those changing patterns; and

WHEREAS the State of Alaska should be involved in the process of forming the commission; and

WHEREAS a comprehensive plan to address the warming ocean, including the economic, ecological, and security effects, will benefit the state and its residents;

BE IT RESOLVED by the Alaska State Legislature that the Alaska Northern Waters Task Force is created in the legislative branch and shall consist of 11 members as follows:

(1) two senators appointed by the President of the Senate;

(2) two representatives appointed by the Speaker of the House of Representatives; and

(3) seven members appointed jointly by the President of the Senate and the Speaker of the House of Representatives, as follows:

(A) five public members, three of whom reside in coastal areas of the state;

(B) one member representing the executive branch of state government;

(C) one member representing the federal government; and be it

FURTHER RESOLVED that a vacancy on the task force shall be filled in the manner of the original appointment; and be it

FURTHER RESOLVED that the legislators on the task force shall select a chair from among themselves and the chair may assign staff to provide support to the task force; and be it

FURTHER RESOLVED that the public members, and, if the member does not receive reimbursement for expenses from the federal government, the federal government member of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180; and be it

FURTHER RESOLVED that the task force may meet during and between legislative sessions and the duties of the task force include the following:

(1) assess and facilitate creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters;

(2) facilitate regional coordination, cooperation, and outreach regarding the creation of the commission to keep local stakeholders informed and to incorporate their input into the process;

(3) identify and coordinate efforts of mutual concern for federal, state, and local agencies, as well as international interests in the creation of the commission; and

(4) conduct hearings in the Northern region of the state to fulfill its purpose; and be it

FURTHER RESOLVED that the task force shall provide recommendations regarding the formation of the commission and shall deliver a preliminary report of its findings to the legislature by January 20, 2012, and deliver a final report to the legislature on January 30, 2012, together with legislative proposals for consideration; and be it

FURTHER RESOLVED that the task force shall be available for legislative hearings regarding its final report and recommendations; and be it

FURTHER RESOLVED that the continuation or termination of the task force shall be reevaluated during the Second Regular Session of the Twenty-Seventh Alaska State Legislature.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS HCR 22 (CRA)
() Publish Date:

Identifier (file name): CS HCR22(CRA)-LEG-COU-4-1-10
Dept. Affected: Legislature
Title: Establishing and relating to the Alaska Northern Waters Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs
Requester: House Community and Regional Affairs
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	84.0		42.0				
Contractual	10.0		10.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**94.0**	**0.0**	**52.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	94.0		52.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**94.0**	**0.0**	**52.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS HCR22 (CRA) establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of nine members composed of three Legislators, one member from the Executive Branch, and five public members. It is anticipated that the Task Force will hold five meetings in the first year and three meetings in the second year. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Bush Caucus Chair may assign staff of the Bush Caucus Chair to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2012 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 4/1/10 4:00 PM
Approved by: Pamela Varni, Executive Director — Date 4/1/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CS HCR 22 (CRA)

ANALYSIS CONTINUATION

5 meetings - all with travel

1 member of the Executive Branch - absorb travel in Executive Branch Budget.
3 Legislators; 5 public members; 1 staff person, 4 experts

1 meeting	Airfare	247/day Per Diem			
Nome Meeting					
Bethel Legislator	1062	494			
Kotzebue Legislator	427	494			
Nome Legislator	0	0			
Juneau Coast Guard member	880	494			
North Slope Borough - Barrow	1158	494			
NW Arctic Mayor - Kotzebue	427	494			
Nome Mayor	0	0			
Anchorage Interior Dept member	568	494			
Kotzebue Staff person	427	494			
Anchorage Energy Expert	568	494			
Anchorage Energy Expert	568	494			
Washington, DC Energy Expert	1450	988			
Washington, DC Energy Expert	1450	988			
	8,985.00	6,422	15,407	1	15,407

2 meetings	Airfare	278/day Per Diem			
Anchorage Meeting					
Bethel Legislator	494	556			
Kotzebue Legislator	568	556			
Nome Legislator	568	556			
Juneau Coast Guard member	506	556			
North Slope Borough - Barrow	709	556			
NW Arctic Mayor - Kotzebue	568	556			
Nome Mayor	568	556			
Anchorage Interior Dept member	0	0			
Kotzebue Staff person	568	556			
Anchorage Energy Expert	0	0			
Anchorage Energy Expert	0	0			
Washington, DC Energy Expert	1309	1112			
Washington, DC Energy Expert	1309	1112			
	7,167	6,672	13,839	2	27,678

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CS HCR 22 (CRA)

ANALYSIS CONTINUATION

1 meeting	Airfare	278/day Per Diem			
Barrow Meeting					
Bethel Legislator	1098	508			
Kotzebue Legislator	1290	508			
Nome Legislator	1160	508			
Juneau Coast Guard member	1195	508			
North Slope Borough - Barrow	0	0			
NW Arctic Mayor - Kotzebue	1290	508			
Nome Mayor	1160	508			
Anchorage Interior Dept member	846	508			
Kotzebue Staff person	1290	508			
Anchorage Energy Expert	846	508			
Anchorage Energy Expert	846	508			
Washington, DC Energy Expert	1751	1016			
Washington, DC Energy Expert	1751	1016			
	14,523	7,112	21,635	1	21,635

1 meeting	Airfare	Per Diem 282/day			
Kotzebue					
Bethel Legislator	878	564			
Kotzebue Legislator	0	0			
Nome Legislator	427	564			
Juneau Coast Guard member	1078	564			
North Slope Borough - Barrow	1158	564			
NW Arctic Mayor - Kotzebue	0	0			
Nome Mayor	427	564			
Anchorage Interior Dept member	568	564			
Kotzebue Staff person	0	0			
Anchorage Energy Expert	568	564			
Anchorage Energy Expert	568	564			
Washington, DC Energy Expert	1670	1128			
Washington, DC Energy Expert	1670	1128			
	9,012	6,768	15,780	1	15,780
Testify in Juneau during Session					
Nome Mayor	978	756			
Barrow Mayor	1216	756			
	2,194	1,512	3,706	1	3,706
					84,206

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

MEMORANDUM

Date: April 2, 2010

To: Representative Bill Stoltze, Co-Chair
Representative Mike Hawker, Co-Chair
House Finance Committee

From: Rep. Bob Herron, Co-Chair
Rep. Cathy Muñoz, Co-Chair

RE: CS House Concurrent Resolution 22, Northern Waters Task Force

I respectfully request a hearing for CS HCR 22 (CRA), "Establishing and relating to the Alaska Northern Waters Task Force."

HCR 22 establishes the Alaska Northern Waters Task Force to facilitate regional coordination and State of Alaska leadership in the ongoing development of the United States' policies related to the opening of Arctic marine transportation routes, national security, and resource development.

List of Expected Witnesses:

- Elizabeth Hensley & Christine Hess, Aides to Rep. Joule (in person)
- Rep. Reggie Joule (in person)
- Mead Treadwell, U.S. Arctic Research Commission (offnet)
- Tracey Foster, Alaska House (New York) (offnet)
- Bill Noll, Self (Anchorage LIO)
- Denise Michaels, City of Nome (Nome LIO)
- Tom Okleasik, Director of Northwest Arctic Borough Planning Dept.(Kotz LIO)
- Andy Mack, Special Asst. for Gov. & External Affairs, North Slope Borough

If you have any questions or need additional information, please call Rob Earl at 465-5141.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

Sponsor Statement
House Concurrent Resolution 22
Establishing the Alaska Northern Waters Task Force

House Concurrent Resolution 22 establishes the Alaska Northern Waters Task Force to facilitate regional coordination and State of Alaska leadership in the ongoing development of the United States' policies related to the opening of Arctic marine transportation routes, national security, and resource development. The task force will comprise Legislators from Northwestern Alaska, leaders from Arctic communities, and key federal agencies. Together, they will assess and facilitate the creation of a joint state and federal entity to coordinate United States and Alaska interests that result from the opening of Arctic waters.

Perennial ice in the circumpolar Arctic waters is reducing in size at a rate of nine percent per decade. Arctic nations such as Norway, Canada and Russia are proactively promoting and defending their interests in increasingly ice-free areas. As the only Arctic state in this nation, Alaska has a unique role and interest in the development and evolution of U.S. policy in its northernmost region.

The creation of the Alaska Northern Waters Task Force anticipates increased federal attention to navigation routes, resource development, military activity and commerce in the Arctic. HCR 22 foresees the future creation of a joint federal/state commission that guides interagency and inter-jurisdiction actions in

the Arctic. It provides an opportunity for Alaska's Legislature and Arctic communities to assume a proactive role in shaping such a body, and ensures that Alaska's unique interests are strongly represented.

In the execution of its responsibilities, the Alaska Northern Waters Task Force will hold hearings in the northern communities of Barrow, Nome and Kotzebue, as well as Anchorage. By meeting in these regions, the task force will be able to seek guidance and feedback from the residents of the regions most likely to experience impacts from increased activity in the Arctic.

The Alaska Northern Waters Task Force will deliver its findings to the Alaska Legislature in January 2012, including legislative proposals for consideration.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

MEMORANDUM

Date: March 30, 2010

RE: Changes to House Concurrent Resolution 22, Northern Waters Task Force

---

Changes from HCR 22 to CS HCR 22 (CRA):

- Merging the first two Resolves from the original bill for better readability (on page 2, line 20 of the CS)
- P. 3, lines 4-5: changed so that the legislators on the task force shall select a chair from amongst themselves (rather than the task force selecting a chair from among the entire legislature).
- P. 3, line 5: adding that the chair of the task force may assign staff to the task force.
- Removed "FURTHER RESOLVED that the Bush Caucus chair may assign staff to provide support services for the task force; and be it" (p. 3, lines 13-14 of the original bill.)
- P. 3, lines 11-21: combining the two RESOLVED clauses before and after the one removed.
- P. 3, lines 20-21: Adding "(4) conduct hearings in the Northern Region of the state to fulfill its purpose; and be it" (originally another FURTHER RESOLVED on p.3, lines 23-24 of the original bill.)

White House Interagency Ocean Policy Task Force

On June 12, 2009, President Obama sent a memorandum to the heads of executive departments and federal agencies establishing an Interagency Ocean Policy Task Force, led by the White House Council on Environmental Quality. The Task Force is charged with developing a recommendation for a national policy that ensures protection, maintenance, and restoration of oceans, our coasts and the Great Lakes. It will also recommend a framework for improved stewardship, and effective coastal and marine spatial planning.

The oceans, our coasts, and the Great Lakes provide jobs, food, energy resources, ecological services, recreation, and tourism opportunities, and play critical roles in our Nation's transportation, economy, and trade, as well as the global mobility of our Armed Forces and the maintenance of international peace and security," President Obama wrote in the memorandum. "We have a stewardship responsibility to maintain healthy, resilient, and sustainable oceans, coasts and Great Lakes resources for the benefit of this and future generations."

"The challenges our oceans, coasts, and Great Lakes are facing are complex, and to meet these challenges we must have the participation of a wide spectrum of views from within the federal government," said Nancy Sutley, Chair of the White House Council on Environmental Quality. "The Task Force has a wealth of opportunity to make our oceans, coasts and Great Lakes healthier - both environmentally and economically."

The recommendations and frameworks developed by the Task Force will be cost effective and improve coordination across federal agencies. The Chair will terminate the Task Force upon the completion of its duties.

The time period to submit comments to the Task Force has closed, but you can read comments from others. The Task Force's Interim Framework is open for comment through Friday, February 12, 2010.

Read the President's Proclamation on National Oceans Month

White House Interagency Ocean Policy Task Force

In 2009, the White House Council on Environmental Quality (CEQ), the Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) initiated the Interagency Climate Change Adaptation Task Force, which includes representatives from more than 20 Federal Agencies. When the President signed the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance, on October 5, 2009, he called on the Task Force to develop, within one year, Federal recommendations for adapting to climate change impacts both domestically and internationally.

Interim Progress Report

On March 16, 2010, the Task Force released an Interim Progress Report which outlines the Task Force's progress to date and recommends key components to include in a national strategy on climate change adaptation. These six components include:

1. Integration of Science into Adaptation Decisions and Policy
2. Communications and Capacity-building
3. Coordination and Collaboration
4. Prioritization
5. A Flexible Framework for Agencies
6. Evaluation

The Interim Progress Report is available for 60 days of public comment. Submit your comment here.

Workgroups

The Interagency Climate Change Adaptation Task Force formed workgroups to consider the capabilities of the Federal Government to respond to the impacts of climate change on various critical sectors, institutions, and agency mission responsibilities. Five initial workgroups began by reviewing existing policies, operations, procedures, and other tools that affect the Federal Government's response, and will suggest options for improving the government's capacity for adaptation to climate change. The five initial workgroups are focused on the following topics:

- **Agency Adaptation**: Develop recommendations on how agencies should plan and implement adaptation
- **Science Inputs to Policy**: Develop recommendations to couple the production of scientific and technical support to adaptation planning, prioritization, and resilience building within the USG, in the US, and internationally
- **Insurance**: Develop recommendations on opportunities for the United States Government to support insurance and adaptation issues
- **Water Resources Adaptation**: Develop recommendations on how Federal water management agencies should plan and implement adaptation actions related to climate impacts on water resources
- **International Resilience**: Develop recommendations on opportunities for the United States Government to support and lead international adaptation efforts

These workgroups have defined their scope and end products, and have begun initial analysis. Most workgroups have used stakeholder listening sessions to solicit feedback from various government and regional actors on adaptation issues within their respective issue area.

Listening Sessions

The five initial Interagency Climate Change Adaptation Task Force workgroups hosted twenty listening sessions with key stakeholders and experts. The listening sessions were designed to engage the expertise and recommendations of external organizations into the workgroup deliberations early in this review process.

Final Product

In October 2010, the Task Force will report to the President on the development of domestic and international dimensions of a U.S. approach to climate change adaptation and what Federal Agencies are doing to support this effort. The Task Force also will recommend additional aspects to consider in the development of a comprehensive national strategy.

Senator Begich - Inuvikput Package

Introduced August 3, 2009, the *Inuvikput Package* consists of seven pieces of legislation:

S.1560 Arctic OCS Revenue Sharing Act - Alaska Natives who have subsisted on marine mammals and other arctic resources for thousands of years would bear the direct risks of increased commercial activity in their waters. This bill directs a portion of federal revenues from offshore oil and gas development - the same share Louisiana receives from drilling in the adjacent Gulf of Mexico - to the State of Alaska with a percentage of those funds directed to those most affected.

S.1561 Arctic Marine Shipping Assessment Implementation Act - As the polar icecap recedes, the Arctic region is increasingly accessible to shipping and tourism. This bill is designed to ensure safe and reliable maritime transportation in the Arctic and protect its waters. It would boost the nation's investment in needed infrastructure, including replacement of America's aging fleet of icebreakers and building new forward operating air bases for the Coast Guard to assert our national interest in the region.

S.1562 Arctic Science, Coordination and Integration Act - Numerous scientists and agencies conduct important and needed research into various aspects of the Arctic but concerns remain that these efforts are not well coordinated and leave gaps in our understanding of Arctic issues. This bill calls on the National Research Council to undertake a study toward a comprehensive strategy to coordinate Arctic research and make recommendations to Congress on a long-term Arctic Ocean research plan.

S.1563 Arctic Ambassador Act - Russia, Canada, Norway and other Arctic nations are represented at the ambassadorial level before the Arctic Council and U.S. interests would benefit from an enhanced diplomatic presence in Arctic matters. This bill is intended to strengthen U.S. representation before the Arctic Council and other international forums by appointment of a U.S. ambassador to the Arctic.

S.1564 Arctic Oil Spill Research and Recovery Act - Vast energy reserves are believed to lie beneath Arctic waters and it is vital that any development of such resources be conducted in a responsible manner that protects the environment upon which residents of the region depend. This bill directs the Secretary of Commerce to conduct research to improve oil spill prevention, response and recovery in Arctic conditions and requires the Coast Guard to assess and reduce risk from such development.

S.1565 Arctic Health Research Act - People of the Arctic suffer from increased rates of alcohol abuse, diabetes, high blood pressure, and death from injury and suicide. This act would initiate a study into the mental, behavioral and physical health problems in the Arctic, institute an Arctic health assessment program at the Centers for Disease Control and create an "Arctic desk" at the National Institute of Health that was called for in 1984 but has never been established.

S.1566 Arctic Climate Change Adaptation Act - Alaska villages and public infrastructure are already suffering from coastal erosion, flooding, permafrost melting and other impacts of climate change. This bill would help the State of Alaska, Alaska Native organizations, affected Arctic communities and the private sector adapt to the impacts of climate change and assist in dealing with habitat restoration, clean energy development and other economic development activities.

Major International LLC
4167 Apollo Drive
Anchorage, Alaska 99504
skymajor@aol.com
907-227-7015

March 27, 2010

Northern Waters Commission

A Call to Action

China declares itself an Arctic nation. Building an icebreaker.

Canada renames the much sought-after Northwest Passage the "Canadian Northwest Passage."

Two new-built container ships cut the shipping time from East Asia to Rotterdam in half. Sea route across northern Russia. Icebreaker escorts not needed.

Norway seeks talks with Alaskans.

Canada – Alaska border dispute flares up.

Iceland envisions a transshipment role for itself.

Russia claims undersea territories and resources.

Disclaimer.
This paper is NOT -- repeat NOT -- a treatise on global warming or explanations for it. This is a look at Alaska's potential role in new strategies and opportunities brought forward by receding sea ice in Northern Waters,

Discussion

Reports clearly indicate that the sea ice in Northern latitudes is receding.

No matter what the cause might be, what meaning does that fact have for Alaska and the United States?

Other nations and their governments are already hard at work on their own interests. Russian, Canada, Norway, Iceland and even our own Federal government are players.

These governments and their commercial partners are at the table. What should the State of Alaska and the Alaskan people be doing? We are not very active yet, but we should be.

How and when do we claim our place at the table? Or should we maintain a subordinate, quasi-colonial posture? Most are repulsed by the very thought of the latter.

The situation in Northern Waters could be summed up as follows.

The waters north and northwest of Alaska have strategic importance for at least these four reasons:

1. **Protection of routes of ocean transit.**
2. **Mineral and other resource rights, sub-surface and on-shore.**
3. **Territorial rights and claims by foreign governments.**
4. **Rights and welfare of local inhabitants.**

As governments, the interests listed above are shared by the Federal government and the State of Alaska.

Some independent Federal agencies are taking actions, and some bilateral or multilateral international forums exist. Not all these agencies are coordinating with one another.

2360

Although these shared interests are critical, yet, as of now, there is no organized Federal-State mechanism for handling or even discussing these matters.

Fortunately, there is an approach that is time-proven and very successful.

Suggestion

1. Use the very successful Fishery Management Council model, on which Federal and State appointees sit, deliberate, form policy and approve actions.

2. Feds and State agree to form a **Northern Waters Commission** (working title).

3. A balanced membership is formed comprised of Federal and State of Alaska appointees.

The **Northern Waters Commission** would be the forum at which to discuss policy issues, such as those listed in the four strategic areas above.

Regular meetings would be held, just as with the North Pacific Fishery Management Council, in a balanced atmosphere, with advice and input from staff, local governments, public agencies and the public.

Initial discussions about the **Northern Waters Commission** have been held with members and staff of our Congressional delegation, members of the State Legislative and Executive branches, the US Arctic Research Commission, the Mayor of the North Slope Borough, and experienced members of the public.

There is universal acknowledgement of the general issues involved with receding sea ice, and there is a real interest in the course of action outlined above as a means of addressing those issues.

As further background, in New York City a March 1, 2010 conference was held at the Council on Foreign Relations on the general subject of the retreating sea ice in the North. Senators Murkowski and Begich both made statements there, as well as Mayor Edward Itta.

Many notables were at the conference including the Norwegian Ambassador to the United Nations; David Rockefeller Jr.; Theodore Roosevelt IV; Nome Mayor Denise Michels; Alaska State Representative Carl Gatto; Bering Straits Native Corporation executive Gail Schubert; Alaska Native Arts Foundation chair Alice Rogoff; US Arctic Research Commission chair Mead Treadwell; and former Alaska Commissioner of Commerce, Community and Economic Development Bill Noll.

There was also an evening reception on March 1st at the Alaska House New York on the same subject. Mead Treadwell, Alice Rogoff and Bill Noll shared the podium at the reception. Mead gave a great power point presentation, followed by a lively Q&A.

About 80 had attended the Council on Foreign Relations event. Follow up is expected. As one example, an officer from Norway's General Consulate requested bilateral talks with Alaskans on this general subject.

Here is a link to the text of the afternoon session at Council on Foreign Relations, including the remarks by Senator Murkowski, Senator Begich and Mayor Itta:
http://www.cfr.org/publication/21623/adapting_to_climate_change_in_the_arctic_coordinating_a_federal_state_and_private_sector_response.html?breadcrumb=%2Fbios%2F13363%2Fscott_g_borgerson

Here is a link to the evening session at Alaska House New York:
http://www.ustream.tv/recorded/5121092

So, the question is, what to do next?

Recommendation

The State of Alaska perform work to create a report that will be the basis for taking actions deemed prudent to protect the interests of Alaska and Alaskans and advance these interests in the face of the receding sea ice.

There are and will be opportunities for people and businesses. Will Alaska play the role of a colony or foil for Federal and international protagonists? Or will Alaska step into the breach and take its rightful place alongside the sovereign powers already working for their own ends?

Proposed Scope of Work

A. The current and recent commercial and recreational marine transits passing Alaska over the top across Russia and Canada. The nature of this shipping and its potential. The economics.

B. Estimated oil, gas and other minerals in Northern Waters and their value.

C. Territorial claims to sea, sub-sea or land areas and resources.

D. Current actions by the US Coast Guard and the US Navy. Port potentials.

E. Other commercial potential such as tug support, pilotage, and ice breakers.

F. Shoreside support needs and potential for commerce. Infrastructure.

G. Social and economic potentials for local residents, businesses and governments.

H. Federal agencies currently involved in any way. International forums.

I. Existing Federal laws and regulations, and those pending in Congress.

J. The Law of the Sea Treaty: situation report.

K. The North Pacific Fishery Management Council budget and funding source.

L. Public hearings in key Northern locations.

Respectfully submitted.

William C. (Bill) Noll, Owner

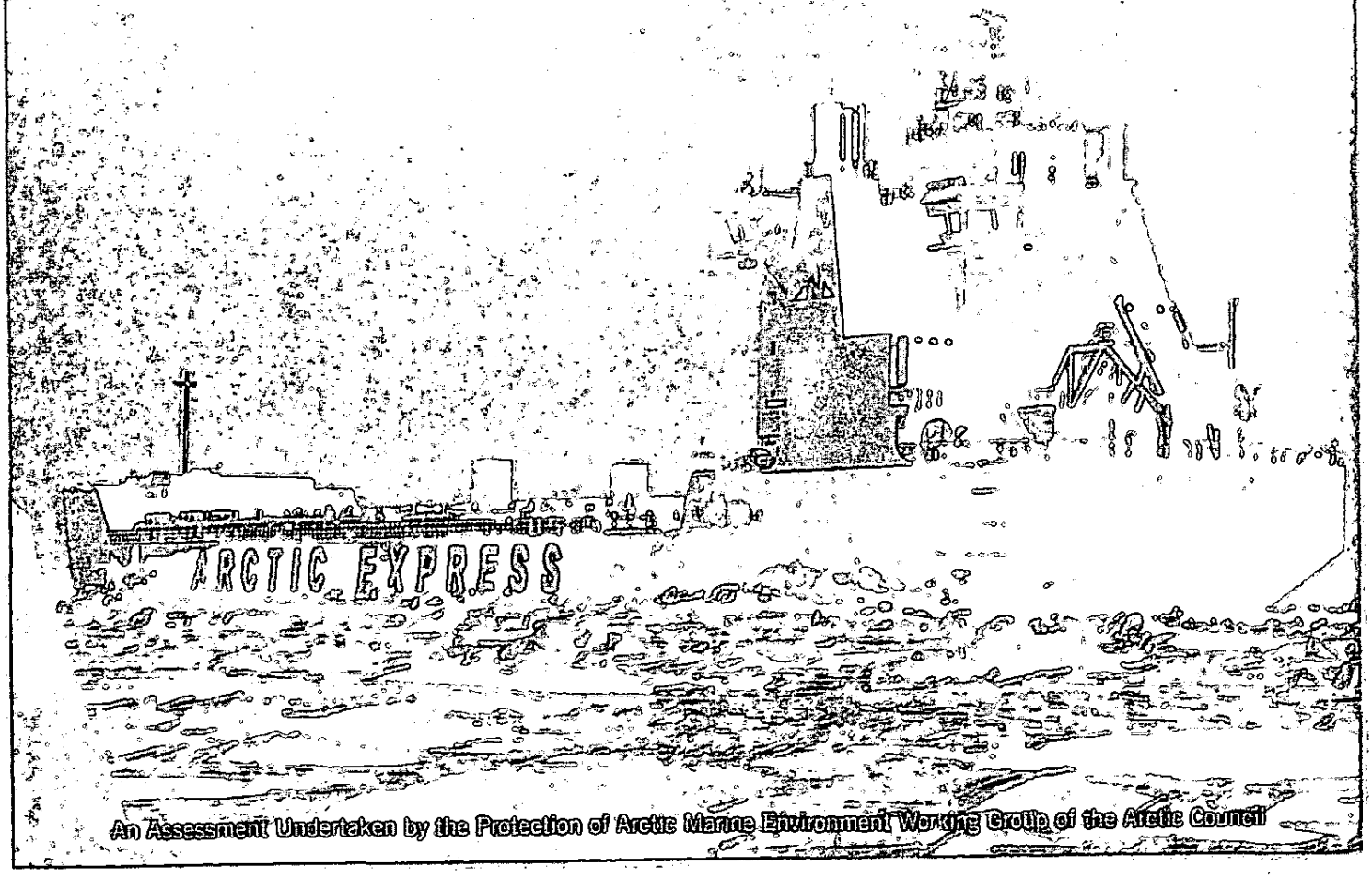
Former Mayor of Seward

Former Alaska Commissioner of Commerce, Community and Economic Development

Founding president, Seward Association for the Advancement of Marine Science, dba Alaska Sealife Center

D

ARCTIC MARINE SHIPPING ASSESSMENT



An Assessment Undertaken by the Protection of Arctic Marine Environment Working Group of the Arctic Council

Scenarios on the Future of Arctic Marine Navigation in 2050

Arctic Marine Shipping Assessment (AMSA)

The Arctic Council – an intergovernmental forum that addresses environmental protection and sustainable development issues, as well as challenges faced by the Arctic governments and people – is conducting an assessment of current and future Arctic marine activity. The lead countries for AMSA are Canada, Finland and the United States with the Arctic Council's working group on Protection of the Arctic Marine Environment (PAME) responsible for the assessment. A key element of AMSA is the creation of a set of scenarios, or plausible futures, for Arctic marine navigation.

Scenario Framework

The high-level scenario summaries were created at two AMSA/PAME Scenarios Workshops held in San Francisco (April 2007) and Helsinki (July 2007). The workshops were designed and facilitated by Global Business Network of San Francisco. Through brainstorming, work in small groups and spirited plenary discussion, workshop participants collectively agreed that the two factors detailed below – Governance and Resources & Trade – are the most important and uncertain in shaping the future of Arctic marine navigation in mid-century. By crossing these two critical uncertainties, participants formed the scenario matrix illustrated to the right. This framework also allows the incorporation of many of the uncertainties explored at the workshops, while still creating four different scenario spaces that are plausible and relevant to the range of Arctic stakeholders. When completed, the scenario stories willbe posted on the PAME website, www.pame.is.

Governance

This uncertainty axis describes the degree of relative *Governance stability*, both within the Arctic region and internationally.

← **Less stability** implies shortfalls in legal structure and transparency, as well as a propensity for stakeholders to work on a more unilateral basis rather than by collaborating in a cooperative, international fashion.

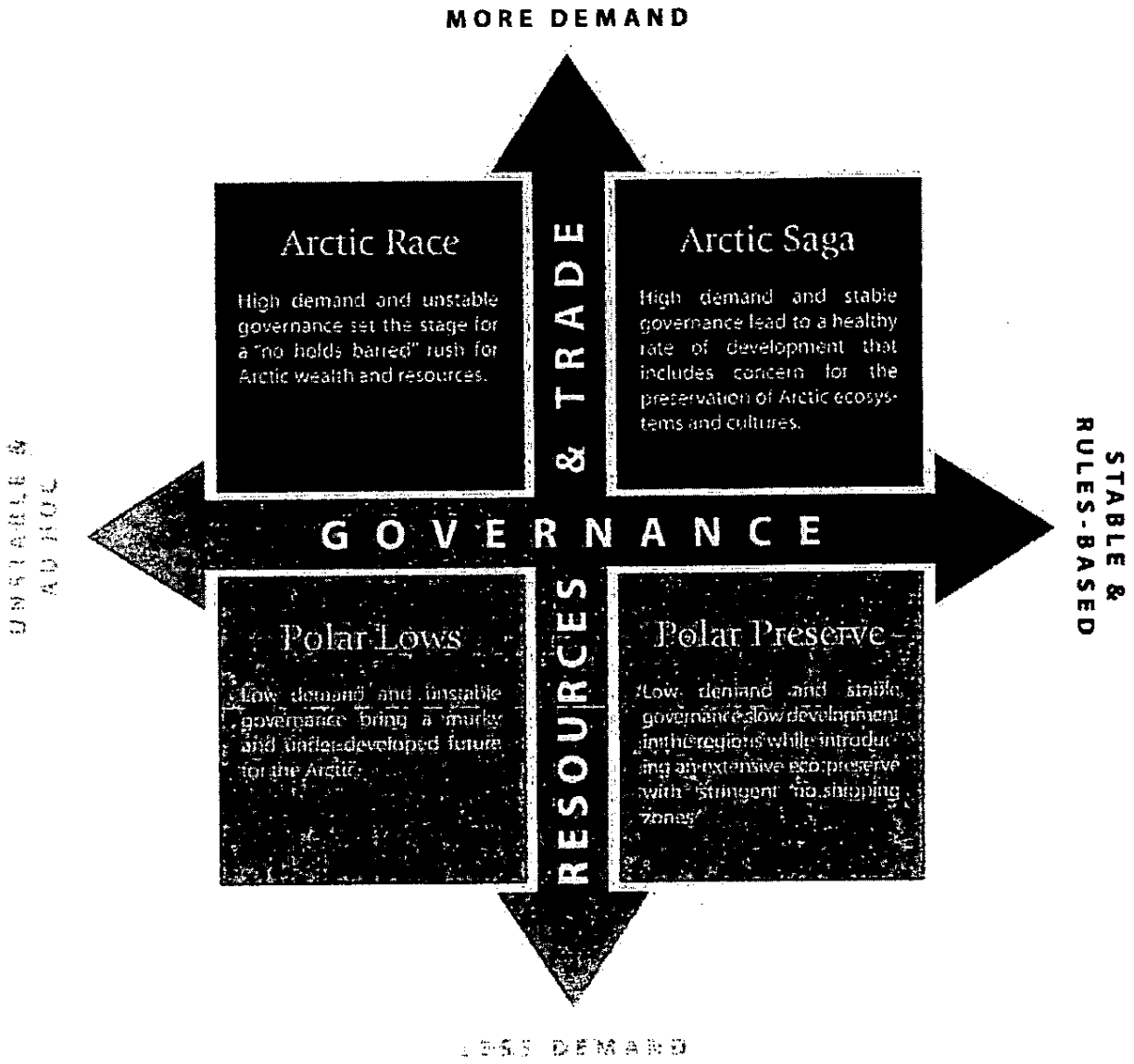
→ **More stability** implies not only efficiently operating legal and regulatory structures, but an international atmosphere more conducive to collaborative and cooperative development.

Resources & Trade

This uncertainty axis describes the level of demand for Arctic natural resources and trade. Framing this in a global context exposes the scenarios to a broader range of potential market developments, such as the rise of Asia or political instability in the Middle East.

↑ **More demand** implies exactly that – higher demand from more players and markets around the world – for natural resources and commerce in the Arctic.

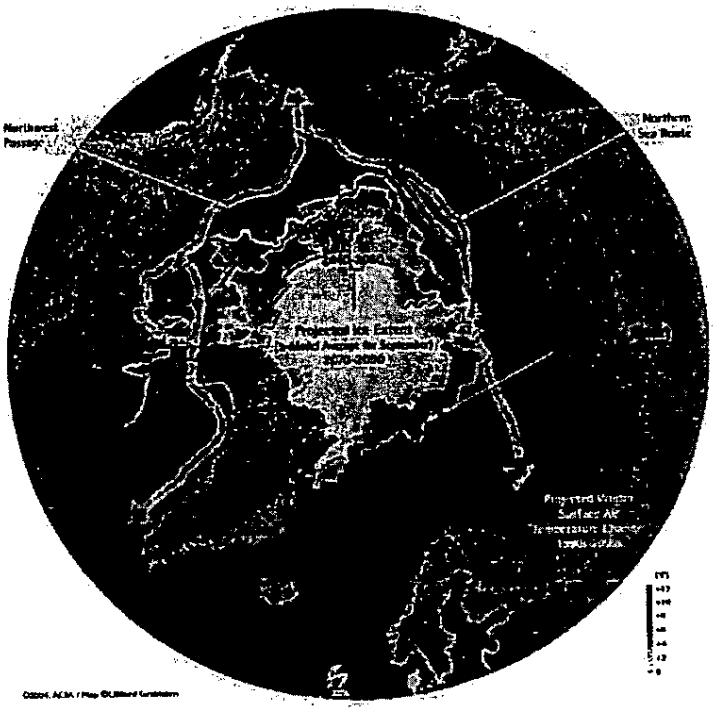
↓ **Less demand** is also straight forward, with fewer global players interested in utilizing Arctic commerce and natural resources.



Development of the AMSA scenarios is being facilitated by Global Business Network of San Francisco.
Support for this effort has been provided by: Aker Arctic Technology, BP Shipping, Finnish Ministry of Foreign Affairs, Institute of the North, Transport Canada, U.S. Arctic Research Commission, U.S. Department of State and U.S. National Oceanic & Atmospheric Administration.

Arctic Climate Impact Assessment Key Finding #6:

"Reduced sea ice is very likely to increase marine transport and access to resources."



institute of the North
935 W. Third Avenue
Anchorage, Alaska 99501 USA
Tel: 1.907.771.2445 Fax: 1.907.771.2466
Web Site: www.institutenorth.org
E-mail: institute@institutenorth.org

AMSA Chair & Scenarios Lead
U.S. Arctic Research Commission
420 L Street, Suite 315
Anchorage, Alaska 99501-1971 USA
Tel: 1.907.271.4577 Fax: 1.907.271.4578
E-mail: usarc@acsalaska.net

Arctic Council
Secretariat
Polarmiljosenteret
NO-9296 Tromso Norway
Tel: 47.77.75.01.40 Fax: 47.77.75.05.01
E-mail: AC-chair@arctic-council.org

Protection of the Arctic Marine Environment
Secretariat
Borgir, Nordurslod
600 Akureyri, Iceland
Tel: 354.461.1355 Fax: 354.462.3390
E-mail: pame@pame.is

The Arctic Sounder

Published on March 18th, 2010

Opinion: Visit to New York, D.C. gets Arctic message across

By EDWARD ITTA

We Inupiaq like to say that the Arctic Ocean is our garden. It feeds us with its bounty of whales, seals, walrus, ugruk, fish and other subsistence foods. Our harvest is better in some years than in others. Weather, ice and ocean currents all affect the amount of "crops" we are able to feed to our families from year to year.

These are times of change for the ocean. Offshore oil and gas exploration is gearing up. We have seen plenty of evidence that climate change may cause dramatic shifts in the polar ice cap and in our weather. Receding ice could open up new shipping routes between Europe and Asia. We may see increased ocean traffic from commercial fishing boats and tourist ships.

What can we do about it? As mayor, I believe the borough should be engaged in the planning, monitoring, research and mitigation efforts that are being crafted right now as government agencies at all levels respond with a new sense of urgency to challenges and opportunities in the Arctic Ocean. That's why I spent the past week in New York and Washington, D.C. I joined Senators Begich and Murkowski in New York and the three of us made presentations on adapting to climate change in the Arctic to a group of policymakers, business people, scientists and journalists, who then participated in a roundtable discussion.

Policymakers are eager to hear our views, because they recognize that we have the most intimate knowledge of the Arctic and the most to lose if the ocean is not adequately protected. My message to them was that we don't want offshore development, but if it is going to happen, we insist on participating in decisions that will govern offshore activities and precautions. I showed them the Arctic policy principles adopted by ICC in 1984 as an example of longstanding Inuit leadership on protecting the polar region.

In Washington, I met with several of the highest officials in the Interior Department, including Interior Secretary Ken Salazar; his assistant secretary for Land and Minerals Management, Wilma Lewis; Liz Burnbaum, director of the Minerals Management Service (MMS); and Bob Abbey, director for BLM. I stressed that if the government is going to allow OCS activity, then it should set the bar very high when it comes to clean and cautious operations in the water.

I said that the shutdown requirement MMS wrote into Shell's Camden Bay permit is a good step in the right direction, since it gives that requirement the force of law for the first time. I argued for larger deferral areas around traditional Barter Island and Cross Island whaling areas, a moratorium on leasing new acreage, zero discharge of drilling wastes, a cumulative impacts analysis, and the need for better baseline science.

I invited Secretary Salazar to visit the North Slope this summer so he can get a first-hand look at some of the places that mean so much to our people. He agreed to pay us a visit in August.

At NOAA, I talked with two key officials about their efforts in preparing a new Environmental Impact Statement concerning the effects of oil and gas activities in the Arctic Ocean. Rather than the annual Incidental Harassment Authorizations (IHA) that are now issued, they are looking at doing five-year Incidental Take Authorizations. They believe it will build certainty and flexibility into their mitigation requirements, and I can see their point. I told them that we need more monitoring and study of the effects of noise on migrating whales. I discussed the Obama administration's new planning initiative for oceans and coastal areas with the head of the President's Council on Environmental Quality (CEQ). CEQ is spearheading the president's effort to deal with climate change. How this new ocean planning program will work is still something of a mystery, but it has a high priority in the administration. I focused on the need to be sensitive about traditional uses of the coastal and ocean areas and to make sure our voices are heard as these large-scale management programs are designed.

At the U.S. Fish and Wildlife Service, we discussed the ongoing management plan for Steller's eiders. I pointed out that our people are conservationists by nature and that education efforts about threatened species can be much more effective than hardball enforcement tactics. I thanked them for establishing a liaison position in Barrow (now held by Emma Huntsman) and said I look forward to better communication between the community and the agency.

Although I spent time with Senators Murkowski and Begich in New York, I was able to meet with each of them again in D.C. I also met with Congressman Young. In each case, I went over a range of issues that we can work on together, and I thanked them for legislation they sponsored in response to my eight-point OCS policy position.

All in all, it was a very productive week. If our voice is going to be heard in the halls of political power, it will be because we take our message to the decision makers and state our point clearly and forcefully. My staff and I will continue to engage with the agencies that shape the regulatory framework for North Slope activities of all kinds. In these challenging times,

these changing times, I want to make sure they can't forget our concerns as they plan the future in offices that are thousands of miles from the Arctic.

Edward Itta is mayor of the North Slope Borough.

Copyright 2010
The Arctic Sounder is a publication of Alaska Newspapers, Inc. This article is © 2010 and limited reproduction rights for personal use are granted for this printing only. This article, in any form, may not be further reproduced without written permission of the publisher and owner, including duplication for not-for-profit purposes. Portions of this article may belong to other agencies; those sections are reproduced here with permission and Alaska Newspapers, Inc. makes no provisions for further distribution.

Keyword Search Go

United States Senator Lisa Murkowski

Home > Press Office > Press Releases

Monday March 01 2010

Murkowski Speaks at Arctic Policy Roundtable at New York Council on Foreign Relations

NEW YORK - U.S. Sen. Lisa Murkowski, R-Alaska, helped lead a discussion on U.S. Arctic policy at a roundtable forum today at the Council on Foreign Relations in New York City. Also participating in the discussion was U.S. Sen. Mark Begich, D-Alaska, a number of Arctic policy experts and several Alaskans, including Mayor Edward Itta of the North Slope Borough. Following is a text of Sen. Murkowski's remarks as prepared for delivery:

"Good afternoon. It is my distinct pleasure to be back at the Council on Foreign Relations today to discuss one of my favorite subjects, the Arctic. As all of us in this room are aware, the United States is an Arctic nation because of Alaska. But, what does it mean to be an Arctic nation? I believe that the Federal Government is just waking up to this reality and we are frantically trying to define exactly what that distinction means. In my view, being an Arctic nation means that the United States has certain obligations and responsibilities in the region to the land, the water and the people. And we all need to help our nation understand what those are.

"The pace of change in the Arctic demands that greater attention be focused on the region. The implications of the dynamic changing Arctic for the residents and important U.S. security, economic, environmental, and political interests, depend on it.

"One of those responsibilities I spoke of is to have the necessary infrastructure in the region. I recently introduced legislation that directs the Department of Defense and the Department of Homeland Security to study the feasibility, location and resource needs for an Arctic deep water port. This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support. I will insure that the Navy and Coast Guard actively consult with the communities and leaders of the region, as well as the State of Alaska.

"As we all are keenly aware, while the Arctic is becoming more and more ice free in the summer months, Arctic ice is not going to completely disappear. One of the major challenges that we face is our aging ice breaker fleet. I was able to get an appropriation to refurbish the Polar Star last year, and the Coast Guard has embarked on a study to determine whether we need to rebuild or replace our aging polar class vessels, but no matter the result of the study, we must have the commitment of the Administration and Congress that ice breakers are a national priority. And I will do all I can to advocate that position.

"As you know, I am a strong proponent of ratification of the United Nations Convention on the Law of the Sea. The United States must ratify the treaty but we remain at a stalemate: the White House looks to the Senate to lead and the Senate waits for stronger support from the

Administration. As the only Arctic nation not a party to the treaty, failure to ratify continues to keep the United States at a disadvantage internationally and outside the process, without a seat at the table.

"Even though we are not a party to the Treaty, the United States is making progress on mapping our extended continental shelf. The results of Coast Guard ice breaker HEALY's hydrographic missions in the Arctic have been remarkable and I have supported this initiative with appropriations and legislation to authorize more funding. I was gratified to see the cooperation in the Beaufort between with the HEALY and the Canadian icebreaker the Louie St. Laurent. This is yet one example of international cooperation in the Arctic.

"While I was pleased that the United States released its long awaited Arctic Regional Policy in early 2009, implementation is still lagging. It may be necessary for Congress to step in and help move the process. While certain branches of the government, like the Navy and Coast Guard, are developing and implementing their portions of the policy, it is still not nearly to the degree I would like. Certainly other Arctic and non-Arctic nations are moving much more quickly to develop policies and support them, than we are.

"I believe we are at a very critical time in the Arctic. As many of us have identified, there are two paths we can go down in regards to international relations -- one is a path of competition and conflict, and the other is one of cooperation and diplomacy. This decision, and the direction it takes, will require vision and dynamic leadership, both at home and abroad. I believe the United States, as one of the most powerful Arctic nations, must step up and provide it.

"A changing Arctic brings risks and challenges to the environment and indigenous people of the region. But it also brings opportunity and awareness. and if we can work to identify and minimize the risks, and use the opportunities to better the lives of the people of the Arctic region, we can all prosper.

"Thank you and I look forward to a lively conversation this afternoon."

# # #

BOOKMARK PRINTER FRIENDLY

BROWSE BY: March 2010 GO

03/25/10 -
Murkowski Opposes Health Care Reconciliation Bill

03/24/10 -
Murkowski Meets with Coast Guard Commandant Nominee

03/24/10 -
Murkowski, Johnson Introduce Bill to Address and Reduce Fetal Alcohol Disorders

03/23/10 -

Melting ice could mean new riches

Jill Burke
Mar 1, 2010

"It's not a question of if but when."

That's what Mead Treadwell, chairman of the U.S. Arctic Research Commission, told a New York City crowd Monday about the prospect of a booming northwest passage.

Treadwell made the remarks during a moderated panel discussion, "Will the Bering Strait become the Panama Canal of the North?" hosted by the Council on Foreign Relations at Alaska House New York. (Alaska House is a nonprofit organization founded by Alaska Dispatch publisher Alice Rogoff to promote education about Alaska and its Native culture and foster economic development within the state.)

The day's discussion, which pulled together Alaska's congressional delegates, regional leaders and industry representatives, centered on the sense of urgency seemingly missing both in the state and nationwide for developing the infrastructure -- like deep water ports and international rules -- that will be needed to tap into a new hustling, bustling Bering Strait.

Two of the world's largest mining operations are above the Arctic Circle, including the Red Dog zinc mine in Alaska off the coast of Kivalina, according to Treadwell -- and the Arctic is poised to deliver even more resources. Minerals, fishing, oil and gas, exploration and science, and tourism all have northern footholds. Capturing opportunities related to those activities with the prospect of shorter shipping routes as ice recedes is something Americans need to be thinking about now, Treadwell said.

The challenge is building the infrastructure. Deep water ports are needed to accommodate large container ships and provide an anchor for the military presence that will need to increase to keep pace with a rise in offshore activity near the United States' northern coast.

Participants, including Rogoff, suggested that developing port infrastructure for Alaska's western coast, from Adak to Barrow, could be an economic boom as important to the state as the trans-Alaska oil pipeline, particularly when even a handful of new port jobs has the potential to pull villages teetering on the brink of economic failure into sustainability.

Alaska Sens. Lisa Murkowski, a Republican, and Mark Begich, a Democrat, attended the event and told participants they are aware of the critical role Alaska is poised to play in a changing Arctic environment. Murkowski is pushing for a Department of Defense and Homeland Security feasibility study for a deep water port off Alaska's shores.

"This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support," Murkowski said.

A full transcript of the day's discussion will be posted online at the Council on Foreign Relations' Web site.

Contact Jill Burke at jill(at)alaskadispatch.com

http://www.alaskadispatch.com/news/news/4250-melting-ice-could-mean-new-riches

HJR

8

<target><bill>HJR 8</bill><subject>HJR
8</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 10, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/19/10

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 8**

Proposing amendments to the Constitution of the State of Alaska limiting appropriations from certain mineral revenue, relating to the balanced budget account, and relating to an appropriation limit.

HJR 8-CONST. AM: APPROP. LIMIT/MINERAL REVENUE

Recommends it be replaced with [ ] HCS *or* [✓] CS *for* HJR 8 (FIN)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ [✓] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara			✓	
	DAHAM			✓	
	Joule			✓	
	KELLY	X			
	Austerman	X			
	FAIRCLOUGH	X			
	Foster			✓	
Chair:	Stoltze				
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HJR 8
(H) Publish Date: 2/10/10

Identifier (file name): HJR008OOG-DOE-2-3-10
Dept. Affected: OOG
Title: Constitutional amendment limiting appropriations from certain mineral revenue, relating to balanced budget....
RDU: Elections
Component: Elections
Sponsor: Representatives Kelly, Lynn, Johnson
Requester: House State Affairs Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/3/10, 9:22am
Approved by: Linda Perez, Director — Date 2/3/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

Rep. Mike Kelly introduces state finance plan

Published Thursday, January 29, 2009

JUNEAU — Rep. Mike Kelly has introduced a plan to stabilize the state's finances by evening out the steep peaks and valleys of the "oil price roller coaster."

The Fairbanks Republican this week introduced House Joint Resolution 8, which, if approved by the Legislature, would ask voters to amend the Alaska constitution to require the state to base spending on a five-year average of oil and other minerals revenue.

That, Kelly said, would limit state spending and restore some financial stability.

"This government seems to have a ratchet, but it's only in the up direction," he said. "We have got to live within our means, and we've got to control the seemingly endless growth in state government."

He charged that state spending has doubled since 2005, when he entered the Legislature, and roughly tripled since 2000.

"If the people had to pay for that, they would be screaming bloody murder," he said.

About 90 percent of unrestricted state revenue in fiscal year 2009 came from oil production.

Kelly's plan calls for calculating state revenues on an average of the last four years and the current year and wouldn't affect the Permanent Fund. The proposal also would create a Balanced Budget Account, a short-term holding fund that could be drawn on to balance the budget at the end of each fiscal year. Any surpluses would flow into the Constitutional Budget Reserve.

The new, short-term account could help save money by eliminating steep spending in flush years and dramatic cuts in lean years, he said.

Lawmakers have to round up a three-fourths majority to tap into the CBR. That's generally done by promising money for special projects to legislators who will vote yes, Kelly said.

"If you want a billion, you're going to pay a lot more than that to get it out," he said.

His proposal would average revenues from all oil, natural gas and other mineral sources. At the same time, Rep. Mike Hawker, R-Anchorage, has filed a resolution for a constitutional amendment that would establish an endowment fund with natural gas revenue. Kelly said he and Hawker will discuss how the two plans could dovetail.

Sen. Joe Thomas, D-Fairbanks, agreed the state needs a long-term fiscal plan, but he has some initial concerns about Kelly's proposal. He sits on the Senate Finance Committee.

He would like a look at scenarios of how a five-year average would have affected revenue and spending during the last several years.

An average could still pack some wallops when years with major movement, such as 2008 with $140 per barrel oil, factor in. He cautioned against the possibility of "economic whiplash."

And, Thomas noted, while a five-year average could smooth some ups and downs, less revenue could lead to cuts to some state services that are as essential in lean times as in boom years.

Kelly's resolution was referred to the House state affairs, judicial and finance committees.

If the resolution passes the Legislature, he doesn't expect too much trouble convincing voters to make the amendment.

"I think this is something that the public understands clearly the need for," he said. "It's about responsible budgeting."

Rep. Mike Kelly shows some common sense: His plan has no chance.

Posted on ***29 January 2009***

By Dan Fagan

Like it or not, here in Alaska we live in a boom or bust economy. Alaska is known for its extremes and our economy is no different. The fluctuation in the price of oil has never been more dramatic than it was in 2008. So what's a state to do when it comes to a budget?

Republican Rep. Mike Kelly of Fairbanks has an idea. House Joint Resolution 8 sponsored by Kelly is designed to even out the up and down nature of state revenue.

The measure calls for changing the Alaska constitution requiring our big spending legislators to base budgets on a five-year of oil and other mineral revenues. It would take into account the past fours years and the current year of state revenue when putting together a budget.

This plan would prevent what happened last year when the state was flush with cash and blew much of it including a massive giveaway of free cash. Rep. Kelly hopes the plan would limit state spending in boom years.

"This government seems to have a ratchet, but it's only in the up direction," Kelly told the Fairbanks News Minor. "We have got to live within our means, and we've got to control the seemingly endless growth in state government."

Kelly is on the right track. Something has to be done. In the past three years, state spending has doubled. There's no justification for that kind

of irresponsible growth. Kelly says that type of growth is only possible because Alaskans, for the most part, don't directly have to pay for state government.

"If the people had to pay for that, they would be screaming bloody murder," Kelly said.

Nine out of every ten dollars the state collects comes from the oil industry.

Rep. Kelly's plan also creates a Balanced Budget Account. Lawmakers would draw on it to balance the budget at the end of each fiscal year. Any surplus would flow into the Constitutional Budget Reserve.

Kelly hopes the new, short-term account could help save money by eliminating steep spending in flush years and dramatic cuts in lean years, he said. The truth is we do spend like drunken sailors in boom years and yet during lean years we still spend too much. Kelly's plan would at least restrict legislators from going crazy when the price of oil is high.

Does Kelly's plan have a shot? Three quarters of legislators would have to be on board so it faces an uphill battle. Democrats typically oppose any legislation that would limit government spending. And the D's seem to have firm control in the Senate with the newly formed coalition.

2380

HJR 8

Balanced Budget Resolution
House Finance Committee
March 18, 2010

Representative Mike Kelly
26th Legislature

Control Spending

In 1982, voters approved an amendment to the Alaska Constitution to control state spending.

The 1982 amendment established an annual appropriation limit of $2.5 billion plus adjustments for changes in population and inflation.

Today's Dollars

For FY 09, the Office of Management and Budget estimated the 1982 Constitutional limit to be approximately:

$8.3 billion

(Source: State of Alaska Comprehensive Financial Report Fiscal Year Ended June 30, 2009, page 59)

FY 09 budget

The FY 09 budget passed by the legislature after vetoes was $6.7 billion (unrestricted General Fund revenue), or $1.6 billion less than the 1982 constitutional spending limit.

Translation: The 1982 spending limit passed by voters is either functionally ineffective; or, we're doing a fine job of controlling government growth.

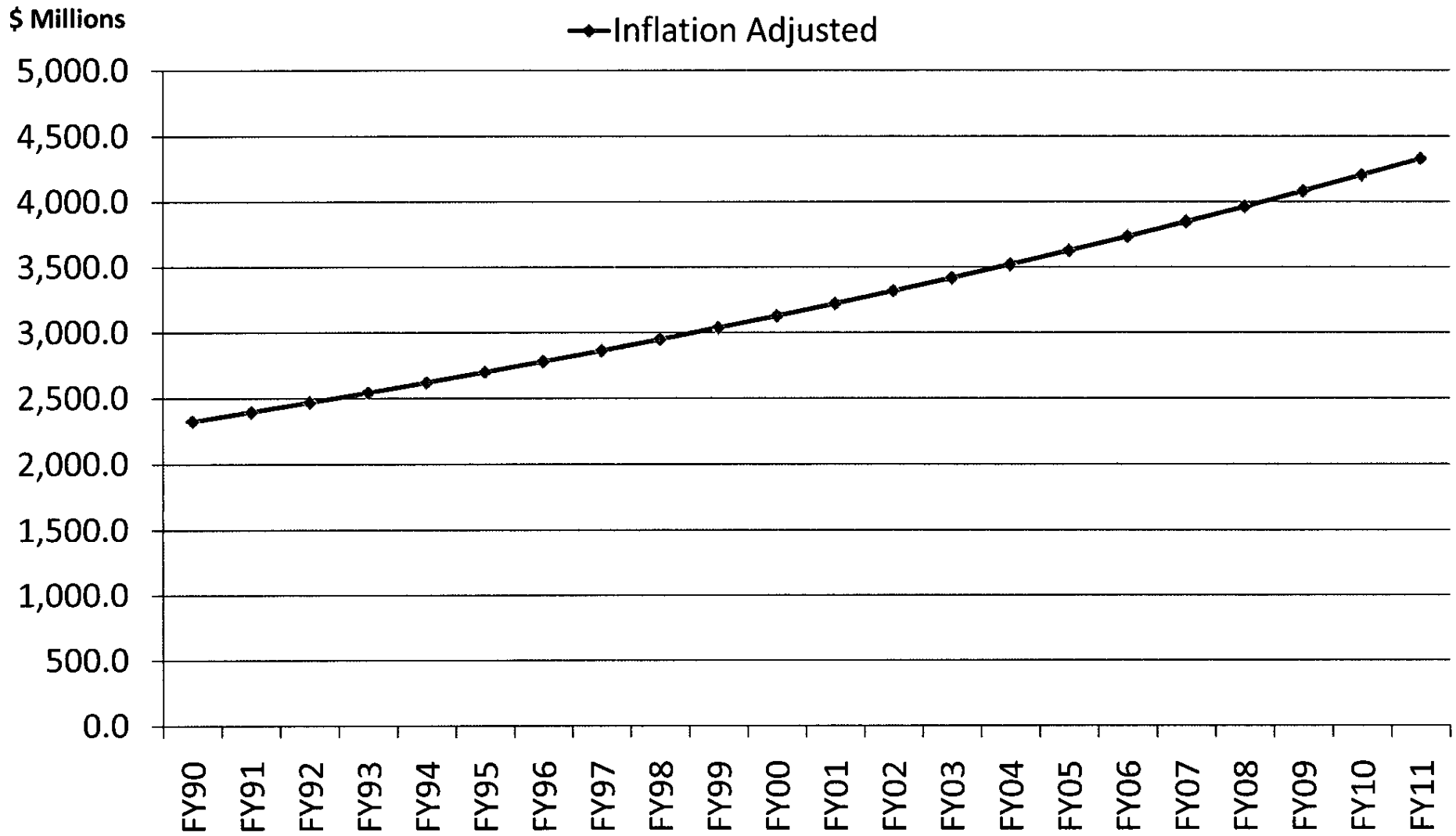
Constitutional Budget Reserve Fund (CBRF)

In 1990, another attempt was made by voters to impose budget stability. Voters approved a Constitutional Amendment creating the Constitutional Budget Reserve Fund (CBRF).

CBRF

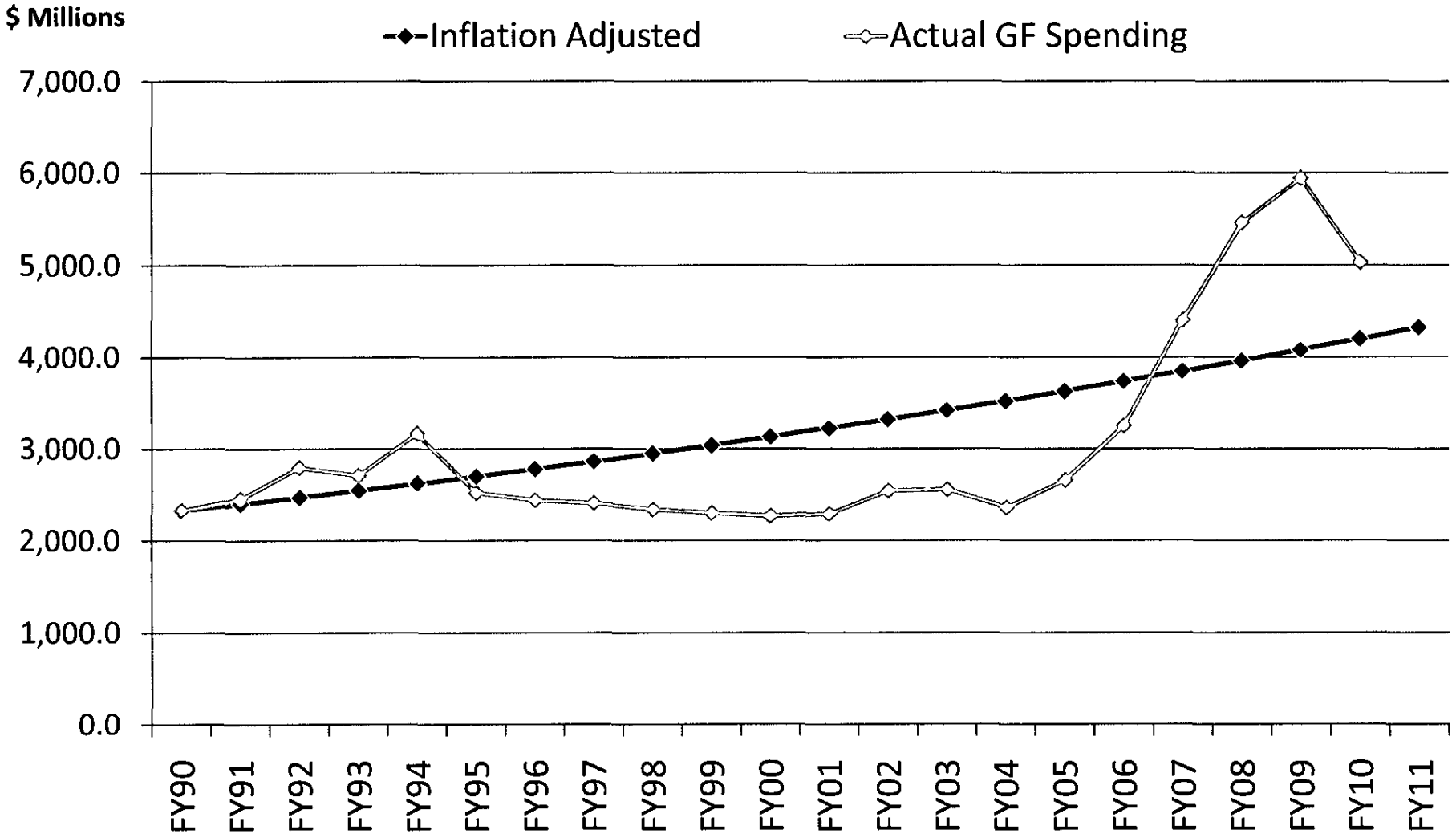
The CBRF was created to receive and protect excess revenues generated in high revenue years, rather than leaving excess funds in the General Fund (where they may be more easily accessed and spent). Taking money from the CBRF requires a supermajority ¾ vote, making it more difficult to tap and arguably a spending controller.

State General Fund Spending FY90 – FY10



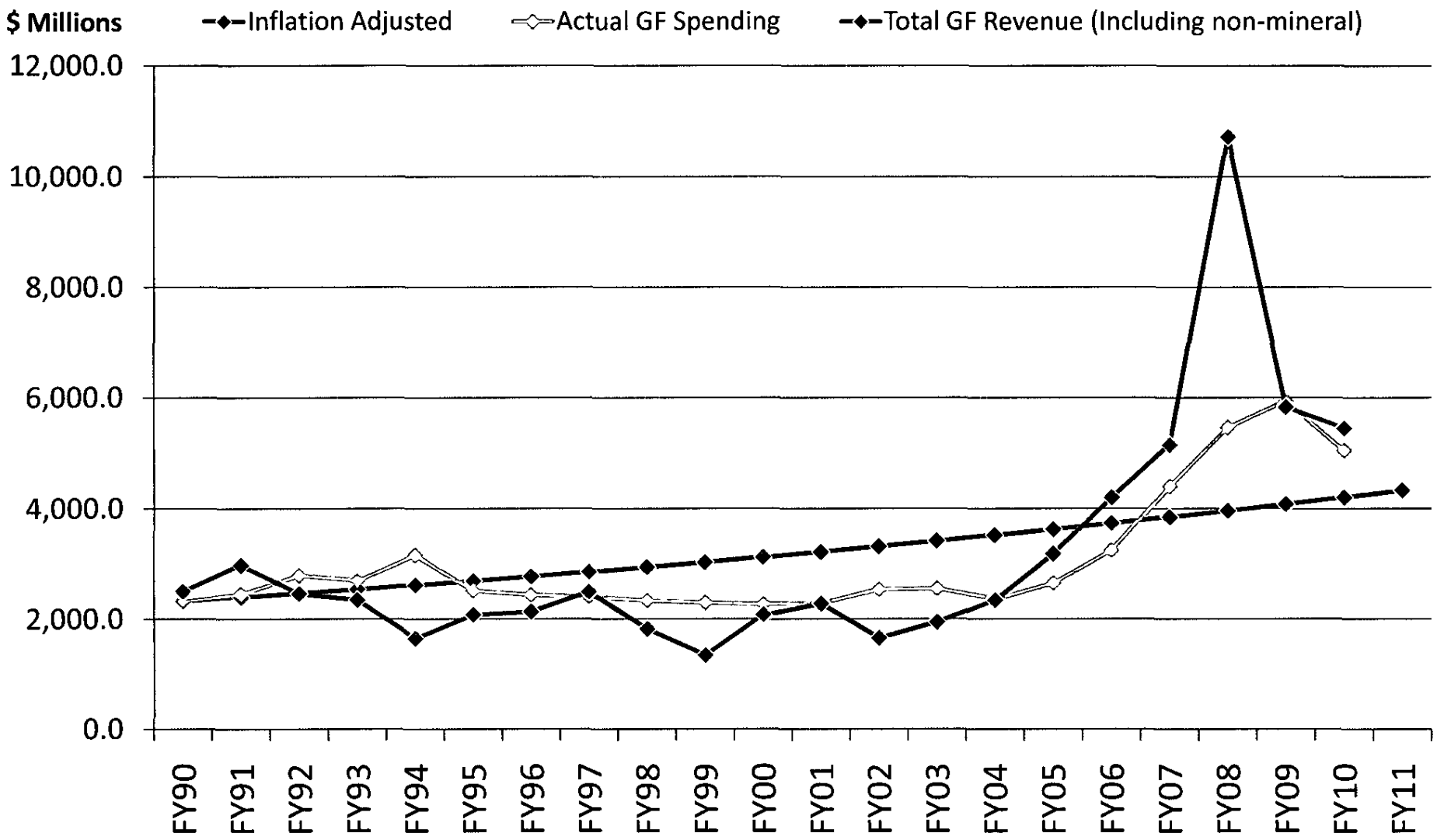
Source: Legislative Finance Division

State General Fund Spending FY90 – FY10



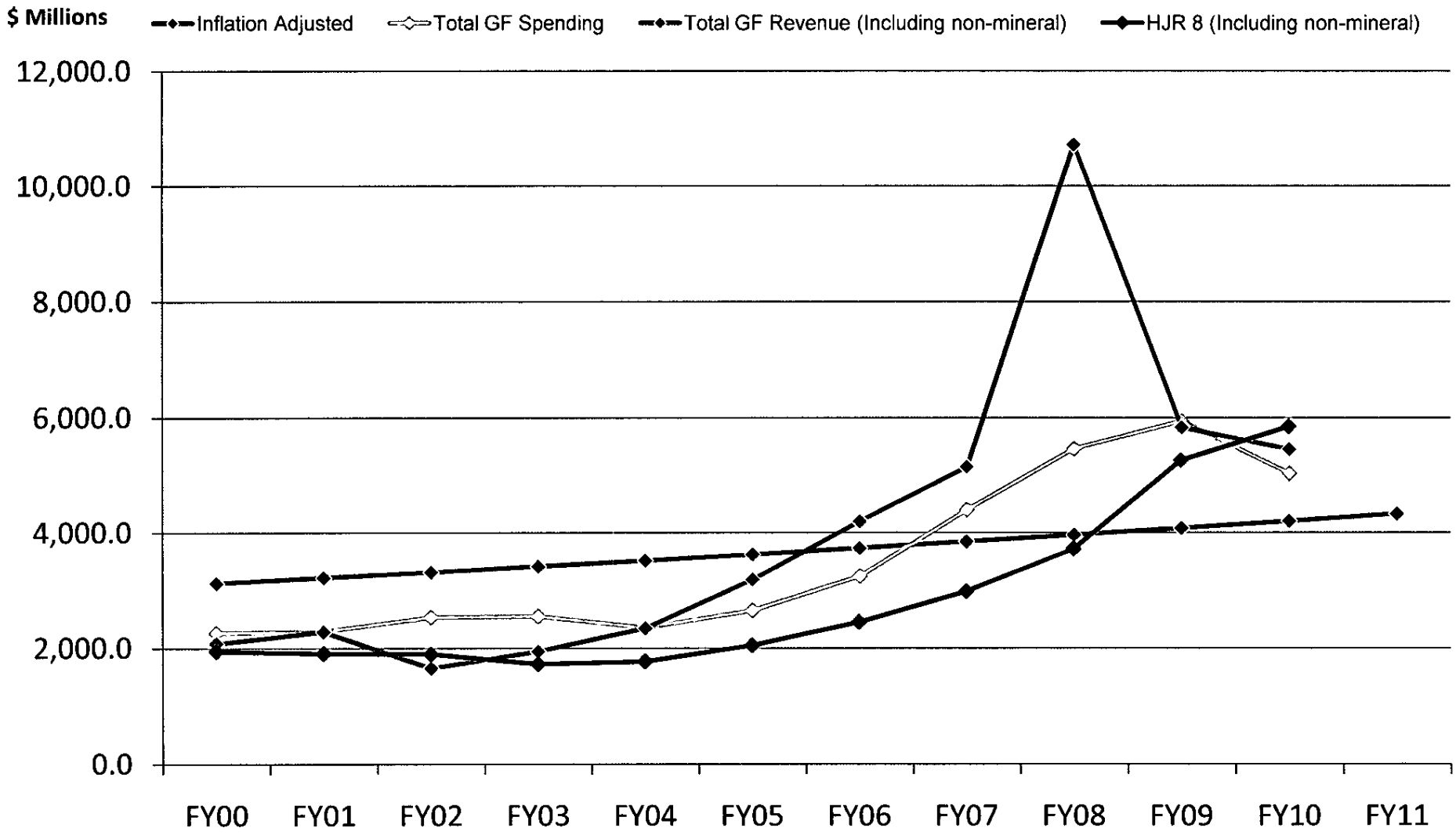
Source: Legislative Finance Division

State General Fund Spending FY90 – FY10



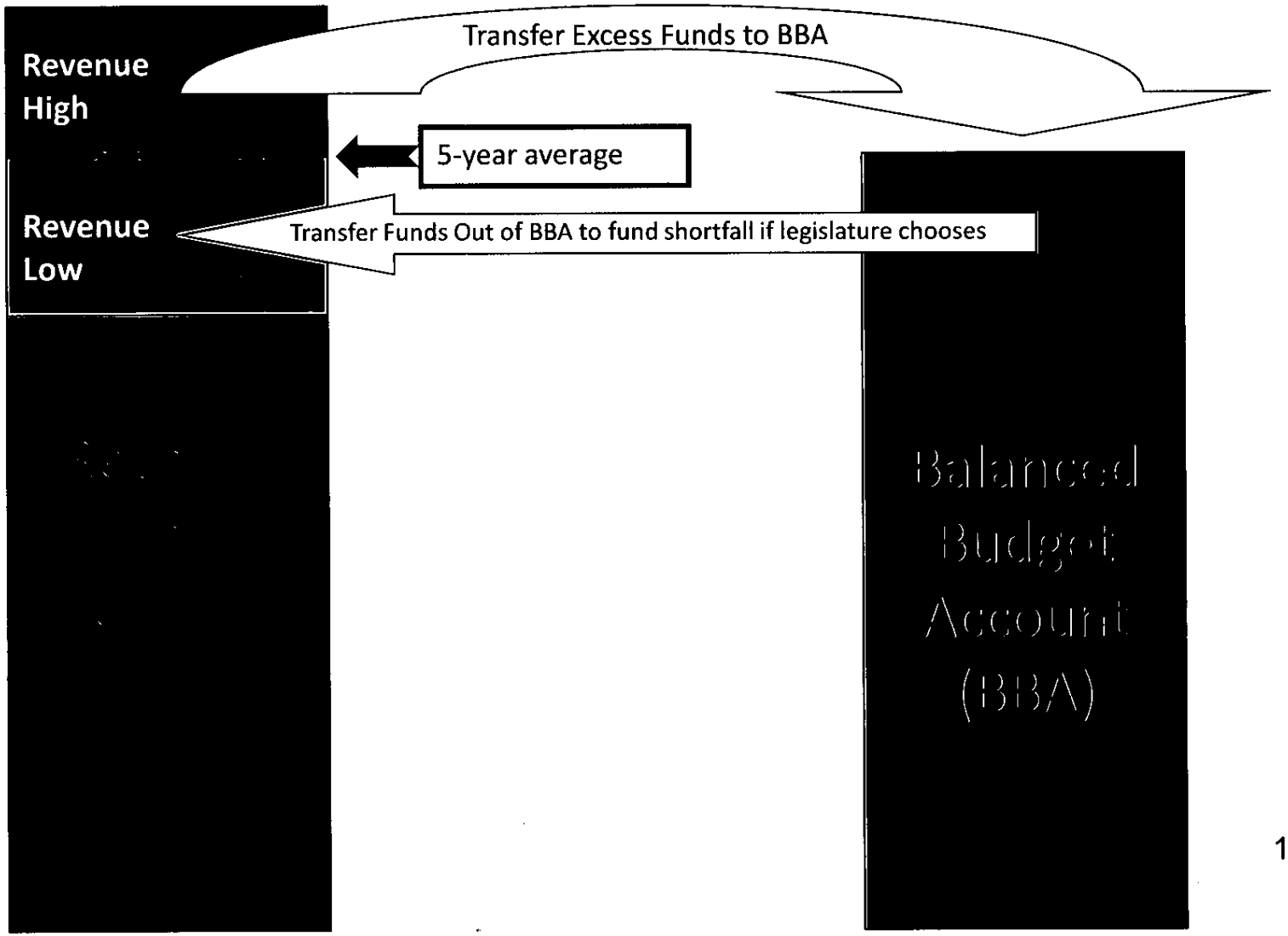
Source: Legislative Finance Division & Fall 2009 Revenue Sources Book

State General Fund Spending FY90 – FY10



Source: Legislative Finance Division & Fall 2009 Revenue Sources Book

Basic Concept of Balanced Budget Resolution



Sacred Cows

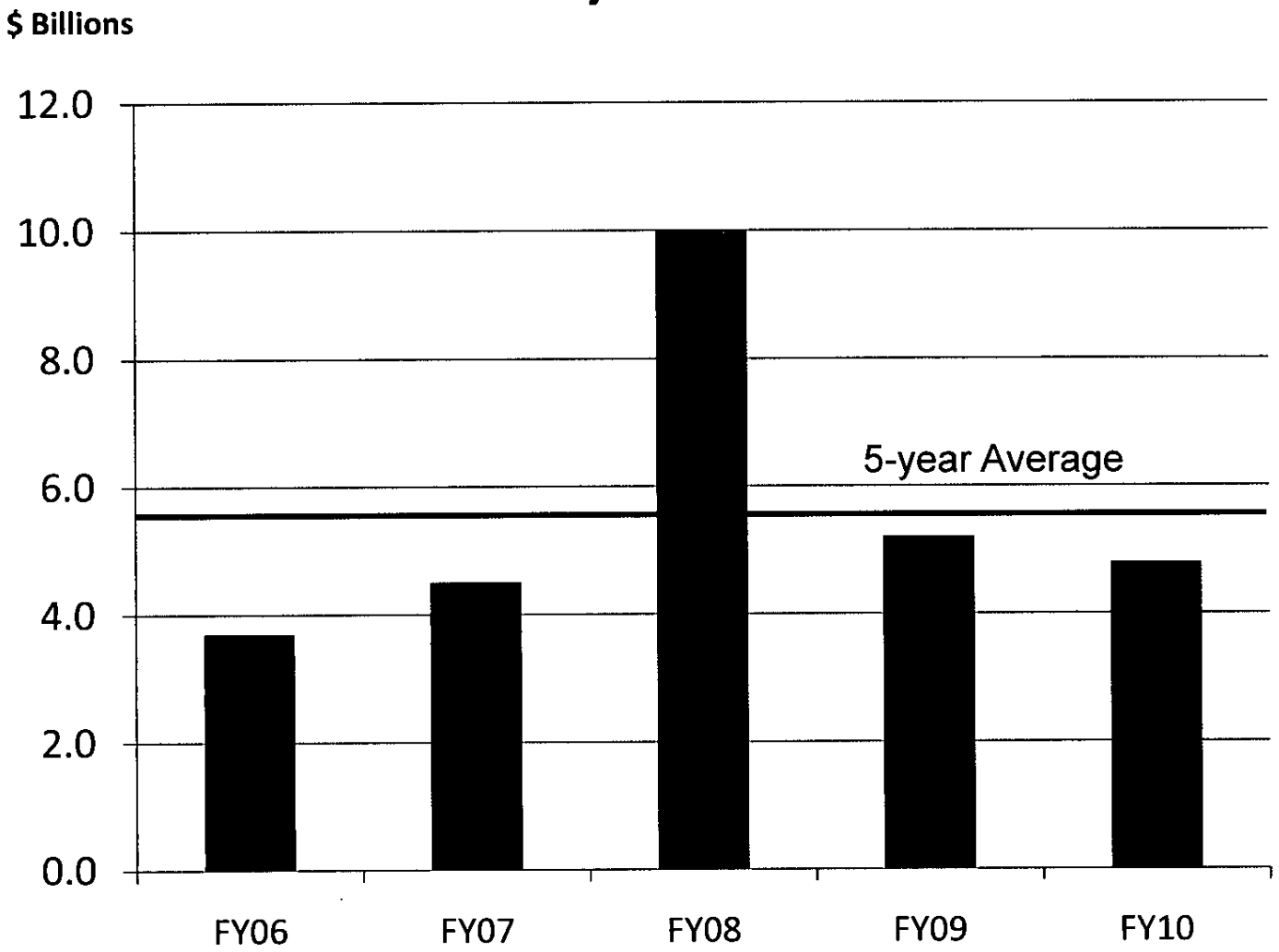
<u>HJR 8 Does NOT touch:</u>

- Permanent Fund Dividend
- Permanent Fund Corpus
- Permanent Fund Earnings
- Amerada Hess

CBR Sweep

The Balanced Budget Account is NOT subject to the Constitutional Budget Reserve sweep.

HJR 8/BBA Relationship

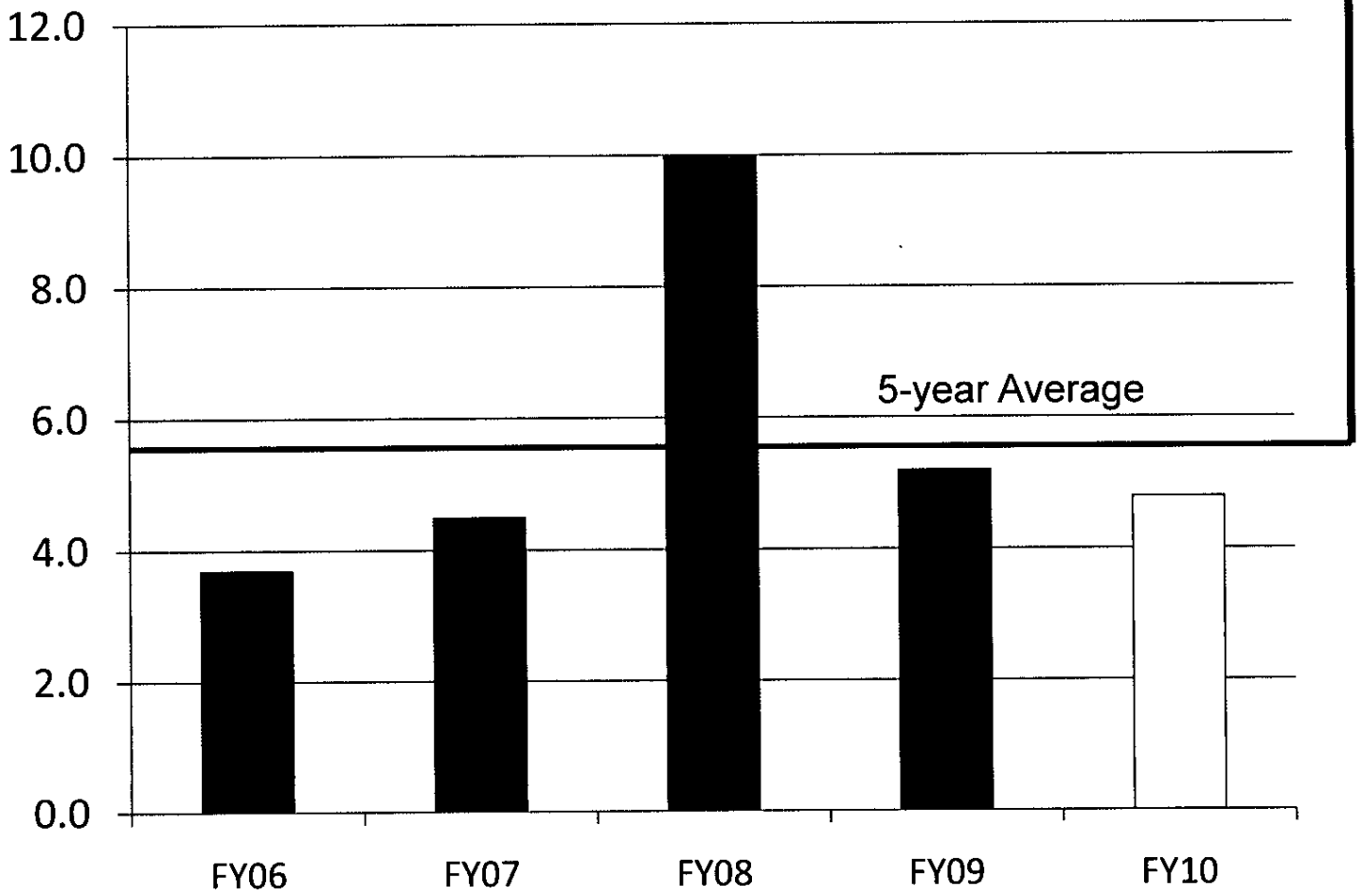


Balanced Budget Account (BBA)

- HJR 8 transfers funds into the BBA when oil prices are high and, with a simple majority vote, transfers funds out of the BBA to fill the gap when oil prices are low. When the balance of BBA exceeds 2 years of appropriations, excess will be transferred into the CBR.

Source: Fall 2009 Revenue Sources Book & Dept. of Revenue's revised 2010 Estimate (February 8, 2010)

5-year Average Calculation – FY11'



$ 5.6

5-year Average Calculation:

(For '11 Budget)

Take the Petroleum Revenue for the past 4 years, plus the Dept. of Revenue's current fiscal year projection and divide by 5.

Example:

$ (Billions)

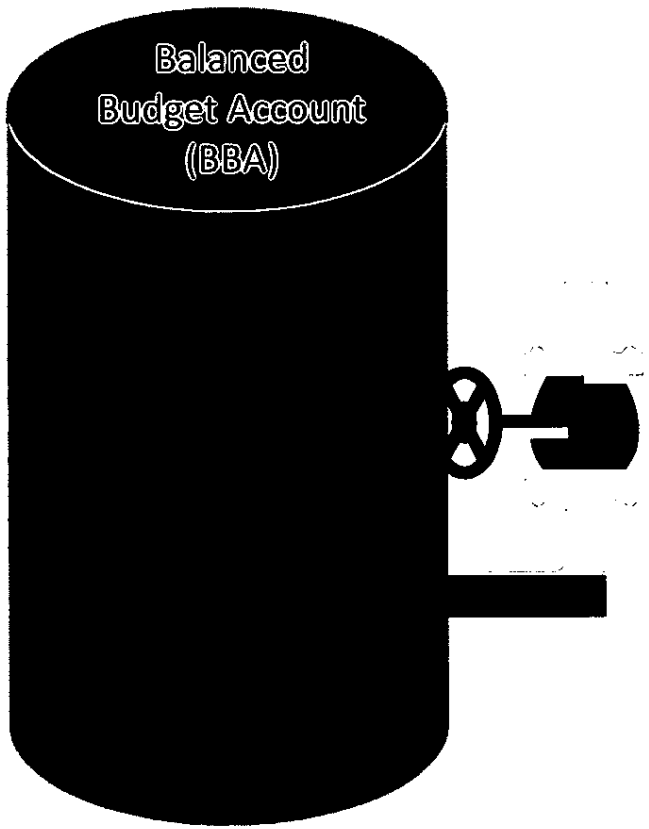
'06	$ 3.7
'07	$ 4.5
'08	$ 10.0
'09	$ 5.2
'10	$ 4.8
Total	$ 28.2

Divided by 5 =

$ 5.6

Source: Fall 2009 Revenue Sources Book & Dept. of Revenue's revised 2010 Estimate (Feb. 8, 2010)

The BBA and CBR



Constitutional Budget Reserve (CBR)

HJR 8 transfers funds into the CBR when the BBA exceeds its 2 year limit. The legislature would still need a ¾ vote to access the CBR.

2396

Fiscal Responsibility

- Encourages a better budgeting system than "when you have it, spend it – when you don't, cut."
- Provides a simple but effective mechanism to help save budget surpluses and avoid deficits while encouraging government to live within its means.
- Eliminates need for complicated "rat holing" and "parking" of excess funds to avoid ¾ vote.

Why a Constitutional Amendment?

- The legislature can easily overpower, ignore or change statutory appropriation constraints.

- Let the people speak concerning this simple fiscal framework. It may be the only fiscal plan they will endorse at this time.

HJR 8 & POMV

"If the people of Alaska choose a Percent of Market Value approach to funding government using the Permanent Fund Earnings, HJR 8 would accommodate that approach."

- Excerpts from Bradners' Alaska Legislative Digest No. 29/07 Dec. 19, 2007:

- **Fiscal policy is more than savings and sound bites; it requires long-haul skilled political crafting.**

- Long term fiscal policy has been elusive in Alaska, especially since the beginning [of] the pipeline flow and the flow of easy money. The citizen taxpayer close scrutiny faltered and was replaced by all of us with our hands out. There are reasons why we have failed, and continue to do so.

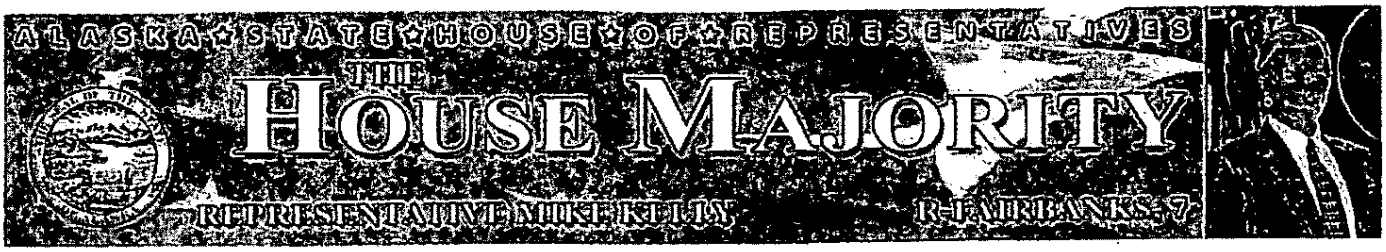
  - **We play the budget game from the seat of our pants.**

- Lawmakers are besieged with demands to spend, especially when there is the perception or the reality as is the current case, that there is money on the table. Fiscal restraint then becomes someone else's business, or the business of tomorrow, although tomorrow brings the same appetites.

- **The same people who demand that they see a critical need in their community, or in relation to their institution or industry, will still say the Legislature "spends too much."**

2400

Questions?



FOR IMMEDIATE RELEASE **PRESS RELEASE**

KELLY'S FISCAL PLAN CONST. AMEN. MOVES FROM COMMITTEE

HJR 8 will base State spending on 5-year oil revenue average

Tuesday, April 07, 2009, Juneau, Alaska – The House State Affairs Committee moved House Joint Resolution (HJR) 8 out of committee today. The resolution, sponsored by Rep. Mike Kelly, R-Fairbanks, would place before voters a constitutional amendment limiting State spending appropriations. The resolution bases State spending on a 5-year rolling average of oil revenue. According to the State Dept. of Revenue, 90% of the total unrestricted revenue in fiscal year 2009 is attributable to oil production.

"I appreciate the House State Affairs Committee's recognition that this resolution should be moved forward and the level of discussion regarding State spending should be dialed up," Kelly said. "We've gone from a significant deficit in FY '03 to a significant surplus in FY '06, and now back to a projected deficit in FY '10. State spending chases this oil price roller coaster, making rational budgeting extremely difficult and living within our means politically unachievable."

"This resolution looks to the future, through the past," said Rep. Craig Johnson, R-Anchorage, who co-sponsored the bill. "This is the first time I've ever heard a discussion of how we allocate our dollars in a finite world. Instead, the discussion has always been 'well, we'll just go get more from someplace else then.' This bill has brought more discussion on financial decisions than I have heard on any finance committee, sub-committee or anywhere else."

"This resolution takes money off the table in high revenue years and saves it for years when revenue is low," said House State Affairs Committee Chair Bob Lynn, R-Anchorage, who also co-sponsored the bill. "This is an appropriate discussion for the legislature to have in light of the doubling in State spending over the past 5 years. I support moving this bill along and encouraging my colleagues to consider how we allocate our resources."

HJR 8 now moves to the Judiciary Committee and Finance Committee.

# # #

To contact Rep. Kelly, please call 1-907-465-6978.

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

HJR 8

"An Act proposing amendments to the Constitution of the State of Alaska limiting appropriations from certain mineral revenue, relating to the balanced budget account, and relating to an appropriation limit."

The largest contributor to our state's unrestricted revenue is also the most volatile component. 85-90 percent of unrestricted revenues for FY '07 through FY'10 will come from oil. Since 1988 Alaska North Slope crude oil production has declined by 64% - from over 2 million barrels per day to under 720 thousand barrels per day. During that same period of time the market price of oil has increased sixfold. We have gone from a significant deficit in FY '03, a $500 million draw on the CBR, to a significant surplus in FY '06 of over $1 billion, back to a projected deficit in FY '09. This makes rational budgeting nearly impossible. HJR 8 provides an appropriation smoothing and limiting mechanism applicable to the wildly fluctuating portion of the budget that is oil revenue.

In recognition of the difficulty in building and balancing our budget in a responsible manner when the price of oil fluctuates, HJR 8 forces the legislature to incorporate its oil revenues into the budget in any given fiscal year on a five-year rolling average, (4 years back and 1 year forward). This averaging would act as a "dampener" to prevent spending sprees when oil prices are high and crashes when oil prices are low.

HJR 8 also establishes a "Balanced Budget Account" in the State Treasury. Any oil and other mineral revenue received by the state in excess of the 5-year average amount referenced above would be deposited into the Balanced Budget Account. This account would not be subject to the Constitutional Budget Reserve sweep, but would be limited to a maximum amount that is equal to the oil and other mineral revenue appropriations for the current fiscal year, plus the immediate preceding fiscal year. Any excess amount would be transferred to the Constitutional Budget Reserve.

This resolution would also provide for transfer of funds from the Balanced Budget Account into appropriations during years when actual revenue from oil and other minerals falls below the 5-year average. In lean years, the legislature may with a majority vote transfer funds from the Balanced Budget Account necessary to fill the "gap" between the revenue available and the 5-year average. If the legislature requires appropriations above what the 5-year average permits, it may choose to live within its means or seek funds from other sources of revenue including the CBR.

HJR 8 could end the constant search by the legislature for rat holes in which to stash excess revenues so they can access those funds to balance the budget in the following years, without having to buy the ¾ vote to get funds from the Constitutional Budget Reserve. The resolution also avoids "sacred cows" by having no effect on the permanent fund corpus or the earnings of the Permanent Fund, the Amerada Hess Account or the Permanent Fund Dividend.

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

Questions & Answers for HJR 8 in House State Affairs Committee

Tuesday, April 7, 2009

Question: Where did the definition of "mineral revenue" come from on page 1, lines 8-10 of the resolution?
Answer: Article 9, Section 15 of the Alaska Constitution, which says: "At least twenty-five per cent of all **mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses** received by the State shall be placed in a permanent fund, etc..."

Mineral production refers to the State's production tax (ACES) on oil. Mineral Transportation refers to the State's tariff on transporting oil through the Trans-Alaska Pipeline System. This section would apply to a potential gasline as well.

Question: Has the Constitutional Budget Reserve been repaid?
Answer: According to the Comprehensive Annual Financial Report of the State of Alaska, the remaining indebtedness to the CBR is $150 million and change. In FY08 the legislature appropriated $3 billion from the general fund to the CBR. Additionally, at the end of FY08 over $2 billion was swept from a variety of GF sub-funds and accounts, and transferred to the CBR.

Question: Can we include fish receipts and tourism in the 5-year appropriation limit?
Answer: Yes we can, but the state receives minimal revenue from these sources when compared to mineral revenue. For example, total unrestricted income from Fish Taxes was $22.4 and $22.6 million in FY07 and FY08. If these receipts were included in HJR 8, they would represent ½ a percent of total revenue in FY07 and even less in FY08. The Fall 2008 Revenue Sources book includes other restricted revenue from fish receipts, but because they are restricted they should not be included in the HJR 8 model.

Total unrestricted income from tourism includes: $9 million from the Car Rental Tax, $12.3 million from the Cruise Corporate Income Tax, $3.5 million from the Tourism Corporate Income Tax, and $6.7 million from the Cruise Gaming Tax. Total unrestricted revenue from tourism in FY08 was $31.5 million. These funds represent a 1/3 of a percent of total revenue for FY08. The Fall 2008 Revenue Sources book includes other restricted revenue from tourism, but because they are restricted they should not be included in the HJR 8 model.

Question: Can we calculate a 3-year Average, deleting the high extreme and the low extreme?
Answer: Yes. (See Attached)

Adopted 3/19/10

26-LS0388\A.1
Cook
3/18/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE KELLY

TO: HJR 8

Page 1, line 12, through page 2, line 3:

Delete all material.

Insert "amounts received by the state from these sources during the five fiscal years that immediately precede the current fiscal year divided by five."

HJR 11

<target><bill>HJR 11</bill><subject>HJR 11</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: January 30, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 2/3/09

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 11**

Relating to the federal stimulus package.

HJR 11 PROJECTS FOR ECONOMIC STIMULUS PACKAGE

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HJR 11 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	CRAWFORD	✓			
	Toole	✓			
	FAIRCLOUGH	X			
				X	
	KELLY		X		
	Salmon	X			
Chair:	Hawker	✱			
Chair:	Holt			✱	

2408

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HJR11
() Publish Date:

Identifier (file name):
Title: Relating to the federal stimulus package.
Sponsor: House Finance Committee
Requester: House Finance Committee

Dept. Affected: Legislature
RDU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 2/2/09 8:36 AM
Approved by: Pamela Varni, Executive Director — Date 2/2/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

2409

Alaska State Legislature
HOUSE FINANCE COMMITTEE
Agenda
8:30 AM

Tuesday, February 3, 2009

HJR 11-PROJECTS FOR ECONOMIC STIMULUS PACKAGE

Via Teleconference (if able)
✓John Katz, Dir, State/Federal Relations and Special Counsel, D.C.
or
✓Randall Ruaro, Special Assistant, Office of the Governor

See Teleconference lists:

Foster absent
add Beth Kertula

2009 HOUSE
FINANCE
COMMITTEE

DATE: 2/3/09

Amendment: [illegible]

HJR 11

MEMBER	Favor	Oppose
REP. AUSTERMAN	✓	
REP. CRAWFORD	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER		—
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS	✓	
REP. HAWKER	✓	
REP. STOLTZE	✓	

9 - 1

adopted 2/3/09

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: HJR 11

Page 2, line 1 through line 3

DELETE all language

INSERT "WHEREAS to accomplish this purpose, the federal government is relying on existing formulas and grant programs to allocate funds to the states, President Obama and the Congressional leadership of both parties having indicated that no specific projects will be included in the economic stimulus package;"

Amended pg 2

26-LS0463\R

HOUSE JOINT RESOLUTION NO. 11

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/30/09
Referred:

A RESOLUTION

Relating to the federal stimulus package.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the economy of the United States is experiencing a recession that is causing significant loss of employment and income for many American families; and

WHEREAS significant financial hardship is also occurring in Alaska and is exacerbated by the current price of oil and the continuing high cost of other types of energy; and

WHEREAS the loss of income in the state has made it difficult for many families in the state to afford the necessities of life, including fuel, food, and health care; and

WHEREAS the federal government is considering a stimulus package to alleviate the dire consequences of the nation's economic downturn; and

WHEREAS the proposed federal stimulus package emphasizes the need for each state to boost its local economies through the initiation of a wide range of projects, including projects involving transportation facilities, school construction, health care services, and energy resources, and these projects will temporarily provide employment to workers to help them and their families weather the current economic hardships; and

With drawn: Consistent w/ amended AKD: job training

WHEREAS the Alaska State Legislature recognizes the need for the state to submit to the federal government a project package that provides a variety of assistance to families in all parts of the state;

BE IT RESOLVED that the Alaska State Legislature desires a comprehensive federal stimulus package that allocates to Alaska the state's fair share of funding so that the citizens of all regions of the state will benefit; and be it

FURTHER RESOLVED by the Alaska State Legislature that Alaska's participation in the federal stimulus package should recognize the breadth of the state's economy by stimulating a variety of the segments of the state's economy, including transportation, energy, education, health care, nutrition, the environment, information technology, and other areas.

COPIES of this resolution shall be sent to the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

adopted
concept
amend
"job training"

STATE OF ALASKA

Federal Economic Stimulus Package - Questions & Answers

1. What has Alaska requested in the federal economic stimulus package?
Alaska requested that the federal economic stimulus package use existing formula programs to allocate funding fairly to states. The attached letter dated January 7, 2009, from Governor Palin to Alaska's Congressional Delegation further describes Alaska's request.

Initially, four projects were submitted informally to staff in the Alaska congressional delegation offices in November 2008. The initial submission was made very early in the process when it was unclear what would be included in the legislation. The projects submitted were based on preliminary criteria that projects needed to be "bid-ready" and focused on projects with national significance, including development of the gas line and national security.

The specific projects submitted total $139.3 million as follows:

Dalton Highway Improvements	$75.0 million
Parks Highway Improvements	$34.0 million
Alaska Highway MP 1412-1422	$ 5.3 million
Central Regional Surface Repairs	$25.0 million

In her January 7, 2009, letter to the Congressional Delegation, the Governor also suggested consideration of infrastructure improvements to the Kodiak Launch Facility based on national security interests. A brief description of the projects is included at the end of this document.

2. What guidelines has Alaska received and from whom?
Alaska had not received any guidelines other than the statements by President-elect Obama and leadership in Congress from both Houses that there would not be any earmarks in the stimulus bill and that formulas would be used instead. Federal legislation was introduced on January 15, 2009. The administration is reviewing the legislation, will monitor developments and respond accordingly.

3. When is action on the federal economic stimulus package expected?
The latest news reports indicate that leadership in Congress would like to have the economic stimulus bill passed by mid-February, 2009.

4. What process did Alaska use, and who was involved, in determining the requests?
The process Alaska has used and will continue to use is to monitor developments as they occur and provide information accordingly. The Governor, her staff, and agency personnel are involved in reviewing the package and preparing additional comments or requests to the delegation as the federal legislation progresses and what is signed into law by the President.

5. What can communities do to submit projects for the economic stimulus package?
Development of the economic stimulus package continues to evolve at the federal level. Communities and organizations seeking funding for projects should submit their requests directly to Alaska's Congressional Delegation for consideration in the federal appropriation process. However, all indications from the President elect and Congressional leaders suggest there will <u>not</u> be any earmarks in the stimulus legislation.

Attachments
January 7, 2009 Letter to the Alaska Congressional Delegation
January 12, 2009 Press Release

Prepared by: Alaska Office of Management & Budget
Date: January 15, 2009

Brief Project Descriptions

Dalton Highway Improvements - $75.0 million
Improvements to the Dalton Highway are critical to construction of the natural gas pipeline and resource development on Alaska's North Slope. This project consists of rehabilitation, including widening, resurfacing, culvert replacement and other road enhancements. Grade raises, delineator installation, brush cutting, drainage repairs, repair of damaged bridges, and additional surfacing are also planned. These improvements will better accommodate oversize and overweight loads associated with gas line construction.

Parks Highway Improvements $34.0 Million
The existing roadway is two lanes with 4-foot shoulders, deteriorated pavement, has no passing lanes, and has underlying structural embankment deficiencies that require seasonal weight restrictions. This project will rehabilitate pavement, widen the shoulders to 8 feet (consistent with Alaska's standard for the National Highway System), reconstruct the problematic structural sections, and construct 7 miles of passing lanes. These improvements will better accommodate oversize, overweight loads and slow moving traffic associated with gas line construction.

Alaska Highway Milepost 1412 to 1422 - $5.3 million
This project will rehabilitate, improve drainage, re-level and resurface the Alaska Highway between MP 1412 and 1422 (Delta South). Substandard embankment conditions have been identified in this area causing significant pavement failures. This project will improve the Alaska Highway to accommodate increased truck traffic associated with gas line construction.

Central Region Surface Repairs - $25.0 Million
This project will provide funding for rut and pavement repairs on National Highway System (NHS) routes in Central Region. 67.25% of all the State's vehicle travel occurs in Central Region. Central Region has over 700 lane miles of badly rutted roads that would cost $350 million in today's dollars to repair. Repairs to these routes will facilitate the movement of people, goods and services associated with gas line construction.

Kodiak Launch Facility - $35.0 Million
Launch Pad 3 and Rocket Motor Storage Facility Construction
The Alaska Aerospace Development Corporation (AADC) Kodiak Launch Complex (KLC) is ideally situated to support rapid response launch programs that address increasing demands on the use of space-based capabilities to achieve national objectives. AADC was recently awarded two U.S. Air Force contracts for satellite launches that are demonstrators of the rapid response concept. To gain a sustained rapid response launch capability KLC requires an additional launch pad and rocket motor storage facility. With receipt of funding, construction will begin in the spring of 2009 and be completed and fully operational within 18-24 months.

Prepared by: Alaska Office of Management & Budget
Date: January 15, 2009

Summary of Medicaid / health insurance in House economic stimulus bill

The health care provisions in the House economic stimulus package would provide $87 billion in matching payments to state Medicaid programs, subsidize health insurance (COBRA) for the unemployed ($30.3 billion), fund Medicaid for the unemployed ($8.6 billion), and invest in health information technology ($20 billion).

Alaska would receive an estimated $246 million in additional Medicaid funds over FY2009-2011.

Medicaid

The package would increase the federal medical assistance percentage (FMAP) for all states by 4.9 percentage points, on top of a hold-harmless provision for states scheduled for a decrease in their FMAP. States with high unemployment rates would receive an additional increase directly related to their unemployment rate. The FMAP increase would last until Dec. 31, 2010.

The package also would give states the option to cover family planning services and supplies for low-income women who are ineligible for Medicaid. Under current law, states must apply for waivers in order to provide such benefits.

COBRA

The provision would provide a 65% federal subsidy for COBRA health insurance premiums for up to 12 months following a job loss. It also would allow employees who have held their job for 10 or more years to retain COBRA coverage at their own expense after the subsidy ends and until they qualify for Medicare.

In addition, the package would allow states to provide Medicaid coverage to certain groups of the unemployed who are uninsured, such as those receiving unemployment benefits, those receiving food stamps who are otherwise ineligible for Medicaid, or those in families with gross incomes less than 200% of the federal poverty level. The federal government would assume 100% of the benefit and administrative costs of the option.

Health information technology

The package would include $20 billion for HIT infrastructure, training and state grants, among other initiatives. Physicians would be eligible for $40,000 to $65,000 for demonstrating HIT use, and hospitals could qualify for funding of several million dollars through the Medicare and Medicaid programs.

Prepared by Larry Persily – Rep. Hawker's office – Jan. 30, 2009

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

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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 7, 2009

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Mark Begich
United States Senate
825 Hart Senate Office Building
Washington, DC 20510

The Honorable Don Young
United States Congressman
2111 Rayburn Office Building
Washington, DC 20515

Re: Economic Stimulus Legislation

Dear Members of the Alaska Congressional Delegation:

I am writing to communicate some additional thoughts concerning the economic stimulus package now under discussion in Congress.

This letter compliments our previous list of four infrastructure projects that would support construction of the Alaska natural gas pipeline. These bid-ready projects strongly reflect the goal of creating new jobs, both in construction and the operation of the pipeline, while also promoting sound national energy policy.

I strongly recommend that federal funds to states be allocated pursuant to formulas that are fair and equitable. As you know, formulas already exist in federal law for such programs as highways and bridges, aviation, and Medicaid. In those instances where there are no formulas–for example in the case of renewable energy projects and ports and harbors–formulas and grant programs could be devised and included in the economic stimulus package.

The use of formulas would help ensure fairness among the states and would avoid the unhealthy practices and results that often occur in the Congressional earmarking process. In this regard, it is my understanding that President-elect Obama and much of the Congressional Leadership, both Republicans and Democrats, support a formula approach.

For transportation projects, federal funds should be allocated to the Federal Highway Administration's Surface Transportation and National Highway System programs. Likewise, funding for aviation should be put into the discretionary category of the Federal Aviation Administration's Airport Improvement Program. In our opinion, the minimum guarantee provisions that protect rural and less populous states like Alaska should continue to be used in these formulas.

We also believe that there are timing and other considerations that should be addressed through these formula programs. For instance, new transportation projects may require an amendment of each state's statewide transportation improvement program (STIP). STIP amendments can take as long as 90 days under current requirements. In addition, the stimulus package should recognize that, in the case of Alaska and the northern tier states, transportation construction does not start until well into the spring.

We further recommend that any increase in Medicaid-related programs should, at a minimum, be equitable to all states, meaning each state's benefit under a formula should be proportionately the same as to other states.

In addition to the four gas pipeline-related projects described earlier, I want to mention one other project of national significance for your consideration. The Kodiak Launch Facility conducts activities that contribute greatly to our national defense and knowledge of missile ballistics.

It is my understanding that you have received funding requests from local governments, non-profits, and other entities throughout Alaska. In large part, these requests reflect local concerns. It is not appropriate for the state to comment on each project that has come to our attention. Instead, we would prefer to focus on the rationale for our own recommendations to you.

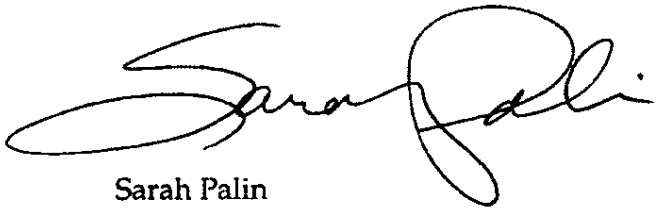
Although it is beyond my purview as Governor, I also urge you to consider how the economic stimulus package will affect the national debt and the future economic health of the country. The need for economic stimulus should not become an excuse for the continuation of the unsound policies of the past. The nation's economy will never achieve long-term stability if we continue borrowing hundreds of billions of dollars from foreign countries, all the while simultaneously sending huge amounts of money

overseas to OPEC countries for oil that could be produced domestically. In this regard, I am astounded by amounts of a trillion dollars and more that are currently being discussed in some quarters.

I believe our nation is truly at an economic crossroads. Properly constructed, the economic stimulus package will greatly assist in sending our country down the right road. Without question, you will be called upon to make very difficult decisions on behalf of Alaska and the nation, and I want to assure you of the cooperation of my administration in achieving the best possible result. Toward this end, I have asked my Washington, D.C. office to follow up with your respective staffs on our recommendations.

Thank you for considering my views.

Sincerely,



Sarah Palin
Governor

cc: John W. Katz, Special Counsel to the Governor

Center on Budget and Policy Priorities

820 First Street NE, Suite 510
Washington, DC 20002

Tel: 202-408-1080
Fax: 202-408-1056

center@cbpp.org
www.cbpp.org

January 22, 2009

PRELIMINARY ANALYSIS OF MEDICAID ASSISTANCE FOR STATES IN THE HOUSE ECONOMIC RECOVERY PACKAGE

By Iris J. Lav, Edwin Park, Jason Levitis, and Matthew Broaddus

The economic recovery package under consideration by the House of Representatives includes an approximately $88 billion temporary increase in the share of the Medicaid program paid by the federal government over nine calendar quarters (October 1, 2008 through December 31, 2010). The states urgently need this type of assistance; states on their own are not able to provide critically needed health insurance under Medicaid as need swells in a recession and in its immediate aftermath.

- Medicaid rolls are soaring, as they have in previous recessions. As people lose their jobs and their incomes, they often also lose their health insurance and qualify for Medicaid. As employers try to cut costs, they drop health coverage. And people who are still working but with reduced hours or income and who lack health insurance may newly qualify for Medicaid. All of these factors drive up enrollment.

- State revenues are dropping. As unemployment rises and consumption declines, state income and sales taxes dwindle. States are projected to face deficits of $350 billion over the next 30 months.[1] Since almost all states have to balance their budgets, most cannot afford to maintain their existing Medicaid programs, and certainly cannot afford to accommodate a large influx of new enrollees resulting from the recession.

- The gap between the need for Medicaid and states' ability to meet that need is large. In a recent Kaiser Foundation report, the Urban Institute estimates that the gap over the next two and a half years between Medicaid costs and states' ability to meet those costs — considering both enrollment increases and revenue losses — would be approximately $100 billion if unemployment averages 9 percent.[2] However, that was calculated as the estimated sum of the "exact" amount each state would need to meet its Medicaid costs. Since it is not practically possible to craft legislation that would give each state exactly what it needs, total federal assistance would need to be significantly more than $100 billion to keep the program whole.

[1] McNichol and Lav, *State Budget Troubles Worsen*, January 14, 2009. http://www.cbpp.org/9-8-08sfp.htm

[2] Holahan and Garrett, *Rising Unemployment, Medicaid, and the Uninsured*, January, 2009. http://www.kff.org/uninsured/upload/7850.pdf

The House proposal would provide three elements of Medicaid fiscal relief assistance to states:

- First, all states would be "held harmless" for drops in the federal share of Medicaid — known as FMAP — that states would otherwise automatically experience this year (federal fiscal year 2009) and into federal fiscal year 2011. This is necessary to prevent states from losing federal funding as a result of much stronger economic conditions that may have prevailed in a state three years ago, since FMAP is calculated based on a state's per capita income and with a substantial lag.

- Second, all states would receive a "base"4.9 percentage point increase in the share of the Medicaid program the federal government pays. Thus in a state like New York in which the federal government usually pays 50 percent of the program, the base federal share for the period of assistance would equal 54.9 percent. In a state like Mississippi in which the federal government usually pays approximately 76 percent of the program, the base federal share for the period of assistance would be 80.9 percent.[3]

- Third, states that are experiencing particularly poor economic conditions, as indicated by a significant increase in unemployment, would receive additional assistance. Depending on the extent of the percentage point increase in the state's unemployment rate, a state could receive an 8 percent, 12 percent, or 14 percent reduction in the share of Medicaid that the state pays. (See technical note for further explanation of these provisions.)

This fiscal assistance for states would be effective for the period October 1, 2008, through December 31, 2010. The qualification of each state for a higher level of assistance because of unemployment rate increases would be evaluated each quarter, and states would receive the additional assistance if their economic situation worsens. While a state's additional assistance could be increased, no state's additional assistance would be reduced as a result of dropping unemployment before July 1, 2010.

To receive any increased FMAP, a state must not have Medicaid eligibility levels that are more restrictive than were in effect on July 1, 2008. Restrictions on eligibility include changes that make it more difficult for recipients to meet procedural requirements for enrollment or periodic renewal of their coverage. States that restrict eligibility would be allowed to reverse their actions and still qualify for an increased FMAP in the first calendar quarter they have restored their Medicaid eligibility.

The tables below show illustrative estimates of the amount of assistance each state would potentially receive, based on projections of future economic conditions. Of course, those projections are highly uncertain; the uncertainty is greater than usual because no one knows how successful efforts to stimulate the economy through this economic recovery legislation and other means will be. (The projections used here do incorporate some economic improvement as a result of the recovery legislation.) As a result of these uncertainties, readers should be aware that the amount of assistance any state would receive under this legislation could differ substantially from the estimates shown here.

---

[3] The higher FMAP increase would apply to the costs of Medicaid benefits and Title IV-E foster care and adoption assistance, but not to CHIP and other Title IV programs that have federal matching rates based on the FMAP.

TABLE 2: FEDERAL FUNDING FOR STATE MEDICAID COSTS UNDER THE HOUSE STIMLUS BILL, BY STATE FISCAL YEAR (in $ thousands)				
STATE	**SFY09**	**SFY10**	**SFY11**	**TOTAL**
Alabama (a)	$304,121	$378,779	$100,365	$783,265
Alaska	$58,612	$120,176	$67,534	$246,321
Arizona	$574,437	$851,879	$453,475	$1,879,792
Arkansas	$135,625	$304,248	$174,989	$614,862
California	$3,612,818	$4,911,064	$2,545,330	$11,069,212
Colorado	$227,926	$413,516	$214,193	$855,635
Connecticut	$331,769	$569,075	$306,343	$1,207,187
Delaware	$79,417	$151,013	$83,715	$314,145
District of Columbia (a)	$114,100	$137,174	$36,960	$288,235
Florida	$1,397,307	$1,883,953	$973,819	$4,255,079
Georgia	$495,803	$750,027	$391,598	$1,637,428
Hawaii	$94,592	$160,729	$84,860	$340,182
Idaho	$81,105	$127,836	$67,918	$276,859
Illinois	$881,106	$1,311,197	$686,745	$2,879,048
Indiana	$323,329	$578,157	$300,123	$1,201,609
Iowa	$108,062	$219,255	$114,213	$441,529
Kansas	$83,746	$192,180	$112,597	$388,522
Kentucky	$250,803	$438,715	$232,633	$922,150
Louisiana	$339,286	$774,318	$438,514	$1,552,118
Maine	$116,056	$209,458	$108,901	$434,414
Maryland	$371,181	$664,190	$371,118	$1,406,488
Massachusetts	$554,879	$1,361,344	$720,329	$2,636,552
Michigan (a)	$964,393	$1,002,009	$262,860	$2,229,262
Minnesota	$490,780	$919,917	$481,477	$1,892,174
Mississippi	$164,959	$347,217	$185,294	$697,470
Missouri	$402,175	$713,927	$378,536	$1,494,639
Montana	$44,706	$84,344	$45,029	$174,078
Nebraska	$59,193	$121,558	$63,032	$243,783
Nevada	$140,589	$197,135	$103,187	$440,910
New Hampshire	$49,659	$113,188	$68,816	$231,664
New Jersey	$554,530	$1,029,288	$551,329	$2,135,147
New Mexico	$133,951	$250,001	$144,534	$528,486
New York (b)	$1,940,569	$5,848,185	$4,663,241	$12,451,995
North Carolina	$702,147	$1,028,683	$536,209	$2,267,040
North Dakota (c)	$22,981	$43,131	$24,357	$90,469
Ohio	$780,600	$1,341,859	$704,414	$2,826,874
Oklahoma	$191,907	$429,750	$238,373	$860,029
Oregon (c)	$249,599	$364,575	$188,397	$802,571
Pennsylvania	$1,062,155	$1,902,492	$1,010,246	$3,974,892
Rhode Island	$148,809	$201,224	$104,096	$454,129
South Carolina	$211,876	$342,265	$178,337	$732,477
South Dakota	$24,463	$47,654	$24,544	$96,661
Tennessee	$408,664	$707,616	$364,259	$1,480,539
Texas (d)	$1,491,757	$2,658,083	$965,358	$5,115,199
Utah	$76,326	$138,968	$78,163	$293,457
Vermont	$61,955	$124,180	$68,012	$254,147
Virginia	$339,795	$705,969	$377,455	$1,423,220
Washington (c)	$504,133	$960,921	$520,531	$1,985,585
West Virginia	$95,649	$182,762	$103,888	$382,299
Wisconsin	$241,882	$538,209	$313,342	$1,093,433
Wyoming (c)	$18,479	$51,996	$31,802	$102,277

Note: Unless otherwise indicated, states operate on July-to-June fiscal years. Fiscal years are referred to by the year in which they end. Thus, in most states, FY2010 covers July 1, 2009 through June 30, 2010. (a) The fiscal years of Alabama, the District of Columbia, and Michigan end September 30. (b) New York's fiscal year ends March 31. (c) North Dakota, Oregon, Washington, and Wyoming operate on biennial budgets ending in June. For those states, aid estimates are for half a budget cycle. (d) Texas's fiscal year ends August 31.

DETAILED TECHNICAL EXPLANATION OF THE HOUSE FMAP PROVISION

Under Section 5001 of the House economic recovery package, states would receive a temporary increase in the federal Medicaid matching rate (known as the "FMAP") for the period October 1, 2008 through December 31, 2010.

The FMAP increase primarily consists of three components:

1. "Hold Harmless": A state whose FMAP rate in fiscal year 2009 is scheduled to be lower than the FMAP in FY 2008 would be able to remain at the higher FY 2008 rate for 2009. States whose fiscal year 2010 rate would otherwise be lower than its fiscal year 2009 and/or fiscal year 2008 rate would be able to remain at the prior year rate, whichever is highest. Finally, states whose fiscal year 2011 rate would otherwise be lower than its fiscal year 2008, fiscal year 2009 and/or fiscal year 2010 rates would be able to remain at the highest rate for those three fiscal years during the first quarter of fiscal year 2011.

   Example: State X has a 60 percent FMAP in fiscal year 2008 and is scheduled to have its FMAP in fiscal year 2009 reduced to 59.5 percent. Under the hold harmless provision, the state's FMAP would remain at 60 percent in fiscal year 2009. If the FMAP for State X for fiscal years 2010 and 2011 is otherwise scheduled to be less than 60 percent, the state would have a 60 percent FMAP for 2010 and the first quarter of 2011 as well.

2. Base Increase: Each state's FMAP, after application of the hold harmless provision, would be further increased by 4.9 percentage points.

   Example: After application of the hold harmless provision, State X's FMAP would be increased from 60 percent in to 64.9 percent for fiscal years 2009 and 2010 and the first quarter of fiscal year 2011.

3. Additional Increase for States with Unemployment Rate Increases: A state qualifying as a "high unemployment" state would be eligible for an additional increase of their FMAP, after application of the hold harmless provision and the base increase. A state qualifies as a high unemployment state if its average unemployment rate for the most recent three month period for which unemployment data is available exceeds by at least 1.5 percentage points the lowest average monthly unemployment rate for any three-month period after January 1, 2006 (the base period).[4] The additional FMAP increase a high unemployment rate state receives is determined by the number of percentage points by which the unemployment rate exceeds the lowest rate in that state, measured as described above:

   - If the state's unemployment rate exceeds the lowest rate by 1.5 to 2.5 percentage points, the state's FMAP would be increased by the number of percentage points equal to the amount necessary to reduce the state's share of the cost of Medicaid by 6 percent. This calculation is made after application of the hold harmless provision but *before* application of the base increase.

[4] Under the House provision, first two quarters of assistance would be based the increase in the unemployment rate between the base period and the fourth quarter of calendar year 2008.

- If the state's rate exceeds the lowest rate by 2.5 to 3.5 percentage points, the state's FMAP would be increased to reduce the share of the cost of Medicaid by 12 percent.

- If the state's share exceeds the lowest rate by at least 3.5 percentage points, the state's FMAP would be increased to reduce the share of the cost of Medicaid by 14 percent.

If a state during any quarter becomes a high unemployment state, or if a high unemployment state experiences an unemployment rate increase that qualifies the state for even greater assistance, the state would become eligible for the larger FMAP increase in the next calendar quarter. No state would have its additional assistance reduced from the levels provided in the previous calendar quarter based on changes to its unemployment rate at least through July 1, 2010.

Example: State X has already experienced a 2.6 percentage point increase in its unemployment rate based on the most recent data compared to its lowest unemployment rate since January 1, 2006. After application of the hold harmless provision, State X's FMAP is 60 percent. This means that the state's share of thee cost prior to application of the base increase equals 40 percent. This share of the cost would be reduced by 12 percent, or 4.8 percentage points, because the state qualifies for the second level of additional assistance. State X's FMAP would thus be further increased by 4.8 percentage points, which translates into a FMAP of 69.7 percent. If State X subsequently sees its unemployment rate increase exceed 3.5 percentage points, it will qualify for the highest level of additional assistance in the next calendar quarter. Its share of the cost would then be reduced by 14 percent, or 5.6 percentage points. State X's FMAP would then be 70.5 at least through July 1, 2010.

The FMAP increase would generally apply to all Medicaid costs. (As of this writing, it is still unclear whether Disproportionate Share Hospital (DSH) payments made to hospitals that serve low-income patients and Medicaid beneficiaries are included. The tables do not apply the FMAP increases to DSH payments.) The increase would not apply to non-Medicaid program costs like SCHIP whose matching rates are based on the FMAP, with the exception of title IV-E costs. (Only the increase in the matching rate due to the hold harmless provision and the base increase, however, would apply to title IV-E.)

The territories — Puerto Rico, American Samoa, Guam, the Northern Marianas Islands, and the Virgin Islands — would generally receive a temporary increase in their federal funding cap. While the FMAP for each of the territories is set at 50 percent and total federal funding for each of the territories is capped. The cap would be increased by 20 percent for the period October 1, 2008 through December 31, 2010. (A territory, however, may elect instead to have its cap increased 10 percent and its FMAP increased 4.9 percentage points to 54.9 percent.)

States would generally only be eligible for the FMAP increase if they ensure that their Medicaid eligibility criteria and enrollment/renewal procedures are no more restrictive than those in place on July 1, 2009. States that restrict their eligibility during the duration of the FMAP become eligible again for the FMAP increase in the first calendar quarter in which they reinstate their eligibility to July 1, 2008 levels. States who have restricted eligibility after July 1, 2008 but before enactment of this provision would be eligible for the FMAP increase starting with the first calendar quarter of fiscal year 2009 if they reinstate their eligibility no later than July 1, 2009.

States that require local governments to finance a portion of the state's share of the cost of Medicaid would be prohibited from raising the effective proportion paid by local governments compared to the levels prior to any temporary FMAP increase. In addition, states would not be permitted to deposit any federal funds provided through the temporary FMAP increase into their rainy day funds.

COMMITTEE ON APPROPRIATIONS

DAVE OBEY (D-WI), CHAIRMAN

For Immediate Release
Thursday, January 21, 2009
Contact: Kirstin Brost, 202-225-2771

SUMMARY: AMERICAN RECOVERY AND REINVESTMENT
AS PASSED BY THE FULL COMMITTEE

The economy is in a crisis not seen since the Great Depression.

Credit is frozen, consumer purchasing power is in decline, in the last four months the country has lost 2 million jobs and we are expected to lose another 3 to 5 million in the next year.

Conservative economist Mark Zandi was blunt: "the economy is shutting down."

In the next two weeks, the Congress will be considering the American Recovery and Reinvestment Bill of 2009. This package is the first crucial step in a concerted effort to create and save 3 to 4 million jobs, jumpstart our economy, and begin the process of transforming it for the 21st century with $275 billion in economic recovery tax cuts and $550 billion in thoughtful and carefully targeted priority investments with unprecedented accountability measures built in.

The package contains targeted efforts in:

- Clean, Efficient, American Energy
- Transforming our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protect Vital Services

The economy is in such trouble that, even with passage of this package, unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we are warned that unemployment could explode to near twelve percent. With passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. Tough choices have been made in this legislation and fiscal discipline will demand more tough choices in years to come.

Since 2001, as worker productivity went up, 96% of the income growth in this country went to the wealthiest 10% of society. While they were benefitting from record high worker productivity, the remaining 90% of Americans were struggling to sustain their standard of living. They sustained it by borrowing... and borrowing... and borrowing, and when they couldn't borrow anymore, the bottom fell out. This plan will strengthen the middle class, not just Wall Street CEOs and special interests in Washington.

Our short term task is to try to prevent the loss of millions of jobs and get our economy moving. The long term task is to make the needed investments that restore the ability of average middle income families to increase their income and build a decent future for their children.

EXECUTIVE SUMMARY

Unprecedented Accountability: A historic level of transparency, oversight and accountability will help guarantee taxpayer dollars are spent wisely and Americans can see results for their investment.

- In many instances funds are distributed through existing formulas to programs with proven track records and accountability measures already in place.
- How funds are spent, all announcements of contract and grant competitions and awards, and formula grant allocations must be posted on a special website created by the President. Program managers will also be listed so the public knows who to hold accountable.
- Public notification of funding must include a description of the investment funded, the purpose, the total cost and why the activity should be funded with recovery dollars. Governors, mayors or others making funding decisions must personally certify that the investment has been fully vetted and is an appropriate use of taxpayer dollars. This will also be placed on the recovery website.
- A Recovery Act Accountability and Transparency Board will be created to review management of recovery dollars and provide early warning of problems. The seven member board includes Inspectors General and Deputy Cabinet secretaries.
- The Government Accountability Office and the Inspectors General are provided additional funding and access for special review of recovery funding.
- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this package.

This plan targets investments to key areas that will create and preserve good jobs at the same time as it is strengthening the ability of this economy to become more efficient and produce more opportunities for employment.

Clean, Efficient, American Energy: To put people back to work today and reduce our dependence on foreign oil tomorrow, we will strengthen efforts directed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- $32 billion to transform the nation's energy transmission, distribution, and production systems by allowing for a smarter and better grid and focusing investment in renewable technology.
- $16 billion to repair public housing and make key energy efficiency retrofits.
- $6 billion to weatherize modest-income homes.

Transform our Economy with Science and Technology: We need to put scientists to work looking for the next great discovery, creating jobs in cutting-edge-technologies, and making smart investments that will help businesses in every community succeed in a global economy. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

- $10 billion for science facilities, research, and instrumentation.
- $6 billion to expand broadband internet access so businesses in rural and other underserved areas can link up to the global economy.

Modernize Roads, Bridges, Transit and Waterways: To build a 21st century economy, we must engage contractors across the nation to create jobs rebuilding our crumbling roads, and bridges, modernize public buildings, and put people to work cleaning our air, water and land.

- $30 billion for highway construction;
- $31 billion to modernize federal and other public infrastructure with investments that lead to long term energy cost savings;
- $19 billion for clean water, flood control, and environmental restoration investments;
- $10 billion for transit and rail to reduce traffic congestion and gas consumption.

Education for the 21st Century: To enable more children to learn in 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world, this package provides:

- $41 billion to local school districts through Title I ($13 billion), IDEA ($13 billion), a new School Modernization and Repair Program ($14 billion), and the Education Technology program ($1 billion).
- $79 billion in state fiscal relief to prevent cutbacks to key services, including $39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas, $15 billion to states as bonus grants as a reward for meeting key performance measures, and $25 billion to states for other high priority needs such as public safety and other critical services, which may include education.
- $15.6 billion to increase the Pell grant by $500.
- $6 billion for higher education modernization.

Tax Cuts to Make Work Pay and Create Jobs: We will provide direct tax relief to 95 percent of American workers, and spur investment and job growth for American Businesses. [marked up by the Ways and Means Committee]

Lower Healthcare Costs: To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- $20 billion for health information technology to prevent medical mistakes, provide better care to patients and introduce cost-saving efficiencies.
- $4.1 billion to provide for preventative care and to evaluate the most effective healthcare treatments.

Help Workers Hurt by the Economy: High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

- $43 billion for increased unemployment benefits and job training.
- $39 billion to support those who lose their jobs by helping them to pay the cost of keeping their employer provided healthcare under COBRA and providing short-term options to be covered by Medicaid.
- $20 billion to increase the food stamp benefit by over 13% in order to help defray rising food costs.

Save Public Sector Jobs and Protect Vital Services: We will provide relief to states, so they can continue to employ teachers, firefighters and police officers and provide vital services without having to unnecessarily raise middle class taxes.

- $87 billion for a temporary increase in the Medicaid matching rate.
- $4 billion for state and local law enforcement funding.

CREATE JOBS WITH CLEAN, EFFICIENT, AMERICAN ENERGY

To put people back to work today and reduce our dependence on foreign oil tomorrow, we will make investments aimed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- **Reliable, Efficient Electricity Grid:** $11 billion for research and development, pilot projects, and federal matching funds for the Smart Grid Investment Program to modernize the electricity grid making it more efficient, secure, and reliable and build new power lines to transmit clean, renewable energy from sources throughout the nation.
- **Renewable Energy Loan Guarantees:** $8 billion for loans for renewable energy power generation and transmission projects.
- **GSA Federal Buildings:** $6.7 billion for renovations and repairs to federal buildings including at least $6 billion focused on increasing energy efficiency and conservation. Projects are selected based on GSA's ready-to-go priority list.
- **Local Government Energy Efficiency Block Grants:** $6.9 billion to help state and local governments make investments that make them more energy efficient and reduce carbon emissions.
- **Energy Efficiency Housing Retrofits:** $2.5 billion for a new program to upgrade HUD sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces. Funds will be competitively awarded.
- **Energy Efficiency and Renewable Energy Research:** $2 billion for energy efficiency and renewable energy research, development, demonstration, and deployment activities to foster energy independence, reduce carbon emissions, and cut utility bills. Funds are awarded on a competitive basis to universities, companies, and national laboratories.
- **Advanced Battery Loans and Grants:** $2 billion for the Advanced Battery Loan Guarantee and Grants Program, to support U.S. manufacturers of advanced vehicle batteries and battery systems. America should lead the world in transforming the way automobiles are powered.
- **Department of Defense Efficiency:** $1.8 billion for efforts to make our military bases more energy efficient, beyond benefits that will come from replacing and repairing facilities.
- **Energy Efficiency Grants and Loans for Institutions:** $1.5 billion for energy sustainability and efficiency grants and loans to help school districts, institutes of higher education, local governments, and municipal utilities implement projects that will make them more energy efficient.
- **Home Weatherization:** $6.2 billion to help low-income families reduce their energy costs by weatherizing their homes and make our country more energy efficient.
- **Smart Appliances:** $300 million to provide consumers with rebates for buying energy efficient Energy Star products to replace old appliances, which will lower energy bills.
- **GSA Federal Fleet:** $600 million to replace older vehicles owned by the federal government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- **Electric Transportation:** $200 million for a new grant program to encourage electric vehicle technologies.
- **Cleaning Fossil Energy:** $2.4 billion for carbon capture and sequestration technology demonstration projects. This funding will provide valuable information necessary to reduce the amount of carbon dioxide emitted into the atmosphere from industrial facilities and fossil fuel power plants.
- **Department of Defense Research:** $350 million for research into using renewable energy to power weapons systems and military bases.
- **Alternative Buses and Trucks:** $400 million to help state and local governments purchase efficient alternative fuel vehicles to reduce fuel costs and carbon emissions.
- **Industrial Energy Efficiency:** $500 million for energy efficient manufacturing demonstration projects.
- **Diesel Emissions Reduction:** $300 million for grants and loans to state and local governments for projects that reduce diesel emissions, benefiting public health and reducing global warming. This includes technologies to retrofit emission exhaust systems on school buses, replace engines and vehicles, and establish anti-idling programs. 70% of the funds go to competitive grants and 30% funds grants to states with approved programs. Last year EPA was able to fund only 27% of the applications received.

TRANSFORMING OUR ECONOMY WITH SCIENCE AND TECHNOLOGY

We need to put scientists to work looking for the next great discovery, create jobs in cutting-edge technologies and making smart investments that will help businesses in every community succeed in a global economy.

Broadband to Give Every Community Access to the Global Economy

- **Wireless and Broadband Grants:** $6 billion for broadband and wireless services in underserved areas to strengthen the economy and provide business and job opportunities in every section of America with benefits to e-commerce, education, and healthcare. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

Scientific Research

- **National Science Foundation:** $3 billion, including $2 billion for expanding employment opportunities in fundamental science and engineering to meet environmental challenges and to improve global economic competitiveness, $400 million to build major research facilities that perform cutting edge science, $300 million for major research equipment shared by institutions of higher education and other scientists, $200 million to repair and modernize science and engineering research facilities at the nation's institutions of higher education and other science labs, and $100 million is also included to improve instruction in science, math and engineering.
- **National Institutes of Health Biomedical Research:** $2 billion, including $1.5 billion for expanding good jobs in biomedical research to study diseases such as Alzheimer's, Parkinson's, cancer, and heart disease - NIH is currently able to fund less than 20% of approved applications – and $500 million to implement the repair and improvement strategic plan developed by the NIH for its campuses.
- **University Research Facilities:** $1.5 billion for NIH to renovate university research facilities and help them compete for biomedical research grants. The National Science Foundation estimates a maintenance backlog of $3.9 billion in biological science research space. Funds are awarded competitively.
- **Centers for Disease Control and Prevention**: $462 million to enable CDC to complete its Buildings and Facilities Master Plan, as well as renovations and construction needs of the National Institute for Occupational Safety and Health.
- **Department of Energy:** $2 billion for basic research into the physical sciences including high-energy physics, nuclear physics, and fusion energy sciences and improvements to DOE laboratories and scientific facilities. $400 million is for the Advanced Research Project Agency – Energy to support high-risk, high-payoff research into energy sources and energy efficiency.
- **NASA:** $600 million, including $400 million to put more scientists to work doing climate change research, including Earth science research recommended by the National Academies, satellite sensors that measure solar radiation critical to understanding climate change, and a thermal infrared sensor to the Landsat Continuing Mapper necessary for water management, particularly in the western states; $150 million for research, development, and demonstration to improve aviation safety and Next Generation air traffic control (NextGen); and $50 million to repair NASA centers damaged by hurricanes and floods last year.
- **Biomedical Advanced Research and Development, Pandemic Flu, and Cyber Security:** $900 million to prepare for a pandemic influenza, support advanced development of medical countermeasures for chemical, biological, radiological, and nuclear threats, and for cyber security protections at HHS.
- **National Oceanic and Atmospheric Administration Satellites and Sensors:** $600 million for satellite development and acquisitions, including climate sensors and climate modeling.
- **National Institute of Standards and Technology:** $300 million for competitive construction grants for research science buildings at colleges, universities, and other research organizations and $100 million to coordinate research efforts of laboratories and national research facilities by setting interoperability standards for manufacturing.
- **Agricultural Research Service:** $209 million for agricultural research facilities across the country. ARS has a list of deferred maintenance work at facilities of roughly $315 million.

- **U.S. Geological Survey:** $200 million to repair and modernize U.S.G.S. science facilities and equipment, including improvements to laboratories, earthquake monitoring systems, and computing capacity.

Creating Small Business Opportunity

- **Small Business Credit:** $430 million for new lending assistance and loan guarantee authorities to make loans more attractive to lenders and free up capital. The number of loans guaranteed under the SBA's 7(a) business loan program was down 57% in the first quarter of this year compared to last.
- **Rural Business-Cooperative Service:** $100 million for rural business grants and loans to guarantee $2 billion in loans for rural businesses at a time of unprecedented demand due to the credit crunch. Private sector lenders are increasingly turning to this program to help businesses get access to capital.
- **Industrial Technology Services:** $100 million, including $70 million for the Technology Innovation Program to accelerate research in potentially revolutionary technologies with high job growth potential, and $30 million for the Manufacturing Extension Partnerships to help small and mid-size manufacturers compete globally by providing them with access to technology.
- **Economic Development Assistance**: $250 million to address long-term economic distress in urban industrial cores and rural areas distributed based on need and ability to create jobs and attract private investment. EDA leverages $10 in private investments for $1 in federal funds.

DTV Conversion Coupons: $650 million to continue the coupon program to enable American households to convert from analog television transmission to digital transmission.

MODERNIZE ROADS, BRIDGES, TRANSIT AND WATERWAYS

To build a 21st century economy, we must engage contractors across the nation to create jobs - rebuilding our crumbling roads and bridges, modernizing public buildings, and putting people to work cleaning our air, water, and land.

Highway Infrastructure: $30 billion for highway and bridge construction projects. It is estimated that states have over 5,100 projects totaling over $64 billion that could be awarded within 180 days. These projects create jobs in the short term while saving commuters time and money in the long term. In 2006, the Department of Transportation estimated $8.5 billion was needed to maintain current systems and $61.4 billion was needed to improve highways and bridges.

Transit: Public transportation saves Americans time and money, saving as much as 4.2 billion gallons of gasoline and reducing carbon emissions by 37 million metric tons each year.

- **New Construction:** $1 billion for Capital Investment Grants for new commuter rail or other light rail systems to increase public use of mass transit and to speed projects already in construction. The Federal Transit Administration has $2.4 billion in pre-approved projects.
- **Upgrades and Repair:** $2 billion to modernize existing transit systems, including renovations to stations, security systems, computers, equipment, structures, signals, and communications. Funds will be distributed through the existing formula. The repair backlog is nearly $50 billion.
- **Transit Capital Assistance:** $6 billion to purchase buses and equipment needed to increase public transportation and improve intermodal and transit facilities. The Department of Transportation estimates a $3.2 billion maintenance backlog and $9.2 billion in needed improvements. The American Public Transportation Association identified 787 ready-to-go transit projects totaling $15.5 billion. Funds will be distributed through the existing formulas.

Amtrak and Intercity Passenger Rail Construction Grants: $1.1 billion to improve the speed and capacity of intercity passenger rail service. The Department of Transportation's Inspector General estimates the North East Corridor alone has a backlog of over $10 billion.

Airport Improvement Grants: $3 billion for airport improvement projects that will improve safety and reduce congestion. An estimated $41 billion in eligible airport infrastructure projects are needed between 2007-2011.

Transportation Security Administration Explosive Detection Systems: $500 million to install Aviation Explosive Detection Systems in the nation's airports, improving security, and making life easier on travelers by speeding security lines. Funds are competitively awarded based on security risk.

Coast Guard Bridges: $150 million for ready-to-go investments to repair or remove bridges deemed hazardous to marine navigation, thereby removing obstructions and improving the safety of marine navigation.

Technology Improvements for a More Efficient and Secure Government

- **Social Security Administration Modernization:** $400 million to replace the 30 year old Social Security Administration's National Computer Center to meet growing needs for processing retirement and disability claims and records storage.
- **Farm Service Agency:** $245 million for critical IT improvements to systems that have been unable to handle workload increases.
- **State Department Technology:** $276 million to upgrade and modernize information technology platforms for the Department to meet security requirements post-9/11.
- **Department of Agriculture:** $44 million for repairs and security improvements at USDA's headquarters.

Department of Defense Facilities

- **Medical Facilities:** $3.75 billion for new construction of hospitals and ambulatory surgical centers, and $455 million in renovations to provide state-of-the-art medical care to service members and their families.
- **Facilities Renovations:** $2.1 billion to address needed repairs to military facilities.
- **Troop Housing:** $1.2 billion for new construction and $154 million for renovations to improve housing for our troops.
- **Child Development Center:** $360 million for new child development centers.
- **Guard and Reserve:** $400 million for new construction to support Guard and Reserve units across the country with operations and training facilities and utilities infrastructure.

Veterans Administration Facilities

- **Veterans Medical Facilities:** $950 million for veterans' medical facilities. The Department has identified a $5 billion backlog in needed repairs, including energy efficiency projects, at its 153 medical facilities.
- **Veterans Cemeteries:** $50 million to put people to work making monument and memorial repairs at cemeteries for American heroes.

Border Ports of Entry: $1.15 billion to construct GSA and Customs and Border Protection land ports of entry to improve border security, make trade and travel easier and reduce wait times, and to procure non-intrusive inspection technology at sea ports of entry, which is used to scan cargo containers to reduce the risk that containers can be used to smuggle weapons of mass destruction.

Job Corps Facilities: $300 million to upgrade job training facilities serving at-risk youth while improving energy efficiency.

Construction on Public Lands and Parks: $3.1 billion for infrastructure projects on federal lands including improvements to visitor facilities, road and trail restoration, preservation of buildings of cultural and historic importance, rehabilitation of abandoned mines and oil fields, and environmental cleanup projects. This includes $1.8 billion for the National Park Service, $325 million for the Bureau of Land Management, $300 million for the National Wildlife Refuges and National Fish Hatcheries, and $650 million for the Forest Service.

National Treasures: $400 million, including $200 million to address the deterioration of the National Mall, such as repair of the Jefferson Memorial's collapsing Tidal Basin walls; $150 million to address the repair backlog at the Smithsonian; and $50 million for the National Endowment for the Arts.

Clean Water

- **Clean Water State Revolving Fund:** $6 billion for loans to help communities upgrade wastewater treatment systems. EPA estimates a $388 billion funding gap. The Association of State and Interstate Water Pollution Control Administrators found that 26 states have $10 billion in approved water projects.
- **Drinking Water State Revolving Fund:** $2 billion for loans for drinking water infrastructure. EPA estimates there is a $274 billion funding gap. The National Governors Association reported that there are $6 billion in ready-to-go projects, which could quickly be obligated.
- **Rural Water and Waste Disposal:** $1.5 billion to support $3.8 billion in grants and loans to help communities fund drinking water and wastewater treatment systems. In 2008, there were $2.4 billion in requests for water and waste loans and $990 million for water and waste grants went unfunded.

Water Resources

- **Corps of Engineers:** $4.5 billion for environmental restoration, flood protection, hydropower, and navigation infrastructure critical to the economy. The Corps has a construction backlog of $61 billion.
- **Bureau of Reclamation:** $500 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to western localities impacted by drought. The Bureau has backlogs of more than $1 billion in rural water projects and water reuse and recycling projects.
- **Watershed Infrastructure:** $400 million for the Natural Resources Conservation Service watershed improvement programs to design and build flood protection and water quality projects, repair aging dams, and purchase and restore conservation easements in river flood zones.
- **International Boundary and Water Commission:** $224 million to repair flood control systems along the international segment of the Rio Grande damaged by hurricane Katrina and other serious storms.

Environmental Cleanup

- **Superfund Hazardous Waste Cleanup:** $800 million to clean up hazardous and toxic waste sites that threaten health and the environment. EPA has 1,255 sites on its National Priority List, selected based on a hazard ranking system. There are many Superfund sites ready for construction, but not funded due to budget shortfalls and over 600 sites with ongoing construction that could be accelerated.
- **Leaking Underground Storage Tanks:** $200 million for enforcement and cleanup of petroleum leaks from underground storage tanks at approximately 1,600 additional sites. There are an estimated 116,000 sites with the potential to contaminate important water supplies.
- **Nuclear Waste Cleanup:** $500 million for nuclear waste cleanup at sites contaminated as a result of the nation's past nuclear activities. Accelerating the completion of projects will reduce long-term costs.
- **Closed Military Bases:** $300 million for cleanup activities at closed military installations allowing local communities to redevelop these properties for productive use. The Department estimates that there is a $3.5 billion environmental cleanup backlog at bases closed during previous BRAC rounds.
- **NOAA Habitat Restoration:** $400 million for ready-to-go habitat restoration projects.
- **Brownfields:** $100 million for competitive grants for evaluation and cleanup of former industrial and commercial sites - turning them from problem properties to productive community use. Last year EPA was only able to fund 37% of Brownfields applications.

Reducing Wildfires Threats: $850 million for hazardous fuels removal and other efforts to prevent wildfires on public lands. Making these investments today will create jobs in the short run, but also save long term costs of fighting fires in the future.

- **State and Private Forest Service Wildfire:** $550 million for state and local volunteer programs and hazardous fuels reduction efforts which states and communities have determined are of the highest priority.
- **Federal Forest Service Wildfire:** $300 million for urgently needed hazard reduction on federal lands.

Bureau of Indian Affairs: $500 million to address maintenance backlogs at schools, dams, detention and law enforcement facilities, and over 24,000 miles of roads. BIA schools alone have an over $1 billion construction and maintenance backlog including shamefully unsafe conditions.

EDUCATION FOR THE 21st CENTURY

We will put people to work building 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world.

21st Century Classrooms

- **School Construction:** $20 billion, including $14 billion for K-12 and $6 billion for higher education, for renovation and modernization, including technology upgrades and energy efficiency improvements. Also includes $100 million for school construction in communities that lack a local property tax base because they contain non-taxable federal lands such as military bases or Indian reservations, and $25 million to help charter schools build, obtain, and repair schools.
- **Education Technology:** $1 billion for 21st century classrooms, including computer and science labs and teacher technology training.

Higher Education: Tuition is up, unemployment is up, and as a result more people are choosing to go to school to upgrade their skills and more of these students need student aid. This investment addresses those short term needs while investing in our nation's future economic strength.

- **Pell Grants:** $15.6 billion to increase the maximum Pell Grant by $500, from $4,850 to $5,350.
- **College Work-Study:** $490 million to support undergraduate and graduate students who work.
- **Student Loan Limit Increase:** Increases limits on unsubsidized Stafford loans by $2,000.
- **Student Aid Administration:** $50 million to help the Department of Education administer surging student aid programs while navigating the changing student loan environment.

K-12 Education: As states begin tackling a projected $350 billion in budget shortfalls these investments will prevent cuts to critical education programs and services.

- **IDEA Special Education:** $13 billion for formula grants to increase the federal share of special education costs and prevent these mandatory costs from forcing states to cut other areas of education.
- **Title I Help for Disadvantaged Kids:** $13 billion for grants to help disadvantaged kids in nearly every school district and more than half of all public schools reach high academic standards.
- **Statewide Data Systems:** $250 million for competitive grants to states to design and develop data systems that analyze individual student data to find ways to improve student achievement, providing teachers and administrators with effective tools.
- **Education for Homeless Children and Youth:** $66 million for formula grants to states to provide services to homeless children including meals and transportation when high unemployment and home foreclosures have created an influx of homeless kids.
- **Improving Teacher Quality:** $300 million, including $200 million for competitive grants to school districts and states to provide financial incentives for teachers and principals who raise student achievement and close the achievement gaps in high-need schools and $100 million for competitive grants to states to address teacher shortages and modernize the teaching workforce.

Early Childhood Development

- **Child Care Development Block Grant:** $2 billion to provide child care services for an additional 300,000 children in low-income families while their parents go to work. Today only one out of seven eligible children receives care.

- **Head Start:** $2.1 billion to provide comprehensive development services to help 110,000 additional children succeed in school. Funds are distributed based on need. Only about half of all eligible preschoolers and less than 3 percent of eligible infants and toddlers participate in Head Start.
- **IDEA Infants and Families:** $600 million for formula grants to help states serve children with disabilities age 2 and younger.

LOWER HEALTHCARE COSTS

To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- **Health Information Technology:** $20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- **Prevention and Wellness Fund:** $3 billion to fight preventable chronic diseases, the leading cause of deaths in the U.S., and infectious diseases. Preventing disease rather than treating illnesses is the most effective way to reduce healthcare costs. This includes hospital infection prevention, Preventive Health and Health Services Block Grants for state and local public health departments, immunization programs, and evidence-based disease prevention.
- **Healthcare Effectiveness Research:** $1.1 billion for Healthcare Research and Quality programs to compare the effectiveness of different medical treatments funded by Medicare, Medicaid, and SCHIP. Finding out what works best and educating patients and doctors will improve treatment.
- **Community Health Centers:** $1.5 billion, including $500 million to increase the number of uninsured Americans who receive quality healthcare and $1 billion to renovate clinics and make health information technology improvements. More than 400 applications submitted earlier this year for new or expanded CHC sites remain unfunded.
- **Training Primary Care Providers:** $600 million to address shortages and prepare our country for universal healthcare by training primary healthcare providers including doctors, dentists, and nurses as well as helping pay medical school expenses for students who agree to practice in underserved communities through the National Health Service Corps.
- **Indian Health Service Facilities:** $550 million to modernize aging hospitals and health clinics and make healthcare technology upgrades to improve healthcare for underserved rural populations.

HELP WORKERS HURT BY THE ECONOMY

High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

Helping Workers Find Jobs

- **Training and Employment Services:** $4 billion for job training including formula grants for adult, dislocated worker, and youth services (including $1.2 billion to create up to one million summer jobs for youth). The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors (with priority consideration to "green" jobs and healthcare), and increased funds for the YouthBuild program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- **Vocational Rehabilitation State Grants:** $500 million for state formula grants to help persons with disabilities prepare for gainful employment.
- **Employment Services Grants:** $500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services. Funds are targeted to states with the greatest need based on labor force, unemployment, and long-term unemployed rates.
- **Community Service Employment for Older Americans:** $120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

Unemployment Insurance Benefits

- **Benefits Extension:** $27 billion to continue the current extended unemployment benefits program – which provides up to 33 weeks of extended benefits - through December 31, 2009 given rising unemployment.
- **Increased Benefits:** $9 billion to increase the current average unemployment insurance benefit from roughly $300 per week, paid out of State trust funds, by $25 per week using Federal funds, through December 2009. There are currently 5.3 million workers receiving regular UI and an additional 1.9 million receiving extended benefits.
- **Unemployment Insurance Modernization:** Provides funds to states though a "Reed Act" distribution, tied to states' meeting specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.

COBRA Healthcare for the Unemployed: $30.3 billion to extend health insurance coverage to the unemployed, extending the period of COBRA coverage for older and tenured workers beyond the 18 months provided under current law. Specifically, workers 55 and older, and workers who have worked for an employer for 10 or more years will be able to retain their COBRA coverage until they become Medicare eligible or secure coverage through a subsequent employer. In addition, subsidizing the first 12 months of COBRA coverage for eligible persons who have lost their jobs on or after September 1, 2008 at a 65 percent subsidy rate, the same rate provided under the Health Care Tax Credit for unemployed workers under the Trade Adjustment Assistance program. [Ways and Means]

Medicaid Coverage for the Unemployed: Provides 100 percent federal funding through 2010 for optional State Medicaid coverage of individuals (and their dependents) who are receiving unemployment benefits or have exhausted those benefits and have no health insurance coverage. Other optional coverage groups are individuals (and their dependents) who are involuntarily unemployed and uninsured and whose family income does not exceed 200 percent of poverty, and unemployed uninsured individuals who are receiving food stamps.

Attacking the Housing Crisis

- **Public Housing Capital Fund:** $5 billion for building repair and modernization, including critical safety repairs. Every dollar of Capital Fund expenditures produces $2.12 in economic return. $4 billion of the funds will be distributed to public housing authorities through the existing formula and $1 billion will be awarded through a competitive process for projects that improve energy efficiency.
- **HOME Investment Partnerships:** $1.5 billion to help local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch. Funds are distributed by formula.
- **Native American Housing Block Grants:** $500 million to rehabilitate and improve energy efficiency at some of the over 42,000 housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded to projects that can be started quickly.
- **Neighborhood Stabilization:** $4.2 billion to help communities purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.
- **Homeless Assistance Grants:** $1.5 billion for the Emergency Shelter Grant program to provide short term rental assistance, housing relocation, and stabilization services for families during the economic crisis. Funds are distributed by formula.
- **Rural Housing Insurance Fund:** $500 million to support $22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch. Last year these programs received a record number of applications.
- **Self-Help and Assisted Homeownership Program:** $10 million for rural, high-need areas to undertake projects using sustainable and energy-efficient building and rehabilitation practices. Funds will be awarded by competition to projects that can begin quickly.

- **Lead Paint:** $100 million for competitive grants to local governments and nonprofit organizations to remove lead-based paint hazards in low-income housing.
- **Rural Community Facilities:** $200 million to support $1.2 billion in grants and loans to rural areas for critical community facilities, such as for healthcare, education, fire and rescue, day care, community centers, and libraries. There are over $1.2 billion in applications pending.

Alleviating Hunger

- **Supplemental Nutrition Assistance:** $20 billion to provide nutrition assistance to modest-income families and to lift restrictions that limit the amount of time individuals can receive food stamps.
- **Senior Nutrition Programs:** $200 million for formula grants to states for elderly nutrition services including Meals on Wheels and Congregate Meals.
- **Afterschool Meals:** $726 million to increase the number of states that provide free healthy dinners to children in need.
- ***Emergency Food Assistance Program**: $150 million to purchase commodities for food banks to refill emptying shelves.
- **Supplemental Nutrition Program Information Systems:** $100 million to improve state management information systems for the WIC program.

Payments to Disabled and Elderly: $4.2 billion to help 7.5 million low-income disabled and elderly individuals with rising costs by providing an additional SSI payment in 2009 equal to the average monthly federal payment under the program (approximately $450 for an individual and $630 for a couple). This one-time payment will serve as an immediate economic stimulus as half of SSI recipients have no other form of income and the other half average outside income of less than $450 per month.

Community Services Block Grant: $1 billion for grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high food and fuel prices.

Community Development Block Grants: $1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.

Emergency Food and Shelter: $200 million to help local community organizations provide food, shelter, and support services to the nation's hungry, homeless, and people in economic crisis including one-month utility payments to prevent service cut-off and one-month rent or mortgage assistance to prevent evictions or help people leave shelters. Funds are distributed by formula based on unemployment and poverty rates.

Low-Income Home Energy Assistance: $1 billion to help low-income families pay for home heating and cooling at a time of rising energy costs.

Child Support Enforcement: $1 billion to provide federal incentive funds for states to collect support owed to families.

Social Security Administration Disability Backlog and Claims Processing: $500 million to help the Social Security Administration process a steep rise in disability and retirement claims, getting people their benefits faster, and preventing existing backlogs from getting worse. Within this total, $40 million will help SSI upgrade health information technology.

Centers for Independent Living: $200 million for state formula grants to help individuals with disabilities continue to live in their communities.

AmeriCorps Programs: $200 million to put approximately 16,000 additional AmeriCorps members to work doing national service, meeting needs of vulnerable populations and communities during the recession.

Compassion Capital Fund: $100 million for grants to faith- and community-based organizations to provide critical safety net services to needy individuals and families.

Department of Labor Worker Protection and Oversight: $80 million to ensure that worker protection laws are enforced as recovery infrastructure investments are carried out.

SAVE PUBLIC SECTOR JOBS AND PROTECT VITAL SERVICES

We will provide relief to states, so they can continue to employ teachers, firefighters, and police officers and provide vital services without having to unnecessarily raise middle class taxes.

Medicaid Aid to States (FMAP): Approximately $87 billion to states, increasing through the end of FY 2010 the share of Medicaid costs the federal government reimburses states, with additional relief tied to rates of unemployment. In the previous recession the federal government increased its contribution to Medicaid to help states avoid cuts in health benefits at a time when low-income patient loads are increasing and State revenues are declining.

State Education and Other Budget Priorities: $120 billion to states and school districts to stabilize budgets and prevent tax increases and deep cuts to critical education programs, including:

- $41 billion to local school districts through Title I ($13 billion), IDEA ($13 billion), a new School Modernization and Repair Program ($14 billion), and the Education Technology program ($1 billion).
- $79 billion in state fiscal relief, including: $39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas; $15 billion to states as bonus grants as a reward for meeting key performance measures; and $25 billion to states for other high priority needs such as public safety and other critical services, which may include education.

Temporary Assistance for Needy Families: $2.5 billion for block grants to help States deal with the surge in families needing help during the recession and to prevent them from cutting work programs and services for abused and neglected children.

State and Local Law Enforcement: $4 billion to support state and local law enforcement including $3 billion for the Byrne Justice Assistance formula grants to support local law enforcement efforts with equipment and operating costs, and $1 billion for the COPS hiring grant program, to hire about 13,000 new police officers for three years. The grantee is responsible for at least 25% in matching funds and must commit to use their own funds to keep the officer on board in the fourth year.

Periodic Census and Programs, Communications: $1 billion for work necessary to ensure a successful 2010 census, including $150 million for expanded communications and outreach programs to minimize undercounting of minority groups.

OTHER IMPORTANT POLICY PROVISION

Medicare and Medicaid Regulations: The bill extends the moratorium on Medicaid and Medicare regulations.

***E-Verify:** Extends the E-Verify authorization for 5 years as passed by the House in July 2008 (H.R. 6633) on a vote of 407-2.

***Buy America:** Mandates that iron and steel used in construction and repair projects funded under the bill be produced in the United States unless found to be prohibitively expensive.

***Davis Bacon:** Requires that federal contractors and subcontractors pay workers no less than the local prevailing wage.

***Illinois:** Prevents Governor Blagojevich from directing the use of funds provided in the package.

U.S. Senate Committee on Appropriations

PRESS RELEASE

For Immediate Release: January 23, 2009
Contact: Rob Blumenthal w/Inouye 202-224-1010
John Bray w/Inouye 202-224-3751

Senate Appropriations Committee Releases Highlights of American Recovery and Reinvestment Plan

Committee Announces $365 Billion Investment Package

Washington, DC – As Americans contend with the painful effects of the most serious economic crisis since the Great Depression, the U.S. Congress is responding with a bold plan to revive our struggling economy, put millions of people to work, and lay the foundation for America's economic competitiveness in the 21st century. Combined with the economic recovery tax cuts and mandatory programs announced by the Senate Finance Committee, the Senate legislation totals $825 billion. It is estimated that this legislation will create or sustain over 4 million jobs.

In the coming weeks, the Senate will work closely with the House of Representatives and the Obama Administration in a bi-partisan effort to enact strong and responsible legislation that will put our nation back on the road to economic recovery.

"We must respond to this crisis with all weapons at our disposal," said Senator Daniel K. Inouye (D-Hawaii), Chairman of the Senate Appropriations Committee. "If we fail to act, the situation will almost certainly worsen, and the American people will continue to pay a heavy price. These investments will not only create jobs now, but will also address neglected priorities here at home and lay the foundation for economic growth in the long-term. The road to recovery will not be quick or easy, but I am confident that working together, our nation will meet this historic challenge."

The Economy in Crisis

Unemployment: In December, the number of unemployed persons increased by 632,000 to 11.1 million and the unemployment rate rose to 7.2 percent. Job losses were large and widespread across most major industry sectors. Leading economists have predicted that in the absence of dramatic government action, the unemployment rate could reach 10 percent by 2010.

Housing: U.S. foreclosures increased by more than 81 percent last year, a record, with over 2.3 million foreclosures total.

State Budgets: 44 States are facing budget shortfalls totaling $90 billion for Fiscal Year 2009 and $145 billion for Fiscal Year 2010, and are faced with the prospect of dramatic cuts in basic services or painful tax increases.

Stock Market: In 2008, U.S. stocks lost roughly $7 trillion in value.

Bank Failures: During 2008, 25 banks with $373.6 billion in total assets failed in the U.S.
Gross Domestic Product: The U.S. has officially been in a recession since December of 2007. Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 0.5 percent in the third quarter of 2008.

Cost of Living and Poverty: Overall participation in the Food Stamps program increased by 3.9 million people, or 14 percent, between October 2007 and October 2008, the latest month for which data is available. Food costs have increased 7.0 percent since November 2007, and are forecast to increase an additional 4.5 percent in 2009, according to the United States Department of Agriculture's (USDA) latest estimates.

Urgent Infrastructure Needs

- The American Society of Civil Engineers (ASCE) estimates that $1.6 trillion is needed over a five-year period to bring the nation's infrastructure to a good condition.
- 27.1 percent of our nation's bridges are structurally deficient, or functionally obsolete.
- 34 percent of America's major roads are in poor or mediocre condition, and 36 percent of America's major urban roads are congested. Americans spend 4.2 billion hours a year stuck in traffic, at a cost of $78.2 billion a year to the economy. Poor road conditions cost U.S. motorists $67 billion a year in repairs and operating costs.

The American Recovery and Reinvestment Plan

To meet these enormous challenges, the American Recovery and Reinvestment Plan focuses on five areas critical to rebuilding our economy and creating the conditions for economic growth in the long-term: Infrastructure and Science; Education and Training; Energy; Protecting the Vulnerable; and Health. It is estimated that this legislation will create or sustain over 4 million jobs.

The American Recovery and Reinvestment Plan provides unprecedented oversight, accountability, and transparency to ensure that taxpayer dollars are invested effectively, efficiently, and as quickly as possible.

- Funds are distributed whenever possible through existing formulas and programs that have proven track records and accountability measures already in place.
- Numerous provisions in the bill provide for expedited but effective obligation of funds so that dollars are invested in the economy as quickly as possible.
- The Government Accountability Office and the Inspectors General are provided additional funding for auditing and investigating recovery spending.
- A new Recovery Act Accountability and Transparency Board will coordinate and conduct oversight of recovery spending and provide early warning of problems.
- A special website will provide transparency by posting information about recovery spending, including grants, contracts, and all oversight activities.

- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this bill.

Please note: The following is a summary of the highlights of the proposed legislation only - not a complete listing of all the programs or spending included in the legislation.

Infrastructure and Science

In order to rebuild our weakening economy, these investments in our physical and cyber infrastructure will put Americans immediately to work rebuilding our crumbling roads and bridges, and will also enable the creation of a stronger and more efficient infrastructure for the 21st century economy. Highlights include:

Top line spending of approximately $140 Billion

Infrastructure Improvements:

- School Modernization: $16 billion to repair, renovate and construct public schools in ways that will raise energy efficiency and provide greater access to information technology, and $3.5 billion to improve higher education facilities.
- Broadband: A total of $9 billion for the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program to improve access to broadband.
- Public Parks: $3.4 billion for repair, restoration and improvement of public facilities at parks, forests, refuges and on other public and tribal lands.
- Department of Defense Facilities: The stimulus includes $2.4 billion for quality of life and family-friendly military construction projects such as family housing and child care centers.
- $3.2 billion for Facilities Sustainment, Restoration and Modernization to be used to invest in energy efficiency projects and to improve the repair and modernization of Department of Defense facilities to include Defense Health facilities.
- $3.4 billion for VA hospital and medical facility construction and improvements, long-term care facilities for veterans, and improvements at VA national cemeteries.
- $1.2 billion to accelerate procurement and installation of baggage screening and checkpoint security equipment at airports across the country.
- $500 million to secure high risk critical infrastructure such as dams, tunnels, and bridges.
- $4.6 billion to construct, repair or rehabilitate water resource infrastructure nationwide to benefit navigation, hydropower, flood control, environmental restoration, shore protection and other purposes.
- $1.4 billion to construct, repair, or rehabilitate water delivery infrastructure in the Western U.S. to benefit irrigation, municipal and industrial water supplies, power production, and environmental and other purposes.
- $2.25 billion for the HOME Investment Partnerships Program block grant to enable state and local governments, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families.

Transportation:

- $27 billion for formula highway investments.
- $8.4 billion for formula investments in public transportation.
- $5.5 billion for competitive grants to state and local governments for surface transportation investments.
- $1.3 billion for investments in our air transportation system.
- $1.1 billion for investments in rail transportation.
- $160 million for investments in maritime transportation.
- Public Lands Roads: $830 million for repair and restoration of road on park, forest, tribal, and other public lands.

Public Housing:

- $5 billion to the public housing capital fund to enable local public housing agencies to address a $32 billion backlog in capital needs - especially those improving energy efficiency in aging developments.
- $2.1 billion for full-year payments to owners receiving Section 8 project-based rental assistance.
- Neighborhood Stabilization Program - The bill includes $2.25 billion for the redevelopment of abandoned and foreclosed homes.
- Homeless Prevention Fund - The bill includes $1.5 billion for homeless prevention activities, which will be sent out to states, cities and local governments through the emergency shelter grant formula.

Environmental Clean-Up/Clean Water:

- A total of $6.4 billion is directed towards environmental cleanup of former weapon production and energy research sites.
- $6 billion for sewer, wastewater, and drinking water systems nationwide through EPA's Clean Water and Drinking Water State Revolving Funds.
- $1.4 billion to support $3.8 billion in loans and grants for needed water and waste disposal facilities in rural areas.
- $1.4 billion for EPA's nationwide environmental cleanup programs, including Superfund.

Science:

- National Science Foundation (NSF) Research: $1.4 billion in funding for scientific research, infrastructure and competitive grants.
- National Aeronautics and Space Administration (NASA): $1.5 Billion for NASA, including $500 million for Earth science missions to provide critical data about the Earth's resources and climate.

Education and Training

In order to compete in the 21st century, Americans must have a well-educated workforce, capable of adapting to an ever-changing economic environment. Investing in education now will ensure that the next generation of American workers is ready and able to meet the challenge of global competition. In the near-term, millions of workers have seen their jobs disappear, and find themselves unable to match their skill sets with existing opportunities. Providing job training in new and expanding fields will help to lower the unemployment rate and help today's workers better compete against foreign competition. Highlights include:

Top line spending of approximately $125 Billion

Education:

- $39 billion to local school districts and public colleges and universities distributed through existing State and federal formulas.
- $15 billion to states as incentive grants as a reward for meeting key performance measures.
- $25 billion to states for other high-priority needs such as public safety and other critical services, which may include education.
- Title I: $13 billion to help close the achievement gap and enable disadvantaged students to reach their potential.
- Special Education/IDEA: $13 billion to increase the Federal share of special education services to its highest level ever.
- Pell Grants: $13.9 billion to increase the Pell Grant maximum award and pay for increases in program costs resulting from increased eligibility and higher Pell Grant awards.

Training:

- Training and Employment Services: $3.4 billion for job training including formula grants for adult, dislocated worker, and youth programs.
- Vocational Rehabilitation State Grants: $500 million for state formula grants to help individuals with disabilities prepare for and sustain gainful employment.
- Employment Services Grants: $400 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized reemployment services.

Energy

The bill provides investments in areas critical to the development of clean, efficient, American energy, including modernizing energy transmission, research and development of renewable energy technologies, and modernizing and upgrading government buildings and vehicles. Highlights include:

Top line spending of approximately $51 Billion

- $40 billion to the Department of Energy for development of clean, efficient, American energy.
- GSA Federal Fleet: $2.6 billion to replace older motor fleet vehicles owned by the Federal Government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- Green Buildings: $6 billion for repair of federal buildings to increase energy efficiency using green technology. This funding will help eliminate the backlog of $8.4 billion in building repair projects.
- $1.3 billion for grants or loans to owners for energy and green retrofit investments.
- $613 million for Department of Defense energy efficiency upgrades and construction of alternative energy projects, including wind and solar power and photovoltaic system installation.
- $400 million for rural businesses initiatives including development of renewable energy.

Protecting the Vulnerable:

The current economic crisis has affected all Americans, but none more so than the most vulnerable among us. The spending proposed here will serve to lessen the blow of the current recession, providing immediate relief for children, the poor, and others who may find themselves struggling to put food on the table or a roof over their head. It will also address the urgent need to provide safe and secure places to live, even in neighborhoods that are struggling with high unemployment and surging foreclosure rates.

Top line spending of approximately $25 Billion

Nutrition:

- $16.5 billion for additional Supplemental Nutrition Assistance Program (SNAP) benefits (formerly the Food Stamp program).
- Special Supplemental Program for Women, Infants, and Children (WIC). The Committee recommends a total of $500 million for WIC. In addition, the bill provides $150 million for Food Banks.

Helping Children:

- $4.6 billion to increase investments in early childhood programs.

Other Programs:

- Community Development Financial Institutions: $250 million to immediately provide capital to qualified community development financial institutions (CDFIs) to invest in the development of underserved communities.
- Social Services Block Grant: $400 million for States and local non-profits to deliver critical services to unemployed and low-income individuals struggling with the effects of the recession.
- Homeowners Assistance Program: $410 million to expand the Department of Defense Homeowners Assistance Program (HAP) during the national mortgage crisis.

Health

The bill provides investments in areas critical to immediate and long-term healthcare for millions of Americans. Improved information technology, research facilities, and health and wellness programs, will all provide a better foundation for providing quality healthcare to consumers. Highlights include:

Top Line spending of approximately $16 Billion

Health Information Technology:

- Health Information Technology: $5 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.

Research:

- $3.5 billion to conduct biomedical research in areas such as cancer, Alzheimer's, heart disease and stem cells, and to improve NIH facilities.
- $1.1 billion to the Agency for Healthcare Research and Quality, NIH and the HHS Office of the Secretary to evaluate the relative effectiveness of different health care services and treatment options.

Treatment and Prevention:

- Prevention and Wellness: $5.8 billion to fight preventable diseases and conditions.
- Pandemic Flu Preparedness: $870 million to complete funding for the President's initiative on pandemic flu preparedness.

Small Business, Law Enforcement, Other

Top Line spending of approximately $8 Billion

- $110 Million for GAO and Agency Inspectors General in order to provide appropriate oversight of spending contained in this bill.
- Loans for Small Businesses: $730 million to stimulate lending to small businesses.
- State and Local Law Enforcement: $3.95 billion total to support law enforcement efforts.

Sarah Palin
Governor
P.O. Box 110001
Juneau, AK 99811-0001
www.gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR

Bill McAllister
Communications Director
907.269.7446
Sharon Leighow
Deputy Press Secretary
907.269.7443

FOR IMMEDIATE RELEASE **No. 09-05**

Governor Palin Notes Limits on Stimulus Package

January 12, 2009, Anchorage, Alaska – Governor Sarah Palin today emphasized that the stimulus package pending in Congress likely will be based largely on existing federal formulas for appropriations and will not be the vehicle for earmarked spending on specific projects for states.

"As I wrote to our congressional delegation on January 7, our administration recognizes that President-elect Obama and the congressional leadership of both parties favor the use of formulas to ensure fairness among the states and to avoid the earmark abuses of the past," Gov. Palin said. "We also have to be mindful about the effect of the stimulus package on the national debt and the future economic health of the country. We won't achieve long-term stability if we continue borrowing massive sums from foreign countries and remain dependent on foreign sources of oil and gas."

The governor has recommended five specific projects for the stimulus package, all of them in accordance with previous guidelines requiring that any individual spending requests must be in the national interest. Those projects are infrastructure upgrades to accommodate the natural gas pipeline, which will bring clean fuel to Lower 48 markets, and the Kodiak Launch Facility, which is important for the nation's defense. While the latest comments in D.C. suggest that no earmarks will be accepted, the governor is hopeful that the extraordinary nature of these national-interest projects will allow their inclusion.

While others have compiled wish-lists of Alaska-specific projects, many of them meritorious, the governor says the administration will not be commenting on or ranking them, given that they might not be considered for the stimulus package. "We don't want to get hopes up among community leaders that their local projects are likely to be included, when that probably won't be the case," she said.

Meanwhile, formula funds for transportation, health care and other areas, when received by the state through the stimulus package, will be subject to appropriations by the Legislature through its budget process.

President-elect Obama said last week: "We are going to ban all earmarks, the process by which individual members insert pet projects without review. ... We are going to bring a long-overdue sense of responsibility and accountability to Washington."

A spokesman for Senate Majority Harry Reid was even more blunt: "There will be no earmarks in the stimulus. Nada. Zero. Zilch." House Speaker Nancy Pelosi has expressed agreement.

"It's understandable that many Alaskans want to see some local projects advanced," Gov. Palin said. "But it's pretty clear that it won't happen in this stimulus package, and we need to be realistic about that."

Recent quotes on the stimulus package:

"[O]ur goal is not to create a slew of new government programs, but a foundation for long-term economic growth. That also means an economic recovery plan that is free from earmarks and pet projects. I understand that every member of Congress has ideas about how to spend money. Many of these projects are worthy; they benefit local communities. But this emergency legislation must not be the vehicle for those aspirations. This must be a time when leaders in both parties put the urgent needs of our nation above our own narrow interests."

- *President-Elect Obama, 1/8/09; Speech on economic recovery*

"There will be no earmarks in this economic recovery plan…I know it's the Christmas season, but President-elect Obama and I are absolutely determined that this economic recovery package will not become a Christmas tree."

- *Vice President-Elect Biden; 12/24/08*

"I can pledge to you that no earmark or any of that, any description you want to make of it will be in the bill that passes the House."

- *Speaker Pelosi, 1/11/09; CNN's "Late Edition"*

"Congress should have public hearings in the appropriate committees, the text of the measure should be made available online for the American people to review for at least one week, and it should be free from special-interest earmarks. This is the taxpayers' money, and they deserve to know their hard-earned tax dollars aren't being wasted."

- *House Minority Leader Boehner; 1/5/09*

"We must also make distinctions between what is 'stimulus'—defined by Speaker Pelosi earlier this year as 'timely, targeted and temporary'—and what is merely more government spending on favored projects we don't need with money we don't have."

- *Senate Minority Leader McConnell; Press Release 12/29/08*

A copy of the governor's Jan. 7 letter is posted at the following link:
http://www.gov.state.ak.us/pdf/ESLletter_Jan12-2009.pdf

###

HJR 35

<target><bill>HJR 35</bill><subject>HJR 35</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/10/10

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 35**

Proposing amendments to the Constitution of the State of Alaska prohibiting passage of laws that interfere with direct payments for health care services and the right to purchase health care insurance from a privately owned company, and that compel a person to participate in a health care system.

HJR 35-CONST AM: HEALTH CARE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
Assigned by Chief Clerk's Office

List by Dept(s):	FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara				✓
Mikey Doogan	DOOGAN		✓		
	Joule			✓	
	Austerman			X	
Mikelly	KELLY	✓			
	Foster		✓		
Anna L. Fairclough	FAIRCLOUGH				✓
Chair:	Stoltze	✓			
Chair:	Hawker			*	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HJR 35
(H) Publish Date: 2/17/10

Identifier (file name): HJR-035-OOG-DOE-2-9-10
Dept. Affected: OOG
Title: Constitutional amendment prohibiting passage of laws that interfere with direct payments for health care services....
RDU: Elections
Component: Elections
Sponsor: Reps. Kelly, Keller, P. Wilson, Gatto, Ramras, T. Wilson
Requester: House Health & Social Services
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/9/10, 8:53am
Approved by: Linda Perez, Director — Date 2/9/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

2452

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

SPONSOR STATEMENT

HJR 35 – HEALTHCARE FREEDOM ACT

"Proposing amendments to the Constitution of the State of Alaska prohibiting passage of laws that interfere with direct payments for health care services and the right to purchase health care insurance from a privately owned company, and that compel a person to participate in a health care system."

HJR 35 would give Alaskans the opportunity to vote on a Constitutional Amendment prohibiting the passage of laws that would force any person or employer to participate in a particular health care system or plan. Similar measures are under consideration in 35 states.

The Health Care Freedom Act seeks to protect two essential rights. First, it would protect a person's right to participate or not in any health care system, and it would prohibit the government from imposing fines or penalties because of that person's decision. Second, it would protect the right of an individual to purchase – and the right of doctors to provide – lawful medical services without government fines or penalties. HJR 35 would place these essential rights in the state constitution.

Few Alaskans question the need for effective health care reform to improve access, quality and affordability while ensuring that personal health care is patient-driven. Advocates of a larger government role in regulating and providing health insurance and care support forcing individuals to join a government-approved health insurance plan, whether or not they want it, can afford it, or it best meets their personal needs. But the overwhelming majority of Alaskans oppose this mandate.

If the federal government adopts nationalized health care and a significant block of states change their constitutions to protect their citizens, a legal clash may well be winnable for the states. This United States Supreme Court may just be in the mood to protect individual liberty and state sovereignty in such a private matter as personal health care.

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

MEMORANDUM

DATE: **February 8, 2010**

TO: **Representative Kelly**

FROM: **Derek Miller**

RE: **Sectional Analysis for HJR 35 (26-LS1063\R)**

A sectional summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1.
Proposes to amend Article 1, Section 15 of the State of Alaska Constitution by inserting **(a)** before the clause.

Section 2.
Proposes to amend Article 1, Section 15 of the State of Alaska Constitution by inserting a new section that would prohibit the passage of laws that prohibit a person or penalize a person for making direct payments to a health care provider for tendering health care services or prohibit or penalize the purchase of health care insurance from a privately owned health care insurance company. The section also prohibits the passage of laws that compel a person, employer, or health care provider to participate in a health care system or that penalizes a person, employer, or health care provider for declining to participate in a health care system. The section exempts a health care system that provides indemnity and medical benefits to injured workers.

Section 3.
Places the amendments proposed by this resolution before the voters of the state at the next general election in conformity with Article 13, Section 1 of the Constitution of the State of Alaska and the election laws of the state.

April 9, 2010

Karen L. Vernon
10314 Old Valdez Trail
P.O. Box 140035
Salcha, Alaska 99714
907-488-1868
Email: happynbuzzy@gmail.com

RE: HJR 35

To House Finance Committee: Co-Chairs, Rep. Hawker and Rep. Stoltze, Vice Chair, Thomas and Committee Members: Reps. Austerman, Fairclough, Joule, Kelly, Doogan, N. Foster, Gara, Salmon and Chenault,

I urge you to vote on passage of HJR 35, as this legislation is of utmost importance to the people of Alaska and to the state as a whole. These proposed changes to the Constitution For The State of Alaska are needed to protect the people and the state. It is your sworn duty to do so.

Thank you for your public service.

Please enter this letter as my testimony for the hearing on April 10, 2010 on HJR 35.

Karen L. Vernon

Karen L. Vernon

Health Care Policy and Constitutional Rights:

The Health Care Freedom Amendment

Testimony Presented Before the Alaska House Finance Committee

April 10, 2010

by Dave Roland

Co-Chairperson Hawker, Co-Chairperson Stoltze, Vice-Chairperson Thomas, and members of the committee, I thank you for the opportunity to offer this testimony. My name is Dave Roland, and I am a policy analyst for the Show-Me Institute, a non-profit, non-partisan, Missouri-based think tank that supports free-market solutions to the state's social challenges. Prior to joining the Show-Me Institute, I spent several years in Washington, D.C., gaining expertise in constitutional law as a litigator with the Institute for Justice, a public-interest law firm that specializes in the protection of Americans' liberties. The ideas I will offer today are my own, and should not be taken as necessarily representative of the organizations with which I am affiliated.

Among the elements of the new health care reform law that was passed by Congress is a requirement that almost every adult would either have to purchase a health insurance policy or face punitive fines to be collected by the Internal Revenue Service.[1] There has been widespread debate in legal circles about whether the courts would uphold such a requirement, but lawmakers in at least 40 states are trying to do what they can to insulate their citizens from such a requirement. In Alaska, members of this legislature are considering HJR 35, which very closely resembles the legislation known in other states as "Health Care Freedom" amendments. HJR 35, if passed by this legislature, would offer citizens the opportunity to modify the Alaska Constitution to formally recognize their right to decide for themselves whether they will participate in any private health care system. Under this amendment, the government would not be permitted to prevent citizens from offering or accepting direct payment for health care services, and neither could it substantially limit the purchase or sale of health insurance in private health care systems.[2]

---

[1] The law makes exceptions for members of religious groups whose beliefs forbid the acceptance of modern medical treatments.

[2] It appears from the current text of the Health Care Freedom Amendment that the Legislature would retain the ability to pass a comprehensive, tax-based, single-payer public health insurance system, so long as in doing so it did

My testimony today is not intended as an endorsement of any legislation, but rather to explain the policies implicated by the state bill and the federal law just mentioned. I will particularly address the constitutional issues raised by one element of the federal health care reform law, the way that courts would likely resolve those constitutional issues, and the likely impact of the Health Care Freedom Amendment on the courts' resolution.

Should Everyone Have Health Insurance?

The linchpin of the new federal health care reform law is a requirement that by 2014 almost every adult in the nation must obtain a health insurance policy that would meet certain requirements imposed by Congress. In addition to the fact that many Americans currently carry health insurance policies that would *not* fit the requirements Congress is considering, there are also many who have reasons for choosing to remain uninsured. A brief look at the basic mechanics of the health insurance industry will help illustrate why some people make these choices.

Insurance is gambling, both for the insurers and the insured. The insurer looks at your profile and makes a careful statistical determination of how much your health care is likely to cost them over a given period of time. They then charge you a premium that - if their calculations are correct - would allow them not only to cover your expenses, but also to pay their employees and to make a profit on top of that. Their risk lies in the possibility that you might incur costs greater than they expect and/or sooner rather than later. But the odds are heavily stacked in their favor. These companies are very good at making their guesses, and the large pool of resources that results from their customer base means that, just like a casino, they almost always come out ahead.

For the insured, there is also a gamble involved. If, in fact, the insurance companies are correct (as they usually are), the insured will end up paying far more for their health care than they would have if they had remained uninsured. This is the risk they assume in order to gain peace of mind that, should a catastrophic injury or illness occur sooner rather than later, they will be taken care of. But, financially speaking, the great majority of people would be better off

---

not either outlaw the sale or purchase of private insurance policies or restrict citizens' abilities to offer or accept direct payment for health care services.

putting 85% of what their insurance premium would have been into a savings account earmarked for health care expenses.[3] Then, whenever health care costs emerge, the money is ready to be used - and, importantly, it can be used for any procedure and any health care provider the insured prefers.[4]

So the health insurance trade off is, the insured sacrifices extra money and a significant range of choice as to providers and procedures for the assurance that they will have their expenses covered if they should need treatment sooner than they would otherwise be able to pay for it. It is not a necessity, and a large majority of people would ultimately be better off if they simply saved their money instead of giving it to insurance companies. That is why it very easily could make economic sense to forgo health insurance.

While some people may not carry health insurance because it is unaffordable, many Americans *choose* not to purchase health insurance. Some people's religions may not permit the use of modern medicine, while others may not believe it to be effective. Still others are simply confident enough in their propensity for health that they are willing to risk the costs of illness or injury in order to direct their money to concerns that they believe to be more pressing for themselves and their families. And there are some who, recognizing that most people pay far more to insurance companies than they are ever likely to need for their own treatment costs, would prefer to self-insure by creating their own health fund. For each of these people, a congressional directive to purchase a health insurance policy would mean giving up a huge amount of money — as well as a significant amount of autonomy and privacy — committing themselves to a contract for goods and services that they do not want, and in some cases may be prohibited from using.

The Federal Constitution

As we all remember from high school, congressional authority is limited to those powers explicitly granted by the Constitution.[5] In this case, the question would be whether the

[3] Even the best of health insurance companies usually only apply about 85% of the premiums they receive on their clients' health care costs.

[4] Most health insurance companies place limits on the doctors from whom a policy holder can receive treatment as well as on the types of treatment that are covered.

[5] These eighteen powers are enumerated in Article I, section 8, of the U.S. Constitution: 1) To tax and spend for "the common defense and general welfare of the United States"; 2) To borrow money; 3) To regulate commerce with

Constitution gives Congress the authority to punish citizens for refusing to purchase health insurance.

Those arguing in favor of the law's constitutionality suggest that this authority is part of part of Congress' power "to regulate commerce ... among the several states[.]"[6] It is true that since 1937 courts have generally interpreted this power very broadly,[7] resulting in a U.S. Supreme Court decision that a farmer named Filburn was bound by agricultural regulations regardless of whether he took his grain to market.[8] More recently, the Supreme Court also held that Angel Raich was subject to federal drug laws even though her medical marijuana was homegrown and neither bought nor sold.[9]

But courts have also recognized that congressional authority under the Commerce Clause *is* limited. In *U.S. v. Lopez*, the Supreme Court held that the Commerce Clause did not permit Congress to create a federal law banning possession of firearms in a school zone.[10] In *U.S. v. Morrison*, the court struck down a law that addressed the subject of gender-based violent crime.[11] The primary reason that the court struck down the laws in *Lopez* and *Morrison* was that the subjects Congress sought to regulate lacked a clear nexus with commerce among the states.

Even though much of the health insurance industry is handled within the bounds of individual states,[12] courts will likely find that health insurance as a whole is an issue with a sufficient connection to interstate commerce to permit congressional regulation. But now that

---

foreign nations and among the several states; 4) To establish rules governing naturalization of citizens and bankruptcies; 5) To coin money and regulate its value; 6) To punish counterfeiting; 7) To establish a postal service and post roads; 8) To establish copyright laws; 9) To constitute a federal court system inferior to the Supreme Court; 10) To punish piracies on the high seas and offenses against the law of nations; 11) To declare war and make rules concerning captures on land and water; 12) to raise and support armies; 13) To provide a navy; 14) To make rules to govern the army and navy; 15) To provide for the use of militia to enforce laws, suppress insurrections, and repel invasions; 16) To provide for organizing, arming, and disciplining the militia; 17) To govern the District of Columbia; and 18) to make laws "necessary and proper for carrying into execution the foregoing powers".

[6] U.S. Const. Art. I, § 8.

[7] Prior to 1937, the power of the federal government was regularly held in check by the Supreme Court. A number of factors, including President Franklin Roosevelt's threat to pack the court with his own appointments in order to ram through New Deal legislation, led to what has been termed a "constitutional revolution". For the past 73 years, the general rule has been for courts to presume that the Commerce Clause grants Congress nearly unlimited authority to regulate the behavior of citizens—particularly as pertains to their ability to obtain, keep, and use property.

[8] *Wickard v. Filburn*, 317 U.S. 111 (1942).

[9] *Gonzalez v. Raich*, 545 U.S. 1 (2005).

[10] *U.S. v. Lopez*, 514 U.S. 549 (1995) (finding no clear connection between mere possession of a firearm in some proximity to a school and the stream of interstate commerce).

[11] *U.S. v. Morrison*, 529 U.S. 598 (2000).

[12] In part as a result of federal law, it is very unusual for individuals to be able to purchase insurance from companies outside the state in which they are currently domiciled.

Congress has passed a law mandating that individuals must either buy health insurance or face financial sanctions, courts will still have to answer a very specific question: Does the power to regulate interstate commerce give Congress the authority to penalize citizens *who do not wish to engage in commerce*?

As Prof. Randy Barnett pointed out at a Heritage Foundation debate,[13] the Supreme Court has never faced such a question, so we cannot be certain of its answer. I tend to agree with Barnett that the Court's response will likely hinge on the solicitor general's ability to explain which aspects of citizens' lives (if any) would remain beyond the reach of congressional regulation if the Court permitted these mandates to be enforced. If the Solicitor General offers a reasonable response that acknowledges clear limits to the powers available under the Commerce Clause, the Court may sustain the individual health insurance mandate. If not, I believe that the majority of justices will strike the mandate as unconstitutional.

Some professors have argued that even without relying on the Commerce Clause, authority for the health insurance mandate could be found in Congress' power "to lay and collect taxes ... [to] provide for the ... general welfare of the United States",[14] or even in the Sixteenth Amendment's authorization of an income tax.[15] I disagree. While the taxation power *might* permit Congress to create a tax-based, universal public health insurance system like Medicare,[16] this sort of comprehensive, tax-based program is not the object of the penalties that would be assessed upon those who choose not to comply with the insurance mandate. In fact, these penalties cannot properly be considered "taxes" at all unless their primary purpose is to raise revenue for the government rather than to regulate the behavior of citizens.[17] Thus, while

---

[13] Video available at http://volokh.com/2009/12/09/video-of-heritage-session-on-constitutionality-of-health-care-mandate/.

[14] U.S. Const. Art. I, § 8.

[15] U.S. Const. Amendment XVI.

[16] This might be possible, though politically impractical. First, they could not apply such a tax against everyone. It would have to take the form of some kind of an income tax or else it would violate the constitutional prohibition on "capitation" or "direct" taxes. See Article I, section 9. So, in order to mirror the effect of the current proposal while relying on the taxing power, they'd have to jack up the income tax rates by 2% across the board, then offer a 2% tax credit for anyone who obtains a qualifying health insurance policy. That would likely pass muster, constitutionally, but it would almost guarantee an enormous political backlash because people hate having their taxes raised - even if many would have a relatively easy way to get out from under it. This approach, by the way, would also make it much harder to exempt people with religious reasons for not obtaining health insurance, which would be another major knock against such a plan.

[17] "The test to be applied is to view the objects and purposes of the statute as a whole and if from such examination it is concluded that revenue is the primary purpose and regulation merely incidental, the imposition is a tax and is controlled by the taxing provisions of the Constitution. Conversely, if regulation is the primary purpose of the statute, the mere fact that incidentally revenue is also obtained does not make the imposition a tax, but a sanction

Congress can properly impose fines for violation of a law that it is permitted to enforce pursuant to its authority to regulate commerce, it may not call a fine a "tax" in order to justify penalties for behavior *not* within its authority to regulate commerce. Furthermore, even if the fees for failing to purchase health insurance were classified as a tax authorized by Article I, section 8, Congress is specifically denied the authority to impose capitation taxes "unless in proportion to the census," a requirement that the current proposal does not seem to meet.[18] Therefore, Congress may not justify the mandate and its penalties unless they are enacted pursuant to one of the other powers enumerated in Article I, section 8.

The next question courts would have to answer is whether the issue should be reserved to the states under the Tenth Amendment.[19] This is shakier ground for a constitutional defense than one would really like to have. While the original intent of the Tenth Amendment was clearly to keep the federal government in its proper, limited sphere, the test of the amendment states that it applies only where courts have determined that a specific power has not been delegated to Congress. If a court has already located congressional authority in either the Commerce Clause or the taxing power, it is a near certainty that it will also determine that the Tenth is simply inapplicable as a barrier against the federal statute.

After considering the question of whether Congress generally has the authority to create an individual health insurance mandate, the question will then become whether such a mandate violates liberties preserved under the first nine amendments to the U.S. Constitution. The relevant provisions are contained in the First, Fifth, and Ninth Amendments.[20] The Supreme Court has previously recognized that the Constitution protects citizens' rights to associate with

---

imposed for the purpose of making effective the congressional enactment. There is a marked distinction between taxation for revenue, as authorized and limited by Article 1, Sections 2 and 9 and Clauses 3 and 4 of the Constitution, and the imposition of sanctions by the Congress under the commerce clause. The power of Congress to 'regulate commerce' is the power to prescribe the rules by which commerce is to be governed and the Congress is at liberty to adopt any method which it deems effective to accomplish the permitted end. Congress has a discretion as to what sanctions shall be imposed for the enforcement of the law and this discretion is unlimited so long as the method of enforcement does not impinge upon some other constitutional prohibition." *Rogers v. United States*, 138 F.2d 992 (6th Cir. 1943)

[18] It might be argued that the penalties for failing to obtain health insurance could be considered an "income tax" of the sort that is exempted from the limitations of Article I, section 9. I think that such a penalty could not be considered an "income tax" because it would be selectively applied and collected separately from the general income tax authorized in the Sixteenth Amendment.

[19] U.S. Const. Amendment X.

[20] While the U.S. Supreme Court has rarely discussed the Ninth Amendment as a substantive source of individual liberties, its text—"The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people"—suggests that it should be seen as such. See Justice Arthur Goldberg's concurring opinion in *Griswold v. Connecticut*, 381 U.S. 479 (1965).

others of their choosing,[21] to enter into contracts, to make their own decisions regarding health care, and, of course, their right to privacy.[22] A violation of any one of these rights could be sufficient to invalidate the health insurance mandate.

Unfortunately, merely establishing an infringement of constitutional rights does not usually end the analysis. In fact, the Supreme Court has long permitted infringement of these kinds of liberty, as long as the government could advance an interest in doing so that a majority of the justices considered sufficiently important. In the case of the individual health insurance mandate, the government's interest is to make insurance premiums more affordable and, thus, to increase the number of people with access to health care. The courts will have to balance this interest against the liberty and privacy interests violated when citizens are forced to purchase coverage that they do not want and may have no intention of using. My opinion is that, particularly given the extremely high value that several current justices place on protecting the privacy rights of individuals, it will be difficult for the Solicitor General to convince a majority that the *potential* for lower health insurance premiums (because, in fact, there is no guarantee that the plan will work in the way Congress intends) can justify forcing someone to disclose private information about themselves and their health care.

The Health Care Freedom Amendment

If everything I've discussed above fails to persuade the courts to strike down the individual health insurance mandate, then the arguments will come down to state constitutional protections. This is one reason (but only *one* reason) why Alaskans should take the Health Care Freedom Amendment seriously.

The Bill of Rights in the U.S. Constitution does not demarcate the outer limits of individual freedoms to which citizens are entitled. Rather, it merely establishes a baseline of liberty that cannot be violated by any level of government. The states, however, each have their own constitutions, and those documents can—and frequently do—provide an even higher level of protection for liberty than is afforded by the U.S. Constitution. Generally speaking, these additional protections are only applied against the actions of state and local governments, but if

[21] U.S. Const. Amendment I.
[22] U.S. Const. Amendments V and XIV (Due Process Clause).

Congress tried to enforce a law that directly violated the terms of the Health Care Freedom Amendment (or some other freedom guaranteed under a state constitution), the courts would have to decide whether a state's guarantee of liberty to its citizens can protect them from actions of the federal government that would violate that liberty.

This is currently an open question. There are cases in which federal courts have noted that the application of a federal statute could result in a violation of certain freedoms secured under state constitutions. In several of these cases, the courts required the government to come up with a sort of alternative structure that would respect the state constitutions – but in each of those cases there were also usually indications from Congress that they wanted to avoid violating state constitutional freedoms. In the case of the individual health insurance mandate, it would seem clear that Congress is not concerned with respecting state constitutional protections. This would set up a battle under the U.S. Constitution's Supremacy Clause.

The Supremacy Clause, found in Article VI, reads as follows:

> "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any state to the Contrary notwithstanding."

Of course, the central question here will be just how the courts will apply this language. The answer may not be as simple as it seems. Despite the text's indication that state laws and constitutions are subject to federal laws and treaties, a look into history shows that several important Founders rejected the idea that Congress could always enforce laws deemed unconstitutional by the states. When in 1798 Congress passed the Alien and Sedition Laws, which made it a criminal offense to publicly criticize certain government officials, James Madison—widely known as the Father of the Constitution—and Thomas Jefferson—author of the Declaration of Independence and the sitting Vice-President—drafted the Kentucky and Virginia Resolutions, in which those states rejected the constitutionality of the acts.[23] The U.S. Supreme Court was not called upon to resolve the question of whether states could legitimately

[23] Madison later said that, in his opinion, these resolutions were primarily useful as tools through which the power of Congress could be called into question—though not necessarily nullified. He believed that similar resolutions would signal to other states the potential necessity of modifying the current system of government to eliminate further abuses.

deny congressional authority in this way, but up until the Civil War different states repeatedly adopted similar measures.[24]

Without any directly applicable judicial precedent, some legal scholars have attempted to guess at how the justices might be inclined to resolve such a conflict between state constitutional liberties and federal laws. One of my colleagues, Clint Bolick, a co-founder of the Institute for Justice and the current leader of a constitutional litigation center at the Goldwater Institute in Arizona, has noted a recent judicial trend in which the Supreme Court has shied away from allowing federal laws to trump state constitutional requirements.[25] This might well signal that the justices are inclined to protect freedoms enshrined in state constitutions, but the only way we will be sure is if the U.S. Supreme Court is presented with a direct conflict. The Health Care Freedom Amendment, if adopted by the people of this state, could provide just such a conflict.

Summing Up

Now that Congress has passed the health care reform law, it will likely be several years before a case evaluating the constitutionality of the individual health insurance mandate reaches the U.S. Supreme Court. In fact, we have already seen a number of lawsuits filed in federal courts. Once the federal district courts have decided that this issue is ripe for adjudication, they are likely to deal with the issues quickly, render a decision, and kick the cases up to the circuit courts. Once the circuit courts have weighed in on the constitutional issues, the Supreme Court will choose the set of facts on which it will base its consideration of the law. Keep in mind that it doesn't have to take the *first* case to get resolved by a circuit court, although it only takes four justices agreeing in order to get a case in front of the Supreme Court.

---

[24] Many northern states refused to enforce the provisions of the Fugitive Slave Acts passed by Congress. Indeed, South Carolina's attempted nullification of a tariff passed by Congress in 1832 nearly sparked secession and armed conflict.

[25] Instead, the Supreme Court has generally tried to avoid finding a direct conflict between federal laws and state constitutional provisions. For example, in *Wheeler v. Barrera*, 417 U.S. 402 (1974), Congress had passed Title I, which required public educational funds to be distributed to disadvantaged children regardless of the schools they attended. This conflicted with Missouri's constitutional prohibitions against public dollars being sent to religious schools. Rather than address this apparent conflict, the Supreme Court noted that the legislative history of Title I suggested that Congress was sensitive to the presence of such state constitutional provisions and that they did not intend to require violation of those provisions. To get around the problem, the Court decided that a separate public fund – which would not be part of the state treasury – would be established as the conduit for Title I funds to the assistance of needy children in religious schools.

When the issue gets in front of the Court, I believe that proponents of the mandate (in other words, the Solicitor General) will have to satisfactorily answer at least two vitally important questions if they are to win a majority: 1) If the Commerce Clause permits Congress to force individuals to purchase goods and services that they do not want, where is the limit of that power - if, indeed, a limit can be articulated?, and 2) Is Congress's interest in (potentially) lowering the cost of health insurance premiums sufficiently compelling as to justify forcing individual citizens against their will to associate with others and to divulge to them all sorts of private information about one's health?

I believe, based on the current composition of the Supreme Court,[26] that the individual health insurance mandate would probably be found unconstitutional, either as a violation of the Commerce Clause or the individual right to privacy. I cannot see any of the four conservative-leaning justices (Roberts, Alito, Scalia, or Thomas) approving such a mandate as an exercise of the Commerce Clause, nor can I see any of the three liberal-leaning justices (Ginsburg, Breyer, and Sotomayor) disapproving the mandate. The deciding factor, then, will be whether Justice Kennedy will go for or against it, and I believe that will largely depend on how the Solicitor General articulates what limits might remain on congressional authority if the mandate is approved.

A more interesting question is how the justices might vote on the question of whether the right to privacy precludes the imposition of an individual health insurance mandate. Justices Thomas and Scalia have both rejected the notion that there *is* any such right to be found in the constitution, making it unlikely that they would rely on this right to strike down legislation as unconstitutional. On the other hand, several of the more liberal justices have previously written passionately about the importance of the right to privacy. It is possible that the privacy question might result in a majority of justices voting to strike down the mandate, but with Scalia and Thomas dissenting on this point.

Either way, it is my opinion that the Supreme Court is likely to find that an individual health insurance mandate violates the provisions of the U.S. Constitution. While the Supreme Court is thus unlikely to reach the question of whether the Health Care Freedom Amendment

[26] The April 9, 2010, announcement that Justice John Paul Stevens would be retiring from the Supreme Court is unlikely to alter this analysis. Justice Stevens was a reliable vote in favor of governmental authority to regulate individual citizens' lives, and he was widely expected to favor the constitutionality of the new health care reform law. Thus, no justice appointed by President Obama will improve the likelihood of the mandate's constitutionality being upheld – and they might actually become a vote *against* the mandate's constitutionality.

would be seen as an additional bulwark for liberty, the adoption of this amendment (and others like it in other states) would at a minimum offer the potential for a case that would test the boundaries of state sovereignty under our current constitutional system.

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

MEMORANDUM

DATE: **February 15, 2010**

TO: **Representative Mike Kelly**

FROM: **Derek Miller**

RE: **Answers to Questions @ 2/9/10 HESS Hearing**

---

1) **Does HJR 35 prevent the State of Alaska from initiating a new tier to the state retirement system? How would this constitutional amendment impact future changes to the current State of Alaska retirement system?**
This resolution does NOT prevent the State from initiating a new tier to the state retirement system. Changes can be made to the retirement system as long as those changes aren't a mandate on individuals or employers to purchase insurance. The state would also be prohibited from passing laws that penalize or fine individuals or employers from choosing not to purchase coverage.

2) **Does this resolution prevent the federal government from making changes to Medicare, Tricare, Indian Health Services, etc...?**
This resolution does NOT preclude the federal government from doing anything. Individuals would still have the option to participate in the federal health insurance program. This act simply protects a person's right not to participate.

3) **How does this legislation address the problems the HESS committee has looked at? Example: Access, quality, affordability? Are there any fixes in the bill?**
HJR 35 prevents a one-size-fits-all universal coverage system. Alaska legislators must work on a targeted set of policy solutions to cover the uninsured and there are reforms that will advance this goal, along with HJR 35.

4) **Does this bind future legislatures from adopting the program the federal government comes up with?**
Yes, if that program includes mandating individuals and employers to purchase insurance or penalizes individuals for choosing not to purchase insurance. Individuals however, would still have the option to participate in the program.

5) **Does this amendment prevent the state from implementing a plan if it penalized employees and employers for not purchasing health insurance?**
Yes.

Source:

Christie Herrera
Director, Health and Human Services Task Force
American Legislative Exchange Council
1101 Vermont Avenue, N.W., 11th Floor
Washington, D.C. 20005
Direct: 202-742-8505

Governor Sean Parnell
STATE OF ALASKA

January 13, 2010

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Mark Begich
United States Senate
144 Russell Senate Office Building
Washington, DC 20510

The Honorable Don Young
United States Congress
2111 Rayburn House Office Building
Washington, DC 20515

Dear Senators Murkowski and Begich and Congressman Young,

As Congress contemplates final passage of the proposed health care reform legislation, I ask that you consider the concerns raised by my administration on behalf of Alaska's residents. As I have previously communicated to you, both publicly, and through my staff, the current federal proposal does little to address the main health care issues facing Alaskans – cost and access.

The current health care reform legislation before Congress is troubling on several levels. For the many Alaskans currently unable to afford insurance, the proposal, as outlined by Congress, will do nothing but mandate they purchase it, while increasing the insurance premiums. I am particularly concerned with the increase in costs by the pending legislation for Alaska's seniors, families, small businesses, and physicians. Beyond this burden, which is placed squarely on the shoulders of Alaskans, the legislation will put a significant strain on the State of Alaska's General Fund budget.

In addition to the enormous cost Alaskans would face, the proposal does little to address Alaska's health care workforce shortage; requiring individuals to purchase health insurance does not guarantee that people will have access to health care.

Beyond the practical concerns about the benefits of this legislation that I have raised, I am concerned about the constitutionality of forcing Americans to purchase health insurance. As you know, I have directed Alaska's Attorney General to conduct a review of the reform legislation, including this requirement.

So that you are fully aware of the State of Alaska's concerns, I am including two supplementary documents provided to you over the course of the health care reform debate. The first document updates a previously submitted policy review of the healthcare legislation passed by the Senate. The second document provides Alaska's perspective on the so-called "Nebraska Compromise" whereby the cost of

Medicaid expansion in Nebraska will be indefinitely supported by the federal government. As you will note, this expansion will cost Alaskans $700 million over the first 20-year window of implementation while Nebraskans will not be responsible for paying anything.

Finally, I ask that you consider securing a 100-percent federal Medical Assistance Percentage for services rendered to Native Americans and Alaska Natives outside of Tribal facilities. Such a provision would be advantageous to Alaska and other states with large Native populations. Supporting documents outlining this request have previously been submitted to you.

Thank you for your serious consideration of my concerns regarding the proposed legislation. I look forward to continue to work with you to ensure that Alaskans are treated fairly, and that the health care needs of the citizens of this great state are adequately met.

Sincerely,

Sean Parnell
Governor

Enclosures

State of Alaska
Patient Protection and Affordable Care Act Comments
January 11, 2010

Policy Considerations

Insurance Market Reforms
Guaranteed issue and guaranteed renewal rules would be imposed on all individual and small group plans, and exclusions for preexisting conditions and annual or life time caps would be prohibited. Rating rules would limit variations in premiums to geographic area, tobacco use, age, and family composition.

Guaranteed issue and renewal, modified community rating rules, and preexisting exclusions could be very problematic and potentially drive the cost of insurance premiums up significantly unless there is sufficient participation in the individual and small group markets to spread the risk. It could be anticipated that some employers and low risk individuals may chose to face tax penalties rather than enroll in insurance plans, leading to adverse selection.

Any insurance market rating reforms must provide adequate time to transition to new federal minimum standards and preserve state regulatory authority to ensure consumer protections.

Health Insurance Exchange Sec 1311
By 2014 states would be required to establish, using federal grant funds, an insurance exchange for individual and small group markets. Large employers may participate beginning in 2017. Insurers operating in the state, or multistate plans operating under this proposal, would be required to participate in the exchange. The exchange would develop standardized enrollment forms and formats for comparing plans. Individuals could only receive tax credits if they purchase coverage through the exchange. Exchanges must be fiscally self sustaining beginning Jan. 2015.

A health insurance exchange could assist individuals and groups to comparison shop for insurance and potentially enhance competition in the insurance market. This proposal envisions exchanges as tools for aggregating the risk of individual and small group coverage resulting in premium reductions. Should an exchange be required by law, an Alaska-based and administered exchange, or a state option to join with other states in a multi-state exchange, would be preferred over a national model.

The administrative and regulatory challenges will be very complex particularly considering that the legislation is overly prescriptive of operational requirements. There also appears to be potential for confusion between the role and authority of the Secretary of HHS and state insurance regulatory responsibilities. Becoming fiscally self sustaining can be a significant issue in a state such as Alaska where there is a very limited pool of insurers and the Exchange fees, whether on the plans or individuals, adds additional cost to already high insurance premiums.

The language should be modified to ensure maximum state flexibility to design and operate exchange mechanisms that facilitate the purchase of insurance.

Individual and Employer Mandates

The bill would require individuals to purchase at minimum a basic plan (that would cover 65% of health care expenses) beginning 2013, and would impose a tax penalty (graduated based on income) on those who do not enroll. Employers with more than 50 employees would be required to pay a tax for each employee who receives a tax credit through a state exchange.

Individual Alaskans and Alaska's business community are likely to oppose such mandates, which essentially translate into a new tax on families and individuals who currently do not have health insurance. Also, because the state's workforce includes a high level of seasonal and part-time employees, mandates would be difficult to track and enforce.

Medicaid Expansion Sec 2001

Beginning Jan. 2014 the bill expands Medicaid coverage for all legal residents up to 133% FPL, including childless adults. Income disregards would be prohibited and eligibility would be determined based on adjusted gross income through the annual IRS income tax reporting. The bills impose maintenance of effort requirements on eligibility, which means that eligibility standards and categories of eligibility cannot be reduced or made more stringent. The proposals also mandate new eligibility groups and additional benefits, again creating an additional cost to the state.

While the bill proposes significant increases in FMAP rates (91% in the House bill and about 82% in the Senate bill) to cover increased program costs to states for the expansion, the full cost of expansion is not assumed by the federal government, and there is no guarantee the higher FMAP levels would be maintained. The State of Alaska opposes new unfunded federal mandates. Requiring additional matching state funds is not viable in the current economic recession, the expected states' budget shortfalls anticipated over the next several years, and the competing state General Funds needs for education, corrections, public safety, etc.

New programmatic mandates, as outlined in the bill, will further exasperate this concern.

It is important to note that state participation in Medicaid is voluntary, but if a state chooses to participate then all of the federal requirements must be met. It may be that a state or some states are facing such severe economic difficulty in 2016 when significant state costs begin that opting out of Medicaid participation may become the only viable option in order to maintain other state programs.

Additionally, a huge increase in administrative burden and costs would be assumed by states to manage the expansion without an enhanced FMAP. This burden will be compounded by the proposed new eligibility processes which are very different from the current process, resulting in significantly increased costs to states to implement the change, while maintaining the current eligibility process for other programs, such as food stamps and TANF. In particular, an enhanced FMAP is needed to accommodate costs of enrollment for the currently eligible but not enrolled population.

Any Medicaid expansion should not increase costs to the state or include new unfunded mandates. Congress should include a 100% federal share for expansion.

Medicaid Quality Subtitle I
Establishes Medicaid Quality Measurement Program. Prohibits payments for health care acquired conditions. Establishes a bundled payment demonstration project.

Non-payment for services related to health care acquired conditions should serve as an effective incentive for health care providers and facilities to reduce infection and medical error rates. A demonstration project that comprehensively tests payment bundling to determine viability and effectiveness of this methodology may be a first step toward payment reform. Development of a quality measurement program will support Alaska's vision of moving toward performance-based purchasing for Medicaid.

CHIP(DKC) Sec 2101
The House version ends CHIP in 2014 and children then obtain coverage through the Exchange or Medicaid. The Senate continues CHIP to 2019 and provides a 23% FMAP boost the last three years.

CHIP programs have been well supported throughout the states and considered quite successful in insuring children. It is likely Congress will have significant difficulty ending CHIP as a distinct program and merging it with Medicaid or Exchange coverage. Continuation as proposed by the Senate will save some GF the last three years, however it is unlikely Congress will end the program.

Should these provisions remain intact, the state requires maximum flexibility to transition children into Exchange plans.

Definition of Medical Assistance
Redefines "medical assistance" in the Medicaid program to include both the means of payment of part or all of the cost of medical care and the services and care themselves.

Based on past Ninth Circuit Court of Appeals decisions, this proposed change would increase lawsuits against states. As a result, states will lose much of their ability to control programs and expenditures.

This new definition should be deleted.

Maternal and Child Health Sec 2951
Establishes new federal grant program or optional Medicaid service expansion for early childhood home visitation programs

Alaska (DHSS) would seriously consider developing this program if federal resources become available and operational control is minimized at the federal level. Research-based home visitation models have demonstrated good return on investment and positive outcomes for families, including improved maternal and newborn health, child development and early identification of problems, school readiness, juvenile delinquency and family self sufficiency.

Promoting Disease Prevention and Wellness Title II

Authorizes incentives for Medicare and Medicaid enrollees who complete healthy lifestyles programs. Creates new Medicaid state plan option for "health homes" providing care coordination/management and health promotion (among many other services) through integrated care teams for enrollees with multiple chronic conditions. Incentivizes states to cover preventive services and immunizations under Medicaid. Appropriates funding for Childhood Obesity Demonstration Project.

Improving health and wellness behaviors of Medicaid recipients is important for their long term health, though educating recipients and providers about the proposed incentives and also tracking recipient compliance might prove to be a challenge. Also, financial incentives alone for completing a healthy lifestyle program cannot be expected to automatically translate into improved behaviors, but should be accompanied by programs (such as the proposed Childhood Obesity Demonstration Project) that address the barriers individuals face to engaging in healthy behaviors.

Alaska could benefit from a Medicaid option that would provide a mechanism to reimburse for the services of integrated health care teams serving as the medical "health" home for Medicaid recipients with multiple chronic conditions.

Payment Reform Sec 2705
Establishes CMS Innovation Center to test new provider payment models, and pilot program to encourage improved coordination of care between hospitals, physicians, and post-acute providers through payment bundling.

Alaska's private medical sector is behind most states in development of integrated care systems, and there are no health maintenance organizations in our state. Encouraging service integration through new payment mechanisms could help improve the efficiency of Alaska's health care delivery system.

Workforce Title V
Provides 10% Medicare bonus for primary care providers and general surgeons practicing in HPSAs; redistributes unused graduate medical education training slots and encourages residencies in outpatient settings, and proposes a number of committees, studies and pilot projects related to health workforce development. The senate version appropriates significant funds for the National Health Service Corp and various other sections of this expansive provision, including loan repayment and retention funding.

The proposal does not go far enough in supporting the development of the health care workforce. Ensuring an adequate supply and distribution of health care workers is as essential (if not more so) to increasing access to health care as expanding access to health insurance. To support health workforce development, additional resources above and beyond the provisions in these bills need to be provided for training and for recruitment.

It does not appear that the significant reimbursement changes needed to encourage and support primary care practitioners are present in the legislation..

Title V – Fraud, Waste, and Abuse

Proposed strategies for reducing fraud, waste and abuse in Medicare and Medicaid include a new provider enrollment process, data sharing across federal programs, increased penalties, and requirement for providers to implement a compliance program.

Though fraud and abuse are significant concerns, these proposals, in addition to current requirements, will increase costs and increase procedural requirements imposed on providers. These proposals may serve as a deterrent to provider participation in Medicare and Medicaid, further decreasing access to care and services for Alaskan enrollees.

Congress has created fraud and abuse detection and compliance programs in addition to other such programs. It appears that there is minimal coordination or collaborative effort to determine what works and is cost effective. Federal auditors and contractors overlap and overlay with state and other federal fraud and abuse efforts. While this is all well intended, it appears to be duplicative and ineffective. Congress and the administration should examine all of the current programs and proposed programs to find cost effective methods to better combat fraud and abuse across all private and public programs.

Revenue Items

Proposal increases revenue to partially cover cost of service expansion through taxes on insurers, drug companies, medical device makers, laboratories, and high cost insurance plans.

The proposed new taxes on the health care sector is likely to increase costs to the consumers and government health care programs, potentially off-setting the income generated by these new fees.

"Cadillac Plan" taxation in the Senate version would affect AlaskaCare plan members, and raises questions about who or what entity would be liable for the tax, and if the State plans are considered "insurance companies." If the tax is levied on insurance companies, can the Federal Government tax the State? Are retiree health trusts similarly "insurance companies" subject to tax?

Community Living Assistance Services and Supports Sec 8001

Both bills propose a national voluntary long term care insurance financed by wage based premiums. The senate bill requires a long term actuarially sound benefit of at least $50/day.

This may be of some benefit to individuals permit them to remain in their own homes longer. However, a benefit of at least $50/day will not cover the significant cost of assisted living. It will only supplement other payers or perhaps briefly delay eligibility for public programs. To the degree that it delays eligibility for Medicaid or offsets Medicaid payments this will benefit states, but likely not to a significant extent.

Indian Health Care Reauthorization Act Sec 10221

Both bills have differing versions of reauthorization. This is important to Alaska as this act has not been reauthorized for many years and new provisions should strengthen the tribal health care organizations, which benefits the state.

For the first time federal law will recognize that tribal services are no longer linked to provision in a facility, but can be provided in the community. This clearly allows tribal organizations to

expand into providing long term care services for their beneficiaries, which several in Alaska wish to do. This is important in securing 100% FMAP for these Medicaid services. (*See discussion paper on tribal 100% FMAP).* In addition there are programs to increase Indian health care workforce, new models of behavioral health delivery and disease prevention and youth suicide prevention, all items that could benefit Alaska.

Medicaid Pharmacy Changes Sec 2503

Beginning January 2010, both the House and Senate bills increase the federal Medicaid drug rebate minimum level for brand and generic products.

While these proposals will increase the federal rebate dollars, the net effect will be to decrease the state drug rebate collection. Currently Alaska and many other states collect supplemental drug rebates above the federally mandated amount. Increasing the federally mandated base rebate lessens or eliminates the supplemental rebate states have been collecting. In addition, the savings attributable to the new rebate bands accrue only to the federal government. These savings should be shared between the state and federal government as under current law.

Increase Funding for Federally Qualified Health Clinic Sec 5601

The House bill increases funding by $12 billion over 5 years and the Senate bill provides $33 billion over 6 years.

New funding can be used to expand current public capacity as well as build new capacity. This will be critical in creating access for Medicare, Medicaid and tribal beneficiaries as the other provisions in these bills do not significantly address workforce and private reimbursement issues.

Considering Alaskans' reliance on FQHCs, it is imperative that the state receive a large allocation.

Medicare Subtitle B

The bills phase in payment reductions to Medicare Advantage plans, develop quality measures and payment models, begins to reduce the 'doughnut hole' for Medicare pharmacy and other extensive changes.

The changes to Medicare Advantage plan reimbursement will likely have minimal impact upon Alaskans. It appears that the few plans operating in Alaska were recently pulled. Closing the "doughnut hole", while apparently phased in slowly, will eventually provide significant out of pocket cost savings for Medicare eligible Alaskans that have significant drug usage. Individual savings will be determined by the rate at which the "doughnut" hole is closed. This has yet to be resolved by the legislation.

These bills do not address the physician payment reductions that result from the Sustainable Growth Formula. Until resolved, it is likely to dampen provider willingness to serve Medicare eligible patients.

State as Employer Considerations

1. *Excise tax on insurers for employer-sponsored health plans: a 40% tax on value above $8,000/individual and $21,000/family for 2013 and indexed on CPI beginning 2014. The threshold amounts will be increased for retirees and employees engaged in high risk professions by $750/individual and $2000/family.*
    - Value is defined broadly as the aggregate value of all employer-sponsored health insurance coverage, including coverage in the form of reimbursement under a Health flexible spending/reimbursement arrangement, dental and vision coverage and other supplementary coverage. First, it is not clear that state governmental plans are included; clarification is necessary. Second, if the state is subject to this bill and provision, it would be taxed to some degree.

2. *New fees on segments of health care sector including annual fee on health insurance sector.*
    - Unclear whether state's self-insured healthcare programs would be included as insurance sector.

3. *Plans report proportion of premium dollars spent on administrative expenses.*
    - Self-insured plans use a per capita fund accumulation and are not-for-profit, unclear if this will affect the state.

4. *Large employers prohibited from annual and lifetime limits.*
    - State plans have annual limits for some coverage, lifetime unlimited for Actives, $2mm for Retirees.

5. *Preventive care must be covered 100% or value based design.*
    - Will require changes to state's plans. "Preventive Care" is ill-defined; costs unknown. "Value-based" also poorly defined, but may result in lower payments on behalf of members who do not follow protocols. Impact unknown.

6. *Maximum out-of-pocket limit.*
    - Will require changes to state's plans. Impact unknown.

7. *Plan applicability uncertain – Retiree Plans.*
    - Uncertain if applicable to retiree plans. Alaska is a rare pre-funder of retiree health obligations. Uncertain if SB125 contributions and/or investment returns will be considered in measuring excise tax triggers. Plan design changes may violate Alaska Constitution if perceived as "diminishment."

Health Care Reform Medicaid Cost Gap Analysis
Applying the "Nebraska Compromise" to Alaska

Health care reform, as passed in the Senate, contained the so-called "Nebraska Compromise." This provision states that new Medicaid spending in Nebraska would be funded at 100% by the federal government. The Alaska Medicaid Budget Group performed an analysis to determine the amount of funding that the state would receive for the newly eligible Medicaid population should Alaska benefit from a similar provision. Over the 20-year period from 2017 to 2036, the cost of covering this newly eligible Medicaid population will amount to over $700 million in state general funds. In this scenario, additional annual state general fund spending will increase from $17 million in 2017 to approximately $60 million in 2036.

These figures were determined by using the most recent 3-year average of uninsured adults; estimated population growth among adults; estimated health care inflation (3.4%); and an estimated increase in utilization of Medicaid services (2.1%/year).

Children at or below 133% of the Federal Poverty Level are currently eligible for Medicaid and are not included in the newly eligible group. In determining these figures, the Alaska Medicaid Budget Group assumed that only 75% of newly eligible non-Natives adults and 50% of newly eligible Native adults would enroll.

Care provided at Indian Health Service (IHS) facilities for current and newly eligible Alaska Native adults would be covered at a 100% Federal Medical Assistance Percentage (FMAP). The above calculation assumes that two-thirds of all care for newly enrolled Alaska Natives would be provided at IHS facilities and one-third of care would be provided at non-IHS facilities. Care provided at non-IHS facilities would be reimbursed at the FMAP set for the newly eligible non-Native population.

Finally, it is difficult to assume the final cost to the state per new Medicaid enrollee. In response, the Alaska Medicaid Budget Group assumed that new enrollee cost would amount to $3540 per person in 2009. This amount equates to the average costs for the Family Medicaid and Transitional Medicaid groups. Given the data currently available, this is the most reasonable cost estimate available; actual costs may be much higher.

January 13, 2010

The Honorable Harry M. Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Reid, Senator McConnell, Speaker Pelosi, and Representative Boehner:

As governors, we believe the reform of the health care system can be very beneficial to our nation's economic future and the well-being of our citizens; however, the current health care bills are a lost opportunity to improve the lives of Americans, create a sustainable system of health care and help stabilize both our state and national economies.

Health care reform should be about fixing our broken Medicaid and Medicare systems; instead, the current health care bills entitle 15-20 million more people to Medicaid. While providing health care to low income individuals is important, the net result of this entitlement expansion will be a significant cost shift to those privately insured around the country. According to the Congressional Budget Office (CBO), the unfunded mandate to states and territories is $25 billion; although many states disagree with that figure. For example, Texas costs are estimated to be $21 billion over ten years.

The National Association of State Budget Directors (NASBO) has demonstrated states/territories are in no position to comply with the maintenance of effort provisions found in the bills or to accept any increased costs or additional administrative burdens to expand Medicaid. State general fund expenditures have dropped for the second year in a row. The December 2009 survey shows that the budget situation faced by states truly is unprecedented. Many states cannot afford their current share of the Medicaid program, and they will also have to face a funding cliff whenever the stimulus-enhanced FMAP dollars are exhausted. States have already been forced to cut vital services with 30 states cutting education, 29 states cutting Corrections, and 28 states already cutting Medicaid.

Current federal proposals would strip the states of our ability to negotiate Medicaid provider rates, and we believe that states and territories should be allowed to negotiate Medicaid provider rates as found in current law. The pending bills cause states and territories to lose money through the bills' treatment of the prescription drug rebate provisions. States and territories also should not be asked to forego a share of the savings from any new Medicaid rebates collected for the dual eligible population receiving prescription drugs through the Medicare Part D program.

These bills also impose a one-size-fits all federally-designed health insurance exchange and the insurance rating rules tie states' and territories' hands. Health insurance exchanges desired by any state should be state-based and state-designed to ensure maximum state flexibility to design and operate exchange mechanisms that facilitate the purchase of insurance. Utah should not be forced to replicate Massachusetts' exchange, and vice versa. In the same vein, the health insurance rating rules should account for the existing variation in state and territory statutes and the state and territory should retain the authority to provide oversight and adopt tighter rating bands if necessary.

In order to pay for the bills, the legislation cuts Medicare $571 billion in the House bill and $466.7 billion in the Senate bill. Also included are far-reaching massive tax increases which will impact American individuals and families at all income levels. From employer mandates and taxes on high-value insurance plans to taxes on both branded and generic drugs and medical devices, these bills are funded, and thereby the bills' costs are lowered, by taking more from taxpayers and reforming the health care system less. In particular, the Senate's $6.7 billion insurance premium tax will be passed directly to consumers and will impose new costs on Americans who already have coverage. The unfunded mandates to states likely will require many states to necessarily raise taxes, too.

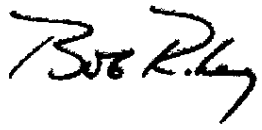
Although CBO has scored the Senate bill at $842 billion and the House bill at $1.3 trillion both bills are full of budget gimmicks. The bills delay spending until the fourth year and exclude the costly "Doc Fix" which ignores the over $200 billion price tag associated with stopping the unavoidable cuts to physicians under the Medicare program.

Governors agree we should work to enhance the quality of health care while making it more affordable and efficient. Unfortunately, the opportunity to truly lower the cost of care has been lost in the rush to try to finish health reform. Both CBO and the Chief Actuary of the Centers for Medicare and Medicaid Services have warned the current legislation will increase the overall costs of health care. The federal government and the states should refocus efforts to lowering the cost of care which will in turn increase coverage, but simply increasing the number of individuals on the public plans without a plan to improve the public programs for participants is irresponsible.

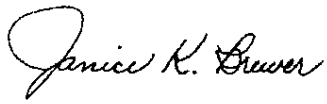
At this juncture, small businesses, seniors, states and territories, and taxpayers have anxiety about Congress' pending health care legislation and rightfully so-- one-sixth of our GDP is at stake. As Republican Governors, we believe in a system which eliminates red tape, empowers consumers to engage in making good health care decisions in the private market, and guarantees affordable coverage for patients with preexisting conditions. Missing from this important legislation is real medical liability reform and provisions which protect seniors' Medicare benefits and access to care. Several states have already implemented medical liability reform with good results; no real medical reform can be accomplished without tort reform. Instead, premiums are increased and small businesses are faced with onerous mandates rather than given the power to pool together and offer health care at lower prices, just as corporations and labor unions do.

Along with the majority of Americans and as leaders of 20 states and territories, we are disappointed with the lack of transparency. We urge you not to circumvent the normal committee process and to conduct an open, fully-bipartisan negotiation. It is time to slow down and pass meaningful health care reform, not hastily prepared partisan legislation which omits reform and saddles American taxpayers for generations to come.

Sincerely,



Governor Bob Riley, Alabama

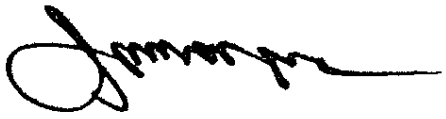


Governor Jan Brewer, Arizona

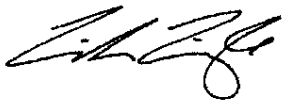
Governor Sean Parnell, Alaska

Governor Charlie Crist, Florida

Governor Sonny Perdue, Georgia

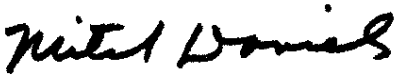


Governor Felix Camacho, Guam



Governor Linda Lingle, Hawaii

Governor C.L. "Butch" Otter, Idaho

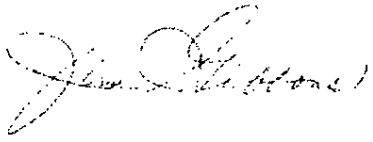


Governor Mitch Daniels, Indiana

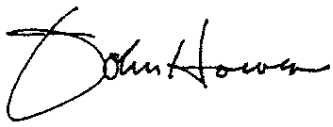
Governor Bobby Jindal, Louisiana

Governor Tim Pawlenty, Minnesota

Governor Haley Barbour, Mississippi



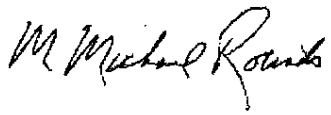
Governor Jim Gibbons, Nevada



Governor John Hoeven, North Dakota

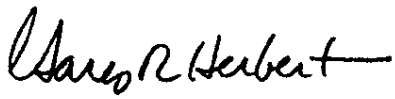
Governor Don Carcieri, Rhode Island

Governor Mark Sanford, South Carolina

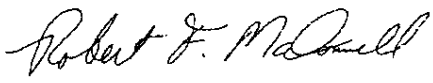


Governor Mike Rounds, South Dakota

Governor Rick Perry, Texas



Governor Gary Herbert, Utah



Governor-elect Bob McDonnell, Virginia

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Questions and Answers: ALEC's *Freedom of Choice in Health Care Act*

For more information, contact Christie Herrera, director of ALEC's Health and Human Services Task Force, at (202) 742-8505 or christie@alec.org.

Why does my state need the *Freedom of Choice in Health Care Act*?
Efforts in our state capitol, and in Washington, are gaining steam to put complete control over your health care in the hands of government bureaucrats and appointed "experts." Government control means you will have less freedom to make the health care choices that are best for you and your family. The *Freedom of Choice in Health Care Act* will protect your health care freedom from these threats.

What does the *Freedom of Choice in Health Care Act do*?
The *Freedom of Choice in Health Care Act* will preserve and protect your right to make your own health care and health insurance choices. Specifically, it would protect your right to pay directly for medical care, and it would prohibit any individual or employer from being penalized for not purchasing government-defined health insurance.

Why should my state's constitution protect the right of patients to pay directly for medical care?
Single-payer systems, like in Canada, make it illegal for citizens to go outside of the government's health care plan and contract for their own medical services. The *Freedom of Choice in Health Care Act* would make this fundamental provision of Canadian-style, single-payer health care unconstitutional.

Patients should have the right to pay directly for medical services with their own money. When consumers control the dollars, they make the treatment decisions. When the government controls the dollars, they make treatment decisions based on what's best for the government, not what's best for the patient.

The consequences of government making medical decisions are often dire, and sometimes deadly. In New Zealand, breast cancer patients were blocked from accessing the lifesaving drug Herceptin because it cost too much. In Sweden the wait for heart surgery can be as long as 25 weeks. In Canada more than 800,000 patients are currently on waiting lists for medical procedures.

The *Freedom of Choice in Health Care Act* will ensure that patients, not government bureaucrats, decide which doctor to see or what medical treatments to get.

More information about the consequences of single-payer health care can be found in:

* Michael Tanner, "The Grass Is Not Always Greener: A Look at National Health Systems Around the World," Cato Institute Policy Analysis No. 613, March 18, 2008: http://www.cato.org/pubs/pas/pa-613.pdf.

* John C. Goodman, Linda Gorman, Devon Herrick, and Robert M. Sade, *Health Care Reform: Do Other Countries Have the Answers?*, National Center for Policy Analysis, March 10, 2009: http://www.ncpa.org/pdfs/sp_Do_Other_Countries_Have_the_Answers.pdf.

* http://BigGovHealth.org: A website with "single-payer horror stories" and fact sheets on the U.S. and worldwide infant mortality/life expectancy statistics; whether the U.S. Veterans Administration is a model for health reform; and much more.

Why should my state's constitution block penalties for individuals or employers who don't purchase health insurance?

It is important for people to have health insurance coverage, but a government requirement to purchase health insurance is ineffective, bureaucratic, and costly. The *Freedom of Choice in Health Care Act* would strike at heart of individual and employer mandates—implemented in Massachusetts, Hawaii, and elsewhere—that just don't work.

In Massachusetts—a state that imposed an individual mandate and an employer mandate in 2006—more than 1/3 of their uninsured still don't have coverage; health insurance is 40% more expensive than in the rest of the country; it's getting harder to see a doctor since before "reform" was enacted; and legislators expect a $2-$4 billion shortfall over the next decade.

The Massachusetts mandate didn't just affect the uninsured. The Massachusetts government actually told 20% of its already-insured citizens to buy more health insurance, because their existing coverage wasn't "good enough." When the government enforces a requirement for people to buy health insurance, they need to define what "insurance" is. The Cato Institute estimates that a federal individual mandate will force 100 million Americans to drop their existing plans and buy more expensive health insurance that is "good enough" for bureaucrats.

Employer mandates don't yield universal coverage and are harmful for consumers and workers. Hawaii has had a "pay or play" employer mandate for 35 years, and yet the number of uninsured has remained the same because employers shifted jobs to (exempt) part-time employees. And when the government forces businesses to buy health insurance for their

workers, it really means higher taxes and fewer jobs. When businesses face cost increases, they'll pass on those costs in the form of increased prices, job cuts, or wage freezes.

An individual mandate would harm patients, and an employer mandate would threaten our fragile economy. The *Freedom of Choice in Health Care Act* would protect our citizens from these threats.

More information about the consequences of individual and employer mandates can be found in:

* Michael Tanner, "Massachusetts Miracle or Massachusetts Miserable: What the Failure of the 'Massachusetts Model' Tells Us About Health Reform," Cato Institute Briefing Paper No. 112, June 9, 2009: http://www.cato.org/pubs/bp/bp112.pdf.

* Michael F. Cannon, "All the President's Mandates: Compulsory Health Insurance *Is* A Government Takeover," Cato Institute Briefing Paper No. 114, September 23, 2009: http://www.cato.org/pubs/bp/bp114.pdf.

* James Sherk and Robert A. Book, "Employer Health Care Mandates: Taxing Low-Income Workers to Pay for Health Care," Heritage Foundation WebMemo No. 2552, July 21, 2009: http://www.heritage.org/Research/HealthCare/upload/wm_2552.pdf.

Does supporting the *Freedom of Choice in Health Care Act* mean that I favor "free riders" who choose to not purchase health insurance and then show up in the emergency room?
Free riders do present a cost-shifting problem as uncompensated care costs are borne by the already-insured—although researchers estimate uncompensated care to be just 2-3% of overall health costs. The Massachusetts data reveal that at best, an individual mandate didn't affect ER visits at all—and at worst, an individual mandate actually increased ER usage by 17%.

The Massachusetts example shows that an individual mandate alone will not decrease ER usage. One Massachusetts survey reported that although the newly-insured had "insurance coverage" on paper, 90% of them did not have access to care from a non-ER provider. Other reports indicate that average wait times to get appointments with doctors in Boston ranged from 21 days for cardiologists to 70 days for obstetrician-gynecologists. And the Massachusetts Medical Society reports that the average wait to see a primary care doctor is 36 days.

Lawmakers cannot artificially create a growing demand for care without other policies (encouraging "minute clinics," enacting medical liability reform to encourage more doctors to practice, loosening scope of practice laws, etc.) to encourage healthcare supply. And those reforms can be achieved without a bureaucratic, ineffective, and costly requirement to

purchase health coverage.

More information about the why an individual mandate won't solve the "free rider" problem can be found in:

* Minna Jung, "What Massachusetts Teaches Us About Emergency Departments and Reform," Robert Wood Johnson Foundation's User's Guide to the Health Reform Galaxy Blog, October 5, 2009: http://rwjfblogs.typepad.com/healthreform/2009/10/what-massachusetts-teaches-us-about-emergency-departments-and-reform.html.

* Liz Kowalczyk, "ER Visits, Costs in Massachusetts Climb," *Boston Globe*, April 24, 2009: http://www.boston.com/news/local/massachusetts/articles/2009/04/24/er_visits_costs_in_mass_climb/.

Does the *Freedom of Choice in Health Care Act* only benefit insurance companies?
The *Freedom of Choice in Health Care Act* prohibits the forced purchase of private health insurance plans. This benefits patients, not insurance companies.

How will the *Freedom of Choice in Health Care Act* affect Medicaid, SCHIP, or Medicare?
The *Freedom of Choice in Health Care Act* will not in any way impact the funding of, or functioning of Medicaid, SCHIP, or Medicare. The language "This section does not affect laws or rules in effect as of January 1, 2009" clarifies this matter. Citizens will be free to participate in any safety net program (Medicaid, Medicare, SCHIP) to which they are entitled, as well as participate in any proposed programs (the public option or the national health insurance exchange) as they do today. The *Freedom of Choice in Health Care Act* simply ensures that citizens are not forced into these programs.

Does the *Freedom of Choice in Health Care Act* enable my state to block any kind of federal health reform?
No. The *Freedom of Choice in Health Care Act* would not attempt to block implementation of any federal law as long as the federal law does not require an individual/employer mandate, or forbid patients from paying directly for medical services.

Congress is still debating health reform. Doesn't this solve a problem that doesn't yet exist?
Two hundred and twenty years ago, some founders questioned the need for the Bill of Rights to be included in the U.S. Constitution. Eventually, they realized that the Bill of Rights was essential in protecting the people from a powerful central government. Today, the First through Tenth Amendments preserve our freedoms—and the *Freedom of Choice in Health Care Act* will protect our right to health care freedom in the same way.

But this is more than an issue of federal encroachment. Threats of single-payer health care, or of an individual/employer mandate, also exist at the state level. In 2009, 14 states introduced legislation to enact state-based, single-payer health care. Countless other states have proposed requirements for individuals or employers to purchase health coverage or else pay a fine to the state. The *Freedom of Choice in Health Care Act* would make these state-based assaults on patients' rights unconstitutional.

Does supporting the *Freedom of Choice in Health Care Act* mean that I am against health reform? Doesn't this tie our hands with future reforms?
No. The *Freedom of Choice in Health Care Act* simply states that the cornerstone of any future health care reform must be the preservation and protection of patients' rights.

# # #

GOLDWATER
INSTITUTE

The Health Care Freedom Act:
Questions & Answers

by Clint Bolick, Litigation Director, Goldwater Institute

The Health Care Freedom Act will appear as a proposed constitutional amendment on Arizona's 2010 election ballot, and similar measures are under consideration in more than 30 other states. With the possibility that Congress will enact some sort of national health insurance legislation, questions are being raised about the scope of the Health Care Freedom Act and its effect should a federal bill become law. In the following pages, Clint Bolick, who helped to author the Health Care Freedom Act, answers frequently asked questions.

Q: What is the Health Care Freedom Act?

A: The Health Care Freedom Act is a proposed amendment to the Arizona Constitution that would preserve certain existing rights that individuals have regarding health care. It was initially proposed by two Arizona physicians, Dr. Eric Novack and Dr. Jeffrey Singer, with drafting assistance from the Goldwater Institute. The measure qualified as a voter initiative on the 2008 ballot, and despite a well-financed opposition campaign, it was defeated by less than one-half of 1 percent of the vote. Changes were made to address concerns raised by the opponents, and the Arizona Legislature voted to refer the revised version to the 2010 ballot.

The American Legislative Exchange Council adopted model legislation based on the Arizona measure, and activists and legislators in at least 35 additional states are pursuing constitutional amendments or statutes based on the Arizona model.

Q: What are the key provisions?

A: Although the precise language varies from state to state, the Health Care Freedom Act seeks to protect two essential rights. First, it protects a person's right to participate or not in any health care system, and prohibits the government from imposing fines or penalties on that person's decision. Second, it protects the right of individuals to purchase—and the right of doctors to provide—lawful medical services without government fine or penalty. The Health Care Freedom Act would place these essential rights in the state constitution (or, in some states, it would protect them by statute).

Q: What motivated the Health Care Freedom Act?

A: No one questions the need for serious health care reform. However, the proponents of the Health Care Freedom Act believe that regardless of how such reform is fashioned, either at the state or federal level, the essential rights protected by the Health Care Freedom Act should be preserved. Many advocates of a larger government role in regulating or providing health insurance support a mandate that would compel individuals to join a government-approved health insurance plan, whether or not they can afford it and whether or not the system best fits their needs. In some countries in which government plays a large role in providing health insurance, medical services are rationed and individuals are prevented or discouraged from obtaining otherwise lawful medical services. Supporters of the Health Care Freedom Act have a variety of perspectives on the form that health care reform should take. But they agree that no matter what legislation is passed, it should not take from Americans their precious right to control their own medical affairs.

Q: By what authority can states pass the Health Care Freedom Act?

A: It is well-established that the U.S. Constitution provides a baseline for the protection of individual rights, and that state constitutions may provide additional protections—and all of them do. For instance, some states provide greater protections of freedom of speech or due process rights. Because the Health Care Freedom Act offers greater protection than the federal constitution, states are allowed to enact it.

Q: Does it matter whether the Health Care Freedom Act is passed as a statute or as a constitutional amendment?

A: A state constitution is the organic law of the state, reflecting the most fundamental values shared by the citizens of the state. Moreover, a state constitutional amendment will ensure the state legislature can never infringe upon the protected rights. So a constitutional amendment is preferable, especially to protect against legislative tinkering. However, for purposes of a federalism defense against excessive federal legislation, it should not matter whether the people of the state have acted through their constitution or by statute.

Q: Does the Health Care Freedom Act attempt to "nullify" federal health insurance legislation?

A: Absolutely not. If federal legislation is enacted, individuals would still have the option to participate in federal health insurance programs. This act simply protects a person's right not to participate.

Q: To the extent that the Health Care Freedom Act conflicts with provisions of federal legislation, isn't the state law automatically preempted by the Supremacy Clause of the U.S. Constitution?

A: No. In any clash between state and federal provisions, at least four federal constitutional provisions are relevant. The Supremacy Clause establishes the Constitution as the supreme law of the land and provides that federal laws prevail over conflicting state laws where Congress has the legitimate authority to enact the legislation and where it does not impermissibly tread upon state sovereignty. The federal government will have to demonstrate that its legislation legitimately is derived from congressional authority to regulate interstate commerce. It will also have to show the legislation does not violate the 10th Amendment, which reserves to the states all government power not expressly delegated to the national government; and the 11th Amendment, which protects states from being used as mere instrumentalities of the national government. This constitutional construct is known as federalism.

Q: Are certain provisions of proposed federal health care legislation vulnerable to constitutional challenge even without the Health Care Freedom Act?

A: Yes, in at least three ways. First, to the extent that the legislation purports to regulate transactions that do not directly affect interstate commerce, such as mandating insurance for individuals, Congress may lack authority to do so under the Commerce Clause. Several relatively recent decisions by the U.S. Supreme Court have invalidated federal legislation on this basis. In *U.S. v. Lopez* (1995), the Court struck down federal laws that restricted guns in school zones; and in *U.S. v. Morrison*, it struck down a federal statute involving violence against women. In both cases, the Court found the subject matter of the federal laws did not "substantially affect" interstate commerce, so Congress had no power to regulate it under the circumstances presented.

Second, to the extent the legislation interferes with the individual's right to choose health insurance providers, doctors, or lawful medical services, it may violate the right to medical self-determination recognized under the U.S. Constitution. As the Court declared in *Griswold v. Connecticut* (1965), "We have recognized that the special relationship between patient and physician will often be encompassed within the domain of private life protected by the Due Process Clause." Several of the early abortion cases involved what Justice William O. Douglas, concurring in *Doe v. Bolton* (1973), described as the "right to seek advice on one's health and the right to place reliance on the physician of one's choice." Whether or not one agrees with those abortion rulings, they establish a strong basis for challenging certain federal and state intrusions.

Third, several recent decisions have invalidated federal laws that "commandeer" state governments to do their bidding. In *New York v. United States* (1992), for instance, the Court struck down federal rules requiring states to take ownership of certain radioactive waste and to expose themselves to liability. Speaking for the Court, Justice Sandra Day O'Connor ruled that

"no matter how powerful the federal interest involved, the Constitution simply does not give Congress the authority to require the States to regulate." Tellingly, she added "the Constitution protects us from our own best intentions: It divides power among sovereigns . . . precisely so that we may resist the temptation to concentrate power in one location as an expedient solution to the crisis of the day." To the extent that federal health insurance legislation forces states to implement its provisions, it could be subject to robust constitutional challenge.

Q: Could the Health Care Freedom Act provide additional protection against federal health insurance legislation that violates protected rights?

A: Yes. Although the federal government usually prevails in federalism clashes, the current U.S. Supreme Court is the most pro-federalism Court in decades. There are no cases precisely on point, but the Court under Chief Justice John Roberts has sided with the states in at least three major recent federalism clashes. In the case most closely on point, *Gonzales v. Oregon* (2006), the Court upheld the state's "right-to-die" law, which was enacted by Oregon voters, over the objections of the U.S. Attorney General, who argued that federal law pre-empted the state law. Applying "the structure and limitations of federalism," the Court observed that states have great latitude in regulating health and safety, including medical standards, which are primarily and historically a matter of local concern. Holding that the attorney general's reading of the federal statute would mark "a radical shift of authority from the States to the Federal Government to define general standards of medical practice in every locality," the Court interpreted the statute to allow Oregon to protect the rights of its citizens.

Horne v. Flores (2009) considered a measure adopted by Arizona voters to require English immersion as the state's educational policy for students for whom English is a second language. Lower federal courts had imposed an injunction based on a finding that Arizona was failing to comply with federal bilingual education requirements. The Supreme Court held that injunctions affecting "areas of core state responsibility, such as public education," should be lifted as quickly as circumstances warrant. It observed that "federalism concerns are heightened when . . . a federal court decree has the effect of dictating state or local budget priorities." The Court remanded the case to lower courts to reconsider the injunction.

In *Northwest Austin Municipal Utility District No. 1 v. Holder* (2009), the Court examined a challenge to section 5 of the Voting Rights Act, which places certain states and localities in a penalty box, requiring them to obtain "pre-clearance" by the U.S. Department of Justice for any changes that impact voting. The Court was sharply critical of the "federalism costs" imposed upon the covered jurisdictions. It avoided the constitutional question by applying the federal law in a way that allowed the utility district to "bail out" from pre-clearance requirements under section 5.

In each of these cases, the Court sided with states in federalism disputes with the federal government.

Q: Will the Health Care Freedom Act affect future state legislation regarding health insurance?

A: Yes. If it is passed as a constitutional amendment, it would prevent any future legislation that infringes upon the rights protected by the amendment.

Q: Won't this be really expensive for the states to defend in court?

A: The Goldwater Institute has offered to defend the constitutionality of the Health Care Freedom Act at no cost to any state. Because legal challenges would involve purely constitutional issues and would not require expensive trials, to the extent that states become involved in litigation, they should be able to do so within existing Attorney General litigation budgets. Moreover, depending on the details of national health insurance legislation, the cost of federal mandates is likely to far exceed the cost of litigation.

Q: Even if the states and individuals did not prevail in a challenge to intrusive federal health insurance legislation, would there be reasons to support the Health Care Freedom Act?

A: Yes. First, if these rights are given additional protection under state constitutions, they will create an absolute barrier to future state legislation that violates those rights. Moreover, efforts to enact the Health Care Freedom Act send a powerful message to our nation's capitol that people at the grassroots take these rights very seriously and intend to protect them.

Q: Does the Health Care Freedom Act impair drug laws?

A: Absolutely not. It protects the right to purchase or provide "lawful" medical services. It does not limit the power of any government to determine what constitutes lawful medical services.

Q: Does the Health Care Freedom Act affect the issue of abortion?

A: No. Again, to the extent that states may regulate abortion under applicable constitutional doctrine and state or federal law, this measure would not alter that power in any way. The Health Care Freedom Act does, however, prevent the government from forcing individuals into health care systems against their will, and matters of conscience may influence such individual decisions.

Q: Does the Health Care Freedom Act affect Veterans' Administration programs, workers' compensation, Medicare, Medicaid, or state health-care systems?

A: Generally, no. The Health Care Freedom Act leaves intact any rules and regulations that were in place as of January 1, 2009. The only way such programs could be affected is if they are changed in the future in ways that violate the freedom of choice protected by the Health Care Freedom Act.

Q: Will this restrict the government from limiting the choice of providers or imposing other limits for the people who do opt-in to a government health care system?

A: No and yes, respectively. If a person voluntarily joins a government health care system, the government may set the terms and conditions, including choice of providers. However, the government cannot prevent a person from purchasing, or a health care professional from providing, lawful medical services outside that system.

Q: Is the Health Care Freedom Act supported financially by insurance companies?

A: No. Many insurance companies support an individual mandate (requiring individuals to buy health insurance or face government fines), which the Health Care Freedom Act would prohibit. An individual mandate guarantees a customer base to the insurance industry. It is present in some legislative proposals as a means to subsidize health insurance for others. If insurance companies play a role in the battle over the Health Care Freedom Act, we expect they will oppose it, possibly with significant resources.

Q: Are there other ways in which freedom advocates can use state constitutions to protect their liberties?

A: Absolutely. State constitutions are full of provisions unknown to the U.S. Constitution that are designed to protect individual liberty and limit the power of government, such as the line-item veto, anti-monopoly provisions, prohibitions against corporate subsidies ("gift clauses"), constraints against earmarks ("special law clauses"), and the like. Citizens and legislatures can amend their state constitutions to add additional protections; and taxpayers can enforce their state constitutional rights in state courts. State constitutions were intended to be the first line of defense in protecting the freedoms of the people. As the power of government grows at every level, we need to use whatever tools are available to us to safeguard our rights. For more on how state constitutions can protect liberty, see the recent Goldwater Institute report, **"50 Bright Stars: An Assessment of Each State's Constitutional Commitment to Limited Government."**

NFIB

The Voice of Small Business®

ALASKA

January 19, 2010

The Honorable Mike Kelly
Room 513
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Kelly

RE: HJR 35

On behalf of the National Federation of Independent Business/Alaska, I wish to express our support for House Joint Resolution 35. The National Federation of Independent Business/Alaska is the largest small-business advocacy group in our state.

HJR 35 provides for placing an amendment to Alaska's Constitution before voters during the next general election making explicit the individual right to health care free choice. The constitutional amendment would prohibit passage of laws that compel any person or employer to participate in a particular health care system. The proposed constitutional change will also permit the purchase of private insurance and allow Alaskans to pay their own health care provider directly.

NFIB/AK is critically concerned about the cost and access to health care for Alaskans. The current versions of health care reform that have passed the U.S. House and U.S. will not address those issues. The mandates they include clearly impose unreasonable burdens on Alaskans and Alaskan businesses. These mandates cannot address the needs of Alaskans.

This proposal will protect Alaskans from the unconstitutional federal mandates to purchase health insurance that may not meet their needs. It will protect small businesses from being taxed for not providing health insurance designed by the federal government that may not meet the needs of their employees.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council

National Federation of Independent Business – ALASKA
P. O. Box 34761•Juneau, AK 99803-4761•907 723 6667•www.NFIB.com

HJR

42

<target><bill>HJR 42</bill><subject>HJR 42</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 4, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/10/10

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 42**

Proposing amendments to the Constitution of the State of Alaska creating a transportation infrastructure fund.
HJR 42-CONST. AM: TRANSPORTATION FUND

Recommends it be replaced with [ ] HCS *or* [✓] CS for HJR 42 (JUD)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
	Crane			✓	
	Dorgan			✓	
	Foster			✓	
	FAIRCLOUGH	✓			
	AUSTERMAN	X			
	KELLY	✓			
Chair:	Holt 20			✓	
Chair:	Hawker			★	

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT
House Joint Resolution 42

"Proposing amendments to the constitution of the State of Alaska creating a transportation infrastructure fund"

HJR 42 will put a constitutional amendment before voters to change the Alaska constitution to allow a dedicated fund for Capital Transportation Projects.

In FY10 87% of our transportation budget came from the federal government. The current federal reauthorization legislation has already expired and is being extended month to month until new legislation can be passed. The new federal reauthorization bill is unfavorable for states with small populations by emphasizing mass transit and green transportation. It favors toll roads, bridges, and other transportation that are self-funding. Alaska's small population makes these self pay options prohibitive. There aren't enough cars on the road, people on the ferries or residents landing at our airports to generate the economy of scale that is needed.

The roads, bridges, airports, ferries and transit systems that make up our state's transportation system are essential to mobility, commerce and economic development. This system enhances economic competitiveness, increases safety and enhances quality of life. There is a growing imbalance between system use and capacity as well as the need for new infrastructure to access our valuable resources. To insure Alaska has the infrastructure necessary to develop our resources as well as providing a quality of life for our citizens we must commit to funding transportation. Having a guaranteed amount that can be counted on from year to year will allow Alaska to tackle today's congestion and maintenance projects as well as developing the needed access to resources and energy.

The crafters of the constitution grandfathered in dedicated funds. They realized that some funds would be needed no matter the economic or political climate. Transportation was one of the funds that predated the constitution. It lasted for several years until it was eliminated.

26-LS1411\P

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HJR 42
(H) Publish Date: 2/10/10

Identifier (file name): HJR-042-OOG-DOE-2-9-10
Dept. Affected: OOG
Title: Constitutional amendment creating a transportation infrastructure fund
RDU: Elections
Component: Elections
Sponsor: House Transportation Committee
Requester: House Transportation Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/9/10, 3:49pm
Approved by: Linda Perez, Director — Date 2/9/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

Withdrawn
4/10/10

Conceptual **AMENDMENT** #1

OFFERED IN THE HOUSE **BY REPRESENTATIVE KELLY**
BY REQUEST

To: CS HJR 42(JUD)

Page 2, beginning of line 4 insert

"state fuel taxes and registration fees received by the fund in that year and a percentage of the"

Renumber accordingly.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 4, 2010 — FURTHER REFERRALS:

Date of Committee Action: 4/10/10

The FINANCE Committee considered: HOUSE JOINT RESOLUTION NO. 42

Proposing amendments to the Constitution of the State of Alaska creating a transportation infrastructure fund.
HJR 42-CONST. AM: TRANSPORTATION FUND

Recommends it be replaced with [ ] HCS *or* [✓] CS *for* HJR 42 (JUD)
For Senate Bills with new title: [ ] *Technical Title* [ ] *New Title: HCR*_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
	Gara			✓	
	Doogan			✓	
	Isaacs			✓	
	Foster			✓	
	FAIRCLOUGH	✓			
	AUSTERMAN	X			
	KELLY	✓			
Chair:	Holt/ZO			✓	
Chair:	Hawker			★	

2501

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HJR 42
(H) Publish Date: 2/10/10

Identifier (file name): HJR-042-OOG-DOE-2-9-10
Dept. Affected: OOG
Title: Constitutional amendment creating a transportation infrastructure fund
RDU: Elections
Component: Elections
Sponsor: House Transportation Committee
Requester: House Transportation Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

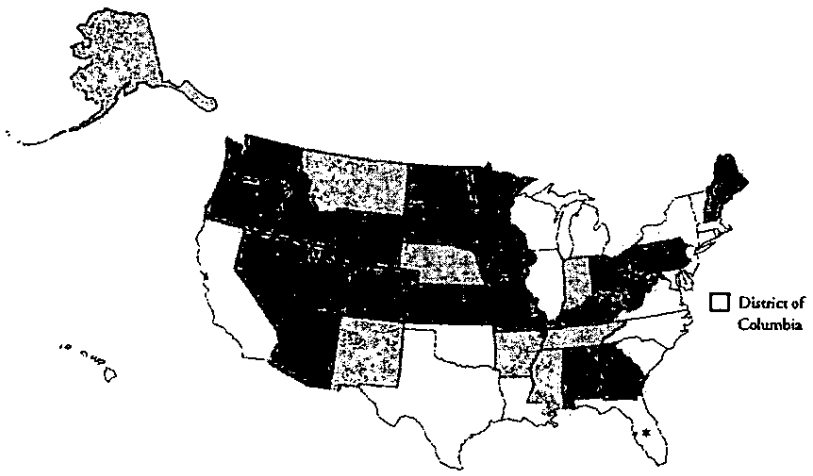
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/9/10, 3:49pm
Approved by: Linda Perez, Director — Date 2/9/2010
Division of Administrative Services

Figure 1. Use of Gas Tax Revenue for Highways



■ Constitutional Dedication of Gas Tax Revenue for Highway Purposes
▨ Statutory Dedication of Gas Tax Revenue for Highway Purposes
□ No Exclusive Dedication of Gas Tax Revenue for Highway Purposes

*The Florida constitution designates fuel tax revenues for highway purposes, but statute apportions some to mass transportation.
Source: *Fueling Transportation Finance: A Primer on the Gas Tax*, The Brookings Institution, March 2003.

In 2005, South Dakota eased its restriction on spending from the state highway fund, allowing expenditures for public transportation.

One consequence of gas tax use restriction is that it limits states' ability to spend on transit. From 1998 to 2001, only 11 states spent more than 5 percent of gas tax revenues on transit,[23] and only 4 percent of states spent more than 15 percent of gas tax receipts on transit. If states do not use gas tax revenue for transit, it often is difficult for them to receive federal funds for transit projects due to federal matching requirements. Funding for transit in Rhode Island, South Carolina and Tennessee is totally funded by gas tax revenue.[24] Gas tax assists with public transportation funding in 15 states.

Another restriction issue relates to distribution of gas tax receipts within states. The 2003 Brookings report on the gas tax concluded that gas tax distribution in some states appears to penalize cities and urban areas.[25] In many states—such as Colorado, Ohio, Missouri and Washington—urban areas are "donors" of gas tax revenue to other regions. Distribution formulas in some states date to the time when the state highway network was under construction and greater investment needs existed in rural areas.[26] Other states apportion funds evenly among all counties. Such formulas hurt the heavily populated, congested urban areas. Washington has acted to change the formula to more accurately reflect current needs, and California uses a formula based on tax receipts, registered motor vehicles and in each county. [27]

Federal Earmarking

Federal earmarks decrease the amount of flexible transportation money for states and divert money from higher priority projects.

TO: **Representative Peggy Wilson**
Chair
House Transportation Committee

FROM: **Larry Persily**
Legislative Aide
House Finance Committee Co-Chair Rep. Mike Hawker

RE: **Funding options for a long-term statewide transportation plan**

DATE: **Sept. 28, 2009**

As per your request, I have prepared this summary of possible funding options for a multiyear, statewide transportation initiative. There are three basic options for raising a substantial amount of money for a comprehensive transportation plan: Taxes, taking from savings, or borrowing against future state revenues in one form or another. All of the most feasible choices fall into those three categories.

I did not include as an option the possibility of relying on annual legislative appropriations in the state capital budget. Though that certainly is an option in the legal and political sense, and would not require new or increased taxes or issuing bonds or any legislative action outside of the annual budget battles, it also would not create any new money for highways, roads, harbors, airports or ferries. Simply put, it would not add anything to the state's financial resources and would merely continue the annual fight for transportation funds vs. other needs statewide. It doesn't get us anywhere that we haven't been for years. Therefore, I have left it off the list of productive options, assuming the status quo is not acceptable to the committee as it looks at how to generate a substantial amount of money or a dedicated revenue stream to fund the state's growing backlog of highway, road and other transportation projects.

For this discussion, the Department of Transportation has compiled the numbers for state capital spending the past 10 years on highways and roads, harbors, airports and ferries. The numbers are included in a separate Power Point presentation; they fluctuate year to year, generally linked to the rise and fall of oil prices and state revenues.

The rest of this report explains options for a statewide transportation funding plan, including some history; some legal, financial and political considerations; and pros and cons for several of the options. Please consider this report an ongoing work in progress, which I can expand or amend or update to meet the committee's needs.

Motor fuel taxes

Certainly, one option would be for the state to dedicate motor fuel taxes to highway construction and repair and other transportation needs.

The cleanest way would be for the Legislature to seek voter approval of a constitutional amendment for a dedicated fund. Such an account existed at statehood but was abolished the next year. Some have suggested over the years that perhaps the Legislature could somehow "reclaim" the dedicated fund for transportation-related purposes. Not likely, say the lawyers. A 1990 attorney general's opinion was not favorable to this approach, nor was a Sept. 15, 2009, Legislative Legal Affairs opinion prepared for this committee or a recent attorney general opinion. The Alaska Constitution prohibits dedicated funds, except for those that existed at statehood or are required by federal law. The 1990 attorney general legal opinion, the Sept. 15 Legislative Legal opinion and the recent attorney general opinion said the Legislature's 1960 decision to eliminate the motor fuel tax dedication cannot be reversed by legislative action; it would require an amendment to the constitution.

If legislators go with the constitutionally dedicated fund approach, a two-thirds majority vote is required in each legislative chamber to put a constitutional amendment on the ballot. State law requires that amendments must be scheduled for the next general election after legislative action.

As for the tax itself, after a one-year hiatus the state on Sept. 1, 2009, resumed collecting its excise tax on motor fuel. The 8-cent-a-gallon tax on highway fuel is the lowest state motor fuel tax in the nation. Alaska's tax rate has not changed since 1970.

The average state tax nationwide (total of excise and all other state taxes on motor fuel) is 28.6 cents on gasoline and 27 cents on diesel (Alaska collects the same 8 cents per gallon on gasoline and diesel). In addition, several states allow counties and municipalities to impose a local tax, plus many states add a sales tax, gross receipts tax, underground storage tank fee and other fees to motor fuels. Wyoming, at 14 cents a gallon in total gasoline taxes, is the closest to Alaska, while at least 16 states collect more than 30 cents a gallon when all their taxes are combined.

The federal tax rate is 18.4 cents per gallon.

If, for example, an Alaskan owned a vehicle that got 20 miles per gallon and drove 15,000 miles a year, the state tax would be $60 for the year, with $138 in federal taxes.

The 2008 legislative suspension of motor fuel taxes applied to all tax types, including marine fuel, jet fuel and aviation gasoline. The state does not tax heating fuel, fuel sales to government agencies, or fuel for electrical generating plants operated by utilities.

Consumers who use gasoline or diesel for off-road vehicles and equipment, such as mining and construction equipment that does not travel the highway, can apply to the state for a refund of 6 cents per gallon from the 8-cent tax.

The tax is paid not at the retail level but by fuel wholesalers, which greatly reduces the number of tax returns to the state. There are about 230 taxpayers that collect and remit motor fuel taxes to the state.

Alaska in Fiscal Year 2008 collected:

- $30 million from its 8-cent tax on highway fuel (gasoline and diesel).
- $5.6 million from marine fuel (5 cents a gallon).
- $4.5 million from jet fuel (3.2 cents per gallon, with an exemption for flights originating in a foreign country and refueling in Alaska and also flights leaving Alaska for a foreign destination).
- $670,000 for aviation gasoline (4.7 cents).

Alaska's motor fuel revenues do not vary much year to year; collections have ranged between $39.2 million and $41.8 million over the past five years.

All of the state's motor fuel revenues are deposited into the general fund. State law requires that 60 percent of aviation fuel tax proceeds must be shared with municipalities that own and operate an airport. The state in FY2007 sent $147,322 to municipalities under this revenue-sharing provision:

- Juneau, $79,914
- Ketchikan Gateway Borough, $23,428
- Kenai, $16,822
- Anchorage (Merrill Field), $16,510
- Kodiak, $6,955
- Soldotna, $1,531
- Palmer, $1,093
- Wasilla, $1,069

The approximately $41 million a year Alaska collects in all motor fuel taxes puts it between tobacco taxes ($74 million) and alcohol taxes ($39 million) among state excise tax revenues in FY2008. Motor fuel taxes provided about 7 percent of the state's non-oil and gas tax revenues in FY2008.

If, for example, the Legislature wanted to seek voter approval for a constitutional amendment to dedicate motor fuel taxes (gasoline and diesel only, not aviation or marine fuels) to transportation projects, and at the same time double the tax rate to 16 cents a gallon (still far below the national average), that would generate an estimated $60 million a year for a comprehensive highway funding initiative.

With such a constitutionally dedicated fund, the Legislature could either appropriate the tax receipts annually, paying cash for projects, or the state could issue revenue bonds to raise a large amount of money up front and then use the tax receipts to repay the bonds over time. This is just a hypothetical suggestion, not a recommendation.

In addition to needing a constitutional amendment, in order to issue bonds secured by a dedicated motor fuel tax the Legislature also would need to adopt statutory authority for the State Bond Committee to issue the bonds on behalf of the state. A statute similar to the Alaska International Airport System authority at AS 37.15.410 - 37.15.550 would need to be established to provide the framework for the motor fuel tax bond issuance.

Pros Easy to collect and administer; no new program.
Clear link between users and payers.
Provides option of dedicated annual appropriations or revenue to repay bonds, or both.
Revenue stream continues indefinitely.
Taxing ourselves could help Alaska's congressional delegation counter the argument that Alaskans have their hand out too much in Washington.

Cons: Cost to consumers of higher taxes.
Politics of a tax increase.
Politics of opening the door to dedicated funds.

Revenue bonds and general obligation bonds

If lawmakers prefer raising cash up front for immediate transportation needs, rather than stretching out the construction work to match the motor fuel tax revenues available each year, the Legislature could opt for issuing bonds.

Continuing with the example of a 16-cent tax on gasoline/diesel that raises $60 million a year, the state could use that revenue stream to cover debt service on a revenue bond issue of about $400 million in today's market for transportation projects. Even though $60 million a year, plus any potential gain from increased motor fuel consumption over the years, would cover annual debt service on closer to $800 million in bonds, investors would discount the annual estimated tax receipts to reduce any risk that the revenues might come up short. The market, for example, would require that the state's estimated tax revenues equal two times the annual debt service on the bonds, to provide protection for investors. That's likely what it would take to earn an AA rating for the bonds.

Under this scenario, $60 million in estimated annual tax receipts would cover $30 million in annual debt service. The remaining $30 million a year would be available for annual appropriation for transportation projects.

The actual amount the state could borrow in revenue bonds would depend on the motor fuel tax rate, bond interest rates at the time of issuance and other factors. The interest rate charged on revenue bonds would depend mostly on the creditworthiness of the revenue source — does the market believe the tax (or some other revenue source) would actually raise enough money to pay off the debt.

If it wanted, the state could borrow additional funds — beyond what it could access under the traditional scenario above — by paying a higher interest rate and issuing what is called subordinate debt. Under that scheme, the state could go to the market and essentially say to borrowers, OK, the first-lien bond holders have claim to the first 50% in tax revenues each year, but any subordinate borrowers willing to bet on the next 30% of the estimated tax receipts each year could earn a higher interest rate for loaning money to the state. Under such a debt issuance, the state would be compensating those subordinate borrowers for the higher risk that perhaps, just maybe, Alaskans would buy less motor fuel and tax revenues would fall short of what's needed to fully cover the bond debt. Under such a plan, the state could leverage 80% of its estimated tax revenues to raise a total of $600 million on today's bond market. This would leave 20% of the tax available for annual appropriations after the debt service payments, or about $12 million a year. Leveraging anything more than 80% of the projected revenues would be extremely costly to the state in high interest rates.

Dedicating motor fuel taxes for transportation spending is not a new idea; half of the states have revenue bonds backed by motor fuel taxes.

One point to keep in mind is that any dedication of motor fuel taxes to repay revenue bonds would mean those tax dollars are no longer available in the general fund for annual appropriation. In a real sense, it is a cut to future revenues, leaving a little less for legislators as they build the annual state budget.

Another option — if lawmakers wanted to raise even more money at a bond sale than motor fuel taxes could support in a straight revenue bond issuance — would be to go to voters twice: Once, for a constitutional amendment to dedicate motor fuel taxes to highway projects, and, in a second vote, to seek public approval of general obligation bonds for highway projects. The Legislature could use the two approvals to issue both revenue and general obligation bonds to amass a larger war chest for transportation funding.

If legislators want to go with debt, using revenue bonds to pay for some of the state's transportation needs would avoid placing the entire burden on the state's capacity for general obligation bonds.

Or the legislature could skip the dedicated-fund, revenue-bond approach and go with straight general obligation bonds to raise substantial funds for transportation projects.

General obligation bonds are painless in a way, in that they do not require a new tax or dedicated revenue stream. Rather, they are a binding pledge that one way or another, no matter what other demands are placed on state revenues, the State of Alaska will repay the debt. The money could come from motor fuel taxes, driver's license fees, oil production taxes — it really doesn't matter where the dollars come from once the taxes or fees are deposited into the general fund. And bondholders don't much care either where the debt service money comes from, as long as the state pays on time. The debt service payments simply become part of the annual appropriations package approved by legislators, the same as the state share of municipal school construction debt.

General obligation bonds require a vote of the public; revenue bonds do not.

A downside to general obligation bonds is that the promise to use general fund revenues to make payments on the debt means there would be less money available in the years ahead for legislators to spend on other needs. For example, a bond issue of $700 million or so that commits the state to repay $50 million a year for 20 years means that much less money would be on the table for school foundation funding, public health, state troopers or anything else.

Certainly, there is an element of fiscal risk for the state to borrow money and promise to pay it back from future general fund revenues at a time of declining North Slope oil production and uncertainty of the proposed Alaska natural gas pipeline. Oil has been the major source of state revenues for more than three decades, and Alaskans hope that new oil discoveries — and a gas pipeline — will do the same for many more decades to come. But there is no guarantee of future oil and gas revenues, and Alaska has always been cautious not to overextend itself in general obligation borrowing.

The bond market would react negatively if the state tried to issue too much general obligation debt. Unfortunately, there is no exact answer to the question: How much debt could the state issue without risking a downgrade by rating agencies and subsequently higher borrowing costs. The imprecise answer is: It depends on the future price of oil.

Assuming oil hung out around today's $65- to $70-per-barrel price range, the state next year probably could take on an additional $500 million in new general obligation debt without much risk of a rating downgrade. If the Legislature wanted to build on that initial $500 million, and if the public approved, the state probably could issue as much as an additional $1.5 billion or so over the next five to ten years and still keep within the guideline that total debt load not exceed 5 percent to 8 percent of annual unrestricted revenues.

Of course, those numbers assume oil prices stay high enough to avoid any budget deficits; no other substantial new debt shows up on the state's books to eat away at cash flow; and the state retires its existing debt on schedule.

The state in Fiscal Year 2010 will pay about $200 million on debt (general obligation bonds, certificates of participation, state share of municipal school construction debt and other borrowings). The Department of Revenue Spring 2009 forecast predicted unrestricted general fund revenue in Fiscal 2010 at $3.2 billion, at $58.29 oil — 5 percent to 8 percent of that would be $160 million to $256 million. The state's $200 million in debt payments fall well within the acceptable range.

At $65 oil, however, due to the revenue boost from the progressivity factor in the state's oil production taxes, the acceptable range for debt service from unrestricted revenues would climb to $300 million to $400 million, giving the state capacity to take on additional debt. This example, while showing the benefit of higher oil prices, also shows the risk of betting on future oil revenues.

In considering a possible general obligation bond issuance for transportation projects, the Legislature would want to consider:

- How much money is needed for projects statewide?
- How much could Alaska borrow without jeopardizing its favorable credit ratings?
- What other needs exist that might also require general obligation bonds in the future? If the state issues too much debt for transportation projects it could leave Alaska short of borrowing capacity for other needs in the years ahead, until the highway bonds are retired or new revenues boost the state's cash flow.
- How much less would it cost the state to spend cash each year for transportation projects rather than borrowing money and paying interest? Legislators would want to weigh the cost of borrowing against the benefit of having a substantial amount of cash up front to complete projects sooner than paying for the work by annual appropriations. Inflation will drive up the cost of construction in the years ahead, so the sooner the state contracts for the work the less it would cost. But interest on bonds adds up to a substantial amount. There's also the calculation that future dollars used to repay debt are worth less than today's dollars — a consideration when borrowing money and paying it back in the years ahead.
- The Legislature would want to ask how much the state already owes, if there is any new debt coming on line, and the schedule for paying off existing debt.

  The state's debt obligations as of June 30, 2009, totaled $502.8 million in general obligation bonds. State officials expect to issue an additional $150 million in bonds in 2010 (the second half of a transportation bond issue approved by voters in November 2008). The debt service on the state's general obligation bond debt in Fiscal 2011 is scheduled at $53.8 million — not counting any payments that might be due on the $150 million in bonds to be issued next year.

In addition to its general obligation debt, the state had $51.4 million outstanding in certificates of participation debt as of June 30, 2009, with no additional debt authorized. Payments on the outstanding certificates of participation total about $8 million a year.

The state also is responsible for the debt on the Atwood Building (state office building) in Anchorage, the Anchorage jail and the soon-to-be-built Matanuska-Susitna Borough Goose Creek prison. That debt totaled $309.7 million as of June 30, 2009. No additional debt is authorized at this time. The annual payments on the existing debt are about $26.5 million.

And as of June 30, 2009, the state's share of annual debt service on municipal school bonds totaled about $106 million a year — with more debt possible after this fall's municipal elections. The state's share of outstanding municipal school bond debt is about $900 million.

One other requirement to remember for general obligation bonds is this: The ballot question must list the specific projects that would be funded by the bonds. The ballot issue can be written to allow some discretion for state transportation planners, but the general requirement to list actual projects usually forces a political discussion and compromise along geographical lines — there has to be something (enough) on the list for each region to garner sufficient legislative votes and the public's vote for passage.

Pros: Revenue bonds would not directly limit the state's future general obligation bond capacity.
Revenue bonds stand alone and do not draw directly from general fund.
General obligation bonds do not require new or increased taxes.
The state could raise a substantial amount of funds with a bond issue.

Cons: Basing revenue bonds on the public's acceptance of higher motor fuel taxes.
There is a real cost to borrowing money.
Debt service commits future state revenues and could create tighter budgets in the future.

Toll road financing

The state could use highway tolls instead of motor fuel taxes to cover the debt on revenue bonds for specific, high-traffic projects. Many states pay for mayor highways through toll-financed debt issuance. But is there a highway project in Alaska with enough traffic to generate enough money to pay the bills? It takes a lot of cars and trucks paying a lot of dollars to pay back tens of millions or maybe hundreds of millions in toll road bonds, along with maintenance costs.

At one extreme, for example, New Jersey's two toll roads — the Turnpike and the Garden State Parkway — recorded more than 670 million vehicle trips in 2007, deriving 92 percent of their revenues from tolls (the rest came from roadway concessions). Of that toll revenue, more than half was paid by out-of-state motorists driving all or some of the more than 320 miles on the two toll roads. The revenues covered all expenses and debt payments; as of 2007, the New Jersey Turnpike Authority carried almost $5 billion in outstanding bond debt. The state opened its first toll road segment more than 50 years ago.

At the other end of the traffic scale, South Carolina sold revenue bonds to finance construction and opened the Southern Connector eight years ago, providing a 16-mile bypass around a congested traffic area south of Greenville (on the road between Atlanta and Charlotte). The short toll road carries fewer than 6 million vehicles a year, less than 1% of the traffic on New Jersey's toll roads. Though the road is short, it took a very long time to build the project — 34 years from the first proposal to ribbon cutting.

In Alaska, the Knik Arm Bridge and Toll Authority proposes to pay for most of the crossing's construction costs with bonds financed by toll revenues. KABATA estimates 6 million toll-paying trips per year by the third year of operations for the proposed Knik Arm Crossing. The authority believes the toll revenues would be sufficient to cover several hundred million dollars in construction costs, though skeptics are less certain of traffic projections. The bond market could very well require state backup for toll road revenue bonds to protect investors against unknown toll receipts falling short of projections.

The only existing toll operation in Alaska is the Whittier Tunnel, though the toll revenues cover only a small portion of the actual construction costs and operations.

Pros: Users pay the costs.
No general fund dollars.

Cons: Are Alaskans willing to pay a toll to use existing highways that are now free?
Are Alaskans willing to pay a toll for new highways?
And is the state willing to back the bonds, in case toll revenues come up short?

Public-private partnerships

Public-private partnerships, known as 3Ps, were quite the rage in the 1990s as states and municipalities looked for new ways to pay for highway construction. But, like many hot new financing schemes, the 3Ps are less popular these days.

The Knik Arm Bridge and Toll Authority had pegged its financing future to a 3P plan — a privately run toll road.

The state-established toll authority is waiting for federal approval for the Knik Arm Crossing and dealing with the Endangered Species Act listing for Cook Inlet beluga whales. Meanwhile, further negotiations on the details of a financing plan are mostly on hold. The private firms interested in financing, building and operating the project had wanted the state to guarantee a minimum level of traffic and toll revenues; anything less than the guaranteed minimum and the state could have been required to write a check to cover the shortfall. Using the state treasury as a backstop for financing did not go over very well with the Palin administration. Besides, the problems in the worldwide credit market have dampened interest in privately financed, publicly owned transportation projects, leaving such a financing option uncertain for the Knik Arm crossing. But all that is waiting for federal permit approval and more work on belugas.

One difficulty the Knik Arm crossing faces — and why investors would like some kind of guarantee — is that traffic is an unknown. It's not like when the State of Indiana cut a deal in 2006 to lease out the Indiana Toll Road for 75 years to a joint venture of Spanish and Australian firms. In exchange for handing over the next 75 years of toll revenues, Indiana received $3.8 billion cash for the deal. But in making the deal, Indiana could point to a 50-year history of proven toll revenues on the highway.

Simply put, it's difficult to sell Blue Sky (unknown revenues from future projects) to investors.

Endowment funded by the Permanent Fund or Constitutional Budget Reserve

Lawmakers could withdraw a large sum of money from the Constitutional Budget Reserve or earnings reserve account of the Permanent Fund, using the money to establish a separate, dedicated Alaska Transportation Fund. The choice then would be whether to use investment earnings from the new fund to pay for construction projects on an annual cash basis, or issue debt and use the earnings to pay back the bonds.

Either way — annual appropriations for specific projects or making debt service payments on bonds — would require a constitutional amendment to establish the endowment and dedicate it and its revenues to transportation projects.

Withdrawing money from the Permanent Fund principal also would require its own constitutional amendment. Taking the money for the new endowment from the Permanent Fund earnings reserve or Constitutional Budget Reserve would require a legislative appropriation — not a constitutional amendment — though certainly a politically contentious appropriation.

And any reduction in the investment balance of the Permanent Fund — from principal or earnings reserve — would reduce future dividends. The less money in the fund earning a profit on investments, the less earnings would be available for future dividends.

As for taking the money from the Constitutional Budget Reserve Fund, that could leave the state short if a steep drop in oil prices required a deep draw on the CBRF. The fund's balance as of Sept. 21 was about $8 billion, sufficient for several years of small to moderate budget deficits if oil prices fall. There is always the risk, however, of large draws on the fund if world oil prices collapse. Tapping the budget reserve for a new transportation endowment also would reduce future earnings by the reserve fund — a $2 billion reduction in the CBRF, for example, would significantly reduce the annual investment earnings that help feed the fund.

To secure bonds and receive the lowest interest rate possible, the state likely would have to pledge not only the earnings from the transportation fund but also the principal to protect investors in case earnings fall short in any given year and cannot cover the debt service.

Pros: No new taxes.
Substantial funds could be made available.

Cons: A dedicated fund would require a constitutional amendment.
Any withdrawal from the Permanent Fund would reduce future dividends.
Any draw on the Constitutional Budget Reserve could cause problems in the years ahead if oil prices fall and the state runs a deficit.
A year of low or negative investment earnings on the transportation fund would require a draw on the fund's principal to pay debt service or fund projects.

Allocating a portion of oil royalties or Permanent Fund earnings

Instead of withdrawing money from the Constitutional Budget Reserve or the Permanent Fund, the Legislature could consider diverting a percentage of future oil and gas royalties away from the general fund to a transportation fund. Or diverting a portion of Permanent Fund earnings to transportation projects.

For example, Alaskans amended the constitution in 1976 to direct at least 25 percent of oil and gas royalties to the Permanent Fund. They could be asked a similar question to establish the Alaska Transportation Fund. A 2.5 percent annual dedication of oil and gas royalties would raise approximately $55 million a year at $65 oil. The fund could be used to pay directly for projects each year or as collateral for a revenue bond issue with earnings to help cover debt service payments.

Of course, any diversion of royalties to a special fund would reduce state general fund revenues in future years. And it would require a constitutional amendment for the dedicated fund.

There also is the option of drawing each year on Permanent Fund earnings. The Legislature could adopt a percent-of-market-value approach for imposing a limit and governing the availability of Permanent Fund earnings for annual appropriation. If, for example, the Legislature wanted to adopt an annual withdrawal limit of no more than 5 percent of the Permanent Fund's market value (as the Permanent Fund trustees and others have long proposed), it could choose to dedicate — from within that 5 percent — 0.25 percent of the market value for annual appropriation to transportation projects. At a market value of $32 billion, that would generate $80 million a year.

Though much of the public is skeptical of the POMV approach for limiting annual expenditures from the Permanent Fund, perhaps some would react more favorably if a comprehensive, statewide transportation initiative were part of the deal?

Pros: No new taxes.
Substantial sum of money would be available.

Cons: Any diversion of oil and gas taxes or royalties away from the general fund could create revenue shortages in years of low oil prices.
Dedicated funds require a constitutional amendment.
Using Permanent Fund earnings could result in lower future dividends.
The politics of using Permanent Fund earnings would be controversial.

Selling off future state oil taxes or royalties

The state could raise cash today by selling off a portion of its future revenue stream from oil taxes or royalties. The state could approach investors and turn over a percentage of future taxes or royalties or even a fixed amount of barrels of oil each month in exchange for a large, up-front cash payment. Mining companies often generate cash for new developments this way by forward selling future gold production.

The risk to investors is that oil prices or production could fall, leaving them short. Which means investors would pay the state a discounted price for the future revenue stream.

The risk to the state is shortchanging the general fund of future revenues.

Pros: No new taxes.

Cons: Diverts future state revenues away from the general fund and annual appropriation process.
It would cost less to raise the same amount of money by general obligation or revenue bonds.

Stimulus Build America Bonds

The state could save money by availing itself of the Build America Bond program offered under the federal economic stimulus act. Under this program, the federal government pays a substantial portion of the interest on taxable public debt issues. The subsidy is available only on financings that could otherwise be sold as tax-exempt debt but where the issuer elects to sell taxable bonds to receive the federal subsidy equal to 35% of the interest expense on the bonds. The federal aid essentially buys down the state's cost to below the interest rate of tax-free debt

The State of Alaska could save 25 to 100 basis points on actual debt costs under the program, depending on the market, the term of the bonds, size of the bond issue and the issue's debt rating. It is estimated that in the current market a $100 million, 20-year AA-rated bond issue by the State of Alaska would be priced at about 4.2% on a tax-exempt basis, while under the Build America Bond program the true cost to the state would be approximately 3.3%.

The idea is that the higher interest earned on taxable bonds would be attractive to some investors (such as pension funds and other institutional investors that do not pay income tax), and attractive to investors looking for lower-risk public debt, while the federal subsidy would drop the actual cost to states and municipalities below the lower interest rate they normally pay on tax-exempt bonds.

The federal subsidy on Build America Bonds is 35 percent of the interest rate for the life of the bonds. The subsidy is available on bonds issued through Dec. 31, 2010. There is no limit on the amount of bonds that can be issued under the program, though only government projects that otherwise would qualify for tax-exempt financing — such as schools, roads, universities and such — are eligible for the program.

The White House reported that 66 bond issues, totaling $11 billion, were issued in the first seven weeks of the program. Several of the early issuances were for transportation work, including the New Jersey Turnpike Authority and New York State's Metropolitan Transportation Authority.

The state would face an extremely tight timeline to get in on this program, and the Legislature would need to consider changing statute to eliminate the requirement for a competitive bond sale to speed up the process.

Pros: Federal assistance reduces cost of borrowing.
No dollar limit to federal program.

Cons: Dec. 31, 2010, deadline for participation. That could be extremely tight if the bonds cannot go before voters until the November 2010 general election.

Creative financing

One idea the state has discussed with financial services firm J.P. Morgan Chase is using a general fund appropriation, say maybe $2 billion, to create an oversize reserve for a bond issuance of an equal amount by a public corporation of the state. Debt service on the bonds, perhaps around $145 million a year, could be covered by the general fund with help from earnings on the $2 billion reserve.

The benefit of the oversized reserve is that it likely would achieve an AAA rating for the bond issue and therefore lower interest rates. The downside is that the $2 billion in reserve is then yield restricted to the yield on the bonds that are issued. This essentially guarantees that the state would earn less on the $2 billion than it would pay in interest on the bonds. This is because in periods of low investment earnings the state would still be responsible for all of the debt service, but in periods of high earnings any investment earnings on the reserve in excess of the rate on the bonds must be paid to the IRS.

While this idea would ensure that $2 billion would be available for transportation projects, it is not beneficial from a financial perspective and the state would be better off simply appropriating $2 billion to fund projects without any borrowing.

And, as with all debt, there would be costs of issuing the bonds — about $20 million for $2 billion in bonds

An additional downside is such a large appropriation for the bond reserve would be dependent on high oil prices to generate the extra general fund cash needed to fund the reserve. Or lawmakers could draw on the Constitutional Budget Reserve to set up the $2 billion account, reducing the state's oil-price cushion in future years.

Pros: Ensures $2 billion for transportation projects.
No new taxes.

Cons: It would reduce the state's earnings on the $2 billion put into reserve.
The state would lose flexibility in using the $2 billion while it's held in reserve.

Federal funds

Separate but pertinent to this discussion is the fact that the federal Highway Trust Fund is running close to empty. The account, which pays the federal share of highway projects nationwide, is supposed to be continuously refilled with federal motor fuel tax receipts. But tax revenues are not keeping up with spending needs, with the gap especially troublesome as Americans buy less gasoline and diesel and pay less in taxes.

Congress approved a stopgap $7 billion appropriation for the highway fund before adjourning for its summer recess. The money, however, is not expected to last much past the end of the federal fiscal year Sept. 30, which means Congress will need to take further action to maintain the fund.

This was the second year Congress has had to appropriate general fund dollars to bail out the trust fund. Lawmakers added $8 billion to the account last September.

The point of this information is the reality that Alaska probably should not look to Congress and the federal government for substantial additional amounts of transportation funds for the next several years. Congress will have enough trouble finding the money just to maintain existing commitments for federal sharing.

The separate Power Point presentation accompanying this report shows year-to-year federal funding for transportation projects in Alaska.

CAMBRIDGE SYSTEMATICS

Alaska Transportation Finance Study

final report

prepared for

Alaska Municipal League

prepared by

Cambridge Systematics, Inc.

January 2009

www.camsys.com

2519

Executive Summary

The Alaska Municipal League (AML) commissioned Cambridge Systematics, Inc. to conduct an objective assessment of the current finance trends, challenges, and possible options to meet Alaska's transportation funding needs. This work involved a significant amount of analysis and produced multiple layers of findings that have been documented in this report, the Transportation Finance Study. Nevertheless, the work may be summarized into the following three categories of findings.

UNDER INVESTMENT IN THE STATE'S TRANSPORTATION INFRASTRUCTURE

Almost every state and the Federal Government have been chronically under investing in their transportation infrastructure and Alaska is not an exception. Over the last several years, studies at the national and state levels have painted a dire picture of transportation funding over the long term: the average funding gap for the Federal shortfall is almost $60 billion annually through 2017 (10-year average) to maintain the current condition and performance of the nation's surface transportation system.

- Underinvestment in Alaska may have more severe consequences than for almost any other state because the Alaska's economy is highly dependent on resource extraction industries. These industries are highly transportation-intensive; their growth is the most likely offset to declining oil production and may be the State's best opportunity to diversity, but will require investment. In addition, the State's far-flung communities, harsher environment and less mature roadway network amplify the effects of under investment.
- In its 2030 Transportation Plan, the Alaska Department of Transportation and Public Facilities (ADOT&PF) estimated its annual highway and bridge needs at approximately $1.1 billion per year of which about $530 million is unfunded on state-owned facilities alone (excluding local roads and street needs), with Federal and state funding covering about half of the needs.
- In Alaska, routine highway maintenance remains underfunded and the backlog in life-cycle needs is over three times the level of spending in annual highway maintenance activities at the state level. Adding the AMHS unfunded needs, and Alaska's transportation funding gap increases to $720 million. These figures still do not include needs of transit, and locally funded roads, both in urban and rural areas of the State, or aviation. Furthermore, it does not include any transportation capacity needs to meet travel demand growth in the future.

2520

- Alaska's transportation capital spending (from state and local revenue sources) as a percentage of the Gross State Product (GSP) for 2006 is the fourth lowest compared to other states. If Federal funding is included, the transportation spending as a percentage of GSP increases placing Alaska in the top 10 states, clearly indicating the State's reliance on Federal funding to meet its transportation needs.

CURRENT FEDERAL FUNDING AT RISK

Alaska has historically received on average roughly 75 percent of its total transportation funding needs from Federal sources. This dependence is quite likely to put Alaska in a very vulnerable position when the Federal transportation funding is reauthorized next year for the following reasons:

- Federal Highway Trust Fund went broke this past year and Congress provided only one year of stop-gap funding. Longer-term fixes, however, may include lower levels of funding, which would increase state competition for Federal allocations.
- The current negotiations over reauthorization are further reducing the difference between donor states (which have increased in the previous reauthorization from 90 percent of their contribution to 92 percent) and donee states, of which Alaska is one of the highest.
- Reauthorization funding policies appear to place far more emphasis on tolling or other user fees and metropolitan transit/transportation networks, rather than highway funding or legislative earmarking. Some proposals would push greater responsibility to states or cities for financing their transportation improvements.
- Federal support for Alaska's transportation needs is being challenged by other states because of the perception that Alaska's financial capacity is substantially better off than other states. The lower 48 and the Federal government see the Alaska Permanent Fund currently has almost $28 billion and Alaska is the only State that collects neither income taxes nor state sales taxes, and its 8 cents-per-gallon (cpg) gas tax is the lowest rate in the country.

OPTIONS FOR CLOSING THE GAP

In order for Alaska to close some of the gap in underinvestment and improve its competitive position for the next reauthorization of Federal transportation legislation, we propose some options for increasing state revenues with a mix of six sources that include increases to user fees such as the fuel tax and vehicle registrations fees, new sales tax on vehicles and the wider use of local sales taxes, reinstitution of the Local Service Roads and Trails (LSR&T) fund, and establishment of an Alaska Transportation Fund (ATF) or comparable fund.

Option One would generate roughly $151 million annually, or about 28 percent of the $535 million annual gap. It has the following six components:

- Increase fuel taxes from 8 cents per gallon (cpg) to 18 cpg (national average) and index the rate to inflation, generating about $38 million annually.
- Increase vehicle registration fees by 50 percent from $100 to $50 biannual fee, generating slightly less than $23 million annually.
- Impose a vehicle sales tax of 0.5 percent, yielding about $10 million annually
- Encourage local jurisdictions to impose a 0.5 percent sales tax, which if enacted throughout the State would earn about $30 million annually
- Capitalize the Alaska Transportation Fund (ATF) with $1 billion, which with a 8 percent return should earn about $50 million annually.

Option Two would generate roughly $291 million annually, or about 55 percent of the $535 million annual gap. It has the following six components:

- Increase fuel taxes from 8 to 28 cpg and index the rate to inflation, generating about $76 million annually.
- Double vehicle registration fees from $100 to $200 biannual fee, generating over $45 million annually.
- Impose a vehicle sales tax of 1.5 percent, yielding over $31 million annually
- Encourage local jurisdictions to impose a 1.5 percent sales tax, which would earn about $89 million annually
- Capitalize the Alaska Transportation Fund (ATF) with $1 billion, which with a 8 percent return should earn about $50 million annually.

Option Three also would generate $291 million annually (55 percent of the $535 million annual gap), but it would reduce the two sales taxes and instead reinstitutes the Local Service Roads and Trails (LSR&T) fund:

- Same increase in fuel taxes (8 cpg to 28 cpg and index the rate to inflation), generating about $76 million annually.
- Same doubling of vehicle registration fees from $100 to $200 biannual fee, generating over $45 million annually.
- Impose a state vehicle sales tax of 1.25 percent and a 1.25 percent local sales tax, which would earn over $26 million and $74 million annually, respectively
- Capitalize the Alaska Transportation Fund (ATF) with $1 billion, which with a 8 percent return should earn about $50 million annually.
- Assume the State reinstitutes the LSR&T program at about $20 million annually.

Withdrawn
4/11/10

Conceptual **AMENDMENT** #1

OFFERED IN THE HOUSE **BY REPRESENTATIVE KELLY**
BY REQUEST

To: CS HJR 42(JUD)

Page 2, beginning of line 4 insert

"state fuel taxes and registration fees received by the fund in that year and a percentage of the"

Renumber accordingly.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HJR 42
(H) Publish Date: 2/10/10

Identifier (file name): HJR-042-OOG-DOE-2-9-10
Dept. Affected: OOG
Title: Constitutional amendment creating a transportation infrastructure fund
RDU: Elections
Component: Elections
Sponsor: House Transportation Committee
Requester: House Transportation Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/9/10, 3:49pm
Approved by: Linda Perez, Director — Date 2/9/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

2524

SWAMC

Southwest Alaska Municipal Conference

3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org

Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

SWAMC RESOLUTION 09-02

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO CAPITALIZE STABLE LONG-TERM TRANSPORTATION FUNDING FOR ALASKA

WHEREAS, Alaska's transportation system has fallen far behind the needs of Alaska for cost effective transportation which allows economic growth and the safe cost effective movement of people, goods, and services; and

WHEREAS, the Alaska Highway System, the Alaska Marine Highway System, Alaska Airports, Alaska ports and harbors, and Alaska's local roads all need several years of significant funding for infrastructure improvement, upgrade and expansion; and

WHEREAS, the general appropriation process has resulted in significant underfunding of transportation infrastructure; and

WHEREAS, the Federal Highway Trust Fund is experiencing significant shortfalls, further contributing to a decrease in transportation funding for Alaska; and

WHEREAS, the economic future of Alaska is highly dependent upon a quality, cost effective transportation system; and

WHEREAS, the development of Alaska transportation infrastructure is dependent upon a steady and reliable stream of revenue; and

WHEREAS, the development of an energy policy that works for Alaska requires a quality transportation system in order to be successful; and

WHEREAS, estimates of annual funding needs for transportation infrastructure improvements, upgrades, and expansions exceed $300 million per year; and

WHEREAS, the State of Alaska is in a position to proactively develop a long-term transportation financing program.

-MORE-

NOW, THEREFORE BE IT RESOLVED that the Southwest Alaska Municipal Conference urges the Governor and the Alaska Legislature to establish a Transportation Trust Fund for Alaska or other suitable and sustainable funding mechanisms that generate at least $300 million annually to accomplish the following purposes:

- Generate investment earnings to develop transportation infrastructure in Alaska.
- Improve, upgrade and expand State of Alaska roads and highways.
- Improve, upgrade and expand the Alaska Marine Highway System.
- Improve, upgrade and expand the airports in Alaska.
- Improve and expand Alaska's ports and harbors.
- Provide regular funding to Alaska's communities to improve, upgrade and expand local roads built to local road standards.

AND, BE IT FURTHER RESOLVED that not less than 15-percent of the total funding will be allocated to each of the five programs each year (roads and highways; Alaska Marine Highway System; airports; ports and harbors; public transit and local roads).

PASSED AND ADOPTED by a duly constituted quorum of the Southwest Alaska Municipal Conference Membership this Thirtieth day of January, 2009.

Signed:

Tom Abell
President

Attest:

Michael Catsi
Executive Director

HJR 45

<target><bill>HJR 45</bill><subject>HJR 45</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 24, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/12/10

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 45**

Urging the United States Congress not to enact Cap and Trade legislation.
HJR 45-OPPOSE FEDERAL CAP AND TRADE LEGISLATION

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HJR 45 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
Gara	Gara				✓
	Doogan			✓	
	Foulke	✓			
	Austrom	X			
	Salmon			X	
	KELLY	X			
	Foster	X			
	Fairclough	X			
Chair: Mike Hawker	Hawker	★			
Chair: Bill Stoltze	Stoltze	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSHJR 45(ENE)**
() Publish Date:

Identifier (file name): CS HJR 45(ENE)
Title: Urging the United States Congress not to enact Cap and Trade legislation.
Sponsor: "Representatives Stoltze, Millett, Chenault, Dahlstrom..."
Requester: House Finance Committee

Dept. Affected: Legislature
RDU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 3/8/10 1:32 PM
Approved by: Pamela Varni, Executive Director — Date 3/8/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

As amended (3 concept. amds)

And 2b, p. 3, L 16

26-LS1455\E

Amdt 3, pg 3 Line 26

CS FOR HOUSE JOINT RESOLUTION NO. 45(ENE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ENERGY

Offered: 2/24/10
Referred: Finance

Sponsor(s): REPRESENTATIVES STOLTZE, Millett, Chenault, Dahlstrom, Gatto, Keller, Olson, Peggy Wilson, Hawker, Ramras, Lynn, Neuman, Kelly, Johansen, Edgmon

Concept. Amendmt #1 add chairman + Ranking member to sponsor page 3 line 28

A RESOLUTION

Urging the United States Congress not to enact Cap and Trade legislation.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Senate Bill 1733, the Clean Energy Jobs and American Power Act is waiting to be heard in the United States Senate; and

WHEREAS House Resolution 2454, the American Clean Energy and Security Act of 2009, has passed the United States House of Representatives and is waiting to be voted on in the United States Senate; and

WHEREAS cap and trade legislation has been a presidential priority and is before Congress; and

WHEREAS, while emissions cap and trade legislation attempts to minimize the impact of environmental restrictions on industry by offering economic incentives, the legislation would result in unnecessary regulation and economic interference by the federal government; and

WHEREAS additional environmental regulation and incentive programs will hinder the nation's free market economy, increase federal involvement in business, and mandate state oversight; and

WHEREAS the United States refrained from ratifying the Kyoto Protocol in 2007 because of the economic hindrances that would be imposed on businesses in the United States; and

WHEREAS the America's Climate Security Act of 2007, a less severe alternative to the Kyoto Protocol, was rejected by the United States Senate in the interest of protecting the United States economy; and

WHEREAS cap and trade measures make traditional electricity, heating, and transportation fuels more costly through rationing, while generating hundreds of billions of dollars in federal tax revenue from oil, coal, and natural gas production; and

WHEREAS stringent economic constraints threaten to drive industry out of the United States at a time when our economy requires encouragement rather than hindrance; and

WHEREAS arguments for phasing out fossil fuel uses have relied primarily on global climate calculations compiled by the climate Research Unit of the University of East Anglia (CRU), the National Climate Data Center (NOAA-NCDC), and the NASA Goddard Institute for Space Studies, on behalf of the International Panel on Climate Change; and

WHEREAS recent discoveries of fraudulent activities within these international reporting organizations, which have concluded that the planet is rapidly warming despite substantiated evidence of cooling over the last decade, have rendered the 2007 IPCC Assessment Report 4 (AR4) scientifically questionable and unreliable as a foundation for establishing public policy; and

WHEREAS the process of allocation for the distribution of emissions allowances in the Senate Bill 1733 does not take into account the unique situation of Alaska relative to the remainder of the nation, including its population, geographic size, and extreme climate, and, as such, disadvantage the state as a whole; and

WHEREAS cap and trade legislation will have unforeseen effects on the economy and on the livelihood of the citizens of Alaska; and

WHEREAS the economy of the State of Alaska relies on the responsible development of our abundant natural resources, unburdened by superfluous regulations that are not specific to Alaska's market and industrial character; and

WHEREAS Alaska is a major exporter of carbon-based energy, and receives more than 80 percent of its unrestricted general fund revenue directly from oil and gas operations

and produces approximately 13 percent of the nation's oil supply; and

WHEREAS Alaska's refineries, which are essential to our economy and cold weather fuel needs, are uniquely vulnerable to increased costs associated with cap and trade legislation; and

WHEREAS prospects for the construction of an Alaska natural gas pipeline with the capacity to supply affordable and clean energy to the state and the nation as a whole ~~would~~ may be ~~severely~~ damaged on both the developmental and delivery levels under cap and trade legislation; and

WHEREAS the cap and trade program, as proposed in the American Clean Energy and Security Act of 2009, will be fundamentally detrimental to the economy and to workers in the state, by stifling economic development, resulting in potentially enormous job losses; and

WHEREAS natural resource development in the state, including refinery operations and proposed infrastructure projects will be negatively impacted by limiting carbon dioxide and greenhouse gas emissions;

BE IT RESOLVED that the Alaska State Legislature urges the United States congress not to enact any version of cap and trade legislation that would negatively affect Alaskans through the elimination of jobs and increased costs for goods and services, and, instead, enact legislation that encourages states to establish and develop their own renewable energy portfolio standards; and be it

FURTHER RESOLVED, that the Alaska State Legislature supports measures that encourage investments in technology to address carbon dioxide and greenhouse gas emissions.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives; the Honorable Harry Reid, Majority Leader of the U.S. Senate; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

and ① Senator Barbara Boxer, Chair ~~man~~, U.S. Senate Committee on Environ. & Public Works ~~Committee~~.

② and Senator James Inhofe, Ranking Member, the Environment & Public Works ~~Committee~~

Conceptual AM #2 By GARA

Insert

P. 3 Line 12:

"Whereas there are proposals to amend the pending legislation that would expand the demand for Alaska natural gas, and that would benefit Alaska; and"

part a
2a
Failed
4/7

part b
2b
adopted
3/12/10

P. 3 line 16

insert after "enact", insert

"any version of"

2010 HOUSE FINANCE
VOTE CALL

DATE: 3/12/10

Amendment: 2a to Concept. Am 2 (p 3 Line 12)

MEMBER	Favor	Oppose
REP. GARA	✓	
REP. JOULE		✓
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. STOLTZE		✓
REP. HAWKER		✓

YEA 4

NAY 7

House Finance Committee 3/12/10

Amendments to CS for HJR 45(ENE) (26-LS1455\E):

Conceptual Amendment 1 (Stoltze):

Page 3, line 26, after "the Honorable Harry Reid, Majority Leader of the U.S. Senate;"
Insert:
"and Senator Barbara Boxer, Chair, U.S. Senate Committee on the Environment and Public Works; and Senator James Inhofe, Ranking Member, U.S. Senate Committee on the Environment and Public Works;"

(correcting for proper honorifics, etc.)

Conceptual Amendment 2, part 2b (Gara):

Page 3, line 16, after "not to enact"
Insert: "any version of"

Conceptual Amendment 3 (Hawker):

Page 3, line 6, after "as a whole"
Delete: "would"
Insert: "may"

Petersburg Legislative Information Office
State of Alaska
Legislative Affairs Agency

PO Box 1470
Petersburg, AK 99833
Petersburg_lio@legis.state.ak.us
907.772.3741 Fax 772.3779

FAX TRANSMISSION

TO: House Finance
FAX: 907.465.6813
PHONE: 907.465.6528

DATE: 3.12.10

1 page to follow this cover. Written copy of oral testimony given before HFIN this morning, 3/12/10. Please enter it into the record for HJR45.

Thank you,

Ellen Rojcewicz
Petersburg LIO

HJR 45

I would like to express my support for HJR 45. Thank you Representative Stoltz , Representative Wilson and other sponsers for recognizing the geographic disproportional impacts of mandatory greenhouse gas reductions on the State of Alaska. In S. E. Alaska this cap and trade bill will cripple our tourism, fishing industry and barge service. Everything we buy and do will cost more. These cost of living increases will force many families to leave.

We ordinary people are learning, the goal of this cap and trade bill is to make carbon dioxide the number one commodity on the planet. Quoting the February issue of Harper's magazine. "Unlike traditional commodities, which sometime during the course of their market exchange must be delivered to someone in physical form, the carbon market is based on the delivery of an invisible substance to no one. It's value resides entirely in the promise of it's absence." c wd quote

Big banks and big multinationals love the trillions of dollars tied to this bill, they can work both ends and it is ripe for abuse. China and India love it, they have made it absolutely clear that they are not going to, perpetuate their poverty, by initiating unrealistic regulations and will inherit our wealth. This Cap and Trade bill has nothing to do with the environment and everything to do with power and greed.

Furthermore there is no scientific consensus on climate change. There is, however, a petition to the U.S. government signed by 31,478 American scientists, including 9,029 with Ph.Ds, urging our government to reject the Kyoto protocol and any similar proposals.

Additionally it may be good to send a copy of HJR 45 to Senators Boxer and Inhofe, the ranking members of the Senate committee on Environment and Public Works.

Thank you very much, are there any questions?

Rick Williams
P.O. Box 1321 Petersburg, AK 99833
vall@gci.net
(907) 772-4830

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907 465 3500
fax 907 465 3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269 7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

November 3, 2009

The Honorable Barbara Boxer
Chairman
Environment and Public Works Committee
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable James Inhofe
Ranking Member
Environment and Public Works Committee
United States Senate
453 Russell Senate Office Building
Washington, DC 20510

Re: Clean Energy Jobs and American Power Act (S. 1733)

Dear Chairman Boxer and Ranking Member Inhofe,

The State of Alaska wishes to comment on the Clean Energy Jobs and American Power Act (S. 1733). This legislation, which aims to drastically modify U.S. fossil fuel consumption, stimulate greater use of renewable energy resources, and address the challenges of climate change adaptation, involves some of the most important issues facing the State of Alaska.

Alaska supports the transition to lower-carbon and renewable energy. However, as a major exporter of carbon-based energy, producing approximately 13 percent of the nation's oil supply and receiving more than 80 percent of its unrestricted general fund revenues directly from oil and gas operations, the State cannot ignore the potential economic consequences of a "cap-and-trade" system. We are currently preparing analyses that assess the possible impacts of this legislation on State revenues, the economic viability of our oil refineries, and future construction of an Alaska natural gas pipeline. The State fears this act may disadvantage domestic fossil fuel producers and shift production overseas, resulting in lost revenues and jobs while reducing our nation's energy security.

While climate change legislation could pose economic threats to our state, Alaska is also primed to help lead a clean energy economy. In the Alaska natural gas pipeline, the State of Alaska offers a promising low-carbon energy option, which could provide a vital bridge to other clean energy alternatives. Alaska also holds vast renewable energy potential, from hydropower, to biomass, wind, geothermal, solar, and ocean power.

In the area of adaptation, Alaska is already facing a host of serious developments related to climate change. This includes addressing the impacts to critical infrastructure associated with accelerated coastal erosion, increased storm effects, sea ice retreat, and permafrost melt. Efforts to protect and relocate Alaskan communities are already underway and the State values the partnerships we have formed with many federal agencies and other entities. More resources, however, are needed along with a designated federal agency lead to coordinate the federal efforts.

Coupled with climate change impacts are opportunities, including the potential for increased marine access to Arctic waters and the resources they contain. The United States is slowly waking to the fact it is an Arctic nation and the importance of the Arctic in general. It is imperative that this legislation not foreclose possible opportunities in the Arctic.

Enclosed you will find the State's analysis of provisions in S. 1733. This document identifies key priorities for Alaska and a number of areas for improvement. Some of the items the State advocates for in this bill include:

- **Adequate funding for climate change adaptation:** the State supports sufficient funding to address Alaska's pressing adaptation needs on various fronts, including protecting critical and valuable infrastructure.

- **Measures to preserve domestic refineries:** Alaska calls for provisions aimed to protect Alaska's refineries, which are essential to our economy and cold weather fuel needs, as well as uniquely vulnerable to increased costs posed by cap-and-trade legislation.

- **Fair allocations for Alaska:** the State is concerned that the Environmental Protection Agency (EPA) has underestimated emissions in Alaska, based on estimates provided to Senator Feingold by EPA. This could disadvantage the state as a whole in the distribution of allowances.

- **Avoidance of unfunded mandates:** Alaska opposes burdensome and unrealistic unfunded mandates that may be created through new climate change programs.

- **Respect for states' rights:** the State supports the protection of states' rights and notably recognition of the State of Alaska's role as primary trustee over fish and wildlife.

- **Exclusion of problematic broad policy statements:** Alaska opposes broad policy statements that open the door to stricter enforceable regulations and future litigation.

- **Emphasis on domestic production:** the State supports expanding access and incentives for responsible domestic onshore and offshore oil and gas exploration as part of a strategy for creating a secure energy future.

- **Promotion of the natural gas pipeline:** the State seeks to promote the Alaska natural gas pipeline as a clean and reliable fuel source which would provide significant economic benefits for the nation, consistent with the Alaska Natural Gas Pipeline Act of 2004 (P.L. 108-324, 118 Stat. 1220).

- **Carbon capture and sequestration incentives:** Alaska supports the commercial deployment of carbon capture and sequestration (CCS) technologies, and in particular, sequestration as a result of Enhanced Oil Recovery (EOR) projects.

- **Program flexibility:** The State believes that effective mitigation and adaptation programs must acknowledge regional differences. Alaska has particular concerns regarding the proposed natural resources adaptation framework.

- **Focus on monitoring and research:** Alaska supports collaborations among federal, State, and other partners in monitoring and research that will lead to better decisions in the management of land and marine resources.

- **Exclusive role of climate change legislation:** We believe climate change legislation should be the sole instrument for addressing climate change mitigation, not the strained use of existing statutes such as the Endangered Species Act or the Clean Air Act.

We appreciate the opportunity to share our views and hope the committee will give them its fullest consideration.

Sincerely,

Sean Parnell
Governor

Enclosure

cc: The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congress
The Honorable Thomas Carper, Chairman, Subcommittee on Clean Air and Nuclear Safety
The Honorable David Vitter, Ranking Member, Subcommittee on Clean Air and Nuclear Safety
The Honorable Bernard Sanders, Chairman, Subcommittee on Green Jobs and the Economy
The Honorable Christopher Bond, Ranking Member, Subcommittee on Green Jobs and the Economy
The Honorable Frank Lautenberg, Chairman, Subcommittee on Superfund, Toxics, and Environmental Health
The Honorable Max Baucus, Chairman, Subcommittee on Transportation and Infrastructure
The Honorable George Voinovich, Ranking Member, Subcommittee on Transportation and Infrastructure
The Honorable Benjamin Cardin, Chairman, Subcommittee on Water and Wildlife
The Honorable Mike Crapo, Ranking Member, Subcommittee on Water and Wildlife

State of Alaska Comments on Clean Energy Jobs and American Power Act (S. 1733)
Senator Boxer's Chairman's Mark

INTRODUCTORY NOTES:

This document describes the positions of the State of Alaska on notable elements of Senator Barbara Boxer's Chairman's Mark of the Clean Energy Jobs and American Power Act (S. 1733), which was introduced by Senators John Kerry and Barbara Boxer. The Alaska Departments of Environmental Conservation, Fish and Game, Law, Natural Resources, Revenue, Transportation and Public Facilities, and the Governor's Washington, DC office contributed to the analysis of this bill.

While particular design elements of "cap-and-trade" legislation, like S. 1733 and the American Clean Energy and Security Act of 2009 (H.R. 2454), raise broad concerns about the economic interests of Alaska, this document focuses instead on specific provisions of S. 1733. The State is currently preparing separate analyses of the possible impacts of this legislation on State revenues, the economic viability of Alaska's oil refineries, and future construction of an Alaska natural gas pipeline.

In many ways, Alaska is ground zero for obvious and costly climate change impacts. Alaska is currently experiencing coastal erosion, increased storm effects, sea ice retreat and permafrost melt. The villages of Shishmaref, Kivalina, and Newtok have already begun relocation plans and the U.S. Army Corps of Engineers has identified over 160 additional rural Alaskan communities threatened by erosion.

The effects of climate change are expected to occur most rapidly and be most pronounced at higher latitudes. Thus, no discussion about climate change is complete without recognition of the issues facing the Arctic. Surprisingly, in the 925-page bill, offered as a U.S. response to climate change, the word "Arctic" appears only once.

The State of Alaska strongly encourages that the following key components be incorporated in any climate change legislation:

- Mitigation and adaptation strategies that account for regional differences and avoid a "top-down" approach, likely to produce inflexible and inefficient policy;
- avoidance of broad policy statements that open the door to stricter enforceable regulations and future litigation;
- an effort to spare states from burdensome and unrealistic unfunded mandates;
- emphasis on climate change legislation as the sole instrument for addressing climate change mitigation, rather than the strained use of existing statutes, such as the Endangered Species Act or the Clean Air Act;
- incentives for a diverse spectrum of clean energy alternatives;
- respect for states' rights, and notably recognition of a state's role as primary trustee over fish and wildlife;
- a focus on studying the Arctic climate and environment;
- appropriate funding for adaptation efforts in Alaska where there is a pressing need to respond on numerous fronts, including the protection of critical infrastructure;
- aid for consumers burdened by climate change-related regulations;
- provisions aimed to protect Alaska's refineries, which are essential to our economy and cold weather fuel needs, as well as uniquely vulnerable to increased costs posed by cap-and-trade legislation; and
- promotion of Alaska's natural gas pipeline as a clean, reliable, long-term fuel source.

In the remainder of this document, the State considers how S. 1733 addresses these and other priorities important to Alaska.

STATE POSITIONS AND ANALYSIS OF S. 1733:

Section 1. Short Title; Table of Contents

Findings. (Sec. 2)

- Alaska Natural Gas Pipeline Projects. The State supports the addition of a finding, that the completion of the Alaska Natural Gas Transportation Projects is vital to the country to provide a clean fuel alternative to coal and petroleum as a bridge to power generation that does not involve the combustion of fossil fuels. This finding would be consistent with the Alaska Natural Gas Pipeline Act of 2004 (P.L. 108-324, 118 Stat. 1220).

- Arctic Impacts. The State supports the addition of a finding that the impacts of climate change are expected to occur first and be most severe in the Arctic and in the higher latitudes, creating unique adaptation needs in these areas.

Division A – Authorizations for Pollution Reduction, Transition, and Adaptation

Title I – Greenhouse Gas Reduction Programs

Subtitle A – Clean Transportation

Greenhouse Gas Reductions through Transportation Efficiency; Transportation Greenhouse Gas Emission Reduction Program Grants. (Sec. 112-113)

- Funding. The State fears Section 112 would create a substantial unfunded mandate and shift resources away from Alaska's transportation priorities. S. 1733 would amend Title VIII of the Clean Air Act to require the EPA Administrator, in consultation with the Alaska Department of Transportation and Public Facilities (DOT), to establish national greenhouse gas (GHG) emission reduction goals. States and metropolitan planning organizations (MPOs) would, in turn, be required to develop targets consistent with the national goals. The State would need to perform extensive data gathering and modeling, compute baseline emissions, and develop new strategies and programs to meet their goals. Section 113, which outlines a grant program for transportation GHG reduction, does not clearly provide funding to states for planning. If Alaska is unable to secure sufficient funding, it would be forced to divert resources from other programs, such as transit and road improvements, in order to absorb the new costs. The State supports a funding mechanism that will ensure adequate assistance to states working to comply with this new mandate.

- Adequate Time Frame. The State has concerns about the time requirements for data production and analysis. Adequate time is necessary to produce data on local conditions. Default national data does not accurately reflect Alaska's environmental conditions and emissions. The State believes this legislation should contain provisions ensuring states have sufficient time to collect and incorporate local data.

The State also supports inclusion of a statutory process to extend State target deadlines should federal agencies fail to meet deadlines or should there be legal changes to models or methodologies. New standardized models and methods adopted may differ from those used to establish the 2005 emissions reduction baseline. If this is the case, analysis would be necessary to properly compare new results with the 2005 baseline. If EPA and DOT lag in making this adjustment, it will shorten the timeframe states have to meet their deadlines.

Furthermore, the State fears the timeline for new regulations in this section is not realistic. Regulations must be proposed within 12 months and promulgated within 18 months of enactment. Preparing regulations and completing the public process for adopting the regulations can take months under ideal circumstances. If the regulation process is not completed on schedule, states and MPOs would be left with insufficient time to achieve emission reduction targets.

- Authority. The State also questions whether states possess the requisite authority to carry out their new duties under this section. State transportation programs generally do not operate transit, rail, or intercity bus systems, control land use, or regulate the amount of driving or method of vehicular propulsion. This authority is traditionally reserved for local government planning and zoning departments. Yet it will be impossible to meet ambitious emissions targets without regulating these activities. Furthermore, Section 112 holds MPOs to a lesser standard than states, though MPO emission plans are central to meeting state targets.

- Public Health. The State also has reservations about use of the term "public health," which has certain connotations within the Clean Air Act. A provision may be necessary to ensure the term does not invoke actions related to the Clean Air Act Section 109(b)(1), which directs EPA to set ambient air quality standards to "protect the public health" and allow for an adequate margin of safety. Recent EPA actions have shown an increased propensity for moving beyond the agency's traditional authority.

- Surface Transportation. The State believes the language of this section should be clarified to describe "surface" transportation-related greenhouse gas emissions reduction targets in all cases. Further, the term "surface transportation-related" should be defined to specifically exclude maritime (except ferries), rail, and off-road vehicles.

- Lead Planning/Modeling Agency. The State supports establishing the U.S. Department of Transportation, not the EPA, as the lead agency regarding the development of transportation planning and modeling tools. S. 1733 does this.

- Vehicle Miles Traveled. The State is concerned by provisions creating goals for reduced "vehicle miles traveled." Construction of the natural gas pipeline may create large short-term increases in vehicle miles traveled, but will generate benefits that far outweigh these increases. The State supports an exception for large construction projects promoting clean energy.

- Clean Air Act Incorporation. Section 112 also raises concern because of its incorporation into the Clean Air Act. The provision could subject planning and activities to burdensome Clean Air Act statutes and regulations.

Subtitle F – Energy Efficiency and Renewable Energy

Renewable Energy. (Sec. 161)

- Grants for Renewable Resource Programs. The State supports the nation's transition to increased reliance on renewable energy. Alaska possesses vast renewable energy potential, including hydro, biomass, wind, geothermal, solar, and ocean power. S. 1733 authorizes EPA grants for projects that increase the quantity of energy that a state uses from renewable resources, with priority to applicants in states with a binding Renewable Portfolio Standard. The State approves of the provision's goal.

  The State, however, has concerns about the definition of "qualified hydropower," used in Section 102. It appears hydropower can be considered "qualified" in two ways. First, incremental gains or capacity additions to projects in place before 1988 are considered qualified hydropower. Second, energy produced from capacity added after 1988 to a dam that was originally in place for reasons other than power generation qualifies. This narrow definition would exclude large portions of existing hydropower, making it difficult for Alaska to meet a Renewable Portfolio Standard and compete for grants under Section 161, despite having an abundance of hydropower. The definition would also leave out new hydro projects. The State supports the expansion of the definition of "qualified hydropower."

Energy Efficiency in Building Codes. (Sec. 163)

- National Building Codes. The State opposes setting national energy efficiency building codes. S. 1733 would create national codes for residential and commercial buildings, in order to meet national energy efficiency targets. The EPA Administrator would publish an annual report on energy efficiency building code adoption and compliance by states. Though penalties for noncompliance are not defined in S. 1733, Alaska opposes the existence of national standards in this area. A federally mandated, universal energy code is a poor fit for a state with Alaska's vast size and varied conditions.

Subtitle H – Clean Energy and Natural Resources

Clean Energy and Accelerated Emission Reduction Programs. (Sec. 181)

- Clean Energy Incentives. The State supports Section 181, which rewards companies that switch from power sources with higher emissions than the 2007 power sector average to cleaner fuels, including natural gas, and Section 182, which would establish a new federal grant program encouraging investment in advanced natural gas technologies.

Title III – Transition and Adaptation

Part 1 – Domestic Adaptation

Subpart A – National Climate Change Adaptation Program

National Climate Change Adaptation Program. (Sec. 341)

- Existing Programs. The State supports the inclusion of language to clarify that the proposed National Climate Change Adaptation Program (NCCAF) will not replace existing federal programs already providing state and local governments and tribes with funds for projects that will assist in adaptation. The NCCAF should be a supplemental source of funding that prioritizes meeting urgent needs.

Climate Services. (Sec. 342)

- Coordination. The State believes a lack of specificity in the bill's natural resources adaptation strategy could hamper coordination and produce a duplication of efforts. In this section, the Department of Commerce (NOAA) is tasked with developing a National Climate Service. Section 365 creates a Natural Resources Climate Change Adaptation Panel, chaired by the Council for Environmental Quality. Section 367 establishes a National Climate Change and Wildlife Science Center. These provisions leave ambiguity as to how the bodies will interact. At the State level, federal agencies have competed for leadership and funds in the climate change arena. The vagueness in these provisions could produce a similar dynamic.

Subpart B – Public Health and Climate Change

National Strategic Action Plan; Advisory Board. (Sec. 353-354)

- Public Health. The State supports the inclusion of a section dedicated to addressing public health. However, the bill calls for development of a Health Impact Assessment. The requirement that Health Impact Assessments be conducted by the federal government within the National Environmental Policy Act (NEPA) process has produced challenges in Alaska. Additionally, no funding mechanism is provided to develop these assessments or the strategic plan called for by the bill. The section also lacks a mandate for State or Native representation on the Advisory Board.

Subpart C – Climate Change Safeguards for Natural Resources Conservation

Natural Resources Climate Change Adaptation Plan; Natural Resources Climate Change Adaptation Strategy; Natural Resources Adaptation Science and Information. (Sec. 365-367)

- Mission of Panel. The State believes the purpose of the Natural Resources Climate Change Adaptation Panel should be expanded to address other forms of adaptation, such as infrastructure. As introduced, the bill lacks a strategy for coordinating federal policy on climate change effects outside of the natural resources area.

Federal Natural Resource Agency Adaptation Plans; State Natural Resources Adaptation Plans. (Sec. 368-369)

- Flexibility. The State fears the natural resource adaptation framework in S. 1733, like that in H.R. 2454, is too top-down driven for success. The bill calls for each federal agency to develop a natural resource adaptation plan, with which subsequently-formed state plans must be consistent. Climate impacts, however, differ regionally and locally, requiring maximum flexibility. Development of a national plan will hamstring local identification and prioritization of issues and associated strategies to address them, stifle innovation, and prevent the local "buy-in" vital to effective implementation. A national focus also impedes the development of regional strategies.

  States should be allowed to negotiate cooperative natural resource agreements with the federal government on a state-by-state basis with maximum flexibility. In the face of significant intrusion by the federal government on a state's authority to regulate fish and game, states may reasonably prefer departing from the national strategy. If a state does so, however, it will be penalized through denial of funding under programs in this subtitle and potentially other federal programs. The scenario is counterproductive and could be alleviated with greater flexibility.

- Competing Interests. The State fears efforts to assist species in adapting to climate change and ocean acidification will require controlling human activities to reduce other stressors on these species. Large new conservation units may be carved out and human activities in migration corridors could be substantially limited. The bill does not state how the adaptation strategy and planning called for is to be reconciled with human population growth, resource development, commercial, and other human activities. With this approach, other competing interests of importance to the people of Alaska will be marginalized.

National Resources Climate Change Adaptation Account. (Sec. 370)

- Other Statutes. The State believes the bill should specifically de-link existing statutes, such as the Endangered Species Act (ESA), from the climate change policy process. The State opposes use of the ESA as a vehicle for carrying out climate change policy. Section 370 provides for an expansion of ESA programs, which, without further guidance, could result in significant increases in listings that provide little benefit to those species. The bill should include language affirming that climate change legislation is the appropriate instrument for responding to climate change and that ESA should retain its traditional role of conserving species most at risk.

- Corps of Engineers. The State also believes this section should be modified to explicitly grant the U.S. Army Corps of Engineers the authority to use Natural Resources Climate Change Adaptation Account funding for coastal erosion reduction projects and infrastructure adaptation.

- Funding Allocation. The State appreciates that, of the funds made available to states in this account, a portion (six percent) is set aside for coastal agencies. Coastal states will have unique adaptation needs. To ensure adequate funding where climate change impacts are most severe, though, the State advocates for a separate allocation for Arctic adaptation efforts.

National Wildlife Habitat and Corridors Information Program. (Sec. 371)

- State's Role. The State fears this section undermines the State's role as primary trustee over fish and wildlife. The proposed National Fish and Wildlife Habitat and Corridors Information Program centers around developing Geographic Information System (GIS) databases and maps to support decision-making in this area. The State approves of this approach. The stated purpose of the effort, however, is to allow the Secretary of the Interior to recommend how the information developed "may be incorporated" into relevant State and federal plans that affect fish and wildlife including land management plans, and the State Comprehensive Wildlife Conservation Strategies. Further, the Secretary is granted authority to "ensure that relevant State and federal plans that affect fish and wildlife (1) prevent unnecessary habitat fragmentation and disruption of corridors; (2) promote the landscape connectivity necessary to allow wildlife to move as necessary to meet biological needs, adjust to shifts in habitat, and adapt to climate change; and (3) minimize the impacts of energy, development, water, transportation, and transmission projects and other activities expected to impact habitat and corridors." The State is leery of this expansion of federal authority. To be successful, adaptation efforts must respect the primary roles and authorities of State fish and wildlife agencies in managing fish and wildlife and be built on this precept.

- Landscape Conservation Planning Programs. The relationship of this program to existing landscape conservation planning programs (such as the Landscape Conservation Cooperatives) should also be clarified.

Subpart D – Additional Climate Change Adaptation Programs

Coastal and Great Lakes State Adaptation Program. (Sec. 384)

- Funding Formula. The State approves of this program's focus on coastal states. By factoring in the proportion of shoreline miles, the formula also acknowledges that a state's amount of coastline is an important consideration in assessing adaptation needs. Once again, however, the State feels the formula should account for the unique needs experienced in the Arctic and high latitudes.

Division B – Pollution Reduction and Investment

Title I – Reducing Global Warming Pollution

Subtitle A – Reducing Global Warming Pollution

Reducing Global Warming Pollution. (Sec. 101)

"International Offset Credits." (Clean Air Act [CAA] Sec. 744)

- International Offsets. The State supports the inclusion of international offsets (the ability for companies to reduce emissions outside the U.S. and have it count towards domestic reductions). Like H.R. 2454, S. 1733 allows international offsets, though the portion of overall offsets comprised by international offsets is smaller in S. 1733 than in H.R. 2454.

Definitions. (Sec. 102)

"Definitions." (CAA Sec. 700)

- Alaska Refineries. Alaskans are uniquely dependant on in-state refineries for their fuel needs. Alaska has limited fuel storage and is located thousands of miles from the nearest non-Alaskan refinery. The state's refineries are particularly vulnerable to increased costs because they are relatively simple on the Nelson Complexity Index, meaning they operate at lower levels of economic efficiency than more sophisticated refineries which can extract more refined product from a barrel of crude oil. If Alaska's refineries are disadvantaged to the point of closing, it would likely produce a wide range of negative consequences across the state. These may include higher costs associated with importing fuel by tanker and building storage tanks in addition to increased economic burdens on Alaska's rural communities.

  The Chairman's Mark includes provisions granting small business refiners additional time to comply with the Pollution Reduction and Investment program and distributes additional allowances to small business and medium refineries. These provisions could help Alaska's refineries, but may not be sufficient to protect them from substantial costs.

  The State would support an exemption for certain domestic refineries to prevent regional market failures and promote the interest of regional energy security. One way of achieving this is through modifications to the definition of "covered entities" in the Clean Air Act. First, the language in S. 1733 could be amended to match the corresponding language in H.R. 2454, requiring that a stationary source producing petroleum products do so in "interstate commerce" to be covered under CAA Section 700(13)(B). Second, CAA Section 700(1)(F) subsection (viii) for "petroleum refining" could be removed. These modifications would exempt refineries, like those in Alaska, that sell virtually all of their saleable product in-state.

- Embedded Emissions, Direct Emissions, and Fossil Fuel Based Carbon Dioxide. The State supports adding definitions for Embedded Emissions, Direct Emissions, and Fossil Fuel Based Carbon Dioxide to clarify that natural gas produced at the wellhead or flowing through a pipeline will not be burdened with the requirement of emission allowances for the carbon dioxide that may one day be produced when the natural gas is burned.

- Natural Gas Liquids. The State seeks clarification on this section, which differs from H.R. 2454 in its definition of natural gas liquids as being "ready for commercial sale or use." This change raises concern given the value natural gas liquids bring in a major gas sale scenario.

Disposition of Allowances for Global Warming Pollution Reduction Program. (Sec. 111)

- Fair Allocation of Allowances. The State is very concerned about the disposition of allowances for Alaska under a cap-and-trade regime. An EPA memo provided to Senator Feingold indicated that the agency drastically underestimated emissions in Alaska. The document gave the false impression that Alaska would be sufficiently accommodated through the provision of free allowances under H.R. 2454. EPA's estimates for capped emissions in 2012 appear to have been based exclusively on Alaska's electric generation, primarily electricity generated for retail electricity sales, leaving out all facilities that generate their own power, such as oil and gas fields and some military bases. As a result, EPA estimated the state's emissions at three million tons per year (MMt/yr). For the same year, the State's models estimated capped emissions at 24.2 MMt/yr. This inaccuracy could substantially disadvantage Alaska in the distribution of allowances.

- Emission Allowances for Alaska Natural Gas Transportation Projects. The State supports specific free emission allowances for the operation of Alaska Natural Gas Transportation Projects. The 1,700 mile Alaska Gas Pipeline will be a source of substantial CO2 emissions, estimated to be between 20-50 percent of total Alaskan capped emissions.

"Electricity Consumers." (CAA Sec. 772)

- Regulatory Commission Approval. This section describes an allocation process for allowances to electric utilities with a requirement that applicants first seek approval from the Regulatory Commission of Alaska. This requirement could create a costly unfunded mandate for the State as regulatory proceedings have become contentious and expensive.

- Hydropower Projects. See discussion for section 161.

"Home Heating Oil and Propane Consumers." (CAA Sec. 774)

- Heating Oil Allocation. CAA Section 774 addresses allocations to states based on domestic oil and propane consumption and, as written, is unfavorable to Alaska. Free allowances for heating oil and propane would be allocated to the states based on each state's relative share of total domestic heating oil and propane consumption. Alaska consumes a significant amount of oil due to heating degree days and the prevalence of heating oil use across the state. Heating oil and propane, however, appear to be weighted equally. Thus, states like California and Texas that may consume more propane for barbecue grills and hot tubs than Alaska consumes heating oil, would receive larger shares. The State believes heating oil and propane should be separated for allocation purposes.

"Exchange of State-Issued Allowances." (CAA Sec. 777)

- State-Issued Emission Allowances. Although Alaska is only an observer of the Western Climate Initiative (WCI), it supports WCI's position that the work of the states should be integrated into a new climate regime, rather than completely preempted. This bill would integrate state efforts by exchanging regional allowances for federal allowances.

"Commercial Deployment of Carbon Capture and Sequestration Technologies." (CAA Sec. 780)

- CCS in High-Cost Locations. The State supports the commercial deployment of carbon capture and sequestration (CCS) technologies, and in particular, sequestration as a result of Enhanced Oil Recovery (EOR) projects. CCS is afforded special treatment through the "bonus allowance value," which is essentially a subsidy when compared to the value of purchased or freely distributed allowances.

  The State supports EOR activities in Alaska, especially on the North Slope. This activity produces multiple benefits. Sequestration of CO2 in a known, well-defined hydrocarbon reservoir and trap is inherently safer than in those that are less defined. Furthermore, increased production due to EOR will lengthen oil field life. Since a gas pipeline from the North Slope is economically dependent on the oil field facilities, increasing oil field life improves the economics of a gas pipeline. Gas, as a fuel source, is more environmentally friendly than other carbon fuel sources.

  The costs of CCS on the North Slope may still be prohibitive, however, even with a boost from these allowances and incentives through carbon costs. Costs have been found to be significantly higher for CCS on the North Slope than the averages published for the Lower 48, primarily due to the North Slope's location and weather. The State supports inclusion of provisions that account for greater expenses in high-cost locations in order to make CCS economically feasible in these areas.

Ensuring Real Reductions in Industrial Emissions. (Sec. 141)

"Definitions; Eligible Industrial Sectors." (CAA Sec. 762, 763)

- Foreign Competition for Domestic Refineries. These sections protect certain manufacturing industries from "off-shoring" and foreign competition, but specifically exclude domestic refineries. The State believes domestic refineries should be protected as well.

Title II – Program Allocations

State and Local Investment in Energy Efficiency and Renewable Energy. (Sec. 202)

- Allocation Formula. The allocation method in this section unfairly disadvantages Alaska. While 30 percent of the allowances are granted to states on an equal basis, 30 percent is allocated based on population and another 40 percent is allocated based on state energy consumption as a share of total domestic consumption. By these standards, Alaska would receive fewer allowances than almost any other state. This proposal is unfair to Alaska because the state has more heating degree days and thus Alaskans use more energy on average than residents of other states, costs are highest in rural Alaska where incomes are typically lowest, and switching to other fuel sources is not possible or cost effective in most cases for rural Alaskans. The State would support an increased percentage distributed equally among states, measuring energy consumption per capita rather than as a share of total consumption, or allocating some allowances based on energy costs as a share of per capita income using Census data.

- Indian Tribes. In addition, the State supports Section 202, which provides for the distribution of allowances to Indian tribes, which may benefit some rural areas of Alaska.

Additional Issues:

Domestic Production. The State believes S. 1733 should be modified to expand access and incentives for responsible domestic onshore and offshore oil and gas exploration and production. The U.S. Department of Energy's recent forecast for growth in the energy sectors shows demand for fossil energy continuing to increase in the nation, and to remain above 80 percent of the total portfolio of energy supply through 2030 and beyond. Therefore, it is clear that fossil fuels will be needed as a bridging fuel in the coming decades, and access to domestic production, and specifically clean-burning natural gas, is imperative. Increased domestic production, carbon mitigation, expanded development of renewables, and long-term nuclear energy planning is the only viable path to a secure energy future.

OMB Funding Criteria. The State believes the Office of Management and Budget should be tasked with developing common criteria federal agencies can use to prioritize funding to state and local governments and tribes for infrastructure and other projects addressing climate change vulnerabilities. Existing funding criteria may not be appropriate for this purpose. For example, in sparsely populated but more vulnerable areas like western Alaska, federal assistance may be withheld despite great vulnerability if the primary criterion for funding is the number of people or the dollar value of infrastructure at risk.

EPA Limitation Provision. S. 1733 does not include important language related to the Environmental Protection Agency that appeared in H.R. 2454. The House bill contains language preventing the EPA from requiring performance standards on stationary sources under the federal cap. The State feels limitation language like that in the House bill should be included in S. 1733 and that EPA officials should not set climate change policy.

Adaptation Priorities. The State has identified the following as high priorities and areas of need with respect to adaptation:

- Changing Risks. The State supports collaboration between the states, federal agencies, and academia to challenge traditional assumptions on weather and climate. This effort should focus on data collection and analysis, forecasting models, hydrology, flood plains and inundation, coastal and riverine erosion, critical infrastructure, and related topics.

- Community Profile. The State believes the initial focus and study on adaptation should be on Alaskan coastal and riverine communities. These communities are currently threatened due to climate change and cannot relocate without extreme disruption and costs.

- Evacuation Routes. The State seeks federal assistance in identifying, designing, constructing, and maintaining all-weather evacuation routes from endangered communities to safe havens from approaching storms.

- Safe Havens. The State seeks federal assistance in selecting and equipping safe havens near the endangered communities, with full consideration of the hydrology, geology, and current and more accurate digital mapping. These safe havens should be outfitted with sufficient housing, water and fuel sources, and communications capabilities.

- Shoreline Protection and Stabilization. The State supports a program of shoreline protection and stabilization and considers such projects as the most effective means of protecting against the sudden onslaught of storms.

- Science, Analysis, and Informed Decisions. The State calls for creating and sustaining a program of coordinated, collaborative scientific examination and study of the Arctic climate and environment.

- Other Key Areas. Alaska's needs will also encompass other key areas such as consequences to natural resources, national security, infrastructure, emergency response capacity, etc., resulting from climate change impacts due to diminishing Arctic sea ice and from ocean acidification.

HJR

48

<target><bill>HJR 48</bill><subject>HJR 48</subject><comm>HFIN26</comm></target>

Representative Beth Kerttula

House Minority Leader

Sponsor Statement

HOUSE JOINT RESOLUTION NO. 48

Urging the United States Congress to pass the Crime Victims Fund Preservation Act.

Created by the Victims of Crime Act (VOCA) in 1984, the Crime Victims Fund provides critical funding for victim compensation and often life-saving direct services. Victim assistance programs, funded through state VOCA grants, help over four million crime victims every year, including victims of domestic violence, sexual assault, child abuse, elder abuse and drunk driving, as well as family members of homicide victims. The Crime Victims Fund is financed entirely from a collection of criminal fines, forfeitures and special assessments, not taxpayer revenues. To ensure a stable level of program funding from a fund dependent on fluctuating deposits, Congress began capping annual obligations that can be made from the Fund starting in 2000. Under the VOCA statutory formula, state assistance grants receive whatever amount remains after all the other VOCA programs are funded. Unless the cap is high enough, increases in other VOCA programs and new costs reduce the amount available for state victim assistance grants. Despite unprecedented deposits into the Crime Victims Fund, state VOCA victim assistance grants were cut significantly between 2006 and 2008, creating a gap of at least $106 million between funding requests and funds available.

The Crime Victims Fund Preservation Act would preserve and enhance federal assistance to crime victims under the Victims of Crime Act. A new $705 million VOCA cap in 2010 will restore stable VOCA assistance funding and take a small first step in meeting the growing needs of victims. The direct services supported by VOCA grants include crisis intervention and counseling, emergency shelters, hotlines, legal advocacy and assistance in participating in the criminal justice system. Reduced funding has meant hundreds of thousands fewer crime victims received services in 2008 than the previous year. In Alaska, there was an $189,000 reduction from 2006 to 2008 in victim assistance grants.

The impact of VOCA assistance grant cuts is devastating to those who, through no fault of their own, have become victims of the most vicious crimes. Without this funding and the direct services it supports, crime victims go without advocacy, medical, mental health, and/or legal services, which are crucial in a victim's healing process. I appreciate your consideration of House Joint Resolution No. 48.

Alaska State Legislature ✧ District 3 ✧ Juneau
State Capitol ✧ Juneau, Alaska 99801-1182 ✧ (907) 465-4766 ✧ Fax (907) 465-4748
Rep.Beth.Kerttula@legis.state.ak.us ✧ www.kerttula.net

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 23, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 3/19/10

The FINANCE Committee considered: **HOUSE JOINT RESOLUTION NO. 48**

Urging the United States Congress to pass the Crime Victims Fund Preservation Act.
HJR 48-CRIME VICTIMS FUND PRESERVATION ACT

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
Mike Dorgan	Dorgan	✓			
	Jacobs	✓			
	KELLY	✓			
	Austerman	X			
Wade Foster	FOSTER	X			
Anna Fairclough	Fairclough	✓			
Chair: Bill Stoltze	STOLTZE	X			
Chair: Mike C. Johnson	Hawker	#			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HJR 48
() Publish Date:

Identifier (file name): HJR48-LEG-COU-3-19-10
Dept. Affected: Legislature
Title "Urging the United States Congress to pass the Crime Victims Fund Preservation Act."
RDU Legislative Council
Component Council and Subcommittees
Sponsor Representative Kerttula
Requester House Finance Committee
Component Number 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division Legislative Affairs Agency — Date/Time 3/19/10 12:01 PM
Approved by: Pamela Varni, Executive Director — Date 3/19/2010
Legislative Affairs Agency

Revised 11/6/2009 "MB"

Helen Phillips

From: Hannah McCarty
Sent: Thursday, March 18, 2010 10:53 AM
To: 'Helen_Phillips@legis.state.ak.us'
Subject: HJR 48 Testifiers

Hi Helen – people testifying on HJR 48 tomorrow are:

1) Hannah McCarty and Samantha Englishoe – Staff to Rep. Kerttula to present the resolution
2) Sandy Samaniego Executive Director of Council on Domestic Violence and Sexual Assault – IN PERSON
3) Gerad Godfrey – Chair of Violent Crimes Compensation Board – ON LINE

Thanks,

Hannah McCarty
Rep. Beth Kerttula
State Capitol
Juneau, AK 99801
(907) 465-4766
(907) 465-4748 Fax

ALASKA WOMEN'S LOBBY

AWL Mission: To defend and advance the rights and needs of Women, Children and Families in Alaska

P.O. Box 20891
Juneau, Alaska 99802-0891
www.akwomenslobby.org

2010 AWL Steering Committee Members

Caren Robinson
Lobbyist

Geran Tarr,
Jorden Nigro
Co-Chairs

Jayne Andreen

Elizabeth Belknap

Nancy Courtney

Torie Foote

LaRae Jones

Rebecca Madison

Taber Rehbaum

Kari Robinson

Nancy Scheetz-Freymiller

Libby Silberling

March 12, 2010

Dear Representative Kerttula:

Please accept this letter as one of support from the Alaska Women's Lobby for HJR 48, Crime Victims Fund Preservation Act. The Crime Victims Fund provides victim assistance dollars to eighteen programs across the state of Alaska and over 4,000 direct crime victim service agencies nationwide. The funds can only be used to provide direct services to crime victims and programs include domestic violence shelters, rape crisis centers, child abuse treatment programs, support groups for survivors of homicide victims and victims of drunk driving crashes, mental health counseling, crisis response programs, court-appointed special advocates, child advocacy centers, prosecutor and law enforcement-based victim assistance and many others.

S. 1340 and H.R. 3402, the Crime Victims Fund Preservation Act of 2009 would establish increasing minimum caps on annual Crime Victims Fund obligations through the year 2014. This is a sound idea and should be adopted by Congress. From its inception in 1984 until 2000, all moneys deposited into the Fund in any fiscal year were distributed to support victim services the following fiscal year. Since 2000, Congress has delayed or "capped" obligations from the Fund "to ensure that a stable level of funding will remain available for these programs in future years" {Conf. Rpt. 106-479}. As a result of these caps, a substantial balance has been retained in the Fund. Unfortunately without a process in place to determine the caps there have been years when a cap has actually meant a decrease in funds to state victim assistance programs. A process for increasing the minimum caps will hopefully ensure that as much money as possible will be made available each year for victim assistance while meeting the goal of providing stable funding in the years ahead.

Thank you for introducing HJR 48. Adding Alaska's voice to those nationwide can only benefit the congressional debate.

Sincerely,

Steering Committee of the Alaska Women's Lobby

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

VIOLENT CRIMES COMPENSATION BOARD

SEAN PARNELL, GOVERNOR

P.O. BOX 110230
JUNEAU, ALASKA 99811-0230
PHONE: (907) 465-3040
TOLL FREE: 1-800-764-3040
FAX: (907) 465-2379

February 22, 2010

Representative Beth Kerttula
State Capitol
Juneau, AK 99801

Dear Representative Kerttula:

On behalf of our organization, I want to thank you introducing a resolution urging the United States Congress to pass the Crime Victims Fund Preservation Act. As a victim service provider, we have seen a clear increase in the number of victims of crime and the growing need for victim assistance and compensation. Although there has been an increase in recent years of criminal fines and penalties collected into the Crime Victims Fund, due to "capping" of Fund obligations, crime victim assistance requests typically far exceed available resources. The reduction in state assistance grant funding experienced by all states including Alaska, together with the current economic climate, has proved devastating to victim service providers, deeply affecting the well-being and recovery of many crime victims. The Crime Victims Fund is one of the main sources of money and support for crime victims and crime victim services; we believe the Fund can provide more help.

Congress has reaffirmed its commitment to stable program funding and has the ability to provide predictable growth. The Crime Victims Fund Preservation Act would establish a minimum funding level for programs under VOCA to ensure reasonable growth in victim services through FY 2014. Providing a stable funding stream will help states with their ongoing program efforts, as well as expansion of programs and outreach to a growing number of crime victims. The cost of this does not come from taxpayer funds but will come exclusively from Federal criminal fines and penalties. The additional funding is greatly needed right now and would be sincerely appreciated by victim service providers and the millions of victims they serve. This legislation is a small first step in meeting victims' needs.

Sincerely,

Gerad Godfrey
Chairman

Printed on recycled paper by Alaska Litho, Inc.

CDVSA
Council on Domestic Violence & Sexual Assault

State of Alaska
Department of Public Safety
Council on Domestic Violence & Sexual Assault

Sean Parnell, Governor
Joseph A. Masters, Commissioner

March 10, 2010

The Honorable Beth Kerttula
Alaska State House of Representatives
State Capitol
Juneau, AK 99801

Dear Representative Kerttula:

On behalf of the Council on Domestic Violence & Sexual Assault, I want to thank you for introducing a resolution urging the United States Congress to pass the Crime Victims Fund Preservation Act. As the funding agency through which victim assistance is distributed in Alaska, we have seen an increase in the number of victims of crime and the growing need for victim assistance and compensation.

Although there has been an increase in recent years of criminal fines and penalties collected into the Crime Victims Fund, due to "capping" of Fund obligations, crime victim assistance requests typically far exceed available resources. The reduction in state assistance grant funding experienced by all states including Alaska, together with the current economic climate, has made it difficult for victim service providers to continue to offer the level of service necessary to meet all the needs of crime victims. The Crime Victims Fund is one of the main sources of money and support for crime victims and crime victim services, we believe the Fund can provide more help.

Congress has reaffirmed its commitment to stable program funding and has the ability to provide predictable growth. The Crime Victims Fund Preservation Act would establish a minimum funding level for programs under VOCA to ensure reasonable growth in victim services through FY 2014. Providing a stable funding stream will help states with their ongoing program efforts, as well as expansion of programs and outreach to a growing number of crime victims. The cost of this does not come from taxpayer funds but will come exclusively from Federal criminal fines and penalties. The additional funding is greatly needed right now across the nation and would be sincerely appreciated by victim service providers and all of the victims they serve. This legislation is a small first step in meeting victims' needs.

Sincerely,

Sandy Samaniego
Executive Director

Victims of Crime Act (VOCA) Crime Victims Fund

2011
Briefing Background

Prepared by

National Association of VOCA Assistance Administrators (NAVAA)
Steve Derene, Executive Director
608-233-2245
steve@navaa.org
www.navaa.org

Victims of Crime Act (VOCA)
Crime Victims Fund

Background Information

- Created by the Victims of Crime Act (VOCA) in 1984, the Crime Victims Fund provides critical funding that helps millions of victims of all types of crimes every year. The Fund comes from the collection of Federal criminal fines and penalties; ***not taxpayer revenues***.
- The Office of Management and Budget estimates that the Crime Victims Fund will open 2011 with a $4.3 billion balance, with an additional $1 billion to be deposited during the year.
- VOCA-funded state victim assistance grants support direct services, such as emergency shelter, crisis intervention, counseling and assistance in participating in the criminal justice system, through 4,400 agencies to about 4 million victims of all types of crimes every year. VOCA-funded projects employ 13,500 FTE advocates, counselors and other direct victim service providers.
- 2008: Despite unprecedented deposits into the Crime Victims Fund, state VOCA victim assistance grants were cut by $86.5 million (22 percent) between 2006 and 2008. Because of reduced funding, 336,580 *fewer* crime victims received services in 2008 than during the previous year.
- 2009: Congress took important steps to reverse this downward trend by restoring $56 million for state VOCA victim assistance grants. Combined with one-time Recovery Act grants, these grants in 2009 were restored to the 2006 funding level (including inflation).
- 2010: The $705 million cap is expected to keep state VOCA victim assistance programs at roughly the same total amount available in 2009.
- Meanwhile, crime victims' needs for assistance continue to increase. The economic downturn has resulted in greater incidences of domestic and family violence; new types of crimes (e.g. identify theft, financial frauds, dating violence, stalking) have emerged and new types of services are required.
- The Administration's proposed 2011 VOCA budget raises the VOCA cap but the increase would be more than offset by new and expanded earmarks. These additional costs mean that state assistance grants could be cut by as much as $20 million in 2011.
- **An $867 million cap would support core VOCA assistance grants with a 3.5 percent increase in real dollars over the amount received in 2006.**

Programs currently supported by the Crime Victims Fund:

- Children's Justice Act grants
- U.S. Attorney's victim/witness coordinators (170 FTEs)
- F.B.I. victim assistance specialists (112 FTEs)
- Federal victim notification system
- OVC discretionary grants for nationwide training/technical assistance and services to victims of Federal crimes
- State compensation formula grants
- State victim assistance formula grants
- Antiterrorism Emergency Reserve

Administration 2011 Budget – New/Expanded VOCA Programs

- $100 million discretionary grants for victims of violence against women
- Increase USAO victim witness coordinators to 240 FTEs
- Increase FBI victim assistance specialists to 155 FTEs

VOCA's Crime Victims Fund

- The Crime Victims Fund is a "separate account" made up entirely of "special and trust fund receipts" from Federal criminal fines, forfeitures and special assessments – not taxpayer revenues – which, by law, are to be used exclusively to support victim services.
- The Victims of Crime Act of 1984 originally created the Crime Victims Fund solely to support direct victim assistance services and state crime victim compensation programs. Over the years, additional programs and activities became dependent upon the Fund.
- From 1985 to 2009, $11.7 billion has been deposited into the Fund. According to OMB estimates, the Fund will have a balance of $4.3 billion at the beginning of 2011 with an additional $1 billion expected to be deposited during the year. Thus, $5.3 billion will be available to support VOCA programs in 2011.
- Since its inception, amounts deposited into the Fund in one year were distributed for victim services the next year. Because of fluctuations in Fund deposits, Congress in 2000 started delaying or "capping" the annual obligations that can be made from the Fund in order to ensure stable funding for victim services. By law, amounts not spent are kept in the Fund for victim services in future years.
- The VOCA statute sets out the formula for the annual distribution of VOCA funds. Under this formula, the amount available for state victim assistance grants is, in effect, whatever remains after the other programs are funded. (See next page.)
- ***Unless the annual cap on total VOCA spending is high enough, state grants for direct victim assistance are reduced as funding for other programs increase or other "under the cap" earmarks and costs are added.***
- Between 2006 and 2008, state victim assistance grants were cut by $87 million (22 percent). The Office for Victims of Crime (OVC) reported that 336,580 *fewer* crime victims received VOCA assistance funded services in 2008 compared to 2007.
- In 2009, Congress raised the VOCA cap and added $100 million in Recovery Act funds for VOCA programs which, together, raised state assistance grants back to the 2006 level. 2010 grants are expected to remain level with the total 2009 funding, i.e. VOCA formula plus Recovery Act grants.
- While the Administration proposes a 2011 VOCA cap of $800 million, that is not enough to offset a new $100 million earmark for discretionary grants to support assistance for victims of violence against women, and significantly expanded use of VOCA to fund victim witness coordinators in United States Attorneys' Offices and victim assistance specialists in the FBI.
- Despite the proposed 13.5 percent increase in the total VOCA cap, the Administration's budget could ***cut*** state VOCA assistance grants by $20 million (5 percent).

A 2011 VOCA cap of $867 million will support state VOCA victim assistance grants with a 3.5 percent increase in real dollars over 2006 grants.

2562

HOW THE CRIME VICTIMS FUND IS DISBURSED

The following amounts are allocated according to the VOCA statutory formula (42 U.S.C. 10601(d)):

Under the cap on annual obligations:

- The first $10 million to $20 million is used for formula grants to states to improve the investigation and prosecution of child abuse (Children's Justice Act);

- After that, funds are set aside for certain Federal victim services at levels specified by Congress:
  - Victim witness coordinators in U.S. Attorneys' offices (170 FTE);
  - Victim assistance staff in FBI offices (112 FTE);
  - Federal Victim Notification System ($5 million per year).

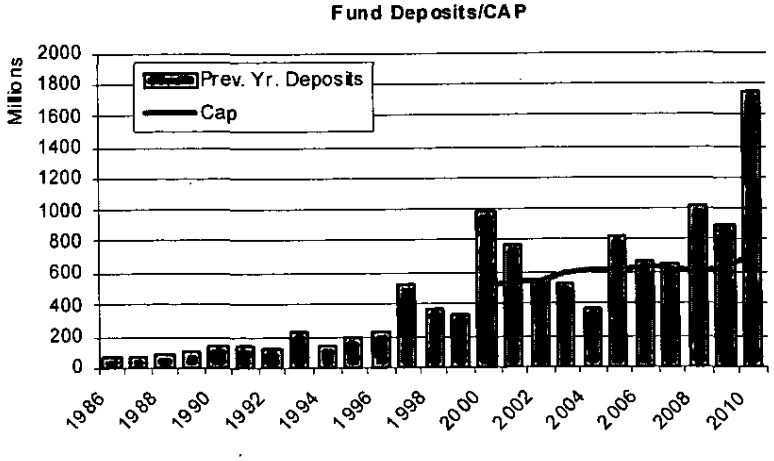
- Of the amount remaining, after the above allocations:
  - Five percent for discretionary grants administered by the Office for Victims of Crime for demonstration projects, training and technical assistance and services to victims of Federal crimes.
  - 47.5% of funds remaining under the cap are available for state crime victim compensation grants with each state receiving a grant based upon 60% of its state-funded compensation benefits.
  - 47.5% of funds remaining under the cap plus any amount not used for state crime victim compensation grants are allocated for formula grants to states to support direct assistance services to victims of crime (each state receives a base amount plus an amount apportioned on population).

Under this formula, the amount available for state assistance grants is, in effect, whatever remain after all the other VOCA programs are funded. For that reason, unless the cap is high enough, increases in the other VOCA programs or funding new programs under the VOCA cap reduce the amount otherwise available for state victim assistance grants.

In addition, according to the VOCA statute, up to five percent of amounts remaining in the Fund after the above annual allocations ("above the cap") may be used to replenish the Antiterrorism Emergency Reserve (AER) which is available to assist victims of international and domestic terrorism or mass violence and compensation to international terrorism victims.

Fiscal Year	Previous Year Deposits	Cap on Obligations
2000	985,185,354	$500,000,000
2001	776,954,858	537,500,000
2002	544,437,015	550,000,000
2003	519,466,480	600,000,000
2004	361,341,967	621,312,498*
2005	833,695,013	620,000,000*
2006	668,268,054	625,000,000
2007	649,631,046	625,000,000
2008	1,017,977,475	590,000,000
2009	896,316,825	635,000,000
2010	1,745,677,602	705,000,000

* Includes rescissions and carryovers



2563

2011 Administration Budget Proposal

The Administration's 2011 budget proposal would:

- Increase the annual cap on obligations from the Crime Victims Fund to $800 million—an increase of $95 million (13.5 percent).

- Create a new earmark from the Crime Victims Fund of $100 million in additional Office for Victims of Crime "discretionary grants for temporary shelter, transitional housing, and other assistance for victims of violence against women."

- Increase VOCA-funding for U.S. Attorney victim witness coordinators to $32.6 million to support 309 victim-witness services positions (including 139 new positions) and 240 FTE.

  The 2000 appropriations for U.S. Attorney victim witness coordinator positions was limited to 170 FTEs at $14.4 million a year, stating "the conferees expect that appropriate sums will be made available under this provision in succeeding fiscal years to continue this program at the current level." [Conf. Report 106-479] The 2011 request is an increase of 126 percent over the original appropriations.

- Increase VOCA-funding to $21.4 million to support 155 victim assistance specialist positions (including 33 new positions) and 155 FTE.

  VOCA funding for the FBI victim assistance positions was first provided in the 2001 appropriations and was limited to 112 FTEs at $7.4 million a year. [Conf. Report 106-1005]. The 2011 request is an increase of 189 percent over the original appropriations.

The Administration's 2011 budget proposal could reduce state VOCA victim assistance grants by as much as $20 million (5 percent).

A 2011 VOCA cap of $867 million will support state VOCA victim assistance grants with a 3.5 percent increase in real dollars over 2006 grants.

Stability of the Crime Victims Fund

There is more than enough money in the Crime Victims Fund to support state victim assistance grants without jeopardizing the Crime Victims Fund's long-term sustainability:

OMB estimates the opening 2010 balance in the Crime Victims Fund was $3.148 billion and that deposits will total $1.861 billion in 2010 and $999 million in 2011. Even with an $867 million VOCA cap, the Fund will continue to grow:

(in millions)	2010	2011
Balance, start of year	3,148	4,304
+ Deposits	1,861	999
Amount Available	5,009	5,303
- Obligations (cap)	705	867
Balance, end of year	4,304	4,436

[Source: http://www.whitehouse.gov/omb/budget/fy2011/assets/jus.pdf]

VOCA Victim Assistance Programs

- **Formula grants to all States and territories are based largely on population.** Each jurisdiction receives a base amount and the remainder is proportional to population.

- ***States make subgrants to 4,400 public and nonprofit agencies . . .***

	Subgrant Awards*		Amounts (in millions)	
Agency Type	No.	%	Amount	%
Criminal Justice (Police, Prosecutors, Corrections, etc.)	1,506	28.8%	82.8	25.2%
Native American (On- and off-reservation programs)	45	0.9%	2.6	0.8%
Public, non-CJS (Hospitals, Mental Health, Social Services)	194	3.8%	12.8	3.9%
Private, Nonprofit (Domestic Violence Shelters, Rape Crisis, etc.)	3,423	66.2%	229.9	70.1%
TOTAL	**5,168**	**100.0%**	**328.1**	**100.0%**

* Some agencies receive multiple subgrant awards. Source: 2001 OVC Subgrant Award Reporting System

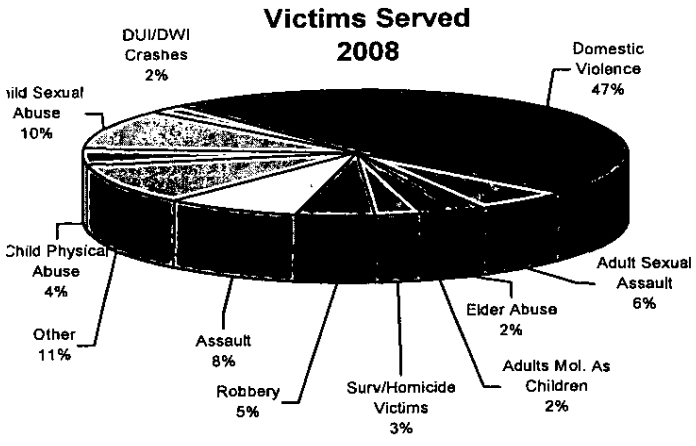
... that provide direct victim assistance services, such as:

- crisis intervention and counseling, support groups, therapy/treatment, information and referrals;
- emergency shelter, hotlines, legal advocacy, emergency financial assistance;
- support within the criminal justice system (case status/disposition information, restitution assistance); and
- personal advocacy and case management.

- **. . . to *millions of victims of all types of crimes* each year** (but because of funding cuts, *fewer* crime victims received services):

Type of Crime	2007	2008
Child Physical Abuse	182,298	160,484
Child Sexual Abuse	406,820	390,225
DUI/DWI Crashes	85,326	82,143
Domestic Violence	1,859,912	1,792,481
Adult Sexual Assault	237,047	224,374
Elder Abuse	69,782	57,644
Adults Molested As Children	92,946	89,188
Survivors of Homicide Victims	115,813	106,276
Robbery	179,216	176,446
Assault	313,847	300,667
Other	573,641	400,140
TOTAL	**4,116,648**	**3,780,068**

Source: FY 2007 and 2008 OVC National Performance Reports



VOCA funds more than 13,500 full-time equivalent paid jobs for victim advocates, counselors and others who provide direct victim assistance services. (Average salary for non-profit advocates is $25,000-30,000).

In addition, more than 36,000 volunteers (full time equivalent) donate their time and effort annually to provide direct services to crime victims through VOCA-funded projects.

2565

IMPACT OF VOCA ASSISTANCE GRANT CUTS

Because of inadequate caps, state VOCA victim assistance grants experienced severe cutbacks from 2006 to 2008 which had a devastating impact on programs providing direct services to crime victims. The following is indicative of the impact of these cuts:

- 336,580 ***fewer*** crime victims received VOCA-funded assistance services in 2008 compared to 2007. This included 67,431 fewer victims of domestic violence, 12,673 adult victims of sexual assault and 38,409 child victims of physical and sexual abuse.
- The National Network to End Domestic Violence (NNEDV) 2008 census found that 60,799 crime victims were served a single day but **8,927** requests for services went **unmet** that day due to inadequate funding and resources.

> *"We are a bare-bones operation.... VOCA funding for staff and services is the only way most of our poor and homeless clients ever get assistance."*
> –Nonprofit service provider (TX)

- According to a survey of 1,000 providers conducted by the National Center for Victims of Crime (NCVC):
  - Nearly all respondents said that VOCA funding was **"very important."** This ranged from 91.5 percent for prosecutor-based programs to 99.5 percent for domestic violence programs.
  - Fifty-eight percent said they will have to serve fewer crime victims; 55 percent will reduce outreach to victim and 46 percent will provide fewer services.
  - Rural areas will be especially hard hit; many will have to close satellite offices and clients will have to travel 3 or 4 hours to receive services.
  - Many programs said they would use restored VOCA funding for services to elderly victims, teen victims, tribal victims, victims with disabilities, human trafficking, and homicide victims.

> *"VOCA funding is the life-blood of an agency like ours dedicated solely to helping child victims of felony sexual and physical abuse crimes and their non-off ending family members."*
> –Nonprofit service provider (AL)

- State VOCA assistance administrators reported that multiple funding cutbacks had severe cumulative impact. Examples --
  - Anticipated annual reductions in victim assistance subgrants of 8 percent in Washington State; 26 percent in Kansas; 27 percent in Pennsylvania; 16 percent in Iowa; 11 percent in Oregon; and 17 percent in Wisconsin.
  - Continued cuts in Minnesota's VOCA assistance grants meant the loss of the equivalent of five programs, eliminating services in five counties.
  - Since FY 2005, the number of Iowa victim service programs has decreased from 88 to 74.
  - Wyoming was unable to fund programs, such as Sexual Assault Nurse Examiners, Sexual Assault Response Teams and Child Advocacy Centers, that provide specialized crime victim services.
  - Massachusetts expects an across-the-board cut of 27 percent, reducing the number of funded programs from 90 to 65.

> *"VOCA funding is vital in providing services to those who, through no fault of their own, have become victims of the most vicious of crimes. If this funding were not available, these victims would go without advocacy, medical, mental health, and/or legal services, which is crucial in a victim's healing process."*
> –Nonprofit service provider (WV)

  - All states fear the loss of dedicated, experienced, and well-trained victim advocates because of the inability to pay a decent wage. The average annual salary for a victim service professional in South Carolina is $18,000-$24,000.
  - Oregon cut the number of victim advocate positions funded under its competitive VOCA projects from 18 FTEs to 4 FTEs.
  - Because of funding cuts in Pennsylvania, 20 percent of programs have waiting lists; 16.5 percent have discontinued programs; 22 percent imposed hiring freezes; 31 percent have decreased or eliminated staff and 13.7 percent implemented layoffs.
  - An Arizona sexual assault counseling service reported a five months' waiting period.

2566

VA Grants	2006	2007	2008	ARRA	2009	2010 est.	2011 est.*
TOTAL	395,918,319	370,600,463	309,054,463	47,500,000	363,797,021	409,081,000	389,110,000
Alabama	6,108,000	5,694,000	4,769,000	808,000	5,588,807	6,273,000	5,971,000
Alaska	1,311,000	1,257,000	1,122,000	545,000	1,249,139	1,350,000	1,305,000
Arizona	7,610,000	7,298,000	6,224,000	930,000	7,595,425	8,550,000	8,129,000
Arkansas	3,907,398	3,670,000	3,109,000	689,000	3,616,869	4,036,000	3,851,000
California	44,933,000	41,785,000	34,342,000	2,931,000	40,622,608	46,019,000	43,639,000
Colorado	6,190,000	5,825,000	4,912,000	827,000	5,891,780	6,617,000	6,297,000
Connecticut	4,837,000	4,498,000	3,753,000	732,000	4,321,874	4,836,000	4,609,000
Delaware	1,528,000	1,461,000	1,292,000	558,000	1,453,044	1,581,000	1,525,000
Dist.Col.	1,185,000	1,165,000	1,040,000	539,000	1,146,029	1,233,000	1,195,000
Florida	22,036,000	20,790,000	17,292,000	1,712,000	20,506,733	23,198,000	22,011,000
Georgia	11,430,000	10,929,000	9,192,000	1,141,000	11,072,703	12,495,000	11,867,000
Hawaii	2,063,000	1,954,000	1,693,000	585,000	1,906,163	2,095,000	2,012,000
Idaho	2,225,000	2,132,000	1,861,000	601,000	2,163,357	2,387,000	2,288,000
Illinois	16,238,000	15,077,000	12,411,000	1,353,000	14,583,006	16,477,000	15,642,000
Indiana	8,221,385	7,655,000	6,361,000	922,000	7,460,738	8,397,000	7,984,000
Iowa	4,157,000	3,886,150	3,268,150	699,000	3,777,510	4,218,000	4,024,000
Kansas	3,886,000	3,638,000	3,066,000	685,000	3,558,736	3,970,000	3,789,000
Kentucky	5,632,000	5,265,000	4,404,000	782,000	5,160,195	5,787,000	5,511,000
Louisiana	6,090,000	5,647,000	4,480,000	792,000	5,314,709	5,962,000	5,677,000
Maine	2,131,000	2,005,000	1,727,000	587,000	1,937,009	2,130,000	2,045,000
Maryland	7,380,000	6,883,000	5,713,000	873,000	6,649,486	7,477,000	7,112,000
Mass.	8,443,000	7,846,154	6,475,154	930,000	7,593,010	8,547,000	8,126,000
Michigan	13,018,000	12,034,000	9,871,000	1,162,000	11,419,472	12,888,000	12,240,000
Minnesota	6,814,382	6,354,000	5,296,000	845,000	6,198,443	6,965,000	6,627,000
Mississippi	4,094,000	3,821,000	3,202,000	694,000	3,707,718	4,139,000	3,949,000
Missouri	7,624,000	7,121,000	5,924,000	891,000	6,952,952	7,821,000	7,438,000
Montana	1,647,000	1,567,000	1,377,000	564,000	1,556,032	1,698,000	1,635,000
Nebraska	2,663,000	2,508,000	2,141,000	618,000	2,446,747	2,709,000	2,593,000
Nevada	3,390,000	3,255,000	2,817,000	672,000	3,338,274	3,720,000	3,552,000
NewHamp.	2,109,000	1,992,000	1,721,000	587,000	1,936,302	2,129,000	2,044,000
NewJersey	11,268,000	10,438,000	8,599,000	1,074,000	9,977,764	11,252,000	10,690,000
NewMexico	2,856,000	2,699,000	2,314,000	631,000	2,666,071	2,957,000	2,829,000
NewYork	24,301,000	22,557,000	18,421,000	1,789,000	21,775,095	24,637,000	23,374,000
N.Carolina	11,073,000	10,403,000	8,721,000	1,110,000	10,566,944	11,921,000	11,324,000
N.Dakota	1,285,000	1,225,000	1,090,000	542,000	1,200,224	1,294,000	1,253,000
Ohio	14,685,000	13,599,000	11,155,000	1,260,000	13,037,717	14,724,000	13,980,000
Oklahoma	4,862,000	4,546,000	3,822,000	741,000	4,475,905	5,011,000	4,775,000
Oregon	4,950,000	4,655,000	3,935,000	751,000	4,637,130	5,194,000	4,948,000
Pennsylvania	15,858,000	14,666,000	12,048,000	1,323,000	14,088,213	15,916,000	15,110,000
RhodeIsland	1,838,000	1,726,000	1,491,000	569,000	1,647,013	1,801,000	1,733,000
S.Carolina	5,697,000	5,350,000	4,511,000	796,000	5,390,032	6,048,000	5,758,000
S.Dakota	1,454,000	1,385,000	1,226,000	553,000	1,377,837	1,496,000	1,444,000
Tennessee	7,805,000	7,301,000	6,106,000	911,000	7,284,008	8,196,000	7,794,000
Texas	28,340,000	26,683,000	22,321,000	2,109,000	27,054,684	30,626,000	29,051,000
Utah	3,457,000	3,344,000	2,867,000	681,000	3,487,008	3,889,000	3,712,000
Vermont	1,269,000	1,211,000	1,079,000	541,000	1,178,162	1,269,000	1,229,000
Virginia	9,734,408	9,138,000	7,595,000	1,014,000	8,980,533	10,121,000	9,618,000
Washington	8,180,000	7,685,000	6,437,000	933,000	7,648,960	8,610,000	8,186,000
WestVirginia	2,747,000	2,572,000	2,188,000	620,000	2,480,625	2,747,000	2,630,000
Wisconsin	7,320,000	6,812,000	5,658,000	872,000	6,643,341	7,470,000	7,105,000
Wyoming	1,127,000	1,081,000	978,000	535,000	1,081,446	1,160,000	1,125,000
PuertoRico	5,321,359	4,967,000	4,146,000	762,000	270,763	5,397,000	5,141,000
VirginIslands	634,387	624,000	601,000	507,000	392,107	636,000	629,000
Am.Samoa	271,000	265,159	254,159	204,000	294,548	280,000	276,000
Guam	392,000	377,000	359,000	212,000	4,816,123	418,000	407,000
N.Marianals.	286,000	279,000	277,000	206,000	619,898	307,000	302,000

*Estimate based on Administration's 2011 budget proposal.

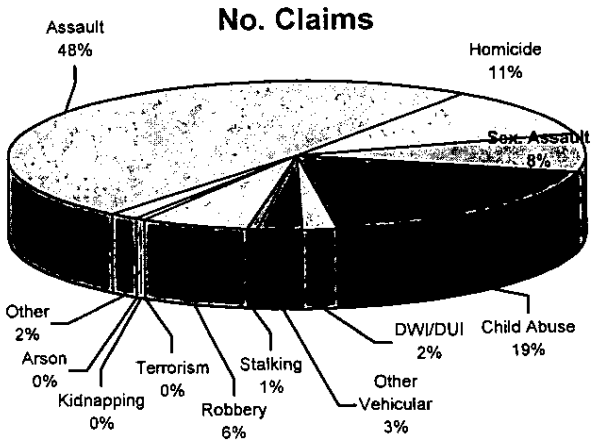
Crime Victim Compensation

- **Benefits to victims of violent crimes for unreimbursed, out-of –pocket expenses directly related to the crime.**
- **VOCA grants based upon 60% of benefits paid with state funds.**

Compensation Claims:

Type of Crime	Total No. Claims	Domestic Violence Claims*	Amount Paid (State and VOCA)
Assault	73,748	25,818	$251,257,361
Homicide	16,509	1,250	75,931,186
Sex. Assault	12,352	757	14,072,276
Child Abuse	28,785		27,213,552
DWI/DUI	2,909		16,331,425
Other Vehicular	4,003		18,787,499
Stalking	845	329	1,188,040
Robbery	8,941	107	19,327,733
Terrorism	253		921,978
Kidnapping	571	161	921,501
Arson	201	27	349,880
Other	2,526	1,235	5,602,154
TOTAL	**151,643**	**29,684**	**$431,904,585**

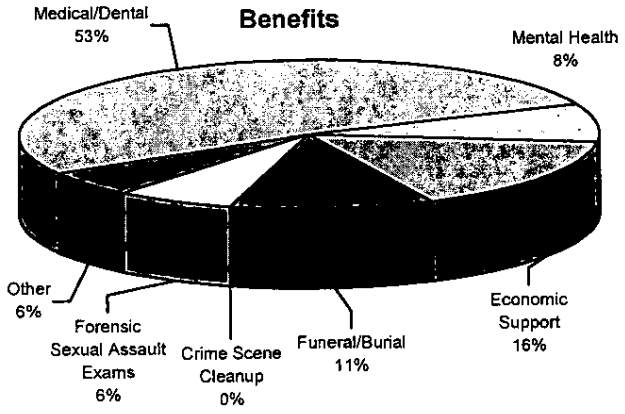
*Domestic Violence Claims included in Total No. Claims
Source:2008 VOCA National Performance Report



Compensation Benefits:

Expense:	Amount Paid
Medical/Dental	$239,211,319
Mental Health	38,504,140
Economic Support	74,164,870
Funeral/Burial	52,521,981
Crime Scene Cleanup	289,373
Forensic Sexual Assault Exams	29,812,559
Other	26,150,722
TOTAL	**$460,654,964**

Source:2008 VOCA National Performance Report



2568

Comp. Grants	2004	2005	2006	2007	2008	ARRA	2009	2010 est.
TOTAL	**186,149,000**	**169,653,000**	**143,418,000**	**165,716,000**	**171,349,000**	**47,500,000**	**181,963,000**	**200,462,000**
Alabama	2,792,000	1,129,000	376,000	1,448,000	1,529,000	847,343	3,246,000	1,297,000
Alaska	543,000	518,000	565,000	547,000	430,000	149,316	572,000	666,000
Arizona	1,258,000	1,304,000	1,185,000	1,197,000	1,193,000	293,150	1,123,000	1,249,000
Arkansas	1,187,000	1,474,000	1,204,000	1,239,000	1,378,000	276,705	1,060,000	1,326,000
California	64,796,000	25,689,000	15,682,000	32,140,000	31,043,000	8,110,055	31,068,000	38,693,000
Colorado	3,707,000	3,109,000	3,782,000	3,794,000	3,743,000	929,310	3,560,000	4,671,000
Connecticut	780,000	813,000	956,000	889,000	850,000	285,841	1,095,000	1,567,000
Delaware	859,000	2,766,000	933,000	720,000	865,000	130,521	500,000	843,000
Dist. Col.	2,313,000	657,000	2,838,000	3,081,000	2,795,000	770,857	2,953,000	3,432,000
Florida	8,822,000	6,998,000	2,937,000	4,866,000	6,897,000	3,050,799	11,687,000	13,192,000
Georgia	1,706,000	4,575,000	6,156,000	6,066,000	4,557,000	1,015,976	3,892,000	8,034,000
Hawaii	522,000	309,000	168,000	290,000	246,000	115,642	443,000	208,000
Idaho	821,000	758,000	907,000	567,000	899,000	343,009	1,314,000	1,356,000
Illinois	10,431,000	6,917,000	8,166,000	10,154,000	9,978,000	3,029,132	11,604,000	15,660,000
Indiana	638,000	1,460,000	1,755,000	1,421,000	581,000	592,566	2,270,000	2,707,000
Iowa	1,238,000	1,843,000	2,241,000	2,359,000	1,845,000	498,329	1,909,000	3,224,000
Kansas	1,222,000	1,264,000	860,000	1,220,000	1,720,000	346,403	1,327,000	1,488,000
Kentucky	339,000	462,000	911,000	747,000	389,000	89,537	343,000	650,000
Louisiana	771,000	773,000	689,000	683,000	757,000	233,894	896,000	863,000
Maine	175,000	186,000	201,000	183,000	159,000	42,289	162,000	180,000
Maryland	2,058,000	2,058,000	1,355,000	1,942,000	2,724,000	570,638	2,186,000	2,719,000
Mass.	1,520,000	1,312,000	1,141,000	1,474,000	1,203,000	271,484	1,040,000	1,504,000
Michigan	757,000	985,000	1,480,000	1,706,000	1,239,000	355,800	1,363,000	1,242,000
Minnesota	1,241,000	1,090,000	876,000	1,050,000	861,000	369,897	1,417,000	1,227,000
Mississippi	713,000	661,000	909,000	775,000	553,000	122,690	470,000	1,116,000
Missouri	2,279,000	4,199,000	3,102,000	3,457,000	2,763,000	951,498	3,645,000	3,426,000
Montana	356,000	270,000	145,000	353,000	271,000	90,582	347,000	266,000
Nebraska	127,000	42,000	39,000	30,000	24,000	15,663	60,000	36,000
Nevada	1,561,000	1,685,000	2,138,000	2,350,000	2,151,000	544,273	2,085,000	2,971,000
New Hamp.	211,000	159,000	210,000	80,000	197,000	60,301	231,000	188,000
New Jersey	4,842,000	6,655,000	5,620,000	6,124,000	4,176,000	1,410,671	5,404,000	4,176,000
New Mexico	734,000	525,000	769,000	650,000	748,000	201,524	772,000	861,000
New York	9,938,000	9,337,000	8,825,000	8,679,000	11,350,000	2,829,174	10,838,000	11,355,000
N. Carolina	3,830,000	1,357,000	4,002,000	3,949,000	1,991,000	647,906	2,482,000	2,361,000
N. Dakota	98,000	86,000	106,000	73,000	156,000	78,313	300,000	179,000
Ohio	6,777,000	6,111,000	3,454,000	4,513,000	7,299,000	2,000,627	7,664,000	6,666,000
Oklahoma	1,659,000	1,683,000	1,957,000	2,104,000	1,801,000	360,499	1,381,000	1,758,000
Oregon	1,046,000	1,215,000	1,161,000	1,586,000	1,067,000	356,583	1,366,000	1,717,000
Pennsylvania	2,071,000	3,817,000	4,491,000	5,083,000	6,752,000	1,536,233	5,885,000	4,448,000
Rhode Island	1,248,000	912,000	1,562,000	699,000	891,000	185,862	712,000	751,000
S. Carolina	4,116,000	4,736,000	3,543,000	4,088,000	3,247,000	1,153,023	4,417,000	4,364,000
S. Dakota	184,000	44,000	242,000	154,000	91,000	37,329	143,000	161,000
Tennessee	4,971,000	3,167,000	3,177,000	3,411,000	5,253,000	1,472,799	5,642,000	5,181,000
Texas	18,489,000	42,464,000	28,022,000	26,460,000	31,837,000	7,771,484	29,771,000	26,951,000
Utah	2,332,000	2,889,000	3,035,000	1,934,000	1,846,000	671,400	2,572,000	2,887,000
Vermont	212,000	200,000	230,000	264,000	318,000	57,951	222,000	208,000
Virginia	1,244,000	1,369,000	871,000	669,000	907,000	335,439	1,285,000	1,388,000
Washington	4,444,000	4,802,000	5,871,000	5,168,000	4,704,000	938,446	3,595,000	5,290,000
West Virginia	646,000	1,118,000	951,000	1,157,000	1,142,000	348,230	1,334,000	1,600,000
Wisconsin	841,000	1,072,000	1,004,000	1,143,000	977,000	264,175	1,012,000	934,000
Wyoming	442,000	348,000	337,000	460,000	486,000	168,894	647,000	889,000
Puerto Rico	139,000	227,000	193,000	307,000	260,000	145,139	556,000	199,000
Virgin Islands	103,000	54,000	88,000	213,000	210,000	24,799	95,000	137,000

Other Programs Currently Supported by the Crime Victims Fund

Children's Justice Act

- Up to $20 million in formula grants to states to improve the investigation/prosecution of child abuse cases.
- 85 percent awarded by HHS to States; 15 percent by OVC for Native American grants.

United States' Attorneys Office victim/witness coordinators

- VOCA funded since 2000.
- Congress specified VOCA funding for 170 FTE Federal victim/witness coordinators in United States Attorneys' Offices in each of 94 United States Attorneys Offices.
- Costs have increased from $14.4 million in 2000 to $21.4 million in 2009.
- **The Administration's 2011 budget would increase the number of VOCA-funded positions to 240 FTE at a cost of $32.6 million, a 126 percent increase over the original appropriation.**

F.B.I. victim assistance specialists

- VOCA funded since 2001 between $2 million - $14 million/year.
- Congress funded 112 victim assistance specialists in 56 F.B.I. field offices, 25 largest Resident Agencies and 31 across Indian Country.
- Annual costs have fluctuated greatly from a low of $1.9 million to $14.1 million.
- **The Administration's 2011 budget would increase the number of VOCA-funded positions to 155 FTE at a cost of $21.4 million, a 189 percent increase over the original appropriation.**

Federal Victim Notification System (VNS)

- VOCA funded since 2003 between $5 – $6.4 million/year.
- Automated notification to victims on case status and offender status used by USAO, FBI and Bureau of Prisons.

Office for Victims of Crime Discretionary Grants

- Five percent of annual allocations after CJA, federal earmarks.
- At least half used for national scope training and technical assistance, demonstration projects, program evaluations, and compliance efforts.
- No more than half used for services to victims of Federal crimes.

	2004	2005	2006	2007	2008	2009	2010 est.
CJA	20,000,000	20,000,000	20,000,000	19,898,701	19,019,518	20,000,000	20,000,000
USAO	20,613,963	14,767,825	21,954,880	22,249,500	22,408,796	21,400,000	22,408,000
FBI	1,871,656	7,945,845	8,747,300	11,907,238	9,202,825	14,143,000	14,457,290
VNS	5,141,843	4,960,000	5,492,000	5,000,000	6,405,774	5,000,000	6,400,000
OVC Disc.	31,541,891	29,866,728	29,618,720	28,227,182	18,386,173	28,724,212	32,081,236
Other/Adj				1,400,915	34,171,634*		

*Office of Justice Programs charges for management and administrative costs.

Replenishment of Antiterrorism Emergency Reserve (AER)

- Five percent of balance ("above the cap") in Crime Victims Fund available (after other programs are funded) to replenish $50 million reserve available for:
  - Supplemental grants to assist and compensate victims of domestic or international terrorism or mass violence.
  - OVC International Victims' of Terrorism Compensation Program.

2570

Organizations Supporting VOCA and the Crime Victims Fund

(in alphabetical order)

American Humane Association
American Probation and Parole Association (APPA)
American Society of Victimology
Arizona Voice for Crime Victims
Association of Prosecuting Attorneys
Association of VAWA Administrators
ATTIC Correctional Services, Inc.
Break the Cycle
CASA of New Jersey
Coalition of Pennsylvania Crime Victims Organizations
Colorado Organization for Victim Assistance
Family Violence Prevention Fund
International Community Corrections Association
International Organization for Victim Assistance (IOVA)
Jewish Women International
Justice for Children
Justice Solutions, Inc.
Maryland Crime Victims Resource Center, Inc.
Mothers Against Drunk Driving (MADD)
National Alliance to End Sexual Violence (NAESV)
National Association of Crime Victim Compensation Boards (NACVCB)
National Association of Victim Service Professionals in Corrections (NAVSPIC)
National Association of VOCA Assistance Administrators (NAVAA)
National Center for Victims of Crime (NCVC)
National Coalition Against Domestic Violence (NCADV)
National Coalition of Victims in Action (NCVIA)
National Council of Jewish Women
National Court Appointed Special Advocate (CASA) Association
National Crime Victim Law Institute (NCVLI)
National Crime Victim Research and Treatment Center
National Criminal Justice Association (NCJA)
National District Attorneys' Association (NDAA)
National Grange
National Judicial College
National Network to End Domestic Violence (NNEDV)
National Organization for Victim Assistance (NOVA)
National Organization of Parents of Murdered Children (POMC)
Pennsylvania Coalition Against Domestic Violence (PCADV)
Rape Abuse & Incest National Network (RAINN)
Renée Olubunmi Rondeau Peace Foundation, Inc.
SAFENOWPROJECT
Security on Campus, Inc.
Sheila Wellstone Institute
StopFamilyViolence.org
Texas CASA
Victims' Assistance Legal Organization (VALOR)
Wisconsin CASA
YWCA USA

For more information about VOCA and the Crime Victims Fund, please contact:
Steve Derene, Executive Director
National Association of VOCA Assistance Administrators (NAVAA)
Tel: 608-233-2245; E-mail: steve@navaa.org

Crime Victims Fund Preservation Act of 2009
S. 1340 and H.R. 3402
Fact Sheet

- The Crime Victims Fund is a special account made up entirely of fines and other penalties paid by convicted federal offenders and dedicated exclusively to a variety of services to help crime victims; **there are no taxpayer dollars** in the Fund.

- Grants to state VOCA victim assistance programs fund services to more than 4 million victims of all types of crimes, including, among others, domestic violence, sexual assault, child abuse, survivors of homicide victim, drunk driving crashes, stalking, identity theft, and elder abuse.

- Because of fluctuations in Fund deposits, Congress limits or "caps" annual obligations from the Fund, resulting in an accumulated "rainy day" balance to ensure stable funding for victim services.

- Because the VOCA cap did not keep pace with the costs of programs, state crime victim assistance grants were cut by $87 million (22 percent) from 2006 to 2008.

- During this same period, however, the Fund's "rainy day" balance increased by more than $700 million — from $1.3 billion in 2006 to $2 billion in 2008. Based on criminal fines that federal courts have already imposed but not yet collected, the balance is projected to grow even more through 2014.

- **Crime victims' needs continue to increase.** Although these prior cuts were restored by a combination of the 2009 Appropriations Act and the economic recovery act, the need to support crime victim services continue to increase. Examples:
    - According to U.S. Department of Justice Office for Victims of Crime, 366,000 *fewer* crime victims received VOCA funded victim assistance services in 2008 than in 2007.
    - The National Census of Domestic Violence Services reports that, on one day in 2008, nearly 61,000 adults and children sought support from local domestic violence programs. But on that same day, almost 9,000 requests were unmet due to lack of resources.
    - Calls to the National Crime Victim Hotline operated by the National Center for Victims of Crime have increased, especially for victims of a variety of frauds, such as work at home, secret shopper and investment schemes, mortgage and construction fraud.

- **S. 1340 (introduced by Senators Patrick Leahy and Mike Crapo) and H.R. 3402 (introduced by Representatives Ted Poe and Jim Costa) are essential to preserving the Fund and meeting victims' needs.** These bills will statutorily establish a minimum annual cap on VOCA through 2014. The caps will increase the VOCA cap by 23 percent each year yet leave a balance of at least $800 million, enough to ensure the Fund's sustainability.

- The bills will provide a steady, reasonable and predictable growth in victim services through 2014 without jeopardizing the Fund's ability to continue supporting victim services.

For more information, contact Steve Derene, Executive Director, National Association of VOCA Assistance Administrators, steve@navaa.org, (608) 233-2245 or Susan Howley, Director of Public Policy, National Center for Victims of Crime, showley@ncvc.org, (202) 467-8722.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

II

111TH CONGRESS
1ST SESSION

S. 1340

To establish a minimum funding level for programs under the Victims of Crime Act of 1984 for fiscal years 2010 to 2014 that ensures a reasonable growth in victim programs without jeopardizing the long-term sustainability of the Crime Victims Fund.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2009

Mr. LEAHY (for himself and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

---

A BILL

To establish a minimum funding level for programs under the Victims of Crime Act of 1984 for fiscal years 2010 to 2014 that ensures a reasonable growth in victim programs without jeopardizing the long-term sustainability of the Crime Victims Fund.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Crime Victims Fund Preservation Act of 2009".

SEC. 2. CRIME VICTIMS FUND.

Section 1402(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2) The amount made available from the Fund for the purposes of paragraphs (2), (3), and (4) of subsection (d) shall be not less than—

"(A) $705,000,000 for fiscal year 2010;

"(B) $867,150,000 for fiscal year 2011;

"(C) $1,066,594,500 for fiscal year 2012;

"(D) $1,311,911,235 for fiscal year 2013; and

"(E) $1,613,650,819 for fiscal year 2014.".

○

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

I

111TH CONGRESS
1ST SESSION

H. R. 3402

To establish a minimum funding level for programs under the Victims of Crime Act of 1984 for fiscal years 2010 to 2014 that ensures a reasonable growth in victim programs without jeopardizing the long-term sustainability of the Crime Victims Fund.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2009

Mr. POE of Texas (for himself and Mr. COSTA) introduced the following bill; which was referred to the Committee on the Judiciary

---

A BILL

To establish a minimum funding level for programs under the Victims of Crime Act of 1984 for fiscal years 2010 to 2014 that ensures a reasonable growth in victim programs without jeopardizing the long-term sustainability of the Crime Victims Fund.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Crime Victims Fund Preservation Act of 2009".

SEC. 2. CRIME VICTIMS FUND.

Section 1402(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2) The amount made available from the Fund for the purposes of paragraphs (2), (3), and (4) of subsection (d) shall be not less than—

"(A) $705,000,000 for fiscal year 2010;

"(B) $867,150,000 for fiscal year 2011;

"(C) $1,066,594,500 for fiscal year 2012;

"(D) $1,311,911,235 for fiscal year 2013; and

"(E) $1,613,650,819 for fiscal year 2014.".

○

TED POE
2ND DISTRICT, TEXAS

COMMITTEE
FOREIGN AFFAIRS
JUDICIARY
FOUNDER OF CONGRESSIONAL
VICTIM'S RIGHTS CAUCUS

Congress of the United States
House of Representatives
Washington, DC 20515–4302

WASHINGTON OFFICE
430 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: (202) 225-6565
FAX: (202) 225-5547

DISTRICT OFFICES

HOUSTON
20207 U.S. HIGHWAY 59 NORTH
SUITE 106
HUMBLE, TX 77338
PHONE: (281) 446-0247
FAX: (281) 446-0257

BEAUMONT
505 ORLEANS
SUITE 300
BEAUMONT, TX 77701
PHONE: (409) 719-1997
FAX: (409) 212-6715

April 3, 2009

The Honorable Alan Mollohan
Chairman
Subcommittee on Commerce,
Justice, and Science
House Appropriations Committee
2302 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Wolf
Ranking Member
Subcommittee on Commerce,
Justice, and Science
House Appropriations Committee
241 Canon House Office Building
Washington, DC 20515

Dear Chairman Mollohan and Ranking Member Wolf:

We are greatly appreciative of your subcommittee's efforts in the FY 2009 Omnibus Appropriations Act to take important and positive steps to repair the serious erosion of support for critical services for victims of crime, and especially for your improvements regarding funding for the Victims of Crime Act (VOCA) through the Crime Victims Fund.

As you know, the Fund supports a wide range of important services for victims of crime. Some 4,200 agencies provide these services to more than 4 million victims of all types of crime every year, largely through the formula state victim assistance grants. Because of increases in other VOCA-funded program areas and lowered cap, these state grants were cut by nearly $90 million between 2006 and 2008.

For FY 2009, your committee recommended a significant increase in the annual limit of Fund obligations and recognized the inappropriateness of using the Crime Victims Fund (and other Office of Justice Program grant programs) for OJP management costs. We commend the subcommittee for these two steps that restored two-thirds of the previous reductions in VOCA funding for state victim assistance grants.

As work begins on the FY 2010 appropriations bill, we urge the subcommittee to continue this progress by further reflecting the growing needs for the important services that are supported with VOCA funds. We believe that a FY 2010 cap on Fund obligations of $705 million would complete the restoration of state assistance grants to the amount received in FY 2006, including inflation, and be a down payment to meet the growing needs of crime victims.

A recent survey of state VOCA victim assistance administrators demonstrates that additional funding is essential. Indeed, according to that survey, a minimum of $106 million in additional VOCA state victim assistance grants would be necessary to fill the identified gap in funding between requested funding needs and VOCA funds available. Our request for a $705 million cap in FY 2010 would meet just one-quarter of those additional needs.

We are also aware of the need to ensure that the Crime Victims Fund be able to sustain adequate funding levels for future victim services. Last year, OMB projected that the FY 2009 opening Fund balance would be $1.9 billion. We also know that based on public announcements of negotiated agreements in a number of Federal criminal cases, deposits into the Fund will increase significantly over the next several years. Thus, the Fund will be assured of maintaining a balance that can ensure adequate, stable support for VOCA victim services.

The original drafters of the VOCA legislation designed the Crime Victims Fund to be a self-sufficient source of support for victim services. Appropriators have consistently explained the purpose of the annual caps on VOCA obligations as a means to ensure a stable source of funding. Our request is consistent with both of these goals.

We also need to note that the previous four Presidential budgets sought to rescind the entire balance in the Fund. Congress has properly and resoundingly turned down those requests. Although lacking in details, the FY 2010 budget announced last month suggests that another Fund rescission proposal may in the works. Should that happen, we trust that Congress will again protect the Fund to ensure its continued availability to support victim services.

Thank you for your consideration of this request.

Sincerely,

Rep. Ted Poe
Co-Chair, Victims' Rights Caucus

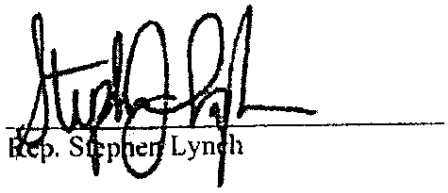
Rep. Jim Costa
Co-Chair, Victims' Rights Caucus

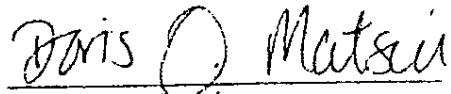
Rep. Neil Abercrombie

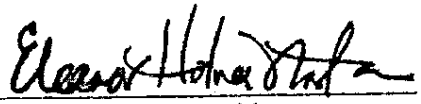
Rep. Jason Altmire

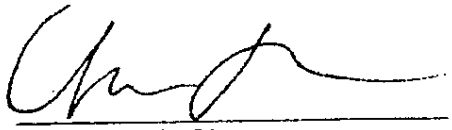
Rep. Tammy Baldwin

Rep. Judy Biggert

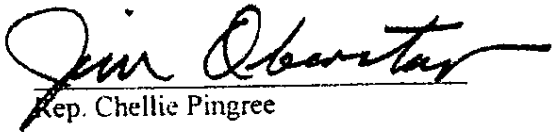

Rep. Stephen Lynch


Rep. Doris Matsui

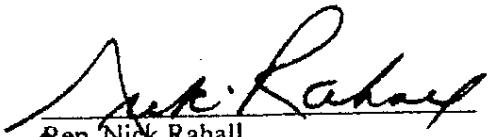

Rep. Eleanor Holmes Norton


Rep. James L. Oberstar

Rep. Ron Paul


Rep. Chellie Pingree

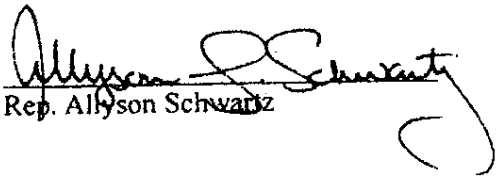
Rep. Todd Russell Platts


Rep. Nick Rahall

Rep. David Reichert

Rep. Mike Ross

Rep. Loretta Sanchez


Rep. Allyson Schwartz

Rep. Bobby Scott

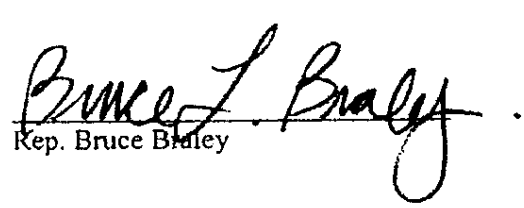
Rep. Chris Smith

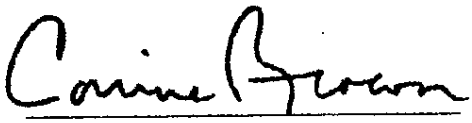
Rep. Ellen Tauscher

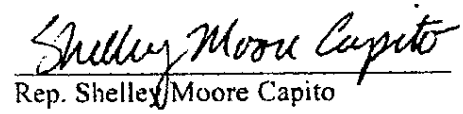
Rep. Dina Titus

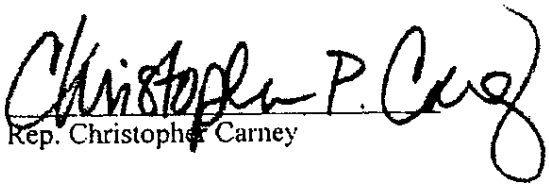
Rep. Madeleine Bordallo

Rep. Leonard Boswell

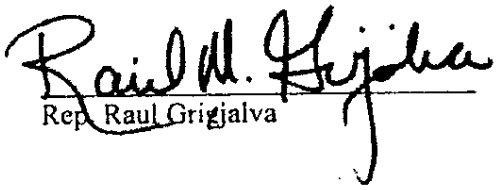

Rep. Bruce Braley

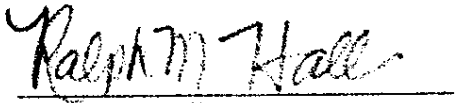

Rep. Corrine Brown

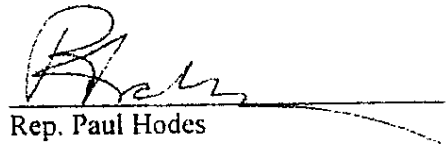

Rep. Shelley Moore Capito


Rep. Christopher Carney

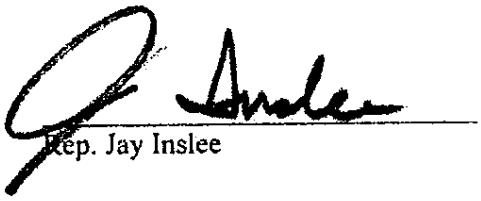
Rep. Parker Griffith

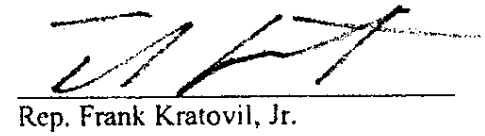

Rep. Raul Grijalva

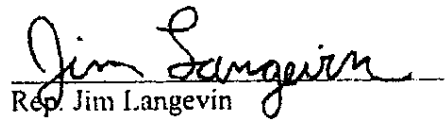

Rep. Ralph Hall


Rep. Paul Hodes

Rep. Tim Holden


Rep. Jay Inslee


Rep. Frank Kratovil, Jr.


Rep. Jim Langevin

Rep. Frank LoBiondo

Rep. David Loebsack

Rep. Chris Van Hollen

Rep. David Wu

Rep. Don Young

National Association
of Attorneys General

For Release: September 23, 2009

Contact: Marjorie Tharp
202-326-6047
mtharp@naag.org

STATE ATTORNEYS GENERAL SUPPORT MORE FEDERAL FUNDING FOR THE VICTIMS OF CRIME ACT GRANTS

Washington, DC---Attorneys General from 54 states and territories signed a letter sent to members of Congress expressing their support for the Crime Victims Fund Preservation Act of 2009 (S. 1340; HR 3402). The bill would increase the maximum amount of annual Victims of Crime Act (VOCA) grants to states over the next five years.

VOCA grants are allocated through the Crime Victims Fund, a special account dedicated to providing services to crime victims and made up entirely of fines and penalties paid by convicted federal offenders. The funds are crucial at the state level in educating victims, training for law enforcement, and administering programs providing compensation. The funds available to provide victims services have declined precipitously in recent years.

"Grants to state VOCA victim assistance programs fund services to more than four million victims of all types of crimes, including, domestic violence, sexual assault, child abuse, survivors of homicide victims, drunk driving crashes, stalking, identity theft, and elder abuse," the letter states.

The bill raises the cap on federal VOCA grants to $705 million for fiscal year 2010, and then increases the cap by 23 percent each year through 2014.

"...this reasonable and sustainable increase in federal support will help to ensure that we are able to continue to support victims at a high level and for years to come."

The standards and formula for allocating the funds will not change and the Crime Victims Fund is projected to maintain a sustainable balance of at least $800 million through 2014.

To view a copy of the letter, go to the National Association of Attorneys General (NAAG) Web site: http://www.naag.org/sign-on_archive.php

###

The National Association of Attorneys General (NAAG), www.naag.org, was founded in 1907 to help Attorneys General fulfill the responsibilities of their office and to assist in the delivery of high quality legal services to the states and territorial jurisdictions.

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL
2030 M Street, N.W. 8th Floor
WASHINGTON, D.C. 20036
Phone (202) 326-6045
Fax (202) 331-1427
http://www.naag.org

JAMES E. MCPHERSON
Executive Director

PRESIDENT
JON BRUNING
Attorney General of Nebraska

PRESIDENT-ELECT
ROY COOPER
Attorney General of North Carolina

VICE PRESIDENT
ROB MCKENNA
Attorney General of Washington

IMMEDIATE PAST PRESIDENT
PATRICK C. LYNCH
Attorney General of Rhode Island

September 23, 2009

Via Facsimile

The Honorable Patrick Leahy
Chairman, Senate Judiciary Committee
United States Senate

The Honorable Jeff Sessions
Ranking Member, Senate Judiciary Committee
United States Senate

The Honorable John Conyers
Chairman, House Judiciary Committee
U.S. House of Representatives

The Honorable Lamar Smith
Ranking Member, House Judiciary Committee
U.S. House of Representatives

Dear Senators Leahy and Sessions and Representatives Conyers and Smith:

We, the undersigned Attorneys General, write to express support for, and ask for your help in passing, Senate Bill 1340 (companion, HR 3402). Also called the Crime Victims Fund Preservation Act of 2009, the bill was introduced by Senators Patrick Leahy and Mike Crapo, and will increase the maximum amount of annual VOCA (Victims Of Crime Act) grants to states over the next five years.

As you know, VOCA grants provide much-needed support to victims and victim service agencies throughout the nation. The grants are allocated through the Crime Victims Fund, a special account dedicated to providing services to crime victims and made up entirely of fines and penalties paid by convicted federal offenders. States receive these grants and administer programs providing compensation and education for victims, and training for law enforcement. Grants to state VOCA victim assistance programs fund services to more than 4 million victims of all types of crimes, including, domestic violence, sexual assault, child abuse, survivors of homicide victims, drunk driving crashes, stalking, identity theft, and elder abuse.

Because annual VOCA caps have not kept pace with the costs of providing victim services, states have been doing more with less. Likewise, because the caps have not kept pace with income to the Crime Victims Fund, the balance in the fund has risen to $2 billion over the past two years. The Crime Victims Fund Preservation Act of 2009 will raise the cap on federal VOCA grants to $705 million for fiscal year 2010, and then increase the cap by 23 percent each year through 2014. The standards and formula for allocating the funds will not change, and even with the increased caps, the Crime Victims Fund is projected to maintain a sustainable balance of at least $800 million through 2014.

The funds available to provide victims services such as these have declined precipitously in recent years. Efforts are underway in the office's of VOCA state funds administrators to staunch that decline and to operate the Crime Victims Assistance and Prevention programming more efficiently. VOCA grants make up a large portion of this funding, and this reasonable and sustainable increase in federal support will help to ensure that we are able to continue to support victims at a high level and for years to come.

We urge you to preserve the intent of the offender-generated revenues and the assistance it provides to innocent victims by passing the Crime Victims Fund Preservation Act of 2009.

Sincerely,

John W. Suthers
Attorney General of Colorado

Jim Hood
Attorney General of Mississippi

Jon Bruning
Attorney General of Nebraska

Richard Cordray
Attorney General of Ohio

Troy King
Attorney General of Alabama

Daniel S. Sullivan
Attorney General of Alaska

Fepulea'i Arthur Ripley Jr.
Attorney General of American Samoa

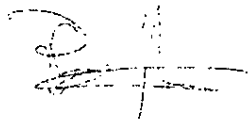
Terry Goddard
Attorney General of Arizona

Dustin McDaniel
Attorney General of Arkansas

Edmund G. Brown, Jr.
Attorney General of California

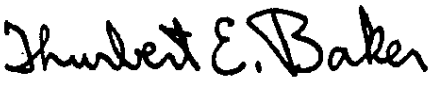
Richard Blumenthal
Attorney General of Connecticut

Richard S. Gebelein
Acting Attorney General of Delaware

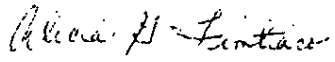


Peter Nickles
Attorney General of the District of Columbia

Bill McCollum
Attorney General of Florida

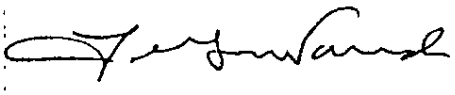


Thurbert E. Baker
Attorney General of Georgia



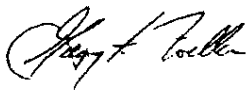
Alicia G. Limtiaco
Attorney General of Guam

Mark J. Bennett
Attorney General of Hawaii

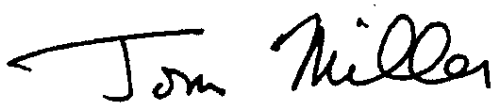


Lawrence Wasden
Attorney General of Idaho

Lisa Madigan
Attorney General of Illinois

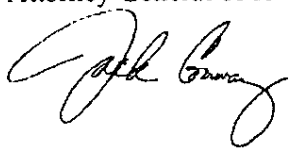


Greg Zoeller
Attorney General of Indiana



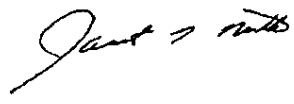
Tom Miller
Attorney General of Iowa

Steve Six
Attorney General of Kansas



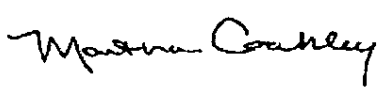
Jack Conway
Attorney General of Kentucky

James D. Caldwell
Attorney General of Louisiana



Janet T. Mills
Attorney General of Maine

Douglas F. Gansler
Attorney General of Maryland



Martha Coakley
Attorney General of Massachusetts

Mike Cox
Attorney General of Michigan

Lori Swanson
Attorney General of Minnesota

Chris Koster
Attorney General of Missouri

Steve Bullock
Attorney General of Montana

Catherine Cortez Masto
Attorney General of Nevada

Michael A. Delaney
Attorney General of New Hampshire

Anne Milgram
Attorney General of New Jersey

Gary King
Attorney General of New Mexico

Andrew Cuomo
Attorney General of New York

Roy Cooper
Attorney General of North Carolina

Wayne Stenehjem
Attorney General of North Dakota

W.A. Drew Edmondson
Attorney General of Oklahoma

John R. Kroger
Attorney General of Oregon

Tom Corbett
Attorney General of Pennsylvania

Patrick C. Lynch
Attorney General of Rhode Island

Henry McMaster
Attorney General of South Carolina

Marty J. Jackley
Attorney General of South Dakota

Robert E. Cooper, Jr.
Attorney General of Tennessee

Greg Abbott
Attorney General of Texas

Mark Shurtleff
Attorney General of Utah

William H. Sorrell
Attorney General of Vermont

Vincent F. Frazer
Attorney General of the U.S. Virgin Islands

William C. Mims
Attorney General of Virginia

Rob McKenna
Attorney General of Washington

Darrell V. McGraw, Jr.
Attorney General of West Virginia

J.B. Van Hollen
Attorney General of Wisconsin

Bruce A. Salzburg
Attorney General of Wyoming

POLICY RESOLUTION: Support of Passage of the "Crime Victims Fund Preservation Act"

COMMITTEE: Law and Criminal Justice

TYPE OF POLICY: Action

The National Conference of State Legislatures (NCSL) recommends to the Congress of the United States that an increasing minimum annual cap on obligations from the Crime Victims Fund be established as provided for in "The Crime Victims Fund Preservation Act of 2009."

WHEREAS, the Victims of Crime Act of 1984 (Public Law 98-473, 42 U.S.C. § 10601 et seq.) established the Crime Victims Fund, which is one of the main sources of money and support for crime victims and crime victims services all states, the District of Columbia, Puerto Rico, U.S. Virgin Islands and territories; and

WHEREAS, the Crime Victims Fund provides critical funding for formula grants to states for victim compensation and victim assistance and for Federal discretionary grants, in addition to earmarks for Federal victim assistance within the United States Attorneys' Offices, FBI and Victim Notification System and the Children's Justice Act; and

WHEREAS, state compensation programs pay directly for medical care, counseling, lost wages and funerals for victims of domestic violence, child abuse, rape and homicide; and

WHEREAS, state victim assistance programs provide critical, often life-saving services, including crisis intervention, counseling, emergency shelter, child care and emergency transportation; and

WHEREAS, discretionary grants awarded by the Office for Victims of Crime to organizations fund demonstration projects, training and technical assistance to expand and improve the delivery of services to crime victims as well as support for services to victims of Federal offenses; and

WHEREAS, all funds placed in the Crime Victims Fund are derived from criminal fines and other penalties paid by offenders of Federal crimes and does not rely on any tax-generated revenues; and

WHEREAS, states may utilize compensation grants and victim assistance grants over a four-year period, thus enabling them to plan and manage the distribution of funds over time; and

WHEREAS, since 2000, Congress began capping annual obligations from the Crime Victims Fund which has limited the amount of funding that would otherwise have been available to support victim assistance services; and

WHEREAS, in the past eleven years, a total of nearly $9 billion has been deposited into the Crime Victims Fund while only $6 billion has been obligated resulting in an accumulated balance of nearly $3 billion in the Fund as of the beginning of 2010; and

WHEREAS, Congress has repeatedly affirmed that the cap was imposed to ensure that a stable level of funding remains available for use to fund crime victim programs in future years; and

WHEREAS, victim service programs in all states and jurisdictions are facing severe budgetary shortfalls because of cutbacks in other victim funding programs and private donations while the need for services continue to increase; and

[Note: should be S. 1340]

WHEREAS, the Crime Victims Fund Preservation Act, S. 1304 introduced by Senators Patrick Leahy and Mike Crapo and H.R. 3402 introduced by Representatives Ted Poe and Jim Costa would establish increasing minimum caps on annual Crime Victims Fund obligations through the year 2014 which will significantly increase the amount available for state VOCA victim assistance grants and discretionary grants awarded by the Office for Victims of Crime without jeopardizing the long-term sustainability of the Fund; and

THEREFORE, BE IT RESOLVED That the National Conference of State Legislatures fully supports purposes of the Crime Victims Fund Preservation Act (S. 1304/H.R. 3402); and the purposes recommend that Congress enact the Crime Victims Fund Preservation Act; and

BE IT FINALLY RESOLVED that a copy of this resolution shall be sent to state legislative leaders, Congressional sponsors of S. 1304 and H.R. 3402, and members of the Senate Committee on the Judiciary, Senate Committee on Appropriations, House Committee on the Judiciary, and the House Committee on Appropriations.

HR

6

<target><bill>HR 6</bill><subject>HR 6</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 13, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 2/24/09

The FINANCE considered: **HOUSE RESOLUTION NO. 6**

Encouraging the Alaska Mental Health Trust Authority to develop its land and resources to the fullest extent possible consistent with its legal and moral responsibility to provide jobs and protect and enhance the lives of those who benefit from the mental health trust.

HR 6 DEVELOP MENTAL HEALTH TRUST LAND

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HR 6 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
Harry Crawford Jr	CRAWFORD	X			
	Salmon	X			
	Joule	X			
	Austerman	X			
Anna Fairclough	FAIRCLOUGH	X			
Bill	Thomas	X			
	KELLY	X			
Chair:	Hawker	☆			
Chair:	STOLTZE	☆			

26-LS0572\E
Bullock
2/23/09

CS FOR HOUSE RESOLUTION NO. 6(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Thomas, Chenault, Austerman, Coghill, Dahlstrom, Edgmon, Fairclough, Foster, Gatto, Harris, Herron, Johansen, Johnson, Joule, Keller, Kelly, Lynn, Muñoz, Neuman, Olson, Ramras, Seaton, Millett, Hawker

A RESOLUTION

Encouraging the Alaska Mental Health Trust Authority to develop its land and resources to the fullest extent possible consistent with its legal and moral responsibility to advance mental health services and employment opportunities that protect and enhance the lives of those who benefit from the mental health trust.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

WHEREAS the Alaska Mental Health Trust Authority is the trustee of the trust established under the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709; and

WHEREAS the mental health trust was established with more than 1,000,000 acres of land and $200,000,000 to serve the beneficiaries of the trust with services related to mental health and to enable the Alaska Mental Health Trust Authority to act as a catalyst for change in the systems and services that serve the beneficiaries of the trust; and

WHEREAS many of Alaska's most vulnerable citizens, who experience mental illness, developmental disabilities, Alzheimer's disease and related dementia, alcohol and substance addictions, traumatic brain injuries, and other mental health disabilities, are

beneficiaries of the mental health trust; and

WHEREAS many of these vulnerable Alaskans suffer neglect; sexual, physical, and emotional abuse; homelessness; and exposure to domestic violence; and

WHEREAS many communities lack adequate mental health care and treatment facilities; and

WHEREAS employment opportunities, treatment, education, and housing for beneficiaries of the mental health trust are particularly limited in the rural areas of the state; and

WHEREAS the lack of jobs in the rural areas of the state contributes to unlawful behavior, feelings of despair, and, in extreme cases, suicide; and

WHEREAS more than 40 percent of the offenders in Alaska's correctional facilities are beneficiaries of the mental health trust; and

WHEREAS many of the beneficiaries of the mental health trust who have access to an adequate support program are capable of being employed; and

WHEREAS prevention and early intervention by mental health organizations can prevent more costly institutional and intensive care; and

WHEREAS the costs of providing mental health care services are increasing; and

WHEREAS the Department of Health and Social Services, the Alaska Mental Health Trust Authority, and other partner organizations work cooperatively to plan, budget, and implement an integrated and comprehensive mental health program for the state; and

WHEREAS the ability of the Alaska Mental Health Trust Authority to assist the state in developing a better mental health program is largely dependent on the authority's ability to generate revenue from the land and natural resources of the trust; and

WHEREAS development of the land held by the mental health trust creates jobs for beneficiaries of the mental health trust and other Alaskans;

BE IT RESOLVED that the House of Representatives encourages the Alaska Mental Health Trust Authority to develop its land and resources to the fullest extent possible, consistent with its legal and moral responsibility to advance mental health services and employment opportunities that protect and enhance the lives of those who benefit from the mental health trust.

for recreational purposes or other public purposes for which the water is used or capable of being used consistent with the public trust.

(d) This section may not be construed to affect or abridge valid existing rights or create a right or privilege of the public to cross or enter private land. (§ 4 ch 56 SLA 1999)

Distributed by Rep. Gara

Sec. 38.05.127. Access to navigable or public water. (a) Before the sale, lease, grant, or other disposal of any interest in state land adjacent to a body of water or waterway, the commissioner shall,

(1) determine if the body of water or waterway is navigable water, public water, or neither;

(2) upon finding that the body of water or waterway is navigable or public water, provide for the specific easements or rights-of-way necessary to ensure free access to and along the body of water, unless the commissioner finds that regulating or limiting access is necessary for other beneficial uses or public purposes.

(b) The department shall adopt regulations implementing this section.

(c) Nothing in this section affects valid existing rights or limits in any way the constitutional right of the public to use and have free access to the navigable or public waters of the state.

(d) Upon application by a municipality or an affected owner of land, the department may vacate, release, modify, or relocate an easement and right-of-way for public access to or along navigable or public waters reserved by the department in a patent issued under AS 29.65 or former AS 29.18, if the commissioner determines the action is consistent with the public interest.

(e) The establishment of easements or rights-of-way for oil and gas, gas only, and mineral leases under (a) of this section need not be made until the leases are ready to be developed.

(f) Rights-of-way or easements to waterways established under (a)(2) of this section shall be established approximately once each mile unless the commissioner makes a written finding that regulating or limiting access is necessary for other beneficial uses or public purposes.

(g) The commissioner may exchange land under AS 38.50 to create access to public water of the state. (§ 2 ch 117 SLA 1976; am § 32 ch 113 SLA 1981; am §§ 37, 38 ch 152 SLA 1984; am § 57 ch 74 SLA 1985; am § 3 ch 82 SLA 1985; am § 2 ch 53 SLA 1988; am § 13 ch 49 SLA 2004)

Cross references. — For legislative findings and purpose in connection with the 1985 amendment to (c) of this section, see § 1, ch. 82, SLA 1985 in the Temporary and Special Acts; for legislative findings and intent in connection with the enactment of (f) and (g) of this section, see § 1, ch. 53, SLA 1988 in the Temporary and Special Acts.

Effect of amendments. — The 2004 amendment, effective June 5, 2004, inserted "gas only" in subsection (e).

Legislative history reports. — For report on ch. 117, SLA 1976 (HCS 2d CSSB 215), see 1975 Senate Journal, p. 452; 1975 House Journal, p. 1296.

NOTES TO DECISIONS

Cited in CWC Fisheries, Inc. v. Bunker, 755 P.2d 1115 (Alaska 1988).

Sec. 38.05.128. Obstructions to navigable water. (a) A person may not obstruct or interfere with the free passage or use by a person of any navigable water unless the obstruction or interference is

(1) authorized by a federal agency and a state agency;

(2) authorized under a federal or state law or permit;

(3) exempt under 33 U.S.C. 1344(f) (Clean Water Act);

(4) caused by the normal operation of freight barging that is otherwise consistent with law; or

SB

1

<target><bill>SB 1</bill><subject>SB 1</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 10, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4-16-09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 1(FIN)**

"An Act increasing the minimum hourly wage; and providing for an effective date."

SB 1 ALASKA MINIMUM WAGE

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
LWF				✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			Z	✓
R FOSTER	FOSTER			X	
	KELLY		X		
	AUSTERMAN	X			
	Gara				✓
Harry R Crawford Jr	CRAWFORD		X		
	Joule			X	
	Salmon			X	
Anna Fairclough	FAIRCLOUGH				✓
Chair:	Hawker			R	
Chair:					

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 1(L&C)
(S) Publish Date: 2/25/09

Identifier (file name): SB001-DOLWD-WH-02-02-09
Title: Alaska Minimum Wage
Sponsor: Senators Wielechowski, Ellis, Thomas, Davis, French
Requester: Senate Labor and Commerce

Dept. Affected: Labor and Workforce Development
RDU: Labor Standard & Safety
Component: Wage and Hour
Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: None

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no anticipated financial impact to the department as a result of this legislation.

Prepared by: Grey Mitchell, Director — Phone 465-4855
Division: Labor Standard & Safety — Date/Time 2/2/09 9:32 AM
Approved by: Click Bishop, Commissioner — Date 2/2/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

CS FOR SENATE BILL NO. 1(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/7/09
Referred: Rules

Sponsor(s): SENATORS WIELECHOWSKI, ELLIS, THOMAS, DAVIS, AND FRENCH, Paskvan, Menard

A BILL

FOR AN ACT ENTITLED

"An Act increasing the minimum hourly wage; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 23.10.065(a) is repealed and reenacted to read:

(a) Except as provided in (b) of this section and as otherwise provided by law, for hours worked in a pay period, whether the work is measured by time, piece, commission, or otherwise, an employer shall pay to each employee wages at a rate that is not less than $7.25 an hour until December 31, 2009, and thereafter not less than 50 cents an hour more than the federal minimum wage. An employer may not apply tips or gratuities bestowed on employees as a credit toward payment of the minimum hourly wage required by this section. Tip credit as defined by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum wage established by this section.

*** Sec. 2.** This Act takes effect July 24, 2009.

not offered

26-LS0006\T.3
Wayne
4/15/09

AMENDMENT 2

OFFERED IN THE HOUSE
TO: CSSB 1(FIN)

By Rep. Gara

Page 1, lines 3 - 13:

Delete all material and insert:

"* **Section 1.** AS 23.10.065(a) is amended to read:

(a) Except as provided under (b) of this section and as otherwise provided for in law, for work performed on or after January 1, **2010** [2003], an employer shall pay to each employee wages at a rate of not less than **the wage established in this subsection** [$7.15 AN HOUR] for hours worked in a pay period, whether the work is measured by time, piece, commission, or otherwise. An employer may not apply tips or gratuities bestowed upon employees as a credit toward payment of the minimum hourly wage required by this section. Tip credit as defined by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum wage established by this section. **The minimum hourly wage under this subsection is $7.85 an hour for work performed on or after January 1, 2010; however, for work performed in years after December 31, 2010, the minimum hourly wage under this subsection is the greater of**

(1) $1 more an hour than the federal minimum wage; or

(2) $8.60 an hour for work performed on or after January 1, 2011, and $9.45 an hour for work performed on or after January 1, 2012; thereafter, the department shall, by regulation, not later than September 30 of each calendar year, adjust the minimum hourly wage established in this paragraph for inflation effective for the following calendar year; the adjusted minimum hourly wage shall be the most recent wage under this paragraph adjusted for 100 percent of the rate of inflation based on the Consumer Price Index for all urban consumers

2600

for the Anchorage metropolitan area, compiled by the Bureau of Labor Statistics, United States Department of Labor; the department shall round the adjusted minimum hourly wage up to the nearest one cent; the adjusted minimum hourly wage shall apply to work performed beginning on January 1 through December 31 of the year for which it is effective, and the first adjustment takes effect January 1, 2013.

*** Sec. 2.** This Act takes effect January 1, 2010."

not offered

26-LS0006\T.2
Wayne
4/9/09

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: CSSB 1(FIN)

Page 1, line 1, following "**wage;**":

Insert "**allowing employers to apply tip credit to the state's minimum wage;**"

Page 1, line 8, following "wage.":

Delete "An"

Insert "Except as provided in (d) of this section, an"

Page 1, line 10, following "section.":

Delete "Tip credit as defined by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum wage established by this section."

Page 1, following line 12:

Insert a new bill section to read:

"* **Sec. 2.** AS 23.10.065 is amended by adding a new subsection to read:

(d) An employer

(1) may apply tip credit to the minimum wage established by this section if, for the pay period on which the employee's pay is based,

(A) the employee reports tips or gratuities to the employer for federal income tax purposes and the amount reported by the employee averages at least $7.25 an hour for the hours worked; and

(B) the employer provides written notice to the employee, in advance of the pay period, that the employer may elect to reduce the employee's pay, based on tips and gratuities the employee reports to the

2602

employer for federal income tax purposes, by the amount calculated under (2) of this subsection;

(2) shall determine tip credit when authorized by this subsection by dividing the tips and gratuities received in a pay period that the employee reports under (1) of this subsection by the number of hours the employee worked in the pay period; tip credit taken under this paragraph may not exceed the difference between the minimum wage and $7.25 an hour."

Renumber the following bill section accordingly.

ALASKA STATE LEGISLATURE

SENATOR BILL WIELECHOWSKI
SENATOR JOHNNY ELLIS
SENATOR JOE THOMAS
SENATOR KIM ELTON
SENATOR HOLLIS FRENCH

Sponsor Statement: CS for SB 1 (FIN)
Raising the Minimum Wage

Alaska's cost of living is one of the highest in the nation. The cost of food, housing, utilities, transportation and health care are far greater here than in most states. Despite this, Alaska has the lowest minimum wage on the West Coast. Oregon, Washington, California and Hawaii all have higher minimum wages, as do 15 other states. In addition, in July 2009, the federal minimum wage will increase to $7.25, surpassing Alaska's current rate of $7.15. This will be the first time since statehood that Alaska's minimum wage will fall below the federal level.

CS for SB 1 (FIN) would increase Alaska's minimum wage from $7.15/hour to 50 cents above the federal minimum wage on January 1, 2010. If Alaska's minimum wage, last raised in 2003, were to have kept pace with the rate of inflation, it would be roughly $8.75/hour in 2010. This bill would raise our minimum wage to $7.75/hour in 2010 – a modest increase in these difficult economic times.

More than 8,000Alaskans earn less than $7.75/hour and would benefit from this legislation. Workers that earn the current Alaska minimum wage make roughly $14,872/year, which is little more than the federal poverty level for Alaska ($13,530). Nationally, 25% of those who earn just under $8/hour are parents. Many are the sole wage earners in their household.

Economic studies show that higher wages lead to greater productivity, lower recruiting and training costs, decreased absenteeism, and increased worker morale. Studies have not documented negative employment impacts (e.g., job loss) due to modest increases in the minimum wage, such as that proposed by this bill.

A minimum wage increase will help improve the standard of living for many Alaskan families and recognizes Alaska's high cost of living. This legislation received broad bipartisan support in the Alaska State Senate. Please join us in supporting CS for SB 1 (FIN).

8:37 am MS copy

4-16-09

SB 1: Raising the Minimum Wage

4/15/09 Remarks to House Finance Committee

- Mr. Chairman and members of the committee, thank you for scheduling a hearing on SB 1, a bill jointly introduced by Senate Majority Leader Ellis as well as Senators Thomas, Wielechowski, Davis and French.
- All of the prime sponsors of the bill are currently ~~on the floor~~ in caucus, so they asked me to make these remarks on their behalf.
- As you know, CS for SB 1 (FIN) passed the Senate by a 17 - 2 margin with strong bipartisan support. It is the product of much compromise and proposes two modest increases to Alaska's minimum wage.
- The first increase would take place on July 24, when Alaska's minimum wage will fall -- for the first time in the state's history -- under the level of the federal minimum, which rises in July to $7.25.
- This increase would make Alaska's minimum wage equal to the federal minimum.
- The second increase would become effective on January 1, 2010, when our minimum wage would rise to 50 cents above the federal level. Effectively this would create a state minimum wage of $7.75/hour.
- The sponsors of this bill believe these small increases are appropriate for several reasons.
- Alaska's cost of living is one of the highest in the nation. The cost of food, housing, utilities, transportation and health care are far greater here than in other states.

- Despite this, Alaska's minimum wage is currently the lowest on the West Coast and lower than 19 other states. In July, our minimum wage will be lower than 39 other states.

- This is not only unacceptable, but contrary to Alaska's long tradition of being at least 50 cents above the federal minimum.

- Had our minimum wage, last raised in 2003, been adjusted annually for inflation, it would be $8.46 today – significantly less that what this CS proposes.

- At least 9 states adjust their minimum wage annually for inflation, including Arizona, Colorado, Montana, Nevada, Oregon, and Washington.

- It's important to note that this CS does not do that. It merely proposes to increase the wage on a one-time basis to reflect Alaska' increasing cost of living and the difficulty faced by Alaskans struggling to live on the minimum wage.

- More than 8,000 Alaskans earn less than $7.75/hour. Most work in accommodation and food service, retail trade, educational services, and manufacturing.

- A full-time worker that makes the minimum wage earns about $15,000/year, before taxes. This is barely above the poverty level for a single person ($13,500) and is $3,000 less poverty level for a family of two ($18,000.)

- This is important because 25% of those who earn between $7.15 and $8/hour are parents. Many are the sole wage earners in their household.

- We also know that roughly 58% of minimum wage earners are adults, and the average age of those adults is 38. It's a fallacy that most minimum wage earners are kids.

- It's important to note that Alaska law currently exempts employees under age 18 working 30 hours or less/week from the state's minimum wage. The minimum wage is not a "training wage" for kids -- it's a wage provided to many adults for sustained periods of time.

- State law (AS 23.10.070) also allows the Commissioner of Labor to set a lower minimum wage for individuals whose earning capacity is impaired by physical or mental deficiency, age, or injury.

- One question many people ask is whether raising the minimum wage will result in loss of jobs. This is an important question. Fortunately, there is a growing consensus among economists that increases in the minimum wage do not result in negative employment impacts.

- Recently, over 650 economists, including 5 Nobel prize winners, signed a statement that minimum wage increases can "significantly improve the lives of low-income workers and their families, without the adverse impacts that critics have claimed."

- Alaska's own experience backs this up.

- If we look at the food and beverage industry where the greatest number of minimum wage earners work, we see that the number of employees was not affected by the passage in 2002 of a minimum wage increase.

- In the years following implementation of the wage hike, the number of workers rose steadily.

- The same pattern can be seen in the retail trade industry.

- Economic studies also indicate that higher wages lead to greater productivity, lower recruiting and training costs, decreased absenteeism, and increased worker morale.

- As today's economic downturn forces more poor families to rely on their earnings from low-paying jobs, a minimum wage increase can help lower income Alaskans improve their standard of living and achieve greater financial independence.

- It may also reduce the number of Alaskans forced to rely on public assistance.

- Working for a minimum wage should not mean working for a minimum quality of life.

- On behalf of Senators Ellis, Thomas, Davis, French and Wielechowski, I urge you to support this compromise version of SB 1.

Raising the Minimum Wage: CS for Senate Bill 1 (FIN)

Proposal:

Increase Alaska's minimum wage from $7.15/hour to 50 cents above the federal minimum wage, effective January 1, 2010.

Background:

- Alaska's cost of living is one of the highest in the nation. The cost of food, housing, utilities, and health care are far greater than in other states.
- Despite this, 19 states have a higher minimum wage than Alaska, including California, Connecticut, Hawaii, Iowa, Illinois, Michigan, Oregon, Rhode Island, Vermont, and Washington. By July 2009, this number will increase to 39.
- Alaska's minimum wage was last raised in January 2003. Since then, the prices of fuel, medical care, and other goods in Alaska have skyrocketed.
- If Alaska's minimum wage were to keep pace with inflation, it would be $8.78/hour in 2010, when Senate Bill 1 would go into effect. Projected 2010 minimum wages are $8. 88 in Washington and $8.72 in Oregon. California is already at $8.00/hour.
- At least nine states adjust their minimum wage annually for inflation, including Arizona, Colorado, Florida, Missouri, Montana, Nevada, and Oregon. This compromise proposal does not call for annual inflation-proofing.
- On July 24, 2009, the federal minimum wage will increase to $7.25, surpassing Alaska's. This proposal would increase Alaska's minimum wage to $7.25 on July 24 and to 50cents above the federal level on January 1, 2010.
- More than 8,000 Alaskans earn less than $7.75/hour and would benefit from this legislation.
- Workers that earn the current Alaska minimum wage make roughly $14,872/year, little more than the federal poverty level for Alaska, which is $13,530. Nationally, 25% of those who earn slightly less than $8/hour are parents. Many are the sole wage earners in their household.
- Economic studies have not found negative employment impacts (e.g., job loss) due to modest increases in the minimum wage, perhaps because higher wages lead to greater productivity, lower recruiting and training costs, decreased absenteeism, and increased worker morale.

Estimated Alaska 2007 Employment[1] by Industry and Below Certain Wages

Number and percentage or workers making less than this wage:		
	Employment	Percent
Below $7.75	8,790	2.9%
Below $8.75	22,254	7.4%
Total Employment	301,918	

Industry	Total Employment	Below $7.75		Below $8.75	
		Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting	361	0	0.0%	4	1.0%
Mining	13,300	19	0.1%	59	0.4%
Utilities	1,832	8	0.4%	25	1.4%
Construction	17,555	70	0.4%	124	0.7%
Manufacturing	9,885	648	6.6%	1,467	14.8%
Wholesale Trade	6,519	83	1.3%	244	3.7%
Retail Trade	36,006	1,138	3.2%	4,285	11.9%
Transportation and Warehousing	21,623	166	0.8%	631	2.9%
Information	6,964	147	2.1%	304	4.4%
Finance and Insurance	8,969	54	0.6%	174	1.9%
Real Estate and Rental and Leasing	4,885	216	4.4%	564	11.5%
Professional, Scientific, and Technical	12,146	90	0.7%	245	2.0%
Management of Companies and Enterprises	1,203	3	0.3%	13	1.1%
Administrative and Support and Waste	11,026	220	2.0%	446	4.0%
Educational Services	31,737	1,168	3.7%	1,953	6.2%
Health Care and Social Assistance	36,245	372	1.0%	990	2.7%
Arts, Entertainment, and Recreation	4,066	355	8.7%	884	21.7%
Accommodation and Food Services	26,610	3,440	12.9%	8,309	31.2%
Other Services (except Public	9,425	358	3.8%	987	10.5%
Public Administration	41,561	235	0.6%	546	1.3%
TOTAL EMPLOYMENT:	**301,918**	**8,790**	**2.9%**	**22,254**	**7.4%**

1 Nonfarm wage and salary employment. Excludes self-employed workers, fishermen, domestic workers, unpaid family workers and nonprofit volunteers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Department of Labor, Bureau of Labor Statistics, January 20, 2009.

These estimates are based on information collected in cooperation with the U.S. Bureau of Labor Statistics (BLS), but have not been reviewed nor validated by BLS. The Research and Analysis Section is responsible for the creation of these estimates.

SB1

My name is Silvia Villamides director of Anchorage CHARR representing over 250 small businesses in our community.

Anchorage CHARR supports a minimum wage increase for all non-tip employees. We would like to see an amendment added that reflects the inclusion of federally taxed tips as wages. Anchorage CHARR cannot support the bill as written. I wish to comment on an aspect of the minimum wage debate that is not included in this bill and it is called tip credit.

So what is tip credit? With tip credit, employers can count a certain part of their employees' tips toward meeting their employees' minimum wage. Tip credit has long been on the books. There are 43 States who have tip credit. Labor laws recognize it, tax laws recognize it. It is an issue that impacts small businesses and their workers--mostly in the hospitality industry, such as restaurant workers.

Proposal:

1. Employees would be able to keep the current minimum wage of $7.25 which would be in line with the new increased Federal Wage effective July 24.
2. In the event of future minimum wage increases, employers will be able to receive a credit if their tipped employees make at least $7.25 per hour in tips and for employees who do not meet the minimum tip amount would receive the established minimum wage.
3. Employees who make the $7.25 tipped amount would maintain the $7.25 per hour in wages for a wage base of a minimum of $14.50.

An employee who makes $7.25 an hour in wages and at a minimum of $7.25 an hour in tips working full time will make over $30,000 a year.

If this legislation passes as written, hospitality establishments would have to make tough decisions, such as raising prices, cutting the workforce, reducing employee hours or, worse, shutting down their businesses. A small business with 20 employees will be affected with at least $25,000 in labor cost.

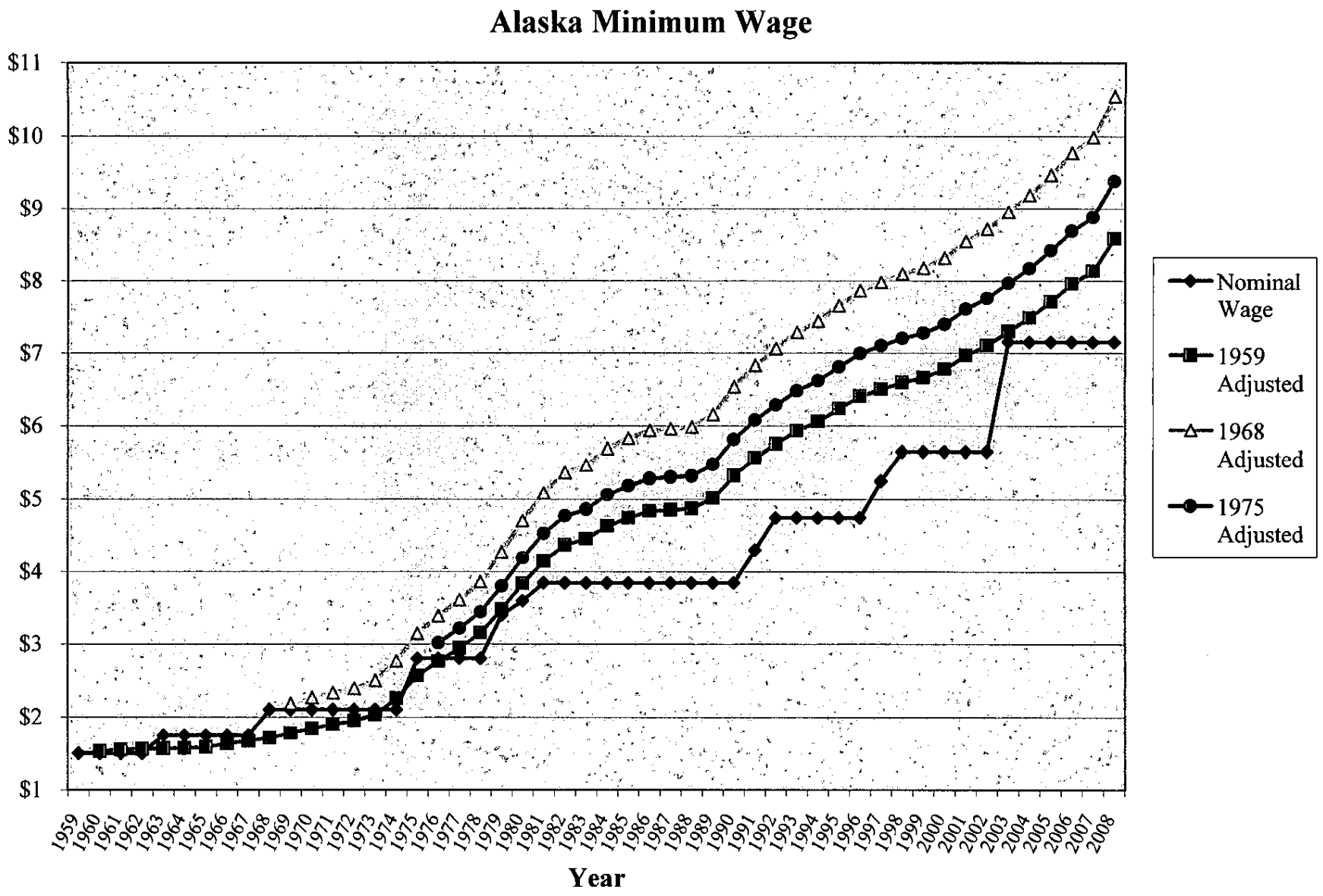
I wish to make it clear that by adding tip credit to this law, it will not result in a lowering of the new Federal minimum wage.

As minimum wage keeps increasing, let's also ensure that our businesses can operate on a more level playing field with the rest of the 43 States that have the tip credit. Without the tip credit, the hospitality businesses and workers will continue to suffer.

It is my hope that the minimum wage proposal will also allow for tip credit, which is critical to the future of many small businesses and workers, and in the end, about fairness and, most importantly, about keeping jobs in these though times.

2009 Poverty Guidelines for Alaska	
Persons in family	**Poverty guideline**
1	$13,530
2	18,210
3	22,890
4	27,570
5	32,250
6	36,930
7	41,610
8	46,290
For families with more than 8 persons, add $4,680 for each additional person.	

The current Alaska minimum wage yields an annual income of $14,872. This is barely above the federal poverty level for a single person and is under the poverty level for a single parent with one child.


Alaska Minimum Wage
$11
$10
$9
$8
$7
$6
$5
$4
$3
$2
$1
1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008
Year
Nominal Wage
1959 Adjusted
1968 Adjusted
1975 Adjusted

Consolidated State Minimum Wage Update Table (Effective Date: 01/01/2009)

> Federal MW	*Equals Federal MW of $6.55*	*< Federal MW*	*No MW Required*
AK - $7.15	ID	AR - $6.25	AL
AZ - 7.25	IN	GA - 5.15	LA
CA - 8.00	KY	KS - 2.65	MS
CO - 7.28	MD	MN - 6.15	SC
CT - 8.00	NE	WI - 6.50	TN
DE - 7.15	NC	WY - 5.15	
DC - 7.55	ND		**5 States**
FL - 7.21	OK	**6 States**	
HI - 7.25	SD		
IL - 7.75	TX		
IA - 7.25	UT		
ME - 7.25	VA		
MA - 8.00			
MI - 7.40			
MO - 7.05	**12 States**		
MT - 6.90			
NV - 6.85			
NH - 7.25			
NJ - 7.15			
NM - 7.50			
NY - 7.15			
OH - 7.30			
OR - 8.40			
PA - 7.15			
RI - 7.40			
VT - 8.06			
WA - 8.55			
WV - 7.25			
27 States + DC			

Estimated Alaska 2007 Employment[1] by Industry and Below Certain Wages

Number and percentage or workers making less than this wage:		
	Employment	Percent
Below $7.75	8,790	2.9%
Below $8.75	22,254	7.4%
Total Employment	301,918	

Industry	Total Employment	Below $7.75		Below $8.75	
		Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting	361	0	0.0%	4	1.0%
Mining	13,300	19	0.1%	59	0.4%
Utilities	1,832	8	0.4%	25	1.4%
Construction	17,555	70	0.4%	124	0.7%
Manufacturing	9,885	648	6.6%	1,467	14.8%
Wholesale Trade	6,519	83	1.3%	244	3.7%
Retail Trade	36,006	1,138	3.2%	4,285	11.9%
Transportation and Warehousing	21,623	166	0.8%	631	2.9%
Information	6,964	147	2.1%	304	4.4%
Finance and Insurance	8,969	54	0.6%	174	1.9%
Real Estate and Rental and Leasing	4,885	216	4.4%	564	11.5%
Professional, Scientific, and Technical	12,146	90	0.7%	245	2.0%
Management of Companies and Enterprises	1,203	3	0.3%	13	1.1%
Administrative and Support and Waste	11,026	220	2.0%	446	4.0%
Educational Services	31,737	1,168	3.7%	1,953	6.2%
Health Care and Social Assistance	36,245	372	1.0%	990	2.7%
Arts, Entertainment, and Recreation	4,066	355	8.7%	884	21.7%
Accommodation and Food Services	26,610	3,440	12.9%	8,309	31.2%
Other Services (except Public	9,425	358	3.8%	987	10.5%
Public Administration	41,561	235	0.6%	546	1.3%
TOTAL EMPLOYMENT:	**301,918**	**8,790**	**2.9%**	**22,254**	**7.4%**

1 Nonfarm wage and salary employment. Excludes self-employed workers, fishermen, domestic workers, unpaid family workers and nonprofit volunteers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Department of Labor, Bureau of Labor Statistics, January 20, 2009.

These estimates are based on information collected in cooperation with the U.S. Bureau of Labor Statistics (BLS), but have not been reviewed nor validated by BLS. The Research and Analysis Section is responsible for the creation of these estimates.

Alaska's Projected Minimum Wage in 2010
Compared with Other Western States' Minimum Wages
Which are Indexed to Inflation[1]

	Alaska	Washington	Oregon	Colorado
2009 minimum wage	$7.15	$8.55	$8.40	$7.28
2010 projected minimum wage	$7.15	$8.88	$8.72	$7.56
2010 wage under SB 1	$8.75	$8.88	$8.72	$7.56

1

Based on the Alaska Permanent Fund Corporation's forecasted inflation rate of 3.85%.

LEGISLATIVE RESEARCH REPORT

JANUARY 30, 2009 REPORT NUMBER 09.113

ALASKA'S MINIMUM WAGE ADJUSTED FOR INFLATION

PREPARED FOR SENATOR BILL WIELECHOWSKI

BY ROGER WITHINGTON, LEGISLATIVE ANALYST

INFLATION-PROOFING THE MINIMUM WAGE 1

Figure 1: The Inflation Rate and the Inflation Adjusted Minimum Wage, 2004 through 2009, and Projected for 2010 3

HISTORY OF THE MINIMUM WAGE 4

Table 1: The Minimum Wage in Alaska and the Federal Minimum Wage 5

You asked for information regarding Alaska's minimum wage. Specifically, you wished to know what the minimum wage would be today if the minimum wage inflation-proofing provisions of HB 56, passed in 2002, had not been repealed in 2003. You also asked us to project what the minimum wage would be in 2010. Based on our calculations, had the minimum wage been adjusted for inflation each year since October 2003, the current minimum wage in Alaska would be $8.46 per hour and the projected minimum wage for 2010 would be $8.78 per hour. *

INFLATION-PROOFING THE MINIMUM WAGE

As you may know, an inflation-proofing provision was added to the Alaska minimum wage law through the enactment of HB 56 in 2002, which also raised the minimum wage from $5.65 (which was 50 cents above the federal minimum wage) to $7.15 per hour. The bill, which took effect on January 1, 2003, also instructed the Department of Labor and Workforce Development (DOLWD) to calculate the first inflation-adjusted minimum wage rate by October 1, 2003, and each year thereafter. Because HB 199, which removed the inflation-adjustment provision, passed prior to October 1, 2003, the DOLWD was never required to calculate inflation-related minimum wage increases.

907-465-3991
907-465-3908 (fax)

Alaska Legislature
Legislative Research Services
w3.legis.state.ak.us/lea/research/research.php

State Capitol
Juneau, AK 99801

The annual rate of inflation for each calendar year is not available until January of the following year. Since the inflation-proofing provisions of HB 56 required the minimum wage be adjusted by October 1st of each year, we adjusted the minimum wage using the previous two semi-annual Anchorage Consumer Price Index (CPI) figures.[1] Based on our calculations, if the minimum wage had been adjusted for inflation each year since October 2003, the current minimum wage would be $8.46 per hour.

You also asked us to project the minimum wage, using a forecasted inflation rate, for 2010. Using the projected rate of inflation used by the Alaska Permanent Fund Corporation (APFC) for 2009 of 3.85 percent, the inflation-adjusted minimum wage for 2010 would be approximately $8.78 per hour.[2] Please use caution when considering this figure. As you know, we are in a period of significant economic uncertainty, and as such, the AFPC's projected rate of inflation for 2009 is unlikely to reflect actual events.

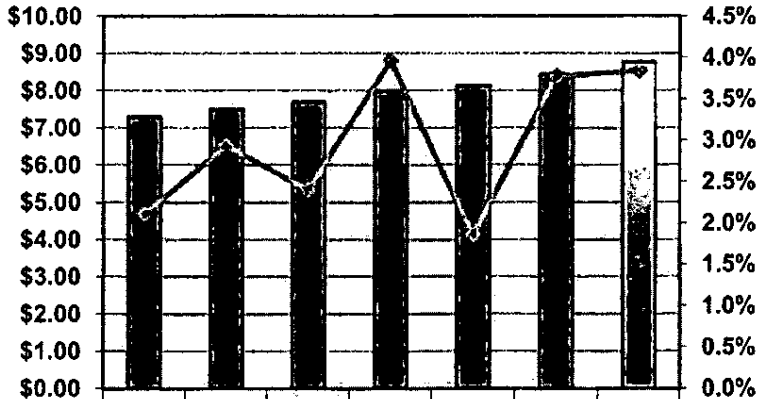
In Figure 1 we provide the inflation rate and the inflation adjusted minimum wage for each year since 2003, as well as the projected inflation rate for 2010.

---

[1] The U.S. Department of Labor, Bureau of Labor Statistics (BLS) only calculates the consumer price index for Anchorage.

[2] According to Laura Achee, Director of Communications for the Alaska Permanent Fund Corporation (APFC), the methodology used by the APFC to calculate the rate of Inflation can be found in AS 37.13.145(c). Ms. Achee can be contacted at 907-796-1522. We obtained the projected inflation rate from *http://www.apfc.org/_amiReportsArchive/2008_12_PROJ.pdf.*

Figure 1: The Inflation Rate and the Inflation-Adjusted Minimum Wage, 2004 through 2009, and Projected for 2010



	2004	2005	2006	2007	2008	2009	2010
Adjusted Minimum Wage	$7.30	$7.51	$7.70	$8.00	$8.15	$8.46	$8.78
Inflation Rate	2.11%	2.94%	2.40%	3.97%	1.85%	3.78%	3.85%

Notes: The 2003 minimum wage was $7.15. We used this figure to base all subsequent adjustments.
HB 56 required the Department of Labor and Workforce Development (DOLWD) to calculate an inflation adjusted minimum wage by October 1st of each year. This adjusted minimum wage would go into effect January 1st of the following calendar year. Because HB 199, which removed the inflation-adjustment provision, passed prior to October 1, 2003, the DOLWD did not calculate inflation-related minimum wage increases.
The Inflation rate is based on the Anchorage Consumer Price Index (CPI), which is the rate used to adjust the minimum wage. Since the annualized CPI rate for each year is not available until January of the following year, and because the minimum wage was to be adjusted by October 1st of each year, we used the CPI for the first half of one year and the second half of the previous year, divided by two to get the average, and then calculated the percentage difference from the year before. This is the rate we applied to the minimum wage in order to make the adjustment for inflation.
The figures for 2010 are projected.

Sources: Consumer Price Index information is from the Alaska Department of Labor and Workforce Development, *http://almis.labor.state.ak.us/?PAGEID=67&SUBID=198*.
Projected rate of inflation is from the Alaska Permanent Fund Corporation, *http://www.apfc.org/_amiReportsArchive/2008_12_PROJ.pdf*.

HISTORY OF THE MINIMUM WAGE

As you know, the federal Fair Labor Standards Act (FLSA), first passed by Congress in 1938, addresses many employment issues including overtime and the minimum wage. Congress set the first federal minimum wage at $0.25 per hour.[3] States could also set their own minimum wages, and in 1959 the first Alaska legislature established the Alaska minimum wage at $1.50 per hour—at that time, the federal minimum wage was $1.00 per hour.[4] As with the FLSA, Alaska law included several exemptions to coverage by the minimum wage requirement, including farmers, fishermen, domestic help, and public employees.[5]

In 1962, the Alaska legislature changed the statute so that the minimum wage in Alaska would be at least $0.50 per hour greater than the federal minimum wage, which at that time was $1.25 per hour.[6] In 1974, the Alaska legislature again addressed the issue of the minimum wage, and amended the statute to establish the minimum wage at "not less than 50 cents an hour greater than the prevailing Federal Minimum Wage Law or $2.60 an hour, whichever is greater."[7] In 1990, the legislature included a requirement that school bus drivers be paid a rate of not less than two times the minimum wage.[8] Table 1 shows the amount of the minimum wage in Alaska from 1959 to the present.

[3] "Federal Minimum Wage Rates under the Fair Labor Standards Act," Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, *http://www.dol.gov/esa/minwage/chart.htm.*

[4] Section 5, Chapter 171, SLA 1959.

[5] Section 2, Chapter 171, SLA 1959. According to the U. S. Department of Labor, "The 1938 Act was applicable generally to employees engaged in interstate commerce or in the production of goods for interstate commerce. The 1961 Amendments extended coverage primarily to employees in large retail and service enterprises as well as to local transit, construction, and gasoline service station employees. The 1966 Amendments extended coverage to State and local government employees of hospitals, nursing homes, and schools, and to laundries, dry cleaners, and large hotels, motels, restaurants, and farms. Subsequent amendments extended coverage to the remaining Federal, State, and local government employees who were not protected in 1966, to certain workers in retail and service trades previously exempted, and to certain domestic workers in private household employment."

[6] Section 4, Chapter 2, SLA 1962.

[7] Section 1, Chapter 41, SLA 1974.

[8] Sections 3 & 4, Chapter 12, SLA 1990.

Table 1: The Minimum Wage in Alaska and the Federal Minimum Wage		
Year	**Alaska**	**Federal**
1959-1962	$1.50	$1.00
1963-1967	$1.75	$1.25
1968-1974	$2.10	$1.60
1975-1978	$2.80	$2.30
1979	$3.40	$2.90
1980	$3.60	$3.10
1981-1990	$3.85	$3.35
1991	$4.30	$3.80
1992-1996	$4.75	$4.25
1997	$5.25	$4.75
1998-2002	$5.65	$5.15
2003-2006	$7.15	$5.15
2007	$7.15	$5.85
2008	$7.15	$6.55

Notes: Minimum wages are per hour.
The federal minimum wage provisions for covered, non-exempt employees are contained in the Fair Labor Standards Act (FLSA). The Fair Minimum Wage Act of 2007 included phased increases to the federal minimum wage. For work performed on or after July 24, 2009, the federal minimum wage will be $7.25 per hour. *http://www.dol.gov/dol/topic/wages/minimumwage.htm.*

Source: U.S. Department of Labor.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

8 Low-Income Households Come Closer to Average
Runzheimer Plan of Living Cost Standards, February 2008

	Total Costs	Percent of Standard City	Taxation	Percent of Standard City	Trans-portation	Percent of Standard City	Housing	Percent of Standard City	Miscel-laneous Goods and Services	Percent of Standard City
Alaska Composite	$39,417	123.2%	$2,448	80.5%	$4,749	113.6%	$24,498	136.7%	$7,722	112.6%
Anchorage	$41,522	129.8%	$2,448	80.5%	$4,934	118.0%	$26,471	147.7%	$7,669	111.8%
Fairbanks	$35,112	109.7%	$2,448	80.5%	$4,714	112.8%	$20,351	113.6%	$7,599	110.8%
Juneau	$41,616	130.1%	$2,448	80.5%	$4,599	110.0%	$26,672	148.9%	$7,897	115.1%
West										
Bellingham, Wash.	$35,414	110.7%	$2,448	80.5%	$4,514	108.0%	$20,994	117.2%	$7,458	108.7%
Bend, Ore.	$38,237	119.5%	$2,723	89.5%	$4,205	100.6%	$24,635	137.5%	$6,674	97.3%
Honolulu	$57,071	178.3%	$2,448	80.5%	$5,240	125.4%	$40,689	227.1%	$8,694	126.7%
Lancaster, Calif.	$37,149	116.1%	$2,448	80.5%	$4,865	116.4%	$21,686	121.0%	$8,150	118.8%
Los Angeles	$62,636	195.7%	$2,448	80.5%	$6,132	146.7%	$45,824	255.7%	$8,232	120.0%
Reno, Nev.	$37,879	118.4%	$2,448	80.5%	$4,632	110.8%	$23,380	130.5%	$7,419	108.1%
Southwest/Mountain										
El Paso, Texas	$29,894	93.4%	$2,448	80.5%	$4,377	104.7%	$16,443	91.8%	$6,626	96.6%
Fort Collins, Colo.	$31,446	98.3%	$2,736	89.9%	$4,507	107.8%	$17,645	98.5%	$6,558	95.6%
Lake Havasu City, Ariz.	$34,868	109.0%	$2,610	85.8%	$4,479	107.2%	$20,667	115.3%	$7,112	103.7%
Pinehurst, Idaho	$27,367	85.5%	$2,674	87.9%	$4,182	100.0%	$14,356	80.1%	$6,155	89.7%
Salt Lake City	$32,033	100.1%	$2,808	92.3%	$4,442	106.3%	$18,294	102.1%	$6,489	94.6%
Midwest										
Highland, Mich.	$34,043	106.4%	$2,448	80.5%	$5,394	129.0%	$19,118	106.7%	$7,083	103.3%
Rapid City, S.D.	$26,398	82.5%	$2,448	80.5%	$4,182	100.0%	$13,607	75.9%	$6,161	89.8%
Shawnee, Okla.	$24,988	78.1%	$3,181	104.6%	$4,414	105.6%	$10,960	61.2%	$6,433	93.8%
Verndale, Minn.	$30,176	94.3%	$2,448	80.5%	$4,605	110.2%	$16,416	91.6%	$6,707	97.8%
Southeast										
Augusta, Ga.	$24,178	75.6%	$3,033	99.7%	$4,650	111.2%	$10,175	56.8%	$6,320	92.1%
Columbia, S.C.	$26,042	81.4%	$2,625	86.3%	$4,280	102.4%	$12,747	71.1%	$6,390	93.1%
Cape Coral, Fla.	$38,415	120.0%	$2,448	80.5%	$4,554	108.9%	$24,508	136.8%	$6,905	100.7%
Hessmer, La.	$26,616	83.2%	$3,036	99.8%	$4,869	116.5%	$12,057	67.3%	$6,654	97.0%
Atlantic/New England										
Fairfax, Va.	$44,941	140.4%	$2,603	85.6%	$4,645	111.1%	$30,162	168.3%	$7,531	109.8%
New York	$55,946	174.8%	$2,463	81.0%	$5,441	130.2%	$39,278	219.2%	$8,764	127.8%
Egg Harbor City, N.J.	$45,423	141.9%	$2,743	90.2%	$5,272	126.1%	$30,547	170.5%	$6,861	100.0%

Note: This exhibit shows how much more or less it would cost for a family of four to live in different cities while maintaining the same standard of living.
Source: Runzheimer International, Runzheimer's Living Cost Index, *February 2008*

show that it generally costs a little extra to live in Alaska – and in some cases more than just a little.

ACCRA index says Alaska cities cost more

Every quarter the ACCRA[5] Cost of Living Index provides comparisons of living costs for about 300 urban areas in the United States. ACCRA's focus is on professional and managerial households with incomes in the top 20 percent for the area and is often used by companies trying to equalize pay for their employees in different locations.

[5] The ACCRA Cost of Living Index was originally produced by the American Chamber of Commerce Researchers Association. It's now produced by The Council for Community and Economic Research, but the index's name hasn't been changed.

The data used in the ACCRA index are collected in each city by organizations that volunteer for the task. As a result, there is more room for error than in some surveys and ACCRA encourages users not to use the percentage differences produced by the index as exact measures.

The most recent ACCRA data include three Alaska cities – Anchorage, Fairbanks and Kodiak – and indicate that all three are at least 23 percent more expensive than the average city in the index. (See Exhibit 7.) Until recently, Juneau was regularly included in the index and was generally the most expensive of the Alaska cities studied.

The three Alaska cities are more expensive than average in every category – groceries, housing,

2622

critics and those trying to understand what's behind changes to the overall CPI.

What's more, there's an especially wide range of dollar amounts that consumers spend on housing, making it more likely that a person's individual expenses will differ from the calculated average.

Some people have paid off their home loans and pay only property taxes and maintenance costs, neither of which are likely to change significantly with the vagaries of housing markets. Others spend very little on housing because they live with parents or other relatives. On the other end of the spectrum, new homeowners can pay large monthly mortgage payments and see increases far in excess of those represented by the CPI.

Where is inflation headed?

Whether inflation will stay low is impossible to predict with any certainty, but it appears unlikely. Most forecasts for U.S. inflation are generally higher, due to the current trends in both energy and food costs, and in three out of the first four months of 2008[3] the national CPI has been up at least 4 percent over the year.

The higher national inflation has been driven largely by rising energy and food prices, increases Anchorage is unlikely to escape. Consultants for the Alaska Permanent Fund Corporation, which uses the CPI to make sure the principal of the Permanent Fund keeps up with inflation, have forecasted a 2.8 percent U.S. inflation rate for the next five years.[4] Anchorage data for the first half of 2008 will be released in late July.

[3] The national CPI is produced every month. Monthly CPI data are also available for the nation's four Census regions (Northeast, Midwest, South and West) and for three major metropolitan areas. Data for 11 metropolitan areas are published every other month. Anchorage is in a group of 13 smaller metropolitan areas for which data are published every six months.

[4] The forecast comes from the investment consulting firm, Callan Associates.

Alaska Cities Generally More Expensive 7

ACCRA[1] cost of living index, first quarter 2008

	All Items Index Costs	Grocery Items	Housing	Utilities	Transportation	Health Care	Miscellaneous Goods and Services
Anchorage	126.6	142.7	138.0	109.8	102.7	125.3	123.2
Fairbanks	133.3	125.7	149.1	170.6	108.2	139.8	117.9
Kodiak	123.4	148.5	116.3	144.7	115.3	128.8	115.8
West							
Portland, Ore.	119.9	108.2	138.9	101.3	109.4	105.5	117.9
Honolulu	165.3	164.0	249.1	138.5	117.1	109.8	120.5
San Francisco	173.6	131.4	292.7	96.6	114.5	118.6	131.1
Las Vegas	110.6	99.0	136.7	99.5	101.4	104.7	98.3
Southwest/Mountain							
Cedar City, Utah	91.7	95.6	89.6	82.4	96.0	88.6	93.8
Phoenix	101.6	103.8	101.0	94.7	98.7	99.0	104.7
Denver	105.1	104.7	111.4	103.4	92.8	104.0	104.2
Dallas	91.9	100.6	72.1	99.1	100.6	103.0	100.0
Midwest							
Minneapolis	109.3	124.4	117.7	105.4	96.8	104.2	101.8
Cleveland	95.1	100.5	84.5	101.0	101.7	104.0	97.7
Chicago	111.5	107.9	129.0	118.0	109.2	103.3	96.9
Southeast							
Orlando, Fla.	102.1	106.5	93.5	102.1	105.5	95.2	108.1
Mobile, Ala.	93.6	104.1	76.1	105.7	96.4	88.4	101.7
Atlanta	97.6	96.4	94.0	90.3	105.0	103.6	100.3
Atlantic/New England							
New York (Manhattan)	218.8	141.0	404.9	150.1	124.8	129.1	142.0
Boston	134.0	121.6	160.5	130.4	108.5	136.2	123.8
Philadelphia	122.6	126.5	140.6	118.5	105.2	108.6	113.3

Note: Index numbers represent a comparison to the average for all cities for which ACCRA volunteers collected data.

[1] The ACCRA Cost of Living Index was originally produced by the American Chamber of Commerce Researchers Association. It's now produced by The Council for Community and Economic Research. The focus of the index, which has been published since 1968, is on professional and managerial households with incomes in the top 20 percent for the area.

Source: ACCRA Cost of Living Index

The CPI can't be used for geographic comparisons

The CPI gives the most authoritative answer to how much prices are rising over time in a particular location, but it is not designed to say whether one location is more expensive than another. Index numbers for the U.S. CPI are higher than they are for Anchorage, but that only means that prices have increased more nationally than they have for Anchorage since the 1982-1984 base period (when the index was set at 100).

Studies and surveys designed to compare the cost of living in different locations continue to

2623

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
and ALASKA MENTAL HEALTH BOARD

SARAH PALIN, GOVERNOR

P.O. BOX 110608
431 N. Franklin Street, Suite 200
JUNEAU, ALASKA 99811-0608
PHONE: (907) 465-8920
FAX: (907) 465-4410
TOLL FREE: (888) 464-8920

February 19, 2009

Senator Bill Wielechowski
Alaska State Capitol
Juneau, Alaska 99801

Re: SB 1 Raising Alaska's Minimum Wage

Dear Representative Wielechowski,

The Advisory Board on Alcoholism and Drug Abuse and Alaska Mental Health Board appreciate your recognition of the need for an increase to Alaska's minimum wage. While the proposed increase to minimum wage does not alleviate all the problems faced by Alaska's working poor, it would help low-wage workers better provide for their families. Many of these low-wage workers are people experiencing mental illness or in recovery from mental illness or addiction, so we support moving minimum wage closer to a meaningful wage.

Despite arguments that raising minimum wage endangers small businesses and the jobs they provide — or that minimum wage is only paid to entry-level positions from which workers quickly graduate to a higher wage — research by the Economic Policy Institute shows "no significant job loss associated with the 1996-1997 [federal] minimum wage increase." Instead, low-wage labor markets performed better after the minimum wage was increased.

Of low-wage workers, women and minority workers benefit most from an increase in minimum wage. Among low-income families with children, low-wage workers contribute over half of the family income — which means that raising the minimum wage will benefit the more than 19,000 Alaskan children living in poverty.

It is not just teenagers working for spending money who hold minimum wage jobs in Alaska. Parents, seniors trying to supplement their limited income, individuals experiencing disabilities, and students putting themselves through school are all represented in the low-wage labor market. Their work is a valuable part of our economy, and should be recognized as such. Thank you for your work, and please let us know if the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse can assist in the effort to pass this important legislation.

Sincerely,

Debi Keith, Chair
AMHB

Lonnie Walters, Chair
ABADA

2624

NELP

National Employment Law Project

Delivering Economic Opportunity

Protect the Economic Security of Thousands of Alaska's Tipped Workers

February 13, 2009

Thousands of hard-working waiters and waitresses are counting on Alaska lawmakers to protect their economic security in the current minimum wage debate. Tipped workers like the waitress at your local diner are already struggling to get by, and a disproportionate number live in poverty. And this hard-working group of workers (overwhelmingly women) is currently seeing its pay drop as economically squeezed customers leave smaller tips. Moreover, economic studies show that, contrary to the restaurant industry's claims, guaranteeing a strong minimum wage for tipped workers is simply not a major factor, one way or the other, in the economic health of the industries that employ these workers.

1. **More than 5,900 working Alaskans already struggle to get by on the minimum wage and tips.**

   - Alaska has thousands of tipped workers – including at least 4,200 waiters and waitresses and 1,700 bartenders alone, according to the U.S. Bureau of Labor Statistics (BLS).[1] These workers represent nearly 2% of the state's workforce – more than the number of the state's elementary and middle school teachers combined.[2] And the total number of Alaskans who rely on tips to get by is likely higher, since this number does not include tipped workers in other occupations.

   - But the BLS employer survey reports that as of 2007 Alaska's waiters and waitresses earned just $9.67 an hour even after tips – about $2.50 more than the minimum wage at the time, but less than half of the average hourly wage in the state ($22.00).[3]

   - Over the course of a year, the average waiter or waitress earns $20,114 – just below the federal poverty line for a family of three in Alaska.[4] In reality, even a single adult Alaskan can have trouble making ends meet on less than $10 per hour, and more realistic calculations find that a one-parent, one-child family needs to earn closer to $38,000 annually (about $18.28 per hour) to get by in Anchorage – and closer to $44,000 in rural Alaska.[5]

2. **Tipped workers need a strong minimum wage because they can't count on tips.**

   - Tips are notoriously erratic – varying based on broader economic trends, and from season-to-season or even shift-to-shift. This is especially true now, as national reports show that economically struggling customers are leaving smaller tips.

   - Workers who rely on tips are open to sudden pay drops that prevent them from paying their bills and caring for their families.

   - States that, unlike Alaska, allow employers to pay tipped workers less than the minimum wage under complicated "tip credit" systems have found that they are vulnerable to abuse that results in many tipped workers being paid very low wages and not receiving all of their tips.

   - Rejecting this approach, Alaska has followed the approach of other western states including California, Minnesota, Montana, Nevada, Oregon, and Washington by requiring employers to pay tipped workers the full minimum wage in order to ensure workers like the waitress at the local diner receive a dependable base income that cushions them against economic hardship.

3. **Across the country, tipped workers are overwhelmingly working women, and a disproportionate share live in poverty.**

- NELP's analysis of the Current Population Survey shows that 62% of tipped workers overall and 72% of waiters and waitresses are women. More than two-thirds of tipped workers are adults 21 and older, and 86% of waiters and waitresses are over 19.

- Tipped workers like waiters and waitresses face triple the poverty rate of the workforce as a whole, with one in seven living in poverty (14.9%).

4. **Studies of states and cities that have high tipped worker minimum wages consistently show that the tipped worker minimum wage – like the minimum wage in general – is simply not a major factor, one way or the other, in the economic health of the industries that employ these workers.**

- For example, a 2006 study the Fiscal Policy Institute found that the 10 states that had raised their minimum wages (and tipped worker minimum wages) between 1998 and 2003 had *faster* job growth in their small businesses than the 40 other states.[6]

- In a 2006 study, Dartmouth economist Paul Wolfson found no evidence of job loss in the restaurant industries of 17 states and the District of Columbia that had raised their minimum wages and tipped worker minimum wages (the latter in 16 of those 18 jurisdictions).[7]

- A University of California study of San Francisco's restaurant industry found no restaurant closures, job loss, or substantial price increases after the city raised the minimum wage for all workers – including tipped workers – by $1.75 an hour in 2004.[8]

- Even the National Restaurant Association's own analysis of industry trends projects that Alaska will be one of the top five states in terms of restaurant job growth over the next decade —joining Nevada, another state that requires tipped workers be paid the full minimum wage ($6.85).[9]

For more information, please contact Raj Nayak at 312-399-9904 (cell) or RNAYAK@NELP.ORG.

---

[1] *See* Bureau of Labor Statistics, May 2007 Occupational Employment and Wage Estimates Alaska (2007), http://www.bls.gov/oes/2007/may/oes_ak.htm.

[2] According to the BLS, Alaska has 4,840 elementary and middle school teachers combined, not including special education and vocational education teachers. *Id.*

[3] *Id.*

[4] *Id;* United States Department of Health and Human Services, 2008 Federal Poverty Guidelines, http://aspe.hhs.gov/poverty/08Poverty.shtml ($22,000 for a family of three in Alaska).

[5] *See* Economic Policy Institute, Basic Family Budget Calculator, http://www.epi.org/content/budget_calculator/?family_type=1P1C&state=AK&area_name=Anchorage%2C+AK+HUD+Metro+FMR+Area (Anchorage); http://www.epi.org/content/budget_calculator/?family_type=1P1C&state=AK&area_name=Rural (rural Alaska). Economists have created this measure based on realistic basic family budgets tailored to a variety of metropolitan statistical areas around the country. *See* Sylvia Allegretto, Basic Family Budgets (2005), http://www.epi.org/publications/entry/bp165/.

[6] Fiscal Policy Institute, States with Minimum Wages Above the Federal Level Have Had Faster Small Business and Retail Job Growth (Mar. 30, 2006), http://fiscalpolicy.org/FPISmallBusinessMinWage.pdf.

[7] Paul Wolfson, State Minimum Wage: A Policy That Works (2006), http://www.epi.org/content.cfm/bp176.

[8] Arindrajit Dube, et al, The Economic Impact of a Citywide Minimum Wage (3d Rev. 2007), http://repositories.cdlib.org/iir/iirwps/iirwps-111-05.

[9] National Restaurant Association, "Restaurant Industry in All 50 States to Grow Sales, Add Jobs in 2008 and Beyond," Dec. 12, 2007, at http://www.restaurant.org/pressroom/pressrelease.cfm?ID=1536. *See also* Press Release, *Darden Sees Little Impact from Minimum Wage Hike*, Dec. 20, 2006 (on file with NELP).

AKPIRG

April 15, 2009

Alaska State Legislature
House Finance Committee
State Capitol
Juneau, Alaska 99801

To House Finance Committee Members:

Please accept this letter as written support for Senate Bill 1 by the Alaska Public Interest Research Group (AKPIRG). We believe that maintaining a wage for workers in Alaska above the federal standard is essential for families struggling to make ends meet.

For more than 35 years, AKPIRG has provided research and advocacy on behalf of thousands of members across the state and the general public. We are non-partisan, non-profit 501(c) 3 organization dedicating to serving the public interest.

Alaskans deal with some of the highest living costs in the nation, yet without making substantial changes to our minimum wage laws, working families will be tied to the federal minimum standard used in states with much lower costs of living. Around the country states have moved forward with their own standards for a minimum wage, including some of Alaska's closest neighbors in Washington and Oregon, whose minimum wages are $8.55 and $8.40 respectively.

Economic studies show that higher wages lead to greater productivity, lower recruiting and training costs, decreased absenteeism, and increased worker morale.

In recent years all Alaskans have seen prices of essential items like food, gasoline and energy skyrocket with many receiving no increase in their wages. Alaska is overdue for a new standard that will serve its lowest wage workers around the state.

AKPIRG supports SB 1, Raising the Minimum Wage, and urges committee members to support it.

Sincerely,

Gabe

Gabe Aceves
Executive Director
AKPIRG
907.278.3661
www.akpirg.org

SB 1 LETTERS OF SUPPORT

<target><bill>SB 1</bill><subject>SB 1 LETTERS OF SUPPORT</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Representative.Mike.Hawker@legis.state.ak.us

State Capitol 505
Juneau, Alaska 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: 465-4928
Representative.Bill.Stoltze@legis.state.ak.us

State Capitol 515
Juneau, Alaska 99801

State Capitol, Juneau, Alaska 99801-1182

This is a sample of letters of support received for SB 1-ALASKA MINIMUM WAGE. There are approximately 200 letters on file. They are posted in Basis under the Documents section of SB1.

Letter in Support of Increasing Minimum Wage

Name: FRANCENE LILLEY
Address:
4314 San Roberto Ave. #6
An/AK, 99508
Phone Number: 929-5296

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I'm working hard and am barely making it at $10.00 p/hr I can't imagine how you do it on minimum wage.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Francene Lilley
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kokayi Nosakhere
Address:
617 W. 18th
Anchorage, Alaska, 99503
Phone Number: 884-4710

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

As someone committed to confronting poverty, however it manifests, I desire to see a living wage adopted in Alaska. This increase to $8.75 is a step in the right direction. In the Fairview community, 1 out of 3 citizens exist at the federal definition of poverty. Access to resources is the number one contributor to personal success. Please increase the minimum wage!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kokayi Nosakhere — Signature
1-30-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Rachel Hollander
Address:
4081 E. 20th Ave. #37
Anchorage, AK [redacted], 99508
Phone Number: 907.279.0305

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People work hard and receive little recognition let alone compensation for their labor. It is not acceptable to have a population of "working poor" in Alaska. We are too valuable a community to be treated as less than. It costs more to live here; the pay of our workers should reflect our worth as a state.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1-31-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Diana Mansal
Address:
911 Medfra St. Unit A
Anch., AK, 99504
Phone Number: (907)310-4119

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

There is a lot of things going on with the economy these days and we all have to suffer for it. Prices are being raised and 7.15 is not going to cut it, also if this raises maybe that'll decrease the population of teenagers shoplifting.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

K Mansal
Signature

01/30/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Stacy Haubrich
Address:
4012 San Roberto Ave #A
Anchorage AK, 99508
Phone Number: 310-1854

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living in Alaska is much higher than anywhere else in the States food and transportation being the hardest to sustaine. With this State having one of the highest rates of obesity we need to be able to purchase healthy foods not just cheap junk.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Stacy Haubrich
Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Eric Cover

Address: PO Box 242492

Anchorage AK, 99524

Phone Number: (907) 952-1021

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because it makes Sense! It will allow and encourage people to live legally and give them a higher sense of worth. Alaska's cost of living is high and necessary all the time. People want to pay their own way and feel like they are doing their part.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: GINA T

Address: 8138 E 3rd

, 99564

Phone Number: (907) 764-2319

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because people aren't making enough money to put up with at least a month pay. Also because if only one person is working, it's not going to be enough for a month pay on their own.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Gina - Taupea
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mariah Ramsdell
Address: 1851 Bellevue Loop
Anchorage, AK, 99515
Phone Number: 301-3713

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that every hard-working individual deserves to make the minimum amount of money necessary to pay their bills and support their families. Our current minimum wage does not allow our community members to do this. Please help!!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Mariah Ramsdell
Signature

9.17.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kyle Yan
Address:
3031 Horizon St.
Anchorage, AK, 99517
Phone Number: (907) 240-0944

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I have seen many college students working minimum-wage and struggling to pay off all their expenses and educational costs, not to mention food or housing. An increase to $8.75 would greatly help young adults who are struggling financially and balancing school with work. Since they will provide the future workforce in Alaska, I strongly support an increase in minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kyle Y
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Scott
Address:
6230 Dunbar Ln
Anchorage, Ak, 99504
Phone Number: (907) 947-8614

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A lot of employees do hard work for minimum wage, and, as a student, I have a hard time getting high paying jobs. An increase in minimum wage would help me support myself.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-19-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Crystal Platt
Address:
10967-C Campostue
Elmendorf AFB, 99506
Phone Number: 644-9906

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people deal with the high cost of living due to the declining economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Crystal Platt 2-19-09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: GINA T

Address: 9138 E 3rd

_____, 995 04

Phone Number: (907) 764-2319

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because people aren't making enough money to put up with at least a month pay. Also because if only one person is working, it's not going to be enough for a month pay on their own.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Gina - Taupea
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Demetrius Lalofau.
Address:
320 S. Bragaw #3.
Anchorage, Ak, 99508.
Phone Number (907) 258-7686

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Economy is low and the government dont need to be giving away so much money so give a reason for people to actually work harder for what they earn. (its better than $7.15)

GOD BLESS!!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kathy Williams
Address:
8757 Bunnamuck Pl #B
Anchorage, AK, 99502
Phone Number: 907-522-0227

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Help families provide a better income - incentive to help people find jobs worth working for inflation purposes.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kathy Williams
Signature

2-21-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sonya R. Davis
Address:
3309 Wisconsin St.

Anchorage, AK, 99517

Phone Number: 317-9630

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living is above the national norm as are our gas prices. People are entitled to a living wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Sommer
Address:
4424 Wright St
Anch, AK, 99508

Phone Number: (907) 868-4654

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To raise the standard of living for lower Income family. ~~Increase~~ Stimulate the economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: AnderRita Knott
Address:
641 Ingra St
Anchorage AK 99501, 995

Phone Number: 907 360 7846

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

with the cost of living going up, I feel the American people should recieve more for their pay

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

AnderRita Knott
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Claghale
Address:
3127 Peterson Ave Apt #4

_____, 99508

Phone Number: 929-5290

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Two Kids, Bills, be nice to go up to cover bills.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

John Claghale
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jeffrey Langdon
Address:
3230 Peterkin Ave #15
Anchorage AK, 99507

Phone Number: 720-9033

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because it will be better in the long run with other prices going up.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Aaron Reed
Address:
3230 Peterkin Ave #C6
Anchorage, AK, 99508
Phone Number: 907-310-1867

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Its About time.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Aaron Reed
Signature

2-15-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Regina Walker
Address:
3230 Peterkin

, 99508

Phone Number: 744-0246
744-0246

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A lot of people I know are on minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Cory Brant
Address:
Northstar Apt
3230 Peterkin ave, 99508

Phone Number: 460-7232

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The min wage increase would circulate more money & increase the lower wage & help the Recession.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jennifer Beeka
Address:
3233 Peterkin Ave #3
Anchorage AK 99508, 995
Phone Number: 530 513-1490

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

its hard enough in todays economy. We need anything we can get. If we are able to give away thousands of dollars to the poor can't we give a little more to the people who are out working hard for it.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jennifer L Beeka — Signature
2/15/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: LeXANIER Kitchen
Address:
P.O Box 188 Kodiak
AK 99615, 995
Phone Number: 907-741-1251

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Things are becoming more expensive we need need make more/ just to get by 7.15 doesn't get you by. if it was 8.75 you'd have less poor and unwealthy families

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature 2/15/09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Freddie A. Mixon
Address:
3124 Richmond #2
Anch Ak, 99508
Phone Number (907) 310-4752

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Jobs around are ~~are~~ decreasing People options are falling If everbody is relieing on paychecks that just pay bills + food our economy will fall just like the rest of the nation

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Freddie
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Saan Saelee
Address: 3124 Richmond ave #7
Anchorage AK, 99508
Phone Number: 272-4939

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The gas prices are so high and as well foods prices

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/16/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jerry Alwinore

Address:
Box 100608

Juneau AK 99510, 99510

Phone Number: 907 640 0854

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Betterment of All Alaskans for a prosperous future

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kao Saelee
Address: 3124 Richmond Ave #16
Anchorage, AK, 995
Phone Number: 891-0497

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

get family to food.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Saelee Kao — Signature
2/15/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Scott Sonaysene
Address:
3224 Richmond Ave #11

Anchorage, AK 99508-3995

Phone Number: 258-1066

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I Think it will really help me help my mother in paying her bills.
Also, I think it will

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Scott Sonaysene
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Elena Duball
Address:
3209 Tsunatau #1
Anchorage AK, 99508
Phone Number: 907-310-5811

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

rent is high
Have kids at home
food is high
Cost of living

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Elena Duball
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Melvin Erickson
Address:
3209 Tarnata
Anchorage AK, 99508
Phone Number (907) 209-1427

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

would help people food-rent-clothes
we need it
Thank you

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Melvin Erickson
Signature

2-15-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Maggie Alecknavage
Address:
3209 Tarwater Ave. #4
Anchorage, Ak, 99508
Phone Number: 727-9580

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

$7.15 is ridiculous to live off of!!

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

M. Alech
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: R L C Kosbruk Ralph Kosbruk
Address:
3145 Tawa Tan #4

Anch, 99508

Phone Number: 3109137
310-9133

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

should an even wage be for one of wage earner

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2-15-04
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: DAVID KUNKEL
Address:
3201 TARWATER AVE #3
ANCHORAGE AK, 99508

Phone Number: 830-5981

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Support any increase for any reason.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Paleta Saena
Address:
3202 Parwater #1
Anchorage, AK, 99505
Phone Number: (907) 278-2648

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

times are harder and even justa little increase in pay would help out a lot.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

02/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Cathleen Hall
Address: 3324 Tarwater Ave Apt 4
Anchorage AK, 99508
Phone Number: 9077209156

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The prices on gas has been increasing. And the minimum wage is just to lower to pay bills.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Meana Jenke
Address: 3432 Tanwater Ave #4
Anch AK 99508
Phone Number: 907 382 9085

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because its so expensive. Cost of living is very high!

Bridge the gap between low income & middle class.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/05/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jana LeGrue
Address: 417 Tayson #2
Anchy, , 995

Phone Number: 764-4073

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It is very hard to survive on anything less, Groceries & rent are very high.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jana LeGrue 2-15-09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Andres Gonzalez
Address:
1003 E 12th Ave Apt#4
Anchorage, AK, 99501
Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I would like to see it increased as this would really help the population of Anchorage to avoid the crisis affecting the rest of our nation.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Haley, Spencer
Address:
11023 E 12 Ave #1
Anchorage, Ak, 99501
Phone Number: (907) 947-7872

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Everyone needs more money, Especially Family's

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2009 1502
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tonya Eddie
Address:
1009 E 12Th #4
Anchorage AK, 99501
Phone Number: 444-7357

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jonathan Barrett
Address:
1009 East 12 Ave
Anchorage, 99501

Phone Number: 9077309703

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Support economy

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Derek Hagen

Address:
22224 Whispering Birch Dr

Chugiak AK 99567, 99567

Phone Number: ~~907~~ 360 773 6797

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cause I want to make more money, when prices are going up for everything

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Michael Jenkins
Address:
3121 Rosella st. #D
Anchorage AK, 99504
Phone Number: 907-230-5811

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Price of Housing, Apt.
Price of food
Price of drink or cigerettes

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

THE FOLLOWING DOCUMENT WAS SCANNED AS RECEIVED FROM THE LEGISLATIVE LIBRARY. IT WAS RECEIVED BY THEM IN THIS CONDITION AND CANNOT BE CORRECTED.

Letter ir

Name: I
Address:
6124 E. 12
Anchorage, A
(907)
Phone Number:

During the 2009 St
WIELECHOWSKI, J
important Bill could ir
potential $8.75 per ho
(every year) according
and would like the S
increase. Here are my

Increase

Thank you for taking
have any questions, pl

Signature

This letter campaign
any politic

Letter in Support of Increasing Minimum

Name: Cody Grabow
Address:
904 East # 12th ave
Anchorage AK, 99501
Phone Number: 307-320-7617

During the 2009 State Legislature, Senate Bill 1 is sponsored
WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye D
important Bill could increase Alaska's minimum hourly wage from it
potential $8.75 per hour. Once increased, the minimum wage will b
(every year) according to a determined rate of inflation. I support this
and would like the Senate sponsors, and other like-minded Senato
increase. Here are my reasons why:

The cost of Living is high in Ancho
The cost of driving to and from
hardly makes the minimum wage f

Thank you for taking my thoughts into consideration. I ~~am a registe~~
have any questions, please call me at the above number.

Cody Grabow
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens an
any politician, political organization or political action

Letter in Support of Increasing Minimum Wage

Name: Chris Douglas
Address: 4110 Cope St #3
Anch, AK, 99503
Phone Number: 541-961-7660

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I lived in a retirement community in Oregon and the low min. wage was not well corellated w/ the economy causing lots of low income situations and poor economy, and people did not take care of the area. I do not want that to happen to Alaska

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Dawn Britt
Address:
6850 windsor dr
Wasilla, AK, 99687
Phone Number: 9073578942

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The price to support a family has increased so much with the price of fuel and utilities increasing.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Dawn Britt
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Maria DeJesus
Address:
7713 Chaimi Loop
Anchorage AK, 99504
Phone Number: [redacted] 3104658

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A person should be able to support their family and that is very hard if you only making 7.15

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Maria DeJesus
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kurt Jansky

Address:
3929 San Roberto Ave #203

Anchorage, AK, 99508

Phone Number: 907 743 3085

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent increasing

Gas prices

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: DAN DeMott
Address:
3935 San Roberto #1 Ave.
Anchorage, AK, 99508

Phone Number: 764 6350

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

need more money for food. and to make ENDS meet.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Dan DeMott
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Erika Rivers
Address: 4001 San Roberts #4
Anchorage AK, 995 05
Phone Number: 727-8079

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because some people CANNOT Live off this measely wage, and alot of families are suffering and going hungry because of it!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Erika Rivers — Signature
2/14/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jeannie A. Hall
Address: 4126 San Roberto #5
Anch, AK, 99508
Phone Number: 770-5569

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

finding a real job is hard now in days, and supporting cause living in apartment ~~cause~~ cost alot and I hope people like me or any other people who helps alot so my vote is Yes.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jeannie A. Hall — Signature
2-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Leafofa Iusi

Address:
4128 San Roberto Ave Apt 1

Anchorage, Ak, 995 08

Phone Number (907) 764-5391

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is high.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Leafofa Iusi
Signature

02-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Teri Nickels
Address: 4012 San Roberto #B

_____, 99509

Phone Number: 727-5876

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because $7.15 is not worth working for!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Michelle King
Address:
4200 San Roberto #1
Anchorage, AK 995~~15~~08

Phone Number: (907) 310-7956

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would help alot of people have kids to support and are only able to get minimum wage paying jobs.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Michelle K. King
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: [illegible]
Address: [illegible]
[illegible], 995[illegible]
Phone Number: 338-1765

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People Can not live on the
Current wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Linda Matthews
Address:
4216 San Roberto #5

Anch, AK. 99508

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent is being increased, groceries increased, gas, everything. My rent was recently increased from $675.00 to $700.00 in a building that is not being kept up to decent standards

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Linda Matthews
Signature

2/14/2008
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: LEONIDAS JONES
Address:
4219 SAN Roberto # 8

_____, 995___

Hm- 644-4492
Phone Number: CELL- 720-4292

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I THINK ENOUGH FOR ANYONE TO MAKE $7.15 FAMILIES SURVIVE OF THAT KIND OF MONEY.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Leonidas Jones
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: William A. Webb
Address: 4228 S Ano Roberto ave
Anchorage, AK, 99508
Phone Number: 907-727-6498

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe the minimum wage should be raised because it could buy more food, pay for bus fare, and any other Neelessity.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

William a Webb — Signature
2-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Clayton Martinelli
Address:
4227 San Roberto Dr
Anchorage AK, 99508
Phone Number: 310-4501

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People can't pay bills,
cost of living keeps going up
Its to cheap now

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Raymond Stanford
Address:
805 Lane St
Anchorage AK, 99508
Phone Number: 310-3577

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To pay my heating bills & work only one job instead of two

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Raymond Stanford
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Taniela A. Lemau
Addre: Po Box 141046
Anchorage AK 99514-1046

_____, 995___

Phone Number: 868-1562

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent is high. I agree for all the people still working. Gas is high. I originally came here in 1988, we need to increase the minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Taniela Tehamau — 2-14-09
Signature — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Caitlin Quinn
Address:
4829 San Roberto #3

_____, 995___

Phone Number: 734.620.0785

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2.14.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2693

Letter in Support of Increasing Minimum Wage

Name: Camila Malam
Address:
4830 San Rebotes St #2
Anch AK, 99508
Phone Number: (907) 929-2571

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would really help my Family and Kids
We really need help

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Camila Malam
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lori Rowley
Address: 4343 San Roberto #5
Anchg AK, 99508
Phone Number: 727-0543

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Due to the increase in cost of living. This increase MUST occur if we as Americans will be able to survive!!!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Steven Posiano
Address: 4343 San Roberto #2
Anch, AK, 99508
Phone Number: 907-980-6074

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

all of the above . . .

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: TAMYRA BYRD
Address:
3705 Arctic #2428
Anchorage AK, 99503
Phone Number: 264 8280

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

being a singel mother of 2 kids 7.15 dose not help me pay all my Bills,

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Tamyra Byrd
Signature

2.14.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard N. Smith

Address: 4404 San Roberto Ave Apt. 5
Anchorage AK, 99503

Phone Number: 338-4063

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

because its we the people, to keep us out of Debt, you should Listen to us try to meet the peoples Demands

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Richard N. Smith
Signature

2/24/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Stacey Cole
Address:
4AAC San Roberto #1
Anch. Ak 99508, 995

Phone Number: 310-0529

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

the cost of living is increasing -
we need that to support our families.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lenah Finau
Address: 1132 Orca St #2
Anch AK, 99501
Phone Number: (907) 727 9542

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

helps many family financially & emotionally

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

12/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mark Jackson
Address: 3702 Arctic Blvd #211

, 995

Phone Number: 229-0457

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People should get paid more for the work they do in AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Asha Kodiyalam

Address: 3503 Richmond

Ave #6W, 99508

Phone Number: 310-9956

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I feel that cost of living is high and you can't get no where making 7.15.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Asha Kodiyalam — Signature

2/14/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard Benning
Address: 645 G St #895
Anch AK, 99501

Phone Number: 727-7663

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We have one of the highest cost of living and still other states have mate more than AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

14 Feb 09.
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: HOPE Matáu

Address: 3424 THOMPSON AVE

#105 , 995 08

Phone Number: 907 242 6078

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of living increases yearly

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Edna a Green
Address: 8802 A Peterkin Ave.
Apt on Anchorage Ak, 99507
Phone Number: 907 929 2929 or 720 8697

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

some of us maybe live alone and spouse to all much have wage to much, Bills to always work for. Vote for increase yes please

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Edna a Green
Signature

02-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ken Brewington
Address: 246 Oklahoma
Anc AK, 99504
Phone Number: 884-3380

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Inflation - High Rents

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Stacy Haubrich
Address:
4012 San Roberto Ave #A
Anchorage, AK 99508
Phone Number: 310-1854

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living in Alaska is much higher than anywhere else in the States food and transportation being the hardest to sustain with this State having one of the highest rates of obesity we need to be able to purchase healthy foods not just cheap junk

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Stacy Haubrich
Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lydia Williams
Address: 4012 San Roberto #13
Anchorage AK, 99508
Phone Number: (907) 310-7027

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Looking for a job and planning to keep a good one.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lydia Williams
Signature

1.31.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Eric Cowen
Address: PO Box 242492
Anchorage AK, 99524
Phone Number: (907) 952-1021

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because it makes Sense! It will allow and encourage people to live legally and give them a higher sense of worth. Alaska's cost of living is high and necessary all the time. People want to pay their own way and feel like they are doing their part.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jason Domingo
Address:
8941 Woodstock
Anch, AK 99502, 995
Phone Number: 727-9541

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It's Hard To Survive with 3 children with minimum wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jason Domingo
Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ava M Grant
Address: 3570 N Bruna Ave
Wasilla AK 99654
Phone Number: (907) 746-0705

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

With inflation and all the raising cost we need to have wages increased to keep up

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Beverly E. Taylor
Address: 1234 #D Latouche St Apt #D
Anchorage, AK. 99501
Phone Number: 337-7454

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this bill. Because of the fact it would be beneficial & helpful to families.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Beverly E Taylor
Signature

4 Feb 09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Thomas Gardiner
Address: 9031 Jewel Terrace #B
Anchorage, Ak, 99502
Phone Number: 677-6019

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this bill because this would help the economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Thomas Gardiner — Signature

2/1/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Renita Gardner
Address: 9031 Jewel Terrace #B
Anchorage, AK, 99502
Phone Number: 677-6019

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this legislation because it will benefit Alaska.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Roland Sparks
Address: 8050 Pioneer Dr #805
Anchorage AK, 99504
Phone Number: 907 230-4918

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It important the people recieve a livable wage. The current minimum wage isn't sufficent for people to have a home in Alaska. With energy costs skyrocketing people need money to stay warm and buy food.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/1/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sharon K. Gardiner
Address: 8050 Pioneer Dr #805
Anchorage, AK 99504
Phone Number: (907) 333-9093

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It's time to help make a better wage for their hard work. This will help people to better care for their families also.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Sharon K Gardiner — Signature
2-1-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lanor Bath
Address:
11335 Bridger Place
Eagle River AK, 99577
Phone Number: 696-2806

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because it's 2009 and
Milk and gas are expensive!
Enough Said.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lanor M Bath — Signature
Feb 01, 08 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Geraldine Fe

Address: 7313 Peek Ave #B

Anchorage AK 99504

Phone Number: 310-0908

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

people needs to be paid more than what they're getting now. I'm sure Alaska has more money than that.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/6/09

Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Debra Andrus
Address:
1043 W. 72nd Avenue
Anchorage, AK. 99518
Phone Number: 907-884-0855

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We have a low percent unemployment rate. The cost of daily expenses 7.15 doesn't cover much. Increasing the minimum wage decreases poverty levels.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

D. Andrus
Signature

1-31-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Angela Weaver
Address:
[illegible]
Anchorage AK 99501 9995 01
Phone Number: (907) 727-1968

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

As an educator for years it is important to make the work individuals do valuable. 7.15 just doesn't cover expenses in Alaska with the ever rising economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Angela Weaver — Signature
1-31-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tenisha Williams
Address: 400 W. 34th AVE #4
Anchorage, AK. 99503
Phone Number: (907) 720-3326

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I am Disabled But still trying To work. With 3 kids how can I support my self.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Tenisha Williams 2/3/09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jerome Zollicoffer
Address: 635 West 45 #4
Anchorage Alaska, 99503
Phone Number: 764-4941

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I feel it's about time with the prices of gas, Rent, heat, food honestly I feel 8.75 not enough

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jerome Zollicoffer
Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Michael Lucier
Address: 5105 Caribou AVE.
Anch, Alk, 99504
Phone Number: 310-8644

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is up here and it is to hard to get by on 7.15 a hour it would be a lot easyer if we got paid more

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Michael Lucier
Signature

2-3-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Georgette Weeg
Address:
P.O Box 879101
Wasilla AK, 99687
Phone Number: 775-3348

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

every thing is going up people
can't live on 7.15 hour when
this is happening

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Georgette Weeg — Signature
2-3-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jerry L. Gage
Address: 4218 San Roberto #4
, 99508
Phone Number: 310-1465

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The wage we have now is not enough for rent, foods, and other needs of families of today.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jy L Gage
Signature

2-3-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard W. Schnaeber
Address: 935 Medora
Anchorage AK 99501
Phone Number: 744-4279

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To support Myself and family

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature 2-3-09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Audrey E Varwig
Address:
2137 Fairbanks St
Anchorage AK, 99503
Phone Number: 8786676

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because taxes are being raised and this way I ~~could~~ wouldn't have to work 3 jobs

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Audrey Varwig
Signature

2-3-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Chris Horsman
Address:
4110 Reka Dr N5
, 995
Phone Number: 333-0148

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe due to the raise of inflation that minimum wage needs to raise

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Chris Horsman — Signature
2/3/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard Genaco
Address:
261 McCarrey Street.
, 99508
Phone Number: 1-928-446-7272

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Minimum Wage is not enough right now
espically how bad the economy and everything is.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature 2/3/09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ellis L Alston
Address: 8300 E 10th Ave

, 99504

Phone Number: 884-1104

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The price of living, gas, Maken Ends meet

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Ellis L Alston
Signature

2/3/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Oscar Auckland
Address:
3605 Alexander Ave
Anch, 99508
Phone Number: 907 317-0582

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Alask has a high cost of living.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/3/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Laquashi Robertson
Address:
1216 E 10th Ave #3
Anchorage, AK, 99502
Phone Number: 907-952-0585

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I have found it harder for people in my generation to find a job that will support them as they develop in this economy. A higher minimum wage will help them and myself lower our stress

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Laquashi Robertson 2/7/09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jason Hagen
Address:
4017 Sun Roberts Ave Apt. 2
Anchorage, Ak 99507
Phone Number: (907) 764-9849

During the 2009 State Legislature, Senate Bill [illegible] is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because I work for minimum wage and have a 8 mo. old son. Rent, bills, food and other misc. items just can't be covered by what I make even at 40 hr. a week. It seems like ak is behind all other States and should catch up with the times.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/3/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: (Email) Reni Ronzon
Address:
5225 Sydnie Kay #B
Anch AK, 99508

Phone Number: 748-1961

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The costs of Living has increased dramatically due to every increase in gas, electric + Shipping

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-3-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ameris Caldwell
Address:
2989 Misty Spring ct
Anchorage, AK, 99507
Phone Number: (347)615-6669

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Raising Minimum wage would be very great, especially for the fact of young adults such as myself who struggle just to maintain rent, car notes, and food for ourselves. because we live on our own.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Ameris Caldwell — Signature
Feb. 2, 2009 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sharon K. Gardiner
Address:
8050 Pioneer Dr #805
Anchorage, AK, 99504
Phone Number: (907) 333-9093

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Its time people make a better wage for their hard work. This will help people to better care for their families also.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Sharon K Gardiner
Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Roland Shanks

Address:
8050 Pioneer Dr #805
Anchorage AK, 99504

Phone Number: 907 230-4918

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It important the people recieve a livable wage. The current minimum wage isn't sufficent for people to have a home in Alaska. With energy costs skyrocketing people need money to stay warm and buy food.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/1/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Renita Gardiner
Address: 9031 Jewel Terrace #B
Anchorage, AK, 99502
Phone Number: 677-6019

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this legislation because it will benefit Alaska.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Thomas Gardiner
Address:
9031 Jewel Terrace #B
Anchorage, Ak, 99502

Phone Number: 677-6019

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this bill because this would help the economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Thomas A Gardiner
Signature

2/1/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Beverly E. Taylor
Address: 1234 #1) Watouche St Apt #1)
Anchorage, AK. 99501
Phone Number: 337-7454

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support this bill. Because of the falling it would be beneficial & helpful to families.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Beverly E Taylor
Signature

1 Feb 09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: [illegible]

Address: [illegible]

[illegible], 995[illegible]

Phone Number: [illegible]

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

With inflation and all the
rising cost we need to have
wages increased to keep up

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

[illegible]
Signature

[illegible]
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jason Demings
Address:
8941 Woodstock
Anch, AK 99502, 995

Phone Number: 727-9541

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Its Hard To Survive w. TH 3 ch.ldren
w th minimum wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jason Demings
Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lydia Williams
Address:
4012 San Roberto #13
Anchorage AK, 99508
Phone Number: (907) 310-7027

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Looking for a job and planning to keep a good one.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lydia K Williams
Signature

1.31.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Bruce Larsen
Address:
6677 Desirel Lp
Anchorage AK, 99507
Phone Number: 227-3759

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living rises, the Basic pay we get should rise with everything else. It would help us pay all our bills.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Bruce J Larsen
Signature

1-31-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Gabriel DeBrill
Address:
3140 Lochwood Cr.
Anchorage, AK, 99504
Phone Number: (907) 764-7159

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We are able to work harder every year. There are more people needed at fast food restaurants. To have more people want to work.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Gabriel DeBrill
Signature

1-30-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Matthew Alexander
Address:
684 W. 34th Ave #526
Anch, AK, 99503
Phone Number: (907) 3101181

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe our ~~minimum~~ minimum wage should accurately reflect our higher cost of living here in Alaska.

Better wages help inspire and motivate those who work and live paycheck to paycheck.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Thelma Pichon
Address: 4639 San Roberto Ave
Anchorage, AK, 99508
Phone Number: 563 1983

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe it would help our economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

01-31-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jesus Melendez
Address:
9600 Morningside Hp
B-102 Anchorage AK, 99515
Phone Number: 907-230-7926

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Well, every year the cost of having is more expensive, gas etc.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

Jan 30, 2009
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Arlene Larsen
Address:
10077 Desiree
Anch. Ak, 99507

Phone Number: 2273759

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

This would cut way down on assistance, because people would be able to keep up with the cost of living

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jessica Tui
Address: 935 E 13th ave
apt # 2 anchorage, Alaska, 99501
Phone Number: (907) 310-7446

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

$8.75 would help those in minimum wage afford to pay thier bills on time. Also have extra money to buy more food for thier families.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jessica Tui
Signature

1-30-2009
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Amber Gawrelucki
Address:
6241 Gross Dr.

Anchorage, AK, 99507

Phone Number: 248-0165

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

AS a working adult with a family of four I know how ~~though~~ tough it can be raising a family. I can't imagine raising a family on $7.15 an hour. I agree to raising the hourly wage to $8.75 per hour. This not only benefits adults but young adults as well. I was one of those kids that worked at a young age to help support my family.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

1/30/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: LANOR BATH
Address:
11335 Bridger Place
Eagle River AK, 99577
Phone Number: 696-2806

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because It's 2009 and
Milk and gas are expensive!
Enough Said.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lanor M Bath — Signature
Feb 01, 08 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Geraldine Ali
Address: 7313 Peck Ave #B
Anchorage AK, 995 04
Phone Number: 310-0908

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

people needs to be paid more than what they're getting now. I'm sure Alaska has more money than that.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature — Date: 2/01/09

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Debra Andrus
Address:
1043 W. 72nd Avenue
Anchorage, AK. , 99518
Phone Number: 907.884.0855

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We have a two parent household with the cost of daily expenses 7.15 doesn't cover much. Increasing the minimum wage decreases families burdens.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

D. Andrus
Signature

1.31.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Angela Weaver
Address:
1529 LaTouche #A
Anchorage AK 99501, 99501
Phone Number: (907) 727-1968

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

As an educator for years it is important to make sure individuals do valuable 7.15 just doesn't cover expenses in Alaska with an ever growing economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Angela Weaver
Signature

1-31-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Robert Russell
Address:
5433 Ryoaks Place
Anchorage, AK 99504
Phone Number: (907) 245-2103

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is expensive. Cost of living goes up every year but minimum wages stays the same. Since cost of living goes up so should minimum wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Robert Russell
Signature

1/31/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: CANETRA SMITH
Address: 5901 East 6th
ANCHORAGE, ALASKA, 99502
Phone Number: 276-1251

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe with the increase in prices in gas, heat, rent, food for people it is impossible to afford to keep with the ongoing price increase. An increase min wage would help with everyday living.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Canetra M. Smith — Signature
Jan 31, 2009 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Louis Bonner
Address:
5300 Windflower

Anchorage, Ak, 995 07

Phone Number: 444-0458

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

In my current work field I assist families in obtaining employment and promoting self sufficiency. Current min wages is hardly enough to sustain a stable household. The severity of this increase would not only benefit maintaining family structure, it would assist families in overcoming challenging barriers and decrease the usage of State funding.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jon Bonner
Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Chunnisee Jackson
Address:
4101 Peck Ave #N89
Anch, AK 99504, 995
Phone Number: 907-929-0908

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The increased cost of living such as Fuel, natural gas, electricity supports such an increase.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Chunnisee Jackson 2/2/09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kevin Daniels
Address:
1941 Marthas Vinyard
Anchorage, AK, 99507
Phone Number: 907-761-9894

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support increasing Minimum wage because there are lots of [redacted] families that can use that extra $1.75. I feel that it could make a difference on the economy because it gives use more money to provide and support family.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kevin Daniels
Signature

02-12-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Eugene Wart
Address:
1427 atkinson Dr.
Anchorage, AK, 99504
Phone Number: 907-529-8722

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

In this period of financial crisis, it is an ever increasing concern to have the financial stability to take care of one's family needs.
Families are also damaged by having to work 3 & 4 jobs to make ends meet.
This increase in pay would do wonders to help the families & communities of this great state.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Eugene Wart
Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2761

Letter in Support of Increasing Minimum Wage

Name: Vicky T.
Address: 909 Chugach Way
Anchorage AK, 99508
Phone Number: 907-764-7455

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

* Family to afford paying their Homes
* Support activities in Schools

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jennifer L. Nieves
Address:
Stebbe Alaska Loop
Anch., AK, 99504

Phone Number: 563-8259

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A- Cost of living increases
B- Poverty levels in State
C- w/ work load - vs - pay scale

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Charon Fendley (R10)
Address:
2040 Farmer Place #3

Anchorage, AK, 99508

Phone Number: (907) 310-6653

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The (cost) cost of living is high in the State of Alaska. So the pay needs to be raised.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-2-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: MARTIN POZOS JR.
Address:
3230 PETERKIN AVE #18

ANCHORAGE AK, 99508

Phone Number: 310-7320

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

COST OF LIVING IN ALASKA IS ABOVE THE NATIONAL AVG FOR FAMILIES TO SUPPORT THEMSELVES WIT THAT LOWER MINIMUM WAGE

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/02/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Shelby Mau
Address:
3501 Northup Pl
Anchorage, AK, 99508
Phone Number: 243-7813

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Price of living gone up - makes it more necessary for people without a degree to work 2 jobs, which is difficult to manage when going to school to earn a degree.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Shelby Mau
Signature

2-1-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kim C. Anderson
Address:
P.O. Box 210913
Anchorage, Ak, 99521
Phone Number: 907-980-1257

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Your average person can not survive on their own with this kinda of income. With the way the economy is today, this is not even enough to cover Rent, transportation, & personal care and any other expenses that occurs.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Rick Cooper
Address: 1011 E. 20th Apt. A

_____, 99501

Phone Number: 279-3209

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It's The Right Thing To Do.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Ricky Cooper
Signature

2-2-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Elgin Jones
Address:
P.O. Box 102048
Anchorage, Ak. , 99510
Phone Number: 907-274-8522

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I would like to see the hourly wage raised so that your average citizen can live better.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Elgin Jones
Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jose Rodriguez
Address:
5624 Alora Loop
Anchorage, AK, 99504
Phone Number: 907-360-5051

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People are having a hard time making ends meet. This bill won't resolve the current economic issue but is a start on helping the Alaska economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mary M Rydesky
Address:
14321 Jamie Dr

Anchorage AK, 99515

Phone Number: 561-3349

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

- economic health of residents working in our state
- ability of residents to pay for basics for a healthy lifestyle

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Mary M Rydesky
Signature

2/4/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2771

Letter in Support of Increasing Minimum Wage

Name: Lexanier Kitchen
Address:
P.O Box 188 Kodiak
AK 99615, 995
Phone Number: 907-741-1251

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Things are becoming more ~~Expensive~~ We need need make money just to get by 7.15 doesn't get you by. if it was 8.75 you'd have less poor and unwealthy families

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Lexanier Kitchen
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

CR

Letter in Support of Increasing Minimum Wage

Name: Lacresia Bridges-Baker
Address:
2510 Sentry Dr #305

Unalaska, AK 99685, 995

Phone Number: 581-9622

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I Support

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lacresia Bridges-Baker
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

CR2

Letter in Support of Increasing Minimum Wage

Name: Hiram Leatualii
Address:
531-A Creekside St.
Anch. AK. 99504, 995
Phone Number: 947-0561

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

See will help out on every expenses since rent and almost everything is sky high on prices.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Hiram Leatualii
Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Derek Hagen

Address:
22224 Whispering Birch Dr

Chugiak AK 99567, 99567

Phone Number: ~~907-~~ 360 773 6794

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cause I want to make more money, when prices are going up for everything

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sandra Malone
Address:
4830 San Roberts St #2
Anchorage AK, 99508
Phone Number: (907) 929-2571

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would really help my Family and kids
We really need help

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Sandra Malone
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Edna a Green
Address: 8802 N Peterkin Ave
Apt 204 Anchorage AK, 99504
Phone Number: 907 929 2929 or 720 8697

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

some of us maybe the olds and spouse to all much have wage to match Bills to ~~making~~ work for Vote for increase yes please

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Edna a Green
Signature

02-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2777

Letter in Support of Increasing Minimum Wage

Name: B. Kaleem Nuriddin
Address:
700 West 34th Ave, # 992
Anchorage AK, 99503
Phone Number: (907) 274-7900

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

As we support increase wages of the lower earnings, it will both assist them in economic advancement, it also stimulates the entire economy due to the circulation of increase spending.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-22-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Cliff Ivey Jr
Address:
~~17000~~
Anchorage, AK, 995
Phone Number: (907) 868-3159

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cell Phone, internet plays a huge part in our growing technology age. Every one needs more money these days for all communication. Help these necessity ~~be~~ become true in each individual's life.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Cliff Ivey Jr
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kurt Jansky

Address:
3929 San Roberto Ave #203
Anchorage, AK, 99508

Phone Number: 907 743 3089

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Help increasing
Gas prices

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: DAN DeMott
Address:
3935 San Roberto #1 Ave.
Anchorage, AK, 99508
Phone Number: 764 6350

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

need more money for food. and to make ENDS meet.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Dan DeMott
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Clagluale
Address:
2127 Peterson Ave Apt #4

_____, 99508

Phone Number: 929-5290

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Two Kids, Bills, because to go up to cover bills.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

John Clagluale
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jeffrey Langdon
Address:
3230 Peterkin Ave #15
Anchorage AK, 99507

Phone Number: 720-9033

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because it will be better in the long run with other prices going up.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Leteasha P. Macon
Address: 8020 Greenwood #10
Anchorage AK, 99518
Phone Number: 720-8292

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

because you cannot live & the people cannot good day a rent at the same time with that ridiculous wage,

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Luke Rondeau
Address:
904 E 5th 12th
Anchorage, AK, 99501

Phone Number: 529-9332

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of fuel pices makes it hard to afford to drive to work & pay for Rent + utilatys

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Robert Hillhouse
Address:
4319 San Roberto # 3

Anch, AK, 99506

Phone Number: 720-6707

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of living going up

Natural gas going up

Elictric going up

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Anthony James Adams
Address:
533 price st. #2
Anch, Ak, 99508
Phone Number: (907) 764-1430

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that the minimum wage as it is is well under enough to support and sustain the average americans lifestyle even with it at its minimums. I believe that america and the world is based on the workforce as its backbone and every american should be able to survive on a hard days work. even if unpractical, any step in that direction helps

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature 2/21/09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Arendell Thomas
Address:
207 N Klevin Apt B2
Anchorage, AK, 99508
Phone Number: 907 301-5779

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Excellent

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Gordon Ivey
Address:
901 E 12th ave #2
Anchorage AK, 99501

Phone Number: 301-3053

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To many bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jennifer Johnson
Address:
2726 Ingra St
Anchorage AK, 99508
Phone Number: (907) 258-1226

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I feel that Alaskans are burdened to attempt to survive on the current Minimum wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2790

Letter in Support of Increasing Minimum Wage

Name: ERIC REED
Address: 609 N Biggers
Anchorage AK, 99508

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature _____ Date 2/1/09

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Heavenleah Hiriams
Address:
2726 Ingra St
Anchorage, AK, 99508

Phone Number: 258-1206

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

You just can not make it on this wage with the cost of living being so high.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Heavenleah Hiriams
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: JOHNNIE WRIGHT III
Address:
2726 INGRA ST.

ANCHORAGE AK. , 99508

Phone Number: 907-444-0884

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

FOR THOSE WHO ARE MAKING MINIMUM WAGE CAN HAVE MORE FUND FOR THE HIGH COST OF LIVING HERE IN ANCHORAGE AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Johnnie Wright III
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jermon Omorga
Address:
5818 East Northern Lights Apt O
Anchorage AK, 99504
Phone Number: 907-947-1186

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I have a family and the cost of living is rising but the wages are not raising with it.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02-21-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: George Thomas Jr
Address:
444 Price St APT 3

_____, 995__

Phone Number: 727-1793

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Minimum wage at the moment is not enough to support one person in addition to bills present, food, & utilities.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

George Thomas Jr
Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Misha Morgan
Address:
5518-D E Northern Lts
Anchorage AK, 99504
Phone Number: 9073400183

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

to make more money in the ever increasing economy where prices are continually rising.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jessica Quinter
Address:
5821 E 6 Apt.
Anch. AK, 99504
Phone Number: 748-1010

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We work too hard for what is given, we need this increase.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lacresia Bridges-Reter
Address:
2510 Sentry Dr #305

Anch, AK 99507, 995

Phone Number: 350-9622

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I Support

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Lacresia Bridges-Reter
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Hiram Leutnaji

Address:
531-A Creekside St.
Anch. AK. 99504, 995

Phone Number: 947-0561

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

~~See~~ will help out on every expenses since rent and almost everything is sky high on prices.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Hiram Leutnaji
Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tyah Leal

Address: 3417 Peterkin St #3 Anchorage AK, 99508

Phone Number: 907 903-6465

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Pay more bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/25/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2800

Letter in Support of Increasing Minimum Wage

Name: June Savin
Address: 7706 Apollo Drive
Anchorage AK, 99504
Phone Number: 907.744.1143

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Pay more bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

June Savin
Signature

2-21-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2801

Letter in Support of Increasing Minimum Wage

Name: GAYLA A. TAUANE
Address:
5531-A CREEKSIDE ST.
ANCHORAGE AK, 99504
Phone Number: 907 (947-0571

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Im kinda low on the budget. . .

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Chris Yanfi
Address:
7006 Apollo St.
Anch AK, 99504
Phone Number: 244-0786

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Economy is going high, and Believe that this minimum wage would help out pay for expenses.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2803

Letter in Support of Increasing Minimum Wage

Name: Nora Kalapu
Address:
3917 petrean
Anchorage, Alaska, 99504
Phone Number: 2907) 764-8474

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because people arent making enough money to put with @ last a month pay. If one persons working they're not making enough pay.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kalapu. Nora — Signature

2/21/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Carrie Keaton-Weaver
Address:
1402 MEDFRA ST.
Anchorage, Alaska, 99501
Phone Number (907) 279-6885

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would help feed our family's and keep more people working.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-17-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Muhammad Wilson
Address:
1210 Ledoux St
Anchorage, Ak, 99501

Phone Number: (907) 258-7132

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Ph I think this is a good idea because I have a trouble paying rent and clothing and feeding our children. And with this raise it will help out alot and make alot more things possible

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

9-17-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Nicole Peters
Address:
15751 Old Glenn Hwy
Eagle River, AK, 99577

Phone Number: 907-777-6661

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Help with the higher cost of living.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Nathanael Jenkins

Address: 3555 Amazon Cognon

Lane, 99508

Phone Number: 907-3067212

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people deal with the higher costs of living due to the declining economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Nathanael Jenkins
Signature

02/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lisa Wagner
Address:
3700 Sharon Gagnon Ln
Anchorage AK, 99508

Phone Number: 351-7472

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

- More pay = teens just starting to work would make them want to work more
- As a student, I find it hard to find well-paying jobs. If minimum wage is increased so is campus pay.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

2809

Letter in Support of Increasing Minimum Wage

Name: Demietrius Preston
Address:
3700 Sharon Gagnon Ln
M185 , 995

Phone Number: 250-7009

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that it is a good idea.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Demietrius Preston
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tim Menard
Address:
1650 Eastridge Dr #104
Anchorage Alaska, 99501

Phone Number: (907)-947-3450

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living up here in Alaska consum, more than minumwage can provide.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Luke Holbrook
Address:
2920 Spinnaker Dr

Anchorage, AK, 99516

Phone Number: 907-244-8998

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I work a minimum wage job, and cost of living keeps increasing to the point that it is not balanced.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Luke Holbrook
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Johannes Meyer
Address: 18543 Chelsea Cr.
Eagle River, AK, 99577

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To increase Alaska's economy. Higher wages will create higher spending, which will stimulate our economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/18/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sophia Ishmael
Address:
1533 Juneau St. Apt. 21
Anchorage, AK, 99501

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Minimum Wage is to low to support a family

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Sophia Ishmael
Signature

2-17-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Guadalupe Marroquin
Address: 6300 Babbling Brook Cir
Anchorage AK, 99501
Phone Number: 338-9448

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is impossible to live with.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Guadalupe Marroquin
Signature

2/17/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Haley, Spencer
Address:
1003 E 12 Ave #1
Anchorage, Ak, 99501
Phone Number: (907) 947-7872

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Everyone needs more money. Especially Family's

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2009 15 02
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tonya Eddie
Address:
1009 E 12Th #4
Anchorage AK, 99501
Phone Number: 444-7357

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jonathan Bartlett
Address:
1009 East 12 Ave
Anchorage, 99501
Phone Number: 9077209203

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Support economy

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Michael Jenkins
Address:
3121 Rosella st. #D
Anchorage AK, 99504
Phone Number: 907-230-5811

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Price of Housing, Apt.
Price of food
Price of drink or cigerettes

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

THE FOLLOWING DOCUMENT WAS SCANNED AS RECEIVED FROM THE LEGISLATIVE LIBRARY. IT WAS RECEIVED BY THEM IN THIS CONDITION AND CANNOT BE CORRECTED.

Letter ir

Name: I
Address:
6124 E. 12
Anchorage, A
(907)
Phone Number:

During the 2009 St
WIELECHOWSKI, J
important Bill could i
potential $8.75 per ho
(every year) according
and would like the S
increase. Here are my

Increase

Thank you for taking
have any questions, pl

Signature

This letter campaign
any politic

Letter in Support of Increasing Minimu

Name: Cody Grabow
Address:
904 East # 12th ave
Anchorage AK, 99501
Phone Number: 307-320-7617

During the 2009 State Legislature, Senate Bill 1 is sponsor
WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye
important Bill could increase Alaska's minimum hourly wage from
potential $8.75 per hour. Once increased, the minimum wage will
(every year) according to a determined rate of inflation. I support th
and would like the Senate sponsors, and other like-minded Sena
increase. Here are my reasons why:

The cost of Living is high in Ancho
The cost of driving to and from
hardly makes the minimum wage +

Thank you for taking my thoughts into consideration. ~~I am a registe~~
have any questions, please call me at the above number.

Cody Grabow
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens an
any politician, political organization or political action

Letter in Support of Increasing Minimum Wage

Name: Chris Douglas
Address: 4110 Cope St #3
Anch, AK, 99503
Phone Number: 541-961-7660

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I lived in a retirement community in Oregon and the low min. wage was not well correlated w/ the economy causing lots of low income situations and poor economy, and people did not take care of the area. I do not want that to happen to Alaska

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Dawn Britt
Address:
6850 windsor dr
Wasilla, AK, 99687
Phone Number: 9073578942

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The price to support a family has increased so much with the price of fuel and utilities increasing.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Maria DeJesus
Address:
7713 Chaimi Loop
Anchorage AK, 99504
Phone Number: [redacted] 3104658

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A person should be able to support their family and that is very hard if you only making 7.15

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Maria DeJesus
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Erika Rivers
Address: 4001 San Roberts #4
Anchorage AK, 995 04
Phone Number: 727-8079

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because some people CANNOT Live off this measely wage, and alot of families are suffering and going hungry because of it!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Erika Rivers
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jeannie A. Hall
Address: 4126 San Roberto #5
Anch, AK, 99508
Phone Number: 770-5569

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

finding a real job is hard now in days, and supporting cause living in apartment cost alot and I hope people like me or any other people who helps alot so my vote is Yes.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jeannie A. Hall — Signature
2-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Leafofa Iusi
Address:
4128 San Roberto Ave Apt 1
Anchorage, Ak, 99508
Phone Number (907) 764-5391

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is high.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Leafofa Iusi — Signature

02-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Teri Nickels
Address:
4012 San Roberto #B

_____, 99509

Phone Number: 727-5876

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because $7.15 is not worth workers for!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Michelle King
Address:
4200 San Roberto #1
Anchorage, AK 99508
Phone Number: (907) 310-7956

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would help alot of people have kids to support and are only able to get minimum Wage paying jobs.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Michelle K. King
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Linda Matthews
Address:
4216 San Roberto #5

Anch, AK. , 99508

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent is being increased, groceries increased, gas, everything. My rent was recently increased from $675.00 to $700.00 in a building that is not being kept up to decent standards

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Linda Matthews
Signature

2/14/2008
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: LEONIDAS JONES
Address:
4219 SAN Roberto # 8

_____, 995___

Hm- 644-4452
Phone Number: Cell- 720-4292

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I Think Enough For Anyone
To make $7.15 Families Survive
Of That Kind Of Money.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Leonidas Jones
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: William A. Webb
Address: 4226 S Ano Roberto ave
Anchorage, AK, 99508
Phone Number: 907-727-6498

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe the minimum wage should be raised because it could buy more food, pay for bus fare and any other Neelessity.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

William A Webb — Signature
2-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Clayton Martinelli
Address:
4122 San Roberto Dr
Anchorage AK, 99508
Phone Number: 340-4501

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People can't pay bills,
cost of living keeps going up
Its to cheap now

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Clayton Martinelli
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Raymond Stanford
Address:
805 Lane St
Anchorage AK, 99508
Phone Number: 310-3577

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To pay my heating bills & work only one job instead of two

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Raymond Stanford
Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Taniela A. Lemau
Addre: Po Box 141046
Anchorage AK 99514-1046

_____, 995___

Phone Number: 868-1562

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent is high. I agree for all the people still working. Gas is high. I originally came here in 1988, we need to increase the minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Taniela Tehan — Signature

2-14-09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: FRANCENE LILLEY
Address:
4314 San Roberto Ave. #6
An/AK, 99508
Phone Number: 929-5296

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I'm working hard and am barely making it at $10.00 p/hr I can't imagine how you do it on minimum wage.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Francene Lilley
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Robert Hillhouse
Address:
4319 San Roberto # 3

Anch, AK, 99508

Phone Number: 720-6707

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of living going up

Natural gas going up

Electric going up

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Caitlin Quinn
Address:
4329 San Roberto #3

_____, 995__

Phone Number: 734.620.0785

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2.14.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lori Rowley
Address: 4343 San Roberto #5
Anchorage AK, 99508
Phone Number: 727-0543

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Due to the increase in cost of living. This increase MUST occur if we as Americans will be able to survive!!!!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Steven Rosiano
Address: 4343 San Roberto #2
Anch, AK, 99508
Phone Number: 907-980-6074

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

all of the above . . .

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

SP

Signature

2/14/09

Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: TAMYRA BYRD
Address:
3705 Arctic #2428
Anchorage AK, 99503
Phone Number: 564 8280

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Being a Singel Mother of 2 kids 7.15 does not help me pay all my Bills,

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Tamyra Byrd
Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard N. Smith

Address: 4404 San Roberto Ave Apt. 5
Anchorage AK, 99508

Phone Number: 338-4063

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

because its we the people, to keep us out of Debt, you should Listen to us try to meet the peoples Demands

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Richard N. Smith
Signature

2/24/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Stacey Cole
Address:
4411 E San Roberto #1
Anch. Ak 99508, 995

Phone Number: 310-0529

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

the cost of living is increasing -
we need that to support our families.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-14-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lenath Finau
Address: 1320 Orca St #2
Anch AK, 99501
Phone Number: (907) 727 9542

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

helps many family financially & emotionally

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mark Jackson

Address: 3705 Arctic Blvd #211

_____, 995__

Phone Number: 229-0457

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People should get paid more for the work they do in AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Asha Kodiyalam

Address: 3503 Richmond

Hollow, 99518

Phone Number: 310-4956

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I feel that cost of living is high and you can't get no where making 7.15.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Asha Kodiyalam — Signature

2/14/09 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Richard Benning
Address: 645 G St #895
Anch AK, 99501

Phone Number: 727-7663

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We have one of the highest cost of living and still other states have make more than AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

14 Feb 09.
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Hope Matáu

Address:
3424 THOMPSON AVE

#105 , 995086

Phone Number: 907 242 6078

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of living increases yearly

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ken Brewington
Address: 246 Oklahoma
Anc AK, 99504
Phone Number: 884-3380

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Inflation - High Rents

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: [illegible]
Address: [illegible]
[illegible], 995[illegible]
Phone Number: 338-1768

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

People Can not live on the
Current wages

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/14/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: B. Kaleem Nuriddin
Address:
200 West 34th Ave, # 992
Anchorage AK, 99503
Phone Number: (907) 274-7900

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

As we support increase wages of the lower earnings, it will both assist them in economic advancement, it also stimulates the entire economy due to the circulation of increase spending.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-22-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Cliff Ivey Jr
Address:
~~17000~~
Anchorage, AK, 995
Phone Number: (907) 868-3159

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cell Phone, internet plays a huge part in our growing technology age. Every one needs more money these days for all communication. Help these necessity ~~be~~ true become in each individuals life.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Cliff Ivey Jr
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Anthony Seaves Adams
Address:
533 price st. #2
Anch, Ak, 99508
Phone Number: (907) 764-1430

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that the minimum wage as it is is well under enough to support and sustain the average americans lifestyle even with it at its minimums. I believe that america and the world is based on the workforce as its backbone and every american should be able to survive on a hard days work. even if unpractical, any step in that direction helps

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature 2/21/09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Arendell Thomas
Address:
207 N Klevin Apt B2
Anchorage, AK, 99508
Phone Number: 907 301-5779

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Excellent

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Gordon Ivey
Address:
901 E 12th ave #2

Anchorage AK, 99501

Phone Number: 301-3053

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To many bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jennifer Johnson
Address:
8726 Ingra St
Anchorage AK, 99508
Phone Number: (907) 258-1226

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I feel that Alaskans are burdened to attempt to survive on the current Minimum wage

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sonya R. Davis
Address:
3309 Wisconsin St.

Anchorage, AK, 99517

Phone Number: 317-9630

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living is above the national norm as are our gas prices. People are entitled to a living wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Sonya R. Davis
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Heavenleah Hiriams
Address:
2726 Ingra St
Anchorage, AK, 99508

Phone Number: 258-1206

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

You just can not make it on this wage with the cost of living being so high.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Heavenleah Hiriams
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: JOHNNIE WRIGHT III
Address:
2726 INGRA ST.

ANCHORAGE AK. , 99508

Phone Number: 907-444-0884

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

FOR THOSE WHO ARE MAKING MINIMUM WAGE CAN HAVE MORE FUND FOR THE HIGH COST OF LIVING HERE IN ANCHORAGE AK.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature 2/21/09 Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jermon Omonga
Address:
5816 East Northern Lights Apt O
Anchorage AK, 99504
Phone Number: 907-947-1186

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I have a family and the cost of living is rising but the wages are not raising with it.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02-21-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: George Thomas Jr
Address: 444 Pine St APT 3

_____, 995__

Phone Number: 727-7793

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Minimum wage at the moment is not enough to support one person in addition to bills present of food, utilities a

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

George Thomas Jr
Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kathy Williams
Address:
8757 Bundarnuck Pl #B
Anchorage, AK, 99502
Phone Number: 907-522-0227

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Help families provide a better income - incentive to help people find jobs worth working for inflation purposes.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kathy Williams
Signature

2-21-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mishe Morgan
Address:
5818-D E Northern Lts
Anchorage AK, 99504
Phone Number: 9073400183

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

to make more money in the ever increasing economy where prices are continually rising.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jessica Quinteo
Address:
5821 E 6e Apt.
Anch. AK, 99504
Phone Number: 748-1010

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

We work too hard for what is given, we need this increase.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/2/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Demetrius Lalofau.
Address:
330 S. Bragaw #3.
Anchorage, AK, 99508.
Phone Number (907) 258-7686

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Economy is low and the goverment dont need to be giving away so much money so give a reason for people to actually work harder for what they earn. (its better than 7.15)

GOD BLESS!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: ERIC REED
Address: 604 A Briggens
Anchorage AK, 99508

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I support

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature _____ Date 2/1/09

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tiyah Lau.
Address:
3417 Peterkin St
#3 Anchorage AK, 99508
Phone Number: 907903.6465

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Pay more bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Tiyah Lau. — Signature

3/20/08 — Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tune Savini
Address: 7104 Apollo Drive
Anchorage AK, 995 04
Phone Number: 907. 744. 1143

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Pay more bills

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Tune Savini
Signature

2-21-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: GAYLA A. TAUANE
Address:
531-A CREEKSIDE ST.
ANCHORAGE AK, 99504
Phone Number: 907 (947-0571

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Im kinda low on the budget. . .

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Chris Tanfi
Address:
7006 Apollo St.
Anch AK, 99504
Phone Number: 244-0786

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because Economy is going high, and Believe that this minimum wage would help out pay for expenses.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Vera Kalapu
Address:
3417 peterson
Anchorage, Alaska, 99504
Phone Number: (907) 764-8474

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because people aren't making enough money to put with @ least a month pay. If one persons working they're not making enough pay.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Vera Kalapu-Nora
Signature

2/21/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

[redacted]

Letter in Support of Increasing Minimum Wage

Name: Corrie Keaton-Weaver
Address:
1402 MEDFRA St.
Anchorage, Alaska, 99501
Phone Number (907) 279-6885

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It would help feed our family's and keep more people working.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-17-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Muhammad Wilson
Address:
1210 Lefevre St
Anchorage, Ak, 99501
Phone Number: (907) 258-7132

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I think this is a good idea because I have a trouble paying rent and clothing and feeding our children. And with this raise it will help out alot and make alot more things possible

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

9-17-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Nicole Peters
Address:
15751 Old Glenn Hwy
Eagle River, AK, 99577
Phone Number: 907-777-6661

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Help with the higher cost of living.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Nathanael Jenkins
Address:
3555 Amazon Cognon
Lane, 99508
Phone Number: 907-3067262

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people deal with the higher costs of living due to the declining economy.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Crystal Platt
Address:
10967-C Campostre
Elmendorf AFB, 99506
Phone Number: 644-9906

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It will help people deal with the high cost of living due to the declining economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Crystal Platt 2-19-09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Lisa Wagner
Address:
3700 Sharon Gagnon Ln
Anchorage AK, 99508

Phone Number: 351-7472

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

- More pay = teens just starting to work would make them want to work more
- As a student, I find it hard to find well paying jobs. If minimum wage is increased so is campus pay.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Scott
Address:
6230 Dunbar Ln
Anchorage, Ak, 99504
Phone Number: (907) 947-8614

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A lot of employees do hard work for minimum wage, and, as a student, I have a hard time getting high paying jobs. An increase in minimum wage would help me support myself.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-19-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Demietrius Preston
Address:
3700 Sharon Gagnon Ln
M185 , 995

Phone Number: 250-7009

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that it is a good idea.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Demietrius Preston
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kyle Yan
Address:
3031 Horizon St.
Anchorage, AK, 99517
Phone Number: (907) 240-0944

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I have seen many college students working minimum-wage and struggling to pay off all their expenses and educational costs, not to mention food or housing. An increase to $8.75 would greatly help young adults who are struggling financially and balancing school with work. Since they will provide the future workforce in Alaska, I strongly support an increase in minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Kyle Y
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Tim Menard
Address:
1650 Eastridge Dr #104
Anchorage Alaska, 99501

Phone Number: (907)-947-3450

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The cost of living up here in Alaska consum, more than minumwage can provide.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Luke Holtshouser
Address:
2920 Spinnaker Dr

Anchorage, AK, 99516

Phone Number: 907-244-8998

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I work a minimum wage job, and cost of living keeps increasing to the point that it is not balanced.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Luke Holtshouser
Signature

2/19/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Johannes Meyer
Address: 18543 Chelsea Cr.
Eagle River, AK, 99577
Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To increase Alaska's economy. Higher wages will create higher spending, which will stimulate our economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Johannes Meyer
Signature

2/18/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Sophia Ishnook
Address:
1533 Juneau St. Apt. 21
Anchorage, AK, 99501

Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Minimum Wage is to low to support a family

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/7/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Mariah Ramsdell
Address: 1851 Bellevue Loop
Anchorage, AK, 99515
Phone Number: 301-3713

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I believe that every hard-working individual deserves to make the minimum amount of money necessary to pay their bills and support their families. Our current minimum wage does not allow our community members to do this - Please help!!!

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Mariah Ramsdell
Signature

2.17.09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Guadalupe Marroquin
Address:
6300 Babbling Brook Cir
Anchorage AK, 99501
Phone Number: 338-9448

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Cost of living is impossible to live with.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Guadalupe Marroquin
Signature

2/17/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: John Sommer
Address:
4424 Wright St
Anch, AK, 99508
Phone Number: (907) 868-4654

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

To raise the standard of living for lower Income family. ~~Increase~~ Stimulate the economy

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Anderita Knott
Address:
6941 Ingra St
Anchorage AK 99501,995

Phone Number: 907 360 7846

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

With the cost of living going up, I feel the American people should recieve more for their pay

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Anderita Knott
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Aaron Reed
Address:
3230 Peterkin Ave #C
Anchorage, AK, 99508
Phone Number: 907-310-1867

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Its About time.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Aaron Reed
Signature

2-15-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Regina Walker
Address:
3230 Peterkin

, 99508

Phone Number: 744-0246
744-0246

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

A lot of people I know are on minimum wage.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Coby Brant
Address:
Northstar Apt
3230 Peterkin ave, 99508
Phone Number: 460-7232

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The min wage increase would circulate more money & increase the lower wage & help the Recession.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jennifer Beeka
Address:
3233 Peterkin Ave #3
Anchorage AK 99508, 995
Phone Number: 530 513-1490

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

its hard enough in todays economy. We need anything we can get. If we are able to give away thousands of dollars to the poor can't we give a little more to the people who are out worsing hard for it

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jennifer L Beeka
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Freddie A. Mixon
Address:
3124 Richmond #2
Anch Ak, 99508
Phone Number (907) 310-4752

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Jobs around are ~~is~~ decreasing People options are falling If everbody is relieing on paychecks that just pay bills + food our economy will fall just like the rest of the nation

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Freddie Mixon
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Saam Saelee
Address:
3124 Richmond ave #7
Anchorage AK, 99508
Phone Number: 272-4939

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The gas prices are so high and as well foods prices

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/16/08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jerry Ahwinona
Address:
Box 100608
Anch AK 99510, 9951O
Phone Number: 907 646 8054

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Betterment of All Alaskans for a prosperous future

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Kao Saelee
Address:
3124 Richmond Ave #14
Anchorage, AK, 995
Phone Number: 891-0497

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

get family to food.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Scott Sonaysene
Address:
3424 Richmond Ave #11

Anchorage AK 99508-3995

Phone Number: 258-1066

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I think it will really help me help my mother in paying her bills.
Also, I think it will

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Scott Sonaysene
Signature

2/25/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Nena Dubbell
Address:
3209 Taiwan #1
Anchorage AK, 99508
Phone Number: 907-310-5811

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Rent is high
Heat bills at home
food is high
Cost of living

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Nena Dubbell
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Melvin Eaubron
Address:
3209 Tarwater
Anchorage AK, 99508
Phone Number (907) 209-1497

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

would help people food - rent let
we need it
Thank you

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Melvin Eaubron
Signature

2-15-08
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Maggie Hecknavage
Address:
3209 Tarwater Ave. #4
Anchorage, Ak, 99508

Phone Number: 727-9580

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

$7.15 is ridiculous to live off of!!

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

M. Hech
Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Ralph C Kosbruk Ralph Kosbruk
Address:
3145 Tanana #4
Fairbanks, 99701

Phone Number: 3107137
310-9133

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I should earn more wages by
use of wage dollar.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Ralph Kosbruk
Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: DAVID KUNKEL
Address:
3201 TARWATER DR #3
ANCHORAGE AK, 99508

Phone Number: 830-5981

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Support any increase for any reason.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Paleta Saena
Address: 3202 Parwater #1-
Anchorage, AK, 99505
Phone Number: (907) 278-2648

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

times are harder and even just a little increase in pay would help out a lot.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

02/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

[redacted]

Letter in Support of Increasing Minimum Wage

Name: Cathleen Hall
Address: 3324 Tarwater Ave Apt 4
Anchorage AK, 99508
Phone Number: 9077209156

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

The prices on gas has been increasing. And the minimum wage is just to lower to pay bills.

Thank you for taking my thoughts into consideration. ~~I am a registered voter~~. If you have any questions, please call me at the above number.

Signature

2-15-09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Meana Jenke

Address: 3432 Tanwater Ave #4

Anch AK 99508

Phone Number: 907 382 9085

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

Because its so expensive. Cost of living is very high!

Bridge the gap between low income & middle class.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Jana LeGrue
Address: 411 Taylor #2
Anchy, , 995
Phone Number: 764-4073

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

It is very hard to survive on anything less, Groceries & rent are very high.

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Jana LeGrue 2-15-09
Signature Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Leteasha P. Macon
Address: 8020 Greenwood #10
Anchorage AK, 99518
Phone Number: 720-8292

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

because you cannot live & the people cannot good day a rent at the same time with that ridiculus wage,

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Luke Rondeau
Address:
904 E 5th Ave
Anchorage, AK, 99501

Phone Number: 529-9332

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

cost of fuel prices makes it hard to afford to drive to work & pay for rent + utilities

Thank you for taking my thoughts into consideration. I am a registered voter. If you have any questions, please call me at the above number.

Signature

02/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

Letter in Support of Increasing Minimum Wage

Name: Andres Gonzalez
Address:
1003 E 12th Ave Apt #4
Anchorage, AK, 99501
Phone Number: _____

During the 2009 State Legislature, Senate Bill 1 is sponsored by Senators Bill WIELECHOWSKI, Johnny ELLIS, Joe THOMAS, and Bettye DAVIS. This very important Bill could increase Alaska's minimum hourly wage from it's current $7.15 to a potential $8.75 per hour. Once increased, the minimum wage will be adjusted annually (every year) according to a determined rate of inflation. I support this piece of legislation and would like the Senate sponsors, and other like-minded Senators, to vote for this increase. Here are my reasons why:

I would like to see it increased as this would really help the population of Anchorage to avoid the crisis affecting the rest of our nation.

Thank you for taking my thoughts into consideration. ~~I am a registered voter.~~ If you have any questions, please call me at the above number.

Signature

2/15/09
Date

This letter campaign was organized by concerned local citizens and is not affiliated with any politician, political organization or political action committee.

SB

3

<target><bill>SB 3</bill><subject>SB 3</subject><comm>HFIN26</comm></target>

IN HFC / APRIL 9, 2009

TIM BENINTENDI
C/O SN. OLSON
465-4989

SPONSOR PRESENTATION - SB 3

CFEC as Information Resource

Senate Bill 3 would provide a benefit to the state's economic development organizations, the ARDORs, by allowing them to obtain public information from the Commercial Fisheries Entry Commission without charge.

The bill would provide only public information; no confidential information would be made available, and no custom research would be authorized.

The information would especially benefit the eight ARDOR's which have commercial fishing as a significant portion of their economies, and would help them anticipate regional economic trends and development opportunities.

AS 37.10.052 says that resource agencies shall charge for services,

and AS 16.43.100 (16) says the CFEC shall establish reasonable user fees for services. Thus, the provisions of SB 3 must be done by statute instead of regulation.

The CFEC supports the bill, and feels the loss of fees would be negligible at less than $10,000 per year.

The bill carries two ZERO fiscal notes.

With that, I'll see if you have any questions.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 8, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/9/09

The FINANCE Committee considered: **SENATE BILL NO. 3**

"An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

SB 3 CFEC AS INFORMATION RESOURCE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓
DFG	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Wm "Bill" Thomas Jr	Thomas	✓			
	Gara	✓			
Alan Austerman	Austerman	X			
Harry Crawford Jr	CRAWFORD	X			
	KELLY	X			
	Taylor	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair: Mike Hawker	Hawker			#	
Chair: Bill Stoltze	STOLTZE			X	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 3
(S) Publish Date: 2/6/09

Identifier (file name): SB003-DFG-CFEC-02-02-09
Dept. Affected: Fish and Game

Title: An Act authorizing an Alaska regional development organization to
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission

Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs Committee
Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Temporary	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

ANALYSIS: *(Attach a separate page if necessary)*

There are no significant fiscal impacts for CFEC associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 2/2/09 7:25 AM
Approved by: Frank M. Homan, Chairman
Date 2/2/2009
Commercial Fisheries Entry Commission

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 3
(S) Publish Date: 2/6/09

Identifier (file name): SB3-CED-OED 02-02-09
Dept. Affected: DCCED
Title: CFEC AS INFORMATION RESOURCE
RDU: Economic Development
Component: Office of Economic Development
Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs
Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would allow the Commercial Fisheries Entry Commission to share fisheries information and data with regional Alaska Regional Development Organizations (ARDORs). Currently there is an ongoing charge for this information from the Department of Fish and Game.

There is zero fiscal impact on the Department of Commerce, Community and Economic Development.

Prepared by: Tyson Fick — Phone 465-2503
Division: Legislative Liaison, DCCED — Date/Time 02-02-09/ 8:30am
Approved by: Emil Notti, Commissioner — Date 2/2/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

SB 3 – C.F.E.C. As An Information Source

Version 26-LS0018/A, February 5, 2009
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT and SECTIONAL ANALYSIS

SPONSOR STATEMENT:

SB 3 would allow Alaska Regional Development Organizations (ARDORs) to benefit from commercial fishery and related information generated by the Commercial Fisheries Entry Commission (CFEC), at no cost. No confidential information would be disclosed, per AS 16.05.815.

The intent of the bill is to provide public information to the ARDORs at no cost. Contractors to ARDORs would be able to obtain the information for contract work, if they receive it from the ARDORs themselves, or if they have a letter of request from an ARDOR.

There are eleven ARDORs established under AS 44.33.895. These are non-profit organizations comprised of representatives of the economic, political, and social interests in each region. Their purpose is to encourage and assist with economic development in their specific areas.

Eight ARDORs would especially benefit from this legislation: Southwest Alaska Municipal Conference, Bering Strait Development Council, Lower Kuskokwim Economic Development Council, Northwest Arctic Borough Economic Development Commission, Kenai Peninsula Borough Economic Development District, Mat-Su Resource Conservation & Development, Inc., Prince William Sound Economic Development District, and the Southeast Conference.

For these organizations, commercial fishing activities provide a substantial portion of their regions' economic base. To illustrate, the wholesale value of the 2005 commercial fishery exceeded $3 billion. Earnings of the 27,700 participating fishermen accounted for $1.2 billion. Another 22,500 persons participated in the seafood processing workforce, earning $277 million in wages. For coastal communities, approximately 37% of private-sector workers were employed in fish harvesting and seafood processing activities. CFEC information can be critical for ARDOR understanding of economic trends in their regions, and development opportunities which may emerge.

The CFEC supports Senate Bill 3, and regards the loss of fees under this bill as negligible.

SECTIONAL ANALYSIS:

SECTION 1: Would amend AS 16.43.100(a) by adding to CFEC responsibilities, providing without charge to regional development organizations formed under AS 44.33.895, public information relevant to fisheries, participants in fisheries, permit holders' harvests, and earnings data. No confidential information would be released under Senate Bill 3.

FISCAL NOTE: Zero note from CFEC.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 3
(S) Publish Date: 2/6/09

Identifier (file name): SB003-DFG-CFEC-02-02-09
Dept. Affected: Fish and Game
Title: An Act authorizing an Alaska regional development organization to
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission
Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs Committee
Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Part-time	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Temporary	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

ANALYSIS: *(Attach a separate page if necessary)*

There are no significant fiscal impacts for CFEC associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 2/2/09 7:25 AM
Approved by: Frank M. Homan, Chairman
Date 2/2/2009
Commercial Fisheries Entry Commission

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 3
(S) Publish Date: 2/6/09

Identifier (file name): SB3-CED-OED 02-02-09
Dept. Affected: DCCED
Title: CFEC AS INFORMATION RESOURCE
RDU: Economic Development
Component: Office of Economic Development
Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs
Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would allow the Commercial Fisheries Entry Commission to share fisheries information and data with regional Alaska Regional Development Organizations (ARDORs). Currently there is an ongoing charge for this information from the Department of Fish and Game.

There is zero fiscal impact on the Department of Commerce, Community and Economic Development.

Prepared by: Tyson Fick — Phone 465-2503
Division: Legislative Liaison, DCCED — Date/Time 02-02-09/ 8:30am
Approved by: Emil Notti, Commissioner — Date 2/2/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

SARAH PALIN, GOVERNOR

8800 GLACIER HWY. #109
P O Box 110302
JUNEAU, AK 99811-0302

(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 789-6170 FAX
(907) 789-6180 BBS

INTERNET: www.cfec.state.ak.us

January 30, 2009

The Honorable Donny Olson
Alaska State Senator
State Capitol, Room 514
Juneau, AK 99801-1182

RE: SB 3 "An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource"

Dear Senator Olson:

We have reviewed SB 3 and support this legislation.

We understand that the intent of SB 3 is to allow Alaska Regional Development Organizations (ARDORS) established under AS 44.33.895 to request public information from the Commercial Fisheries Entry Commission (CFEC) fishery database without charge. As you know, CFEC has a wealth of public information regarding Alaska's commercial fisheries that we regularly make available upon request to any person or entity. However, there may be a fee required depending on the extent of the effort needed to provide the data. Under SB 3 we would provide data to ARDORS just as we would without this bill, however, without charge.

As a clarification, any CFEC public information available from CFEC data sources must comply with AS 16.05.815 "Confidential nature of certain reports and records." (See enclosed) Basically this statute prohibits the release of any individual fisherman's earnings and harvests obtained from fish ticket information unless aggregated to protect confidentiality. That prohibition is not affected by SB 3.

We do not believe SB 3 would be a significant impact on CFEC resources since there are a limited number of ARDORS and not all represent coastal areas.

Thank you for the opportunity to comment on SB 3.

Sincerely,

Frank Homan
Chairman

Enclosure

2920

SWAMC

Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f 907.562.0438 www.swamc.org

Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

January 23, 2009

Senator Donny Olson
Alaska Legislature
Juneau, AK 99811

Re: Senate Bill 3

Dear Senator Olson:

The Southwest Alaska Municipal Conference is an Alaska Regional Development Organization (ARDOR) and also a federally recognized Economic Development District. Our region includes three of the biggest seafood ports (2006) in the nation for total volume landed: Dutch Harbor (#1), Kodiak (#4), Naknek (#12) and includes the world's largest sockeye run – Bristol Bay. This region also includes three of the most valuable seafood ports (2006) in the nation for total landed value: Dutch Harbor (#2), Kodiak (#3), and Naknek (#8). The fisheries of Alaska have just been rated as the ninth largest fishery in the world and account for sixty two percent (62%) of the nation's total seafood catch.

Much of our region's economic vitality and development potential is based on commercial fisheries and their health. We do a lot of research and analysis of fisheries data for the region to assist in our efforts to promote development opportunities in the region. So for SWAMC to have free access to commercial fisheries data from the Commercial Fisheries Entry Commission is vital to our mission and the quality of work.

On behalf of our Board of Directors and staff we fully support your efforts to allow ARDORs free access to this critical economic data that is vital to our economic development efforts.

Sincerely,

Michael Catsi
Executive Director

Economic development and advocacy for Southwest Alaska.
Economic Development District (EDD) and Alaska Regional Development Organization (ARDOR)

Kenai Peninsula Economic Development District, Inc.

BUSINESS INNOVATION CENTER

January 30th, 2009

FAXED 1/30/09

Senator Donny Olson
Alaska Legislature
Juneau, Alaska 99811

SENT BY FAX 907-465-4821

Reference Senate Bill No. 3

Dear Senator Olson, Donny

The Kenai Peninsula Economic Development District is an Alaska Regional Development Organization, (ARDOR) and also a federally recognized Economic Development District.

Our region includes the ports in Seward, Homer, Seldovia, Port Graham and other parts of the Cook Inlet.

Part of our responsibilities as an ARDOR is to do research, analysis and planning for our region. A large part of that is to have the free flow of information from other State and Federal agencies of the data that each is responsible to collect.

Your proposed legislation, Senate Bill No. 3, goes a long way to ensure that this data exchange is open and free flowing.

The Kenai Peninsula Economic Development District is in full support of this legislation.

Thank you for taking a leadership role in providing this economic data to the effective ARDORS.

John Torgerson
Executive Director

14896 KENAI SPUR HWY, SUITE 103-A, KENAI, AK 99611-7014
PHONE: (907) 283-3335 FAX: (907) 283-3913
EMAIL: info@kpedd.org www.kpedd.org www.exportalaska.com

SB

13

<target><bill>SB 13</bill><subject>SB
13</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Senator Bettye Davis

SB 13 "An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

Repercussions of the unmet health needs of Alaska's uninsured children

---

- The number of uninsured children in Alaska is estimated to be about 18,000 or 9% of the population age 18 and under (Urban Institute and Kaiser Commission on Medicaid and the Uninsured).
- Over the last 10 years Alaska has seen a 31% decline in the number of children covered by private health insurance (Robert Wood Johnson Foundation).
- Nationally, more than 80% of uninsured children are from working families (Kaiser Commission on Medicaid and the Uninsured).
- Uninsured children have much higher health risks than do covered children. The receive less preventative care and are diagnosed at more advanced stages of illness (Kaiser, *supra*).
- Uninsured children are more likely to develop throat, eye, and ear infections, serious dental problems, and chronic conditions such as asthma and diabetes. They are more than five times as likely as insured children to have an unmet need for medical care and nine times more likely not to be examined by a regular doctor. They are also four times more likely to use emergency rooms which are much more costly than care in physicians' offices (*Pediatrics* 105, 113; "Care for Children," *New England Journal of Medicine*, 330).
- Almost 1/3 of uninsured children received no medical treatment during a 1-year period between 2002 and 2003 (*Health Affairs* 23, no. 5, September-October 2004).
- Uninsured children are 25% more likely to miss school than insured children (Children's Defense Fund, Minnesota). Continued illness affects school performance and, in the long run, workforce participation (Southern Institute on Children and Families). A National Institute of Medicine study indicates that lack of insurance results in lost national economic productivity of $65-$130 billion annually.

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Senator Bettye Davis

SB 13 "An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

Background of SCHIP/Denali Kid Care

- SCHIP was created in 1997 to reduce the number of uninsured children by providing subsidized insurance to children of those parents who are too poor to afford insurance but make too much to receive Medicaid coverage. About 1/3 of all children in America get health services through Medicaid or the State Children's Health Insurance Program (SCHIP), which is administered in Alaska through the Denali KidCare Program.
- The Denali KidCare Program is 70% funded by the federal government up to the state's allocated funding level. After that, the reimbursement rate declines to slightly over 50%. In fiscal year 2006 the cost of Denali KidCare was $25.9 million, of which $18.2 million was paid by the federal government.
- Denali KidCare provides health insurance for children age 18 and pregnant women who meet income guidelines. There is no cost to eligible children, teens and pregnant women. However, youth who are 18 may be required to contribute a limited amount for some services.
- Roughly 7,600 children were covered by Denali KidCare as of December, 2006.
- The cost per child of Denali KidCare is about $1,700 annually, compared to over $12,000 for an elderly person who qualifies for federal aid.
- By comparison, private health insurance for a family of three, *e.g.*, a pregnant woman with two children, is estimated at $8,000-$17,000 annually. Unlike Denali KidCare, this insurance may require a $1,000 deductible, 20% co-pay, and no vision, dental or hearing benefits.
- Alaska remains one of the lowest eligibility rates in the nation. Forty-one states allow participation by families at or above 200% of the FPL. Seven have rates at or above 300% of the FPL. The US and state governments' rationale for higher eligibility for children's health insurance is that it will save huge sums in transfer costs and improve health in the future through early detection and care.

Why Coverage for Pregnant Women is Important In Alaska

- Alaska has one of the nation's highest documented pregnancy-associated mortality ratios – 58 per 100,000 live births during 1990-1999 (DHSS). National data indicate that women who receive no prenatal care are al increased risk of pregnancy-related death.
- Only 58% of women in Alaska receive adequate prenatal care, compared with 75% nationally.
- Mothers having late or no prenatal care are more likely to have low birth weight or pre-term infants and are at increased risk fro pregnancy-related mortality and complications of childbirth (DHSS).
- The average cost of hospital care for a premature baby was $75,000 in 2001, compared with $1,300 for a healthy, full-term infant. The March of Dimes Prenatal Data Center reports that premature babies cost about $13.1 billion annually.

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 7
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Senator Bettye Davis

SB 13 "An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

Sponsor Statement

SB 13 increases and restores to original levels 12 years ago the qualifying income eligibility standard for the Denali KidCare Program to 200% of the Federal Poverty Line (FPL). Alaska as one of the nation's wealthiest states is only one of 5-7 states which funds its SCHIP program below 200% FPL. SB 13 makes health insurance accessible to an estimated 1277 more uninsured children and 225 pregnant women in Alaska. Denali KidCare is an "enhanced" reimbursement program with up to 70% matching funds (Alaska currently receives about 66%) under the federal government's State Children's Health Insurance Program (SCHIP), which was created in 1997. Congress reauthorized the SCHIP program for five years and President Obama just signed into law on February 4, 2009 with expanded coverage for 4 million more children.

Consider the following information from the Kaiser Commission on Medicaid and the Uninsured, January, 2009:

- 44 states, including D.C., cover children in families with incomes at 200% FPL or higher.
- 33 states cover children in families with income between 200% and 250% FPL.
- 19 states including D.C., cover children in families with income at 250% or higher. 10 of these states cover children in families with income at 300% FPL or higher.
- 35 states allow premiums or enrollment fees, and 24 states have co-payments for selected services in SCHIP programs on a sliding scale of FPL.
- 46 states do not require asset tests

Denali KidCare serves an estimated 7900 Alaska children and remains one of the least costly medical assistance programs in the state at about $1,700 per child with full coverage, including dental, which is about 20% of the cost of adult senior coverage.

Early intervention and preventative care under SB 13 will greatly increase Alaska children's health and yield substantial savings to the state and public and private sector hospital emergency rooms which must admit indigent and uninsured patients for non-emergency treatment. It is estimated that

uninsured children with a medical need are five times as likely not to have a regular doctor as insured children and four times more likely to use emergency rooms at a much higher cost.

There are still an estimated 18,000 uninsured children in Alaska, or about 9% of the children age 18 and under. Private health care coverage for children has declined over 30% in the last ten years, and the deepening recession is pulling more children and families into the uninsured ranks. The reauthorized SCHIP program and "Stimulus Package" should help, and Alaska should do its share and take advantage of available federal matching funds by insuring its low income children up to and including 200% FPL under SB 13.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM January 22, 2009

SUBJECT: Sectional Summary (SB 13; Work Order No. 26-LS0076\A)

TO: Senator Betty Davis
Attn: Tom Obermeyer

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends the medical assistance eligibility provisions for persons under 19 years of age and for pregnant women by increasing the household income limit from 175 to 200 percent of the federal poverty line.

Section 2. Increases the household income limit from 175 to 200 percent of the federal poverty line for requiring premiums and cost-sharing contributions from medical assistance recipients who are under 19 years of age.

Section 3. Provides for an immediate effective date.

JMM:ljw
09-039.ljw

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **SENATE BILL NO. 13**

"An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

SB 13-MEDICAL ASSISTANCE ELIGIBILITY

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev. for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DHS	5	✓		
DHS	6	✓		
DHS	7	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Doogan			✓	
	Joule	✓			
	KELLY		X		
	Austerman		X		
	FOSTER	✓			
	FAIRCLOUGH			✓	
	Salmon	X			
Chair:				✓	
Chair:	Hawker			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: SB 13
(H) Publish Date: 3/19/10

Identifier (file name): SB013-DHSS-FAFS-03-05-10
Dept. Affected: Health & Social Services

Title: Medical Assistance Eligibility
RDU: Public Assistance
Component: Public Assistance Field Services

Sponsor: Davis

Requester: House HSS
Component Number: 236

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	134.4		134.4	134.4	134.4	134.4	134.4
Travel							
Contractual	17.6		17.6	17.6	17.6	17.6	17.6
Supplies	1.0		1.0	1.0	1.0	1.0	1.0
Equipment	14.4						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**167.4**	**0.0**	**153.0**	**153.0**	**153.0**	**153.0**	**153.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	109.2	0.0	99.5	99.5	99.5	99.5	99.5
1003 GF Match	58.2	0.0	53.5	53.5	53.5	53.5	53.5
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**167.4**	**0.0**	**153.0**	**153.0**	**153.0**	**153.0**	**153.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation increases the income level for covering children and pregnant women under Denali KidCare to 200 percent of the federal poverty guidelines, up from 175%. It restores family income eligibility guidelines to the levels used when the Denali KidCare(DKC) program was originally created.

This fiscal note represents the additional administrative costs needed to support the increased eligibility determination workload resulting from more pregnant women and children applying for medical assistance, using the assumptions from the companion fiscal notes for the Division of Health Care Services and the Division of Behavioral Health.

(continued on Page 2)

Prepared by: Ellie Fitzjarrald, Director
Division: Division of Public Assistance
Phone: 907-465-5847
Date/Time: 1/4/10 12:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 3/5/2010

FISCAL NOTE #5

STATE OF ALASKA

2010 LEGISLATIVE SESSION

BILL NO. SB 13

ANALYSIS CONTINUATION

The eligibility decision includes verifying information and determining whether a pregnant woman or child qualifies for DKC when they apply, acting on changes, and periodically re-examining a household's eligibility.

The cost estimates assume that 218 pregnant women and 1,277 children will enroll in Medicaid if the qualifying income limit is revised to 200% FPG, and that implementation will begin July 1, 2010. Two additional Eligibility Technician I (Range 13) positions will be needed to manage this additional work in FY2011.

Total Administrative Costs for ET I Positions:

Personal Services: Two Eligibility Technician I (Range 13) for 12 months cost of $134.4, including benefits.
Contractual: Annual cost for office space, phones, etc. will be $17.6.
Commodities: Annual cost for the office supplies will be $1.0.

Additional Cost of FY2011:
Equipment/Supply: A one-time cost of $14.4 for desktop computer, software, printer, and work stations will be needed for the new positions.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: SB 13
(H) Publish Date: 3/19/10

Identifier (file name): SB013-DHSS-BHMS-03-05-10
Dept. Affected: Health & Social Services

Title: Medical Assistance Eligibility
RDU: Behavioral Health
Component: Behavioral Health Medicaid Services

Sponsor: Davis

Requester: House HSS
Component Number: 2660

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	467.0		507.1	550.7	598.1	649.5	705.4
Miscellaneous							
TOTAL OPERATING	**467.0**	**0.0**	**507.1**	**550.7**	**598.1**	**649.5**	**705.4**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	305.7		330.7	359.1	390.0	423.6	460.0
1003 GF Match	161.3		176.4	191.6	208.1	226.0	245.4
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**467.0**	**0.0**	**507.1**	**550.7**	**598.1**	**649.5**	**705.4**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation increases the income level for covering children and pregnant women under Denali KidCare to 200 percent of the federal poverty guidelines, up from 175%. It restores family income eligibility guidelines to the levels used when the Denali KidCare (DKC) program was originally created.

Between October 2003 and July 2007, the upper income limits for children and pregnant women were frozen at dollar amounts equivalent to 175% of the 2003 federal poverty guideline (FPG). By April 2007, those amounts corresponded to about 150% of the 2007 FPG. Senate Bill 27, implemented in summer 2007, made the upper income standard for children and pregnant women equal to 175% of the federal poverty guideline for Alaska, as published annually in the federal register, and effectively raised the income level from 150% to 175% FPG. However, children and pregnant women with incomes between 176% and 200% of the prevailing FPG did not regain eligibility at that time. (continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Phone 269-7827
Division: Health Care Services
Date/Time 1/20/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/5/2010
DHSS Finance & Management Services

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Between 2003 when the upper guideline was still 200% FPG, and 2006 when the statutory income amount was approaching 150% FPG, the number of individuals enrolled annually in this income category decreased by 2,553 children and 436 pregnant women. This fiscal analysis assumes that the additional enrollment due to this bill will be equal to about half that number of people (estimated as 218 pregnant women and 1,277 children).

This analysis extends the projected budget impact through 2016. It assumes that implementation will occur in early FY2011, that most people affected by this bill will enroll by the end of that first year, and that enrollment and utilization will resume normal growth thereafter. The formula for federal funds has been updated to reflect the higher regular federal match percentage for 2011 only. The annual growth percentage for costs between 2011 and 2016 (8.6%) and the annual growth percentage for enrollment after 2011 (2%), are from the department's Long Term Forecast of Medicaid Spending (2006 update).

First year costs are based on estimates for the number of new enrollees and the average cost per enrollee for the affected eligibility subtypes in 2008. Medicaid children in the income range addressed by this bill tend to have lower Medicaid costs than those from families with lower incomes, and those lower costs are reflected in the estimates.

Fund source calculations are based on the relative proportion of costs that were reimbursed at IHS, Title XIX, or Title XXI rates for these eligibility groups during 2008 and our best estimates for federal medical assistance percentages (FMAPs) between 2011 and 2016. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) so most of their Medicaid costs are expected to be matched at the enhanced rate for Title XXI services. Fund projections assume federal SCHIP allocations adequate to fully fund the additional children between 2011 and 2016.

Expenditures for the Behavioral Health Medicaid Services component were determined based on the component's share of expenses for the affected eligibility subtypes in 2008. Behavioral Health paid about a quarter of the costs for affected DKC children in 2008. No charges for services for DKC pregnant women were paid by this component in 2008.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: SB 13
(H) Publish Date: 3/19/10

Identifier (file name): SB013-DHSS-MS-3-5-10
Dept. Affected: Health & Social Services

Title: Medical Assistance Eligibility
RDU: Health Care Services
Component: Medicaid Services

Sponsor: Davis

Requester: House HSS
Component Number: 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	2,286.0		2,482.6	2,696.1	2,928.0	3,179.8	3,453.3
Miscellaneous							
TOTAL OPERATING	**2,286.0**	**0.0**	**2,482.6**	**2,696.1**	**2,928.0**	**3,179.8**	**3,453.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	1,592.7		1,689.5	1,834.8	1,992.6	2,164.0	2,350.1
1003 GF Match	693.3		793.1	861.3	935.4	1,015.8	1,103.2
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**2,286.0**	**0.0**	**2,482.6**	**2,696.1**	**2,928.0**	**3,179.8**	**3,453.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation increases the income level for covering children and pregnant women under Denali KidCare to 200 percent of the federal poverty guidelines, up from 175%. It restores family income eligibility guidelines to the levels used when the Denali KidCare (DKC) program was originally created.

Between October 2003 and July 2007, the upper income limits for children and pregnant women were frozen at dollar amounts equivalent to 175% of the 2003 federal poverty guideline (FPG). By April 2007, those amounts corresponded to about 150% of the 2007 FPG . Senate Bill 27, implemented in summer 2007, made the upper income standard for children and pregnant women equal to 175% of the federal poverty guideline for Alaska, as published annually in the federal register, and effectively raised the income level from 150% to 175% FPG. However, children and pregnant women with incomes between 176% and 200% of the prevailing FPG did not regain eligibility at that time. (continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services
Phone: 269-7827
Date/Time: 1/20/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 3/5/2010

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Between 2003 when the upper guideline was still 200% FPG, and 2006 when the statutory income amount was approaching 150% FPG, the number of individuals enrolled annually in this income category decreased by 2,553 children and 436 pregnant women. This fiscal analysis assumes that the additional enrollment due to this bill will be equal to about half that number of people (estimated as 218 pregnant women and 1,277 children).

This analysis extends the projected budget impact through 2016. It assumes that implementation will occur in early SFY2011, that most people affected by this bill will enroll by the end of that first year, and that enrollment and utilization will resume normal growth thereafter. The formula for federal funds has been updated to reflect the higher regular federal match percentage for 2011 only. The annual growth percentage for costs between 2011 and 2016 (8.6%) and the annual growth percentage for enrollment after 2011 (2%), are from the department's Long Term Forecast of Medicaid Spending (2006 update).

First year costs are based on estimates for the number of new enrollees and the average cost per enrollee for the affected eligibility subtypes in 2008. Medicaid children in the income range addressed by this bill tend to have lower Medicaid costs than those from families with lower incomes, and those lower costs are reflected in our estimates.

Fund source calculations are based on the relative proportion of costs that were reimbursed at IHS, Title XIX, or Title XXI rates for these eligibility groups during 2008 and our best estimates for federal medical assistance percentages (FMAPs) between 2011 and 2016. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) so most of their Medicaid costs are expected to be matched at the enhanced rate for Title XXI services. Fund projections assume federal SCHIP allocations adequate to fully fund the additional children between 2011 and 2016.

Expenditures for the Health Care Services Medicaid component were determined based on that component's share of expenses for the affected eligibility subtypes in 2008. Health Care Services Medicaid paid 100% of the costs for DKC pregnant women and about three quarters of the costs for affected DKC children in 2008.

Federal Poverty Levels for Alaska - 2009

2009 Federal Poverty Levels for Alaska

	Annual Federal Poverty Levels for Alaska - 2009									
Household Size	100%	150%	175%	200%	225%	250%	275%	300%	325%	350%
1	$13,530	$20,295	$23,678	$27,060	$30,443	$33,825	$37,208	$40,590	$43,973	$47,355
2	18,210	27,315	31,868	36,420	40,973	45,525	50,078	54,630	59,183	63,735
3	22,890	34,335	40,058	45,780	51,503	57,225	62,948	68,670	74,393	80,115
4	27,570	41,355	48,248	55,140	62,033	68,925	75,818	82,710	89,603	96,495
5	32,250	48,375	56,438	64,500	72,563	80,625	88,688	96,750	104,813	112,875
6	36,930	55,395	64,628	73,860	83,093	92,325	101,558	110,790	120,023	129,255
7	41,610	62,415	72,818	83,220	93,623	104,025	114,428	124,830	135,233	145,635
8	46,290	69,435	81,008	92,580	104,153	115,725	127,298	138,870	150,443	162,015
Each Addl.	4,680	7,020	8,190	9,360	10,530	11,700	12,870	14,040	15,210	16,380

	Monthly Federal Poverty Levels for Alaska - 2009									
Household Size	100%	150%	175%	200%	225%	250%	275%	300%	325%	350%
1	$1,128	$1,692	$1,974	$2,255	$2,537	$2,819	$3,101	$3,383	$3,665	$3,947
2	1,518	2,277	2,656	3,035	3,415	3,794	4,174	4,553	4,932	5,312
3	1,908	2,862	3,339	3,815	4,292	4,769	5,246	5,723	6,200	6,677
4	2,298	3,447	4,021	4,595	5,170	5,744	6,319	6,893	7,467	8,042
5	2,688	4,032	4,704	5,375	6,047	6,719	7,391	8,063	8,735	9,407
6	3,078	4,617	5,386	6,155	6,925	7,694	8,464	9,233	10,002	10,772
7	3,468	5,202	6,069	6,935	7,802	8,669	9,536	10,403	11,270	12,137
8	3,858	5,787	6,751	7,715	8,680	9,644	10,609	11,573	12,537	13,502
Each Addl.	390	585	683	780	878	975	1,073	1,170	1,268	1,365

Georgetown University Health Policy Institute
Center for Children and Families

Eligiblity Levels in Medicaid & CHIP[1] for Children, by State as of February 2010

State	Enacted Eligibility Levels	Implemented Eligibility Levels
Alabama	300%	300%
Alaska	175%	175%
Arizona	200%	200%
Arkansas [2]	250%	200%
California	250%	250%
Colorado	250%	205%
Connecticut	300%	300%
Delaware	200%	200%
District of Columbia	300%	300%
Florida	200%	200%
Georgia	235%	235%
Hawaii	300%	300%
Idaho	185%	185%
Illinois	300%	200% (no limit)
Indiana [3]	300%	250%
Iowa	300%	300%
Kansas [4]	250%	210%
Kentucky	200%	200%
Louisiana [5]	300%	250%
Maine	200%	200%
Maryland	300%	300%
Massachusetts	300% (400+%)	300% (400+%)
Michigan	200%	200%
Minnesota	275%	275%
Mississippi	200%	200%
Missouri	300%	300%
Montana	250%	250%
Nebraska	200%	200%
Nevada	200%	200%
New Hampshire	300%	300%
New Jersey	350%	350%
New Mexico	235%	235%
New York	400%	400%

Updated: 2/1/10

State	Enacted Eligibility Levels	Implemented Eligibility Levels
North Carolina	250%	200%
North Dakota	160%	160%
Ohio [6]	300%	200%
Oklahoma [7]	300%	185%
Oregon	300%	300%
Pennsylvania	300%	300%
Rhode Island	250%	250%
South Carolina	200%	200%
South Dakota	200%	200%
Tennessee	250%	250%
Texas	200%	200%
Utah	200%	200%
Vermont	300%	300%
Virginia	200%	200%
Washington	300%	300%
West Virginia	300%	250%
Wisconsin	300%	250% (300%)
Wyoming	200%	200%

Source: D. Cohen Ross, *et al.*, "A Foundation for Health Reform," Kaiser Commission on Medicaid and the Uninsured (December 2009); updated by the Center for Children and Families.

Notes:
1: Eligibility levels reflect the highest income eligibility level in the state using federal Medicaid/CHIP funds, without regard to income disregards or deductions. Note that Illinois, Massachusetts, and Wisconsin provide state-financed coverage to children above Medicaid/CHIP levels; eligibility for state-funded coverage is shown in parentheses.
2: Arkansas planned on implementing its expansion on July 1, 2009. The state awaits CMS approval.
3: Due to the August 17th CMS directive, Indiana submitted a CHIP state plan amendment expanding to 250% FPL (gross income); CMS aproved the limited expansion on 5/9/08. Implementation to 250% began on October 1, 2008.
4: Note that the CHIP eligibility level is 250% of the 2008 FPL (or approximately 240% of the 2009 FPL).
5: Due to the August 17th CMS directive, Louisiana submitted a CHIP state plan amendment expanding to 250% FPL (gross income) with a 12-month waiting period; CMS approved the limited expansion on 2/27/08. Implementation to 250% began on May 1, 2008.
6: Ohio planned to implement its expansion on July 1, 2009; however, funding has not yet been secured.
7: Due to the August 17th CMS directive, Oklahoma submitted a waiver amendment expanding CHIP to 250% FPL; the amendment was never approved. Since the directive has been rescinded, the state has submitted a state plan amendment to expand through premium assistance to 300%.

Updated: 2/1/10

MARK BEGICH
ALASKA

SUITE SH-825
HART BUILDING
WASHINGTON, DC 20510
(202) 224-3004

United States Senate

WASHINGTON, DC 20510

February 25, 2009

The Honorable Gary Stevens
Senate President
State Capitol, Room 111
Juneau, AK 99801-1182

The Honorable Lyman Hoffman
Co-Chairman, Senate Finance Committee
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chairman, Senate Finance Committee
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senators Stevens, Hoffman and Stedman:

As the Alaska Senate this week resumes committee work on Denali KidCare, I urge your support of proposals to increase the number of children and pregnant women eligible for health insurance under this valuable program. One of my first acts as U.S. Senator was to vote in favor of the Children's Health Insurance Program Reauthorization Act of 2009. The measure also was supported by Senator Lisa Murkowski and Congressman Don Young. Now that Congress has reauthorized and funded the Children's Health Insurance Program (CHIP) for the next five years, it is time to give more Alaska families the chance to qualify for basic health care.

The federal legislation authorizes states to offer coverage for families earning up to 300 percent of the federal poverty level (FPL), and some already do. It is troubling that Alaska – recognized in the early days of Denali KidCare as a national leader for its outreach and signup efforts – is now at only 175 percent of FPL and one of the strictest states in the nation for eligibility.

At a minimum, I urge you and your colleagues to restore Alaska's eligibility guidelines to 200 percent. As you know, that step would return Alaska to 2003 levels and immediately qualify an estimated 1,277 additional children and 218 more pregnant women for Denali KidCare. I and many other Alaskans would celebrate that improvement. However, merely restoring the program to where it was six years ago is not exactly a huge victory for Alaska's families. We can and should do better. I support efforts to increase eligibility levels beyond 200 percent of FPL, including the possibility of an effective but equitable co-pay provision for families that can afford to buy into the program. I applaud your Senate and House colleagues on both sides of the political aisle who are working to improve Alaska's program.

We know the need is great. According to the respected Kaiser Family Foundation, there are more than 21,000 children in Alaska without health insurance. Many are from hard-working families who make too much for regular Medicaid but not enough to afford a private health plan. This results in less preventive care, more sickness and more lost school days. Emergency room visits also increase – last-minute care that is often uncompensated and results in higher insurance premiums and medical costs for everyone.

As you deliberate, let me alleviate concerns about federal support. When President Obama signed the CHIP reauthorization bill earlier this month, he and Congress effectively joined forces to provide states with funding certainty (CHIP is now authorized through FFY2013). That continuity is especially important during these times of economic instability. If families do lose employer-provided health coverage or fall further behind in their efforts to afford private insurance, it is essential that Denali KidCare be available to cover basic health care needs. Coupled with the fact that the federal government is offering financial incentives to states that increase enrollment and will pay up to 70 percent of the total cost of the program (currently estimated at 66 percent in Alaska), this is frankly a very good deal.

Given action by Congress to reauthorize CHIP, the Legislature's obvious interest in this issue and Governor Palin's announced intent to support an expansion of Denali KidCare, it looks as if the stars are finally aligned.

Thank you for your work on this matter. Please feel free to contact me if I can be of assistance.

Sincerely,

Mark Begich
U.S. Senator

Cc: The Honorable Mike Chenault, Speaker of the House
The Honorable Mike Hawker, Co-Chairman, House Finance Committee
The Honorable Bill Stoltze, Co-Chairman, House Finance Committee
Governor Sarah Palin

SB13

Denali KidCare at 200%	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Additional Children Served	1,277	1,291	1,305	1,320	1,334	1,349
Additional Pregnant Women Served	218	220	223	225	228	230
	1,495	1,511	1,528	1,545	1,562	1,579
Annual Medicaid Program Costs (Benefits)	$ 2,535.0	$ 2,753.0	$ 2,989.7	$ 3,246.8	$ 3,526.1	$ 3,829.4
Annual Administrative Costs	$ 167.4	$ 153.0	$ 153.0	$ 153.0	$ 153.0	$ 153.0
Total Costs SB13	**$ 2,702.4**	**$ 2,906.0**	**$ 3,142.7**	**$ 3,399.8**	**$ 3,679.1**	**$ 3,982.4**
Federal Share	$ 1,841.5	$ 1,966.2	$ 2,119.7	$ 2,593.4	$ 2,482.1	$ 2,687.1
General Fund Share	$ 860.9	$ 939.9	$ 1,023.0	$ 1,106.4	$ 1,197.0	$ 1,295.3
Positions	2.0	2.0	2.0	2.0	2.0	2.0

Additional persons served is based on enrollment, allowing 1.1% annual growth for the affected eligibility groups.
Program costs (cost of benefits) are expected to grow by 6.8% per year.

Source: Department of Health and Social Services, Medicaid Budget Group

THE 2009 HHS POVERTY GUIDELINES

One Version of the [U.S.] Federal Poverty Measure

[*Federal Register* notice, January 23, 2009 (PDF - 3 pages]
[Prior Poverty Guidelines and *Federal Register* References Since 1982]
[Frequently Asked Questions (FAQs)]
[Further Resources on Poverty Measurement, Poverty Lines, and Their History]

There are two slightly different versions of the federal poverty measure:

- The poverty thresholds, and
- The poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau** (although they were originally developed by Mollie Orshansky of the Social Security Administration). The thresholds are used mainly for **statistical** purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) Poverty thresholds since 1980 and weighted average poverty thresholds since 1959 are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "How the Census Bureau Measures Poverty" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the **Department of Health and Human Services** (HHS). The guidelines are a simplification of the poverty thresholds for use for **administrative** purposes — for instance, determining financial eligibility for certain federal programs. The *Federal Register* notice with the 2009 poverty guidelines (PDF - 3 pages).

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under Frequently Asked Questions (FAQs). See also the discussion of this topic on the Institute for Research on Poverty's web site.

The 2009 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family	Poverty guideline
1	$10,830
2	14,570
3	18,310
4	22,050

5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add $3,740 for each additional person.	

2009 Poverty Guidelines for Alaska

Persons in family	Poverty guideline
1	$13,530
2	18,210
3	22,890
4	27,570
5	32,250
6	36,930
7	41,610
8	46,290
For families with more than 8 persons, add $4,680 for each additional person.	

2009 Poverty Guidelines for Hawaii

Persons in family	Poverty guideline
1	$12,460
2	16,760
3	21,060
4	25,360
5	29,660
6	33,960
7	38,260
8	42,560
For families with more than 8 persons, add $4,300 for each additional person.	

Go to Further Resources on Poverty Measurement, Poverty Lines, and Their History

Go to Frequently Asked Questions (FAQs).

Return to the main Poverty Guidelines, Research, and Measurement page.

Last Revised: January 23, 2009

kaiser commission on medicaid and the uninsured

Challenges of Providing Health Coverage for Children and Parents in a Recession:

A 50 State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2009

Prepared by:
Donna Cohen Ross
Center on Budget and Policy Priorities

and

Caryn Marks
Kaiser Commission on Medicaid and the Uninsured
The Henry J. Kaiser Family Foundation

January 2009

THE HENRY J. KAISER FAMILY FOUNDATION

2945

Acknowledgments

The authors would like to extend our deep appreciation to the many Medicaid and SCHIP officials throughout the country who participated in this survey and so generously shared their time and expertise with us. We are grateful for their willingness to explain recent program developments -- from the broadest policy change to the most detailed program rule. Their important contribution to improving the health of children and families deserves recognition and our thanks. We also would like to thank our colleagues at the Center on Budget and Policy Priorities, particularly Matthew Broaddus, for their assistance and helpful suggestions as we prepared this report. We also appreciate the assistance of the Center for Children and Families at Georgetown University's Health Policy Institute.

Table of Contents

Executive Summary.....2

I. Introduction.....3

II. About this Survey.....5

III. Key Survey Findings – Current Status of Coverage for Children and Parents....6

IV. Key Survey Findings -- State Actions During 2008.....8

V. Discussion.....13

VI. List of Tables.....17

Executive Summary

Medicaid and SCHIP have been instrumental in covering more low-income uninsured children over the last decade. While much progress has been made, nine million children remain uninsured. As SCHIP reauthorization approached in 2007, states were poised to move forward with efforts to cover more uninsured children. However, federal obstacles, including the Medicaid citizenship documentation requirements, the issuance of a CMS-directive on August 17th 2007 limiting state expansions, and the failure to reauthorize SCHIP have hampered progress. A temporary extension provided funds for SCHIP through March 31, 2009.

When states adopted their budgets for the fiscal year starting July 1, 2008, many were able to include funding for children's coverage expansions. Later, the severity of the unfolding fiscal crisis became clearer and state budget shortfalls are now expected to total $350 billion for the remainder of FY 2009 and through 2011. States face mounting pressure to cut Medicaid and SCHIP just as the need for coverage rises due to climbing unemployment and loss of health coverage. In the last downturn, some states implemented restrictive enrollment procedures and reported dramatic declines in children's enrollment as a result. States may soon feel pushed to take such steps. Key findings from the annual KCMU survey of state Medicaid and SCHIP policies for children and parents that were implemented or authorized between January 2008 and January 2009 in the 50 states and D.C. include:

- **States continued to make progress on improving access to health coverage, particularly for children, but several significant setbacks warn about impending problems.** One-third of states (19) increased access to health coverage, while ten states enacted at least one measure to restrict coverage. The most common restriction was imposing new or higher premiums in SCHIP, but two states also restricted eligibility. California increased the frequency of renewal, a change estimated to affect more than 260,000 children as well as large numbers of parents.

- **The economic crisis is widespread and serious healthcare cuts are looming, but the commitment to children is still strong.** States continued to enact eligibility expansions for children, and state officials in several of those states plan to go forward even though they are facing significant budget shortfalls. Federal constraints, such as the unresolved reauthorization of SCHIP and the August 17th directive, have caused some states to put expansions on hold temporarily. Others are using state funds to pay for coverage precluded by the directive.

- **Parent coverage is still more difficult to obtain than children's coverage.** The median income at which children qualify for coverage is 200 percent of the federal poverty line, but is much lower — 68 percent of the federal poverty line — for working parents. However, for unemployed parents, the median income eligibility for Medicaid is just 41 percent of the federal poverty line, $601 per month for a family of three in 2008. Jobless parents who need coverage may find that unemployment payments put them over the income limit for Medicaid.

- **Outreach budgets were increased in a number of states, however, some are beginning to report that these funds are being curtailed.** Outreach, including community-based application assistance, is critical in a recession, since newly eligible families may be unfamiliar with public programs. But in light of budget shortfalls, some states expressed skepticism for conducting aggressive outreach. About half the states are using technology to implement or develop online applications and to develop more efficient enrollment and renewal systems.

As the economic crisis deepens, states will be under major pressure to contain costs. This may lead them to take steps that not only reverse coverage gains, but intensify the hardships that many families are already facing as a result of losing their jobs and their health insurance. Congress is currently considering SCHIP reauthorization and an economic recovery package that would provide additional federal Medicaid matching funds. These would help states to maintain vital coverage for low-income families, support state efforts to enroll more eligible children, and make program improvements. Strengthening Medicaid and SCHIP in these ways is an essential precursor to the larger task of enacting broad health care reform.

I. Introduction

A commitment to providing health coverage for uninsured children has inspired nationwide efforts that began in earnest with enactment of the State Children's Health Insurance Program (SCHIP) in 1997. Like Medicaid, the chief source of health coverage for low-income families, SCHIP finances coverage through a partnership between the federal and state governments. State measures to expand eligibility and adopt streamlined enrollment procedures in Medicaid and SCHIP have strengthened both of these programs, and they have been instrumental in reducing the percentage of low-income uninsured children by one-third over the last decade.[1] Notably, the number of low-income uninsured parents increased over the same period, since eligibility levels and resources for addressing their health coverage needs do not approach those related to children.

While considerable progress has been made, nine million children in the United States remain uninsured, with nearly two-thirds of them eligible for Medicaid and SCHIP. In 2007, with relatively robust state budgets and the reauthorization of SCHIP at hand, across the country, states came forward to reaffirm their commitment to closing this gap. That year, state efforts to expand children's health coverage represented the most aggressive steps forward since the early years of SCHIP. Of the 20 states that expanded eligibility for children, 12 raised or authorized raising SCHIP income limits to 300 percent of the federal poverty line, more than doubling the number of states that previously had eligibility set at this level. States also made progress on adopting simplified enrollment and renewal procedures in both Medicaid and SCHIP, emphasizing strategies that reduce paperwork and jump-start enrollment.[2]

Despite this burst of activity, efforts to advance children's coverage met unanticipated federal obstacles. The Medicaid citizenship documentation requirement, enacted in 2006 as part of the Deficit Reduction Act, sent state simplification efforts backwards by requiring U.S. citizens applying for Medicaid to present original documents proving their citizenship and identity. States reported that this new rule ushered a deep decline in the enrollment of eligible U.S. citizens, especially children.

The expected reauthorization of SCHIP also encountered roadblocks. Congress passed two versions of legislation to reauthorize SCHIP and President Bush vetoed each of them. And, on August 17, 2007, as SCHIP reauthorization was proceeding, the Centers for Medicare and Medicaid Services (CMS) issued a directive that impeded states' ability to expand coverage.[3] The year ended with these problems unresolved, meaning states were without the infusion of funds they were anticipating, and the new tools to bolster outreach and enrollment did not materialize. A temporary extension provided funds for SCHIP through March 31, 2009.

When states adopted their budgets for the state fiscal year starting July 1, 2008, they were able to include funding for children's coverage expansions. Later, the economy began to show signs of trouble, but it was not until September 2008 that the breadth and depth of the unfolding fiscal crisis became clear as financial markets collapsed and unemployment started to rise sharply. States are now facing an extremely threatening fiscal situation, with state budget shortfalls expected to total $350 billion for the remainder of FY 2009 and through 2010 and 2011.[4]

So far, most states have managed to maintain existing eligibility levels and procedural improvements. For example, despite serious financial pressures, states that enacted earlier children's coverage expansions, such as Iowa and New York, have reiterated their intentions to go forward. But, there are warning signs that this will become more and more difficult.

As in past economic downturns, states will continue to struggle with the mounting pressure to cut health coverage programs just at the time that an increasing number of people need the vital services they provide. Many states have already implemented or announced major cuts to health programs, mainly in the area of provider rates and benefits, which have a significant impact on access and the quality of care. States that have not yet expanded are likely to be deterred from increasing coverage because of the dire economic environment.

Medicaid enrollment and spending growth peaked in 2002 at the same time state revenues dropped sharply. In response, states adopted an array of cost containment strategies to control spending growth. Then federal fiscal relief was made available to states through the Jobs and Growth Tax Relief Reconciliation Act of 2003, increasing the federal share of Medicaid costs, and lifting some of the burden states were carrying. The legislation restricted states from lowering Medicaid eligibility between September 2003 and June 2004, as a condition of receiving relief funds. Thus, no state retracted Medicaid eligibility during this time period. SCHIP eligibility also remained relatively constant, with only a few states cutting back.

However, because they were still grappling with budget shortfalls, nearly half the states put in place enrollment procedures that made it more difficult for children and parents to secure and retain health coverage between April 2003 and July 2004.[5] Some states reported dramatic declines in children's enrollment as a result of these budget-driven changes, and children who were most likely *eligible* for existing programs became uninsured. For example, in Texas, SCHIP enrollment dropped by more than 149,000 children (a 29 percent decline), in large measure, due to reducing continuous coverage from 12 months to six months. Washington state also repealed the guarantee of 12 months of coverage and required parents to renew their child's eligibility every six months as well as report changes in the interim. This, along with other procedural changes, led to a dramatic caseload reduction of more than 40,000 children. In Wisconsin's BadgerCare program, establishing more rigorous documentation requirements resulted in an enrollment decline of 13,000 children and parents in just the first four months of implementation. Several states also froze SCHIP enrollment. In addition to turning away children who qualified for coverage under SCHIP, this strategy adversely affected Medicaid-eligible children not subject to the freeze. Eligible applicants' path to coverage was limited when states stopped taking joint Medicaid/SCHIP applications or because families mistakenly interpreted news reports to mean that all coverage programs were closed to new applicants.[6]

Coming out of the last economic downturn, states worked to eliminate SCHIP enrollment freezes and reverse some of the enrollment barriers they had imposed. This enabled caseloads to recover somewhat. An important lesson learned, however, is that the problematic effects of changing administrative procedures can endure if such changes send conflicting messages to prospective and current program participants.

As this report goes to press, two major developments are within reach. Congress has taken up SCHIP reauthorization once again and is working towards passing a bill that will likely be one of the first pieces of legislation to be presented to the nation's new president, Barack Obama. Next will come a significant economic recovery package that will contain substantial state fiscal relief in the form of enhanced federal matching funds for Medicaid that will reduce the share of the costs states will have to contribute for the program. Passage of both these bills would provide needed relief, as well as the support to move forward on enrolling more eligible, uninsured children. These measures would also help reinforce the federal/state partnership that is fundamental to the viability of health coverage programs. Strengthening Medicaid and SCHIP by making sure they are in a position to provide coverage to more

low-income uninsured individuals, is also an essential precursor to the larger task of enacting broad health care reform.

II. About this Survey

This report presents the findings of a survey of eligibility rules, enrollment and renewal procedures, and cost-sharing practices in Medicaid and SCHIP for children and families that were implemented or authorized between January 2008 and January 2009 in the 50 states and the District of Columbia. These policies have a large influence on how effectively Medicaid and SCHIP can deliver health coverage to the eligible children, pregnant women and parents who rely on the vital services these programs provide. They are the driving forces behind efforts to reduce the number of low-income people who lack adequate insurance but cannot afford to pay for it on their own.

This study, the eighth annual survey conducted by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, was carried out in the summer and early fall of 2008, through extensive telephone interviews with state Medicaid and SCHIP program administrators. Detailed follow-up interviews proceeded through the end of the year. The findings reflect policies and procedures in effect in the states in January 2009, as well as coverage expansions that were authorized, but were not implemented, by states during the survey period.

III. Key Survey Findings – Current Status of Coverage for Children and Parents

States continue to make progress on improving access to health coverage for low-income families. As of January 2009, income eligibility levels are as follows:

States provide health coverage for children and pregnant women under Medicaid or SCHIP as follows (Figures 1 & 2):

- 44 states, including DC, cover children in families with income at 200% FPL or higher. ($35,200 for a family of three in 2008).
- 33 states cover children in families with income between 200% and 250% FPL. (200%: $35,200 for a family of three in 2008; 250% FPL: $44,000 for a family of three in 2008).
- 19 states, including D.C., cover children in families with income at 250% FPL or higher. 10 of these states cover children in families with income at 300% FPL or higher. ($52,800 per year for a family of three in 2008).
- 40 states, including DC, cover pregnant women with income 185% FPL or higher. ($32,560 for a family of three in 2008).

Figure 1

Children's Eligibility for Medicaid/SCHIP by Income, January 2009

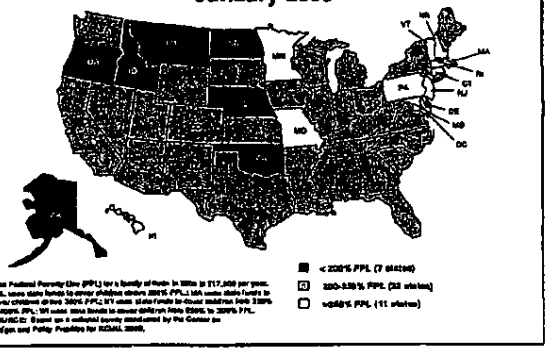
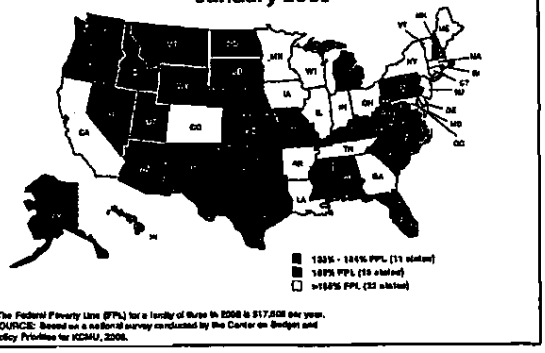


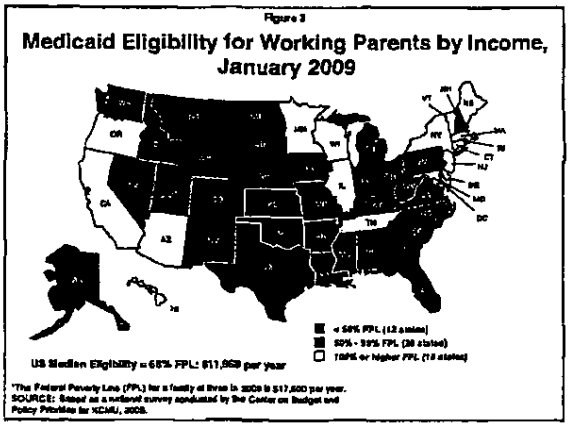
Figure 2

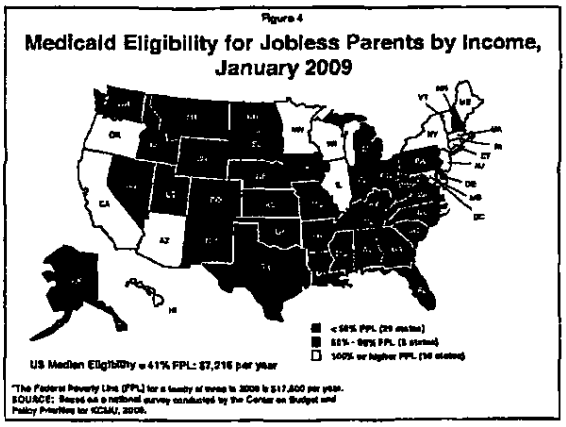
Medicaid Eligibility for Pregnant Women by Income, January 2009



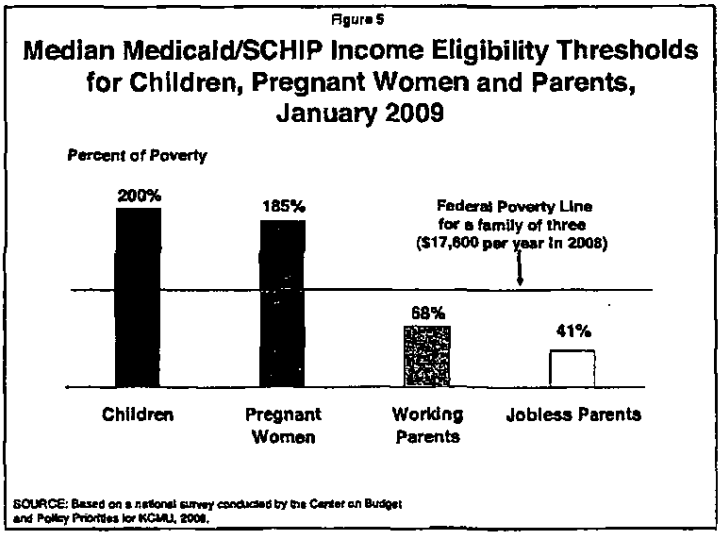
States provide health coverage for parents under Medicaid as follows (Figures 3 & 4):

- In 12 states, family income must be less than half the federal poverty line for a working parent to qualify for Medicaid ($8,700 per year for a family of three in 2008).
- In 29 states, family income must be less than half the federal poverty line for a jobless parent to qualify for Medicaid ($8,700 per year for a family of three in 2008).
- 18 states, including the District of Columbia, cover parents in families with income at 100 percent of the federal poverty line or higher ($17,600 per year for a family of three in 2008).
- In 28 states, a parent in a family of three, working full-time at the minimum wage, earning on average, $1,092 per month, cannot qualify for Medicaid.





It continues to be more difficult for a low-income parent to qualify for health coverage than for a child (Figure 5). The median income at which children qualify for Medicaid or SCHIP is 200 percent of the federal poverty line, but is much lower — 68 percent of the federal poverty line — for working parents. For jobless parents, the median income eligibility for Medicaid is just 41 percent of the federal poverty line, $601 per month for a family of three in 2008. In an economic downturn, this low income limit can take a serious toll on families. For many individuals who have lost their jobs and also their health insurance, COBRA coverage is likely to be prohibitively expensive or may not be available, and parents may turn to public programs for coverage. However, they may find that the unemployment compensation payments they receive put them over the income limit for Medicaid. (Since unemployment compensation is unearned income, "earnings disregards" that are designed to help working families qualify do not apply.) Jobless parents may eventually become eligible, but in the interim they are subject to health risks and financial exposure that can have deleterious consequences for themselves and their families.



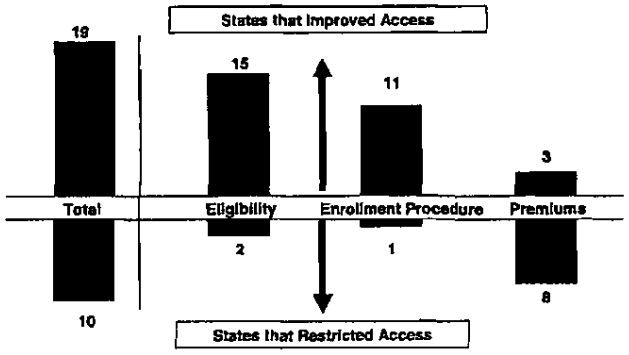
IV. Key Survey Findings – State Actions During 2008

Overall, states continued to make progress on improving access to health coverage, but a few setbacks warn about impending problems (Figure 6).

- **More than one-third of the states (19 states) took steps to increase access to health coverage for low-income children, pregnant women and parents.** Fifteen(15) states authorized or implemented coverage expansions *(CO, LA, IN, KS, LA, MD, MT, ND, NJ, NY, OK, OR, SC, TN, WI)*; 11 states reduced procedural barriers *(AZ, CO, LA, KY, LA, MD, MT, NV, OR, SC, UT)* and three states reduced financial barriers to Medicaid and SCHIP *(TN, WA, WI)*.

Figure 6

Number of States Taking Action Affecting Access to Health Care Coverage, Jan 08 – Jan 09



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2009.

- **Ten states (10 states) enacted at least one measure to restrict coverage.** The most common restriction was to increase financial barriers such as new or higher premiums in SCHIP programs. Eight states *(GA, LA, MN, MO, NJ, NV, PA, RI)* went in this direction. *Rhode Island* and *South Carolina* restricted eligibility, the former cutting income eligibility for parents, and the latter establishing a three-month waiting period in its new separate SCHIP program, during which children must remain uninsured before they can enroll. *California*, increased the frequency with which parents and children are required to renew coverage.

  The actions taken by *Rhode Island* and *California*, among the first states to feel the effects of the economic downturn, raise concerns about where other states could be headed if their fiscal pressures go unaddressed. The premium increases in *Rhode Island* are steep, coming at a time when families are likely to be financially strapped. Premiums of $45 per child per month are now required for children in families with incomes as low as 133 percent of the federal poverty line ($23,467 for a family of three in 2008), as compared to the previous starting point, 150 percent of the federal poverty line. Premiums for other children range from $86 per month to $114 per month, representing an increase of up to $29 per month for some.

  California's retraction of 12-month continuous eligibility for children withdraws the guarantee of full-year coverage, which is critical for children with ongoing medical needs. In addition, the state will

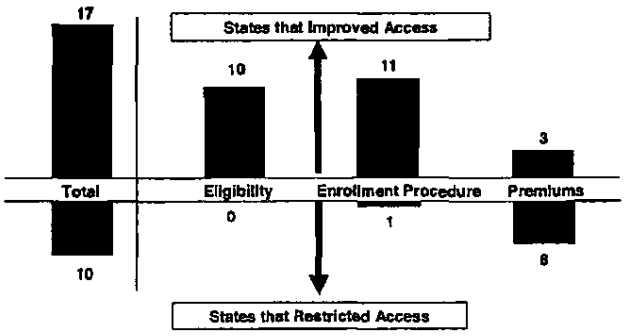
2954

now require children and parents on Medicaid to comply with a semi-annual reporting procedure that is likely to cause otherwise avoidable gaps in coverage for eligible families. It will also create unnecessary and costly administrative burdens, since eligible families dropped from the program are likely to reapply within a short period of time. These changes could result in more than 260,000 children losing coverage by 2011. A large number of parents would be affected as well.[7]

The economic crisis is widespread, and serious health care and other cuts are looming, but states are demonstrating a steadfast commitment to covering children (Figure 7). States continued to enact eligibility expansions for children, and state officials in several of those states, such as *Iowa* and *New York*, plan to go forward even though they are facing significant budget shortfalls. Federal constraints that have dampened states' ability to expand, such as the unresolved reauthorization of SCHIP and the August 17th directive, have caused several states to put expansions on hold or scale back temporarily. Others, such as *Wisconsin* and *New York*, are using state funds to pay for children whose coverage is precluded by the August 17th directive.

Figure 7

Number of States Taking Action Affecting Children's Access to Health Care Coverage, Jan 08 – Jan 09



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2009.

- **One-third of the states (17 states) increased access to coverage for children.** Ten (10) states implemented or authorized eligibility expansions for children. *Iowa* and *Montana* raised children's coverage (scheduled to begin later this year), to 300 percent of the federal poverty line and 250 percent of the federal poverty line, respectively; *Kansas* implemented a children's coverage expansion to 250 percent of the federal poverty line. If the August 17th directive remains in place, these states will be subject to the strict conditions it imposes. Eligibility increases were also implemented, but to more modest levels in *Colorado, North Dakota* and *South Carolina. New York* adopted the option to allow children leaving foster care upon reaching age 18 to keep their Medicaid coverage.

  Of the ten states that expanded coverage for children, four were implementing expansions that were authorized last year, but which had been held back by the August 17th directive or by the uncertainty surrounding SCHIP reauthorization. *Louisiana* and *Indiana* increased eligibility to 250 percent of the federal poverty line, rather than 300 percent. *Wisconsin* and *New York* chose to move forward with their full expansions, funding coverage over 250 percent of the federal poverty line with state funds only. *Illinois* has been funding its expansion using state dollars. Planned expansions in five additional states (*NC, OH, OK, WA,* and *WV*) remain stalled.

Iowa Children Get A Coverage Boost

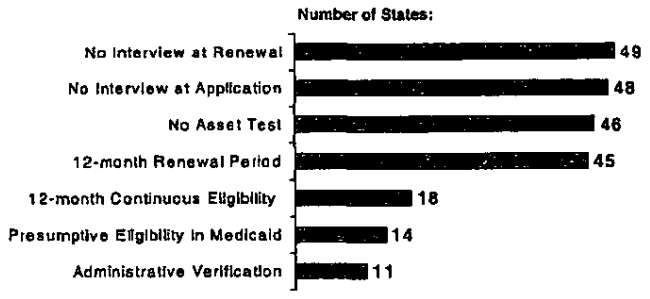
Buoyed by a groundswell of public support for covering children, Iowa Governor Chet Culver, along with state legislators, remain strong in their pledge to expand health insurance to more of the state's uninsured children. In the last legislative session, state legislators passed an expansion of hawk-i, the state's SCHIP program, to 300 percent of the federal poverty line, which will be implemented in July 2009, and cover an estimated 5,000 new children. Program improvements have already proceeded. The state now guarantees children a full 12 months of continuous coverage and is pursuing ways to ease premium payment policies. For example, families new to the program will not have to pay premiums for the first two months of enrollment. Outreach is expected to go forward as well, but may possibly be scaled back. Like many other states, Iowa is in a severe budget crunch, with an expected shortfall of more than $600 million in the coming year. Major spending cuts are being planned, but it appears that the children's coverage expansion will go forward. Senate Majority Leader, Mike Gronstal (D) stated recently, "We committed to providing access to affordable coverage to every kid in the state of Iowa. I'm not interested in backing up on that commitment."

* "Health Promises Persist: Iowa lawmakers reconcile health care goals, budget" The Hawkeye, January 15, 2009.

- **Eleven (11) states took steps to reduce procedural barriers to coverage for children (Figure 8).** *Arizona, Kentucky,* and *Utah* no longer require families to participate in face-to-face interviews to obtain health coverage for their children, and *Colorado* adopted "administrative verification and renewal," meaning the state no longer requires families to provide paper documentation of their income and eligibility workers use existing databases to verify the information families provide on the application. *Maryland, Montana, Louisiana, South Carolina* and *Utah* have revised their applications to allow parents to apply using the same simplified forms that are used for children, a change that benefits both children and parents. *Iowa, North Dakota* and *Oregon* now guarantee 12 months of continuous eligibility, considered to be one of the most effective tools for keeping children covered for as long as they qualify. One serious setback, the changes to the renewal procedures in *California,* was discussed earlier.

Figure 8

Simplifying Enrollment and Renewal: Strategies States are Using in Children's Health Coverage Programs, Jan 09



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2009.

States Explore the Use of Technology to Facilitate Enrollment

Emergence of Online Applications

About half the states reported that they are implementing, or are in the process of designing, on-line applications. Several of these states also report allowing the use of electronic signatures, so that a follow-up signature page does not have to be printed and mailed in. (Other states appear unsure about the permissibility of electronic signatures and point to the lack of clear federal guidance on this subject.) Some states at the forefront of using on-line applications also report that their applications currently interface with existing eligibility systems (or will in the future), so that information from the on-line application does not have to be re-entered by eligibility workers and an eligibility determination can move forward more rapidly.

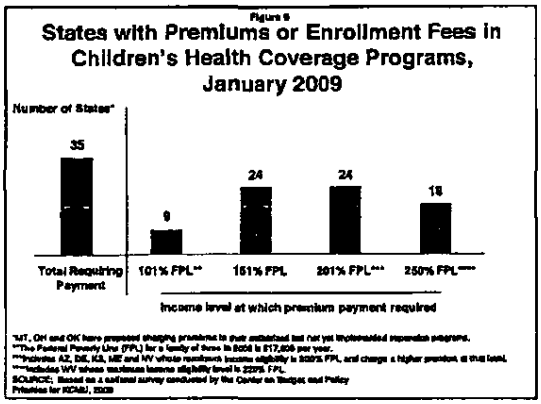
Database Usage

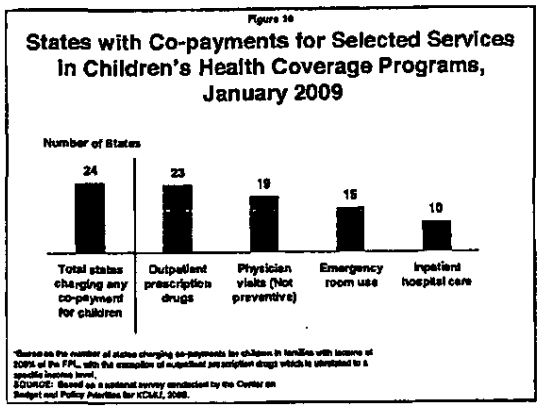
Eleven states (12 states at renewal) report using technology to streamline the enrollment and renewal process. States report conducting matches with existing databases to verify income and other information, as well as eliminating rules requiring families to submit pay stubs or other paper documentation. This procedure is referred to as "administrative verification and renewal." Many states also are conducting data matches with their Vital Records departments to help families comply with the Medicaid citizenship documentation requirement, however, the technological capacity to do this efficiently varies considerably. Finally, states are exploring the use of technology to target outreach, for example, by conducting data matches with existing databases to identify children and parents who are likely to qualify for health coverage but who are not enrolled. States report using matches with food stamp databases for this purpose, and have expressed interest in using state tax system databases.

- **Outreach budgets in a number of states were increased in 2008, however, some states are beginning to report that these funds are being curtailed.** Several states reported increases in outreach funding in 2008, sometimes associated with new expansions, but also for ongoing promotional activities and community-based application assistance. In recent follow-up interviews, some state officials indicated that their outreach budgets have now been cut; others expressed skepticism for conducting aggressive outreach in light of budget shortfalls. Still others said their outreach activities would go forward, with some indicating that activities would emphasize renewal assistance so that already enrolled children do not lose coverage.

- **A few states reduced financial barriers to children's coverage, eliminating or lowering premiums for some children, while other states increased premiums (Figure 9).** *Tennessee, Washington* and *Wisconsin* either reduced premiums or eliminated them for some children. *Georgia, Minnesota, Missouri, Nevada, New Jersey, Pennsylvania* and *Rhode Island* increased premiums for children, with two of these states showing significant increases. *Minnesota* premiums increased by up to $14 per month for some children. Premium increases in *Rhode Island*, discussed earlier, represented the most severe increases for children this year. New premiums implemented in *Louisiana*, apply to the state's new expansion group (children with incomes between 200 percent and 250 percent of the federal poverty line).

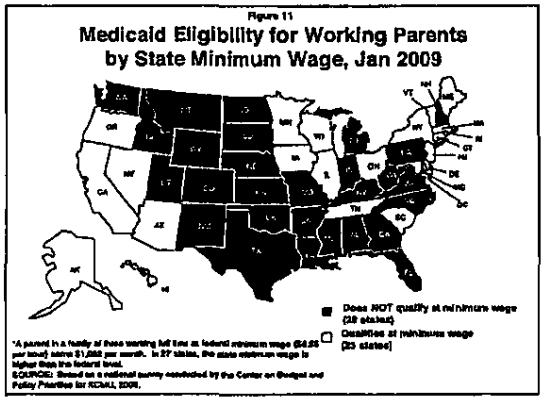
- **Co-payments for health services were adopted in one state and increased in two states (Figure 10).** Currently, 24 states charge co-payments for children's health services. *Wisconsin* adopted new co-payments, and *West Virginia* and *Utah* increased co-payments for prescription drug coverage. Only one state, *Montana* decreased co-payment amounts.

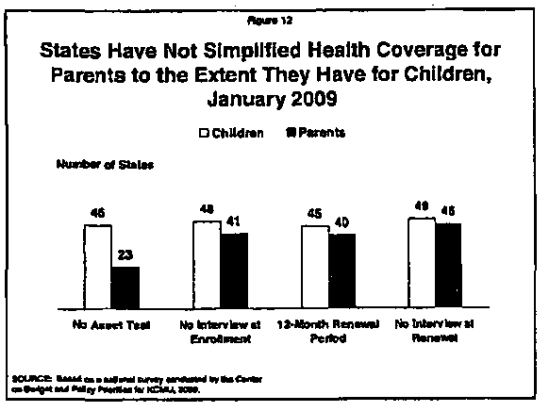




Low-income parents applying for Medicaid coverage continue to face substantially restricted income eligibility and access as compared to their children (Figure 11 and 12).

- **A few states took steps to boost coverage and simplify procedures for parents.** Three states — *New Jersey, Maryland,* and *Wisconsin* — implemented parent coverage expansions. Still, in 28 states, parents working full time at minimum wage cannot qualify for Medicaid. One state, *Rhode Island*, cut parent coverage. *Maryland* also stopped counting assets in determining eligibility for parents, a step that fewer than half the states have taken. Given the restrictive income eligibility levels for parents in most states, the majority of parents applying are not likely to have substantial bank accounts, multiple vehicles of significant value, or other resources that would disqualify them. The burdensome and intrusive paperwork associated with proving that one does not exceed the asset limit often deters eligible parents from completing the application process. Other measures were implemented to reduce procedural barriers for parents, including eliminating interviews and reducing the frequency of renewal (*AZ, MD, UT),* but these practices are still more prevalent in children's coverage programs.





2958

Maryland Expands Medicaid Eligibility for Low-Income Parents

Access to health coverage increased measurably for thousands of low-income Maryland parents this year when an income eligibility expansion and a package of procedural improvements were implemented on July 1, 2008. The state boosted parent eligibility from about 30 percent of the federal poverty line to 116 percent. The state also eliminated the asset test and no longer requires parents to have a face-to-face interview at the Medicaid office. This streamlined the process for parents and also aligned procedures for parents and children to a greater extent so that they can apply using the same simplified application form. Since its implementation, 29,682 adults have enrolled as a result of the expansion.

To achieve this early success, a logical first step was to identify children already in Medicaid whose family income is below 116 percent of the federal poverty line and enroll the parents when they renew their child's coverage. Traditional outreach efforts including TV, print and radio publicity, as well as activities with the Baltimore Ravens football team, also have done much to inform families about the new coverage opportunity. In addition, the Medicaid and revenue agencies coordinated on a new initiative that used the tax system to identify 150,000 people who were potentially eligible. They were sent a letter from the state Comptroller inviting them to call a toll-free number for an application. Between December 1 and December 12, 2008, nearly 1,800 hotline callers were sent applications. Others obtained applications on-line and through other avenues.

Enrollment continues to increase and the recession is apparently a driving force: there were more approvals of parents in the expansion group during the first two weeks in December than there have been since it was implemented in July and state officials say they are seeing people who previously had secure jobs and are seeking help, perhaps for the first time. The budget is tight in Maryland, but in two rounds of cuts, the expansion has not been targeted.

*Conversations with Maryland State Officials, January 2009.

- **Income eligibility for pregnant women remained stable with nearly half the states covering pregnant women at 185 percent of the federal poverty line.** Two states, *Tennessee* and *Wisconsin*, increased eligibility for pregnant women to 250 percent and 300 percent of the federal poverty line respectively. *Oklahoma* and *Oregon* both adopted the option to use SCHIP funds to cover unborn children of pregnant women.

V. Discussion

Recession Jeopardizes States' Ability to Maintain and Advance Coverage for Low-Income Children and Parents

States have made substantial progress in reducing barriers to health coverage for low-income children and families. They continued to do so during the first half of 2008 by further expanding eligibility and streamlining enrollment and renewal procedures. Now, as the economic crisis deepens, states will be under major pressure to contain costs. This may lead them to take steps that would not only reverse critical coverage gains, but would intensify the hardships so many families are already facing as a result of losing their jobs and their health insurance. In the last economic downturn, federal fiscal relief was successful in helping states address budget shortfalls, avoid deeper Medicaid cuts, and preserve eligibility, which was a condition of receiving enhanced federal funds. However, to deal with tight budgets, many states made procedural changes to their programs which blocked eligible children and parents from obtaining coverage at a time when they could least afford health care on their own.

Easing Eligibility and Simplifying Procedures Are Especially Important During an Economic Downturn

Individuals who have lost health coverage due to unemployment need a smooth path to Medicaid and SCHIP.[8] Any period of time without insurance could cause ongoing medical conditions to escalate if it is not possible for families to find or pay for needed medication or other treatment on their own. Parents who are recently unemployed may find that the unemployment compensation payments they receive put them over the income limit for Medicaid. States can choose to disregard these payments or a portion of them in determining eligibility for jobless parents. States can eliminate their SCHIP waiting periods or at least ensure that a job-loss exemption is available. Minimizing documentation requirements and rescinding face-to-face interviews also are important since complicated, burdensome forms and procedures often discourage families from completing the process. Enrolling children for a full 12 months and simplifying renewal helps ensure beneficiaries remain covered for as long as they qualify. In addition to protecting children and families, taking such steps also saves administrative costs by reducing the workload on eligibility workers. Eligibility staff may have been cut at the same time application volume has increased.

Premium Payment Policies Matter

It also is important to ensure that unreasonable out-of-pocket costs do not keep eligible children from obtaining coverage and needed care. When a family has lost income or a job, it will be more difficult to keep up with premium payments on top of regular living expenses. Numerous studies show that premiums for low-income individuals can depress enrollment in health coverage programs.[9] Similarly, burdensome co-payments can be an obstacle to getting needed care or medication. Programs should also avoid imposing strict payment timeframes after which children are disenrolled from SCHIP, as well as lock-out periods that bar children from returning to SCHIP if the lack of a premium payment forces them to lose coverage.

Outreach Is Critical During Economic Downturns

In tight budget times, it may appear sensible to cut outreach funds as states seek ways to contain the costs associated with expanding caseloads. Conducting outreach may also seem counterintuitive when hiring freezes and lay-offs mean there are fewer eligibility workers to process a larger volume of applications. However, families that previously had stable jobs with health insurance are likely to have little or no experience navigating the public benefits system. They may not know where to turn for help when they become jobless, nor are they likely to know much about Medicaid and SCHIP or realize that they may qualify. Community-based organizations and institutions can play a vital role in alerting families to the availability of free or low-cost coverage and in assisting families with application procedures.

States are attempting to balance these competing pressures. For example, although New Mexico has had to make significant cuts to its Medicaid budget, the state will continue to reach out and enroll more uninsured children, a goal Governor Richardson has prioritized. A state Medicaid official explained that, while available funding will continue to be used for outreach, "the state does not have funds to do anything very aggressive or costly. It's difficult to justify spending on outreach when we're cutting elsewhere, however we will conduct some data matches to identify eligible but unenrolled children."[10] Given the demands that outreach generates and the limitations created by personnel cuts, adopting simplified procedures are more important that ever. Streamlining renewal, in particular, protects the investment in outreach since it guards against eligible children and parents losing coverage unnecessarily.

Federal Legislation May Provide Needed Help for States

Two major pieces of legislation are being considered in Congress as this report is being written. Both are critical to addressing the challenges states are facing as they report mounting deficits and also attempt to assist the growing demand for health coverage among families that are suffering the effects of the weakening economy. The first is reauthorization and extension of SCHIP legislation, which is currently operating with temporary funding through March 2009. This legislation would provide the additional funds to maintain coverage for children currently enrolled and cover additional uninsured children. It would also provide bonus payments designed to encourage states to enroll more eligible children under Medicaid.

The second piece of legislation is the economic recovery package. In this recession, with substantial state deficits, one form of assistance the federal government could provide is an increase in the federal share of financial assistance for the Medicaid program (FMAP). The amount of funding for the enhanced FMAP, the duration of the relief, the distribution of the funds across states, and the conditions or maintenance of effort requirements related to eligibility are critical issues in the design of a recovery package. In 2003, one of the conditions for states receiving an increased FMAP was that they were prohibited from reducing eligibility levels in order to qualify for this financial assistance. Congress could also consider requiring states to maintain enrollment procedures to qualify for federal assistance and additional provisions to extend temporary Medicaid coverage to individuals affected by the economic downturn.

The SCHIP reauthorization and economic recovery plan could provide an essential boost that would enable states to sustain the coverage gains they have achieved and give families hard-hit by the recession the confidence that assistance with health coverage will be available.

[1] Kaiser Commission on Medicaid and the Uninsured analysis of the National Health Interview Survey data.
[2] Donna Cohen Ross, Aleya Horn and Caryn Marks, "Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles," Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, 2008.
[3] Letter from Dennis Smith, Director for Medicaid and State Operations at the Centers for Medicare and Medicaid Services, to State Health Officials, August 17, 2007.
[4] Elizabeth McNichol and Iris Lav, *State Budget Troubles Worsen*, Center on Budget and Policy Priorities, Washington, DC, *Updated*, January 14, 2009.
[5] Donna Cohen Ross and Laura Cox, Beneath the Surface: Barriers Threaten to Slow Progress on Expanding Health Coverage of Children and Families, Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, 2004.
[6] *Ibid.*
[7] Nicholas Johnson, Phil Oliff and Jeremy Koulish, "Facing Deficits, Two-Thirds of States Are Imposing Cuts that Hurt Vulnerable Residents," Center on Budget and Policy Priorities, Washington, DC, Updated January 14, 2009.
[8] Michael Perry, Barbara Lyons, Robin Rudowitz and Julia Paradise, "Turning to Medicaid and SCHIP in an Economic Recession: Conversations with Recent Applicants and Enrollees," Kaiser Commission on Medicaid and the Uninsured, December 2009.
[9] Samantha Artiga and Molly O'Malley, "Increasing Premiums and Cost-Sharing in Medicaid and SCHIP: Recent States Experiences," Kaiser Commission on Medicaid and the Uninsured, 2005.
[10] Conversation with Robert D. Beardsley, Deputy Director, Medical Assistance Division, New Mexico Department of Human Services, January 12, 2009.

NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Joe Hackney
Speaker
North Carolina House of Representatives
President, NCSL

Gary VanLandingham
Director, OPPAGA
Florida Legislature
Staff Chair, NCSL

William Pound
Executive Director

To: The Honorable Bettye Davis
Alaska Senate

From: Jennifer Saunders
Health Program
303-856-1440
Jennifer.saunders@ncsl.org

Date: February 11, 2009

Subject: SCHIP Cost Sharing Rules

Senator Davis,

We enjoyed listening to your Health and Social Services committee meeting on Monday. This memo is intended to answer the question posed about the SCHIP cost-sharing rules.

Alaska's SCHIP program is a Medicaid expansion program and therefore must comply with Medicaid's cost-sharing rules as specified under the Deficit Reduction Act of 2005. Under provisions of the Deficit Reduction Act of 2005 (DRA), states generally cannot impose cost sharing on children in families with income below 150 percent of the federal poverty guidelines except in certain circumstances. In addition, even at more moderate-income levels, federal rules exempt some special services from any cost sharing requirements.

Most children under the age of 18 are exempt from premiums and from cost-sharing on most services. However, the DRA rules allow states to require co-payments for prescription drugs and use of the emergency room for non-emergency care on all children in certain circumstances. The DRA also allows states to assess premiums and cost-sharing charges on some children in families with income above the poverty line. The total amount of premiums and cost-sharing charges cannot exceed a cap of five percent of family income, which is calculated on a monthly or quarterly basis at the option of the state.

Please see the following document by the Center on Budget and Policy Priorities for more detailed information about cost-sharing and premiums in Medicaid:
Cost-sharing and Premiums in Medicaid: What Rules Apply? February 28, 2007
http://www.cbpp.org/2-28-07health.pdf

In addition, you may also find the following document by the Congressional Research Service helpful. The table on page 5 compares service-related cost-sharing rules in traditional Medicaid, the DRA options and SCHIP.
Medicaid Cost-Sharing Under the Deficit Reduction Act of 2005 (DRA)

CRS Report for Congress, January 25, 2007
http://assets.opencrs.com/rpts/RS22578_20070125.pdf

The following document by the Centers for Medicare and Medicaid Services (CMS) also summarizes these Medicaid requirements and you may find the "Important Links" on the bottom of page 2 helpful.
See the CMS document here:
http://www.cms.hhs.gov/DeficitReductionAct/Downloads/Costsharing.pdf

For more general information about cost sharing and SCHIP, please see the following CMS website:
http://www.cms.hhs.gov/MedicaidGenInfo/05_SCHIP%20Information.asp
(Scroll down to see the information under the heading "Cost Sharing.")

To create cost sharing requirements that differ from the Medicaid requirements, states can do so by submitting a waiver to and obtaining approval from the Centers for Medicare and Medicaid Services (CMS) or by creating a stand-alone SCHIP program.

If you have more specific or detailed questions regarding cost-sharing requirements under Alaska's SCHIP program, I would suggest that you contact CMS directly.

Best regards,
Jennifer Saunders

adn.com
Anchorage Daily News

Print Page Close Window

Alaska rewarded for kids' health insurance

The Associated Press
(12/21/09 21:40:13)

Alaska is among nine states being rewarded by the federal government for enrolling more uninsured children in Medicaid. Health Secretary Kathleen Sebelius said Alaska is receiving a $789,000 bonus for boosting health insurance coverage for children.

The payouts were part of the Children's Health Insurance Program reauthorization signed into law by President Barack Obama.

The amounts totaled $72.6 million in this fiscal year.

Print Page Close Window

Copyright © Mon Dec 28 10:47:54 UTC-0900 20091900 The Anchorage Daily News (www.adn.com)

SB

24

<target><bill>SB 24</bill><subject>SB
24</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SESSION
State Capitol, Rm 516
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator_Bert_Stedman@legis.state.ak.us

INTERIM
50 Front Street
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-0713

SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

Senate Bill 24

"An Act naming the bridge over Hammer Slough on Nordic Drive in Petersburg the Louis Miller Bridge"

Senate Bill 24 would name a bridge in Petersburg in honor of Louis Miller. Mr. Miller was an early Alaskan pioneer who helped found and build the community of Petersburg.

Louis Miller came to Alaska as part of the Klondike Gold Rush. He arrived in Petersburg in 1901 and worked for town founder Peter Buschmann as a carpenter. Miller is credited with building some of Petersburg's first houses and serving as foreman for the construction of the community's Sons of Norway Hall. He operated a moorage and warehouse on the site of the present day bridge over Hammer Slough until his death in 1955. Senate Bill 24 would name this bridge in his honor.

Under current law (AS 35.40.015), the State of Alaska may name public works infrastructure through an act of the legislature. Senate Bill 24 would honor a historic figure in Petersburg's history and is supported by the City of Petersburg.

Contact: Weston Eiler, Legislative Aide to Senator Bert Stedman at (907)-465-3873

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 8, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **SENATE BILL NO. 24**

"An Act naming the bridge over Hammer Slough on Nordic Drive in Petersburg the Louis Miller Bridge."

SB 24 LOUIS MILLER BRIDGE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DOT		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Coghill			✓	
	Dougan	✓			
	Tuck	✓			
	Fairclough	✓			
	Salmon			X	
	Austerman	X			
	Kelly	✓			
Chair:	Stoltze	✓			
Chair:	Hawker			★	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SB24
() Publish Date:

Identifier (file name): SB24-DOT&PF-SMO-4-17-10
Dept. Affected: DOT&PF
Title: Louis Miller Bridge
RDU: Statewide M&O
Component: SE M&O
Sponsor: Sen. Stedman
Requester: House Finance
Component Number: 604

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies	4.0						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**4.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**4.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This will cover the expense of signs and post in each direction.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 4/17/10 8:15 AM
Approved by: Frank Richards, Deputy Commissioner — Date 4/17/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

2969

CITY OF PETERSBURG, ALASKA

RESOLUTION # 1877

Offered by: Jensen
Supported by: Sarff

A RESOLUTION REQUESTING PETERSBURG'S LEGISLATORS TO SPONSOR AN ACT DESIGNATING THE BRIDGE ACROSS HAMMER SLOUGH ON THE MITKOF HIGHWAY AS THE LOUIS MILLER MEMORIAL BRIDGE

WHEREAS, the Petersburg City Council received a letter dated June 20, 2008 from Leif O. Wikan asking the Council to acknowledge the contribution of two Petersburg pioneers for their dedication to the community by naming the downstream bridge across Hammer Slough the Rasmus Enge Bridge and the upstream bridge the Louis Miller Bridge, a copy of which is attached and made a part of this resolution by reference; and

WHEREAS, the Council has formally designated the downstream bridge across Hammer Slough as the Rasmus Enge Memorial Bridge by a motion passed and approved at a meeting held July 7, 2008; and

WHEREAS, the bridge upstream of Hammer Slough is a structure that is owned and maintained by the Alaska Department of Transportation and Public Facilities; and

WHEREAS, AS 35.30.040 provides authority for the Alaska Legislature to designate memorial public works by an Act sponsored by a member of the legislature.

NOW, THEREFORE, BE IT RESOLVED that the Petersburg City Council hereby petitions its state legislators to sponsor an Act amending AS 35.40 by adding a new section designating the bridge across Hammer Slough in the City of Petersburg on the Mitkof Highway as the Louis Miller Memorial Bridge.

PASSED and **APPROVED** by the City Council of the City of Petersburg, Alaska this 20nd day of October 2008.

CITY OF PETERSBURG, ALASKA

Al Dwyer, Mayor

ATTEST:

Kathy O'Rear, City Clerk

SB

25

<target><bill>SB 25</bill><subject>SB
25</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 10, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **SENATE BILL NO. 25**

"An Act naming the South Mitkof Island ferry terminal the Richard 'Dewey' Duvall Ferry Terminal."

SB 25 RICHARD DEWEY DUVALL FERRY TERMINAL

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DOT		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
		✓			
Anna Fairclough	FAIRCLOUGH	✓			
	Gara	✓			
Mikelly	KELLY	✓			
	Austerman	X			
	Salmon	X			
Chair:		X			
Chair:	Hawker			*	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SB25
() Publish Date:

Identifier (file name): SB25-DOT-SMO-4-17-10
Dept. Affected: DOT&PF
Title: Richard Dewey Duvall Ferry Terminal
RDU: Statewide Facility M&O
Component: SMO
Sponsor: Sen. Stedmen
Requester: H FIN
Component Number: 604

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies	1.2						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE	(Thousands of Dollars)						
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This will be for one sign

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 4/17/10 8:25 AM
Approved by: Frank Richards, Deputy Commissioner — Date 4/17/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

2973

ALASKA STATE LEGISLATURE

SESSION
State Capitol, Rm 516
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator_Bert_Stedman@legis.state.ak.us

INTERIM
50 Front Street
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-0713

SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

Senate Bill 25

"An Act naming the South Mitkof Island ferry terminal the Richard 'Dewey' Duvall Ferry Terminal."

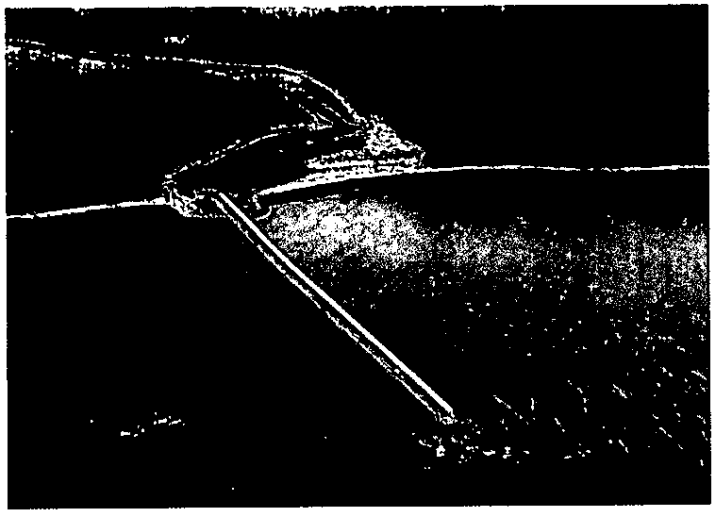
Senate Bill 25 would name the South Mitkof Ferry Terminal in Petersburg in honor of Richard "Dewey" Duvall. Mr. Duvall was a proponent of marine transportation in Southeast Alaska, a founding board member of the Inter-Island Ferry Authority (IFA), and a longtime resident of Petersburg.

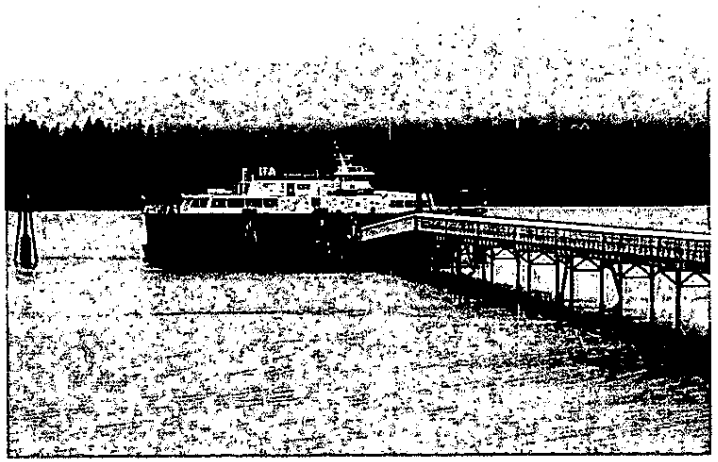
A strong advocate of marine transportation, Richard Duvall served his community for many years as an IFA Board Member and Petersburg city councilman. His tireless advocacy on behalf of the IFA is credited with helping the authority organize and expand routes across southern Southeast Alaska. Up until his passing, he was a recognized leader who sought to improve Alaska's quality of life through connecting communities. For over 10 years Richard played an important role in the leadership of the IFA and construction of its terminal at the southern end of Mitkof Island. Senate Bill 25 would name that terminal in his honor.

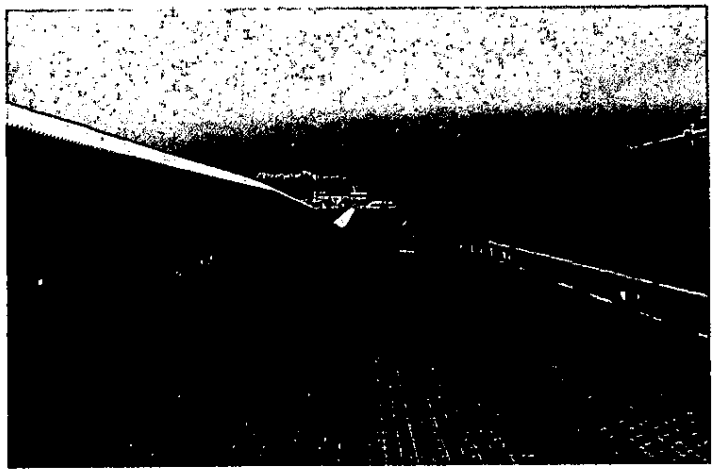
Under current law (AS 35.40.015), the State of Alaska may name public works infrastructure through an act of the legislature. Senate Bill 25 would honor a longtime resident of Petersburg who contributed a great deal to his community and Southeast Alaska. The bill is supported by the City of Petersburg.

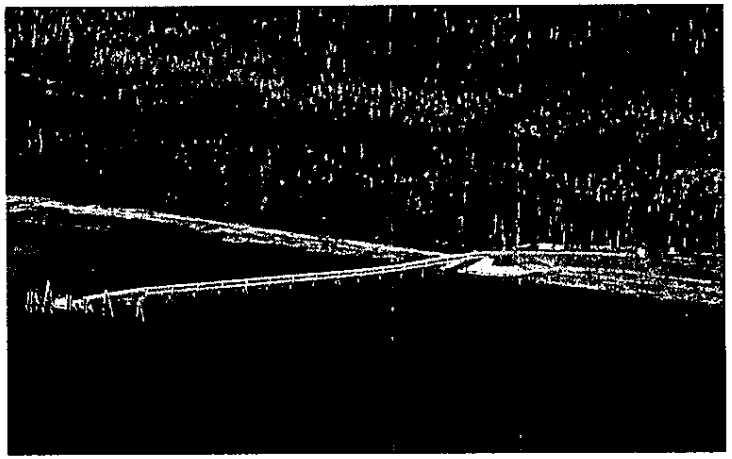
Contact: Weston Eiler, Legislative Aide to Senator Bert Stedman at (907) 465-3873

Proposed Richard "Dewey" Duvall Ferry Terminal
Petersburg, Alaska









CITY OF PETERSBURG, ALASKA

RESOLUTION # 1878

Offered by: Sarff
Supported by: Jensen

A RESOLUTION REQUESTING PETERSBURG'S LEGISLATORS TO SPONSOR AN ACT DESIGNATING THE SOUTH MITKOF ISLAND FERRY TERMINAL AS THE RICHARD "DEWEY" DUVALL MEMORIAL FERRY TERMINAL

WHEREAS, Richard "Dewey" Duvall, recently deceased, played important roles in the organization of the Inter-Island Ferry Authority, the construction of the South Mitkof Island Ferry Terminal and the paving of the Mitkof Highway from Blind Slough to the South Mitkof Island Ferry Terminal; and

WHEREAS, Richard "Dewey" Duvall served the community of Petersburg with distinction as a member of the Petersburg City Council for two terms, one term being a two year commitment from October, 1996 to October, 1998 and the most recent being a three year commitment from October, 2003 to October, 2006, and

WHEREAS, Dewey always understood the importance of water transportation needs of Southeast Alaska and was an avid promoter for the development and operation of the Inter-Island Ferry Authority (IFA). Dewey knew that the general health, security and welfare of the residents of Prince of Wales Island, Ketchikan, Wrangell and Petersburg, as well as the need to develop commerce and industry in this area, was dependant on increasing ferry transportatin services, and

WHEREAS, since the Inter-Island Ferry Authority's creation, by overwhelming voter support in October, 1997, no other individual from the Petersburg community has put more time and effort into making the IFA a success. Dewey was Petersburg's very first IFA Board Member, serving on the IFA Board from November 3, 1997 until April, 2006. For over 10 years, he witnessed first hand the enormous challenges and successes of the Authority. He grined with pride when the first Hollis-Ketchikan ferry run began in January, 2002 and he beamed with joy when the northern run into Petersburg began in May, 2006, and

WHEREAS, Dewey has now ended his service to the IFA, which included not only his past service as a Board Member, but most recently as the very first employed Agent for the Petersburg Terminal. Dewey has also ended his many years of service and dedication to the community of Petersburg and we believe the hard work should be acknowledged by naming the IFA Terminal on Mitkof Island in his honor, and

WHEREAS, the South Mitkof Highway Ferry Terminal is a facility that is owned and maintained by the Alaska Department of Transportation and Public Facilities; and

WHEREAS, AS 35.30.040 provides authority for the Alaska Legislature to designate memorial public works by an Act sponsored by a member of the legislature.

NOW, THEREFORE, BE IT RESOLVED that the Petersburg City Council hereby petitions its state legislators to sponsor an Act amending AS 35.40 by adding a new section designating the South Mitkof Island Ferry Terminal as the Richard "Dewey" Duvall Memorial Ferry Terminal.

PASSED and **APPROVED** by the City Council of the City of Petersburg, Alaska this 20nd day of October 2008.

CITY OF PETERSBURG, ALASKA

Al Dwyer, Mayor

ATTEST:

Kathy O'Rear, City Clerk

SB

32

<target><bill>SB 32</bill><subject>SB
32</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 32

AN ACT RELATING TO MEDICAL ASSISTANCE PAYMENTS FOR HOME- AND COMMUNITY-BASED SERVICES

Senate Bill 32 creates a mechanism for regular Medicaid rate review for providers of home- and community-based services to Alaska's elderly and developmentally disabled citizens. Institutional service providers receive regular reviews in order to bring rates in line with costs.

However, home and community-based services (HCBS) have been conclusively proven to lower overall long-term Medicaid costs. One recent study in the academic journal *Health Affairs* found that states with long-established high proportions of HCBS spending saw a 3% overall decrease in long-term care spending between 1995 and 2005 as opposed to a 14.5% increase in low-HCBS states. The study concluded:

> "*Justifications based on financial constraints can no longer be credibly offered as reasons for forcing such people [seniors and persons with developmental disabilities] into nursing homes and other institutions. HCBS programs may be one instance in which offering people greater choice also helps reduce costs.*"[1]

Over the last few years, however, rates for home- and community-based services have been frozen. During that time, not only have costs increased, the medical environment – including regulations, technology, and client expectations – has shifted dramatically. These shifts threaten the continued viability of the hundreds of HCBS providers, primarily private businesses that employ thousands of Alaskans in every region of the state.

Home and community based services are the key to helping our seniors and those living with developmental disabilities live their lives as productive members of our communities while controlling the growth of health care costs. Without the regular review process in Senate Bill 32, many providers will be forced out of business and HCBS services will be taken away from thousands of Alaskans across the state.

[1] *Health Affairs* 28, no. 1 (2009): 262-272.

ALASKA STATE LEGISLATURE

Rules Committee
•
Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

EXPLANATION OF CHANGES – SENATE BILL 32

SB 32 – An Act relating to medical assistance payments for home and community-based services and provision of personal care services in a recipients home; and providing for an effective date.

Both the Senate Health and Social Services Committee and the Senate Finance Committee adopted committee substitutes for SB32 which made the changes outlined below. The Senate Finance Committee CS was passed unchanged by a unanimous vote on the Senate floor, and approved without amendment by the House Health and Social Services Committee. All page and line references are to the current (Senate Finance CS) version of the bill.

1) Section 1 – page 1 line 5 through page 2 line 21
   a. S HSS: The language in section one was moved to create a new section of statute, AS 47.07.069. The bill as originally introduced amended AS 47.07.070 and AS 47.07.074. This change was to alleviate the concern of hospitals and nursing homes that the current rate review process they participate in would not be affected, and the concern of both the Department of Health and Social Services (DHSS) and the home and community based service (HCBS) providers that the audit and cost monitoring process would not be subject to the strict federal rules that apply to the hospital and nursing home rate review process.

2) Section 1 – page 1 line 5 through page 2 line 21
   a. S HSS: Added personal care services and assisted living homes for vulnerable and needy adults to the services that would be covered by the rate review process. As originally drafted, the bill only applied to home and community-based services provided under a Medicaid waiver. Most HCBS providers take part in all three services, and applying the review process to their entire clientele would make the process easier to participate in.
   b. S FIN: Removed assisted living homes for vulnerable and needy adults to the services covered. These services are funded through general relief medical, and the services remaining (including some assisted living home services) are funded through Medicaid.

3) Section 1 – page 2 line 5
   a. S FIN: Changed the requirements that rates be "based on" cost to rates that "consider" cost. This change allows DHSS to develop a less complex rate review process that cut the costs of administration for the Department and the costs of accounting and

compliance for the providers and Medicaid, while at the same time preserving the intent of the legislation. This and the other related changes (#3, 4, 5, and 6) cut the administrative fiscal note by over 90% from $3.8M in FY11 to just $360,000.

4) Section 1 – page 2 line 6 and 15-16
   a. S FIN: Replaced the phrase "reasonable costs related to patient care" with a requirement of "periodic cost surveys, to be conducted at least once every four years." The previous phrase is used to define the more complex rate review process used by hospitals and nursing homes, and this is another change that allows for a more flexible system.

5) Section 1 – page 2 line 8
   a. S FIN: Removed the qualification that audits and cost reports be done under the requirements of AS 40.07.074, the rate review process currently used by hospitals and nursing homes. This is another change related to the more flexible and lower rate review system needed for HCBS providers.

6) Section 1 – page 2 lines 10-12
   a. S HSS: Added the home health agency inflation rate to the calculation used to determine rates. As originally drafted, the bill only considered the cost of services. This addition allows DHSS to develop a less complex rate review process that cut the costs of administration for the Department and the costs of accounting and compliance for the providers and Medicaid.

7) Section 2 and 3 (of S HSS CS)
   a. S HSS: Conforming language to amend statutes regarding assisted living homes for vulnerable and needy adults (see change #2 above).
   b. S FIN: Deleted (see change #2 above)

8) Section 2 and 3 – page 2 line 22 through page 3 line 6
   a. S HSS: Required a report to the Legislature detailing trends in rates as the rate review process in the bill was implemented, and sunsets the report in 2014. Concern was expressed about the effect a cost-based review system would have on rates, and the report was a way to keep the Legislature informed as the new system went into place. The report was sunsetted after 2014 because by that time, the review system would be fully operational and an annual report would be superfluous.

9) Section 4 – page 3 line 7
   a. S HSS: Added a delayed effective date of July 1st, 2011. The original bill had no effective date. DHSS asked for the additional time to develop a rate review process that would fairly include the wide variety of providers.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB032(FIN)
() Publish Date:

Identifier (file name): SB032CS(FIN)-DHSS-SDMS-04-15-10
Dept. Affected: Health & Social Services

Title: Medicaid: Home/Community Based Services
RDU: Senior & Disabilities Services
Component: Senior & Disabilities Services
Medicaid Services

Sponsor: Ellis, Davis, Paskvan, McGuire

Requester: Senate FIN
Component Number: 2662

Expenditures/Revenu (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	0.0	18,339.6	30,025.7	44,537.6	45,606.5	46,701.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**18,339.6**	**30,025.7**	**44,537.6**	**45,606.5**	**46,701.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts			9,169.8	15,012.9	22,268.8	22,803.3	23,350.5
1003 GF Match			9,169.8	15,012.9	22,268.8	22,803.3	23,350.5
1004 GF							
1005 GF/Program Receip							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**0.0**	**0.0**	**18,339.6**	**30,025.7**	**44,537.6**	**45,606.5**	**46,701.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

The bill requires DHSS to set rates for home and community-based services and personal care under the Medicaid program by regulation. DHSS is to review the rates annually and subject to legislative appropriation and available federal funds, set rates that consider the results of periodic provider cost surveys, at least once every four years, audit and inspection reports, and the Home Health Agency Market Basket data (an annually published inflation factor for a related service) are also items required for consideration in rate setting under the bill.

Providers are required to participate in cost surveys, and allow DHSS access to client records and any state or federal audits or inspections.

(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services
Phone 907-269-7827
Date/Time 4/14/10 12:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date 4/15/2010

ANALYSIS CONTINUATION

This statute would affect appoximately 350 businesses who are providers of home and community based services (HCBS), including residential living services. These services are delivered under four Medicaid waivers: Adults with Disabilities, Children with Complex Medical Conditions, Mental Retardation/ Developmental Disabilities, and Older Alaskans. Expenditures for these waivers in FY2008 were $141.5 million. This bill would also affect an estimated 52 businesses not included above that provide personal care services. Expenditures for personal care services in FY2008 were $72.3 million. Total costs in FY2008 that would be subject to the rates is $213.8 million.

Current rates for Medicaid home and community-based services are not subject to regular review and adjustment to costs. Rate increases have been sporadic and have not grown with inflation.

This bill would require the review those rates annually and set rates based on provider cost surveys, audits and inspections, and inflation. DHSS recognizes that any increases in provider rates under this legislation are subject to appropriation; however, the estimates in this fiscal note reflect the funds DHSS would need to request in order to comply with the bill.

ESTIMATED RATE ADJUSTMENT

The department has worked with expert consultants and prepared a draft design of a new reimbursement system for home and community based providers which would meet the requirements of SB32. The new reimbursement system proposal is based on historical costs with inflation as required by SB32. The proposal phases rates in from current levels to an average cost level after 4 years. The consultants have modeled the cost of implementing the newly designed system effective July 1, 2011 and the cost increases from state fiscal year 2010 are estimated for 2012 (yr 1) at $18,339,601, for 2013 (yr 2) at $30,025,677, and for 2014 (yr 3) at $44,537,582. If the department pursues this methodology, a rebasing to actual costs would likely occur in 2014, which could affect the cost estimate to an unknown extent during 2014. All of the rate models are based to some extent on costs, however, so the department wouldn't expect potential differences in 2014 projections to be material. After the rebasing, rates would increase according to projected inflation (current projection 2.1%) for 4 more years. SB 32 has an effective date of July 1, 2011.

FUND SOURCE

Costs are eligible for the federal medical assistance percentage which is projected to be 50% in FY2012 and beyond.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB032(FIN)
() Publish Date:

Identifier (file name): SB032CS(FIN)-DHSS-RR-04-15-10
Dept. Affected: Health & Social Services

Title: Medicaid: Home/Community Based Services
RDU: Department Support Services
Component: Rate Review

Sponsor: Ellis, Davis, Paskvan, McGuire

Requester: Senate FIN
Component Number: 2696

Expenditures/Revenu (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receip							
1037 GF/Mental Health							
Other Interagency Receip							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

The proposed legislation amends AS 47.07 to add payment rate provisions for Medicaid providers of personal care services and home and community-based services. This legislation would require the Department to review rates annually and set rates considering periodic cost surveys and the Centers for Medicare and Medicaid Services' home health agency inflation rate. The effective date is July 1, 2011.

(Continued on next page)

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services
Phone: 907-269-7827
Date/Time: 4/14/10 5:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 4/15/2010

STATE OF ALASKA

2010 LEGISLATIVE SESSION

BILL NO. CSSB032(FIN)

ANALYSIS CONTINUATION

Under this legislation, the Department would periodically survey providers to obtain cost information. There are approximately 350 home and community-based service providers , including assisted living homes, and an additional 50 personal care providers. Beginning in FY2010, the Department would need to begin developing cost surveys and providing training and technical assistance to providers as they modify their accounting systems to be able to respond to the surveys. The department needs to be able to provide this assistance to providers, so there is clear understanding of the information needed and clear definitions of cost centers; otherwise, it is likely that providers will be unable to provide accurate survey responses.

The Department would also perform some review and inspection of survey information to ensure accuracy before using survey data to set rates. Staff positions would be necessary to oversee the surveys and conduct rate setting operations. These positions are included in the FY2011 operating budget.

Alaska State Legislature

Official Business, State Capitol, Juneau, Alaska, 99801

Secretary Kathleen Sebelius
United States Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

August 5, 2009

Dear Secretary Sebelius,

We write today to urge the Center for Medicare and Medicaid Services (CMS) to lift the moratorium on new applicants to Alaska's Medicaid waiver programs as CMS and our Department of Health and Social Services work together to resolve the underlying problems in these programs. Too many of Alaska's most vulnerable citizens will be hurt if these services are put on hold. In turn, we commit to working with CMS and DHSS to implement any statutory changes that would help these programs continue to serve as the most cost-effective, least restrictive form of care for disabled and elderly Alaskans.

We recognize the severity of the problems CMS identified with Alaska's waiver services, and have struggled with some of these issues for years. In fact, this past year, Senate Majority Leader Johnny Ellis introduced Senate Bill 32, which would create a fair and predictable system of rate reviews for home- and community-based service providers, one of the major issues raised by the CMS audit.

The bill is poised to move quickly in the next legislative session, having passed the Alaska Senate unanimously. This legislation holds bi-partisan co-sponsors in both houses of the Alaska Legislature. Senator Ellis has pledged to work with all parties involved, and has offered up his legislation as a vehicle for additional statutory changes that may become necessary during this process.

We hope that our willingness to work with you will be a sign of good faith – Alaska's disabled and elderly populations need us to work together to solve this problem, and can't afford to wait any longer.

Sincerely,

Senate Majority Leader Johnny Ellis

Senate President Gary Stevens

Senator Dennis Egan

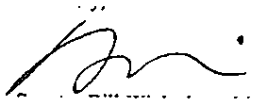
Senator Hollis French

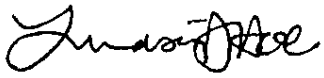
Senator Linda Menard

Senator Donald Olson

Senator Joe Paskvan

Senator Joe Thomas


Senator Bill Wielechowski


Rep. Lindsey Holmes

Representative Beth Kerttula

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

AUG 19 2009

The Honorable Johnny Ellis
Alaska State Legislature
Official Business
State Capitol Room 103
Juneau Alaska, 99801

Dear Senate Majority Leader Ellis:

Thank you for writing to Secretary Sebelius regarding the Alaska home and community-based waivers that serve disabled and elderly beneficiaries. The Secretary has received your letter of August 5, 2009, and has asked that I respond to you on her behalf. We share your concern about the waivers and the need to resolve the outstanding issues as quickly as possible so the State can resume enrollment of beneficiaries.

On July 31st, the Centers for Medicare & Medicaid Services (CMS) clarified its position on the moratorium as it relates to personal care services. As a result, Medicaid beneficiaries will be able to receive personal care services, which will help them remain in their homes and communities. CMS is working closely with State officials to identify the most expeditious ways to resume waiver services to beneficiaries, while ensuring that those services are provided in an environment that assures beneficiaries' health and welfare.

CMS is pleased to see the responsiveness from the Alaska Department of Health and Social Services in recent weeks to expedite resolution of some of the issues of concern. Specifically, State officials identified a job recruitment strategy that allows a wider range of health care professionals to apply for the vacant evaluator positions. Filling these vacancies with qualified staff should help the State eliminate the backlog in evaluations and re-evaluations, which was one of the reasons for the imposition of the moratorium.

I sincerely appreciate your interest and willingness to respond to the health and welfare needs of Alaska's Medicaid beneficiaries, including your willingness to make possible legislative changes that may be required to address some of the issues with the waivers. This will certainly help expedite the process if state laws are needed to be changed.

Please know that the Department of Health and Human Services and CMS are committed to moving the process forward with speed and attention to the needs of our most vulnerable beneficiaries.

If you have any questions, please feel free to call me at (206) 615-2267. I will also provide this response to the co-signers of your letter.

Sincerely,

Barbara K. Richards
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc:
William Hogan, Commissioner, Alaska DHSS
Jackie Garner, CMS, Consortium Administrator
Terry Pratt, CMS, Acting Director, Disabled and Elderly Health Programs Group

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

December 8, 2009

Senator Johnny Ellis
716 West 4th Ave. Suite 500
Anchorage, AK 99501-2133

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) is pleased to present to you our FY2011 legislative priorities for the upcoming session. These top issues were identified with input from older Alaskans, family caregivers, providers, and senior advocates statewide. The ACoA is a state agency under the Department of Health and Social Services, established in 1982. Our charge is to plan, educate and advocate on behalf of all older Alaskans (persons aged 60 years and older) through inter-agency collaboration so that Alaska seniors/elders may lead useful and meaningful lives with dignity and independence and have access to quality services when seniors need them to remain safely in their homes and chosen communities for as long as possible.

1. **Establish a regular and periodic schedule of rate reviews for home- and community-based services** that serve persons who are Medicaid-eligible and meet nursing home level of care. This measure will promote ongoing awareness of the true costs of providing services. SB 32, sponsored by Senator Johnny Ellis, passed the Senate and the House Health and Social Services Committee last session and waits to be scheduled for a hearing in House Finance. ACoA encourages passage of this legislation.

2. **Eliminate, or alternatively, adjust the cap on adult dental services reimbursed by Medicaid** to provide program benefits that keep pace with higher health care costs due to inflation, and **allow Medicaid patients access to two-years program benefits in a single year** to permit scheduling of treatment around the oral health care needs of the patient. The current law places a statutory $1,150 limit on dental health care expenditures per eligible client. When the Medicaid Adult Dental program was created in 2005, this amount was sufficient to pay for one half of a set of dentures, either an upper or lower, with the idea that a patient who needed dentures could have both sets if the treatment was scheduled around the turn of the fiscal year. Although health care costs continue to rise, the cap has not been increased in three years. Allowing Medicaid patients access to two years of program benefits in a single year furnishes Alaskans and their dentists the flexibility needed to provide treatment addressing oral health emergencies that can occur at any time.

3. **Provide increased operating and capital funding to establish an Alaskan Public Transportation Fund for operations of local coordinated transportation systems** which the State can use to leverage additional federal funds to improve accessible, affordable transportation for older Alaskans, persons with disabilities, low-income individuals, youth and others without access to transportation so that Alaskans with special needs may have greater access to employment and community participation opportunities. According to the Governor's Coordinated Transportation Task Force Report (2009), Alaska is one of only three states in the nation that does not provide any specific state funding for public transportation.

4. **Provide operating funding to enhance the Aging and Disability Resource Centers**, administered under the Division of Senior and Disabilities Services, to streamline access to more efficient information and referral services by providing eligibility screening, options counseling, and assessments so that Alaskans can make informed decisions and have access to long-term care services through a "one-stop shop," reducing confusion and program fragmentation.

5. **Return to the original wording of AS 47.07.020 (b) (6), the Medicaid statute establishing income eligibility for persons requiring nursing home level of care, referencing 300% of the maximum Supplemental Security Income (SSI) benefit rate rather than the current frozen dollar amount ($1,656 a month) to reflect changes in cost of living** so that seniors and other Medicaid-eligible persons will not be disqualified for services, including home- and community-based waiver services, due to small increases to their Social Security and other benefits. The amount of $1,656 is the monthly amount of 300% of SSI in 2003. The 2009 income equivalent is $2,022 monthly.

We also want to take this opportunity to share with you highlights from the Alaska Elder/Senior Community Forums that we hosted in Kotzebue (August) and Anchorage (December) to increase understanding about the issues that are of most importance to older Alaskans and to identify unmet needs. These forums, to be held in other locations statewide in the coming year, are being conducted to gather public input that will be used to develop the next Alaska State Plan for Senior Services, FY2012-2016. This document, prepared every four years, provides the State with a guide for delivering senior services and meets the requirement of the U.S. Administration on Aging for the state to access funding from the Older Americans Act which provides federal funding for a range of senior programs. Although these forums will be ongoing, Anchorage and Kotzebue participants identified the following issues as the most important:

- Provide improved access to quality and affordable health care, long-term supports that include home- and community-based services in communities where older Alaskans live, and promote disease prevention and wellness programs;
- Promote financial security, increase affordable senior housing, and improve elder safety;
- Provide safe, dependable, and affordable coordinated community transportation services so that seniors/elders can get to medical appointments and remain actively engaged in their communities;
- Enhance information and assistance services to help individuals access long-term support services and make informed decisions regarding their care.

Upon retirement, more seniors are choosing Alaska as their lifelong home to be close to family, friends and the unique Alaskan lifestyle. For the first time, Alaska is now the state with the fastest growing senior population, according to the U.S. Administration on Aging (2008), replacing Nevada, which held that position for many years. Alaska is home to approximately 80,000 persons aged 60 years and older who comprise about 12% of the state's population (Alaska Department of Labor). Alaska's senior population is expected to increase by four to six percent each year through 2020, as baby boomers become of age, by which time the total number of seniors will grow by almost 64 percent. The oldest Alaska seniors, 85 and older, are expected to triple during the next 25 years, vastly increasing the number of Alaskans living with Alzheimer's disease and related disorders.

Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or denise.daniello@alaska.gov) for additional information about these issues or with any questions concerning Alaska's senior population.

The Alaska Commission on Aging will be meeting in Juneau February 10th-12th, 2010 and hopes to schedule a meeting with you to discuss our priorities in person. We look forward to working with you this legislative session. We appreciate your consideration of these advocacy priorities and thank you for your support of services for older Alaskans.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

The Arc of Anchorage

vol. 22 no. 3
August 2009

INSIGHTS

Different needs. One dream.

Alaskans with Disabilities Held Hostage by Medicaid Moratorium

- More than 2,000 people kept waiting for critically needed assistance
- Solution is at least six months away

The Arc was helping 21 families with the paperwork that would finally allow them to receive services when the state of Alaska announced a moratorium on new cases. A federal audit of Alaska's Medicaid program revealed deficiencies of such significance the federal government has forbidden the state to sign up any new people or process applications until improvements are made.

The federal Centers for Medicare & Medicaid Services made the announcement June 26. The two programs involved are the "Home and Community Based Medicaid Waivers" and "Personal Care Assistance." Almost 2,000 people were initially affected. The moratorium on personal care services was lifted August 10, but the freeze on community-based services remains.

Community-based services help Alaskans who experience disabilities with the activities of daily life, including in-home care for medically fragile children, renovations to make homes wheelchair accessible, job training services, and residence in group homes or assisted living homes.

"Most people agree with the federal audit's findings," said Executive Director Gwen Lee. "There are problems with the state's management; but the moratorium hurts the people the program is supposed to help. Surely they could have found a better way to move the state into compliance."

The state says it will take at least six months to satisfy federal requirements. Meanwhile hundreds of Alaskans who are otherwise eligible for these services will remain in limbo. Until then, families and non-profit organizations like The Arc are struggling to bridge the gap.

Community Living Services Team Leader Katrena Betts (left, with balloon) spent her lunch hour marching in support of families affected by the moratorium.

Rally Protests Harsh Remedy

- Federal response to state's management problems hurts Alaskan families, especially those with disabilities

On the day the federal moratorium ended for the state's personal care services program, which affects predominantly elderly Alaskans, Alaskans with disabilities took to the streets to protest the continued moratorium on the program that provides them with the assistance they need to lead ordinary lives.

State Sen. Johnny Ellis (D-Anch) and state Rep. John Harris (R-Valdez) addressed the crowd of several hundred. The administration must craft short-term solutions to get the moratorium lifted, but the two legislators pledged to continue working on long-term legislative solutions to the management problems that precipitated the federal sanction.

Ellis introduced SB 32 last year to reform the state's process for paying for the services non-profit organizations provide people with disabilities. His staff is working to resolve concerns of key legislators in hopes of quick passage when the legislature reconvenes in January.

Jerry Stoops and Individual Service Provider Pedro Ramirez joined several hundred people protesting the federal moratorium that prevents people from enrolling or even applying for disability services.

Medicaid Moratorium to Baby Charlie: Sorry, Fella

- While bureaucrats dither, giggly 18-month old waits for diapers, clothes, blankets
- The Arc throws his sacrificing foster family a baby shower, but your help is needed, too

In many ways, Charlie seems like a typical 18-month old child. He's a happy little boy. When he hears his foster dad's voice in the hall, he giggles so hard his crib shakes.

Until two weeks ago, however, Charlie's crib was in a hospital, where he had spent every day of his life. He has chronic lung disease, motor and vision problems, and growth insufficiency syndrome. He has no pituitary gland.

His biological parents are unable to care for him, so The Arc's nurses asked Mary and Robert Rupe to be his foster parents. The Rupes' adopted daughter, Kathryn, 7, was born with multiple disabilities and receives services at The Arc. And Mary Rupe is a licensed practical nurse, which makes her a natural choice for medically fragile children, for whom it is often difficult to find qualified foster homes.

Mary had several job opportunities, but once she met Charlie, she was smitten. She and Robert started the licensing process for foster parents; then they and their two teenage sons went through extensive training specific to Charlie's needs.

Everything was moving ahead just fine . . . and then the Medicaid moratorium was announced (see story on page 1).

Charlie is one of hundreds of Alaskans caught up in the state and federal government's disagreement over management of the Medicaid system. Until that is resolved, the state is prohibited from taking new cases or even accepting applications for community-based services to people who experience disabilities.

Despite the setback, The Arc and the Rupes were determined to bring him home as scheduled on August 5. "He's already waited eighteen months," said Lynne Stevens, one of The Arc's staff nurses. "He shouldn't have to wait another six months for the state to comply with the federal government's requirements."

The moratorium does not affect payment for medical equipment like the g-tube, trach, and ventilator. And Charlie will still be able to see his doctors and get medical treatment. That's the good news.

The bad news is that the state will not be paying the stipend for medically fragile children until after the moratorium ends. That means the Rupes have to come up with the money right now to pay for Charlie's basic needs like diapers, clothes and blankets. The second income Mary could be earning as a nurse is not available, so the whole family will make sacrifices. The Arc's staff chipped in for a baby shower.

Finally, on August 8, surrounded by his team from The Arc, the Rupes took Charlie home. Kathryn and her brothers are overjoyed with their new brother and Charlie couldn't be happier.

Kathryn Rupe welcomes foster brother Charlie into the family. Charlie's homecoming would have been set back by the Medicaid moratorium but for the Rupes' determination not to let bureaucracy interfere with Charlie's best interests.

Help Charlie!

If you'd like to help 18-month old, medically fragile Charlie and the Rupe family, his foster parents, here's the wish list.

To donate, simply contact Katie Shurosky, Care Coordinator, at 277-6677. We'll take care of the rest.

- Winter clothes (size 18-24 mo.)
- Clothes (size 18-24 mo.)
- Blankets
- Diapers (size 18 lbs.)
- Baby wipes
- Desitin
- Diaper genie
- Diaper bag
- Bumpo tray
- Jumparoo
- Inflatable bathtub
- Burb cloths
- Aveno baby wash and lotion
- Baby thermometer

The Arc of Anchorage Board of Directors

Rod Shipley, President
Dave Falsey, Vice President
Meredith Parham, Secretary
Sharon Purkis, Treasurer
Van Brollini * Michael Hutchings
Mario Lanza * Debe Mahoney
Katy Parrish * Stan Reitman
Ben Ungudruk

Executive Director
Gwendolyn Lee

Foundation of The Arc of Anchorage Board of Trustees

Charlie Coe, Chair
Joe Van Treeck, Secretary
Dennis Bookey, Treasurer
Gwendolyn Lee
Mary Jane Michael
Rod Shipley
Lieza Wilcox

A Nail-Biting Happy Ending for One Family Caught in the Moratorium

- With dad being deployed and mom too petite to lift his breathing equipment, premie's future looked horribly uncertain
- Secondary insurance, an option not available to many affected by the moratorium, was persuaded to fill the gap left by Medicaid freeze

Eddie Murray and his family are among the fortunate ones.

Eddie, now four months old, was born prematurely. He needs an oxygen concentrator to help him breath, as well as cardiac and apnea monitors. He would probably qualify for Medicaid as a "child with complex medical conditions," but the federal moratorium prevented The Arc's nurses from sending in his application.

Eddie's family lives in a two-story house on base. The oxygen concentrator weighs fifty pounds and until now, Eddie's dad has been around to move it up and down the stairs. But the Army is deploying Dad at the end of August.

Eddie's mom is petite; carrying fifty pounds around each time Eddie was moved put her at risk of a back injury or a fall.

Without the moratorium, Medicaid would have paid for a solution that would keep both mother and child safe. For several weeks after the moratorium was announced, the family struggled to find an answer before Dad leaves.

Luckily, the family was able to persuade Tri-Care, the insurer for military families, to buy a second concentrator. With one upstairs and the other downstairs, Eddie's mom can move him without risk.

It was a relief for all concerned; but there are many families who cannot rely on other insurance for the help they need while the moratorium continues. For them, a happy ending might be a long way off.

The Arc of Anchorage

vol. 22 no. 4
November 2009

IN SIGHTS

Different needs. One dream.

Still waiting for Juneau's approval: Rate reform and other "corrective actions" Medicaid officials demand

- 289 stalled applications from desperate families are now (finally!) moving forward again, including 21 here at The Arc
- Up for debate: Legislative bill SB 32, "absolutely critical to the long-term survival" of The Arc and other non-profits

"We're thrilled that families can get the help they need, and of course, that's the most important part of the story, said Ms. Lee. "But there's another part of this story: the silent crisis of Medicaid rates that don't reflect what it actually costs The Arc to provide those services."

The corrective action plan acknowledges this problem and promises to fix it. Resolution will require legislative action. SB 32, introduced last session by Sen. Johnny Ellis (D-Anc), provides for annual review of the reimbursement rates, similar to those already enjoyed by hospitals.

"SB 32 is absolutely critical to the long-term survival of not-for-profit service providers," said Dave Falsey, Board Vice President. "It's also imperative to do something in the short term to fix the problems caused by a six-year freeze on rates."

When the Medicaid moratorium began last summer, 21 families served by The Arc went into limbo, unable to get urgently needed funding for disability services. The federal government ended the controversial moratorium on community-based services in August.

For those 21 families, the two-month moratorium was a long wait. They can breathe a sigh of relief now that their applications are moving forward again. When the moratorium ended, 289 people statewide had applications on hold—people desperate for services.

"What this means is people who were stuck can now get services," said Executive Director Gwen Lee.

The moratorium put a hold on new applications for community-based services for Alaskans experiencing disabilities or serious health issues. The alternative is long-term hospitalization, a nursing home, or other facility – which is more expensive and less attractive to people, who generally prefer living at home.

Call Chris at 777-0340 to join our Action Brigade for SB 32.

We'll alert you when it's time to contact your legislators.

The Arc of Anchorage Board of Directors

Rod Shipley, President
Dave Falsey, Vice President
Meredith Parham, Secretary
Sharon Purkis, Treasurer
Van Brollini • Michael Hutchings
Mario Lanza • Debe Mahoney
Katy Parrish • Stan Reitman
Ben Ungudruk

Executive Director
Gwendolyn Lee

Foundation of The Arc of Anchorage Board of Trustees

Charlie Coe, Chair
Joe Van Treeck, Secretary
Dennis Bookey, Treasurer
Gwendolyn Lee
Mary Jane Michael
Rod Shipley
Lieza Wilcox

adn.com
Anchorage Daily News

Print Page Close Window

Troubled Alaska health programs face federal restriction

IN-HOME CARE: Lawsuits, huge case backlog prompt moratorium on applications.

By LISA DEMER
ldemer@adn.com

(07/14/09 22:11:34)

State programs intended to help disabled and elderly Alaskans with daily life -- taking a bath, eating dinner, getting to the bathroom -- are so poorly managed, the state cannot assure the health and well-being of the people they are supposed to serve, a new federal review found.

The situation is so bad the federal government has forbidden the state to sign up new people until the state makes necessary improvements.

No other state in the nation is under such a moratorium, according to a spokeswoman for the federal Centers for Medicare & Medicaid Services.

In the meantime, frail and vulnerable Alaskans who desperately need the help are struggling. One elderly woman is stuck in a nursing home, for lack of care at home. Another woman, suffering from chronic pain and fatigue, said she's so weak, she often can't even pop dinner into the microwave.

The moratorium is expected to last four or five months. State officials estimate about 1,000 Alaskans will be affected.

A particularly alarming finding concerns deaths of adults in the programs. In one 2 1/2 year stretch, 227 adults already getting services died while waiting for a nurse to reassess their needs. Another 27 died waiting for their initial assessment, to see if they qualified for help.

The programs at issue provide in-home help for thousands of Alaskans with the basics of life, from medication to meals. The goal is to help people stay in their own homes rather than go into nursing homes or other institutions.

The services are paid for by Medicaid, the state-federal health program for the poor and the disabled, and overseen by the state Division of Senior and Disabilities Services. Individuals qualify based on income and need. Private contractors do most of the work. The programs cost about $250 million this year, with the federal government currently paying 61 percent of the bill.

Two broad categories of programs are at issue: One, providing just personal care, serves 3,200 people and the other, with a broader range of services including home health care, helps about 3,800 through what are known as Medicaid waivers. Some clients get help through both types of program.

Division officials on Tuesday acknowledged serious problems, including a backlog of about 2,000 people waiting for a nurse assessment to determine what services they need. They said fixes are coming.

People in the programs are well served, the officials say, once they are signed up for services. They claim it's mainly a paperwork and documentation problem.

"We do believe that quality care is happening in Alaska. Our system for getting that information is not well established. That's what we have to fix," said Rebecca Hilgendorf, director of senior and disabilities services.

One person waiting for her assessment is 80-year-old Esteen Knights-Thomas, who has been at Providence Extended Care most of the last month. She is recovering from an incident in Pennsylvania when her legs were scarred by acid from a strong insecticide used in her rented apartment, her daughter said.

Knights-Thomas said Providence is very nice, but "I would rather be at home with somebody helping me."

For one, she'd like to eat what she wants. "Here you can't do that. You have to eat what they give you," said Knights-Thomas, who also is blind in one eye.

Her daughter La Verne Jones, 60, can't provide the care herself. She can barely get around, suffers from a rare eye disease, and is overdue for a hip replacement. She was approved for personal care services before the moratorium, but that help can't extend to her mother.

In March, the state told officials with the federal Centers for Medicare & Medicaid Services about the huge backlog of people waiting to be evaluated.

"That was the first red flag that went up for us, that something was going on there that was not meeting our expectations," said Mary Kahn, a spokeswoman for the federal agency.

"Rather than continue to let the state admit more and more people into what we believe has been a poorly managed system, we just said hold the phone, we're going to try to find other ways to serve these people," Kahn said. "And we're going to stop enrollment in this program because we are quite concerned."

State officials said some private agencies in Alaska provide similar services through grant funding. But advocates say those services are very limited.

Another sign of trouble for the feds: eight lawsuits against the state division.

Most were brought by the Northern Justice Project, a private civil rights firm created in 2006 to pursue class action suits and other big cases.

"I think the lawsuits reflect that these two programs are and have been run incompetently for some time," said Jim Davis, one of the partners and founders of the justice project.

The common thread in the suits is that seniors and disabled Alaskans aren't getting the services they are entitled to, under the law, Davis said. In one big win, the state Supreme Court ruled last year that the state had improperly cut off or reduced services to more than 1,000 needy people.

State officials say they are trying to settle those lawsuits.

As to the backlog, most of the people waiting for an assessment already are getting services but are overdue for their annual check by a nurse to see if they need more or less help, state officials said.

An earlier attempt to reform the personal care assistance program may have inadvertently created some of the current trouble. After costs soared from $8 million a year in fiscal 2000 to $80 million five years later, the Legislature ordered the state Department of Health and Social Services to control the spending. The state eventually decided to hire its own nurses to

determine who needed how much care. The cost of that program dropped.

But a nationwide nursing shortage means about 40 percent of the nurse positions stay vacant, hence the backlog, said Marcy Rein, chief of programs for senior and disabilities services.

The state now is looking into allowing other types of professionals, including clinical social workers, to do the assessments -- something the feds say it should have already done.

State officials say a new project manager starts work Thursday to oversee improvements. They also are working to update the division's data collection system.

Doctors and other health care providers wrote to the Centers for Medicare & Medicaid with concerns that the state wasn't responsive. Some alleged that the lack of state controls "has resulted in the death(s) of the active clients," the federal review said.

While the people served are frail and suffer from chronic health issues, the state never investigated to determine if any failure in service contributed to the deaths, the federal review found.

"Thus, if someone passed away because a (personal care assistant) did not show up, for example, there was no indication this would have been reported or investigated," the report said.

The state plans to start doing fatality reviews.

Davis, the attorney who has brought many of the suits, said he doesn't believe people are dying because of poor quality care or abuse. While the state doesn't allow as many hours of care as people need, he said, the care itself is good. The multitude of private contractors makes the field competitive, and clients can switch providers if they aren't satisfied, he said.

Federal officials conducted their "focused review" in May and notified Health and Social Services Commissioner Bill Hogan of the moratorium in a June 26 letter.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Print Page | Close Window

Copyright © Thu Jul 16 2009 16:59:18 GMT-0800 (Alaskan Daylight Time)1900 The Anchorage Daily News (www.adn.com)

JUNEAUEMPIRE.COM

Feds crack down on Alaska home care programs

Moratorium bars new participants until problems solved

Wednesday, July 15, 2009
By Pat Forgey | **JUNEAU EMPIRE**

The federal government is barring Alaska from accepting more of its frail and elderly residents into its home and personal care services programs until the state shows it can fix a series of problems that may be endangering seniors.

Alaska Senior and Disability Services Director Rebecca Hilgendorf acknowledged problems at a press conference Tuesday, but said the state was already on its way to addressing those issues.

"Some of them are absolutely correct," she said. "We want to make improvements."

A lack of staffing, especially in the number of nurses who assess prospective clients for home health services and monitor care, has been hampering Alaska. The home care program has a 40 percent vacancy rate, said Marcy Rein, chief of SDS programs.

Money is available in the state budget, Hilgendorf said, but a nationwide shortage of registered and licensed nurses has made hiring in Alaska particularly difficult, she said.

What Hilgendorf did dispute was whether anybody had been hurt by the lack of care or supervision.

"We believe there is a very good quality of care being given to Alaskans," Hilgendorf said.

It is unclear what impact the understaffing has had. The CMS review noted that from October, 2006 to May 2009 there had been 27 deaths among people waiting for initial assessments, and 227 deaths among those waiting to be reassessed.

Alaska officials said they don't know if any of those deaths were caused by inadequate care, but had not done the mortality studies that would help answer that question.

Federal regulations require Alaska to have necessary safeguards in place to protect the health and welfare of the recipients of services, said Barbara Richards, associate regional administrator for the federal Centers for Medicare & Medicaid Services (CMS), in a letter to Commissioner Bill Hogan of the Department of Health and Social Services.

"The Alaska State Medicaid Agency has not provided CMS sufficient assurance that those necessary safeguards are currently in place and/or being followed," Richards wrote.

A hiring freeze instituted earlier this year by Gov. Sarah Palin as a cost savings measure delayed some hiring, Hilgendorf said, though some hires were granted waivers.

Hilgendorf said that while some nurses were hired elsewhere while awaiting waivers, that happens

sometimes in the highly competitive world of nurse recruiting anyway and can't be directly linked to the freeze. Palin lifted the freeze June 1.

The state has taken new steps to boost hiring, Rein said, including advertising on Yahoo.

State officials say they expect the backlog of assessments for service eligibility to be resolved in four to five months.

While the federal moratorium will bar new people from the programs, it will not affect the several thousand people already in it, Hilgendorf said.

Alaska has waivers from federal authorities to provide frail and elderly residents with community and home-based care, and keep them out of expensive nursing homes and hospitals.

The home and community services can also help move people out of spendy specialized facilities, freeing up space for those with greater need.

Half the cost of those programs is picked up by Medicare and Medicaid, which must approve how Alaska manages its programs.

Alaska began using nurses in 2007 to do assessments, replacing a system in which assessments were sometimes done by those who would be doing care, setting up a conflict of interest.

Using nurses in its employ to do the assessments provided significant cost savings, Hilgendorf said.

Click here to return to story:
http://juneauempire.com/stories/071509/loc_463956258.shtml

Max Hensley

From: Max Hensley
Sent: Tuesday, August 04, 2009 4:57 PM
To: Sen. Johnny Ellis
Subject: Sebelius Press Release DRAFT

Alaska State Legislature
Senator Johnny Ellis

Max Hensley
716 W 4th Suite 500
Anchorage, AK
99501-2133

Web Site: http://ellis.aksenate.org
Phone: 907.269.0169 Fax: 907.269.0172
Email: Heather.Beaty@legis.state.ak.us

FOR IMMEDIATE RELEASE: August 5, 2009

LEGISLATORS URGE FEDS TO END MEDICAID MORATORIUM

Offer Ellis Bill as Vehicle for Comprehensive Solution

ANCHORAGE – Today 11 Senators and Representatives of both parties sent a joint letter to Secretary Kathleen Sebelius of the US Department of Health and Human Services asking her to lift the moratorium on new applicants to Alaska's Medicaid waiver services in the wake of an unsuccessful audit by the federal Center for Medicare and Medicaid Services (CMS). In recognition of the seriousness of the problems discovered by the CMS audit, and as a sign of their commitment to finding a long-term solution, the legislators noted an existing bill, Senate Majority Leader Johnny Ellis' Senate Bill 32, which partially addresses the issue and could be revised to encompass further changes if necessary.

"Home and community based services have long been proven to be the most cost-effective and least-restrictive form of care," said Senator Ellis. "Unfortunately, over 2000 of Alaska's most vulnerable citizens are put at risk while bureaucrats in Washington and Juneau look for a solution. We can work together to solve this problem, and continue to serve our elderly and disabled friends and neighbors."

Senate Bill 32 passed the Senate on a unanimous vote, holds 12 co-sponsors from both parties in both houses of the Legislature, and awaits a hearing in the House Finance Committee when the Legislature returns to session in January.

###

3001

MUNICIPALITY OF ANCHORAGE

Department of Health and Human Services

907-343-6718

Mayor Dan Sullivan

SENIOR CITIZEN ADVISORY COMMISSION

February 9, 2010

The Honorable Johnny Ellis
State Capitol Room 103
Juneau AK, 99801

Dear Senator Ellis,

RE: Letter of Support for SB 32

The Municipality of Anchorage Senior Citizens Advisory Commission strongly supports the passage of SB 32, which provides for a regularly scheduled rate review for home and community based services similar to the annual rate review already in place for nursing homes and hospitals.

Many older Alaskans are receiving home and community based services which allow them to remain in their own home rather than in an institution. These services cost much less than the costs associated with the level of care provided in an institutional environment. However, the costs of providing care in any environment are continually on the rise. Reimbursement rates must be in line with rising costs.

As our Alaskan population continues to grow older, more home and community based services are needed. Service providers will not be able to stay in business if the costs outweigh the reimbursement rates, or they will have to serve fewer Alaskans, who require these services to maintain their independence as long as possible in their golden years. This is a workforce development issue for all Alaskans.

The Commission supports SB 32 and urges passage of this important legislation.

Respectfully,

Dawnia Clements, Chair
Senior Citizens Advisory Commission
6800 Louise Court
Anchorage, AK 99507

CC: Senator Lyman Hoffman, Co-Chair, Senate Finance Committee
Senator Bert Stedman, Co-Chair, Senate Finance Committee

ALASKA ASSOCIATION OF HOMES FOR CHILDREN

Residential Child Care Agencies Serving the Needs of Alaska's Youth

Alaska Baptist Family Services
Anchorage, AK

Alaska Children's Services
Anchorage, AK

Alaska Family Services
Palmer, AK

Covenant House of Alaska
Anchorage, AK

Fairbanks Native Association
Fairbanks, AK

Family Centered Services of Alaska
Fairbanks, AK

Juneau Youth Services
Juneau, AK

Kenai Peninsula Community Care Center
Kenai, AK

Maniilaq Association
Kotzebue, AK

Nome Children's Home
Nome, AK

North Slope Borough Children's Services
Barrow, AK

North Star Behavioral Health
Anchorage & Palmer, AK

Presbyterian Hospitality House
Fairbanks, AK

Providence Behavioral Health Systems
Anchorage, AK

Residential Youth Care
Ketchikan, AK

The Salvation Army Booth Memorial Home
Anchorage, AK

The Boys and Girls Home of Alaska
Fairbanks, AK

Youth Advocates of Sitka
Sitka, AK

February 4, 2010

The Honorable Senator Johnny Ellis
Alaska State Legislature
State Capitol Building, Room #103
Juneau, Alaska 99801-1182

RE: Support for Senate Bill 32 from the Alaskan Association of Homes for Children (AAHC).

Dear Senator Ellis,

On behalf of the membership of this Association, we thank you for your introduction of SB 32.

We support the development of a rate review mechanism for home and community based service providers as a necessary step to assure continued services to those in need throughout the state. Successfully conducting business within our agencies is contingent on a reimbursement rate that can keep up with inflation and cost of living. Employers in this arena currently struggle with recruiting and maintaining workforce within a fixed rate system. We hope this model of reimbursement will be applied to other providers delivering health care services in the future.

Please let us know if there is anything else our membership can do to support your legislation of SB 32.

Respectfully,

Brad Ohs
AAHC President

Palmer Senior Citizens' Center, Inc.

Seniors helping Seniors

February 11, 2009

The Honorable Senator Johnny Ellis
Alaska State Legislature
State Capitol Building, Room #103
Juneau, Alaska 99801-1182

Dear Senator Ellis:

The Palmer Senior Citizens Center, Inc. (PSCC) wanted to express our sincere appreciation for your support and commitment to the seniors in the state of Alaska. PSCC supports your efforts to pass SB32 which will put into statute a regular review of home and community based waiver rates.

Thank you for making the time to meet with Kenneth Anderson, PSCC Board President, and Rachel Greenberg, Office Manager, on Tuesday, January 10th at 2:00.

The Palmer Senior Citizens Center, Inc. hopes that your busy schedule will allow time for you or your staff to visit us. Thank you again.

With Best Regards,

Kenneth A. Anderson
Board President

Richard G. Tubbs
Executive Director

831 S. Chugach St. • Palmer, Alaska 99645 • Phone: (907) 745-5454 • Fax: (907) 746-5173
Email: pscc@mtaonline.net

United Way

3004

abha

Alaska Behavioral Health Association

alaskabehavioralhealth.net

The Honorable Senator Johnny Ellis
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Ellis;

I am writing in support of SB 32 on behalf of the membership of the Alaska Behavioral Health Association. The issues of rates and the mechanism and frequency of adjusting those rates are the primary issue for our membership this year.

We support the effort to put into place rate setting mechanisms for the home and community based services and that this model will be applied to the other providers that contract with the State of Alaska to deliver services. It is difficult to manage a business that is focused on delivering health care services when the cost for reimbursement does not keep pace with inflation and cost of living. Fixed costs don't go away and agencies have been trying to meet their grant obligations while keeping the business solvent. Employers are not able to offer competitive wage and benefit packages because of insufficient reimbursement rates.

Please let me know what else our members can do to support your legislation.
Thank you.

In Health,

Steve Horn
Executive Director

Attachment

AARP

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

February 3, 2009

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 32-Ellis--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 32, authored by your Committee colleague Senator Johnny Ellis and co-sponsored by you.

SB 32 would allow annual rate reviews of all home and community based services similar to the process for hospitals. Rates for HCBS services under Medicaid have remained the same for several years, discouraging needed providers from entering the field and forcing current providers to reduce their services and cut back on clients.

As we age, many of us would prefer to stay at home or with our families but sometimes we need extra help to do so. With the growing numbers of older people who need support to live on their own, private and public organizations now offer many different options to allow us to "age in place" in our homes and communities. These options form the continuum of home and community based services, ranging from meals on wheels to adult day care. In addition to meeting our personal preferences to remain home and in our communities, HCBS services are much less expensive than institutional care.

Younger persons with disabilities are also primary users of HCBS services to allow them to continue their education, work and participate as full citizens in their communities and with their families.

We cannot expect the providers of HCBS to continue to operate on rates often set years ago. It makes sense to review HCBS rates every year just as we do with hospitals.

AARP requests an "AYE" vote on SB 32.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-752-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

Governor's Council on Disabilities and Special Education

Alaskan Seniors Living Longer Growing Stronger

from the Alaska Commission on Aging

The TRUST

The Alaska Mental Health Trust Authority

Establish a Regular and Periodic Schedule of Rate Reviews for Home and Community-Based Services

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, the Alaska Brain Injury Network and the Alaska Suicide Council, have identified the establishment of a regular and periodic schedule of rate reviews for home and community based services one of their four legislative priorities for 2009. Regular and periodic rate reviews, for both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations. The provisions for this legislation are in SB 32, sponsored by Senator Ellis.

- Before last year's rate rebasing for FY09, most home and community-based services providers had been over a decade without a rate review or increase. This resulted in an erosion of the system, as frozen rates resulted in a diminishing pool of resources – reducing the quality and availability of services.

- In FY07, home and community based services were provided to nearly 57,000 people who would have otherwise been served by costly institutional or nursing home care.

- In order for the Department of Health and Social Services (DHSS) and the State of Alaska to create and maintain a 10-year fiscal plan that adequately budgets for the costs of home and community-based services, a schedule of rate reviews is necessary.

- Our system of care for Alaskans with special needs is based on a network of non-profit providers. Without adequate funding, our providers cannot continue to provide quality services. Without our providers, we have no system of care.

Overview

Home and community-based services include a wide range of Medicaid and grant-funded services for Trust beneficiaries and other vulnerable Alaskans. Mental health care, infant learning, personal care attendant services, assisted living services, senior care, substance abuse counseling, and services for Alaskans with developmental disabilities are all examples of services provided at home or in our communities. These services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

For more that 10 years, providers have struggled to meet the demand for services while maintaining an acceptable quality of service because there has been no structure for reviewing the rates paid for those

ACCESS ALASKA

February 23, 2009

Senator Bettye Davis
Chair, Senate Health and Social Services Committee

Senator Johnny Ellis
Sponsor, SB32

Senator Hoffman, Co-Chair – Senate Finance Committee
Senator Stedman, Co-Chair – Senate Finance Committee
Senator Elton, member - Senate Finance Committee
Senator Huggins, member - Senate Finance Committee
Senator Olson, member - Senate Finance Committee
Senator Thomas, member - Senate Finance Committee

I am writing this letter in support of SB32, a bill which I believe will strengthen Home and Community Based (HCB) Providers like Access Alaska and many others. We HCB providers form the backbone of Alaska's long-term care system. We HCB providers are not only the current backbone, but given our cost-effectiveness and desirability – consumers want to age in place – we are the state's answer to the long-term care dilemma.

Like hospitals and nursing homes, we are businesses with actual costs – we pay rent or mortgages, insurance, and personnel. As these costs have grown while reimbursement rates stay flat, our ability to pay workers a living wage has decreased to the point that in many communities, direct service workers can earn more working at a fast food restaurant than they can helping to care for our elders. This has limited our ability to attract workers and in some cases is creating a crisis in the long-term care system.

This is but one example of the ravages of the current rate-setting regime.

In the larger view, it is important to keep in mind that a strong HCB provider system is critical to the state's ability to meet the coming wave of long-term care users. Policy groups from the National Conference of State Legislatures to the AARP have all recommended states rebalance their Medicaid spending in favor of HCB and take advantage of new waiver and partnership opportunities, in order to meet the growing demand for Medicaid long-term care services. In many cases, Alaska has not taken advantage of these opportunities.

Alaska has the envious position of being one of the top states in the nation in terms of balanced spending between institutional (nursing home) care and HCB care. However, the system has been strained to the point of breaking over the last several years, primarily because of the inattention to Medicaid reimbursement rates. Therefore, it makes sense that the state should do everything it can to strengthen the system.

I believe SB32 goes a long way toward doing just that. We greatly appreciate your leadership on this issue and stand ready to support its passage and implementation.

Sincerely,

Jim Beck
Executive Director
Access Alaska, Inc.

Anchorage
121 W. Fireweed, Suite 105
Anchorage, Alaska 99503
907-248-4777
Fax 907-248-0639
Toll free 800-770-4488
TTY 907-248-8709

Fairbanks
526 Gaffney Road, Suite 100
Fairbanks, Alaska 99701
907-479-7940
Fax 907-474-4052
Toll free 800-770-7940
TTY 907-474-8619

Mat Su
897 Commercial Drive
Wasilla, Alaska 99654
907-357-2588
Fax 907-357-5585
Toll free 800-770-0228

Kenai
10807 Kenai Spur Highway
Kenai, Alaska 99611
907-283-7224
Fax 907-283-5993
Toll free 888-260-9336

Opening Doors to Independence
www.accessalaska.org
info@accessalaska.org

IMMEDIATE care

6311 DeBarr Road Suite L-2 Anchorage, AK 99504
Phone: (907) 336-3365 and Fax: (907) 336-3397

February 3, 2009

Senator John Ellis
Senator Bettye Davis
via email

Dear Senator Ellis and Senator Davis,

I am writing to support SB 32, which establishes periodic rate reviews for home and community-based services. Ensuring consistent rate increases for providers enables less expensive care for the elderly and develops a workforce aimed at the medical field.

As the second largest provider of in-home care services, we are intimately familiar with the associated challenges. The cost of doing business has increased while rates have been flat. Without entrepreneurial incentive, providing direct care may rest on the more expensive option; state-managed assisted living facilities and state-managed skilled nursing facilities

Workforce development for the medical field starts with our in-home care staff. Our Personal Care Assistants (PCA's) can receive certification and provide low level care for the elderly. Many family members and college-age PCA's get their first glimpse at the medical field.

Thank you for your support of SB 32. Please contact me with any questions. My direct line is extension 104 at (907) 336-3365.

Best regards,

Brian Richardson
Chief Executive Officer

AGENET

Alaska Geriatric Exchange Network

March 17, 2009

The Honorable Senator Bert Stedman
Alaska State Legislature
State Capitol Building, Room #516
Juneau, Alaska 99801-1182

Dear Senator Stedman:

Agenet, Alaska's Association of Senior Service Providers, would like to formally offer our support for your efforts to ensure the ongoing viability of long term care in the home and community by introducing Senate Bill 32. By including in statute the regular review of rates for services provided by home and community based providers, Alaskans of all ages who experience disabilities will have a much greater opportunity to continue to reside in their own homes and communities.

The members of Agenet appreciate your efforts to codify a process which will ensure that the long term home and community based system of care in this state remains vibrant and able to meet the increased demands for service in the future. Through passage of SB 32, the Alaska State Legislature and the Department of Health and Social Services will have the information necessary to plan for our growing senior population and the system of care which will be needed. Our thanks and appreciation and support are with you.

Sincerely,

Marianne Mills

Marianne Mills
President

Agenet Members Include: Senior Citizens of Kodiak, Rendezvous Senior Day Services, Alzheimer's Disease Resource Agency, Soldotna Area Senior Citizens, Wasilla Area Seniors, Kenai Senior Services, Homer Senior Citizens, Southeast Senior Services, Southeast Alaska Independent Living, Anchorage Senior Activity Center, Serendipity Adult Day Center, North Star Council on Aging, Frontier Community Services, Palmer Senior Citizens Center, Center For Community, Fairbanks Resource Agency, Forget-Me-Not Center, Seward Seniors, Older Alaskans Program—Salvation Army, Ready Care, Sterling Area Senior Citizens, Bartlett Regional Hospital, Center for Human Development, Easter Seals of Alaska, Tanana Chiefs Conference, Qutekcak Native Tribe, Immediate Care

cc: Senator Johnny Ellis

3011

AGENET'S 2009 Legislative Priorities

The Association of Alaska's Providers of Services to Older Alaskans

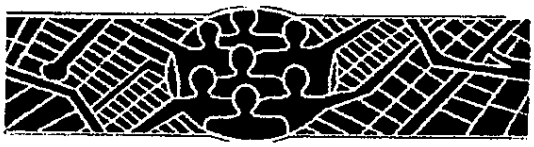
Contact Information: Marianne Mills (463-6154) or Ken Duff (262-6331)

1. Support legislation, such as SB 32, which would put into statute a regular review of Home and Community-Based Medicaid Waiver rates similar to the process for institutions (hospitals, nursing homes).

- Services available to persons eligible for the Home and Community-Based (HCB) waiver program include meals, transportation, chore, respite, care coordination, adult day services, specialized medical supplies/equipment and home modifications.
- These services are provided for a fraction of the cost of institutionalized care to older Alaskans in their own homes and traditional communities.
- Investing in home and community-based care is the most cost effective way to provide long-term care while supporting local communities throughout the state.
- Regular rate reviews will provide parity with hospitals and nursing homes which have had a similar statute in place since 1999.
- Regular rate reviews will provide a good management tool for the Department of Health and Social Services to determine program costs, budget adequately, and create a 10-year fiscal plan.

2. Work with the legislature to adjust grant rates with a $2 million increment for Family Caregivers, Nutrition, Transportation & Support Services grants.

- Senior grants help pay for home and community-based services for senior citizens who are not eligible for the HCB Medicaid Waiver program, services such as meals, rides, adult day, chore, respite, care coordination, and health promotion.
- Investing in senior grants upfront save millions of dollars the State would otherwise pay for expensive institutional care (nursing homes). In Alaska, the cost of one month's stay in a nursing home is $10,000-$20,000 per senior (compare this to a package of grant services for only $61 to $83 per month).
- Alaska's long term care policy is aimed at allowing Older Alaskans to remain at home for as long as possible; these grants help them remain at home, saving the state money, and also support the unpaid work of their family caregivers, work which has been valued at $534 million in Alaska.
- In July 2009, a regional funding formula will shift senior grant monies out of seven (of nine) regions of the State, jeopardizing local communities from providing much-needed services; this shift will happen even though senior populations in all regions are still increasing and as the costs for food, fuel and workers increase.
- The proposed $2 million increase in senior grants will help ensure that all regions of the State receive adequate funding to continue senior grant services so that seniors may remain in their traditional communities.



CENTER FOR COMMUNITY
700 Katlian Street, Suite B
Sitka, AK 99835
Phone: 907-747-6960

Senator Johnny Ellis
Alaska State Legislature
P.O. Box
Juneau, AK 99811

RE: **Support on behalf of constituents in Sitka, Yakutat, Hoonah, Kake, Angoon, Wrangell, and Ketchikan, for SB 32**, "An act relating to medical assistance payments for home and community-based services."

Center for Community is a non-profit organization that provides personal care and home and community based services throughout the services throughout South East Alaska: with clients and employees in nearly every community from Yakutat to Metlakatla. In these communities, we employ a total of 71 Southeast residents and serve 113 Southeast clients at the current time (not counting Juneau).

Senate Bill 32 will cure a long-standing problem in Alaska's Medicaid system for long term care of our seniors and other children and adults with disabilities of all kinds. SB 32 will finally ensure that the Legislature and the Administration regularly receive information about the true cost of providing care to Alaskans--at home--who are trying to avoid more expensive institutionalized long term care. SB 32 gives everyone the information necessary to make both short term budgetary and long term policy choices.

Thank you for your introduction of Senate Bill 32. If we can do anything to further legislative support for passage of SB 32, please call upon us.

Sincerely

Connie J. Sipe

Connie J. Sipe, Executive Director
Center for Community

csipe@cfc.org
(Sitka Headquarters Office: 747-6960)

Alzheimer's
Resource of Alaska

Anchorage &
Statewide Services
1750 Abbott Road
Anchorage, AK 99507
phone 907-561-3313
fax 907-561-3315
Toll-free in Alaska
800-478-1080

Fairbanks Services
565 University Ave.
Suite 2
P.O. Box 72791
Fairbanks, AK 99707
phone 907-452-2277
fax 907-457-3376

Juneau Services
3100 Channel Drive
Suite 19
Juneau, AK 99801
phone 907-586-6044
fax 907-586-6084

Mat-Su Valley Services
Trinity Barn Plaza
P.O. Box 4406
Palmer, AK 99645
phone 907-746-3413
fax 907-746-3412

www.alzalaska.org

Senator Bert Stedman
Senator Lyman Hoffman
Co-Chairs Senate Finance Committee
Alaska State Legislature
Capitol Building
Juneau, Alaska 99801

March 2, 2009

Senators Stedman & Hoffman,

The Alzheimer's Disease Resource Agency of Alaska (ADRAA) formally requests your support of the CS for Senate Bill 32 which has just been referred to the Senate Finance Committee and is currently awaiting a hearing date. As you are aware, CSSB 32 would regulate rate review for medical assistance payments for home and community based (HCB) personal care services for providers working in personal and assisted living homes. Currently, no such review is regularly mandated for HCB or Assisted Living Care, although facility based providers such as nursing homes are reviewed regularly to keep up with the growing population served and accurate information regarding cost of care.

The Alzheimer's Resource of Alaska provides in home care services for individuals affected by Alzheimer's disease and related dementias and for frail elders. In FY08, we provided 57,452 hours of services statewide. The services provided include personal care, respite for family caregivers, and household chores such as meal preparation, snow shoveling, and chopping wood. It is the work of unpaid family caregivers as well as professional in home workers that allows elders to remain in their homes, and their communities rather than being placed in full time nursing care at great cost to the state.

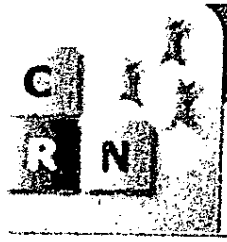
ADRAA thanks the bill's sponsor and co-sponsors for their foresight on this issue and for their continued support of seniors across Alaska. We enthusiastically support SB 32 which would strengthen the existing infrastructure of home and community based services and would allow for the best possible outcome for both our clients and employees.

Sincerely,

Dulce Nobre
Executive Director

cc: Senator Johnny Ellis
Senator Charlie Huggins
Senator Bettye Davis
Senator Donald Olsen

cc: Senator Joe Thomas
Senator Kim Elton
Senator Joe Paskvan



Community Resource Network

The mission of the Community Resource Network is to assist its members to best serve the needs of our community by:

- Informing and educating the members regarding health and human services.
- Mobilizing people and resources through member involvement.

Jeannette Lacey Dunn
Bartlett Regional Hospital
3260 Hospital Drive
Juneau, Alaska 99801

The Honorable Bill Stoltze
House of Representatives
Alaska State Capitol
Juneau, AK 99801

January 15, 2010
RE: SB 32 Medicaid: Home/Community Based Services

Dear Representative Stoltze,

My name is Jeannette Lacey Dunn and I am writing on behalf of the Community Resource Network (CRN). The CRN is comprised of many Juneau community agencies that provide services such as health care, home health care, care coordination, long-term care, assisted living, independent living, and others. Members work together to better serve our clients and our community through collaboration and actively working to improve services. We are in support of SB 32, which will establish a process for regular rate review for home and community based services (HCBS) in statute comparable to the one in place for nursing homes to serve persons who are Medicaid-eligible and meet nursing home level of care. We understand this bill was passed by the Senate and has been referred to the House Finance Committee.

Home and Community Based Services help to keep overall Medicaid costs down by allowing more people to remain in their homes rather than utilizing more costly in-patient long-term-term care. However, over the last few years, rates for HCBS have been frozen, which restricts agencies that are providing these services. The rate review will allow agencies to continue to provide HCBS for those who need them to maintain their independence. It will also assist the Department of Health and Social Services and the Alaska State Legislature to plan and make informed decisions related to long term care for older Alaskans and persons with disabilities.

We believe that regular rate reviews are essential in serving both our clients and the State of Alaska by being as fiscally responsible as possible. Please schedule SB 32 for a hearing in the House Finance Committee. We would appreciate your support of this important legislation.

Respectfully,
Members of the Community Resource Network

Jeannette Lacey Dunn Tammy Murphy Marianne Mills
Douglas Tompkins Mo Sodoma pst
Kelly Rudolph Willie Duncan
Laura Cameron Julie De Fancy

The Alaska Mental Health Trust Authority

Alaskan Seniors Living Longer Growing Stronger
from the Alaska Commission on Aging

brain injury network

Governor's Council on Disabilities and Special Education

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

Joint Advocacy 2010 Legislative Priorities

The Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, Governor's Council on Disabilities and Special Education and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority and the Alaska Brain Injury Network, have identified the following as their top legislative priorities for the 2010 session:

Home and Community-Based Services Rate Review. SB 32, Medicaid home and community based services, sponsored by Sen. Johnny Ellis (D-Anchorage), passed the Senate last session and is currently in the House Health and Social Services committee. The bill establishes a framework for periodic reviews and adjustments so that Alaska's system of care can continue to meet the needs of Trust beneficiaries. Advocacy efforts will focus on passing this bill.

Adult Dental Reimbursement. The Alaska Mental Health Trust Authority is working with its partners to develop a solution that will allow for adjustment of the current cap on adult dental services reimbursed by Medicaid. Currently, the annual cap for dental services – such as cleanings, exams, crowns, root canals and dentures – is $1,150 per individual. With the rising cost of dental care, this cap is proving inadequate. Trust beneficiaries continue to list dental services as a priority unmet health need. Advocacy efforts will focus on raising this cap.

Supported Housing. The Alaska Mental Health Trust Authority, in collaboration with the Alaska Housing Finance Corporation, is requesting $4 million this session for the Homeless Assistance Program (supported housing services for homeless individuals, families and people with disabling conditions earning 30% below the Area Median Income (AMI)). This request is in the same amount of general funds that was approved in last year's budget. Supported housing services are key to continued and sustained recovery for many Trust beneficiaries. Current economic trends have made this priority increasingly important for action. With an approach of maintaining affordability while offering outreach and support services, Trust beneficiaries can afford housing that provides a safe and healthy environment. Advocacy efforts will focus on passing this funding request.

Coordinated Transportation. With the establishment of the Governor's Coordinated Transportation Task Force in October 2008, the state is researching how to "facilitate and enhance the coordination and integration of community-based public transportation services for the benefit of persons with special needs." The partner boards support taking the next step and developing policies and funding to support community-coordinated public transportation systems.

11-13-09

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

ALASKA MENTAL HEALTH BOARD
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
431 NORTH FRANKLIN STREET, SUITE 200
JUNEAU, ALASKA 99801
(907) 465-8920

Senator Johnny Ellis
716 W. 4th Avenue
Anchorage, AK 99501-2133

May 5, 2009

Dear Senator Ellis,

On behalf of the members of the Alaska Mental Health Board and the Advisory Board on Alcoholism and Drug Abuse, we would like to express our sincerest thanks for your work and advocacy on behalf of all Alaskans, including Alaskans experiencing mental health and substance abuse disorders. Your work during the budget process and the legislation you introduced this past session not only raised awareness about Alaska's most critical social issues, but also will help improve the lives of many people.

We are proud to have been able to support HB 81/HB 83 and SB 32 Rate Review, and look forward to working with you and your staff in the coming session. Please feel free to contact us, or our staff, if you have any questions or need additional information.

Sincerely,

L S Walters

Lonnie Walters, Chair
ABADA

Debi Keith

Debi Keith, Chair
AMHB

3017

Assets, Inc.

Matthew J. Jones M.A., Executive Director

February 3, 2009

The Honorable Bettye Davis
Chair – Senate Health & Social Services
State Capital, Room 30
Juneau, AK 99801

Re: Support for Senate Bill 32 – An Act relating to medical assistance payments for home and community-based services.

Dear Senator Davis:

Thank you for scheduling Senate Bill 32, sponsored by Senator Johnny Ellis, for a hearing in Senate H&SS on Wednesday, February 4th. As a provider of services to individuals experiencing developmental disabilities, Assets Inc. strongly supports this legislation and greatly appreciates the added authority of your co-sponsorship.

All too frequently I have to account to families and guardians our inability to hire and keep employees qualified to work with their family member. Years of frozen rates and no manner in which to regularly review them have been very destructive to the goal of maintaining meaningful therapeutic relationships between our clients and staff.

Each year about this time I have to make the painful decisions about what part of employee benefits to reduce or eliminate. It impacts our ability to recruit and maintain employees and destroys morale. These good people aren't leaving to work for another provider, but rather are leaving the field altogether.

We are extremely grateful that Senator Ellis has introduced this much needed legislation and urge the Committee to pass it on to the next Committee of Referral.

Thank you for your consideration.

Respectfully,

Matthew J. Jones M.A.
Assets Inc.
Executive Director

cc: the Honorable Johnny Ellis
State capital, RM 9
Juneau, AK 99801

NASW ALASKA CHAPTER
National Association of Social Workers

401 E. Northern Lights Blvd., Suite 205
Anchorage, Alaska 99503
907-332-NASW (6279) Fax: 907-332-6270
1-800-478-NASW (6279)
Director@naswak.org
http://www.naswak.org

March 17, 2009

The Honorable Johnny Ellis
Alaska State Senate
Alaska State Capitol Room 103
Juneau, AK 99801

Dear Senator Ellis:

This is a letter of support for SB 32.

Our membership is well aware of the problems with home and community based services, and particularly when it comes to the elderly and developmentally disabled. We favor anything that can be done to lower costs and regular reviews are a mechanism that can work. At the very least, it will lead to the establishment of rate uniformity within the industry.

We are a particularly pleased with Section 2 which requires Health and Social Services (HSS) to submit an Annual Report on medical assistance. We interpret this to mean that this review will be ongoing responsibility for HSS.

The only addition we would like to suggest is to add a (3) at the end of the section which requires HSS to place the Annual Review on its website.

Thank you very much for you sponsorship of this important piece of legislation.

Sincerely,

LaVerne M. Demientieff

LaVerne Demientieff, President

mH

AGENET

Alaska Geriatric Exchange Network

The Association of Alaska Providers of Senior Services

April 29, 2009

Senator Johnny Ellis
State Capitol, Room 103
Juneau, Alaska 99801-1182

Dear Senator Ellis:

On behalf of the members of AGENET (the Alaska Geriatric Exchange Network), I want to thank you for your leadership in order to establish regular rate reviews for Home and Community Based (HCB) services. Through your sponsorship of Senate Bill 32 and your efforts to educate others about its importance, we nearly reached our goal this past session.

As you know, establishing regular rate reviews in statute was the number one priority of HCB provider groups (serving senior citizens, persons with developmental disabilities and behavioral health) as well as the Alaska Mental Health Trust Beneficiary boards. You and your staff worked closely with our rate review coalition to move the bill forward. I especially want to commend Max on the countless hours he put into making SB 32 successful.

We look forward to working with you and the rest of the Alaska State Legislature next session to pass Senate Bill 32 so that we can implement it as soon as possible. Feel free to contact me at 463-6154 for further information. Thank you again.

Sincerely,

Marianne Mills

Marianne Mills, President
AGENET

3020

SB

45

<target><bill>SB 45</bill><subject>SB
45</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 1, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/9/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 45(FIN)**

"An Act relating to state employment preferences for veterans, former prisoners of war, and members of the Alaska National Guard; authorizing the Department of Military and Veterans' Affairs to establish and maintain Alaska veterans' cemeteries; establishing the Alaska veterans' cemetery fund in the general fund; and authorizing the legislature to appropriate income from fees collected for commemorative veterans' plates to the Alaska veterans' cemetery fund."

SB 45 VETERANS' CEMETERIES/FUND/LICENSE PLATES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
MVA	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	Gara	✓			
	Austerman	✓			
	CRAWFORD	✓			
	KELLY	✓			
	Foster	✓			
	FAIRCLOUGH	✓			
Chair:	Hawker	✓			
Chair:	Stoltze	✓			

Senator Charlie Huggins
R-Rural Mat-Su

Senator Gene Therriault
R-North Pole, Valdez

ALASKA STATE SENATE

SPONSOR STATEMENT SENATE BILL 45

By the passage of this legislation, a new Veterans' Cemetery would be created in Fairbanks to serve those members of the military wishing to be buried in this specially designated cemetery. The United States standards for creating veterans' cemeteries suggests that designated cemeteries be established within 75 miles of any populated area to honor deceased military personnel. At this time, Fairbanks is home to a significant military population but does not have a designated Veterans' Cemetery.

The Veterans' Cemetery fund would be established as a sub account of the general fund to be used to support programs benefiting Alaska veterans. The fund would receive deposits through appropriation and by proceeds from the purchase of special veterans' license plates. The balance of the fund could be used for the construction, operation and maintenance of a Veterans' Cemetery.

Veterans' employment preferences are currently established in AS 39.25.150 however they are somewhat difficult to understand. The existing statute is rewritten for clarification and does not change the preferences already established. The employment preferences as rewritten are similar to most other United States and do not breach collective bargaining agreements within the State of Alaska.

We urge your support in this legislation regarding honor and benefits for Alaska's military veterans.

26th ALASKA STATE LEGISLATURE
STATE SENATE
www.aksenateminority.com www.aksenate.org

Senator Charlie Huggins 907-465-3878
907-465-4797

Senator Gene Therriault

For Immediate Release: February 10, 2009 **Press Contacts: John Manly 465-5369 or Tim Barry 465-3803**

Bill to Establish Veterans' Cemetery in Interior Moves Out of Senate State Affairs Committee

JUNEAU – Legislation under which the State of Alaska would authorize the establishment and maintenance of a veterans' cemetery to serve the Interior and northern Alaska was approved by the Senate State Affairs committee.

SB 45, Sponsored by Sen. Charlie Huggins, R-Wasilla, and Sen. Gene Therriault, R-North Pole, gives the Department of Military and Veterans' Affairs the authority to establish veterans' cemeteries and to set up a fund to provide for maintenance of the cemeteries. The bill also allows the Legislature to appropriate income from the sale of veterans' commemorative license plates to the cemetery fund and clarifies veterans' hiring preferences in state statutes.

"In addition to clarifying veterans' hire preferences, SB 45 sets up a mechanism to create and fund a veterans' cemetery in the Interior to complement the national cemeteries in Sitka and at Ft. Richardson," Huggins said. "This is an appropriate use of the revenues generated by the sale of special veterans' license plates, and a good way for us to express our appreciation for the service of these veterans."

"It is estimated there are about 100,000 veterans in Alaska, including roughly 11,000 in the Interior," Therriault said. "We should be prepared to honor them as they deserve for their sacrifices made in defense of our nation. I appreciate the quick action by the State Affairs committee to move the bill forward."

SB 45 has next been referred to the Senate Labor and Commerce committee.

###

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 45(STA)**
(S) Publish Date: 2/11/09

Identifier (file name): SB45-DMVA-VS-2-6-09
Dept. Affected: Dept of Military and Veterans Affairs
Title: An act relating to...authorizing DMVA to establish and maintain AK veterans' cemeteries; est AK cemetery fund...
RDU: Military and Veterans Affairs
Component: Veterans Services
Sponsor: Senator(s) Huggins, Therriault
Requester: State Affairs
Component Number: 421

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	250.0	250.0	250.0	250.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**250.0**	**250.0**	**250.0**	**250.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**10.0**	**10.0**	**10.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	250.0	240.0	240.0	240.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	10.0	10.0	10.0
TOTAL	**0.0**	**0.0**	**0.0**	**250.0**	**250.0**	**250.0**	**250.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill establishes establishes an Alaska cemetery fund.

Our estimate for the amount of special request plates commemorating Alaska veterans is based on 2 year history of special veterans plates purchased per DOA/Division of Motor Vehicles. DMVA estimates that 100 sets of plates will be purchased annually at $100/set.

Operations and maintenance of the Veteran's cemetery includes contracted services for maintenance, utilities, communications, supplies and materials is estimated at $250,000 per year beginning in FY2012. Out years reflect additional receipts from sale of special license plates.

Prepared by: McHugh Pierre, Legislative Liaison/Communications Director
Phone 465-4402
Division: National Guard Military Headquarters/Office of the Commissioner
Date/Time 2/06/09 @ 11:00 am
Approved by: Commissioner Craig Campbell
Date 2/6/2009
Department of Military and Veterans Affairs

(Revised 9/10/2008 OMB)

By: Nadine Winters
Introduced: 03/12/09
Adopted: 03/12/09

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2009 - 08

A RESOLUTION SUPPORTING THE CREATION OF A STATE VETERANS' CEMETERY

WHEREAS, according to the Department of Veterans Affairs there are over 9,400 veterans living in the Fairbanks area; and

WHEREAS, according to the 2000 Census Alaska has the highest percentage of veterans per capita than any other state; and

WHEREAS, Interior Alaska veterans deserve access to a military cemetery that honors their service; and

WHEREAS, the nearest cemetery to Fairbanks is Fort Richardson National Cemetery located 350 miles away; and

WHEREAS, a State Veterans' Cemetery in the Interior would better serve the needs of veterans and their families, and provide a place that is centrally located in the Interior for soldiers to be laid to rest with full military funeral honors; and

WHEREAS, funding to establish and maintain a state veterans' cemetery could be made available through the U.S. Department of Veterans Affairs, State Cemetery Grants Program, and through money set aside from special license plates purchases and gifts designated to a special account; and

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports the creation of a State Veterans' Cemetery in the Interior.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Governor Sarah Palin and the Alaska Interior Delegation.

PASSED AND APPROVED THIS 12th DAY OF MARCH 2009.

Kelly Brown, Deputy
Presiding Officer

ATTEST:

Mona Lisa Drexler, MMC
Municipal Borough Clerk

Ayes: Brown, Blanchard II, Musick, Sattley, Stringer, Wilson
Noes: None
Excused: Beck, Hopkins, Winters

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

February 5, 2009

The Honorable Linda Menard, Chair
Senate State Affairs Committee
Alaska State Capitol, Room 9
Juneau, AK 99801-1182

RE: SB45 (Therriault and Huggins)--Support

Dear Chair Menard:

On behalf of the AARP members of Alaska, we urge you and your colleagues on the Senate State Affairs Committee to support SB 45, authored by Senators Gene Therriault and Charlie Huggins.

SB 45 would establish a fund for the maintenance of and development of future veterans' cemeteries in Alaska. As you know, the only veterans' cemeteries are in Anchorage and Sitka yet the Fairbanks area alone has over 11,000 veterans, many of whom are AARP members. Certainly veterans and their families would like to have a cemetery closer to where they live.

Burial in a veterans' cemetery is one of the last honors we can offer our fellow citizens who have served in the Armed Forces. We think it is a well-deserved tribute to these men and women who served our country. It is a proper thank-you to the veterans and their families.

Undoubtedly there may be some costs associated with a new cemetery. SB 45 does provide some provisions for partial funding although additional funding might be required. Our veterans didn't weigh the costs when they joined the armed services. Surely we can bear the costs of this final thank-you to them.

SB 45 also has provisions for state employment preferences. AARP has no official position on this.

AARP recommends an "AYE" vote on SB 45.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Kevin Meyer
Senator Hollis French
Senator Albert Kookesh
Senator Joe Paskvan
Senator Gene Therriault
Senator Charlie Huggins

JOINT LEGISLATIVE ISSUES FOR 2009 SESSION

The American Legion, Veterans of Foreign Warsand Disabled American Veterans

Support Statements

1. ***State Veterans' Service Officers Grant***: For over 50 years, Alaska service organizations have been assisting our state veterans with much needed assistance in receiving state and federal benefits to which they are entitled. Each year, through the assisted representation of these State Service Officers, our veterans have received over 25 million dollars in federal benefits. VA statistics have shown that veterans representing themselves receive some $7,000 less in annual benefits than those represented by a State Service Officer. This coming year, we are budgeted the same grant amount as last year, $651,000, which is part of the Governor's budget under the Department of Military and Veterans Affairs. These dollars will provide salaries and travel for the Joint Venture for the coming year. Our Service Officers cover the entire state, working closely with our members, the Alaska Department of Labor and the Department of Veterans Affairs, providing services to our State's veterans. This coming year will be exceptionally important as we provide for our returning Gulf veterans, assisting them with the complex laws and paperwork necessary to receive all of the benefits to which they are entitled. ***Therefore, we ask the full support of our Legislature in approving the Governor's budget proposed grant of $651,000.***

2. ***Property Tax exemption***: Currently, veterans rated by the Department of Veterans Affairs at 50% or more disabled and senior citizens 65 and older receive a tax exemption on the first $150.000.00 of their annual property tax. Our concern is the loss of this exemption. This could be devastating to both the seniors and veterans who, in many cases, receive the lowest of incomes, with many living on fixed incomes and concerned about loosing there existing home mortgages. ***Therefore, we request the tax exemption for the Disabled Veterans and Seniors remains***.

3. ***Flag Amendment:*** The flag amendment is an issue unresolved. Over 80% of Americans polled believe that our flag should be protected by amending our Constitution. We do not expect this issue to go unresolved forever; however, should it pass the United States Congress to constitutionally protect our flag, we request that Alaska be the first State to ratify the amendment to the Constitution. ***Therefore, we ask our Legislature that, if Congress passes the amendment, our Alaska Legislature be the first to ratify that amendment.***

4. ***State Veterans Cemetery:*** If the issue of establishing a State Veterans Cemetery comes before legislature we request the legislature to consider supporting such legislation.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 3, 2009

SUBJECT: Veterans, former prisoners of war, and members of the national guard (SB 45)

TO: Senator Charlie Huggins
Attn: Sharon

FROM: Dan Wayne
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 would allow the legislature to appropriate, to the Alaska veterans' cemetery fund, fees from the sale of special request motor vehicle license plates that commemorate Alaska veterans.

Sec. 2 adds certain gifts, donations and grants related to establishing and maintaining Alaska veterans' cemeteries to the list, under AS 37.05.146(c), of programs for which receipts are accounted for separately. (Receipts from programs on this list are not appropriated from the unrestricted general fund).

Sec. 3 creates a special account in the general fund called the Alaska veterans' cemetery fund., from which amounts may be appropriated for building and operating Alaska veterans' cemeteries.

Sec. 4 adds a requirement that state personnel rules must provide for the grant of employment preference rights to members of the national guard under AS 39.25.159, a statute under which veterans, former prisoners of war and members of the national guard already receive preference when they apply for a position, either in the form of extra points being added to their numerical rating (when assessments using numerical ratings are used in hiring), or, when hiring is based on assessments that are not based on numerical ratings, a guarantee that they will be considered for the position.

Sec. 5 and 6 amend AS 39.25.159, a statute with the catch line "employment preference for veterans and former prisoners of war," by combining repetitious language from subsections (a) and (c) and moving it to a new subsection, and changing "preference," in subsections (a) and (c), to the more explicit "employment preference as a matter of form."

Sec. 7 defines "member of the national guard" under AS 39.25.159.

Sec. 8 adds two new subsections to AS 39.25.159. Subsection (e) consolidates and restores language that the bill, as noted above, removes from AS 39.25.159(c) and (d). Subsection (f) limits the applicability of subsections (a), (c), and (e) so that they may not be interpreted to amend the terms of a collective bargaining agreement.

Sec. 9 adds language permitting the department of military and veterans affairs to establish and maintain Alaska veterans' cemeteries, allowing the department to raise funds for that purpose, and listing administrative duties and options of the department, including the duty, or in some instances the option, to adopt regulations.

If I may be of further assistance, please advise.

DCW:plm
09-063.plm

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SARAH PALIN, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

February 23, 2009

Senator Charlie Huggins
Alaska State Capitol, Room 119
Juneau, Alaska 99801-1182

Subject: Support for SB 45

Dear Senator Huggins:

The Alaska Commission on Aging (ACoA) encourages support for SB 45 sponsored by you and Senator Therriault to establish, maintain, and develop the Alaska veterans' cemetery fund.

Although Alaskan veterans come from all areas of the state, the only designated veteran cemeteries in Alaska are located in Anchorage and Sitka. We believe that veterans and their families would appreciate having a cemetery closer to where they live. Burial in a veterans' cemetery is a well-deserved honor and tribute to those who have served our country and their families.

Partial funding for this program would come from the sales of special request plates commemorating Alaska veterans, according to estimates provided by the bill's fiscal note, and additional funding may be required. Nevertheless, persons who joined the armed forces did not allow the personal costs of their service to dissuade their decision to serve and protect our nation.

ACoA supports SB 45 and believes that establishment of a veterans' cemetery is our responsibility and obligation to honor veterans through this final gesture of gratitude. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position. Thank you for your consideration.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello,
ACoA Executive Director

MARK BEGICH
ALASKA

SUITE SH-825
HART BUILDING
WASHINGTON, DC 20510
(202) 224-3004

United States Senate

WASHINGTON, DC 20510

February 20, 2009

The Honorable Sarah Palin
Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811

Dear Governor Palin:

I write to underscore the request of a Fairbanks veteran to urge your support and action to advance an Alaska State Veterans Cemetery, likely to be located in Alaska's Interior. During my Veterans Town Hall meeting in Fairbanks earlier this week, veteran Morgan Solomon asked that I approach you about this issue. His request, in firm and colorful language, received the overwhelming support of the more than 40 veterans in attendance, and my support as well.

As you know, at issue is a federal program which provides support to states to establish veterans' cemeteries. I commend you for including $250,000 in your original Fiscal 2010 capital budget submission for initial architecture and engineering for this cause. But I was disappointed that you eliminated it in your revised budget as part of your overall budget cutting exercise. Meanwhile, I understand the Alaska Department of Military and Veterans Affairs can submit a grant pre-application to the U.S. Department of Veterans Affairs for construction of the cemetery, but has not yet done so.

The VA estimates that 1,500 veterans will die in the next 10 years in the Fairbanks area. A Veterans Cemetery in the Interior is broadly supported by Alaska's veterans community and would serve as a relatively affordable yet highly visible way to demonstrate our respect to the men and women who have served and sacrificed so much for our state and nation.

As a member of the U.S. Senate Committee on Veterans Affairs, I am pleased to work with you and your departments on this vital issue and to ensure that a pre-application is well received by the VA when it is submitted.

Thank you for your attention to this matter.

Sincerely,

Mark Begich
U.S. Senator

CC:
Morgan Solomon
LTG (AK) Craig Christianson, DMVA
Senator Gary Stevens, President, Alaska State Senate
Senator Joe Thomas
Senator Charlie Huggins
Representative Mike Chenault, Speaker, Alaska House of Representatives
Representative David Guttenberg

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 45(STA)**
(S) Publish Date: 2/11/09

Identifier (file name): SB45-DMVA-VS-2-6-09
Dept. Affected: Dept of Military and Veterans Affairs

Title: An act relating to...authorizing DMVA to establish and maintain AK veterans' cemeteries; est AK cemetery fund...
RDU: Military and Veterans Affairs
Component: Veterans Services

Sponsor: Senator(s) Huggins, Therriault
Requester: State Affairs
Component Number: 421

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	250.0	250.0	250.0	250.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**250.0**	**250.0**	**250.0**	**250.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**10.0**	**10.0**	**10.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	250.0	240.0	240.0	240.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	10.0	10.0	10.0
TOTAL	**0.0**	**0.0**	**0.0**	**250.0**	**250.0**	**250.0**	**250.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill establishes establishes an Alaska cemetery fund.

Our estimate for the amount of special request plates commemorating Alaska veterans is based on 2 year history of special veterans plates purchased per DOA/Division of Motor Vehicles. DMVA estimates that 100 sets of plates will be purchased annually at $100/set.

Operations and maintenance of the Veteran's cemetery includes contracted services for maintenance, utilities, communications, supplies and materials is estimated at $250,000 per year beginning in FY2012. Out years reflect additional receipts from sale of special license plates.

Prepared by: McHugh Pierre, Legislative Liaison/Communications Director — Phone 465-4402
Division: National Guard Military Headquarters/Office of the Commissioner — Date/Time 2/06/09 @ 11:00 am
Approved by: Commissioner Craig Campbell — Date 2/6/2009
Department of Military and Veterans Affairs

(Revised 9/10/2008 OMB)

3036

SB

50

<target><bill>SB 50</bill><subject>SB
50</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 – Fax
Senator_Charlie_Huggins@legis.state.ak.us

State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878
www.akrepublicans.org/huggins/

Charlie Huggins
Senator

Sponsor Statement
SB 50
IDITAROD FINISHER LICENSE PLATES

By passage of this legislation, a new provision is added for special issue license plates to honor those who have shown the dedication, perseverance and exemplary athletic ability that finishing the Iditarod Trail Sled Dog Race requires.

Design work for the new plate must be approved by the Department of Administration. It's anticipated that the Iditarod Trail Committee and the Iditarod Official Finishers Club will be advisors and participants in the design. The finishers will be able to purchase these exclusive specialty plates by providing specific proof of participation and completion of the race. The race finisher must have an automobile registered in the state of Alaska on which the plates would be displayed.

I request your support for this new category of specialty license plates honoring mushers who have endured the challenges and shown the courage and ability to complete what is affectionately known as the "last great race," the Iditarod Trail Sled Dog Race.

2/24/2009

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 4, 2009

SUBJECT: Sectional Summary - SB 50 (Work Order No. 26-LS0319\A)

TO: Senator Charlie Huggins
Chair of the Senate Rules Committee

FROM: Gerald P. Luckhaupt
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1. Authorizes the Department of Administration to issue special request Iditarod race finisher license plates.

Section 2. Sets the fee for the special request Iditarod race finisher license plates authorized in section 1.

GPL:ljw
09-067.ljw

Alaska State Legislature
Senate Bipartisan Working Group News

Tim Barry, Senate Majority Press Secretary
Room 413, State Capitol Building
Juneau, AK 99801
Web Site: http://www.aksenate.org
Phone: 907.465.3803
Email: Tim.Barry@legis.state.ak.us

FOR IMMEDIATE RELEASE: Feb. 26, 2009 **CONTACT:** Tim Barry, Press Secretary: 907.465.3803

Senate Works on Bill to Provide Special Iditarod Finisher License Plates

(JUNEAU) – With the start of this year's Iditarod Trail Sled Dog Race just a few days away, Alaska's legislators are considering a bill that would create special license plates for people who are official finishers of the Iditarod.

"I am proud that the district I represent is home to the start of the 'last great race'," said Senator Charlie Huggins (R-Mat-Su), sponsor of the legislation. "It is fitting that we honor the more than 600 hearty souls who have finished this grueling competition which is so synonymous with our state."

Senate Bill 50 would allow Iditarod finishers, upon proving that they have finished the race, to get a special "Iditarod finisher" license plate for $50. Presently, there are specialty plates for National Guard members, military veterans, Purple Heart recipients and custom collector vehicles.

SB 50 was passed out of the Senate State Affairs Committee Tuesday, and will be considered next by the Finance Committee. "I am pleased the bill is before us now, during Iditarod season; it adds to the celebration of the start of the 37th running of this great competition," said Senator Huggins. "A lot of folks who have run the race have expressed enthusiasm about getting one of these license plates, which highlights the pride Alaskans have for the Iditarod and the state as a whole."

For more information, contact Senator Huggins or Sharon Long at 907-465-3878.

###

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: March 12, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 3/16/09

The FINANCE Committee considered: **SENATE BILL NO. 50**

"An Act relating to Iditarod finisher special request license plates."

SB 50 IDITAROD REGISTRATION PLATES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
ADM	1			X

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas		✓	✓	
	Gara	✓			
	CRAWFORD	X			
	AUSTERMAN	X			
	KELLY	X			
	Salmon			X	
	FAIRCLOUGH			✓	
Chair:	Hawker			*	
Chair:	STOLTZE	–			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 50
(S) Publish Date: 2/25/09

Identifier (file name): **SB050-DOA-DMV-02-23-09**
Title "An Act relating to Iditarod finisher special request license plates."
Sponsor Sen(s): Huggins
Requester S (STA)

Dept. Affected: Administration
RDU Motor Vehicles
Component Division of Motor Vehicles
Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill does not fiscally impact the Division of Motor Vehicles (DMV). Revenue derived from the sale of the Iditarod Finisher Plate is expected to be minimal.

Prepared by: Whitney Brewster
Division Motor Vehicles
Phone 907-269-5559
Date/Time 2/23/09 12:00 PM

Approved by: Kevin Brooks
Deputy Commissioner
Date 2/23/2009

(Revised 9/10/2008 OMB)

3042

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 50
(S) Publish Date: 2/25/09

Identifier (file name): **SB050-DOA-DMV-02-23-09**
Dept. Affected: Administration
Title "An Act relating to Iditarod finisher special request license plates."
RDU Motor Vehicles
Component Division of Motor Vehicles
Sponsor Sen(s): Huggins
Requester S (STA)
Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill does not fiscally impact the Division of Motor Vehicles (DMV). Revenue derived from the sale of the Iditarod Finisher Plate is expected to be minimal.

Prepared by: Whitney Brewster
Phone 907-269-5559
Division Motor Vehicles
Date/Time 2/23/09 12:00 PM
Approved by: Kevin Brooks
Date 2/23/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

3043

SB

57

<target><bill>SB 57</bill><subject>SB
57</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 8, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 57(FIN)**

"An Act relating to charter and alternative school funding."

SB 57 CHARTER SCHOOL FUNDING

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
EED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Meyers			←	
REGISTER	FOSTER	X	✓		
	Garca	✓			
	Austerman	X			
	CRAWFORD	X			
	FAIRCLOUGH	✓			
	KELLY	X			
	Salmon	X			
	Joule	X			
Chair:	Hawker	X			
Chair:	Stoltze	X			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 57(FIN)
(S) Publish Date: 4/1/09

Identifier (file name): SB057-EED-ESS-3-31-09
Title: An Act realting to charter and alternative school funding.
Sponsor: Senator Thomas
Requester: Senate Finance

Dept. Affected: Education & Early Development
RDU: K-12 Support
Component: Foundation Program
Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	1,314.3	0.0	1,314.3	1,314.3	1,314.3	1,314.3	1,314.3
Miscellaneous							
TOTAL OPERATING	**1,314.3**	**0.0**	**1,314.3**	**1,314.3**	**1,314.3**	**1,314.3**	**1,314.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,314.3	0.0	1,314.3	1,314.3	1,314.3	1,314.3	1,314.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1,314.3**	**0.0**	**1,314.3**	**1,314.3**	**1,314.3**	**1,314.3**	**1,314.3**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would increase funding for charter and alternative schools.

Alternative schools with an Average Daily Membership [ADM] of 175 or greater will adjust through the school size table independently.
If the alternative school has an ADM of 120 but less than 175 and in the 1st year of operation; or had an ADM count of 175+ in the prior year but fell below 175 in the current fiscal year, then the ADM count will be multiplied by 1.33.

If the charter school is under 150 ADM, then the ADM count will be multiplied by 1.18.
Otherwise if the charter school has an ADM of 120 but less than 150 and in the 1st year of operation; or had an ADM count of 150+ in the prior year but fell below in the current fiscal year, then the ADM count will be multiplied by 1.38.

The GF appropriation capitalizes on the Public Education Fund [PEF].

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division: School Finance — Date/Time 4/1/09 12:00 AM
Approved by: Larry LeDoux, Commissioner — Date 4/1/2009

(Revised 9/10/2008 OMB)

FISCAL NOTE # 2

BILL NO. CSSB 57(FIN)

Department of Education & Early Development
4/1/2009

Prepared by School Finance

District/School Name	FY09 Charter School ADM	FY10 Charter School ADM	x 1.18 Cost if Eligible under Sec. 1 ('c)	x 1.38 Cost if Eligible under Sec. 1 (d)
ANCHORAGE				
Alaska Native Charter School [Eff. FY09]	160.70	180.00		
Aquarian Charter	361.15	360.00		
Highland Tech Charter	240.20	260.00		
Winterberry Charter	184.50	200.00		
Eagle Academy Charter	164.00	165.00		
Rilke Schule Charter	209.90	240.00		
FAIRBANKS				
Chinook Montessori Charter School	153.20	153.00		
Star of the North Secondary School (charter)	200.55	201.00		
Effie Kokrine Charter School	140.65	145.00	$ 350,590	
Watershed Charter School [to open in FY10]	-	155.00		
JUNEAU				
Juneau Community Charter School	68.00	78.00	$ 194,684	
KENAI				
Aurora Borealis Charter (soldotna)	184.00	185.00		
Kaleidoscope Charter School	233.00	248.00		
Fireweed Academy Charter (Homer)	72.75	76.00	$ 147,231	
Soldotna Montessori Charter	161.60	161.00		
KETCHIKAN				
Tongass School of Arts & Sciences Charter	152.40	150.00		
Ketchikan Charter School	173.30	170.00		
LOWER KUSKOKWIM				
Ayaprun Elitnaurvik Yup'ik Immersion (bethel)	172.05	172.00		
MAT-SU				
Academy Charter School	228.95	231.00		
Fronteras Charter School	186.85	187.00		
Midnight Sun Charter School	165.00	165.00		
NOME				
Anvil City Science Academy	44.00	44.00	$ 21,796	
Total Revenue			**$ 714,301**	

FISCAL NOTE # 2

BILL NO. CSSB 57(FIN)

Department of Education & Early Development
Prepared 4/1/09

Prepared by School Finance

District & Alternative School Name	FY09 Alternative School ADM	FY10 Alternative School ADM	x 1.33 Cost if Eligible under Sec. 1 (d)	175-200 ADM Cost if Eligible under Sec. 2
ANCHORAGE				
A.V.A.I.L.	59.10	54.00		
Polaris K-12	479.00	480.00		
Steller Secondary	293.25	292.00		
Continuation Program	32.20	26.00		
COHO	40.05	35.00		
Whaley Center	468.83	485.25		
Benny Benson Secondary/S.E.A.R.C.H.	232.75	230.00		
Crossroads School	52.65	51.00		
S.A.V.E.	237.85	227.00		
CRAIG				
PACE Alternative High School	8.50	8.50		
DELTA/GREELY				
New Horizons High School	24.80	24.00		
FAIRBANKS				
Alternative Learning Systems	105.60	107.00		
JUNEAU				
Yaakoozge Daahakidi Alt High School	140.35	150.00		
KENAI				
Homer Flex	36.30	31.00		
Kenai Alternative School	98.20	67.00		
Peninsula Optional HS	37.05	38.00		
KETCHIKAN				
Revilla High School (Alt.)	66.55	86.00		
LOWER KUSKOKWIM				
Bethel Alternative Boarding School	33.80	33.00		
MAT-SU				
Mat-Su Day School	37.55	40.00		
Valley Pathways Alternative School	205.90	204.00		
Burchell Alternative High School	220.75	211.00		
Mid-Valley Alternative High School	193.55	174.00	$ 600,002	
NORTH SLOPE				
Kiita Learning Community	57.50	53.00		
SITKA				
Pacific Alternative	37.75	35.00		
Total Revenue			**$ 600,002**	

Senator Joe Thomas
April 8, 2009

Charter School Funding: CSSB 57 (FIN)

- CSSB 57 (FIN) is about supporting school choice and doing away with the charter school penalty.
- Current law results in charter schools, with fewer than 50 students, receiving 30% to 45% less state funding than neighborhood schools of their same size.
- The root of the problem is the way the foundation formula calculates the "adjusted student count" for charter and alternative schools versus neighborhood schools. Almost all schools have their enrollment adjusted upward by a formula in the state education law that is based on the size of the school.
- The adjusted student count is the basis of school funding. The adjusted count is multiplied by the BSA, the area cost differential and other factors to determine funding.
- Charter schools with an enrollment of fewer than 150 students, and alternative schools with fewer than 200 students, are not treated as separate schools, and the result is their enrollment is adjusted downward. Neighborhood schools are always funded as separate schools, regardless of their enrollment.
- Senate Bill 57 fixes the funding problem in an equitable, fiscally responsible manner.
- CSSB 57(FIN) funds charter schools with fewer than 150 students at the same per-student rate as neighborhood schools with 400 students. This requires charter schools to be significantly more efficient than other schools, but it is a manageable funding level.
- CSSB 57(FIN)also addresses the problem created for school districts, when their charter and alternative schools unexpectedly enroll fewer students than the number required for the state to fund them as separate schools.
- Today, when charter and alternative schools fall just one student below their separate-school threshold, the state cuts funding by $500,000 - $700,000. This is a disaster for the school and its district.
- CSSB 57(FIN) contains a one-year, hold-harmless provision for charter schools and alternative schools that unexpectedly fall below the threshold, and are either in their first year of operation or were above the threshold the previous year. For one year, these schools will receive 95% of the per-student rate they would have received at the threshold.
- Finally, CSSB 57(FIN) lowers the separate-school threshold for alternative schools from 200 to 175.
- Alaska has a serious problem with school achievement and high school graduation. One type of school is not best for all students. Charter schools and alternative schools offer parents choice within the public school system.
- CSSB 57(FIN) has received strong support from around the state. The Alaska Association of School Boards, and representatives of the Fairbanks, Nome, Juneau, Anchorage, Lower Kuskokwim, Ketchikan and Mat-Su school districts, as well as numerous parents have testified in favor of this bill.
- Our school funding system has limited communities' ability to create and sustain innovative programs. It is essential that the legislature takes action this session.

JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU

Board of Education 2009 Legislative Priorities

INCREASE SMALL CHARTER SCHOOL FUNDING

JSD supports equitable state funding for charter schools so these educational options are financially feasible for districts. The Board supports legislation giving small charter schools a student count adjustment of 1.17, which would be comparable to the funding for a neighborhood school with an enrollment of 400. Current statute funds charter schools of 150 or more at the same rate as neighborhood schools. Charter schools of fewer than 150 students are funded so inequitably that they are at risk of closing and new ones cannot open. The legislature has recognized the value of charter schools in providing educational options for public school students, but has not provided the funding to make those options truly accessible or available to all students.

Juneau School District Board of Education 2008-2009: Mark Choate, President; JoAnne Bell-Graves; Phyllis Carlson; Ed Flanegan; Sally Saddler; Destiny Sargeant; Andi Story

Matanuska Susitna Borough School District
Career & Technical Education
501 N. Gulkana
Palmer, Alaska 99645
907-746-9274 907-761-4087 Fax

"Developing citizens for a global society by inspiring students to think, learn, achieve, and care".

April 16, 2009
Testimony on Senate Bill 57

Good Morning, my name is **Ray DePriest** and I am the Director of the Career and Technical Education Department for the Mat-Su Borough School District. Thank you for this opportunity to testify in favor of Senate Bill 57.

The Mat-Su Borough School District supports Senate Bill 57 and is supportive of school choice and currently hosts 4 charter schools and 3 alternative schools, which enroll approximately 1500 students.

I do believe that Senate Bill 57 will correct the funding problem in an impartial and fiscally dependable manner.

By lowering the threshold for alternative schools from 200 to 175 Senate Bill 57 will address a financial setback that occurred this year for MSBSD, one of our alternative schools unexpectedly dropped below the required 200 number by 6 students, resulting in a $780K deficit to the school district.

The one-year, hold-harmless provision for charter schools and alternative schools that unexpectedly fall below the threshold, allows charter and alternative schools to focus student education and not financial deficit created by the current funding.

Charter schools and alternative schools offer parents choice within the public school system that provides smaller learning communities, drop out prevention and increased graduation rates.

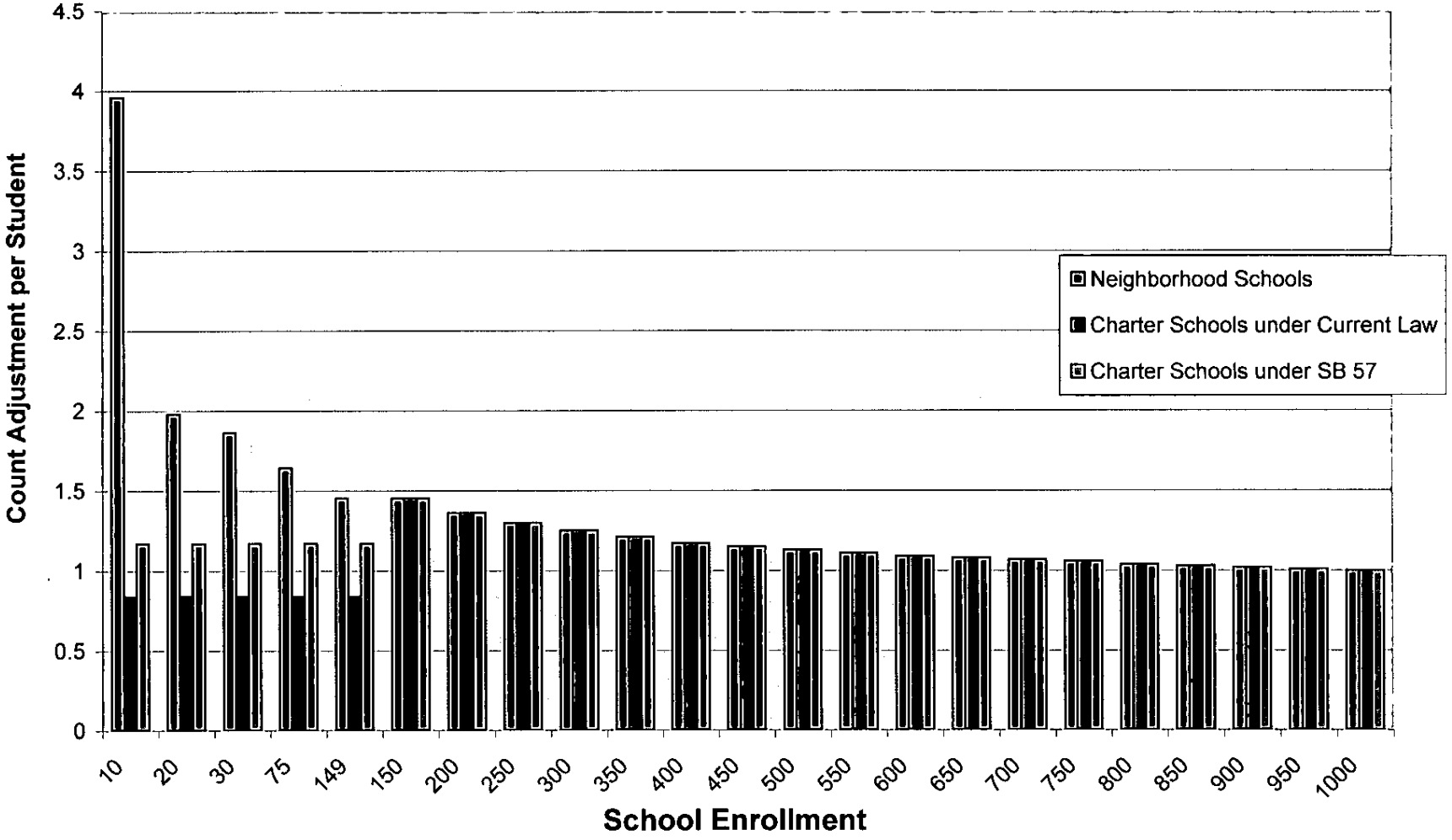
In conclusion Senate Bill 57 creates a sustainable funding system for innovative programs. I thank you for your time and effort that all of you put in for the students of Alaska.

Sincerely,

Ray DePriest
Director, Career & Technical Education

Adjusted Student Count for Charter Schools vs. Neighborhood Schools

The adjusted student count of each school is the basis of state funding. The number of students enrolled in a school is increased or decreased according to the formula in AS 14.17.450, to determine the school's adjusted student count. That adjusted student count is then multiplied by the district cost factor, the special needs factor and, finally, by the base student allocation to determine the amount of funding.



* This chart assumes that a charter school with fewer than 150 students has a student count adjustment of .84 under current law, because it is located in a district that contains a school with over 750 students, such as Anchorage, Fairbanks, Mat-Su or Juneau. A charter school in a community such as Kenai, Bethel, Ketchikan or Nome would have a student count adjustment of .92 or .97.

COPY ON FILE

Senator Thomas

Sectional Analysis
CSSB 57(FIN)

Section 1

Subsection (c) states that charter schools with fewer than 150 students will have their student count adjusted by the same per-student rate as neighborhood schools with 400 students.

Under the school size factor statute, AS 14.17.450(a), the per-student rate of adjustment for 400-student neighborhood schools is 1.18, which means their student enrollment is multiplied by 1.18 to determine their "adjusted student count." The adjusted student count is the basis for the calculation of state funding provided to school districts.

Subsection (d) is an exception to subsection (c) for charter schools that are either in their first year of operation or had more than 150 students the previous year. It grants these charter schools a one-year hold-harmless period, during which they will receive 95% of the per-student rate of neighborhood schools with 150 students.

Under the school size factor statute, the per-student rate of adjustment for 150-student neighborhood schools is 1.45, and 95% of that rate is 1.38. Charter schools in the hold-harmless year will have their enrollment multiplied by 1.38 to determine their adjusted student count.

Subsection (d) requires charter schools that are in the hold-harmless year to submit a plan for the following year to their local school board. The plan must describe what will happen the following year if the school again has fewer than 150 students and no longer qualifies for the hold-harmless provision.

Subsection (e) creates a one-year hold-harmless period for alternative schools similar to the subsection (d) provision for charter schools. Alternative schools that enroll 121-174 students, but are either in their first year of operation or had at least 175 students the previous year, will receive 95% of the per-student rate of neighborhood schools with 175 students.

Under the school size factor statute, the per-student rate of adjustment for 175-student neighborhood schools is 1.40, and 95% of that rate is 1.33. Alternative schools in the hold-harmless year will have their enrollment multiplied by 1.33 to determine their adjusted student count.

Subsection (f) defines the term "student rate." The student rate is the base plus the multiplier under AS 14.17.450(a) divided by the student count.

Section 2: lowers the number of students that an alternative school must enroll, in order to be funded as a separate school, from 200 students to 175 students.

This section also makes a technical amendment creating the exception from the existing requirement that charter schools have at least 150 students to have their own adjusted student count calculation. Without this amendment, the Department of Education would continue to calculate school funding as if the students at charter schools under 150 attended the largest school in their district.

Statutes That Determine Adjusted Student Count

Sec. 14.17.905. Facilities constituting a school.

(a) For purposes of this chapter, the determination of the number of schools in a district is subject to the following:

(1) a community with an ADM of at least 10, but not more than 100, shall be counted as one school;

(2) a community with an ADM of at least 101, but not more than 425, shall be counted as

(A) one elementary school, which includes those students in grades kindergarten through six; and

(B) one secondary school, which includes students in grades seven through 12;

(3) in a community with an ADM of greater than 425, each facility that is administered as a separate school shall be counted as one school, except that each alternative school with an ADM of less than 200 shall be counted as a part of the school in the district with the highest ADM.

(b) Notwithstanding (a)(3) of this section, a charter school shall be counted as a separate school if the charter school has an ADM of at least 150 students.

Sec. 14.17.450. School size factor.

(a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count In a school is			**The adjusted student count is**				
At least		**But less than**	**Base**		**Multiplier**		**The number of Students in excess of**
10	-	20	39.6				
20	-	30	39.6	+	(1.62	x	20)
30	-	75	55.8	+	(1.49	x	30)
75	-	150	122.85	+	(1.27	x	75)
150	-	250	218.1	+	(1.08	x	150)
250	-	400	326.1	+	(0.97	x	250)
400	-	750	471.6	+	(0.92	x	400)
750 or over			793.6	+	(0.84	x	750).

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district.

Senator Thomas
April 6, 2009

Example Adjusted Student Count Calculations

100 Students in a Neighborhood School have an Adjusted Student Count of **154.6**
And a per student adjustment of 1.55.

122.85 base + 1.27 multiplier X (100 – 75 = 25) 122.85 + 31.75 = 154.6
154.6/ 100 = 1.55

100 Students in a Charter School under Current Law have an Adjusted Student Count of **84**
And a per student adjustment of .84

No base + .84 multiplier X all 100 students 0 + 84 = 84
84/100 = .84

100 Students in a Charter School under SB 57 have an Adjusted Student Count of **118**
And a per student adjustment of 1.18.

No base + 1.18 multiplier X all 100 students 0 + 118 = 118
118/100 = 1.18

The adjusted student count of each school is the root of state funding for school districts. The number of students enrolled in a school is increased or decreased according to the formula in AS 14.17.450, to determine the school's adjusted student count. The adjusted student count is then multiplied by the district cost factor, the special needs factor and by the base student allocation, to determine the amount of funding.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 N. GULKANA
PALMER, ALASKA 99645
Office of the School Board
(907) 746-9272 Fax (907) 761-4076

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
RESOLUTION NO. 09-002

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD IN SUPPORT OF SENATE BILL NO. 57 "AN ACT RELATING TO CHARTER SCHOOL FUNDING."

WHEREAS, the Matanuska-Susitna Borough School Board invites support of Senate Bill No. 57 "An Act Relating To Charter School Funding"; and

WHEREAS, charter schools give opportunities outside of the traditional public schools for innovative programs to be implemented; and

WHEREAS, charter schools gain momentum and interest from a broader larger audience as a program is developed in the initial year of operation; and

WHEREAS, charter schools like all schools have fluctuations in enrollment and losing program gravity because of a slight drop in enrollment below 150 students for one year could have a longer term detrimental impact on the school; and

WHEREAS, a school that is not recognized as a school site for funding purposes receives a reduced financial allocation; and

WHEREAS, being recognized as a school site gives economic relief by bringing a greater dollar amount to the school allowing for more comprehensive and adequate funding; and

WHEREAS, this Bill offers the initial year of operation for a charter school as an opportunity to build community support and student numbers and ultimately strengthens the quality of the program and the potential for program and student accomplishment; and

WHERAS, encouragement is offered to add language to this Bill to lower the enrollment for alternative school's recognition as a school site from 200 students to 175 as a measure to support an alternative school's need for a smaller learning community.

THEREFORE BE IT RESOLVED that the Matanuska-Susitna Borough School Board supports Senate Bill No. 57 "An Act Relating to Charter School Funding."

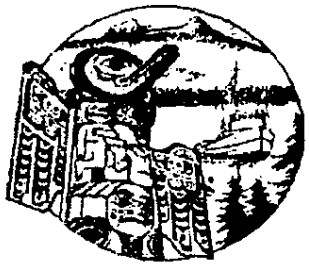
ADOPTED by the Matanuska-Susitna Borough School Board this 18th day of February, 2009.

Jim Colver, Board President

George Troxel, Superintendent

ATTEST:

Stacy Escobedo, Board Secretary



Ketchikan Gateway Borough School District
Robert Boyle, Superintendent
333 Schoenbar Road
Ketchikan, AK 99901
phone 907-247-2109; fax 907-225-3870
boyler@kgbsd.org

February 13, 2009

Senator Joe Thomas
1292 Sadler Way, Suite 313
Fairbanks, Alaska 99701

Dear Senator Thomas:

I am sending you a resolution by the Ketchikan Gateway Borough School District Board of Education in support of Senate Bill 57, an Act relating to charter school funding.

We believe charter schools are public schools that provide valuable education options to Alaska families in addition to encouraging parent and community involvement in our schools. The current funding system results in a significant decrease in funding for charter schools as compared to other neighborhood schools of their same size, should small changes in student enrollment take place.

The Ketchikan Gateway Borough School District supports the passage of Senate Bill 57 in modifying the current school funding law as it applies to charter schools.

Thank you for your time and consideration.

Sincerely,

Robert Boyle
Superintendent

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
RESOLUTION #09-04

A RESOLUTION OF SUPPORT OF SENATE BILL NO. 57, WHICH IS AN ACT RELATING TO CHARTER SCHOOL FUNDING

WHEREAS, Senate Bill 57 will modify the current school funding law as it applies to charter schools with fewer than 150 students; and

WHEREAS, charter schools provide valuable education options to Alaska families and encourage parent and community involvement; and

WHEREAS, the current funding system results in a dramatic decrease in funding for charter schools as compared to neighborhood schools of their same size ; and

WHEREAS, adjusted student count as determined under AS 14.17.450 is the basis of state funding for all schools in Alaska; and

WHEREAS, Senate Bill 57 funds charter schools with fewer than 150 students to an adjusted student count by the same per-student rate as neighborhood schools with 400 students; and

NOW THEREFORE BE IT RESOLVED, the Board of Education of the Ketchikan Gateway Borough School District supports passage of Senate Bill 57.

Adopted by the Ketchikan Gateway Borough School District on this 11th day of February, 2009

Karen Eakes
Karen Eakes, Board President

Michael Fitzgerald, Vice President

TONGASS SCHOOL OF ARTS AND SCIENCES RESOLUTION

Urging the Governor of Alaska and the Alaska State Legislature to pass Senate Bill 57, "An Act relating to charter school funding."

BE IT RESOLVED BY THE ACADEMIC POLICY COMMITTEE OF THE TONGASS SCHOOL OF ARTS AND SCIENCES:

WHEREAS the Constitution of the State of Alaska and other laws and policies of the State require educational opportunities for all children; and
WHEREAS Charter schools are public schools that provide valuable education options to Alaska families; and
WHEREAS Charter schools increase learning opportunities and encourage parent and community involvement in our schools; and
WHEREAS the current state funding system limits communities' ability to create and sustain these innovative programs; and
WHEREAS current state law results in charter schools receiving 30% to 45% less state funding than neighborhood schools of their same size; and
WHEREAS Senate Bill 57 funds charter schools with fewer than 150 students at a per-child rate closer to that of average, urban elementary schools; and
WHEREAS Senate Bill 57 solves the funding problem in an equitable, fiscally responsible manner; and
WHEREAS Senate Bill 57 will support our schools and districts as they carry out the legislature's intent in creating the charter school law;
BE IT RESOLVED that the Tongass School of Arts and Sciences Academic Policy Committee supports the passage of Senate Bill 57; and
BE IT FURTHER RESOLVED the Tongass School of Arts and Sciences Academic Policy Committee urges the Governor of Alaska and the Alaska State Legislature to pass Senate Bill 57, "An Act relating to charter school funding."
COPIES of this resolution shall be sent to the Honorable Sara Palin, Governor of Alaska; the Honorable Gary Stevens, Senate President; the Honorable Mike Chenault, House Speaker; the Honorable Senators Hoffman and Stedman, Senate Finance Committee Co-Chairs; the Honorable Senators Ellis, Elton, Huggins, Olson, and Thomas, Senate Finance Committee Members; the Honorable Kyle Johansen, Representative, House District 1; and members of the Ketchikan Gateway Borough School Board.

Michelle Johnston
President, Academic Policy Committee

February 10, 2009
Date

ASSOCIATION OF ALASKA SCHOOL BOARDS

ADVOCATES FOR ALASKA'S YOUTH

Position Statement on SB 57
Charter School Funding

In 1995, AASB supported the creation of charter schools in statute. Over the years, school boards have subsidized and otherwise assisted local charter schools in providing Alaska families with a viable choice in public education.

AASB encourages the Legislature to amend AS 14.17.450 as outlined in SB 57 to establish a more equitable means of funding charter schools.

School boards find themselves caught between local citizen initiatives to create choices within public schools and an inadequate funding stream in statutes that require supplemental funding from local districts.

[illegible] AK 99801

T [illegible] (907) 586-2095 [illegible]aasb.org [illegible]

3060

Anvil City Science Academy
Nome, Alaska

My name is Todd Hindman and I am the lead teacher at Anvil City Science Academy in Nome.

I am speaking in support of SB57 on behalf of Nome Public Schools' Board of Education and the Academic Policy Committee of Anvil City Science Academy.

In a small community such as Nome, a charter school with a student population of 150 is highly unlikely and if it were able to achieve that enrollment, it would most likely have an adverse effect on the other public schools.

The small size of ACSA is one of its strengths. It allows for flexibility in its daily operation to provide unique educational opportunities to its students. This allows students to easily get out in the community and environment to use it as a resource in their education, providing a more meaningful learning experience. Our small size also creates a culture around family values to ensure student success through daily engagement of parents.

Thank you for your efforts at providing support for small charter schools, which are identifying and meeting specific needs in the communities they serve.

Nancy Wagner, Ed.D.
Superintendent of Schools
Fairbanks North Star Borough School District
520 Fifth Avenue, Fairbanks, Alaska 99701
Ph-(907) 452-2000, ext. 401 Fax-(907) 451-0541

Thank you Chairman Seaton and members of the House Education Committee.

I am representing the Fairbanks North Star Borough School District and want to express our support for Senate Bill 57.

I would like to thank the House Education Committee for scheduling SB57. This Bill is extremely important to Charter schools which provide choice and alternative educational programs for our students.

We currently have three charter schools and a new one coming on-line next year. Two of our current charter schools and our new charter school have target enrollments at about 155 students, so struggling to meet the 150 funding threshold is not uncommon.

This year, one of our charter schools just missed the 150 student "average daily membership" threshold during the count period, even though they had over 150 students by the end of the count. Falling short of the current enrollment threshold cost our district about $680k...All because of a small timing difference related to student enrollments.

While we expect that all our existing charter schools will be larger than 150 students next year, this bill helps addresses the catastrophic impact should a school fail to meet that 150 student threshold, even if by the thinnest of margins. It is a fair compromise for funding of existing charter schools.

We also expect our new charter school to exceed 150 students next year. But this bill also provides a fair funding compromise should their startup enrollments fall a little short. It would still be difficult to offer the curriculum as originally envisioned, but it would not be impossible, as is currently the case. It provides a great incentive for schools to get to their targeted enrollments.

SB87 fixes the funding problem in an equitable, fiscally responsible manner.

I encourage you to pass this Bill. Providing alternative educational programs is important for the public school system. We are charged with the responsibility of meeting the needs of EVERY child enrolled in our district. Alternative and Charter Schools provide the opportunity for Alaska families to choose the program that best meets their child's needs. Without the previsions outlined in SB57, at least one of our charter schools could be in danger of having to close.

Thank you for the opportunity to testify in support of SB57.

Doyon, Limited

1 Doyon Place, Suite 300
Fairbanks, Alaska 99701-2941
(907) 459-2000
www.doyon.com

Norm Phillips, Jr.
President and CEO
E-mail: phillipsn@doyon.com
Direct Dial: (907) 459-2004
Fax: (907) 459-2060

March 25, 2009

Senator Joe Thomas
State Capitol, Room 510
Juneau, AK 99801-1182

Dear Senator Thomas:

Thank you for introducing SB 57, this bill directly aligns with Doyon, Limited's mission statement, which includes promoting the economic and social well-being of our shareholders and future shareholders. The Effie Kokrine Charter School is important to the Alaska Native community in the interior. With almost 25% of our 17,500 shareholders residing in the Fairbanks community we believe that a culturally sensitive school is essential to the well-being of our shareholders.

Therefore, on behalf of our shareholders, Doyon, Limited supports SB 57.

Thank you again and please let me know if we can do anything else to help. I can be reached at (907) 459-2000 or by e-mail at phillipsn@doyon.com.

Sincerely,

Norman L. Phillips, Jr.
President and CEO

cc: Linda Evans, Principal, Effie Kokrine Charter School

From: Vickie Erickson [mitchvicky@gci.net]
Sent: Tuesday, February 24, 2009 9:46 AM
To: Sen. Lyman Hoffman; Sen. Bert Stedman; Sen. Johnny Ellis
Cc: Sen. Kim Elton; Sen. Charlie Huggins; Sen. Donny Olson; Sen Joe Thomas
Subject: SB 57

Dear Senators,

I would like to thank all of you in your past support of for schools in Alaska, especially those that are small in numbers and therefore needing more support when it comes to funding issues. I am requesting your support for the passage of SB 57.

Charter Schools allow parents, community members, and teachers to be in charge of developing unique educational programs and to be involved in decision making for school policies. As a parent of three Charter School children and two more that will soon be in Charter schools, it means a lot to me to be involved in school policies and the operations of our school. Our educational process is very flexible, which provides for the needs of our children and parents alike.

The Anvil City Science Academy has been in operation for eleven years now, it was created by parents, teachers, and many community members who were interested in a family oriented school characterized by high academic standards and a well-rounded curriculum, with an emphasis in science and math. The Science Academy serves 5th through 8th grade students who come to the school with a wide variety of backgrounds, learning styles, experiences, and needs. We are able to address the individual differences and learning styles, and creativity we see an increase in learning and creativety for all students. Our students at this time are involved in a salmon habitate restoration project grant from the Department of the Interior, and are working with Charlie Lean of Norton Sound Economic Development Company ,because of this project the Academy students were nominated and won the "Spirit of Youth" award in the catagory of Science . Another project that is noteworthy is the
Artist in Schools project in which students are interviewing Nome residents in preparation for writing a play about the last 50 years in Nome.

Anvil City Science Academy has 44 students, with two and half certified teachers, no support personnel. This gives the school the needed flexibility to provide opportunities to the studetns to go beyond the traditional classroom walls in order to utilize community and environmental resources. In addition, in a small community such as Nome, a program like ACSA cann't reach a student count of 150 students, without having an adverse affect on the other public schools in the district. Therefore, a smaller program like ACSA is beneficial to the community by providing an alternative education program, while minimizing the possible impact on other schools.

Respectfully submitted,

Vickie Erickson

From: Sen. Kim Elton
Sent: Thursday, January 29, 2009 7:45 AM
To: Dana Owen
Subject: FW: Support for SB 57

-----Original Message-----
From: Hubert Angaiak [mailto:hangaiak@gci.net]
Sent: Thursday, January 29, 2009 7:40 AM
To: Sen. Kim Elton; Sen. Bettye Davis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Gary Stevens
Subject: Support for SB 57

Honorable Senators,

I would like to thank you for your continued support in providing the best education for Alasks's children. I fully support SB 57 and I urge you to pass it.
Charter Schools provides a positive alternative in eduaction for our children. We are always looking for solutions in providing whats best in education for our children and Charter Schools are part of the solution.

Thank you.

kind regards,
Hubert Angaiak
Bethel, Alaska 99559
907-543-3074

From: payroll@ci.nome.ak.us on behalf of Dana Handeland [dhandeland@nomealaska.org]
Sent: Wednesday, January 28, 2009 8:29 AM
To: Sen. Donny Olson; Sen. Kim Elton; Sen. Bettye Davis; Sen. Charlie Huggins; Sen. Gary Stevens
Subject: supporter of SB 57

Donny,
I want to thank you any your fellow Senators for supporting Charter Schools in Alaska. We have actively worked for the past several years to provide a more permanent "fix" to the funding dilemma that we face due to the typical charter school enrollment and the current method of funding. We believe that great strides have been taken with SB 57.

Our school here in Nome has an enrollment of 44 which is capped due to space constraints at the current facility. We are paired with the largest school in our district causing concerns each year of whether we still can continue to provide the Nome community with optional educational opportunities. We have a proven program and a waiting list each year.

We work hand in hand with our district, many times providing a venue to try new methods that can later be implemented into the larger district.
Providing a more equitable funding formula for charter schools only furthers the endless opportunities that our Alaskan education system can provide all Alaskan children especially in the future.

Thank you again for your continued support. The community of Nome appreciates this most important work for our children.

Dana Handeland
Anvil City Science Academy, APC member

From: Lisa Leeper [lleeper@nomeschools.com]
Sent: Sunday, February 22, 2009 9:02 PM
To: Sen. Joe Thomas
Subject: Support for SB 57

Dear Senator Thomas,

I teach at Anvil City Science Academy in Nome. I hope that you will consider the following points in order to help SB 57 pass this stage with the Finance Committee in order that it may be heard by all and voted upon.

Respectfully,
Lisa Leeper
Teacher, Anvil City Science Academy

- Charter schools are public schools that provide valuable education options to Alaska families.
- The existing school funding law results in charter schools that enroll fewer than 150 students receiving 30% to 45% less state funding than neighborhood schools of their same size.
- Inequitable funding limits communities' ability to create and sustain these schools.
- There is a dramatic decrease in funding ($500,000 - $700,000 loss) when a charter school's enrollment drops from 150 students to 149, which creates a financial crisis for both the school and its host district.
- Senate Bill 57 solves the funding problem in an equitable, fiscally responsible manner.
- SB 57 funds charter schools with fewer than 150 students at the same per-student rate as neighborhood schools with 400 students.
- SB 57 contains a one-year, hold-harmless provision for charter schools that are either in their first year of operation or had more than 150 students the previous year, reducing the financial damage to their district.
- SB 57 will allow school districts to carry out the intent of the legislature in creating the charter school law, by increasing quality education options available to Alaska families.
- SB 57 is supported by the Alaska Association of School Boards, and superintendents and parents of charter school students from across the state. The bill has been co-sponsored by Senators Thomas, Stevens, Elton, and Davis.

From: Diane Cathcart [Diane_Cathcart@ci.juneau.ak.us]
Sent: Tuesday, January 27, 2009 2:53 PM
To: Sen. Kim Elton; Sen. Bettye Davis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Gary Stevens
Cc: Catherine Reardon
Subject: Support for SB57

Dear Senators and Staff,

Thank you for taking a moment out of your busy schedules to read this email.

I am writing to request your full support of SB57-An Act Relating to Charter School Funding.

As you are well aware; education is not a one size fits all. It is important for families to have a choice and different settings are a better fit for different children and their families. By creating more equitable funding it helps ensure small charter schools will continue to exist. Small Charter Schools are constantly trying to reach out to families with diverse needs for their children; whether it is a smaller overall school size so children don't feel "lost" in the crowd or children that have special learning needs. Small Charter Schools have the ability to help more children that are in danger of falling through the cracks, *if* they are properly funded. In my humble opinion this also helps relieve the stress larger schools may feel from trying to help children in need while maintaining the needs of the general school populous.

Full funding for ALL our children and schools should be every Alaskans priority; we owe it to our children and their future.
Thank you for your time and your service to our State.

Sincerely,

Diane Cathcart (Juneau Community Charter School 4/5/6 Class parent)
310 Irwin St Apt B
Juneau, AK 99801
907-523-2166

January 26, 2009

Dear Senator Elton, Senator Davis, Senator Olson, Senator Huggins and Senator Stevens; members of the Senate Education Committee:

I am writing in support of Senate Bill 57. It is a well written piece of legislation that would help small charter schools continue to serve students all across Alaska. These students' schools are in need of more equitable funding to support salaries and supplies. I am grateful you support charter schools as an option for parents to meet their child's needs.

I have three children in the Juneau School District public school system. I chose to enroll in the lottery when my eldest child was in the first grade. Luckily she got in the charter school and since the second grade it has been a wonderful educational and social environment for her and her siblings.

While I attended Arizona State University as a college student, I took almost every math class offered. I have always loved math and the sciences. The methods used to teach math at the charter school are rigorous, build solid understandings of number patterns and such strong flexibility in solving problems that I sincerely wished I had had the opportunity to be exposed to and to learn math in such a progressive, skill-building, visual way. It is exciting to see students experience this type of meaningful math.

I attended public school throughout my life and I loved school, however I believe my children are far more comfortable and intensely involved in their projects while also thoroughly enjoying attending school. They are being given an exceptional chance to become all they can. The projects that incorporate writing, research, art, social studies/science and teambuilding are solid methods of fun and learning. The parents of these students become involved as well and work hard to support this small charter school.

The Juneau Community Charter School is in need of financial support. Parents contribute by supporting teachers in the classroom, helping teachers prep for the week to come, we work around the school facility to build shelves, clean and make it work efficiently. Parents also work very hard to fundraise to meet the financial commitments it takes to run the charter school. It is sorely underfunded at present.

The charter school has been part of the Juneau School District, serving a wide array of students for over ten years. It sets high standards and builds leadership, competence and love of our environment in such a compassionate manner.

To be very honest, if it were not for the charter school, I know I would begin a small child-care business and home school my children.

It has been stated, from President Obama to our Governor's State of the State, that education is one of the top legislative priorities. I sincerely hope that funding small

charter schools, through creative use of resources, educate children in a way that many children need, to become successful is also a priority within your committee.

In Alaska, small charter schools are funded dramatically lower per student compared to district counterparts. This bill recognizes charter schools as important options and is an attempt to balance educational funding per student at a reasonable percentage.

Please continue your support and know that small charter schools are doing important works on behalf of students all across Alaska, in particular here in Juneau. Please know that besides the many, many parents and educators who believe in the success of small charter schools and its' students high achievement, test scores and critical thinking skills we have no lobbying force to help other Senators or House members understand this issue. Please I ask each of you to help by sharing your support for SB 57.

Thank you for your work on behalf of Senate Bill 57.

Sincerely,

Beth Rivest, wife of a hard-working, small business owner; loving and caring parent of three wonderful children; and a member of the Juneau Community.

Sen. Kim Elton

From: Linda Newman [newman@alaska.net]
Sent: Wednesday, January 28, 2009 12:35 AM
To: Sen. Bettye Davis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Gary Stevens
Cc: Catherine Reardon; Sen. Kim Elton
Subject: Fwd: Thank you for Senate Bill 57

Dear Members of the Senate Education Committee: My wife and I are forwarding a copy of this email that we sent to Senator Kim Elton earlier this week. We are sending this to you so that you can see how much we appreciate his co-sponsorship of Senate Bill 57, and so that you will know that we are grateful to you for considering this bill. Thank you for the support you've provided charter schools in the past; we hope you will support this effort to assist Alaska's small charter schools, which currently operate under an inequitable and unsustainable funding scheme. We look forward to the discussion about the bill at your Thursday meeting.

Sincerely,

Tony and Linda Newman
newman@alaska.net

Begin forwarded message:

> **From:** Linda Newman <newman@alaska.net>
> **Date:** January 25, 2009 11:11:53 PM AKST
> **To:** Senator_Kim_Elton@legis.state.ak.us
> **Subject: Thank you for Senate Bill 57**
>
> Senator Elton: Every year for the past several we've written to you to ask for your help in trying to fund Alaska's small charter schools, including Juneau's, in a more equitable way. We're extremely pleased and excited to be able to write to you tonight and thank you for taking leadership on this issue right away this session, by cosponsoring Senate Bill 57.
>
> If this bill successfully makes it through the legislative process and passes into law this year it will provide relief to the Juneau Community Charter School just in the nick of time. We know that we've said in my prior letters to you that the situation is already urgent, but this year, for the first year in the seven years that we've been involved as parents of JCCS students, we are operating at a budget deficit and drawing down the school's savings. We probably have less than two years of funding left at the rate we're depleting the savings. The Charter School simply can't operate indefinitely on the unfair funding formula that leaves charter schools funded at a per-student rate that is significantly lower than other similar-sized schools in the district. We've all but resigned ourselves to the fact that our kids' school will likely need to close in a year or two because it will simply run out of money. (Believe us, we've exhausted ourselves trying to fundraise out of this mess.)
>
> The importance of this bill for all of Juneau's kids is demonstrated by the fact that the Juneau School District has made more equitable small charter school funding one of its legislative priorities this year, and has resolved to support us in our efforts to correct the current funding inequity. We've just reviewed the bill and have exchanged a few emails with our fellow Charter School parents, and we are in agreement that the approach outlined

through this bill may be the best one yet. This bill makes it possible for small schools to operate, but still maintains the legislature's intent to encourage the formation of larger schools.

In our prior-year emails and letters to you on this issue we've taken much time and space to tell you about our kids and how much they--our whole family--gain from our participation in Juneau's Charter School. All of those things remain true. Our kids are learning so much and so well, but best of all, the Charter School has become an important part of all our lives because of the community that's grown around it.

Let us know what you would like us to do to assist you in securing passage of this bill this year.

Sincerely,

Tony and Linda Newman
308 Distin Avenue
Juneau, AK 99801
586-2172
newman@alaska.net

To: Larry Johansen

Subject: RE: Charter school Bill

Larry--

Thanks. As chair of the education committee, I'm holding a committee hearing on the bill in a half hour and am co-sponsor of the bill.

Kim

From: Larry Johansen [mailto:rowdydog@gci.net]
Sent: Thursday, January 29, 2009 8:05 AM
To: Sen. Kim Elton
Subject: Charter school Bill

Senator Elton,

I quick word in support of the funding formula equalization bill. I am a charter school parent. We do school jobs to save our school money to make our program happen. My wife and I perform janitorial service and recess duty to save cost. Its not that we mind doing these jobs but we would like to be able to spend our volunteer efforts on jobs that would directle lead to improving oue children's educational experience. AS it is the Juneau charter school is an educational success meeting core standards and for all social classes. Please help us help our kids.

-Larry Johansen
3010 Foster
Juneau, AK
--

1/29/2009

SB

72

<target><bill>SB 72</bill><subject>SB
72</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 13, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/18/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 72(STA)**

"An Act relating to use of child safety seats and seat belts."

SB 72 CHILD SAFETY SEATS & SEAT BELTS

Recommends it be replaced with [X] HCS *or* [ ] CS *for* CSSB 72 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [X] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DOT	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
	CRAWFORD	X			
	KELLY			X	
	FAIRCLOUGH			✓	
	AUSTERMAN	X			
	Joule	X			
Chair:	Hawker			✓	
Chair:	STATE			X	

2009 HOUSE
FINANCE
COMMITTEE

DATE: 4-19-07

Amendment: 2
to SB 72

MEMBER	Favor	Oppose	
REP. FAIRCLOUGH		✓	pass
REP. FOSTER			ab
REP. GARA		✓	
REP. JOULE			ab
REP. KELLY		✓	
REP. SALMON		✓	
REP. THOMAS	✓		
REP. AUSTERMAN		✓	
REP. CRAWFORD		✓	
REP. HAWKER	✓		
REP. STOLTZE		✓	

2 – 7

RD amended p. 2 line 11 line 23

26-LS0376\T

HOUSE CS FOR CS FOR SENATE BILL NO. 72(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/13/09
Referred: Finance

Sponsor(s): SENATORS FRENCH, Paskvan

REPRESENTATIVE Gruenberg

A BILL

FOR AN ACT ENTITLED

"An Act relating to use of child safety seats and seat belts."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 19.10.095 is amended to read:

Sec. 19.10.095. Signs promoting the use of safety belts and child safety devices. The department may erect and maintain signs encouraging the use of safety belts **and child safety devices** at the site of a motor vehicle accident where a fatality occurred as the result of a person's failing to use a safety belt **or child safety device**. This section does not limit the authority of the department to erect or maintain signs to protect the public safety and welfare of persons using the highways of the state.

*** Sec. 2.** AS 28.05.095(b) is amended to read:

(b) Except as provided in (c) of this section, a driver may not transport a child under the age of 16 in a motor vehicle unless the driver has provided the required safety device and properly secured each child as described in this subsection. A [IF THE] child

(1) less than one year of age or a child one year of age or older who

weighs less than 20 pounds shall be properly secured in a rear-facing child safety seat that meets or exceeds [IS LESS THAN FOUR YEARS OF AGE, THE CHILD SHALL BE PROPERLY SECURED IN A CHILD SAFETY DEVICE MEETING THE] standards of the United States Department of Transportation **and is used in accordance with the manufacturer's instructions;**

(2) one or more years of age but less than five years of age who weighs 20 pounds or more shall be properly secured in a child restraint device that meets or exceeds the standards of the United States Department of Transportation and is used in accordance with the manufacturer's instructions;

amend 1 65 adopted

(3) over four years of age but less than eight years of age who is less than 57 inches in height and weighs 20 or more pounds but less than 80 pounds shall be properly secured in a booster seat that is secured by a seat belt system or by another child passenger restraint system that meets or exceeds the standards of the United States Department of Transportation and is used in accordance with the manufacturer's instructions;

(4) over four years of age who exceeds the height and weight requirements in (3) of this subsection shall be properly secured in a seat belt;

(5) eight years of age [FOR A CHILD SAFETY DEVICE FOR INFANTS. IF THE CHILD IS FOUR] but **less than** [NOT YET] 16 years of age **who does not exceed the height and weight requirements in (3) of this subsection** [, THE CHILD] shall be properly secured in a child safety device approved for a child of that [AGE AND] size by the United States Department of Transportation or in a safety belt, whichever is appropriate for the particular child **as determined by the driver**.

Amend. 3 Solely adopted

AMENDMENT

26-LS0376\T

OFFERED IN
TO: HCS CSSB 72(STA)

BY: Thomas Fairclough

amend #1

adopted

Page 2, Line 11:
Delete: "80"
Insert: "65"

Page 2, Lines 18-23
Delete all material

amend #2

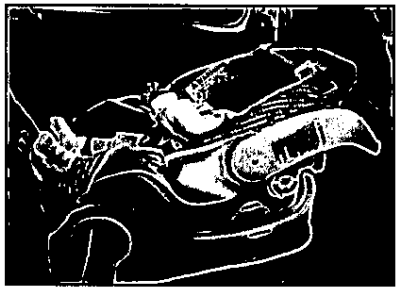
failed 2-7

Conceptual Amendment #3
line 23 page 2
add: "Solely"

3080

SB 72

Child Safety Seats and Seat Belts



1) A child under one year, or over one year but under 20 pounds shall be secured in a rear facing child safety seat

2) A child one to four years of age who is over 20 pounds shall be properly secured in a child restraint device.

3) A child over four years, but under eight years who is less than 57 inches and under 80 pounds shall be secured in a booster type seat or another child passenger restraint system secured by a belt system.

4) A child over four years of age who exceeds the height and weight requirements of **3)** shall be secured in a seat belt.

5) A child between the ages of eight and sixteen who does not meet the height and weight requirements of **3)** shall be secured in a child safety device or a seat belt, whichever is appropriate.

AS 28.05.098 - A person may not sell, offer for sale, or install a child safety device that does not meet federal standards

(COPY ON FILE)

Alaska State Legislature

Senator Hollis French

Sponsor Statement

SB 72 - Child Safety Seats and Seat Belts

Booster seats save lives. Of the 61 children under the age of eight injured in auto accidents in Alaska between 2001 and 2005, only five were considered properly restrained by federal standards. Nearly two thirds of those 61 children were between the ages of four to eight, making the injured too large for a car seat but too small for an adult seat belt.

Current Alaska law requires the use of proper safety devices for children under the age of 16 as approved by the US Department of Transportation. The National Highway Traffic Safety Administration recommends that children under 80 pounds and under 57'' use a child safety seat or a belt positioning booster seat. SB 72 puts USDOT National Highway Traffic Safety Administration (NHTSA) recommendations in statute, clarifying for law enforcement officials what devices are required for proper child restraint.

All safety devices, boosters and child seats must meet or exceed the standards set out by the United States Department of Transportation.

As of September 2008 43 other states mandate booster seat use. While any restraint is better than no restraint, national studies have shown booster seats to be sixty percent safer than seat belts alone when used by children of the correct height, weight and age. The rough cost of a booster seat ranges from $25 to $100, depending on the model. By passing this legislation, the state of Alaska will become eligible for close to $200,000 in federal highway safety funds.

Please join me in promoting passenger safety by supporting this legislation.

Senator Hollis French

Capitol Room 417
465-3892
465-6595 fax

MEMORANDUM

Date: 4/11/2009

To: Representative Bill Stoltze, Co-Chair
Representative Mike Hawker, Co-Chair
House Finance Committee

From: Senator Hollis French HSF

RE: Summary of changes - SB 72 Child Safety Seats and Seat Belts

---

This memo describes the changes made to Senate Bill 72 during this legislative session.

HOUSE STATE AFFAIRS CS FOR SENATE BILL NO. 72:

The House State Affairs committee passed a conceptual amendment for children between 8 and 15 years old who do not fit neatly into the other categories. The amendment makes clear that the driver of the car is empowered to decide whether the child uses a booster seat or a regular seat belt.

HOUSE CS FOR CS FOR SENATE BILL NO. 72 (TRA):

This CS added a new Section 1 to the bill, which specifies that the Department of Transportation can erect signs encouraging the use of child safety devices where a fatality occurred as a result of a child not being properly restrained. Section 1 of the original draft is now Section 2 of the bill.

CS FOR SENATE BILL NO. 72(STA)

This CS made two minor changes:

1. Page 1 line 15: Changed the phrase "over twenty pounds" to "twenty pounds or more." This change was recommended by the Department of Transportation's Chief Counsel to make it extra clear that children who weigh 20 pounds or more

require the use of a child restraint device. Before, with the bill specifying requirements for children under 20 pounds and children over 20 pounds, the legislation could be read as not requiring any special restraints for children weighing exactly 20 pounds.

2. Page 2 line 12: Changed "not yet 16 years of age" to "less than 16 years of age." This doesn't change the bill at all - it is purely stylistic to match everywhere else in the bill that refers to individuals below a certain age.

Report from the Alaska Trauma Registry on Motor Vehicle Injuries to Children

A query of the Alaska Trauma Registry data for the most recent years available, 2001-2005, identifies 61 children, from birth through eight years of age, seriously injured in a motor vehicle crash on the highway. The National Highway Traffic Safety Administration recommends that children be restrained in a child safety seat or belt positioning booster seat up through age eight.

All of these injuries required admission to the hospital, three died, and one two-year-old's injuries resulted in quadriplegia. **Only five of the 61 injured children were recorded to have been restrained properly in the recommended child safety seat at the time of injury** – and none of the four mentioned above was properly restrained. There was one additional injury, not included in the 55, which involved a fetus who was subsequently delivered by C-section.

A further breakdown of age groups and safety equipment use is as follows:

< 1 year:	7 injured	3 restrained in child safety seats; **4 unrestrained**
1 year old:	4 injured	1 restrained in a child safety seat; **1 unrestrained**; 2 unrecorded
2 years old:	5 injured	2 in child safety seat (**1 child seat failed-was ejected**); **2 with safety belt/harness; 1 unrestrained**
3 years old:	6 injured	**1 lap belt only; 5 unrestrained**
4-8 years old:	39 injured	**15 with safety belt/harness; 9 lap belt only; 11 unrestrained**; 4 unrecorded

Total: 61

Clearly the incidence of not using restraints is very high among the injured population in this study. However, also remarkable, is the incidence of improper restraint, especially among children ages 4 through 8. Without belt positioning booster seats, this group is not adequately protected during a motor vehicle crash.

Tariq Ali & Martha Moore
Alaska Trauma Registry, Dept. of Health & Social Services (HSS)
Section of Injury Prevention & EMS (IPEMS)
Division of Public Health

Child restraint laws

March 2009

Overview | Safety belt use laws | Children not covered by safety belt or child restraint laws

	Who is covered?		
State	**Must be in child restraint**	**Adult safety belt permissible**	**Maximum fine 1st offense**
Alabama	younger than 1 or less than 20 pounds in a rear-facing infant seat; 1 through 4 years or 20-40 pounds in a forward-facing child safety seat; 5 but not yet 6 in a booster seat.	6 through 14 years	$25[1]
	law states no preference for rear seat		
Alaska	3 years and younger	4 through 15 years	$50[1]
	law states no preference for rear seat		
Arizona	4 years and younger	not permissible	$50
	law states no preference for rear seat		
Arkansas	5 years and younger and less than 60 pounds	6 through 14 years or 60+ pounds	$100
	law states no preference for rear seat		
California	5 years and younger or less than 60 pounds[2]	6 through 15 years or 60+ pounds	$100[1]
	children 5 years and younger or less than 60 pounds must be in the rear seat[2]		
Colorado	younger than 1 year and less than 20 pounds in a rear-facing infant seat; 1 through 3 years and 20-40 pounds in a forward-facing child safety seat; 4 through 5 years and less than 55 inches in a booster seat[3]	6 through 15 years or 55 inches or more	$50
	law states no preference for rear seat		
Connecticut	younger than 1 year or less than 20 pounds in a rear-facing restraint system; 1 through 6 years who is less than 60 pounds in a child restraint system (booster seats may only be used in a seating position with a lap and shoulder belt)	7 through 15 years and 60+ pounds[4]	$60[4]
	law states no preference for rear seat		
Delaware	7 years and younger and less than 66 pounds[5]	8 through 15 years or 66+ pounds[5]	$25
	children 11 years and younger and 65 inches or less must be in rear seat if passenger airbag is active[5]		
District of Columbia	7 years and younger	8 through 15 years	$75[1]
	law states no preference for rear seat		
Florida	3 years and younger	4 through 5 years	$60[1]
	law states no preference for rear seat		
Georgia	5 years and younger and 57 inches or less[6]	more than 57 inches	$50[1]
	5 years and younger must be in rear seat if available[6]		
Hawaii	3 years and younger in a child safety seat; 4 years through 7 years must be in a booster seat or child restraint	4 through 7 years who are taller than 4'9"; 4 through 7 years who are at least 40 pounds seated in a rear seat where if there are no available lap/shoulder belts, may be restrained by a lap belt	$100[7]

	law states no preference for rear seat		
Idaho	6 years and younger	not permissible	$100
	law states no preference for rear seat		
Illinois	7 years and younger	8 through 15 years; children who weigh more than 40 pounds seated in the rear where only a lap belt is available	$50
	law states no preference for rear seat		
Indiana	7 years and younger when driver holds an Indiana license[8]	8 through 15 years	$25[1]
	law states no preference for rear seat		
Iowa	younger than 1 year and less than 20 pounds in a rear-facing child seat; 1 through 5 years	6 through 10 years	$25
	law states no preference for rear seat		
Kansas	all children 3 and younger must be in a child restraint; children 4 through 7 who weigh less than 80 pounds and children 4 through 7 who are less than 57 inches tall must be in a child restraint or booster seat	all children 8 through 13 years; children 4 through 7 years who weigh more than 80 pounds, and children 4 through 7 years who are taller than 57 inches	$60
	law states no preference for rear seat		
Kentucky	40 inches or less in a child restraint; 6 and younger who are between 40 and 50 inches tall in a booster seat	6 and younger who are taller than 50 inches	$50 child restraint; $30 booster seat
	law states no preference for rear seat		
Louisiana	younger than 1 year or less than 20 pounds in a child safety seat; 1 through 3 years or 20-39 pounds in a forward-facing child safety seat; 4 through 5 years or 40-60 pounds in a child booster seat	6 through 12 years or greater than 60 pounds	$100
	law states no preference for rear seat		
Maine	less than 40 pounds in a child safety seat; 40-80 pounds and less than 8 years in a safety system that elevates the child so that an adult seat belt fits properly	8 through 17 years or less than 18 years and more than 4'9"	$50
	11 years and younger and less than 100 pounds must be in rear seat if available		
Maryland	7 years and younger and either less than 57 inches or 65 pounds or less	8 through 15 years; children who are at least 57 inches or 65 pounds	$25
	law states no preference for rear seat		
Massachusetts	7 years and younger and less than 57 inches	8 through 12 years; children who are at least 57 inches tall	$25
	law states no preference for rear seat		
Michigan	7 years and younger and less than 57 inches	8 through 15 years; children who are at least 57 inches tall	$10
	law states no preference for rear seat		
Minnesota	3 years and younger	not permissible	$50
	law states no preference for rear seat		
Mississippi	3 years and younger must be in a child restraint; 4 through 6 years and either less than 57 inches or less than 65 pounds must be in a booster seat	6 years and younger who either weigh 65 pounds or more or who are 57 inches or taller	$25
	law states no preference for rear seat		

Missouri	3 years and younger must be in a child restraint; all children who weigh less than 40 pounds must be in a CR; 4 through 7 years who weigh at least 40 pounds but less than 80 pounds and who are 4'9" or shorter must be in either a CR or booster seat; children 4 years and older who weigh at least 80 pounds or who are at least 4'9" tall must be in either a booster seat or safety belt	all children 8 through 16 years; all children 4 years and older who weigh 80 pounds or more or who are taller than 4'9"	$50; $10 for violations involving children taller than 4'9" or who weigh 80 pounds or more
	law states no preference for rear seat		
Montana	5 years and and younger and less than 60 pounds	not permissible	$100
	law states no preference for rear seat		
Nebraska	5 years and younger	6 through 17 years[9]	$25[1]
	law states no preference for rear seat		
Nevada	5 years and younger and 60 pounds or less	not permissible	$500[10]
	law states no preference for rear seat		
New Hampshire	5 years and younger who are less than 55 inches	6 through 17 years; younger than 6 who are at least 55 inches tall	$25
	law states no preference for rear seat		
New Jersey	7 years and younger and less than 80 pounds	not permissible	$25
	children 7 years and younger and less than 80 pounds must be in the rear seat if available		
New Mexico	younger than 1 year in a rear-facing infant seat; 1 through 4 years or less than 40 pounds in a child safety seat; 5 through 6 or less than 60 pounds in a booster seat	7 through 17 years	$25
	children younger than 1 year in a rear-facing infant seat must be in the rear seat if available		
New York	3 and younger unless they weigh more than 40 pounds and are seated where there is no available lap/shoulder belt; 4 through 6 years unless they are seated where there is no available lap/shoulder belt	7 through 15 years; children who weigh more than 40 pounds or children 4 through 6 years in a seating position where there is no available lap/shoulder belt	$100[1]
	law states no preference for rear seat		
North Carolina	7 years and younger and less than 80 pounds	8 through 15 years + children 40-80 pounds in seats without shoulder belts	$25[1]
	children 4 years and younger who weigh less than 40 pounds must be in the rear seat unless the front passenger airbag is deactivated or the restraint is designed for use with airbags		
North Dakota	6 years and younger and less than 57 inches or less than 80 pounds	7 through 17 years; 6 years and younger and at least 57 inches tall and at least 80 pounds; 6 years and younger and at least 40 pounds, if there are no available lap/shoulder belts, may be restrained by a lap belt	$25[1]
	law states no preference for rear seat		
Ohio	3 years and younger or less than 40 pounds in child restraint; 4 through 7 years who weigh 40 pounds or more and who are shorter than 57 inches in booster seat (effective 10/07/09)	8 through 14 years[11] (effective 10/07/09)	$75[11] (effective 10/07/09)
	law states no preference for rear seat		
Oklahoma	5 years and younger[12]	6 through 12 years	$25
	law states no preference for rear seat		

Oregon	younger than 1 year or 20 pounds or less must be in a rear facing child safety seat; 40 pounds or less must be in a child safety seat; more than 40 pounds but 4 feet and 9 inches or less must be in a safety system that elevates the child so that an adult seat belt fits properly	taller than 4 feet and 9 inches	$90
	law states no preference for rear seat		
Pennsylvania	7 years and younger[13]	not permissible	$100
	law states no preference for rear seat		
Rhode Island	6 years and younger and less than 54 inches and less than 80 pounds	6 years and younger who either weigh 80 pounds or more or who are at least 54 inches tall; 7 through 17	$75
	children 6 years and younger must be in rear seat if available		
South Carolina	younger than 1 year or less than 20 pounds in a rear-facing infant seat; 1 through 5 years and 20-39 pounds in a forward-facing child safety seat; 1 through 5 years and 40-80 pounds in a booster seat secured by lap-shoulder belt (lap belt alone is impermissible)	1 through 5 years and 80+ pounds or any child 5 years and younger if the child's knees bend over the seat edge when sitting up straight with his/her back firmly against the seat back	$150
	children 5 years and younger must be in rear seat if available		
South Dakota	4 years and younger and less than 40 pounds	5 through 17 years; all children 40+ pounds, regardless of age	$20
	law states no preference for rear seat		
Tennessee	younger than 1 year or 20 pounds or less in a rear-facing infant seat; 1 through 3 years and 20+ pounds in a forward-facing infant seat; 4 through 8 years and less than 4'9" in a booster seat	9 through 15 years or any child 12 or younger who is 4'9" or taller	$50
	children 8 years and younger and less than 4'9" must be in rear seat if available; rear seat recommended for children 9 through 12		
Texas	4 years and younger and less than 36 inches	not permissible	$200
	law states no preference for rear seat		
Utah	7 years and younger and shorter than 57 inches	8 through 15 years; all children 57 inches or taller	$45
	law states no preference for rear seat		
Vermont	younger than 1 year or less than 20 pounds in a rear-facing infant seat; 2 through 7 and more than 20 pounds	8 through 15 years and more than 20 pounds	$25
	children 1 year and younger or less than 20 pounds must be in the rear seat unless the front passenger airbag is deactivated		
Virginia	7 years and younger unless they have a physician exemption[14]	8-15 years[14]	$50
	children in rear-facing devices must be in a rear seat if available; if not available, they may be placed in front only if front passenger airbag is deactivated[14]		
Washington	7 years and younger and less than 4'9"	8 through 15; 7 years and younger and 4'9" or taller; children who weigh more than 40 pounds in a seating position where there is only a lap belt available	$124
	12 years and younger must be in rear seat if practical		
West Virginia	7 years and younger and less than 4'9"	7 years and younger and 4'9" or taller	$20
	law states no preference for rear seat		

Wisconsin	children younger than 1 and all children who weigh less than 20 pounds are required to be in a rear-facing infant seat; children 1 through 3 years who weigh at least 20 pounds but less than 40 pounds are required to be in a forward-facing child safety seat; children 4 through 7 who both weigh at least 40 pounds but less than 80 pounds and who are less than 57 inches tall are required to be in a booster seat	8 years and younger and more than 80 pounds and 57 inches or taller	$75
	children 3 and younger must be in a rear seat, if available		
Wyoming	8 years and younger	not permissible	$50
	children 8 years and younger must be in the rear seat if available		

[1]This state assesses points for violations.

[2]In California, children weighing more than 40 pounds may be belted without a booster seat if they are seated in the rear seat of a vehicle not equipped with lap/shoulder belts. The California rear seat requirement does not apply if: there is no rear seat; the rear seats are side-facing jump seats; the rear seats are rear-facing seats; the child passenger restraint system cannot be installed properly in the rear seat; all rear seats are already occupied by children under 12 years; or medical reasons necessitate that the child not ride in the rear seat. A child may not ride in the front seat of a motor vehicle with an active pasenger airbag if the child is under 1 year of age, or weighs less than 20 pounds or is riding in a rear-facing child restraint system.

[3]In Colorado, if a child 4-5 years and less than 55 inches is being transported in a vehicle equipped with a lap belt only, then the child must be restrained with the lap belt. The law is secondary for children ages 4-5 years who must be in booster seats.

[4]The fine in Connecticut is $15 if the child is 4-16 years and 40 pounds or more. Connecticut also requires a mandatory child restraint education program for first or second violation.

[5]In Delaware, children younger than 12 years/65 inches or less must be restrained in a rear seat if a vehicle has a passenger airbag unless the airbag has been either deactivated or designed to accommodate smaller people. Exceptions: no rear seat or rear seat occupied by other children younger than 12 years/65 inches or less.

[6]In Georgia, children weighing more than 40 pounds are permitted to be restrained in the back seat of a vehicle by a lap belt if the vehicle is not equipped with lap and shoulder belts or when the lap and shoulder belts are being used by other children who weigh more than 40 pounds.

[7]Hawaii drivers are charged $50 for a mandatory child restraint education program and a $10 surcharge deposited into a neurotrauma special fund.

[8]In Indiana, children younger than 8 years must be restrained in adult belts if it's reasonably determined they cannot fit in child restraints. If the driver does not hold an Indiana driver's license, then children under 16 must be restrained by either a child restraint or a safety belt. Children weighing more than 40 pounds are permitted to be restrained by a lap belt if the vehicle is not equipped with lap and shoulder belts or if all lap and shoulder belts other than those in the front seat are being used to restrain other children who are younger than 16.

[9]Nebraska's law is secondary for those children who may be in safety belts and standard for those who must be in a child restraint device.

[10]In Nevada, the minimum fine is $100. An alternative to the fine is at least 10 but not more than 50 hours of community service.

[11]In Ohio, the law is secondary for children 4 through 14 years.

[12]In Oklahoma, children weighing more than 40 pounds are permitted to be restrained in the back seat of a vehicle by a lap belt if the vehicle is not equipped with lap and shoulder belts or when the lap and shoulder belts are being used by other children who weigh more than 40 pounds.

[13]In Pennsylvania, the law is secondary for children ages 4 through 7 years who must be in booster seats.

[14]In Virginia, children at least 4 years but less than 8 years may be belted if any licensed physician determines that use of a child restraint system by a particular child would be impractical by reason of the child's weight, physical fitness, or other medical reason, provided that any person transporting a child so exempted shall carry on his person or in the vehicle a signed written statement of the physician identifying the child so exempted and stating the grounds for the determination.

©1996-2009, Insurance Institute for Highway Safety, Highway Loss Data Institute
1005 N. Glebe Road, Suite 800, Arlington, VA 22201 USA | tel 703/247-1500 | fax 703/247-1588

Jill Hodges
Alaska Brain Injury Network
3745 Community Park Loop #140
Anchorage, Alaska 99501
February 10, 2009

Senator Hollis French
Alaska State Legislature
Capitol Building
Juneau, Alaska

Dear The Honorable Hollis French:

Thank you for your continued concern for safety for Alaskans, as well as prevention of injury and death. SB 72 –Child Safety Seats and Seat Belts will help prevent death as well as traumatic brain injury in children.

The Alaska Brain Injury Network is a non-profit 501 (c) 3 whose mission is to educate, plan, coordinate, and advocate for a comprehensive service delivery system for survivors of traumatic brain injury and their families. Our vision begins with prevention.

There are 800 Alaskans each year hospitalized for more than 24 hours with a moderate to severe traumatic brain injury (Alaska Trauma Registry). Motor vehicle crashes are one of the leading causes of traumatic brain injury in Alaska. The Alaska Brain Injury Network, "10 Year Plan for TBI in Alaska" highlights Prevention, Advocacy, and Public Awareness on pages 49-57 (http://www.alaskabraininjury.org/documents_akbrain/10%20Year%20TBI%20Plan.pdf) with a specific objective "to prevent TBI in child occupants of motor vehicle crashes through correct booster seat use." (attachment).

Centers for Disease Control and Prevention highlights traumatic brain injury as the 'silent epidemic' and a public health issue. There are many causes of traumatic brain injury and preventative factors are specific to each cause. The CDC recommends wearing a seatbelt every time you drive and buckling children in the car using a child safety seat, booster seat, or seat belt (according to the child's height, weight, and age) (http://www.cdc.gov/ncipc/tbi/Prevention.htm).

In 2003, the Alaska Legislature passed legislation for a primary seatbelt law. The TBI rate due to motor vehicle crashes on the highway has decreased 38% from 2001 to 2005

(attachment). The Alaska Brain Injury Network will continue to study the TBI data to see if TBI-disability among children due to motor vehicle crashes decreases.

Thank you for your concern and your untiring pursuit of keeping Alaskans safe. You have our support.

Sincerely,

Jill Hodges

ATTACHMENT 1:

(Alaska Brain Injury Network "10 year plan for TBI in Alaska p. 55
http://www.alaskabraininjury.org/documents_akbrain/10%20Year%20TBI%20Plan.pdf)

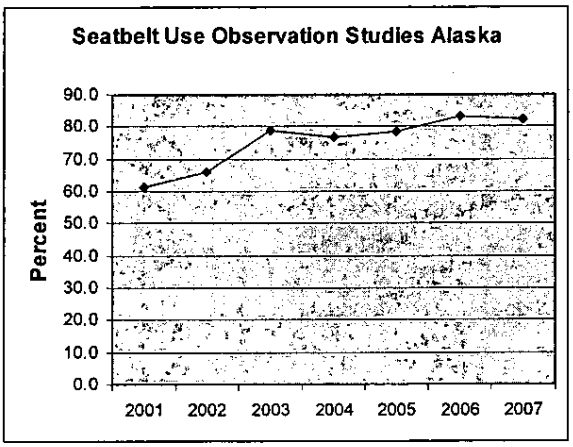
Goal 2: Reduce the incidence of TBI-related disability

Objectives
A. To prevent TBI in child occupants of motor vehicle crashes through correct booster seat use.
B. To prevent TBI in young Alaskans in off-road vehicle and bicycle crashes through helmet use.
C. To reduce risky behaviors among teens.
D. To prevent TBI in elders due to falls through awareness and training of long-term care, community service providers and other caretakers.
E. To prevent repetitive injuries by educating individuals with TBI, family members and others about the risk of second and third injuries.
F. To promote collaboration among prevention agencies and organizations to include TBI in the prevention message (in addition to fatalities).
G. To reduce TBI among elders due to falls.

ATTACHMENT 2:

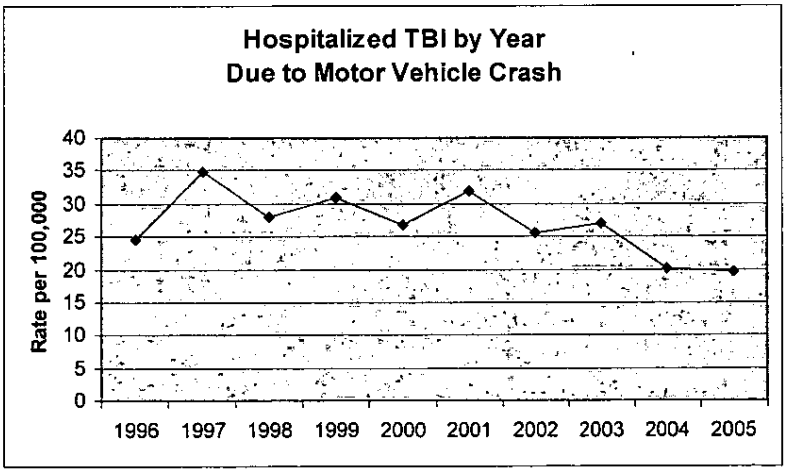
Primary Enforcement Seatbelt Law

On May 1, 2003 Alaska passed a law to change their seat belt law from secondary enforcement to primary enforcement state, ie. a vehicle can be stopped solely for seat belt non-use by an occupant. A study of Alaska has seen a steady increase in seatbelt use in the last decade. In 2007 the percent use as seen in the annual observations study was 82.4%. The national rate is 82%. The NHTSA goal is 95% use.



Source: Alaska Highway Safety Office

States with primary seat belt laws on average had seat belt use rates about 10 percentage points higher than States without primary laws in 2005. Wearing a seat belt is the best defense for an occupant in a motor vehicle crash and the single most effective measure to prevent serious traumatic brain injury. 56% of Alaskans with TBI resulting from a motor vehicle crash on the highway were not wearing seat belts. If every state with a secondary seat belt law upgraded to primary enforcement, about 1,000 lives and $4 billion in crash costs could be saved each year.



3093

STATE OFFICE

ALASKA PEACE OFFICERS ASSOCIATION

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355

Business Manager

Joseph Young
Anchorage

Board of Directors

Angella Long, President
Wasilla

John Lucking, Vice President
Soldotna

Leo Brandlen, Past President
Anchorage

Kim Wannamaker, Member
Kenai
Pres. Kenai Chapter

Dan Frerich, Member
Anchorage
Pres. Anchorage Chapter

John Jansen, Member
Mat-Su
Pres. Mat-Su Chapter

Jim Janke, Member
Fairbanks
Pres. Farthest North Chapter

Dan Boone, Member
Juneau
Pres. Capital City Chapter

A.J. Charlton, Member
Ketchikan
Pres. First City Chapter

Matt Betzen, Member
Unalaska
Pres. Aleutian Islands Chapter

Thecla LaLonde, Member
Wrangell
Pres. Wrangell Chapter

February 17, 2009

Senator Hollis French
Alaska State Senate
State Capitol
Juneau AK 99801-1182

Dear Senator French:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing Senate Bill 72, an act relating to use of child safety seats and seat belts.

The APOA State Board and Legislative Committee reviewed this proposed legislation and unanimously support this bill.

Thank you for addressing this issue. Please contact the APOA office in Anchorage at 277-0515 if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

Angella Long
State President

3094

LESSMEIER & WINTERS
LAWYERS - LLC

MICHAEL L. LESSMEIER
GREGORY W. LESSMEIER
SHELDON E. WINTERS

VINTAGE BUSINESS PARK
3000 VINTAGE BOULEVARD
SUITE 100
JUNEAU, ALASKA 99801

TELEPHONE: (907) 796-4999
FACSIMILE: (907) 796-4998
E-MAIL: lw@gci.net

VIA HAND DELIVERY

April 9, 2009

House State Affairs Committee
The Honorable Bob Lynn, Chair
Alaska House of Representatives
State Capitol, Room 104
Juneau, Alaska 99801-1182

Re: Support for SB 72 - Child Safety Seats and Seat Belts

Dear Representative Lynn and Members of the State Affairs Committee:

I am pleased to express State Farm's strong support for SB 72 - "Child Safety Seats and Seat Belts." We encourage your committee to hear this bill and pass it out as soon as possible. This legislation will not only result in $200,000 in federal highway safety funds, more importantly it will without question reduce injury and even save the lives of some of Alaska's young children. The bill really only involves implementation of safety standards approved by the US Department of Transportation.

We recognize the session is coming to a close and it is a busy time, but we respectfully ask you to have this bill heard in your committee this Saturday and pass it out. With any luck and some coordination of effort, we can get this bill passed this year. As you know, a similar bill went through an extensive committee process over a two year period in the 25th Legislature, only to be delayed at the last moment. This bill has been heard extensively this session. Further delay until next session would mean no federal highway funds and, more importantly, another year of injury and death that could have been prevented. Thank you for your prompt consideration of this bill.

Sincerely,

Sheldon E. Winters
Lobbyist for State Farm Insurance

cc: Senators French & Paskvan
Representatives Holmes, Harris, Gruenberg, Millett

SEW/cafsB 72 letter of support to House SA.wpd

ADVOCATES
for Highway & Auto Safety

March 17, 2009

To the House Transportation Committee:

Vote YES on Senate Bill 72

As president of Advocates for Highway and Auto Safety (Advocates), I urge you to support **Senate Bill 72**, legislation that will save the lives of children in Alaska. **SB 72** would require children age four to age eight, who are less than 57 inches in height, and weigh between 20 and 80 pounds, to be secured in a vehicle with a child booster seat that meets federal safety standards. Advocates is a nonprofit coalition of consumer, safety, medical, law enforcement, and insurance organizations working to improve highway safety, and booster seat laws are one of our top priorities.

This bill is common sense legislation supported by science. According to the National Highway Traffic Safety Administration (NHTSA), the American Academy of Pediatrics, and The Children's Hospital of Philadelphia, booster seats are critical for children who have outgrown child safety seats but are not big enough for adult seat belts to fit them properly. Children who are not restrained in a booster seat are 3.5-times more likely to suffer a serious injury and four times more likely to suffer a significant head injury than if they were properly restrained. Booster seats reduce the risk of injury by 59 percent compared to the use of seat belts only. Nearly every state has some form of a booster seat requirement, and Alaska needs to join these ranks by adopting this lifesaving legislation.

Some opponents of booster seat legislation argue that the decision about protecting a child in a booster seat should be left to the parent or caregiver. While the safety of a child is the responsibility of parents and caregivers, they rely on state law to set the standard for proper protection in motor vehicles, as is the case with child safety seat and seat belt laws. Other opponents of this bill argue that parents and caregivers are already too burdened with things they need to do for their children, and car-pooling presents challenges. If parents and caregivers are willing to transport children with sports equipment to protect them from getting injured on the soccer field, they surely should be concerned about a child's life while riding in a motor vehicle, the most dangerous activity of the day. Another misconception is that booster seats are very costly. Many booster seats cost approximately the same as a tank of gas.

A 2004 Lou Harris public opinion poll commissioned by Advocates found that over 80 percent of those surveyed support extending child safety seat laws to include booster seats. For this and all the other reasons state above, **we urge you to vote YES on SB 72.**

Sincerely,

Judith Lee Stone

Judith Lee Stone, President
Advocates for Highway and Auto Safety

3096

Safe Kids®
Alaska

February 4, 2009

The Honorable Senator Hollis French and Members of the State of Alaska Legislature

Dear Senator French and Member of the Alaska Legislature,

On behalf of Safe Kids Alaska, I urge you to support Senate Bill 72, the proposed upgrade to Alaska's child passenger safety law. I strongly urge you to approve this legislation in its entirety during the current legislative session.

As you may know, motor vehicle crashes remain the leading cause of unintentional injury-related death among children ages 14 and under. Each year, nearly 1,600 child occupants ages 14 and under die in motor vehicle crashes and close to 228,000 are injured as occupants in motor vehicles. Unrestrained children are more likely to be injured, to suffer more severe injuries, and to die in motor vehicle crashes than children who are restrained.

We know that strong occupant protection laws that are consistently enforced are one of the best ways to prevent injuries and save children's lives. Senate Bill 72, if enacted into law, would close a significant gap in Alaska's child occupant protection law by clearly requiring some older children to ride properly restrained in a booster seat or high-weight-harness child restraint, secured by the motor vehicle's safety belt system.

If Safe Kids Alaska can be of any assistance to you regarding Senate Bill 72, please do not hesitate to contact me. Thank you for your leadership on this important safety initiative for Alaska's children!

Sincerely,

Sara L. Penisten, RN, BSNS, CPSTI
Safe Kids Alaska State Coalition Coordinator
Child Passenger Safety Technician Instructor
The Children's Hospital at Providence
Telephone: (907) 261-3194
Email: safekidsak@providence.org

Alaska State Legislature January 31, 2009

Support Letter: SB 72: Child Safety Seats and Seat Belts

As a private citizen, I support clarification of the current Alaska Child Passenger Safety Law by re-writing, in terms more easily understood, the recommendations of the Departments of Transportation and NHTSA. The reference for parents to look and follow DOT recommendations was always the goal of the original 1985 law.

Correct positioning of children riding in cars and booster seats DO save lives and DO prevent life long injuries. We have discovered since the writing the original law, through the advancement of technology, of on-scene crash investigations, hands-on emergency trauma treatment, through pediatric intensive care, and months, if not years, of rehabilitation due to the serious consequences of non-use and misuse of child restraints, how current law has been the misinterpreted.

I have been an emergency department registered nurse in three major western trauma centers during my 42 professional years. The last 22 of those years, I worked in the largest emergency department in an Anchorage, Alaska and coordinated a statewide, national injury prevention program for children.
Currently, in "retirement", I serve as the Chair of the Alaska Committee for Child Passenger Safety (CPS) and am a nationally certified CPS Instructor.

Beginning in 1987 in Alaska, CPS technicians and instructors began "checking" car seats, educating parents and caregivers how to choose and correctly install seats. Annual evaluation of thousands of car seat "check" records, indicated an 85% misuse rate in the most commonly used seats, with three or more critical errors. We also continued to find, through the years, parents and caregivers misunderstood the Alaska Child Passenger Safety Law. Most, when questioned, said the law allowed children to turn forward facing BEFORE one year of age and children could MOVE to a "safety belt" at age 4.

Due to muscle instability and bone growth, children MUST remain rear facing until they are at the very least one-year of age and 20 pounds. The American Academy of Pediatrics recommends, baring any medical conditions, children remain rear facing for even longer depending on the range of the car seat. Car seat belts (lap only and lap-shoulder) were designed by all car manufacturers for individuals over 4 foot 9 inches and heavier than originally indicated, fitting over the upper thighs, across the chest, with knees bent at seat edge, feet touching the floor, holding an individual safely in the restraint.

It is past time to join the majority of states and update Alaska's Child Passenger Safety Law. We have the knowledge and the data indicating children are at risk if not secured properly and secured in booster seats for a longer period than previously indicated. Parents look to our current law for guidance and have been confused, putting children at risk.

There is nothing quite so tragic as the loss of a child due to preventable injuries.

Thank you for your consideration: Margaret (Peggy) Hayashi, R.N.

Alaska Auto Dealer's Association
P.O. Box 71577
Fairbanks, Alaska 99707

February 4, 2009

Re: SB 72

To All Members of the House and Senate:

The Alaska Auto Dealers Association Board of Directors passed a unanimous resolution in support of SB 72 and we urge you to support this worthy bill. The same bill was introduced as SB 218 during the last session. The bill was unanimously supported in all committees and in the Senate. Unfortunately, time ran out before the bill could be heard on the House floor. SB 72 bill, if passed, will help protect young children by updating the current infant and booster seat law which has become outdated.

For example, the current law gives the parent the option of placing a small four year old in a booster seat or utilizing a seat belt. Vehicle safety systems have advanced dramatically since the current law was written with a variety of active and passive safety devices being added to vehicles. Front, side and curtain airbags, which have tremendous explosive force if triggered, are just one example of safety devices that weren't in existence when the current law was written.

As automobile dealers, we can assure you that no vehicle manufacturer recommends placing a small four year old in a seat belt only. Doing so could result in serious injury or death to the child.

Nearly forty two states have updated their infant and booster seat laws along the lines proposed. By adopting new legislation, the State will be eligible for grant monies which could be used for a safety campaign. Most importantly, however, updating our law will insure that children are better protected on Alaska's roads. We urge and appreciate your support of SB 72.

Sincerely,

Jon Cook
Legislative Director

75 Years of Caring 1930-2005

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™

Alaska Chapter

Alaska Chapter Executive Committee

President
Jodyne L. Butto, MD, FAAP
3340 Providence Drive, Ste. 466
Anchorage, AK 99508
Phone: 907/562-2423
Fax: 907/563-1170
E-mail: jlbutto@gci.net

Vice President
Lily J. Lou, MD, FAAP
3340 Providence Drive, Ste. 366
Anchorage, AK 99508-4616
Phone: 907/563-3026
Fax: 907/562-6445
E-mail: lilylou@mindspring.com

Chapter Executive Director
Janice Tower
7645 Griffith Street
Anchorage, AK 99507
Phone: 907/346-8028
Fax: 907/346-8028
E-mail: jtower@alaska.com

Chapter Web site
www/aapalaska.org

AAP Headquarters
141 Northwest Point Blvd
Elk Grove Village, IL 60007-1098
Phone: 847/434-4000
Fax: 847/434-8000
E-mail: kidsdocs@aap.org
www.aap.org

January 26, 2009

Jon Cook
PO Box 71577
Fairbanks, AK 99707

Dear Mr.Cook,

On behalf of the Alaska Chapter AAP I would like to lend our chapter's support for SB 72 that will update and modernize our Child Safety Seat laws to include the use of booster seats, and to spell out safe practices of child restraint devices that are appropriate for infants and children of all ages.

Seat belts are made for adults. Children should stay in a booster seat until adult seat belts fit correctly, usually when the child reaches 4' 9" in height and is between 8 and 12 years of age. The Alaska Chapter AAP recommends that state child safety seat laws are brought up to this standard.

Results from the 2007 National Survey of the Use of Booster Seats conducted by the National Center for Statistics and Analysis of the National Highway Traffic Safety Administration reveals alarmingly that booster seat use rates for children ages 6 and 7 dropped from 36 percent in 2006 to 25 percent in 2007. The study concludes that there is premature graduation of children from birth to age 12 to restraint types that are inappropriate for their height or weight.

SB 72 would help to alleviate confusion among parents and caregivers as to which safety devices are appropriate for their children. Alaska's pediatricians are happy to do their part by counseling parents during doctors' visits on how to keep their children safe while riding in vehicles.

Sincerely,

Jodyne L. Butto, MD, FAAP
President

Serving Alaska's Children and Families for Over 40 Years

3100

SB

75

<target><bill>SB 75</bill><subject>SB
75</subject><comm>HFIN26</comm></target>

4/1/09

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

Sponsor Statement
SB 57

SB 57 corrects a flaw in the school funding law as it applies to charter schools with fewer than 150 students. Current law results in these charter schools receiving 30% to 45% less state funding than neighborhood schools of their same size. SB 57 funds these charter schools at a per-child rate closer to that of average, urban elementary schools.

Charter schools are public schools that provide valuable education options to Alaska families. They increase learning opportunities and encourage parent and community involvement in our schools. Charter schools are designed and managed by parent-elected boards, under contract with their local school district. In 1995, the legislature passed Alaska's initial charter school law, authorizing local school districts to approve charter schools in their communities. However, the funding system has limited communities' ability to use the law to create and sustain these innovative programs.

SB 57 solves the funding problem in an equitable, fiscally responsible manner. It will support our schools and districts as they carry out the legislature's intent in creating the charter school law.

The Current Funding System

The root of the problem is the way the foundation formula calculates the "adjusted student count" for charter schools versus neighborhood schools.

The adjusted student count is the basis of state funding for all schools in Alaska. The funding a school district receives is calculated by multiplying the adjusted student count by the district cost factor, the special needs factor and, finally, by the dollar amount in the base student allocation.

The adjusted student count is determined by the school size formula in AS 14.17.450. The formula recognizes that economies-of-scale make it less expensive to operate a large school than a small school. Therefore, the enrollment of small schools is increased by a factor much higher than the adjustment for large schools. For example, the enrollment of a school with 75 students is adjusted to 123, a school with 400 students is adjusted to 472, and a school with 1,000 students is adjusted to 1,004.

Charter schools with an enrollment of less than 150 students are not treated as separate schools for the purpose of the adjusted student count calculation. Instead, the Department of Education adds

(Copy on File)

the charter students to the students attending the largest school in their district, and calculates the adjusted student count for the combined enrollment. This system makes the adjusted student count of the charter schools lower than their actual enrollment, while almost all other schools are adjusted upwards.

The Consequences

The impact of this system on charter schools is shown in the attached graph. The consequences include:

1. School districts can be penalized for allowing school choice.
The adjusted student count calculation for charter schools with fewer than 150 students can result in districts receiving less state funding than they would if their charter school students attended their neighborhood schools. The state will spend more if these charter schools close.

2. The law provides an inadequate amount of money for charter schools with fewer than 150 students to survive. Charter schools with fewer than 150 students in Anchorage, Fairbanks and Juneau have a count adjustment of .84, which is lower than even the largest high schools in those communities, and is close to the .80 rate the state provides to correspondence programs that do not have to pay for school buildings and teachers.

3. There is a dramatic decrease in funding when a charter school's enrollment drops from 150 students to 149. The loss of that one student costs a school district $500,000 - $700,000. The unanticipated funding cut occurs in November, when it is too late to significantly reduce costs. In the past five years, this has happened to the Anchorage School District, the Fairbanks North Star Borough School District and the Lower Kuskokwim School District.

The Solution

SB 57 states that charter schools with fewer than 150 students will have their student count adjusted by the same per-student rate as neighborhood schools with 400 students. Under the school size factor statute, the per-student rate of adjustment for 400-student neighborhood schools is 1.18.

SB 57 also contains a one-year, hold-harmless provision for charter schools that are either in their first year of operation or had more than 150 students the previous year. These schools will receive 95% of the per-student rate of neighborhood schools with 150 students. Under the school size factor statute, the per-student rate of adjustment for 150-student neighborhood schools is 1.45, and 95% of that rate is 1.38.

Finally, SB 57 requires charter schools that are in the hold-harmless year to submit a plan for the following year to their local school board. The plan must describe what will happen the following year if the school again has fewer than 150 students and no longer qualifies for the hold-harmless provision.

January – May: State Capitol – Juneau, Alaska 99801 – (907) 465-2327 – 1 (800) 336-7383 – Fax (907) 465-5241
June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

adopted 4-16-09

26-GS1003\N
Kane
4/16/09

HOUSE CS FOR CS FOR SENATE BILL NO. 75(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
*****	*****		
***** **Department of Administration** *****			
*****	*****		
Alaska Public Offices Commission Online System Completion (HD 1-40)	175,000	175,000	
Enterprise Security Projects (HD 1-40)	2,500,000		2,500,000
Facilities Deferred Maintenance (HD 1-40)	2,800,000		2,800,000
*****		*****	
***** **Department of Commerce, Community and Economic Development** *****			
*****		*****	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)	330,400	330,400	
Alaska Energy Authority - Renewable Energy Project Grants (AS 42.45.045) (HD 1-40)	25,000,000		25,000,000
Alaska Energy Authority Energy Projects (HD 1-40)	25,500,000	4,500,000	21,000,000
Community Block Grants (HD 1-40)	6,100,000	70,000	6,030,000
Community Development and	2,630,000	430,000	2,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Assistance (HD 1-40)				
Grants Tracking System (HD 1-40)		255,000	255,000	
Kodiak Launch Complex Infrastructure (HD 36)		17,500,000	3,500,000	14,000,000
Manufacturing Extension Program (HD 1-40)		806,401	806,401	
Organization Grant (HD 1-40)		100,000	100,000	
Grants to Named Recipients (AS 37.05.316)				
Arctic Power (HD 1-40)		120,000	120,000	
Grants to Municipalities (AS 37.05.315)				

The following appropriation is contingent upon the Municipality of Anchorage Assembly adopting a resolution identifying a specific ferry landing location for the M/V Susitna.

Anchorage - Port of Anchorage Expansion (HD 17-32)	10,000,000	10,000,000	

It is the intent of the legislature that the Municipality of Anchorage, specifically the Port of Anchorage, assist the Matanuska Susitna Borough and Port MacKenzie in applying for grants from the United States Department of Transportation for port infrastructure investments, including projects that connect ports to other nodes of transportation and improve the efficiency of freight movement.

Kenai - River Bluff Erosion Project (HD 33-35)	2,000,000	2,000,000	

It is the intent of the legislature that no state funds be released for this project until sufficient local and federal funds are secured to complete the project.

* * * * * * * * * *

*** * * * * Department of Corrections * * * * ***

* * * * * * * * * *

	Allocations	Appropriation Items	General Funds	Other Funds
Annual Facilities Maintenance and Repairs (HD 1-40)		1,000,000	1,000,000	
Goose Creek Correctional Center Utility and Energy Costs for New Construction (HD 13-16)		6,000,000	6,000,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,000,000	1,000,000	
Major Maintenance Grant Fund (AS 14.11.007)		**42,443,481**	**42,443,481**	
Craig Elementary School Roof Replacement (HD 5)	85,807			
St. Mary's - Garage and Warm Storage Renovation (HD 39)	882,608			
Houghtaling Elementary Outdoor Physical Education Shelter Replacement (HD 1)	276,110			
Evergreen Elementary School Playground Safety Upgrades (HD 2)	770,698			
Sand Point K-12 School Window Replacement (HD 37)	67,948			
Pacific High School Renovation (HD 2)	1,736,513			
Huslia High School	923,685			

	Allocations	Appropriation Items	General Funds	Other Funds
Exterior Upgrades (HD 6)				
Valley Park Elementary Siding Replacement (HD 1)	467,164			
Craig Middle School Exterior Envelope Upgrades (HD 5)	26,868			
Cold Bay K-12 Heating System Upgrade (HD 37)	75,789			
Galena Regional Learning Center Gym Building Upgrade (HD 6)	6,888,506			
Allakaket K-12 School Water System Improvements (HD 6)	161,994			
Platinum K-12 School Prime Power Generators (HD 38)	181,678			
False Pass K-12 School Siding Replacement (HD 37)	92,042			
Galena Regional Learning Center Dining Facility Upgrade (HD 6)	3,528,598			
Kasigluk-Akula K-12 School Generator Building Floor Failure Repairs (HD 38)	928,581			
Aleknagik, Clarks Point, Ekwok K-12 Schools: HVAC Upgrades (HD 37)	384,186			
Kotlik K-12 Heat Plant Relocation (HD 39)	1,369,016			
Saint Mary's - Districtwide	3,306,502			

	Allocations	Appropriation Items	General Funds	Other Funds
Fuel Tank Farm Replacement (HD 39)				
Craig Middle School Classroom Renovation (HD 5)	83,588			
Kodiak Schools Seismic Mitigation Project (HD 36)	3,236,143			
Diomede K-12 School Renovation (HD 39)	15,890,622			
Kaltag K-12 School Heating System Replacement (HD 6)	1,078,835			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Oil and Hazardous Substance First Responder Equipment and Preparedness (HD 1-40)		750,000		750,000
Statewide Contaminated Sites Cleanup (HD 1-40)		5,000,000		5,000,000
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**23,189,396**	**23,189,396**	
Anchorage: Girdwood Wastewater Treatment Facility (HD 17-32)	4,182,000			
Dillingham: Water System Improvements, Phase II (HD 37)	3,090,000			
Fairbanks North Star Borough: Pioneer Park Water and Sewer	100,395			

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 7-11)				
Juneau: East Valley Reservoir/Jordan Creek Rehabilitation Project (HD 3-4)	41,400			
Juneau: North Douglas Sewer Expansion, Phase III (HD 3-4)	123,165			
Juneau: North Douglas Sewer Expansion, Phase IV (HD 3-4)	1,804,560			
Juneau: West Mendenhall Valley Sewer Expansion, Phase II (HD 3-4)	109,710			
Juneau: West Mendenhall Valley Sewer Expansion, Phase III (HD 3-4)	1,608,860			
Kenai: New Water Transmission Mains Phase II and Wellhouse (HD 33-35)	2,132,100			
Kenai: Water Treatment Plant Upgrades, Phase III (HD 33-35)	648,945			
Ketchikan Gateway Borough: Waterline Extension from Mountain Point (HD 1)	1,453,241			
Ketchikan: Tongass Avenue Water and Sewer Replacement, Phase II (HD 1)	1,691,260			

	Allocations	Appropriation Items	General Funds	Other Funds
Matanuska Susitna Borough: Garden Terrace Estates, Phase II (HD 13-16)	356,040			
Nome: Moonlight Springs Transmission Line Upgrade/Replacement, Phase II (HD 39)	3,090,000			
North Pole: Sewer Lift Station Renovation Project (HD 7-11)	724,500			
Palmer: Steel Water Main Replacement, Phase VII (HD 13-16)	2,033,220			
Village Safe Water and Wastewater Infrastructure Projects		**66,666,598**	**14,041,598**	**52,625,000**
Adak: Water and Sewer Improvements (HD 37)	526,490			
Akiachak: Service Lines and Plumbing (HD 38)	1,652,060			
Alatna: Landfill Master Plan (HD 6)	55,000			
Alatna: Water Supply and Sewage Collection and Treatment Project Phase IV (HD 6)	124,697			
Ambler: Sanitation Facility Master Plan Upgrade (HD 40)	80,000			
Anchor Point: Water and Sewer Line Extension Study	81,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 33-35)				
Anchor Point: Water System Upgrades (HD 33-35)	810,000			
Anderson: Sewage Lagoon (HD 7-11)	870,500			
Aniak: Sewer Service (HD 6)	44,535			
Atka: Phase IV Improvements (HD 37)	310,385			
Beaver: Sanitation Improvement Feasibility Study (HD 6)	64,800			
Bethel: Backbone Upgrades Phase I (HD 38)	1,514,181			
Buckland: Water and Sewer System (HD 40)	3,919,056			
Chenega Bay: Water Treatment and Sewer Collection (HD 5)	290,794			
Chignik Bay: Wastewater System Improvements Phase IV (HD 37)	396,605			
Chistochina: Washeteria and Community Water System (HD 6)	471,778			
Chuathbaluk: Piped Sewer System Improvements (HD 6)	318,806			
Coffman Cove: Water Storage System (HD 1)	1,068,783			
Crooked Creek: Piped Water	648,058			

	Allocations	Appropriation Items	General Funds	Other Funds
and Sewer System Final Phase (HD 6)				
Denali Commission/ANTHC/Other Federal Agencies (HD 1-40)	10,500,000			
Eek: Water and Sewer Service (HD 38)	4,186,267			
Ekwok: Sewer System Improvements (HD 37)	364,231			
Emmonak: Water and Sewer Mains and Upgrades (HD 39)	534,417			
False Pass: Sewage Collection System (HD 37)	638,276			
Fort Yukon: Sewer Collection and Water Storage System (HD 6)	165,902			
Gambell: Water Storage System and Sewer System Improvements (HD 39)	35,628			
Glennallen: Hub Sewer Extension Final Phase (HD 12)	17,813			
Golovin: Water Storage Tank (HD 39)	169,232			
Hooper Bay: Piped Water and Sewer System (HD 39)	2,761,152			
Kachemak: Selo Water System Feasibility Study and Groundwater Investigation (HD 33-35)	216,000			
Kasaan: Water Treatment	502,846			

	Allocations	Appropriation Items	General Funds	Other Funds
Plant and Storage Tank (HD 5)				
Kasigluk: Piped Water and Sewer and Sewer Haul Service (HD 38)	556,974			
Kongiganak: Water System Improvements (HD 38)	961,950			
Kotlik: Piped Water and Sewer Extensions (HD 39)	218,950			
Kotzebue: Water and Sewer Upgrades (HD 40)	1,567,622			
Lower Kalskag: Piped Water and Sewer System (HD 38)	1,564,758			
Manokotak: Old Village Water and Sewer Plan and Source Study (HD 37)	189,000			
Manokotak: Water and Sewer Disposal and Distribution Improvements (HD 37)	860,658			
Marshall: Water and Sewer Line Replacement (HD 6)	254,418			
McGrath: Water and Sewer Improvements (HD 6)	1,456,541			
Mountain Village: Water Improvement Feasibility Study (HD 39)	113,400			
Nanwalek: Piped Water and Sewer System Replacement (HD 33-35)	404,259			
Napaskiak: Solid Waste Study (HD 38)	81,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Nightmute: Sewer Lagoon and System Improvements (HD 38)	368,712			
Nikolai: Water Treatment Study and Gravity Sewer Study (HD 6)	75,000			
Ninilchik: Water and Sewer System Improvements (HD 33-35)	1,613,955			
Nunapitchuk: Water Treatment and Sewer Lagoon Upgrades (HD 38)	569,011			
Old Harbor: Water Treatment Plant, Tank and Connections (HD 36)	326,796			
Pelican: Water and Sewer Upgrades (HD 2)	855,095			
Pilot Point: Water and Sewer Pipe Extension and Upgrades (HD 37)	602,911			
Pitkas Point: Water and Sewer System Upgrades (HD 39)	751,006			
Quinhagak: Piped Water and Sewer System Upgrades (HD 38)	891,496			
Saint Mary's: Water System Upgrades (HD 39)	2,000,000			
Saint Michael: Completion of Piped Water and Sewer System (HD 39)	17,813			

	Allocations	Appropriation Items	General Funds	Other Funds
Saint Paul: Sewage Ocean Outfall (HD 37)	1,512,000			
Saxman: Water Treatment Plant (HD 1)	266,638			
Seldovia: Water and Sewer Pipe Replacement and Upgrades (HD 33-35)	1,178,317			
Shageluk: Water Source and Sewer Service (HD 6)	2,310,105			
Shaktoolik: Water and Sewer Treatment Plant Upgrades and Compliance Study (HD 39)	81,000			
Shungnak: Sanitation Facilities Master Plan Upgrade (HD 40)	80,000			
Slana: Wells and Septic Systems (HD 6)	808,501			
Stebbins: Water and Sewer System (HD 39)	2,939,292			
Takotna: Water and Sewer System Upgrades (HD 6)	423,614			
Tanana: Sewage Lagoon Improvements and Piped Water and Sewer Extension (HD 6)	1,291,150			
Thorne Bay: Water, Sewer and Solid Waste Study (HD 1)	135,000			
Togiak: Water Treatment Plant Upgrades and Repairs	1,066,856			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 37)				
Toksook Bay: Water and Sewer System Improvements (HD 38)	1,315,797			
Tuluksak: Piped Water and Sewer System (HD 38)	1,154,004			
Tuntutuliak: Water and Sewer System Improvements (HD 38)	247,613			
Tununak: Flush Tank and Haul (HD 38)	140,633			
Unalakleet: Water and Sewer Lagoon Improvements (HD 39)	1,070,437			
Voznesenka: Water and Sewer System Improvements (HD 33-35)	221,034			
Wales: Lagoon Repair and Expansion (HD 39)	783,990			
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		
Cooperative Resource Program (HD 1-40)		455,000		455,000
Pacific Coastal Salmon Recovery Fund (HD 1-40)		22,000,000		22,000,000
Permit Card Equipment for eLandings Program (HD 1-40)		138,000		138,000
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide Annual Deferred Maintenance, Repair, Upgrades, and Equipment (HD 1-40)		340,000	340,000	
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Emergency Medical Services - Emergency Communications (HD 1-40)		190,000	190,000	
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Health Insurance Portability and Accountability Act Compliance (HD 1-40)		1,337,448	668,724	668,724
HIPAA Updated Electronic Transaction Standards (HD 1-40)		4,500,000	450,000	4,050,000
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		1,146,589	942,717	203,872
Online Resources for the Children of Alaska Enhancements to Meet Federal Requirements (HD 1-40)		414,255	242,163	172,092
Pioneer Homes Deferred		800,000	800,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance, Renovation, Repair and Equipment (HD 1-40)				
Production Printer Replacement (HD 1-40)		474,300	299,300	175,000
Public Health Disaster Preparedness (HD 1-40)		500,000	500,000	
Safety and Support Equipment for Probation Officers and Front Line Workers (HD 1-40)		1,115,750	750,000	365,750
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Deferred Maintenance and Training Facility Expansion (HD 33-35)		600,000	600,000	
Workers' Compensation .Net Upgrade and Rewrite (HD 1-40)		3,092,200		3,092,200
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Army Guard Facilities Projects (HD 1-40)		2,500,000	750,000	1,750,000
Compliance Cleanup Site Restoration (HD 1-40)		17,000,000		17,000,000
Military Youth Academy Deferred Maintenance, Renewal and Replacement		400,000	400,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
National Guard Counterdrug Support and ROPES Program (HD 1-40)		150,000	50,000	100,000
State Homeland Security Grant Program (HD 1-40)		9,500,000		9,500,000
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,000,000		3,000,000
Alaska Boating Safety Program (HD 1-40)		1,450,000		1,450,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Cooperative Water Resource Program (HD 1-40)		300,000		300,000
Federal and Local Government Funded Forestry and Fire Projects (HD 1-40)		3,500,000		3,500,000
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sales - New Subdivision Development (HD 1-40)		3,500,000		3,500,000
National Historic Preservation Fund Federal		1,200,000	200,000	1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Grant Program (HD 1-40)				
National Recreational Trail Grants Federal Program (HD 1-40)		900,000		900,000
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000		250,000
Wildland Fire Truck Replacement (HD 1-40)		375,000	375,000	
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		600,000	600,000	
AST Law Enforcement Equipment Replacement (HD 1-40)		250,000	250,000	
AST Mobile Data Computers - Phase II (HD 1-40)		240,000	240,000	
AWT Law Enforcement Equipment Replacement (HD 1-40)		200,000	200,000	
Crime Laboratory Equipment Replacement (HD 1-40)		50,000	50,000	
Marine Fisheries Patrol Improvements (HD 1-40)		2,500,000		2,500,000
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		602,800	602,800	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * Department of Revenue * * * * *			
	* * * * *	* * * * *		
Child Support Services Computer Replacement Project - Phase 5 (HD 1-40)		216,200		216,200
Permanent Fund Dividend Division Call Center Automated Routing (HD 1-40)		135,000		135,000
Alaska Housing Finance Corporation				
AHFC Birch Park II Building (B) Reconstruction (HD 7-11)		640,000		640,000
AHFC Building System Replacement Program (HD 1-40)		1,000,000		1,000,000
AHFC Competitive Grants for Public Housing (HD 1-40)		1,000,000		1,000,000
AHFC Denali Commission Projects (HD 1-40)		5,000,000		5,000,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000		1,000,000
AHFC Federal and Other Competitive Grants (HD 1-40)		4,000,000		4,000,000
AHFC Fire Protection		1,380,000		1,380,000

	Allocations	Appropriation Items	General Funds	Other Funds
Systems - Phase I (HD 1-40)				
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,050,000		4,050,000
AHFC Housing Loan Program/Teacher/Health and Public Safety Professionals Housing (HD 1-40)		6,800,000		6,800,000
AHFC Loussac Manor Renovation and Replacement - Phase 3 (HD 17-32)		5,656,000		5,656,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		300,000		300,000
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000		4,500,000
AHFC State Energy Program Special Projects (HD 1-40)		200,000		200,000
AHFC Statewide Project Improvements (HD 1-40)		2,000,000		2,000,000
AHFC Supplemental Housing Development Program (HD 1-40)		6,000,000		6,000,000
AHFC Weatherization Program (HD 1-40)		2,600,000		2,600,000

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *		* * * * *	
	* * * * * Department of Transportation/Public Facilities * * * * *			
	* * * * *		* * * * *	
Adak Airport Maintenance and Operations (HD 37)		1,621,900		1,621,900
Airport Deferred Maintenance (HD 1-40)		340,000	340,000	
Alaska Aviation Safety Program (HD 1-40)		800,000	400,000	400,000
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)		936,760	936,760	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		6,000,000	6,000,000	
It is the intent of the legislature that the Alaska Marine Highway System have US Coast Guard inspections conducted and provide maintenance necessary to keep all vessels seaworthy.				
Americans with Disabilities Act Compliance Projects (HD 1-40)		238,000	238,000	
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)		1,020,000	1,020,000	
Harbor Deferred Maintenance (HD 1-40)		272,000	272,000	
Harbor Program Development (HD 1-40)		200,000	200,000	
Highway Deferred		1,100,000	1,100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 1-40)				
Highway Maintenance Vehicle Replacement and Safety Equipment (HD 1-40)		450,000	450,000	
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)		61,500	61,500	
State Equipment Fleet Replacement (HD 1-40)		15,000,000		15,000,000
Statewide Rural Airport Safety Improvements (HD 1-40)		1,000,000	1,000,000	
Statewide Federal Programs		**113,560,000**	**22,783,500**	**90,776,500**
Commercial Vehicle Enforcement Program (HD 1-40)	3,400,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	25,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			
Federal-Aid Aviation State Match (HD 1-40)	6,320,000			
Federal-Aid Highway State Match (HD 1-40)	27,880,000			
Highway Safety Grants	5,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
Other Federal Program Match (HD 1-40)	1,160,000			
Statewide Safety Program (HD 1-40)	11,800,000			
Airport Improvement Program		**362,126,491**		**362,126,491**
Alakanuk: Airport Relocation (HD 39)	7,140,000			
Alakanuk: Snow Removal Equipment Building (HD 39)	950,000			
Alaska International Airport System: Reimbursable Services Authority (HD 1-40)	5,000,000			
Alaska International Airport System: System Master Plan (HD 1-40)	1,000,000			
Barrow: Airport Runway - Apron Paving and Safety Area Expansion (HD 40)	7,200,000			
Bethel: Airport Master Plan Update (HD 38)	300,000			
Birchwood: Airport Master Plan (HD 13-16)	175,000			
Central Region: Snow Removal Equipment (HD 1-40)	7,300,000			
Chalkyitsik: Airport Improvements (HD 6)	375,000			
Chefornak: Airport	16,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Relocation (HD 38)				
Chignik: Airport Master Plan Wind Study (HD 37)	100,000			
Cold Bay: Airport Rescue and Firefighting Building Expansion (HD 37)	300,000			
Crooked Creek: Airport Improvements (HD 6)	20,000,000			
Dillingham: Airport Apron and Taxiway Resurfacing (HD 37)	10,200,000			
Emmonak: Airport Rehabilitation and Apron Expansion (HD 39)	3,550,000			
Fairbanks International Airport: Airport Rescue and Fire Fighting Building Reroof and Assessment (HD 7-11)	2,000,000			
Fairbanks International Airport: Annual Improvements (HD 7-11)	1,300,000			
Fairbanks International Airport: Contingency Funds (HD 7-11)	5,280,200			
Fairbanks International Airport: Equipment (HD 7-11)	830,000			
Fairbanks International Airport: Information Technology Improvements	80,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
Fairbanks International Airport: Master Plan Update (HD 7-11)	1,000,000			
False Pass: Airport Improvements (HD 37)	17,250,000			
Gustavus: Airport Runway Safety Area (HD 5)	10,000,000			
King Salmon: Airport Improvements (HD 37)	8,500,000			
Kipnuk: Airport Reconstruction (HD 38)	2,000,000			
Kodiak: Regulator Building (HD 36)	2,800,000			
Kotzebue: Airport Certification Compliance Improvements (HD 40)	1,800,000			
Little Diomede: Snow Removal Equipment Building (HD 39)	90,000			
Newtok: Airport Master Plan (HD 38)	375,000			
Northern Region: Snow Removal Equipment (HD 1-40)	3,000,000			
Northern Region: Snow Removal Equipment Building Upgrades (HD 1-40)	1,100,000			
Pilot Station: Airport Relocation (HD 39)	2,400,000			
Port Lions: Regulator	580,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Building (HD 36)				
Saint Marys: Airport Improvements (HD 39)	16,900,000			
Seward: Regulator Building (HD 33-35)	330,000			
Southeast: Snow Removal and Fire Fighting Equipment (HD 1-5)	3,300,000			
Statewide: Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide: Aviation Systems Plan Update (HD 1-40)	1,500,000			
Statewide: Various Airports - Surveys for Lateral Precision Vertical Guidance Systems (HD 1-40)	1,500,000			
Statewide: Various Airports Minor Surface Improvements (HD 1-40)	9,000,000			
Stony River: Airport Relocation and Airport Improvements (HD 6)	4,500,000			
Ted Stevens Anchorage International Airport: Advanced Project Design and Planning (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport: AIAS Contingency Funds (HD 17-32)	20,991,049			

	Allocations	Appropriation Items	General Funds	Other Funds
Ted Stevens Anchorage International Airport: Annual Improvements (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Emergency Operations Center / Airport Communication Center (HD 17-32)	10,000,000			
Ted Stevens Anchorage International Airport: Environmental Management System (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Equipment (HD 17-32)	3,860,000			
Ted Stevens Anchorage International Airport: Facility Improvements, Renovations and Upgrades (HD 17-32)	2,400,000			
Ted Stevens Anchorage International Airport: Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport: Jet Bridge Replacements (HD 17-32)	2,800,000			
Ted Stevens Anchorage	500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
International Airport: Kulis Planning and Design (HD 17-32)				
Ted Stevens Anchorage International Airport: Lake Hood Bank Stabilization and Land Acquisition (HD 17-32)	5,263,159			
Ted Stevens Anchorage International Airport: Lake Hood Strip Improvements (HD 17-32)	1,000,000			
Ted Stevens Anchorage International Airport: Lake Hood Strip Runway Protection Zone Land Acquisition (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport: Land Acquisition (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Master Plan Update (HD 17-32)	5,350,000			
Ted Stevens Anchorage International Airport: Master Plan-Part 150 Noise Compatibility Study (HD 17-32)	533,333			
Ted Stevens Anchorage International Airport:	681,250			

	Allocations	Appropriation Items	General Funds	Other Funds
North Terminal Gates N1, 3, and 5 (HD 17-32)				
Ted Stevens Anchorage International Airport: Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	3,600,000			
Ted Stevens Anchorage International Airport: Runway 7L Rehabilitation (HD 17-32)	1,875,000			
Ted Stevens Anchorage International Airport: Runway 7R Design Group VI Upgrade (HD 17-32)	61,000,000			
Ted Stevens Anchorage International Airport: Runway 7R/25L Extension (HD 17-32)	29,102,000			
Ted Stevens Anchorage International Airport: Runway Deicer Storage (HD 17-32)	600,000			
Unalakleet: Snow Removal Equipment Building Replacement (HD 39)	1,130,000			
Willow: Airport Master Plan (HD 13-16)	250,000			
Surface Transportation Program		**359,730,000**		**359,730,000**
Alaska Marine Highway:	18,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ferry Vessel Refurbishment (HD 1-40)				
Alaska Marine Highway: Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway: Terminal - Prince Rupert Ferry Terminal Acquisition (HD 1-5)	7,500,000			
Alaska Marine Highway: Terminal - Southwest Warehouse (HD 33-35)	360,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Congestion Mitigation Air Quality (CMAQ) (HD 17-32)	2,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Projects, Flexible (HD 17-32)	20,300,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Trails and Recreational Access for Alaska (TRAAK) Projects (HD 17-32)	1,150,000			
Bethel: Tundra Ridge Road Improvements (HD 38)	1,200,000			
Central Region: National Highway System and	20,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)				
Copper River Highway: Permanent Flooding Repairs (HD 5)	6,500,000			
Dalton Highway: Milepost 197 to 209 (HD 1-40)	22,900,000			
Dalton Highway: Milepost 274 to 289 Reconstruction (HD 40)	3,090,000			
Emmonak: Landfill Road (HD 39)	470,000			
Fairbanks North Star Borough: Transportation Related PM 2.5 Reductions (HD 7-11)	1,160,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	12,570,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Noble Street Reconstruction (HD 7-11)	1,560,000			
Fairbanks: Fairbanks Metropolitan Area	1,630,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation System (FMATS): North Pole Interchange Pedestrian Facilities (HD 7-11)				
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Preventative Maintenance Program (HD 7-11)	1,370,000			
Fairbanks: Nelson Road Resurfacing (HD 7-11)	2,000,000			
Fairbanks: Phillips Field Road Rehabilitation (HD 7-11)	1,200,000			
Glenn Highway: Milepost 172 to 189 Rehabilitation (HD 12)	7,500,000			
Haines: Haines Highway Reconstruction, Milepost 17 to 21 (HD 5)	14,000,000			
Haines: Klehinin River Bridge (HD 5)	3,000,000			
Huslia: Landfill Road (HD 6)	630,000			
Hyder: Causeway Reconstruction and Trestle Replacement (HD 5)	2,300,000			
Juneau: Brotherhood Bridge and Industrial Boulevard Improvements (HD 3-4)	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Kake to Petersburg Road and Shuttle Ferry Terminals (HD 5)	10,000,000			
Ketchikan: Tongass/Water Street Pedestrian Improvements (HD 1)	1,300,000			
Kodiak: Chiniak Road Milepost 23.7 Improvements (HD 36)	6,000,000			
Mat-Su: Trunk Road Reconstruction (HD 13-16)	10,000,000			
McCarthy Road/Edgerton Highway: Permanent Flooding Repairs (HD 6)	10,000,000			
Nome-Council Highway Milepost 62 to 72 (HD 39)	6,370,000			
Northern Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	23,000,000			
Northern Region: Winter Trail Markings (HD 1-40)	200,000			
Richardson Highway: Milepost 228 - One Mile Creek Bridge Replacement (HD 12)	380,000			
Richardson Highway: Milepost 353 to 357 Access (HD 7-11)	3,500,000			
Richardson Highway:	2,790,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Milepost 357 - Fairbanks New Weigh Station (HD 7-11)				
Richardson Highway: Permanent Flooding Repairs (HD 1-40)	11,400,000			
Safe Routes to Schools (HD 1-40)	1,000,000			
Seward Highway: Dowling to Tudor Reconstruction (HD 17-32)	8,000,000			
Seward Meridian Parkway: Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	13,000,000			
Sitka: Japonski Island Streets and Utilities (HD 2)	2,000,000			
Southeast Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	7,800,000			
Statewide: Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide: Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide: Civil Rights Program (HD 1-40)	200,000			
Statewide: Congestion Mitigation and Air Quality (CMAQ) Projects (HD 1-40)	7,500,000			
Statewide: Highway Data Equipment Acquisition and Installation (HD 1-40)	1,200,000			
Statewide: Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide: Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide: Intelligent Transportation Systems Implementation Plan (IWAYS) (HD 1-40)	1,500,000			
Statewide: Intelligent Transportation Systems Operations and Maintenance (IWAYS) (HD 1-40)	750,000			
Statewide: National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide: Planning Work Program (HD 1-40)	7,500,000			
Statewide: Research Program (HD 1-40)	1,500,000			
Statewide: Scenic Byways Grants (HD 1-40)	500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide: Urban Planning Program (HD 1-40)	1,000,000			
Statewide: Weigh-in-Motion Equipment (HD 1-40)	750,000			
Steese Highway: Milepost 62 to 69 (HD 7-11)	300,000			
Sterling Highway Scales Replacement (HD 33-35)	2,000,000			
Sterling Highway: Milepost 135 - Ninilchik Intersection Improvements and Illumination (HD 33-35)	350,000			
Stevens Village: Sanitation Road (HD 6)	730,000			
Surface Transportation Preconstruction (HD 1-40)	45,000,000			
Taylor Highway: Milepost 70 - Lost Chicken Slide (HD 6)	720,000			
Tok Cutoff: Milepost 2 Bridge Replacement - Gakona River (HD 6)	1,300,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Federal Receipt Authority (HD 1-40)		15,000,000		15,000,000
Maintaining Existing Facilities Renewal and Renovation Annual		3,200,000	3,200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Requirement (HD 1-40)				
UA Climate Projects (HD 7-11)		10,000,000		10,000,000
UA Energy Projects (HD 7-11)		5,000,000		5,000,000
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Anchorage Campus Project Phase 2 (HD 17-32)		9,900,000	9,900,000	
Court Security Projects (HD 1-40)		1,190,000	1,190,000	
CourtView Enhancements (HD 1-40)		1,344,300	1,344,300	

(SECTION 2 OF THIS ACT BEGINS ON PAGE 38)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	175,000
1081 Information Services Fund	2,500,000
1147 Public Building Fund	2,800,000
*** Total Agency Funding ***	$5,475,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	40,630,000
1003 General Fund Match	500,000
1004 Unrestricted General Fund Receipts	21,611,801
1007 Interagency Receipts	800,000
1061 Capital Improvement Project Receipts	1,300,000
1108 Statutory Designated Program Receipts	500,000
1210 Renewable Energy Grant Fund	25,000,000
*** Total Agency Funding ***	$90,341,801
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,000,000
*** Total Agency Funding ***	$7,000,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	43,443,481
*** Total Agency Funding ***	$43,443,481
Department of Environmental Conservation	
1002 Federal Receipts	52,125,000
1003 General Fund Match	14,041,598
1004 Unrestricted General Fund Receipts	23,189,396
1052 Oil/Hazardous Release Prevention & Response Fund	5,750,000
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$95,605,994
Department of Fish and Game	

1002	Federal Receipts	24,325,000
1004	Unrestricted General Fund Receipts	340,000
1024	Fish and Game Fund	775,000
1108	Statutory Designated Program Receipts	455,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
*** Total Agency Funding ***		$26,033,000
Department of Health and Social Services		
1002	Federal Receipts	5,635,438
1003	General Fund Match	2,494,744
1004	Unrestricted General Fund Receipts	2,773,160
*** Total Agency Funding ***		$10,903,342
Department of Labor and Workforce Development		
1004	Unrestricted General Fund Receipts	600,000
1157	Workers Safety and Compensation Administration Account	3,092,200
*** Total Agency Funding ***		$3,692,200
Department of Military and Veterans Affairs		
1002	Federal Receipts	28,350,000
1003	General Fund Match	750,000
1004	Unrestricted General Fund Receipts	450,000
*** Total Agency Funding ***		$29,550,000
Department of Natural Resources		
1002	Federal Receipts	10,810,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	375,000
1108	Statutory Designated Program Receipts	1,100,000
1153	State Land Disposal Income Fund	3,500,000
1195	Special Vehicle Registration Receipts	450,000
*** Total Agency Funding ***		$16,435,000
Department of Public Safety		
1002	Federal Receipts	2,500,000
1004	Unrestricted General Fund Receipts	1,942,800

*** Total Agency Funding ***		$4,442,800
Department of Revenue		
1002	Federal Receipts	18,782,692
1050	Permanent Fund Dividend Fund	135,000
1139	Alaska Housing Finance Corporation Dividend	30,686,000
1156	Receipt Supported Services	73,508
*** Total Agency Funding ***		$49,677,200
Department of Transportation/Public Facilities		
1002	Federal Receipts	742,660,550
1003	General Fund Match	22,783,500
1004	Unrestricted General Fund Receipts	12,018,260
1026	Highways Equipment Working Capital Fund	15,000,000
1027	International Airports Revenue Fund	16,806,800
1061	Capital Improvement Project Receipts	400,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	24,029,141
1139	Alaska Housing Finance Corporation Dividend	4,856,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1179	Passenger Facility Charges	4,560,000
1190	Adak Airport Operations	1,621,900
*** Total Agency Funding ***		$864,456,651
University of Alaska		
1002	Federal Receipts	30,000,000
1004	Unrestricted General Fund Receipts	3,200,000
*** Total Agency Funding ***		$33,200,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	12,434,300
*** Total Agency Funding ***		$12,434,300
* * * * * Total Budget * * * * *		$1,292,690,769

(SECTION 3 OF THIS ACT BEGINS ON PAGE 41)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1003	General Fund Match	40,769,842
1004	Unrestricted General Fund Receipts	129,553,198
Total General Funds		$170,323,040
Federal Funds		
1002	Federal Receipts	955,818,680
1190	Adak Airport Operations	1,621,900
Total Federal Funds		$957,440,580
Other Non-Duplicated Funds		
1024	Fish and Game Fund	775,000
1027	International Airports Revenue Fund	16,806,800
1108	Statutory Designated Program Receipts	14,555,000
1139	Alaska Housing Finance Corporation Dividend	35,542,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1153	State Land Disposal Income Fund	3,500,000
1156	Receipt Supported Services	73,508
1157	Workers Safety and Compensation Administration Account	3,092,200
1179	Passenger Facility Charges	4,560,000
1195	Special Vehicle Registration Receipts	450,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
Total Other Non-Duplicated Funds		$87,213,008
Duplicated Funds		
1007	Interagency Receipts	800,000
1026	Highways Equipment Working Capital Fund	15,000,000
1050	Permanent Fund Dividend Fund	135,000

1052	Oil/Hazardous Release Prevention & Response Fund	5,750,000
1061	Capital Improvement Project Receipts	1,700,000
1081	Information Services Fund	2,500,000
1112	International Airports Construction Fund	24,029,141
1147	Public Building Fund	2,800,000
1210	Renewable Energy Grant Fund	25,000,000
Total Duplicated Funds		$77,714,141

(SECTION 4 OF THIS ACT BEGINS ON PAGE 43)

* **Sec. 4.** The following appropriation items are for capital projects to upgrade commercial passenger vessel services and watercraft infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 5 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Aviation Heritage Museum - Major Facility Safety, Energy and Collections Care Improvements (HD 17-32)		500,000		500,000
Alaska Native Heritage Center - Village Site Completion (HD 17-32)		275,000		275,000
Alaska Wildlife Conservation Center, Inc. - Visitor Education and Sanctuary Research (HD 17-32)		1,000,000		1,000,000
Alaska Zoo - Infirmary and Commissary for the Animals (HD 17-32)		800,000		800,000
Marine Exchange of Alaska - Vessel Tracking System Upgrades (HD 1-40)		450,000		450,000

	Allocations	Appropriation Items	General Funds	Other Funds
Morris Thompson Cultural and Visitors Center - Exhibit Completion (HD 7-11)		1,000,000		1,000,000
Grants to Municipalities (AS 37.05.315)				
Anchorage - Egan Center Cruise Passenger Staging Upgrades (HD 17-32)		1,000,000		1,000,000
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000		10,000,000
Cordova - Cordova Center Construction and Equipment (HD 5)		1,000,000		1,000,000
Fairbanks North Star Borough - Carlson Center Improvements (HD 7-11)		1,000,000		1,000,000
Haines Borough: Port Chilkoot Waterfront Improvements (HD 5)		1,900,000		1,900,000
Hoonah - Cruise Ship Mooring Buoy System (HD 5)		1,000,000		1,000,000
Juneau - Cruise Ship Dock Improvements (HD 3-4)		2,500,000		2,500,000
Juneau - Auke Bay Seawalk Construction (HD 3-4)		800,000		800,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan - Port of Ketchikan Berth I and II Replacement (HD 1)		4,000,000		4,000,000
Ketchikan - Reconstruction of Downtown Bridges and Trestles (HD 1)		5,000,000		5,000,000
Kodiak (City of) - Pedestrian Improvements Between Cruise Ship Dock (Pier II) & Downtown Kodiak (HD 36)		700,000		700,000
Palmer - Visitors Information Center Restrooms (HD 13-16)		100,000		100,000
Petersburg - Commercial Dock and Vehicle Drive Down Design and Construction (HD 2)		3,390,000		3,390,000
Seward - Bus Transportation Assistance for Cruise Ship Passengers. (HD 33-35)		167,000		167,000
Seward - Dredging Cruise Ship Berthing Basins and Approaches (HD 33-35)		4,500,000		4,500,000
Sitka - Commercial Passenger Vessel Lightering Facility Improvements (HD 2)		2,000,000		2,000,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery		1,650,000		1,650,000

	Allocations	Appropriation Items	General Funds	Other Funds
and Improvements (HD 2)				
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Cruise Impacts (HD 5)		2,500,000		2,500,000
Valdez - City Dock Information and Interpretative Center (HD 12)		800,000		800,000
Valdez - Dock Improvements (HD 12)		3,325,000		3,325,000
Wasilla - Airport Train Station Improvements (HD 13-16)		430,000		430,000
Whittier - Railroad Station Improvements (HD 17-32)		325,000		325,000
Wrangell - Construction Activities to Complete the Marine Passenger Service Center (HD 2)		2,500,000		2,500,000
Wrangell - Stikine Avenue Sidewalk Extension (HD 2)		390,000		390,000
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Fort Abercrombie Tourist Bus Parking/Turnaround and Facilities Upgrade (HD 36)		1,300,000		1,300,000
State Parks Deferred Maintenance and Emergency		6,000,000		6,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Repairs (HD 1-40)				

It is the intent of the legislature that the Department of Natural Resources allocate this money to state park facilities that receive the highest proportion of commercial passenger vessel visitors and that it be used for deferred maintenance projects that will enhance, aid or facilitate the visitor experience.

* * * * * * * * * *

*** * * * * Department of Transportation/Public Facilities * * * * ***

* * * * * * * * * *

Cruise Ship-Related Projects		**21,180,500**		**21,180,500**
Haines: Beach Road Widening and Front Street Intersection Improvements (HD 5)	2,945,500			
Haines: Front Street, Main to Lutak Road (HD 5)	850,000			
Haines: Old Haines Highway Sidewalk Construction (HD 5)	1,150,000			
Homer: Homer Spit Pathway (HD 33-35)	2,000,000			
Juneau: Egan Drive - Whittier to Main Improvements (HD 3-4)	1,990,000			
Juneau: Glacier Spur Pavement Rehabilitation (HD 3-4)	2,000,000			
Juneau: Thane Road Pavement Rehabilitation (HD 3-4)	4,000,000			
Ketchikan: Downtown	375,000			

	Appropriation	General	Other
	Allocations	**Items**	**Funds**	**Funds**
Pedestrian Enhancements (HD 1)				
Seward: Seward Highway Replacement Bridges - Ptarmigan Creek, Falls Creek and Trail River (HD 33-35)	3,000,000			
Skagway: Dyea Road Taiya River Bridge Rehabilitation (HD 5)	1,500,000			
Skagway: Gateway Pedestrian Improvements (HD 5)	620,000			
Valdez: Hazlet Drive Sidewalk (HD 12)	750,000			

(SECTION 5 OF THIS ACT BEGINS ON PAGE 49)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	41,047,000
1207 Regional Cruise Ship Impact Fund	16,255,000
*** Total Agency Funding ***	$57,302,000
Department of Natural Resources	
1207 Regional Cruise Ship Impact Fund	7,300,000
*** Total Agency Funding ***	$7,300,000
Department of Transportation/Public Facilities	
1206 Commercial Passenger Vessel Tax	18,180,500
1207 Regional Cruise Ship Impact Fund	3,000,000
*** Total Agency Funding ***	$21,180,500
* * * * * Total Budget * * * * *	$85,782,500

(SECTION 6 OF THIS ACT BEGINS ON PAGE 50)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
Total Federal Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	59,227,500
1207 Regional Cruise Ship Impact Fund	26,555,000
Total Other Non-Duplicated Funds	$85,782,500
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 51)

* **Sec. 7.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Airport Improvement Program		**9,500,000**		**9,500,000**
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	3,000,000			
Kodiak: Chemical Storage Building (HD 36)	1,200,000			
Kotzebue: Apron Expansion (HD 40)	5,300,000			
Surface Transportation Program		**24,397,600**		**24,397,600**
Emmonak: Community Road Improvements (HD 39)	3,000,000			
Fairbanks: LED Street Light Conversion (HD 7-11)	3,310,000			
Fairbanks: Sign Replacement (HD 7-11)	973,600			
Fairbanks: Wendell Street ADA Improvements (HD 7-11)	814,000			
Haines: Front Street to Union Street (HD 5)	2,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Kipnuk: Boardwalk Improvements (HD 38)	10,000,000			
Yakutat: Areawide Paving (HD 5)	3,800,000			
Airport Stimulus Projects		**46,250,000**		**46,250,000**
Akiachak: Airport Relocation (HD 38)	11,500,000			
Allakaket: Airport Improvements (HD 6)	3,600,000			
Fairbanks International Airport: Access Control Improvements (HD 7-11)	3,500,000			
Fort Yukon: Airport Improvements (HD 6)	6,500,000			
King Salmon: Apron and Taxiway Resurfacing (HD 37)	9,750,000			
Ouzinkie: Airport Reconstruction and Relocation (HD 36)	8,400,000			
Ted Stevens Anchorage International Airport: North Terminal Gate N8 (HD 17-32)	3,000,000			
Highway and Bridge Stimulus Projects		**158,743,900**		**158,743,900**
AMATS: Anchorage Traffic Congestion Relief - Lake Otis Parkway and Tudor (HD 17-32)	5,000,000			
AMATS: Old Glenn Highway	11,673,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Reconstruction Phase II - Fire Lake to Peters Creek (HD 13-16)				
AMATS: Pavement Replacement Program (HD 17-32)	2,280,000			
Denali Highway: Milepost 7 Wayside (HD 12)	500,000			
Dillingham: Wood River Road Reconstruction (HD 37)	8,900,000			
Glenn Highway: MP 12 to 27 Resurfacing (HD 17-32)	25,000,000			
Glenn Highway: MP 17 to 27 Lighting (HD 13-16)	12,000,000			
Glenn Highway: MP 34 to 42 Resurfacing (HD 13-16)	8,000,000			
Hoonah: Airport Road Paving - Ferry Terminal to Airport (HD 5)	3,000,000			
Juneau: Egan Drive and Glacier Highway Resurfacing - Mendenhall Loop to Auke Bay Ferry Terminal (HD 3-4)	4,000,000			
Juneau: Glacier Highway - Amalga to Eagle Beach Widening (HD 3-4)	1,700,000			
Ketchikan: North Tongass Highway - Totem Bight to Whipple Creek (HD 1)	13,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan: Water Street Sidewalk Improvements (HD 1)	2,500,000			
Kodiak: Rezanof Drive Resurfacing - Coast Guard Access Road to Jack Hinkel Way (HD 36)	10,000,000			
Kotzebue: Shore Avenue Rehabilitation and Erosion Protection (HD 40)	15,000,000			
Marshall: Airport Access Road Bridge Replacement (HD 6)	2,800,000			
Nome Road Improvements (HD 39)	4,000,000			
Parks Highway: Milepost 72 to 83 Rehabilitation (HD 13-16)	6,800,000			
Sterling Highway Resurfacing: Soldotna to North Coho Loop (HD 33-35)	15,000,000			
Valdez: Areawide Bike and Pedestrian Trail Pavement Refurbishment (HD 12)	3,290,000			
Whittier Shot Gun Cove Road (HD 17-32)	3,500,000			
Transit Stimulus Projects		**9,083,900**		**9,083,900**
Juneau: Downtown Transit Center Construction (HD 3-4)	3,000,000			
Mat-Su: Park and Ride at	900,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Seward Meridian/Parks Highway (HD 13-16)				
Statewide: Transit Rural Formula Capital Projects (HD 1-40)	5,183,900			

(SECTION 8 OF THIS ACT BEGINS ON PAGE 56)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Transportation/Public Facilities	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
*** Total Agency Funding ***	$247,975,400
* * * * * Total Budget * * * * *	$247,975,400

(SECTION 9 OF THIS ACT BEGINS ON PAGE 57)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
Total Federal Funds	$247,975,400
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 10 OF THIS ACT BEGINS ON PAGE 58)

* **Sec. 10.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Grants to Named Recipients (AS 37.05.316)				
Inter-Island Ferry Authority - Operational Assistance (HD 1-5)		1,500,000	1,500,000	
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		
Cooperative Resource Program (HD 1-40)		55,000		55,000
*****		*****		
***** **Office of the Governor** *****				
*****		*****		
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		3,821,720		3,821,720
*****			*****	
***** **Department of Transportation/Public Facilities** *****				
*****			*****	
Airport Rescue and Fire Fighting Safety Equipment (HD 1-40)		137,100	137,100	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		702,100	702,100	
Alaska Marine Highway System: Columbia Fuel Management System (HD 1-5)		499,500	499,500	
Mission Road (Kodiak Island) - Upgrade and Repair (HD 36)		207,600	207,600	
Susitna Valley High School Safety Improvements (HD 13-16)		38,200	38,200	
Airport Improvement Program		**75,290,000**		**75,290,000**
Alaska International Airport System: Development Fund (HD 1-40)	5,000,000			
Bethel: Airport Parallel Runway and Other Improvements (HD 38)	4,000,000			
Dillingham: 3 Bay Chemical Storage Building (HD 37)	500,000			
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	18,250,000			
Fort Yukon: Snow Removal Equipment Building (HD 6)	1,500,000			
Iliamna: Snow Removal Equipment / Sand and	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Chemical Storage / Office Building (HD 36)				
Nulato: Airport Improvements (HD 6)	9,200,000			
Petersburg: Airport Runway Safety Area (HD 2)	26,000,000			
Savoonga: Airport Improvements (HD 39)	4,840,000			
Takotna: Airport Relocation (HD 6)	5,000,000			
Surface Transportation Program		**1,550,000**		**1,550,000**
Chena Hot Springs Road: Milepost 24 to 56 Rehabilitation (HD 7-11)	1,430,000			
Ester Weigh Station Scale Replacement (HD 7-11)	120,000			

(SECTION 11 OF THIS ACT BEGINS ON PAGE 61)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	1,500,000
*** Total Agency Funding ***	$1,500,000
Department of Fish and Game	
1108 Statutory Designated Program Receipts	55,000
*** Total Agency Funding ***	$55,000
Office of the Governor	
1185 Election Fund	3,821,720
*** Total Agency Funding ***	$3,821,720
Department of Transportation/Public Facilities	
1002 Federal Receipts	70,927,500
1004 Unrestricted General Fund Receipts	1,584,500
1027 International Airports Revenue Fund	5,000,000
1112 International Airports Construction Fund	912,500
*** Total Agency Funding ***	$78,424,500
* * * * * Total Budget * * * * *	$83,801,220

(SECTION 12 OF THIS ACT BEGINS ON PAGE 62)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
General Funds	
1004 Unrestricted General Fund Receipts	3,084,500
Total General Funds	$3,084,500
Federal Funds	
1002 Federal Receipts	70,927,500
Total Federal Funds	$70,927,500
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	5,000,000
1108 Statutory Designated Program Receipts	55,000
Total Other Non-Duplicated Funds	$5,055,000
Duplicated Funds	
1112 International Airports Construction Fund	912,500
1185 Election Fund	3,821,720
Total Duplicated Funds	$4,734,220

(SECTION 13 OF THIS ACT BEGINS ON PAGE 63)

*** Sec. 13.** LEGISLATIVE INTENT. For the appropriation made in sec. 21 of this Act, it is the intent of the legislature that

(1) the funds be used solely to plan, coordinate, and facilitate private-sector construction, ownership, and management of a natural gas pipeline from the Alaska North Slope, south to Fairbanks, and through the Railbelt region to connect with or enhance the existing pipeline system that reaches to tidewater on the Kenai Peninsula;

(2) an economically feasible in-state pipeline and any connecting lines serve industrial, residential, and utility customers along the entire route, including any other regions of the state that could be served by the line at commercially feasible rates;

(3) the Office of the Governor use this appropriation to

(A) coordinate with the private-sector entities that could build, own, and operate the line;

(B) assist with preparing cost estimates for the project to determine its economic feasibility and cost to consumers;

(C) apply for and obtain right-of-way permits for the project route, with the intent that the state would transfer the permits to the private entity best able to complete the project; and

(D) work with private and public entities to promote the gas supply and gas purchase contracts that would be required for the project to be commercially viable;

(4) the state not take an equity stake of any amount in the project;

(5) the coordination effort use to the fullest extent possible any and all existing work by other state agencies before contracting for new reports, research, and analyses, and that the coordination effort not expand beyond the scope of coordinating private interests to build, own, and operate the natural gas pipeline;

(6) the Office of the Governor submit written quarterly reports to the senate president and the speaker of the house of representatives, detailing progress to date on the project and a work plan for each subsequent quarter.

*** Sec. 14.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as

described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Development Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 15.** FUND TRANSFERS. (a) The income earned during fiscal year 2010 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The interest earned on amounts in the election fund, estimated to be $320,000, are appropriated to the election fund required by the federal Help America Vote Act.

(c) The sum of $2,500,000 is appropriated from the general fund to the information services fund (AS 44.21.045(a)).

(d) The sum of $15,000,000 is appropriated from the dividend paid to the state by the Alaska Industrial Development and Export Authority under AS 44.88.088 to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(e) The sum of $25,000,000 is appropriated from the dividend paid to the state by the Alaska Housing Finance Corporation under AS 18.56.089 to the renewable energy grant fund (AS 42.45.045).

*** Sec. 16.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

* **Sec. 17.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $15,967,840 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, estimated to be $16,035,066, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to be allocated to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) North Slope Borough	North Slope Borough workforce development three-year program enforcement	$2,500,620
(2) North Slope Borough	Arctic Fox supplemental studies to include the prevalence and incidence of rabies and other related diseases in the National Petroleum Reserve - Alaska	409,262
(3) City of Atqasuk	Local government operations and youth program	226,500
(4) City of Wainwright	Operations and maintenance equipment	49,269
(5) North Slope Borough	Continuing waterfowl survey in the National Petroleum Reserve - Alaska	900,000
(6) North Slope Borough	Police officers for National Petroleum Reserve - Alaska impacted communities	1,354,712
(7) North Slope Borough	Meade River school counselor	243,598

(8) City of Barrow	New boat ramp	2,000,000
(9) City of Nuiqsut	Youth center operations and maintenance	188,847
(10) City of Wainwright	Wainwright youth recreation program	240,000
(11) North Slope Borough	Communications system upgrade	5,000,000
(12) North Slope Borough	Emerging disease surveillance: continuation of wildlife population health assessment in the National Petroleum Reserve - Alaska	335,032
(13) City of Nuiqsut	Local government operations and maintenance	420,000
(14) City of Wainwright	Wainwright local government operations	300,000
(15) City of Barrow	Local government operations and maintenance	1,800,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, is less than $15,967,840, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the allocations made in (a) of this section to equal the amount received.

* **Sec. 18.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $8,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program under AS 13.50.150 for the fiscal year ending June 30, 2010.

(b) Section 60(b), ch. 29, SLA 2008, is amended to read:

(b) The sum of $125,000 is appropriated from the general fund to the

Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the international trade program partnership for the fiscal year ending **June 30, 2010** [JUNE 30, 2009].

(c) Section 10(b), ch. 159, SLA 2004, is amended to read:

(b) **The** [CONTINGENT UPON THE FORMATION OF A BOROUGH THAT ENCOMPASSES THE CITY OF DELTA JUNCTION, THE] balance owing on the loan made under (a) of this section on **June 30, 2009,** [THE DATE OF INCORPORATION OF THE BOROUGH] is redesignated as a grant under AS 37.05.315 to the City of Delta Junction for the payment of the costs of the settlement agreement for litigation regarding the establishment of a private prison in the vicinity of the city.

*** Sec. 19.** DEPARTMENT OF ENVIRONMENTAL CONSERVATION. Section 1, ch. 135, SLA 2000, page 10, lines 30 - 31, is amended to read:

	ALLOCATIONS
Village Safe Water Study, Design, and Construction Projects (HD 1-40)	834,387
[TUNUNAK FLUSH TANK AND HAUL, AND WASHETERIA PROJECT (ED 38)]	

*** Sec. 20.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The sum of $9,000,000 is appropriated from the general fund to the Department of Health and Social Services, division of public assistance, for the heating assistance program that administers federal assistance under 42 U.S.C. 8621 - 8629 (Low-Income Home Energy Assistance Act of 1981) and the Alaska heating assistance program (AS 47.25.621) for the fiscal years ending June 30, 2009, and June 30, 2010.

*** Sec. 21.** OFFICE OF THE GOVERNOR. The sum of $9,000,000 is appropriated from the general fund to the Office of the Governor for the development of an in-state natural gas pipeline for the fiscal years ending June 30, 2009, and June 30, 2010.

* **Sec. 22.** HOUSE DISTRICT 1. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2003, page 5, lines 29 - 31 (Thorne Bay, medivac landing site construction - $175,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Thorne Bay for emergency vehicle access and response.

(b) The unexpended and unobligated balance of the appropriation made in sec. 35(b), ch. 159, SLA 2004 (Ketchikan Area Arts and Humanities Council, design and project development of the Ketchikan community center for the arts) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the First City Players for design and project development of the Ketchikan community center for the arts.

(c) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 135, SLA 2000, page 51, lines 7 - 9, as amended by sec. 33(b), ch. 30, SLA 2007 (Ketchikan Gateway Borough, multi-purpose maintenance facility improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Ketchikan Gateway Borough for a multi-purpose maintenance facility.

* **Sec. 23.** HOUSE DISTRICT 2. (a) Section 41(a), ch. 29, SLA 2008, is amended to read:

(a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 8, lines 8 - 10 (Wrangell, water tank and connection to upper water reservoir - $180,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wrangell for water tank and connection to upper water reservoir for the fiscal **years** [YEAR] ending June 30, 2009**, June 30, 2010, and June 30, 2011**.

(b) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 27, lines 5 - 7 (Wrangell, medical center, 12-passenger handicapped van - $39,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Wrangell Medical Center to purchase snow removal equipment.

(c) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 12, lines 13 - 15 (Alaska Native Brotherhood Sitka Camp #1, Sitka ANB

hall renovation - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Sitka Kaagwaantaan, Inc. for the Sitka ANB hall renovations.

(d) The unexpended and unobligated balances of the appropriations made in sec. 7, ch. 29, SLA 2008, page 26, lines 10 - 12 (Sitka, Moller Park lighting improvements - $150,000) and sec. 7, ch. 29, SLA 2008, page 26, lines 13 - 14 (Sitka, Moller Park synthetic infield - $300,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Sitka for Moller Park baseball field improvements.

*** Sec. 24.** HOUSE DISTRICTS 3 - 4. (a) Section 1, ch. 82, SLA 2006, page 85, lines 30 - 31, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Gastineau Channel Crossing EIS and Dredging **and North Douglas Highway Extension** (HD 3-4)	3,000,000	3,000,000

(b) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 23, lines 8 - 11 (St. Vincent de Paul Society, community nonprofit service center construction - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Southeast Alaska Independent Living, Inc., for construction of a community nonprofit service center.

*** Sec. 25.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balance of the appropriation made in sec. 33(k), ch. 159, SLA 2004 (Yakutat, teen center construction - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for the Yakutat Community Health Center dental clinic remodel.

(b) The unexpended and unobligated balance of the appropriation made in sec. 42(e), ch. 29, SLA 2008 (Craig, Craig Elementary School roof replacement) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for Craig Clinic debt relief for the fiscal year ending

June 30, 2010.

(c) The unexpended and unobligated balance of the appropriation made in sec. 42(d), ch. 29, SLA 2008 (Craig, Prince of Wales health care facility project) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for costs incurred, construction of, and equipment for the Craig seafood processing and cold storage plant.

(d) The unexpended and unobligated balance of the appropriation made in sec. 52(a), ch. 61, SLA 2001 (Hydaburg, construction of a road and parking lot) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(e) The unexpended and unobligated balance, not to exceed $4,671, of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(f) The unexpended and unobligated balance, not to exceed $10,000, of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Angoon Boys and Girls Club for equipment, projects, and improvements.

(g) If the amount available for reappropriation under (e) and (f) of this section is less than $14,671, the reappropriations made in (e) and (f) of this section shall be reduced in proportion to the amount of the shortfall.

(h) The unexpended and unobligated balance of the appropriation made in sec. 34(c), ch. 30, SLA 2007 (Angoon Community Association, ANB hall renovation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects and improvements.

* **Sec. 26.** HOUSE DISTRICT 6. (a) Section 4, ch. 30, SLA 2007, page 87, lines 19 - 21, is

amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Galena - Ptarmigan Dorm Sprinkler System Installation **and Steam Heat Delivery, Monitoring, and Safety Improvements** (HD 6)	1,001,040	1,001,040

(b) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 61, SLA 2001, page 61, lines 20 - 21 (Gulkana, RV park construction completion, phase 2 - $25,000), sec. 1, ch. 1, SSSLA 2002, page 80, lines 7 - 8 (Marshall, teen and youth center - $27,179), sec. 8(a)(16), ch. 159, SLA 2004 (Lake Minchumina, community projects and improvements - $58,672), and sec. 8(b)(26), ch. 159, SLA 2004 (Marshall, community projects and improvements - $1,259) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Tetlin Village Council for community projects and improvements.

(c) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 7, lines 3 - 4, as amended by sec. 35(a), ch. 30, SLA 2007 (Nenana, cemetery road resurfacing and community projects and improvements) and sec. 8(b)(17), ch. 159, SLA 2004 (Grayling, community projects and improvements - $24,887) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Mentasta Lake Village Council for community projects and improvements.

(d) The unexpended and unobligated balances of the appropriations made in sec. 22(f), ch. 82, SLA 2003 (Deltana, Delta roads and erosion control), sec. 8(a)(8), ch. 159, 2004 (Deltana, community projects and improvements - $27,575), sec. 8(a)(12), ch. 159, SLA 2004 (Healy Lake Traditional, community projects and improvements - $1,292), and sec. 8(a)(24), ch. 159, SLA 2004 (Red Devil, community projects and improvements - $29,114), are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Flats School District for Stevens Village School equipment and upgrades.

(e) The unexpended and unobligated balances of the appropriations made in sec. 1,

ch. 1, SSSLA 2002, page 75, lines 19 - 21 (Eagle, customs house renovation and fire hall addition - $25,000), sec. 1, ch. 1, SSSLA 2002, page 75, lines 22 - 23 (Eagle, renovation of old school - $15,000), and sec. 8(a)(10), ch. 159, SLA 2004 (Four Mile, community projects and improvements - $27,484) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Northway Village Council for community projects and improvements.

(f) The unexpended and unobligated balance of the appropriation made in sec. 38(a), ch. 159, SLA 2004 (Chitina, purchase of land for a community hall and offices) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Allakaket for community projects and improvements.

(g) The unexpended and unobligated balance of the appropriation made in sec. 8(a)(23), ch. 159, SLA 2004 (Rampart, community projects and improvements - $54,390) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Manley Village Council for community projects and improvements.

(h) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Koyukuk School District for Merreline A. Kangas School projects and improvements.

(i) The unexpended and unobligated balance, not to exceed $40,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Alatna for community projects and improvements.

(j) The unexpended and unobligated balance, not to exceed $38,796, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hughes for community projects and improvements.

(k) If the total amount available for reappropriation in (h) - (j) of this section is less than $138,796, the reappropriations made in (h) - (j) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 27.** HOUSE DISTRICTS 7 - 11. (a) Section 4, ch. 3, FSSLA 2005, page 98, lines 8 - 9, is amended to read:

	ALLOCATIONS
Fairbanks - Wilbur Street Extension **and Pioneer Park Access Safety Improvements** (HD 7-11)	1,000,000

(b) Section 1, ch. 82, SLA 2006, page 69, lines 10 - 12, is amended to read:

	ALLOCATIONS
North Pole [BAKER/NORTH STAR] Water and Sewer [PHASE 1] Matching Grant (HD 7-11)	2,697,293

(c) Section 1, ch. 30, SLA 2007, page 91, line 32, through page 92, line 3, is amended to read:

	ALLOCATIONS
North Pole [- BAKER/NORTH STAR] Water and Sewer [, PHASE I] (HD 7-11)	2,067,210

*** Sec. 28.** HOUSE DISTRICT 12. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 88, line 25 - 26 (Tolsona, public road access - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated

community of Tolsona for public road access.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(a)(30), ch. 159, SLA 2004 (Tolsona, community projects and improvements - $102,637) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated community of Tolsona for community projects and improvements.

*** Sec. 29.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 88, lines 21 - 22 (Wasilla, Lucille Street widen to four lanes - $1,500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for Lucille Street rehabilitation and improvements.

(b) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 34, lines 16 - 18 (Wasilla, Palmer-Wasilla Highway sewer extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Garden Terrace water main extension and upgrade project.

*** Sec. 30.** HOUSE DISTRICT 17. The unexpended and unobligated balance of that portion of the appropriation made in sec. 100, ch. 2, FSSLA 1999, page 56, line 10, and allocated on lines 11 - 13, that was reappropriated by sec. 57(b), ch. 159, SLA 2004 (Eagle River Veterans, Eagle River Veterans Memorial Museum land acquisition and building construction) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Alaska Veterans Museum for land acquisition, building construction, or renovation of an existing structure to house the museum.

*** Sec. 31.** HOUSE DISTRICT 19. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 159, SLA 2004, page 10, lines 26 - 28 (Anchorage, Muldoon town center traffic calming study - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the United Way of Anchorage for Russian Jack/Muldoon Weed and Seed Program support for the fiscal year ending June 30, 2010.

*** Sec. 32.** HOUSE DISTRICTS 29 - 30. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 14, lines 31 - 33 (Anchorage, Papago

Park upgrades and improvements - $18,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the purchase of a mobile computer lab for Campbell Elementary School.

*** Sec. 33.** HOUSE DISTRICT 31. Section 1, ch. 159, SLA 2004, page 12, line 31, through page 13, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Municipality of Anchorage/ Anchorage School District - Huffman School - Intercom System **and Light Fixture** Replacement **(HD 17-32)** [ED 17-32]	11,000	11,000

*** Sec. 34.** HOUSE DISTRICTS 33 - 34. (a) Section 42(h), ch. 30, SLA 2007, is amended to read:

(h) The unexpended and unobligated balance, not to exceed $593,700, of the appropriation made in sec. 4, ch. 3, FSSLA 2005, page 97, lines 14 - 15 (Kenai, Spur Road rehabilitation - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Kenai for Wildwood Drive reconstruction **and Marathon Road and Willow Street improvements**.

(b) Section 1, ch. 159, SLA 2004, page 7, line 33, through page 8, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Kenai Peninsula Borough - Funny River Pedestrian Safety Light **and Driveway Improvements (HD 33-34)** [ED 33-35]	10,000	10,000

(c) The unexpended and unobligated balance, not to exceed $100,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikishka Bay Utilities, Inc., for water system upgrades.

(d) The unexpended and unobligated balance, not to exceed $709,434, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Kenai Peninsula Borough for construction of Nikiski Fire Department Station Number 2.

(e) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency Services for the purchase of an ambulance.

(f) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Kenai Peninsula State Fair for fairground facility improvements and access.

(g) If the amount available for reappropriation in (c) - (f) of this section is less than $944,434, the reappropriations made in (c) - (f) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 35.** HOUSE DISTRICTS 33 - 35. Section 1, ch. 3, FSSLA 2005, page 24, lines 10 - 12, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Kenai Peninsula Borough - Homer Middle School **and**	200,000	200,000

McNeil Canyon Elementary
School Roofing Upgrades
(HD 33-35)

* **Sec. 36.** HOUSE DISTRICT 37. (a) Section 1, ch. 82, SLA 2006, page 32, lines 14 - 15, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
City of Sand Point - Ferry Dock Warehouse **and Other City-Owned Facilities** (HD 37)	200,000	200,000

(b) The unexpended and unobligated balances of the appropriations made in sec. 8(b), ch. 1, SSSLA 2002, page 97, line 18 (Atka, community projects and improvements - $25,000) and sec. 43(b), ch. 159, SLA 2004 (Atka, federal grant match for clinic/civic center project) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Atka for new clinic construction.

(c) Section 1, ch. 82, SLA 2006, page 27, lines 14 - 15, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
City of Akutan - Akutan Harbor Road Project **and Airport Access Projects** (HD 37)	3,100,000	3,100,000

* **Sec. 37.** HOUSE DISTRICT 38. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 135, SLA 2000, page 56, lines 18 - 20 (Upper Kalskag, community restoration and graveyard restoration - $25,000), sec. 1, ch. 1, SSSLA 2002, page 84, lines 25 - 27 (Upper Kalskag, teen center and playground equipment purchase - $28,791), and sec. 8(b)(25), ch. 159, SLA 2004 (Lower Kalskag, community projects and improvements - $41,922) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Native Village of Upper Kalskag for the multi-facility building renovation.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(b),

ch. 1, SSSLA 2002, page 97, line 28 (Eek, community projects and improvements - $170,838) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Eek for river bank repairs and boardwalks.

(c) The unexpended and unobligated balances of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, 2010.

* **Sec. 38.** HOUSE DISTRICT 39. The unexpended and unobligated balances of the appropriations made in sec. 8(a), ch. 1, SSSLA 2002, page 96, line 26 (Pitka's Point, Community projects and improvements - $77,149) and sec. 8(a)(21), ch. 159, SLA 2004 (Pitka's Point, Community projects and improvements - $35,507) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Pitka's Point Traditional Council for upgrading the washeteria.

* **Sec. 39.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 38, lines 9 - 12 (Kenai Peninsula Borough, Diamond Ridge nonmotorized vehicle safety trail - $65,000) is reappropriated to the Department of Transportation and Public Facilities for Ohlson Mountain Road improvements.

* **Sec. 40.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Council for the projects listed in the amounts stated:

PROJECT	AMOUNT
(1) boiler replacement and heating rehabilitation project	$2,900,000
(2) exterior and interior repair, renovation, and safety improvements	2,600,000
(3) addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010	750,000
(4) information technology upgrades and electronic voting improvements	600,000

(b) If the amount available for reappropriation in (a) of this section is less than $6,850,000, the reappropriations made by (a)(1) - (4) of this section shall be reduced in proportion to the amount of the shortfall.

(c) The unexpended and unobligated balance, not to exceed $850,000, after the reappropriation made in (a) of this section, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) is reappropriated to the Legislative Council for purchase, restoration, and display of historical art and artifacts in conjunction with statehood celebrations in the capitol.

(d) The unexpended and unobligated balances, after the reappropriations made in (a) and (c) of this section, of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative

operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Council for necessary legislative capital projects.

(e) Section 70(c), ch. 29, SLA 2008, is amended to read:

(c) The unexpended and unobligated balances, not to exceed $100,000, of the appropriations made in sec. 1, ch. 28, SLA 2007, page 42, line 22 (Budget and Audit Committee - $14,219,300); sec. 1, ch. 28, SLA 2007, page 42, line 28 (Legislative Council - $30,201,500); and sec. 1, ch. 28, SLA 2007, page 43, line 6 (legislative operating budget - $9,682,300) are reappropriated to the Legislative Council for the Legislative Outdoor Heritage Caucus for the fiscal year ending June 30, **2010** [2009].

(f) The unexpended and unobligated balance, estimated to be $750,000, of the appropriation made in sec. 70(b), ch. 29, SLA 2008 (Legislative Council, Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings) is reappropriated to the Legislative Council for the Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings and for addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010.

* **Sec. 41.** UNIVERSITY OF ALASKA. The unexpended and unobligated balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 117, lines 23 - 25 (University of Alaska, Kachemak Bay Campus expansion - city hall purchase - $2,500,000) is reappropriated to the University of Alaska for property acquisition and property improvements to the Kachemak Bay Campus of the Kenai Peninsula College.

* **Sec. 42.** COASTAL IMPACT ASSISTANCE PROGRAM. (a) The share of money received by the state under the federal coastal impact assistance program, sec. 384, P.L. 109-58 (Energy Policy Act of 2005), expected to be $53,600,000, is appropriated in the following amounts to the departments listed for the projects described:

(1) $25,950,000 to the Department of Natural Resources for state-initiated capital projects, as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(2) $750,000 to the Department of Fish and Game for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program;

(3) $16,000,000 to the Department of Commerce, Community, and Economic Development for capital project grants to be awarded through an open public solicitation process and as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(4) $10,900,000 to the Department of Commerce, Community, and Economic Development for competitive capital project grants, as allowed under federal and state laws governing the use of coastal impact assistance program funds, to be allocated to the following coastal resource service areas and municipalities in the amounts stated:

RECIPIENT	AMOUNT
Cenaliulriit CRSA	$3,000,000
City and Borough of Juneau	1,900,000
Aleutians West CRSA	1,200,000
Bering Straits CRSA	1,100,000
City and Borough of Sitka	900,000
Ketchikan Gateway Borough	900,000
Aleutians East Borough	700,000
Bristol Bay CRSA	500,000
City and Borough of Yakutat	300,000
Haines Borough	200,000
Municipality of Skagway	100,000
City and Borough of Wrangell	100,000

(b) If the amount available for appropriation in (a) of this section is less than $53,600,000, the appropriations made in (a)(1) - (4) of this section shall be reduced in proportion to the amount of the shortfall.

* **Sec. 43.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The sum of $24,547,500 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Department of Health and Social Services, health care services, for a statewide electronic health information exchange system.

(b) The sum of $2,727,500 is appropriated from the general fund to the Department of Health and Social Services, health care services, for a statewide electronic health information

exchange system.

*** Sec. 44.** DEPARTMENT OF FISH AND GAME. The sum of $750,000 is appropriated from the general fund to the Department of Fish and Game to supplement the appropriation of federal funds in sec. 42(a)(2) of this Act for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program for the fiscal year ending June 30, 2010.

*** Sec. 45.** FUND SOURCE CHANGES FOR FEDERAL ECONOMIC STIMULUS PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) Section 2, ch. 61, SLA 2001, page 65, line 24, is amended to read:

Federal Receipts	**658,269,373**
	[664,017,739]
Federal Stimulus: ARRA 2009	**5,748,366**

(b) The fund source amendment in (a) of this section is for $5,748,366 of the allocation made in sec. 1, ch. 61, SLA 2001, page 41, lines 21 - 23 (Ketchikan: Tongass - viaducts replacement and rehabilitation - $5,750,000).

(c) Section 2, ch. 159, SLA 2004, page 53, line 28, is amended to read:

Federal Receipts	**1,095,667,288**
	[1,100,167,288]
Federal Stimulus: ARRA 2009	**4,500,000**

(d) The fund source amendment in (c) of this section is for

(1) $3,000,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 36, lines 29 - 30 (Fort Yukon: resurfacing - $3,000,000); and

(2) $1,500,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 44, line 33, through page 45, line 4 (Ketchikan: Tongass Highway - viaducts replacement and rehabilitation - $2,200,000).

(e) Section 2, ch. 3, FSSLA 2005, page 93, line 27, is amended to read:

1002 Federal Receipts	**742,445,086**
	[757,030,711]
1212 Federal Stimulus: ARRA 2009	**14,585,625**

(f) The fund source amendment in (e) of this section is for

(1) $4,220,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 69, lines 31 - 32 (Allakaket: airport improvements - $4,220,000);

(2) $2,765,625 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 71, lines 9 - 10 (Fort Yukon: airport resurfacing - $2,765,625);

(3) $6,600,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 73, lines 6 - 8 (Ouzinkie: airport reconstruction and relocation - $9,000,000); and

(4) $1,000,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 79, lines 30 - 31 (Dillingham: Wood River Road reconstruction - $1,000,000).

(g) Section 2, ch. 82, SLA 2006, page 113, line 23, is amended to read:

1002 Federal Receipts	**1,026,284,951**
	[1,036,719,351]
1212 Federal Stimulus: ARRA 2009	**10,434,400**

(h) The fund source amendment in (g) of this section is for

(1) $2,734,400 of the allocation made in sec. 1, ch. 82, SLA 2006, page 90, lines 16 - 17 (Fort Yukon: airport improvements - $4,725,151); and

(2) $7,700,000 of the allocation made in sec. 1, ch. 82, SLA 2006, page 99, lines 7 - 8 (Gustavus: dock replacement - $19,000,000).

(i) Section 5, ch. 30, SLA 2007, page 121, line 20, is amended to read:

1002 Federal Receipts	**531,315,800**
	[542,215,800]
1212 Federal Stimulus: ARRA 2009	**10,900,000**

(j) The fund source amendment in (i) of this section is for

(1) $3,500,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105, lines 28 - 29 (Akiachak: airport relocation - $10,500,000);

(2) $400,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105, lines 32 - 33 (Allakaket: airport improvements - $400,000); and

(3) $7,000,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 107, lines 4 - 5 (Huslia: airport improvements - $7,525,000).

(k) Section 14, ch. 29, SLA 2008, page 177, line 9, is amended to read:

1002 Federal Receipts	**551,465,150**
	[563,745,150]
1212 Federal Stimulus: ARRA 2009	**12,280,000**

(*l*) The fund source amendment in (k) of this section is for

(1) $1,780,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 162, lines 11 - 12 (Allakaket: airport improvements - $1,950,000); and

(2) $10,500,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 169, lines 31 - 33 (Juneau: Glacier Highway – Amalga to Eagle Beach widening - $10,500,000).

* **Sec. 46.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) If the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(b) If, after the appropriation made in (a) of this section, the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated to the general fund from the Alaska Housing Capital Corporation, a subsidiary of the Alaska Housing Finance Corporation created under authority of AS 18.56.086.

(c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund.

* **Sec. 47.** CONTINGENCY. Section 43 of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of SB 133 relating to a statewide electronic health information exchange system.

* **Sec. 48.** LAPSE. (a) The appropriations made by secs. 15 and 16(1) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made by secs. 17, 22(b), 23(b), 23(c), 24(b), 25(d) - (f), 26(b) - (e), 26(g) - (i), 30, 34(c), 34(e), 34(f), 37(a), 38, 39, 40(a)(1), 40(a)(2), 40(a)(4), 40(c), 40(d), and 41 - 43 of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project and lapses under AS 37.25.020, unless otherwise specified.

* **Sec. 49.** Sections 4, 7, 10, 19 - 21, 45, 46(a), and 46(b) of this Act take effect April 19, 2009.

* **Sec. 50.** Sections 18(b), 18(c), and 22 - 41 of this Act take effect June 30, 2009.

* **Sec. 51.** Except as provided in secs. 49 and 50 of this Act, this Act takes effect July 1, 2009.

2009 HOUSE
FINANCE
COMMITTEE

DATE: 4-17-09

Amendment: 3

SB 75

MEMBER	Favor	Oppose
REP. FAIRCLOUGH		✓
REP. FOSTER		✓
REP. GARA	✓	
REP. JOULE		✓
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. CRAWFORD	✓	
REP. HAWKER		✓
REP. STOLTZE		✓

3 – 8

adopted 9-1

AMENDMENT 4

Offered by: **Representative Fairclough**
To: **House CS for CS for Senate Bill 75 (Fin)**

amendment to Amendment 4 adopted

Insert:
Page 53
After line 15

It is the intent of the legislature that the Department of Transportation and Public Facilities install a new drainage culvert at MP 14.4 of the Glenn Highway prior to paving this section of the highway.

"if feasible & within the project's scope, schedule & budget, prior to paving this section of highway"

Explanation: This amendment allows construction and installation of a culvert to alleviate long standing drainage and flooding issues along the Glenn Highway and in the Eagle Glen Subdivision.

Renumber accordingly

failed 3-8
4-17-09

26-GS1003\N.2
Kane
4/17/09

AMENDMENT 3

OFFERED IN THE HOUSE BY REPRESENTATIVE SALMON

TO: HCS CSSB 75(FIN), Draft Version "N"

Page 63, line 1:

Delete "sec. 21"

Insert "sec. 22"

Page 67, following line 11:

Insert a new bill section to read:

"* **Sec. 19.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum of $150,000. is appropriated from the general fund to the Department of Education and Early Development for payment as a grant under AS 37.05.316 to the Tanana City School District for debt repayment for the fiscal year ending June 30, 2009."

Renumber the following bill sections accordingly.

Page 82, line 4:

Delete "sec. 42(a)(2)"

Insert "sec. 43(a)(2)"

Page 84, line 20:

Delete "Section 43"

Insert "Section 44"

Page 84, lines 25 - 27:

Delete "22(b), 23(b), 23(c), 24(b), 25(d) - (f), 26(b) - (e), 26(g) - (i), 30, 34(c), 34(e),

34(f), 37(a), 38, 39, 40(a)(1), 40(a)(2), 40(a)(4), 40(c), 40(d), and 41 - 43"

Insert "23(b), 24(b), 24(c), 25(b), 26(d) - (f), 27(b) - (e), 27(g) - (i), 31, 35(c), 35(e), 35(f), 38(a), 39, 40, 41(a)(1), 41(a)(2), 41(a)(4), 41(c), 41(d), and 42 - 44"

Page 84, line 30:

Delete "19 - 21, 45, 46(a), and 46(b)"

Insert "19 - 22, 46, 47(a), and 47(b)"

Page 85, line 1:

Delete "22 - 41"

Insert "23 - 42"

Page 85, line 2:

Delete "secs. 49 and 50"

Insert "secs. 50 and 51"

adopted 4-17-09

26-GS1003\U.1
Kane
4/17/09

AMENDMENT 1

OFFERED IN THE HOUSE BY REPRESENTATIVE STOLTZE

TO: HCS CSSB 75(FIN), Draft Version "U"

Page 78, line 29, through page 79, line 2:

Delete all material.

Reletter the following subsections accordingly.

Page 79, line 4:

Delete "and (c)"

Page 79, line 7, following "for":

Insert "purchase, restoration, and display of historical art and artifacts in conjunction with statehood celebrations, energy-related issues, and"

Page 84, line 1:

Delete "37(d),"

3193

adopted 4-17-09

26-GS1003\U
Kane
4/17/09

HOUSE CS FOR CS FOR SENATE BILL NO. 75(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	***** **Department of Administration** *****			
	*****	*****		
Alaska Public Offices Commission Online System Completion (HD 1-40)		175,000	175,000	
Enterprise Security Projects (HD 1-40)		2,500,000		2,500,000
Facilities Deferred Maintenance (HD 1-40)		2,800,000		2,800,000
	*****		*****	
***** **Department of Commerce, Community and Economic Development** *****				
	*****		*****	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Renewable Energy Project Grants (AS 42.45.045) (HD 1-40)		25,000,000		25,000,000

It is the intent of the legislature that the Alaska Energy Authority award $25,000,000 of grants from the Renewable Energy Fund to the projects listed as the top ranked $25,000,000 on the Renewable Energy Fund, Round II prioritized project list, dated March 23, 2009.

Alaska Energy Authority Energy Projects (HD 1-40)	25,500,000	4,500,000	21,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Community Block Grants (HD 1-40)		6,100,000	70,000	6,030,000
Community Development and Assistance (HD 1-40)		2,630,000	430,000	2,200,000
Grants Tracking System (HD 1-40)		255,000	255,000	
Kodiak Launch Complex Infrastructure (HD 36)		17,500,000	3,500,000	14,000,000
Manufacturing Extension Program (HD 1-40)		806,401	806,401	
Organization Grant (HD 1-40)		100,000	100,000	
Grants to Named Recipients (AS 37.05.316)				
Arctic Power (HD 1-40)		120,000	120,000	
Grants to Municipalities (AS 37.05.315)				
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000	10,000,000	

It is the intent of the legislature that the Municipality of Anchorage, specifically the Port of Anchorage, assist the Matanuska Susitna Borough and Port MacKenzie in applying for grants from the United States Department of Transportation for port infrastructure investments, including projects that connect ports to other nodes of transportation and improve the efficiency of freight movement.

Kenai - River Bluff Erosion Project (HD 33-35)	2,000,000	2,000,000	

It is the intent of the legislature that no state funds be released for this project until sufficient local and federal funds are secured to complete the project.

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Department of Corrections** * * * * *			
	* * * * *	* * * * *		
Annual Facilities Maintenance and Repairs (HD 1-40)		1,000,000	1,000,000	
Goose Creek Correctional Center Utility and Energy Costs for New Construction (HD 13-16)		6,000,000	6,000,000	
	* * * * *		* * * * *	
	* * * * * **Department of Education and Early Development** * * * * *			
	* * * * *		* * * * *	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,000,000	1,000,000	
Major Maintenance Grant Fund (AS 14.11.007)		**42,443,481**	**42,443,481**	
Craig Elementary School Roof Replacement (HD 5)	85,807			
St. Mary's - Garage and Warm Storage Renovation (HD 39)	882,608			
Houghtaling Elementary Outdoor Physical Education Shelter Replacement (HD 1)	276,110			
Evergreen Elementary School Playground Safety Upgrades (HD 2)	770,698			
Sand Point K-12 School Window Replacement (HD 37)	67,948			

	Allocations	Appropriation Items	General Funds	Other Funds
Pacific High School Renovation (HD 2)	1,736,513			
Huslia High School Exterior Upgrades (HD 6)	923,685			
Valley Park Elementary Siding Replacement (HD 1)	467,164			
Craig Middle School Exterior Envelope Upgrades (HD 5)	26,868			
Cold Bay K-12 Heating System Upgrade (HD 37)	75,789			
Galena Regional Learning Center Gym Building Upgrade (HD 6)	6,888,506			
Allakaket K-12 School Water System Improvements (HD 6)	161,994			
Platinum K-12 School Prime Power Generators (HD 38)	181,678			
False Pass K-12 School Siding Replacement (HD 37)	92,042			
Galena Regional Learning Center Dining Facility Upgrade (HD 6)	3,528,598			
Kasigluk-Akula K-12 School Generator Building Floor Failure Repairs (HD 38)	928,581			
Aleknagik, Clarks Point, Ekwok K-12 Schools: HVAC Upgrades (HD 37)	384,186			

	Allocations	Appropriation Items	General Funds	Other Funds
Kotlik K-12 Heat Plant Relocation (HD 39)	1,369,016			
Saint Mary's - Districtwide Fuel Tank Farm Replacement (HD 39)	3,306,502			
Craig Middle School Classroom Renovation (HD 5)	83,588			
Kodiak Schools Seismic Mitigation Project (HD 36)	3,236,143			
Diomede K-12 School Renovation (HD 39)	15,890,622			
Kaltag K-12 School Heating System Replacement (HD 6)	1,078,835			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Oil and Hazardous Substance First Responder Equipment and Preparedness (HD 1-40)		750,000		750,000
Statewide Contaminated Sites Cleanup (HD 1-40)		5,000,000		5,000,000
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**23,189,396**	**23,189,396**	
Anchorage: Girdwood Wastewater Treatment Facility (HD 17-32)	4,182,000			
Dillingham: Water System Improvements, Phase II (HD 37)	3,090,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks North Star Borough: Pioneer Park Water and Sewer Improvements (HD 7-11)	100,395			
Juneau: East Valley Reservoir/Jordan Creek Rehabilitation Project (HD 3-4)	41,400			
Juneau: North Douglas Sewer Expansion, Phase III (HD 3-4)	123,165			
Juneau: North Douglas Sewer Expansion, Phase IV (HD 3-4)	1,804,560			
Juneau: West Mendenhall Valley Sewer Expansion, Phase II (HD 3-4)	109,710			
Juneau: West Mendenhall Valley Sewer Expansion, Phase III (HD 3-4)	1,608,860			
Kenai: New Water Transmission Mains Phase II and Wellhouse (HD 33-35)	2,132,100			
Kenai: Water Treatment Plant Upgrades, Phase III (HD 33-35)	648,945			
Ketchikan Gateway Borough: Waterline Extension from Mountain Point (HD 1)	1,453,241			
Ketchikan: Tongass Avenue	1,691,260			

	Allocations	Appropriation Items	General Funds	Other Funds
Water and Sewer Replacement, Phase II (HD 1)				
Matanuska Susitna Borough: Garden Terrace Estates, Phase II (HD 13-16)	356,040			
Nome: Moonlight Springs Transmission Line Upgrade/Replacement, Phase II (HD 39)	3,090,000			
North Pole: Sewer Lift Station Renovation Project (HD 7-11)	724,500			
Palmer: Steel Water Main Replacement, Phase VII (HD 13-16)	2,033,220			
Village Safe Water and Wastewater Infrastructure Projects		**66,666,598**	**14,041,598**	**52,625,000**
Adak: Water and Sewer Improvements (HD 37)	526,490			
Akiachak: Service Lines and Plumbing (HD 38)	1,652,060			
Alatna: Landfill Master Plan (HD 6)	55,000			
Alatna: Water Supply and Sewage Collection and Treatment Project Phase IV (HD 6)	124,697			
Ambler: Sanitation Facility Master Plan	80,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrade (HD 40)				
Anchor Point: Water and Sewer Line Extension Study (HD 33-35)	81,000			
Anchor Point: Water System Upgrades (HD 33-35)	810,000			
Anderson: Sewage Lagoon (HD 7-11)	870,500			
Aniak: Sewer Service (HD 6)	44,535			
Atka: Phase IV Improvements (HD 37)	310,385			
Beaver: Sanitation Improvement Feasibility Study (HD 6)	64,800			
Bethel: Backbone Upgrades Phase I (HD 38)	1,514,181			
Buckland: Water and Sewer System (HD 40)	3,919,056			
Chenega Bay: Water Treatment and Sewer Collection (HD 5)	290,794			
Chignik Bay: Wastewater System Improvements Phase IV (HD 37)	396,605			
Chistochina: Washeteria and Community Water System (HD 6)	471,778			
Chuathbaluk: Piped Sewer System Improvements (HD 6)	318,806			

	Allocations	Appropriation Items	General Funds	Other Funds
Coffman Cove: Water Storage System (HD 1)	1,068,783			
Crooked Creek: Piped Water and Sewer System Final Phase (HD 6)	648,058			
Denali Commission/ANTHC/Other Federal Agencies (HD 1-40)	10,500,000			
Eek: Water and Sewer Service (HD 38)	4,186,267			
Ekwok: Sewer System Improvements (HD 37)	364,231			
Emmonak: Water and Sewer Mains and Upgrades (HD 39)	534,417			
False Pass: Sewage Collection System (HD 37)	638,276			
Fort Yukon: Sewer Collection and Water Storage System (HD 6)	165,902			
Gambell: Water Storage System and Sewer System Improvements (HD 39)	35,628			
Glennallen: Hub Sewer Extension Final Phase (HD 12)	17,813			
Golovin: Water Storage Tank (HD 39)	169,232			
Hooper Bay: Piped Water and Sewer System (HD 39)	2,761,152			
Kachemak: Selo Water System Feasibility Study	216,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Groundwater Investigation (HD 33-35)				
Kasaan: Water Treatment Plant and Storage Tank (HD 5)	502,846			
Kasigluk: Piped Water and Sewer and Sewer Haul Service (HD 38)	556,974			
Kongiganak: Water System Improvements (HD 38)	961,950			
Kotlik: Piped Water and Sewer Extensions (HD 39)	218,950			
Kotzebue: Water and Sewer Upgrades (HD 40)	1,567,622			
Lower Kalskag: Piped Water and Sewer System (HD 38)	1,564,758			
Manokotak: Old Village Water and Sewer Plan and Source Study (HD 37)	189,000			
Manokotak: Water and Sewer Disposal and Distribution Improvements (HD 37)	860,658			
Marshall: Water and Sewer Line Replacement (HD 6)	254,418			
McGrath: Water and Sewer Improvements (HD 6)	1,456,541			
Mountain Village: Water Improvement Feasibility Study (HD 39)	113,400			
Nanwalek: Piped Water and Sewer System Replacement	404,259			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 33-35)				
Napaskiak: Solid Waste Study (HD 38)	81,000			
Nightmute: Sewer Lagoon and System Improvements (HD 38)	368,712			
Nikolai: Water Treatment Study and Gravity Sewer Study (HD 6)	75,000			
Ninilchik: Water and Sewer System Improvements (HD 33-35)	1,613,955			
Nunapitchuk: Water Treatment and Sewer Lagoon Upgrades (HD 38)	569,011			
Old Harbor: Water Treatment Plant, Tank and Connections (HD 36)	326,796			
Pelican: Water and Sewer Upgrades (HD 2)	855,095			
Pilot Point: Water and Sewer Pipe Extension and Upgrades (HD 37)	602,911			
Pitkas Point: Water and Sewer System Upgrades (HD 39)	751,006			
Quinhagak: Piped Water and Sewer System Upgrades (HD 38)	891,496			
Saint Mary's: Water System Upgrades (HD 39)	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Saint Michael: Completion of Piped Water and Sewer System (HD 39)	17,813			
Saint Paul: Sewage Ocean Outfall (HD 37)	1,512,000			
Saxman: Water Treatment Plant (HD 1)	266,638			
Seldovia: Water and Sewer Pipe Replacement and Upgrades (HD 33-35)	1,178,317			
Shageluk: Water Source and Sewer Service (HD 6)	2,310,105			
Shaktoolik: Water and Sewer Treatment Plant Upgrades and Compliance Study (HD 39)	81,000			
Shungnak: Sanitation Facilities Master Plan Upgrade (HD 40)	80,000			
Slana: Wells and Septic Systems (HD 6)	808,501			
Stebbins: Water and Sewer System (HD 39)	2,939,292			
Takotna: Water and Sewer System Upgrades (HD 6)	423,614			
Tanana: Sewage Lagoon Improvements and Piped Water and Sewer Extension (HD 6)	1,291,150			
Thorne Bay: Water, Sewer and Solid Waste Study (HD	135,000			

	Allocations	Appropriation Items	General Funds	Other Funds
1)				
Togiak: Water Treatment Plant Upgrades and Repairs (HD 37)	1,066,856			
Toksook Bay: Water and Sewer System Improvements (HD 38)	1,315,797			
Tuluksak: Piped Water and Sewer System (HD 38)	1,154,004			
Tuntutuliak: Water and Sewer System Improvements (HD 38)	247,613			
Tununak: Flush Tank and Haul (HD 38)	140,633			
Unalakleet: Water and Sewer Lagoon Improvements (HD 39)	1,070,437			
Voznesenka: Water and Sewer System Improvements (HD 33-35)	221,034			
Wales: Lagoon Repair and Expansion (HD 39)	783,990			
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		
Cooperative Resource Program (HD 1-40)		455,000		455,000
Pacific Coastal Salmon Recovery Fund (HD 1-40)		22,000,000		22,000,000
Permit Card Equipment for eLandings Program (HD		138,000		138,000

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
Statewide Annual Deferred Maintenance, Repair, Upgrades, and Equipment (HD 1-40)		340,000	340,000	
*****			*****	
***** **Department of Health and Social Services** *****				
*****			*****	
Emergency Medical Services - Emergency Communications (HD 1-40)		190,000	190,000	
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Health Insurance Portability and Accountability Act Compliance (HD 1-40)		1,337,448	668,724	668,724
HIPAA Updated Electronic Transaction Standards (HD 1-40)		4,500,000	450,000	4,050,000
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		1,146,589	942,717	203,872
Online Resources for the Children of Alaska Enhancements to Meet		414,255	242,163	172,092

	Allocations	Appropriation Items	General Funds	Other Funds
Federal Requirements (HD 1-40)				
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		800,000	800,000	
Production Printer Replacement (HD 1-40)		474,300	299,300	175,000
Public Health Disaster Preparedness (HD 1-40)		500,000	500,000	
Safety and Support Equipment for Probation Officers and Front Line Workers (HD 1-40)		1,115,750	750,000	365,750
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Deferred Maintenance and Training Facility Expansion (HD 33-35)		600,000	600,000	
Workers' Compensation .Net Upgrade and Rewrite (HD 1-40)		3,092,200		3,092,200
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Army Guard Facilities Projects (HD 1-40)		2,500,000	750,000	1,750,000
Compliance Cleanup Site Restoration (HD 1-40)		17,000,000		17,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)		400,000	400,000	
National Guard Counterdrug Support and ROPES Program (HD 1-40)		150,000	50,000	100,000
State Homeland Security Grant Program (HD 1-40)		9,500,000		9,500,000
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,000,000		3,000,000
Alaska Boating Safety Program (HD 1-40)		1,450,000		1,450,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Cooperative Water Resource Program (HD 1-40)		300,000		300,000
Federal and Local Government Funded Forestry and Fire Projects (HD 1-40)		3,500,000		3,500,000
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sales - New Subdivision Development		3,500,000		3,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		900,000		900,000
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000		250,000
Wildland Fire Truck Replacement (HD 1-40)		375,000	375,000	
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		600,000	600,000	
AST Law Enforcement Equipment Replacement (HD 1-40)		250,000	250,000	
AST Mobile Data Computers - Phase II (HD 1-40)		240,000	240,000	
AWT Law Enforcement Equipment Replacement (HD 1-40)		200,000	200,000	
Crime Laboratory Equipment Replacement (HD 1-40)		50,000	50,000	
Marine Fisheries Patrol Improvements (HD 1-40)		2,500,000		2,500,000
Statewide Facilities Maintenance, Repairs, and		602,800	602,800	

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 1-40)				
	* * * * *	* * * * *		
	* * * * * **Department of Revenue** * * * * *			
	* * * * *	* * * * *		
Child Support Services Computer Replacement Project - Phase 5 (HD 1-40)		216,200		216,200
Permanent Fund Dividend Division Call Center Automated Routing (HD 1-40)		135,000		135,000
Alaska Housing Finance Corporation				
AHFC Birch Park II Building (B) Reconstruction (HD 7-11)		640,000		640,000
AHFC Building System Replacement Program (HD 1-40)		1,000,000		1,000,000
AHFC Competitive Grants for Public Housing (HD 1-40)		1,000,000		1,000,000
AHFC Denali Commission Projects (HD 1-40)		5,000,000		5,000,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000		1,000,000
AHFC Federal and Other Competitive Grants (HD 1-40)		4,000,000		4,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
AHFC Fire Protection Systems - Phase I (HD 1-40)		1,380,000		1,380,000
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,050,000		4,050,000
AHFC Housing Loan Program/Teacher/Health and Public Safety Professionals Housing (HD 1-40)		6,800,000		6,800,000
AHFC Loussac Manor Renovation and Replacement - Phase 3 (HD 17-32)		5,656,000		5,656,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		300,000		300,000
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000		4,500,000
AHFC State Energy Program Special Projects (HD 1-40)		200,000		200,000
AHFC Statewide Project Improvements (HD 1-40)		2,000,000		2,000,000
AHFC Supplemental Housing Development Program (HD 1-40)		6,000,000		6,000,000
AHFC Weatherization		2,600,000		2,600,000

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Adak Airport Maintenance and Operations (HD 37)		1,621,900		1,621,900
Airport Deferred Maintenance (HD 1-40)		340,000	340,000	
Alaska Aviation Safety Program (HD 1-40)		800,000	400,000	400,000
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)		936,760	936,760	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		6,000,000	6,000,000	
It is the intent of the legislature that the Alaska Marine Highway System have US Coast Guard inspections conducted and provide maintenance necessary to keep all vessels seaworthy.				
Americans with Disabilities Act Compliance Projects (HD 1-40)		238,000	238,000	
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)		1,020,000	1,020,000	
Harbor Deferred Maintenance (HD 1-40)		272,000	272,000	
Harbor Program Development (HD 1-40)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Highway Deferred Maintenance (HD 1-40)		1,100,000	1,100,000	
Highway Maintenance Vehicle Replacement and Safety Equipment (HD 1-40)		450,000	450,000	
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)		61,500	61,500	
State Equipment Fleet Replacement (HD 1-40)		15,000,000		15,000,000
Statewide Rural Airport Safety Improvements (HD 1-40)		1,000,000	1,000,000	
Statewide Federal Programs		**113,560,000**	**22,783,500**	**90,776,500**
Commercial Vehicle Enforcement Program (HD 1-40)	3,400,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	25,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			
Federal-Aid Aviation State Match (HD 1-40)	6,320,000			
Federal-Aid Highway State Match (HD 1-40)	27,880,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,160,000			
Statewide Safety Program (HD 1-40)	11,800,000			
Airport Improvement Program		**362,126,491**		**362,126,491**
Alakanuk: Airport Relocation (HD 39)	7,140,000			
Alakanuk: Snow Removal Equipment Building (HD 39)	950,000			
Alaska International Airport System: Reimbursable Services Authority (HD 1-40)	5,000,000			
Alaska International Airport System: System Master Plan (HD 1-40)	1,000,000			
Barrow: Airport Runway - Apron Paving and Safety Area Expansion (HD 40)	7,200,000			
Bethel: Airport Master Plan Update (HD 38)	300,000			
Birchwood: Airport Master Plan (HD 13-16)	175,000			
Central Region: Snow Removal Equipment (HD 1-40)	7,300,000			
Chalkyitsik: Airport Improvements (HD 6)	375,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Chefornak: Airport Relocation (HD 38)	16,000,000			
Chignik: Airport Master Plan Wind Study (HD 37)	100,000			
Cold Bay: Airport Rescue and Firefighting Building Expansion (HD 37)	300,000			
Crooked Creek: Airport Improvements (HD 6)	20,000,000			
Dillingham: Airport Apron and Taxiway Resurfacing (HD 37)	10,200,000			
Emmonak: Airport Rehabilitation and Apron Expansion (HD 39)	3,550,000			
Fairbanks International Airport: Airport Rescue and Fire Fighting Building Reroof and Assessment (HD 7-11)	2,000,000			
Fairbanks International Airport: Annual Improvements (HD 7-11)	1,300,000			
Fairbanks International Airport: Contingency Funds (HD 7-11)	5,280,200			
Fairbanks International Airport: Equipment (HD 7-11)	830,000			
Fairbanks International Airport: Information	80,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Technology Improvements (HD 7-11)				
Fairbanks International Airport: Master Plan Update (HD 7-11)	1,000,000			
False Pass: Airport Improvements (HD 37)	17,250,000			
Gustavus: Airport Runway Safety Area (HD 5)	10,000,000			
King Salmon: Airport Improvements (HD 37)	8,500,000			
Kipnuk: Airport Reconstruction (HD 38)	2,000,000			
Kodiak: Regulator Building (HD 36)	2,800,000			
Kotzebue: Airport Certification Compliance Improvements (HD 40)	1,800,000			
Little Diomede: Snow Removal Equipment Building (HD 39)	90,000			
Newtok: Airport Master Plan (HD 38)	375,000			
Northern Region: Snow Removal Equipment (HD 1-40)	3,000,000			
Northern Region: Snow Removal Equipment Building Upgrades (HD 1-40)	1,100,000			
Pilot Station: Airport Relocation (HD 39)	2,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Port Lions: Regulator Building (HD 36)	580,000			
Saint Marys: Airport Improvements (HD 39)	16,900,000			
Seward: Regulator Building (HD 33-35)	330,000			
Southeast: Snow Removal and Fire Fighting Equipment (HD 1-5)	3,300,000			
Statewide: Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide: Aviation Systems Plan Update (HD 1-40)	1,500,000			
Statewide: Various Airports - Surveys for Lateral Precision Vertical Guidance Systems (HD 1-40)	1,500,000			
Statewide: Various Airports Minor Surface Improvements (HD 1-40)	9,000,000			
Stony River: Airport Relocation and Airport Improvements (HD 6)	4,500,000			
Ted Stevens Anchorage International Airport: Advanced Project Design and Planning (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport: AIAS Contingency Funds	20,991,049			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Ted Stevens Anchorage International Airport: Annual Improvements (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Emergency Operations Center / Airport Communication Center (HD 17-32)	10,000,000			
Ted Stevens Anchorage International Airport: Environmental Management System (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Equipment (HD 17-32)	3,860,000			
Ted Stevens Anchorage International Airport: Facility Improvements, Renovations and Upgrades (HD 17-32)	2,400,000			
Ted Stevens Anchorage International Airport: Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport: Jet Bridge Replacements (HD 17-32)	2,800,000			

	Appropriation	General	Other
	Allocations	**Items**	**Funds**	**Funds**
Ted Stevens Anchorage International Airport: Kulis Planning and Design (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Lake Hood Bank Stabilization and Land Acquisition (HD 17-32)	5,263,159			
Ted Stevens Anchorage International Airport: Lake Hood Strip Improvements (HD 17-32)	1,000,000			
Ted Stevens Anchorage International Airport: Lake Hood Strip Runway Protection Zone Land Acquisition (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport: Land Acquisition (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Master Plan Update (HD 17-32)	5,350,000			
Ted Stevens Anchorage International Airport: Master Plan-Part 150 Noise Compatibility Study (HD 17-32)	533,333			
Ted Stevens Anchorage	681,250			

	Allocations	Appropriation Items	General Funds	Other Funds
International Airport: North Terminal Gates N1, 3, and 5 (HD 17-32)				
Ted Stevens Anchorage International Airport: Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	3,600,000			
Ted Stevens Anchorage International Airport: Runway 7L Rehabilitation (HD 17-32)	1,875,000			
Ted Stevens Anchorage International Airport: Runway 7R Design Group VI Upgrade (HD 17-32)	61,000,000			
Ted Stevens Anchorage International Airport: Runway 7R/25L Extension (HD 17-32)	29,102,000			
Ted Stevens Anchorage International Airport: Runway Deicer Storage (HD 17-32)	600,000			
Unalakleet: Snow Removal Equipment Building Replacement (HD 39)	1,130,000			
Willow: Airport Master Plan (HD 13-16)	250,000			
Surface Transportation Program		**359,730,000**		**359,730,000**

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Marine Highway: Ferry Vessel Refurbishment (HD 1-40)	18,000,000			
Alaska Marine Highway: Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway: Terminal - Prince Rupert Ferry Terminal Acquisition (HD 1-5)	7,500,000			
Alaska Marine Highway: Terminal - Southwest Warehouse (HD 33-35)	360,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Congestion Mitigation Air Quality (CMAQ) (HD 17-32)	2,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Projects, Flexible (HD 17-32)	20,300,000			

It is the intent of the legislature that the Municipality of Anchorage and the Alaska Railroad work to identify a specific ferry landing location for the M/V Susitna based on the recommendations from the United States Army Corp Engineers for such a location.

Anchorage Metropolitan Area Transportation Solutions (AMATS) Trails and Recreational Access for Alaska (TRAAK) Projects (HD 17-32)	1,150,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Bethel: Tundra Ridge Road Improvements (HD 38)	1,200,000			
Central Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	20,000,000			
Copper River Highway: Permanent Flooding Repairs (HD 5)	6,500,000			
Dalton Highway: Milepost 197 to 209 (HD 1-40)	22,900,000			
Dalton Highway: Milepost 274 to 289 Reconstruction (HD 40)	3,090,000			
Emmonak: Landfill Road (HD 39)	470,000			
Fairbanks North Star Borough: Transportation Related PM 2.5 Reductions (HD 7-11)	1,160,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	12,570,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System	1,560,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(FMATS): Noble Street Reconstruction (HD 7-11)				
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): North Pole Interchange Pedestrian Facilities (HD 7-11)	1,630,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Preventative Maintenance Program (HD 7-11)	1,370,000			
Fairbanks: Nelson Road Resurfacing (HD 7-11)	2,000,000			
Fairbanks: Phillips Field Road Rehabilitation (HD 7-11)	1,200,000			
Glenn Highway: Milepost 172 to 189 Rehabilitation (HD 12)	7,500,000			
Haines: Haines Highway Reconstruction, Milepost 17 to 21 (HD 5)	14,000,000			
Haines: Klehinin River Bridge (HD 5)	3,000,000			
Huslia: Landfill Road (HD 6)	630,000			
Hyder: Causeway Reconstruction and Trestle	2,300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Replacement (HD 5)				
Juneau: Brotherhood Bridge and Industrial Boulevard Improvements (HD 3-4)	3,000,000			
Kake to Petersburg Road and Shuttle Ferry Terminals (HD 5)	10,000,000			
Ketchikan: Tongass/Water Street Pedestrian Improvements (HD 1)	1,300,000			
Kodiak: Chiniak Road Milepost 23.7 Improvements (HD 36)	6,000,000			
Mat-Su: Trunk Road Reconstruction (HD 13-16)	10,000,000			
McCarthy Road/Edgerton Highway: Permanent Flooding Repairs (HD 6)	10,000,000			
Nome-Council Highway Milepost 62 to 72 (HD 39)	6,370,000			
Northern Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	23,000,000			
Northern Region: Winter Trail Markings (HD 1-40)	200,000			
Richardson Highway: Milepost 228 - One Mile Creek Bridge Replacement (HD 12)	380,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Richardson Highway: Milepost 353 to 357 Access (HD 7-11)	3,500,000			
Richardson Highway: Milepost 357 - Fairbanks New Weigh Station (HD 7-11)	2,790,000			
Richardson Highway: Permanent Flooding Repairs (HD 1-40)	11,400,000			
Safe Routes to Schools (HD 1-40)	1,000,000			
Seward Highway: Dowling to Tudor Reconstruction (HD 17-32)	8,000,000			
Seward Meridian Parkway: Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	13,000,000			
Sitka: Japonski Island Streets and Utilities (HD 2)	2,000,000			
Southeast Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	7,800,000			
Statewide: Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
Statewide: Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide: Civil Rights Program (HD 1-40)	200,000			
Statewide: Congestion Mitigation and Air Quality (CMAQ) Projects (HD 1-40)	7,500,000			
Statewide: Highway Data Equipment Acquisition and Installation (HD 1-40)	1,200,000			
Statewide: Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide: Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide: Intelligent Transportation Systems Implementation Plan (IWAYS) (HD 1-40)	1,500,000			
Statewide: Intelligent Transportation Systems Operations and Maintenance (IWAYS) (HD 1-40)	750,000			
Statewide: National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide: Planning Work Program (HD 1-40)	7,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide: Research Program (HD 1-40)	1,500,000			
Statewide: Scenic Byways Grants (HD 1-40)	500,000			
Statewide: Urban Planning Program (HD 1-40)	1,000,000			
Statewide: Weigh-in-Motion Equipment (HD 1-40)	750,000			
Steese Highway: Milepost 62 to 69 (HD 7-11)	300,000			
Sterling Highway Scales Replacement (HD 33-35)	2,000,000			
Sterling Highway: Milepost 135 - Ninilchik Intersection Improvements and Illumination (HD 33-35)	350,000			
Stevens Village: Sanitation Road (HD 6)	730,000			
Surface Transportation Preconstruction (HD 1-40)	45,000,000			
Taylor Highway: Milepost 70 - Lost Chicken Slide (HD 6)	720,000			
Tok Cutoff: Milepost 2 Bridge Replacement - Gakona River (HD 6)	1,300,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Federal Receipt Authority		15,000,000		15,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		3,200,000	3,200,000	
UA Climate Projects (HD 7-11)		10,000,000		10,000,000
UA Energy Projects (HD 7-11)		5,000,000		5,000,000
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Anchorage Campus Project Phase 2 (HD 17-32)		9,900,000	9,900,000	
Court Security Projects (HD 1-40)		1,190,000	1,190,000	
CourtView Enhancements (HD 1-40)		1,344,300	1,344,300	

(SECTION 2 OF THIS ACT BEGINS ON PAGE 38)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	175,000
1081 Information Services Fund	2,500,000
1147 Public Building Fund	2,800,000
*** Total Agency Funding ***	$5,475,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	40,630,000
1003 General Fund Match	500,000
1004 Unrestricted General Fund Receipts	21,611,801
1007 Interagency Receipts	800,000
1061 Capital Improvement Project Receipts	1,300,000
1108 Statutory Designated Program Receipts	500,000
1210 Renewable Energy Grant Fund	25,000,000
*** Total Agency Funding ***	$90,341,801
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,000,000
*** Total Agency Funding ***	$7,000,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	43,443,481
*** Total Agency Funding ***	$43,443,481
Department of Environmental Conservation	
1002 Federal Receipts	52,125,000
1003 General Fund Match	14,041,598
1004 Unrestricted General Fund Receipts	23,189,396
1052 Oil/Hazardous Release Prevention & Response Fund	5,750,000
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$95,605,994
Department of Fish and Game	

1002	Federal Receipts	24,325,000
1004	Unrestricted General Fund Receipts	340,000
1024	Fish and Game Fund	775,000
1108	Statutory Designated Program Receipts	455,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
*** Total Agency Funding ***		$26,033,000
Department of Health and Social Services		
1002	Federal Receipts	5,635,438
1003	General Fund Match	2,494,744
1004	Unrestricted General Fund Receipts	2,773,160
*** Total Agency Funding ***		$10,903,342
Department of Labor and Workforce Development		
1004	Unrestricted General Fund Receipts	600,000
1157	Workers Safety and Compensation Administration Account	3,092,200
*** Total Agency Funding ***		$3,692,200
Department of Military and Veterans Affairs		
1002	Federal Receipts	28,350,000
1003	General Fund Match	750,000
1004	Unrestricted General Fund Receipts	450,000
*** Total Agency Funding ***		$29,550,000
Department of Natural Resources		
1002	Federal Receipts	10,810,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	375,000
1108	Statutory Designated Program Receipts	1,100,000
1153	State Land Disposal Income Fund	3,500,000
1195	Special Vehicle Registration Receipts	450,000
*** Total Agency Funding ***		$16,435,000
Department of Public Safety		
1002	Federal Receipts	2,500,000
1004	Unrestricted General Fund Receipts	1,942,800

*** Total Agency Funding ***		$4,442,800
Department of Revenue		
1002	Federal Receipts	18,782,692
1050	Permanent Fund Dividend Fund	135,000
1139	Alaska Housing Finance Corporation Dividend	30,686,000
1156	Receipt Supported Services	73,508
*** Total Agency Funding ***		$49,677,200
Department of Transportation/Public Facilities		
1002	Federal Receipts	742,660,550
1003	General Fund Match	22,783,500
1004	Unrestricted General Fund Receipts	12,018,260
1026	Highways Equipment Working Capital Fund	15,000,000
1027	International Airports Revenue Fund	16,806,800
1061	Capital Improvement Project Receipts	400,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	24,029,141
1139	Alaska Housing Finance Corporation Dividend	4,856,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1179	Passenger Facility Charges	4,560,000
1190	Adak Airport Operations	1,621,900
*** Total Agency Funding ***		$864,456,651
University of Alaska		
1002	Federal Receipts	30,000,000
1004	Unrestricted General Fund Receipts	3,200,000
*** Total Agency Funding ***		$33,200,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	12,434,300
*** Total Agency Funding ***		$12,434,300
* * * * * Total Budget * * * * *		$1,292,690,769

(SECTION 3 OF THIS ACT BEGINS ON PAGE 41)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1003	General Fund Match	40,769,842
1004	Unrestricted General Fund Receipts	129,553,198
Total General Funds		$170,323,040
Federal Funds		
1002	Federal Receipts	955,818,680
1190	Adak Airport Operations	1,621,900
Total Federal Funds		$957,440,580
Other Non-Duplicated Funds		
1024	Fish and Game Fund	775,000
1027	International Airports Revenue Fund	16,806,800
1108	Statutory Designated Program Receipts	14,555,000
1139	Alaska Housing Finance Corporation Dividend	35,542,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1153	State Land Disposal Income Fund	3,500,000
1156	Receipt Supported Services	73,508
1157	Workers Safety and Compensation Administration Account	3,092,200
1179	Passenger Facility Charges	4,560,000
1195	Special Vehicle Registration Receipts	450,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
Total Other Non-Duplicated Funds		$87,213,008
Duplicated Funds		
1007	Interagency Receipts	800,000
1026	Highways Equipment Working Capital Fund	15,000,000
1050	Permanent Fund Dividend Fund	135,000

1052	Oil/Hazardous Release Prevention & Response Fund	5,750,000
1061	Capital Improvement Project Receipts	1,700,000
1081	Information Services Fund	2,500,000
1112	International Airports Construction Fund	24,029,141
1147	Public Building Fund	2,800,000
1210	Renewable Energy Grant Fund	25,000,000
Total Duplicated Funds		$77,714,141

(SECTION 4 OF THIS ACT BEGINS ON PAGE 43)

* **Sec. 4.** The following appropriation items are for capital projects to upgrade commercial passenger vessel services and watercraft infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 5 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Aviation Heritage Museum - Major Facility Safety, Energy and Collections Care Improvements (HD 17-32)		500,000		500,000
Alaska Native Heritage Center - Village Site Completion (HD 17-32)		275,000		275,000
Alaska Wildlife Conservation Center, Inc. - Visitor Education and Research Sanctuary (HD 17-32)		1,000,000		1,000,000
Alaska Zoo - Infirmary and Commissary for the Animals (HD 17-32)		800,000		800,000
Marine Exchange of Alaska - Vessel Tracking System Upgrades (HD 1-40)		450,000		450,000

	Allocations	Appropriation Items	General Funds	Other Funds
Morris Thompson Cultural and Visitors Center - Exhibit Completion (HD 7-11)		1,000,000		1,000,000
Grants to Municipalities (AS 37.05.315)				
Anchorage - Egan Center Cruise Passenger Staging Upgrades (HD 17-32)		1,000,000		1,000,000
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000		10,000,000
Cordova - Cordova Center Construction and Equipment (HD 5)		1,000,000		1,000,000
Fairbanks North Star Borough - Carlson Center Improvements (HD 7-11)		1,000,000		1,000,000
Haines Borough: Port Chilkoot Waterfront Improvements (HD 5)		1,900,000		1,900,000
Hoonah - Cruise Ship Mooring Buoy System (HD 5)		1,000,000		1,000,000
Juneau - Cruise Ship Dock Improvements (HD 3-4)		2,500,000		2,500,000
Juneau - Auke Bay Seawalk Construction (HD 3-4)		800,000		800,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan - Port of Ketchikan Berth I and II Replacement (HD 1)		4,000,000		4,000,000
Ketchikan - Reconstruction of Downtown Bridges and Trestles (HD 1)		5,000,000		5,000,000
Kodiak (City of) - Pedestrian Improvements Between Cruise Ship Dock (Pier II) & Downtown Kodiak (HD 36)		700,000		700,000
Palmer - Visitors Information Center Restrooms (HD 13-16)		100,000		100,000
Petersburg - Commercial Dock and Vehicle Drive Down Design and Construction (HD 2)		3,390,000		3,390,000
Seward - Bus Transportation Assistance for Cruise Ship Passengers. (HD 33-35)		167,000		167,000
Seward - Dredging Cruise Ship Berthing Basins and Approaches (HD 33-35)		4,500,000		4,500,000
Sitka - Commercial Passenger Vessel Lightering Facility Improvements (HD 2)		2,000,000		2,000,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery		1,650,000		1,650,000

	Allocations	Appropriation Items	General Funds	Other Funds
and Improvements (HD 2)				
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Cruise Impacts (HD 5)		2,500,000		2,500,000
Valdez - City Dock Information and Interpretative Center (HD 12)		800,000		800,000
Valdez - Dock Improvements (HD 12)		3,325,000		3,325,000
Wasilla - Airport Train Station Improvements (HD 13-16)		430,000		430,000
Whittier - Railroad Station Improvements (HD 17-32)		325,000		325,000
Wrangell - Construction Activities to Complete the Marine Passenger Service Center (HD 2)		2,500,000		2,500,000
Wrangell - Stikine Avenue Sidewalk Extension (HD 2)		390,000		390,000
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Fort Abercrombie Tourist Bus Parking/Turnaround and Facilities Upgrade (HD 36)		1,300,000		1,300,000
State Parks Deferred Maintenance and Emergency		6,000,000		6,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Repairs (HD 1-40)				

It is the intent of the legislature that the Department of Natural Resources allocate this money to state park facilities that receive the highest proportion of commercial passenger vessel visitors and that it be used for deferred maintenance projects that will enhance, aid or facilitate the visitor experience.

* * * * * * * * * *

*** * * * * Department of Transportation/Public Facilities * * * * ***

* * * * * * * * * *

Cruise Ship-Related Projects		**21,180,500**		**21,180,500**
Haines: Beach Road Widening and Front Street Intersection Improvements (HD 5)	2,945,500			
Haines: Front Street, Main to Lutak Road (HD 5)	850,000			
Haines: Old Haines Highway Sidewalk Construction (HD 5)	1,150,000			
Homer: Homer Spit Pathway (HD 33-35)	2,000,000			
Juneau: Egan Drive - Whittier to Main Improvements (HD 3-4)	1,990,000			
Juneau: Glacier Spur Pavement Rehabilitation (HD 3-4)	2,000,000			
Juneau: Thane Road Pavement Rehabilitation (HD 3-4)	4,000,000			
Ketchikan: Downtown	375,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Pedestrian Enhancements (HD 1)				
Seward: Seward Highway Replacement Bridges - Ptarmigan Creek, Falls Creek and Trail River (HD 33-35)	3,000,000			
Skagway: Dyea Road Taiya River Bridge Rehabilitation (HD 5)	1,500,000			
Skagway: Gateway Pedestrian Improvements (HD 5)	620,000			
Valdez: Hazlet Drive Sidewalk (HD 12)	750,000			

(SECTION 5 OF THIS ACT BEGINS ON PAGE 49)

*** Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	41,047,000
1207 Regional Cruise Ship Impact Fund	16,255,000
*** Total Agency Funding ***	$57,302,000
Department of Natural Resources	
1207 Regional Cruise Ship Impact Fund	7,300,000
*** Total Agency Funding ***	$7,300,000
Department of Transportation/Public Facilities	
1206 Commercial Passenger Vessel Tax	18,180,500
1207 Regional Cruise Ship Impact Fund	3,000,000
*** Total Agency Funding ***	$21,180,500
* * * * * Total Budget * * * * *	$85,782,500

(SECTION 6 OF THIS ACT BEGINS ON PAGE 50)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
Total Federal Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	59,227,500
1207 Regional Cruise Ship Impact Fund	26,555,000
Total Other Non-Duplicated Funds	$85,782,500
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 51)

* **Sec. 7.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Airport Improvement Program		**9,500,000**		**9,500,000**
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	3,000,000			
Kodiak: Chemical Storage Building (HD 36)	1,200,000			
Kotzebue: Apron Expansion (HD 40)	5,300,000			
Surface Transportation Program		**24,397,600**		**24,397,600**
Emmonak: Community Road Improvements (HD 39)	3,000,000			
Fairbanks: LED Street Light Conversion (HD 7-11)	3,310,000			
Fairbanks: Sign Replacement (HD 7-11)	973,600			
Fairbanks: Wendell Street ADA Improvements (HD 7-11)	814,000			
Haines: Front Street to Union Street (HD 5)	2,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Kipnuk: Boardwalk Improvements (HD 38)	10,000,000			
Yakutat: Areawide Paving (HD 5)	3,800,000			
Airport Stimulus Projects		**46,250,000**		**46,250,000**
Akiachak: Airport Relocation (HD 38)	11,500,000			
Allakaket: Airport Improvements (HD 6)	3,600,000			
Fairbanks International Airport: Access Control Improvements (HD 7-11)	3,500,000			
Fort Yukon: Airport Improvements (HD 6)	6,500,000			
King Salmon: Apron and Taxiway Resurfacing (HD 37)	9,750,000			
Ouzinkie: Airport Reconstruction and Relocation (HD 36)	8,400,000			
Ted Stevens Anchorage International Airport: North Terminal Gate N8 (HD 17-32)	3,000,000			
Highway and Bridge Stimulus Projects		**158,743,900**		**158,743,900**
AMATS: Anchorage Traffic Congestion Relief - Lake Otis Parkway and Tudor (HD 17-32)	5,000,000			
AMATS: Old Glenn Highway	11,673,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Reconstruction Phase II - Fire Lake to Peters Creek (HD 13-16)				
AMATS: Pavement Replacement Program (HD 17-32)	2,280,000			
Denali Highway: Milepost 7 Wayside (HD 12)	500,000			
Dillingham: Wood River Road Reconstruction (HD 37)	8,900,000			
Glenn Highway: MP 12 to 27 Resurfacing (HD 17-32)	25,000,000			
Glenn Highway: MP 17 to 27 Lighting (HD 17-32)	12,000,000			
Glenn Highway: MP 34 to 42 Resurfacing (HD 13-16)	8,000,000			
Hoonah: Airport Road Paving - Ferry Terminal to Airport (HD 5)	3,000,000			
Juneau: Egan Drive and Glacier Highway Resurfacing - Mendenhall Loop to Auke Bay Ferry Terminal (HD 3-4)	4,000,000			
Juneau: Glacier Highway - Amalga to Eagle Beach Widening (HD 3-4)	1,700,000			
Ketchikan: North Tongass Highway - Totem Bight to Whipple Creek (HD 1)	13,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan: Water Street Sidewalk Improvements (HD 1)	2,500,000			
Kodiak: Rezanof Drive Resurfacing - Coast Guard Access Road to Jack Hinkel Way (HD 36)	10,000,000			
Kotzebue: Shore Avenue Rehabilitation and Erosion Protection (HD 40)	15,000,000			
Marshall: Airport Access Road Bridge Replacement (HD 6)	2,800,000			
Nome Road Improvements (HD 39)	4,000,000			
Parks Highway: Milepost 72 to 83 Rehabilitation (HD 13-16)	6,800,000			
Sterling Highway Resurfacing: Soldotna to North Coho Loop (HD 33-35)	15,000,000			
Valdez: Areawide Bike and Pedestrian Trail Pavement Refurbishment (HD 12)	3,290,000			
Whittier Shot Gun Cove Road (HD 17-32)	3,500,000			
Transit Stimulus Projects		**9,083,900**		**9,083,900**
Juneau: Downtown Transit Center Construction (HD 3-4)	3,000,000			
Mat-Su: Park and Ride at	900,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Seward Meridian/Parks Highway (HD 13-16)				
Statewide: Transit Rural Formula Capital Projects (HD 1-40)	5,183,900			

(SECTION 8 OF THIS ACT BEGINS ON PAGE 56)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Transportation/Public Facilities	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
*** Total Agency Funding ***	$247,975,400
* * * * * Total Budget * * * * *	$247,975,400

(SECTION 9 OF THIS ACT BEGINS ON PAGE 57)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
Total Federal Funds	$247,975,400
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 10 OF THIS ACT BEGINS ON PAGE 58)

* **Sec. 10.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients				
(AS 37.05.316)				
Inter-Island Ferry Authority - Operational Assistance (HD 1-5)		1,500,000	1,500,000	
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Cooperative Resource Program (HD 1-40)		55,000		55,000
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		3,821,720		3,821,720
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Airport Rescue and Fire Fighting Safety Equipment (HD 1-40)		137,100	137,100	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		702,100	702,100	
Alaska Marine Highway System: Columbia Fuel Management System (HD 1-5)		499,500	499,500	
Mission Road (Kodiak Island) - Upgrade and Repair (HD 36)		207,600	207,600	
Susitna Valley High School Safety Improvements (HD 13-16)		38,200	38,200	
Airport Improvement Program		**75,290,000**		**75,290,000**
Alaska International Airport System: Development Fund (HD 1-40)	5,000,000			
Bethel: Airport Parallel Runway and Other Improvements (HD 38)	4,000,000			
Dillingham: 3 Bay Chemical Storage Building (HD 37)	500,000			
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	18,250,000			
Fort Yukon: Snow Removal Equipment Building (HD 6)	1,500,000			
Iliamna: Snow Removal Equipment / Sand and	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Chemical Storage / Office Building (HD 36)				
Nulato: Airport Improvements (HD 6)	9,200,000			
Petersburg: Airport Runway Safety Area (HD 2)	26,000,000			
Savoonga: Airport Improvements (HD 39)	4,840,000			
Takotna: Airport Relocation (HD 6)	5,000,000			
Surface Transportation Program		**1,550,000**		**1,550,000**
Chena Hot Springs Road: Milepost 24 to 56 Rehabilitation (HD 7-11)	1,430,000			
Ester Weigh Station Scale Replacement (HD 7-11)	120,000			

(SECTION 11 OF THIS ACT BEGINS ON PAGE 61)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	1,500,000
*** Total Agency Funding ***	$1,500,000
Department of Fish and Game	
1108 Statutory Designated Program Receipts	55,000
*** Total Agency Funding ***	$55,000
Office of the Governor	
1185 Election Fund	3,821,720
*** Total Agency Funding ***	$3,821,720
Department of Transportation/Public Facilities	
1002 Federal Receipts	70,927,500
1004 Unrestricted General Fund Receipts	1,584,500
1027 International Airports Revenue Fund	5,000,000
1112 International Airports Construction Fund	912,500
*** Total Agency Funding ***	$78,424,500
* * * * * Total Budget * * * * *	$83,801,220

(SECTION 12 OF THIS ACT BEGINS ON PAGE 62)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
General Funds	
1004 Unrestricted General Fund Receipts	3,084,500
Total General Funds	$3,084,500
Federal Funds	
1002 Federal Receipts	70,927,500
Total Federal Funds	$70,927,500
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	5,000,000
1108 Statutory Designated Program Receipts	55,000
Total Other Non-Duplicated Funds	$5,055,000
Duplicated Funds	
1112 International Airports Construction Fund	912,500
1185 Election Fund	3,821,720
Total Duplicated Funds	$4,734,220

(SECTION 13 OF THIS ACT BEGINS ON PAGE 63)

* **Sec. 13.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Development Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 14.** FUND TRANSFERS. (a) The income earned during fiscal year 2010 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The interest earned on amounts in the election fund, estimated to be $320,000, are appropriated to the election fund required by the federal Help America Vote Act.

(c) The sum of $2,500,000 is appropriated from the general fund to the information services fund (AS 44.21.045(a)).

(d) The sum of $15,000,000 is appropriated from the dividend paid to the state by the Alaska Industrial Development and Export Authority under AS 44.88.088 to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(e) The sum of $25,000,000 is appropriated from the dividend paid to the state by the Alaska Housing Finance Corporation under AS 18.56.089 to the renewable energy grant fund (AS 42.45.045).

*** Sec. 15.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 16.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $15,967,840 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, estimated to be $16,035,066, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to be allocated to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) North Slope Borough	North Slope Borough workforce development three-year program enforcement	$2,500,620
(2) North Slope Borough	Arctic Fox supplemental studies to include the prevalence and incidence of rabies and other related diseases in the National Petroleum Reserve - Alaska	409,262
(3) City of Atqasuk	Local government operations and youth program	226,500
(4) City of Wainwright	Operations and maintenance equipment	49,269
(5) North Slope Borough	Continuing waterfowl survey in the National Petroleum Reserve - Alaska	900,000
(6) North Slope Borough	Police officers for National	1,354,712

	Petroleum Reserve - Alaska impacted communities	
(7) North Slope Borough	Meade River school counselor	243,598
(8) City of Barrow	New boat ramp	2,000,000
(9) City of Nuiqsut	Youth center operations and maintenance	188,847
(10) City of Wainwright	Wainwright youth recreation program	240,000
(11) North Slope Borough	Communications system upgrade	5,000,000
(12) North Slope Borough	Emerging disease surveillance: continuation of wildlife population health assessment in the National Petroleum Reserve - Alaska	335,032
(13) City of Nuiqsut	Local government operations and maintenance	420,000
(14) City of Wainwright	Wainwright local government operations	300,000
(15) City of Barrow	Local government operations and maintenance	1,800,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, is less than $15,967,840, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the allocations made in (a) of this section to equal the amount received.

* **Sec. 17.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $8,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program under AS 13.50.150 for the fiscal year ending June 30,

2010.

(b) Section 60(b), ch. 29, SLA 2008, is amended to read:

(b) The sum of $125,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the international trade program partnership for the fiscal year ending **June 30, 2010** [JUNE 30, 2009].

(c) Section 10(b), ch. 159, SLA 2004, is amended to read:

(b) **The** [CONTINGENT UPON THE FORMATION OF A BOROUGH THAT ENCOMPASSES THE CITY OF DELTA JUNCTION, THE] balance owing on the loan made under (a) of this section on **June 30, 2009,** [THE DATE OF INCORPORATION OF THE BOROUGH] is redesignated as a grant under AS 37.05.315 to the City of Delta Junction for the payment of the costs of the settlement agreement for litigation regarding the establishment of a private prison in the vicinity of the city.

*** Sec. 18.** DEPARTMENT OF ENVIRONMENTAL CONSERVATION. Section 1, ch. 135, SLA 2000, page 10, lines 30 - 31, is amended to read:

	ALLOCATIONS
Village Safe Water Study, Design, and Construction Projects (HD 1-40) [TUNUNAK FLUSH TANK AND HAUL, AND WASHETERIA PROJECT (ED 38)]	834,387

*** Sec. 19.** HOUSE DISTRICT 1. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2003, page 5, lines 29 - 31 (Thorne Bay, medivac landing site construction - $175,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Thorne Bay for emergency vehicle access and response.

(b) The unexpended and unobligated balance of the appropriation made in sec. 35(b),

ch. 159, SLA 2004 (Ketchikan Area Arts and Humanities Council, design and project development of the Ketchikan community center for the arts) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the First City Players for design and project development of the Ketchikan community center for the arts.

(c) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 135, SLA 2000, page 51, lines 7 - 9, as amended by sec. 33(b), ch. 30, SLA 2007 (Ketchikan Gateway Borough, multi-purpose maintenance facility improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Ketchikan Gateway Borough for a multi-purpose maintenance facility.

*** Sec. 20.** HOUSE DISTRICT 2. (a) Section 41(a), ch. 29, SLA 2008, is amended to read:

(a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 8, lines 8 - 10 (Wrangell, water tank and connection to upper water reservoir - $180,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wrangell for water tank and connection to upper water reservoir for the fiscal **years** [YEAR] ending June 30, 2009**, June 30, 2010, and June 30, 2011**.

(b) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 27, lines 5 - 7 (Wrangell, medical center, 12-passenger handicapped van - $39,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Wrangell Medical Center to purchase snow removal equipment.

(c) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 12, lines 13 - 15 (Alaska Native Brotherhood Sitka Camp #1, Sitka ANB hall renovation - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Sitka Kaagwaantaan, Inc. for the Sitka ANB hall renovations.

(d) The unexpended and unobligated balances of the appropriations made in sec. 7, ch. 29, SLA 2008, page 26, lines 10 - 12 (Sitka, Moller Park lighting improvements - $150,000) and sec. 7, ch. 29, SLA 2008, page 26, lines 13 - 14 (Sitka, Moller Park synthetic

infield - $300,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Sitka for Moller Park baseball field improvements.

*** Sec. 21.** HOUSE DISTRICTS 3 - 4. (a) Section 1, ch. 82, SLA 2006, page 85, lines 30 - 31, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Gastineau Channel Crossing EIS and Dredging **and North Douglas Highway Extension** (HD 3-4)	3,000,000	3,000,000

(b) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 23, lines 8 - 11 (St. Vincent de Paul Society, community nonprofit service center construction - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Southeast Alaska Independent Living, Inc., for construction of a community nonprofit service center.

*** Sec. 22.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balance of the appropriation made in sec. 33(k), ch. 159, SLA 2004 (Yakutat, teen center construction - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for the Yakutat Community Health Center dental clinic remodel.

(b) The unexpended and unobligated balance of the appropriation made in sec. 42(e), ch. 29, SLA 2008 (Craig, Craig Elementary School roof replacement) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for Craig Clinic debt relief for the fiscal year ending June 30, 2010.

(c) The unexpended and unobligated balance of the appropriation made in sec. 42(d), ch. 29, SLA 2008 (Craig, Prince of Wales health care facility project) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for costs incurred, construction of, and equipment for the Craig seafood processing and cold storage plant.

(d) The unexpended and unobligated balance of the appropriation made in sec. 52(a), ch. 61, SLA 2001 (Hydaburg, construction of a road and parking lot) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(e) The unexpended and unobligated balance, not to exceed $4,671, of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(f) The unexpended and unobligated balance, not to exceed $10,000, of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Angoon Boys and Girls Club for equipment, projects, and improvements.

(g) If the amount available for reappropriation under (e) and (f) of this section is less than $14,671, the reappropriations made in (e) and (f) of this section shall be reduced in proportion to the amount of the shortfall.

(h) The unexpended and unobligated balance of the appropriation made in sec. 34(c), ch. 30, SLA 2007 (Angoon Community Association, ANB hall renovation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects and improvements.

*** Sec. 23.** HOUSE DISTRICT 6. (a) Section 4, ch. 30, SLA 2007, page 87, lines 19 - 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Galena - Ptarmigan Dorm Sprinkler System Installation **and Steam Heat Delivery, Monitoring, and Safety**	1,001,040	1,001,040

Improvements (HD 6)

(b) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 61, SLA 2001, page 61, lines 20 - 21 (Gulkana, RV park construction completion, phase 2 - $25,000), sec. 1, ch. 1, SSSLA 2002, page 80, lines 7 - 8 (Marshall, teen and youth center - $27,179), sec. 8(a)(16), ch. 159, SLA 2004 (Lake Minchumina, community projects and improvements - $58,672), and sec. 8(b)(26), ch. 159, SLA 2004 (Marshall, community projects and improvements - $1,259) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Tetlin Village Council for community projects and improvements.

(c) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 7, lines 3 - 4, as amended by sec. 35(a), ch. 30, SLA 2007 (Nenana, cemetery road resurfacing and community projects and improvements) and sec. 8(b)(17), ch. 159, SLA 2004 (Grayling, community projects and improvements - $24,887) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Mentasta Lake Village Council for community projects and improvements.

(d) The unexpended and unobligated balances of the appropriations made in sec. 22(f), ch. 82, SLA 2003 (Deltana, Delta roads and erosion control), sec. 8(a)(8), ch. 159, 2004 (Deltana, community projects and improvements - $27,575), sec. 8(a)(12), ch. 159, SLA 2004 (Healy Lake Traditional, community projects and improvements - $1,292), and sec. 8(a)(24), ch. 159, SLA 2004 (Red Devil, community projects and improvements - $29,114), are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Flats School District for Stevens Village School equipment and upgrades.

(e) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 75, lines 19 - 21 (Eagle, customs house renovation and fire hall addition - $25,000), sec. 1, ch. 1, SSSLA 2002, page 75, lines 22 - 23 (Eagle, renovation of old school - $15,000), and sec. 8(a)(10), ch. 159, SLA 2004 (Four Mile, community projects and improvements - $27,484) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Northway Village Council for community projects and improvements.

(f) The unexpended and unobligated balance of the appropriation made in sec. 38(a), ch. 159, SLA 2004 (Chitina, purchase of land for a community hall and offices) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Allakaket for community projects and improvements.

(g) The unexpended and unobligated balance of the appropriation made in sec. 8(a)(23), ch. 159, SLA 2004 (Rampart, community projects and improvements - $54,390) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Manley Village Council for community projects and improvements.

(h) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Koyukuk School District for Merreline A. Kangas School projects and improvements.

(i) The unexpended and unobligated balance, not to exceed $40,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Alatna for community projects and improvements.

(j) The unexpended and unobligated balance, not to exceed $38,796, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hughes for community projects and improvements.

(k) If the total amount available for reappropriation in (h) - (j) of this section is less than $138,796, the reappropriations made in (h) - (j) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 24.** HOUSE DISTRICTS 7 - 11. (a) Section 4, ch. 3, FSSLA 2005, page 98, lines 8 - 9, is amended to read:

ALLOCATIONS

Fairbanks - Wilbur Street Extension **and** **Pioneer Park Access Safety Improvements** (HD 7-11) 1,000,000

(b) Section 1, ch. 82, SLA 2006, page 69, lines 10 - 12, is amended to read:

ALLOCATIONS

North Pole [BAKER/NORTH STAR] Water and Sewer [PHASE 1] Matching Grant (HD 7-11) 2,697,293

(c) Section 1, ch. 30, SLA 2007, page 91, line 32, through page 92, line 3, is amended to read:

ALLOCATIONS

North Pole [- BAKER/NORTH STAR] Water and Sewer [, PHASE I] (HD 7-11) 2,067,210

*** Sec. 25.** HOUSE DISTRICT 12. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 88, line 25 - 26 (Tolsona, public road access - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated community of Tolsona for public road access.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(a)(30), ch. 159, SLA 2004 (Tolsona, community projects and improvements - $102,637) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated community of Tolsona for community projects and improvements.

* **Sec. 26.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 88, lines 21 - 22 (Wasilla, Lucille Street widen to four lanes - $1,500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for Lucille Street rehabilitation and improvements.

(b) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 34, lines 16 - 18 (Wasilla, Palmer-Wasilla Highway sewer extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Garden Terrace water main extension and upgrade project.

* **Sec. 27.** HOUSE DISTRICT 17. The unexpended and unobligated balance of that portion of the appropriation made in sec. 100, ch. 2, FSSLA 1999, page 56, line 10, and allocated on lines 11 - 13, that was reappropriated by sec. 57(b), ch. 159, SLA 2004 (Eagle River Veterans, Eagle River Veterans Memorial Museum land acquisition and building construction) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Alaska Veterans Museum for land acquisition, building construction, or renovation of an existing structure to house the museum.

* **Sec. 28.** HOUSE DISTRICT 19. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 159, SLA 2004, page 10, lines 26 - 28 (Anchorage, Muldoon town center traffic calming study - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the United Way of Anchorage for Russian Jack/Muldoon Weed and Seed Program support for the fiscal year ending June 30, 2010.

* **Sec. 29.** HOUSE DISTRICTS 29 - 30. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 14, lines 31 - 33 (Anchorage, Papago Park upgrades and improvements - $18,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the purchase of a mobile computer lab for Campbell Elementary School.

* **Sec. 30.** HOUSE DISTRICT 31. Section 1, ch. 159, SLA 2004, page 12, line 31, through page 13, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Municipality of Anchorage/ Anchorage School District - Huffman School - Intercom System **and Light Fixture** Replacement **(HD 17-32)** [ED 17-32]	11,000	11,000

*** Sec. 31.** HOUSE DISTRICTS 33 - 34. (a) Section 42(h), ch. 30, SLA 2007, is amended to read:

(h) The unexpended and unobligated balance, not to exceed $593,700, of the appropriation made in sec. 4, ch. 3, FSSLA 2005, page 97, lines 14 - 15 (Kenai, Spur Road rehabilitation - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Kenai for Wildwood Drive reconstruction **and Marathon Road and Willow Street improvements**.

(b) Section 1, ch. 159, SLA 2004, page 7, line 33, through page 8, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Kenai Peninsula Borough - Funny River Pedestrian Safety Light **and Driveway Improvements (HD 33-34)** [ED 33-35]	10,000	10,000

(c) The unexpended and unobligated balance, not to exceed $100,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikishka Bay Utilities, Inc., for water system upgrades.

(d) The unexpended and unobligated balance, not to exceed $709,434, of the

appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Kenai Peninsula Borough for construction of Nikiski Fire Department Station Number 2.

(e) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency Services for the purchase of an ambulance.

(f) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 120, lines 32 - 33 (Department of Transportation and Public Facilities, Wik Road improvements - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Kenai Peninsula State Fair for fairground facility improvements and access.

(g) If the amount available for reappropriation in (c) - (f) of this section is less than $944,434, the reappropriations made in (c) - (f) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 32.** HOUSE DISTRICTS 33 - 35. Section 1, ch. 3, FSSLA 2005, page 24, lines 10 - 12, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Kenai Peninsula Borough - Homer Middle School **and** **McNeil Canyon Elementary** **School** Roofing Upgrades (HD 33-35)	200,000	200,000

*** Sec. 33.** HOUSE DISTRICT 37. (a) Section 1, ch. 82, SLA 2006, page 32, lines 14 - 15, is amended to read:

	APPROPRIATION	GENERAL

	ITEMS	FUND
City of Sand Point - Ferry Dock Warehouse **and Other City-Owned Facilities** (HD 37)	200,000	200,000

(b) The unexpended and unobligated balances of the appropriations made in sec. 8(b), ch. 1, SSSLA 2002, page 97, line 18 (Atka, community projects and improvements - $25,000) and sec. 43(b), ch. 159, SLA 2004 (Atka, federal grant match for clinic/civic center project) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Atka for new clinic construction.

(c) Section 1, ch. 82, SLA 2006, page 27, lines 14 - 15, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
City of Akutan - Akutan Harbor Road Project **and Airport Access Projects** (HD 37)	3,100,000	3,100,000

*** Sec. 34.** HOUSE DISTRICT 38. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 135, SLA 2000, page 56, lines 18 - 20 (Upper Kalskag, community restoration and graveyard restoration - $25,000), sec. 1, ch. 1, SSSLA 2002, page 84, lines 25 - 27 (Upper Kalskag, teen center and playground equipment purchase - $28,791), and sec. 8(b)(25), ch. 159, SLA 2004 (Lower Kalskag, community projects and improvements - $41,922) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Native Village of Upper Kalskag for the multi-facility building renovation.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(b), ch. 1, SSSLA 2002, page 97, line 28 (Eek, community projects and improvements - $170,838) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Eek for river bank repairs and boardwalks.

(c) The unexpended and unobligated balances of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770),

sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, 2010.

* **Sec. 35.** HOUSE DISTRICT 39. The unexpended and unobligated balances of the appropriations made in sec. 8(a), ch. 1, SSSLA 2002, page 96, line 26 (Pitka's Point, Community projects and improvements - $77,149) and sec. 8(a)(21), ch. 159, SLA 2004 (Pitka's Point, Community projects and improvements - $35,507) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Pitka's Point Traditional Council for upgrading the washeteria.

* **Sec. 36.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 38, lines 9 - 12 (Kenai Peninsula Borough, Diamond Ridge nonmotorized vehicle safety trail - $65,000) is reappropriated to the Department of Transportation and Public Facilities for Ohlson Mountain Road improvements.

(b) Section 4, ch. 3, FSSLA 2005, page 97, lines 27 - 30, is amended to read:

ALLOCATIONS	
Fairbanks - 2nd Avenue, Moore Street Realignment, [AND] New Airport Way Intersection, **or Alterations and Improvement to Pioneer Park Parking Lot** (HD 7-11)	2,500,000

*** Sec. 37.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Council for the projects listed in the amounts stated:

PROJECT	AMOUNT
(1) boiler replacement and heating rehabilitation project	$2,900,000
(2) exterior and interior repair, renovation, and safety improvements	2,600,000
(3) addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010	750,000
(4) information technology upgrades and electronic voting improvements	600,000

(b) If the amount available for reappropriation in (a) of this section is less than $6,850,000, the reappropriations made by (a)(1) - (4) of this section shall be reduced in proportion to the amount of the shortfall.

(c) The unexpended and unobligated balance, not to exceed $850,000, after the reappropriation made in (a) of this section, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) is reappropriated to the

Legislative Council for purchase, restoration, and display of historical art and artifacts in conjunction with statehood celebrations in the capitol.

(d) The unexpended and unobligated balances, after the reappropriations made in (a) and (c) of this section, of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Council for necessary legislative capital projects.

(e) Section 70(c), ch. 29, SLA 2008, is amended to read:

(c) The unexpended and unobligated balances, not to exceed $100,000, of the appropriations made in sec. 1, ch. 28, SLA 2007, page 42, line 22 (Budget and Audit Committee - $14,219,300); sec. 1, ch. 28, SLA 2007, page 42, line 28 (Legislative Council - $30,201,500); and sec. 1, ch. 28, SLA 2007, page 43, line 6 (legislative operating budget - $9,682,300) are reappropriated to the Legislative Council for the Legislative Outdoor Heritage Caucus for the fiscal year ending June 30, **2010** [2009].

(f) The unexpended and unobligated balance, estimated to be $750,000, of the appropriation made in sec. 70(b), ch. 29, SLA 2008 (Legislative Council, Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings) is reappropriated to the Legislative Council for the Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings and for addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010.

*** Sec. 38.** UNIVERSITY OF ALASKA. The unexpended and unobligated balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 117, lines 23 - 25 (University of Alaska, Kachemak Bay Campus expansion - city hall purchase - $2,500,000) is reappropriated to the University of Alaska for property acquisition and property improvements to the Kachemak Bay Campus of the Kenai Peninsula College.

*** Sec. 39.** COASTAL IMPACT ASSISTANCE PROGRAM. (a) The share of money received by the state under the federal coastal impact assistance program, sec. 384, P.L. 109-58 (Energy Policy Act of 2005), expected to be $53,600,000, is appropriated in the following amounts to the departments listed for the projects described:

(1) $25,200,000 to the Department of Natural Resources for state-initiated capital projects, as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(2) $1,500,000 to the Department of Fish and Game for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program;

(3) $16,000,000 to the Department of Commerce, Community, and Economic Development for capital project grants to be awarded through an open public solicitation process and as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(4) $10,900,000 to the Department of Commerce, Community, and Economic Development for competitive capital project grants, as allowed under federal and state laws governing the use of coastal impact assistance program funds, to be allocated to the following coastal resource service areas and municipalities in the amounts stated:

RECIPIENT	AMOUNT
Cenaliulriit CRSA	$3,000,000
City and Borough of Juneau	1,900,000
Aleutians West CRSA	1,200,000
Bering Straits CRSA	1,100,000
City and Borough of Sitka	900,000
Ketchikan Gateway Borough	900,000
Aleutians East Borough	700,000
Bristol Bay CRSA	500,000
City and Borough of Yakutat	300,000
Haines Borough	200,000
Municipality of Skagway	100,000
City and Borough of Wrangell	100,000

(b) If the amount available for appropriation in (a) of this section is less than $53,600,000, the appropriations made in (a)(1) - (4) of this section shall be reduced in proportion to the amount of the shortfall.

* **Sec. 40.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The sum of $24,547,500 is appropriated from federal economic stimulus funds received by the state under

P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Department of Health and Social Services, health care services, for a statewide electronic health information exchange system.

(b) The sum of $2,727,500 is appropriated from the general fund to the Department of Health and Social Services, health care services, for a statewide electronic health information exchange system.

* **Sec. 41.** DEPARTMENT OF FISH AND GAME. The sum of $750,000 is appropriated from the general fund to the Department of Fish and Game to supplement the appropriation of federal funds in sec. 39(a)(2) of this Act for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program for the fiscal year ending June 30, 2010.

* **Sec. 42.** FUND SOURCE CHANGES FOR FEDERAL ECONOMIC STIMULUS PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) Section 2, ch. 61, SLA 2001, page 65, line 24, is amended to read:

Federal Receipts	**658,269,373**
	[664,017,739]
Federal Stimulus: ARRA 2009	**5,748,366**

(b) The fund source amendment in (a) of this section is for $5,748,366 of the allocation made in sec. 1, ch. 61, SLA 2001, page 41, lines 21 - 23 (Ketchikan: Tongass - viaducts replacement and rehabilitation - $5,750,000).

(c) Section 2, ch. 159, SLA 2004, page 53, line 28, is amended to read:

Federal Receipts	**1,095,667,288**
	[1,100,167,288]
Federal Stimulus: ARRA 2009	**4,500,000**

(d) The fund source amendment in (c) of this section is for

(1) $3,000,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 36, lines 29 - 30 (Fort Yukon: resurfacing - $3,000,000); and

(2) $1,500,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 44, line 33, through page 45, line 4 (Ketchikan: Tongass Highway - viaducts replacement and rehabilitation - $2,200,000).

(e) Section 2, ch. 3, FSSLA 2005, page 93, line 27, is amended to read:

1002 Federal Receipts	**742,445,086**

[757,030,711]

1212 Federal Stimulus: ARRA 2009 **14,585,625**

(f) The fund source amendment in (e) of this section is for

(1) $4,220,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 69, lines 31 - 32 (Allakaket: airport improvements - $4,220,000);

(2) $2,765,625 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 71, lines 9 - 10 (Fort Yukon: airport resurfacing - $2,765,625);

(3) $6,600,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 73, lines 6 - 8 (Ouzinkie: airport reconstruction and relocation - $9,000,000); and

(4) $1,000,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 79, lines 30 - 31 (Dillingham: Wood River Road reconstruction - $1,000,000).

(g) Section 2, ch. 82, SLA 2006, page 113, line 23, is amended to read:

1002 Federal Receipts **1,026,284,951**

[1,036,719,351]

1212 Federal Stimulus: ARRA 2009 **10,434,400**

(h) The fund source amendment in (g) of this section is for

(1) $2,734,400 of the allocation made in sec. 1, ch. 82, SLA 2006, page 90, lines 16 - 17 (Fort Yukon: airport improvements - $4,725,151); and

(2) $7,700,000 of the allocation made in sec. 1, ch. 82, SLA 2006, page 99, lines 7 - 8 (Gustavus: dock replacement - $19,000,000).

(i) Section 5, ch. 30, SLA 2007, page 121, line 20, is amended to read:

1002 Federal Receipts **531,315,800**

[542,215,800]

1212 Federal Stimulus: ARRA 2009 **10,900,000**

(j) The fund source amendment in (i) of this section is for

(1) $3,500,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105, lines 28 - 29 (Akiachak: airport relocation - $10,500,000);

(2) $400,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105, lines 32 - 33 (Allakaket: airport improvements - $400,000); and

(3) $7,000,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 107, lines 4 - 5 (Huslia: airport improvements - $7,525,000).

(k) Section 14, ch. 29, SLA 2008, page 177, line 9, is amended to read:

1002 Federal Receipts	**551,465,150**
	[563,745,150]
1212 Federal Stimulus: ARRA 2009	**12,280,000**

(*l*) The fund source amendment in (k) of this section is for

(1) $1,780,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 162, lines 11 - 12 (Allakaket: airport improvements - $1,950,000); and

(2) $10,500,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 169, lines 31 - 33 (Juneau: Glacier Highway – Amalga to Eagle Beach widening - $10,500,000).

* **Sec. 43.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) If the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540) to the general fund.

(b) If, after the appropriation made in (a) of this section, the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated to the general fund from the Alaska Housing Capital Corporation, a subsidiary of the Alaska Housing Finance Corporation created under authority of AS 18.56.086.

(c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund.

* **Sec. 44.** CONTINGENCY. Section 40 of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of SB 133 relating to a statewide electronic health information exchange system.

* **Sec. 45.** LAPSE. (a) The appropriations made by secs. 14 and 15(1) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made by secs. 16, 19(b), 20(b), 20(c), 21(b), 22(d) - (f), 23(b) - (e), 23(g) - (i), 27, 31(c), 31(e), 31(f), 34(a), 35, 36(a), 37(a)(1), 37(a)(2), 37(a)(4), 37(c),

37(d), and 38 - 40 of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project and lapses under AS 37.25.020, unless otherwise specified.

*** Sec. 46.** Sections 4, 7, 10, 18, 42, 43(a), and 43(b) of this Act take effect April 19, 2009.

*** Sec. 47.** Sections 17(b), 17(c), and 19 - 38 of this Act take effect June 30, 2009.

*** Sec. 48.** Except as provided in secs. 46 and 47 of this Act, this Act takes effect July 1, 2009.

House CS changes to SB 46 to SB 75 - Updated 4-17								
Sec. #	P,L	Dept	Allocation	Project	GF Amount Added	Fund Source	Fed/other	Comments
1	2,27	DCCED	AEA	Intent Language				Reps. Thomas & Austerman
1		DCCED	Grant					Port contingent language gone
1	30,25	DOT&PF	AMATS	Intent Language				M/V Suistna Intent language
4	43,24	DCCED	Grant	Title Change		Cruise Ship		Rep. Hawker request
7	53,17	DOT&PF	STIP	Glenn Highway		Federal		House District Correction
13		Language	Intent					Removed from work draft
20		H&SS	Language					Removed from work draft
21		Gov	Language					Removed from work draft
36	77,31	DOT&PF	Language	Reapprop				Rep. Kelly
39	80,1		Language	Coastal Impact				Technical fix of Senate Version
1	2,13	DOA	Enterprise	Allocation added		Info. Services	$2,500,000	Leg. Finance fix - Sec 15 ©
1	2,27	DCCED	AEA	Program Match	$4,500,000	General Fund	$1,000,000	Add $4.5 GF & $1 SDPR & I/A
1	3,17	DCCED	Grant	Port of Anchorage				Intent for ferry landing
1	3,22	DCCED	Grant	Port of Anchorage				Intent for grant assistance
1	3,27	DCCED	Grant	Kenai Bluff	$2,000,000	General Fund	$0	adds intent language
1	19,19	Rev	AHFC	Building System Replacement Program		AHFC Dividend	$1,000,000	40% for deferred maintenance
1	19,33	Rev	AHFC	Fire Protections Systems		AHFC Dividend	$1,380,000	40% for deferred maintenance
1	20,15	Rev	AHFC	Loussac Manor		AHFC Dividend	$3,320,000	Partially funds request
1	20, 18	Rev	AHFC	Security Systems Replacement		AHFC Dividend	$300,000	40$ for deferred maintenance
1	20,32	Rev	AHFC	Weatherization		Federal	$600,000	New federal authorization
1	21,10	DOT&PF	Aviation	Aviation Safety	$400,000	General Fund	$400,000	Captures federal authorization
1	21,20	DOT&PF	AMHS	Intent language				Request of DOT
1	21,31	DOT&PF	Harbor	Program Mgt	$200,000	General Fund		Needs to move to operating FY11
1	34,14	DOT&PF	DOT&PF	Seward Meridian		Federal	$13,000,000	Dropped through the cracks
1	36,9	DOT&PF	DOT&PF	Sterling Highway		Federal	$2,000,000	Dropped through the cracks
4	44,10	DCCED	Grant	Egan Center		Cruise Ship		Amended title
4		DCCED	Grant	Baranof Park		Cruise Ship		Removed
4	45,9	DCCED	Grant	Kodiak Sidewalks		Cruise Ship		Added for $700k
4	45,20	DCCED	Grant	Psg - Comm Dock		Cruise Ship		Amended title

2009 HOUSE
FINANCE
COMMITTEE

DATE: 4-17-09

Amendment: 4

SB 75

MEMBER	Favor	Oppose
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON		✓
REP. THOMAS	✓	
REP. AUSTERMAN		
REP. CRAWFORD	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA	✓	
REP. STOLTZE	✓	
REP. HAWKER	✓	
	9	1

26-GS1003\N.2
Kane
4/17/09

AMENDMENT 3

OFFERED IN THE HOUSE BY REPRESENTATIVE SALMON

TO: HCS CSSB 75(FIN), Draft Version "N"

Page 63, line 1:

Delete "sec. 21"

Insert "sec. 22"

Page 67, following line 11:

Insert a new bill section to read:

"* **Sec. 19.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum of $ 154,000 is appropriated from the general fund to the Department of Education and Early Development for payment as a grant under AS 37.05.316 to the Tanana City School District for debt repayment for the fiscal year ending June 30, 2009."

Renumber the following bill sections accordingly.

Page 82, line 4:

Delete "sec. 42(a)(2)"

Insert "sec. 43(a)(2)"

Page 84, line 20:

Delete "Section 43"

Insert "Section 44"

Page 84, lines 25 - 27:

Delete "22(b), 23(b), 23(c), 24(b), 25(d) - (f), 26(b) - (e), 26(g) - (i), 30, 34(c), 34(e),

34(f), 37(a), 38, 39, 40(a)(1), 40(a)(2), 40(a)(4), 40(c), 40(d), and 41 - 43"

Insert "23(b), 24(b), 24(c), 25(b), 26(d) - (f), 27(b) - (e), 27(g) - (i), 31, 35(c), 35(e), 35(f), 38(a), 39, 40, 41(a)(1), 41(a)(2), 41(a)(4), 41(c), 41(d), and 42 - 44"

Page 84, line 30:

Delete "19 - 21, 45, 46(a), and 46(b)"

Insert "19 - 22, 46, 47(a), and 47(b)"

Page 85, line 1:

Delete "22 - 41"

Insert "23 - 42"

Page 85, line 2:

Delete "secs. 49 and 50"

Insert "secs. 50 and 51"

not offered 4-17-09

CAPITAL BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: House CS for CSSB 75(FIN)

OFFERED BY: Representative Gara

DEPARTMENT:	Health and Human Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Education &Training Voucher and Presidential Tuition Wavers; Preparation for Adult Living (PAL); Transitional Housing Assistance

ADD: $1,090,000, GF, 1004

DEPARTMENT:	Commerce, Community, and Economic Development
APPROPRIATION:	Grants to Municipalities
ALLOCATION:	Port of Anchorage Expansion

DELETE: $1,090,000, GF, 1004

EXPLANATION: Education & Training Voucher and Presidential Tuition Wavers: The state offers up to $5,000 to youth to obtain job training through the ETV program. While 150 youth qualify, the state only provides $115,000 in funding, to cover a small portion of this demand. An additional $700,000 would allow all youth who qualify to obtain these job training and education benefits. OCS funds, with private and state grants, 10 university tuition scholarships. If we added an additional 20 scholarships for $5,500 in tuition and fees, OCS could advertise their availability, and encourage more youth to set college as a goal. That would cost $110,000. With this $110,000 increment, we can find out how many youth will seek college education knowing that aid is available. Currently foster youth know only 10 scholarships are available, and that is a disincentive for many to pursue college education.

Preparation for Adult Living (PAL): This training effort offers youth life skills for when they leave foster care. It is currently not being offered to youth outside of Anchorage. To add 80 youth/year in Bethel, Barrow, Ketchikan, Kenai, Juneau and Fairbanks, OCS states it would need an additional $80,000.

Transitional Housing Assistance: Many youth coming out of foster care cannot afford rent. Currently OCS offers partial rental help for roughly 3 months to youth. Roughly 200 youth come out of care every year. An additional $200,000 would allow OCS to offer 100 youth up to $2,000 in additional rental help. Assuming $500 in help per month, that would allow youth to receive help for another 4 months as they transition out of foster care.

2009 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences Only

		[1] Senate	[2] HFIN	[2] - [1] Senate to HFIN	
Department of Administration					
AP	**Enterprise Security Projects**	0	2,500,000	2,500,000	>999 %
	1081 Info Svc (Oth)	0	2,500,000	2,500,000	>999 %
*** Agency Totals		0	2,500,000	2,500,000	>999 %
Department of Commerce, Community and Economic Development					
AP	**Alaska Energy Authority Energy Projects**	20,000,000	25,500,000	5,500,000	27.5 %
	1002 Fed Rcpts (Fed)	20,000,000	20,000,000	0	
	1004 Gen Fund (GF)	0	4,500,000	4,500,000	>999 %
	1007 I/A Rcpts (Oth)	0	500,000	500,000	>999 %
	1108 Stat Desig (Oth)	0	500,000	500,000	>999 %
Grants to Municipalities (AS 37.05.315)					
AP	**Kenai - River Bluff Erosion Project**	0	2,000,000	2,000,000	>999 %
	1004 Gen Fund (GF)	0	2,000,000	2,000,000	>999 %
AP	**Kodiak (City of) - Pedestrian Improvements Between Cruise Ship Dock (Pier II) & Downtown Kodiak**	0	700,000	700,000	>999 %
	1207 RCS Impact (Oth)	0	700,000	700,000	>999 %
AP	**Kodiak - Baranof Park Improvements**	2,000,000	0	-2,000,000	-100.0 %
	1207 RCS Impact (Oth)	2,000,000	0	-2,000,000	-100.0 %
*** Agency Totals		22,000,000	28,200,000	6,200,000	28.2 %
Department of Natural Resources					
AP	**Fort Abercrombie Tourist Bus Parking/Turnaround and Facilities Upgrade**	0	1,300,000	1,300,000	>999 %
	1207 RCS Impact (Oth)	0	1,300,000	1,300,000	>999 %
AP	**State Parks Deferred Maintenance and Emergency Repairs**	0	6,000,000	6,000,000	>999 %
	1207 RCS Impact (Oth)	0	6,000,000	6,000,000	>999 %
State Parks Deferred Maintenance and Emergency Repairs					
AL	**State Park Emergency Repairs**	400,000	0	-400,000	-100.0 %
	1207 RCS Impact (Oth)	400,000	0	-400,000	-100.0 %
AL	**State Parks Deferred Maintenance and Equipment**	4,530,000	0	-4,530,000	-100.0 %
	1207 RCS Impact (Oth)	4,530,000	0	-4,530,000	-100.0 %
AL	**State Park Sanitation and Safety Projects**	500,000	0	-500,000	-100.0 %
	1207 RCS Impact (Oth)	500,000	0	-500,000	-100.0 %
AL	**Sultana Drive Reconstruction**	570,000	0	-570,000	-100.0 %
	1207 RCS Impact (Oth)	570,000	0	-570,000	-100.0 %
*** Agency Totals		6,000,000	7,300,000	1,300,000	21.7 %

2009 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences Only

		[1] Senate	[2] HFIN	[2] - [1] Senate to HFIN	
Department of Revenue					
Alaska Housing Finance Corporation					
AP	**AHFC Building System Replacement Program**	**0**	**1,000,000**	**1,000,000**	**>999 %**
	1139 AHFC Div (Oth)	0	1,000,000	1,000,000	>999 %
AP	**AHFC Fire Protection Systems - Phase I**	**0**	**1,380,000**	**1,380,000**	**>999 %**
	1139 AHFC Div (Oth)	0	1,380,000	1,380,000	>999 %
AP	**AHFC Loussac Manor Renovation and Replacement - Phase 3**	**2,336,000**	**5,656,000**	**3,320,000**	**142.1 %**
	1139 AHFC Div (Oth)	2,336,000	5,656,000	3,320,000	142.1 %
AP	**AHFC Security Systems Replacement/Upgrades**	**0**	**300,000**	**300,000**	**>999 %**
	1139 AHFC Div (Oth)	0	300,000	300,000	>999 %
AP	**AHFC Weatherization Program**	**2,000,000**	**2,600,000**	**600,000**	**30.0 %**
	1002 Fed Rcpts (Fed)	2,000,000	2,600,000	600,000	30.0 %
*** Agency Totals		**4,336,000**	**10,936,000**	**6,600,000**	**152.2 %**
Department of Transportation/Public Facilities					
AP	**Alaska Aviation Safety Program**	**0**	**800,000**	**800,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	400,000	400,000	>999 %
	1004 Gen Fund (GF)	0	400,000	400,000	>999 %
AP	**Harbor Program Development**	**0**	**200,000**	**200,000**	**>999 %**
	1004 Gen Fund (GF)	0	200,000	200,000	>999 %
Surface Transportation Program					
AL	**Seward Meridian Parkway: Road Improvements - Parks Highway to Palmer-Wasilla Highway**	**0**	**13,000,000**	**13,000,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	13,000,000	13,000,000	>999 %
AL	**Sterling Highway Scales Replacement**	**0**	**2,000,000**	**2,000,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	2,000,000	2,000,000	>999 %
*** Agency Totals		**0**	**16,000,000**	**16,000,000**	**>999 %**
All Agencies					
*** All Agencies Totals		**32,336,000**	**64,936,000**	**32,600,000**	**100.8 %**

2009 Legislature - Capital Budget
Statewide Totals - House Structure

Numbers and Language

	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Total	**2,315,842,054**	**1,811,795,729**	**1,844,395,729**	**-471,446,325**	**-20.4 %**	**32,600,000**	**1.8 %**
Funding Sources							
1002 Fed Rcpts (Fed)	1,007,089,800	1,048,295,414	1,064,295,414	57,205,614	5.7 %	16,000,000	1.5 %
1003 G/F Match (GF)	78,129,832	40,769,842	40,769,842	-37,359,990	-47.8 %	0	
1004 Gen Fund (GF)	162,796,846	128,787,698	135,887,698	-26,909,148	-16.5 %	7,100,000	5.5 %
1007 I/A Rcpts (Oth)	800,000	300,000	800,000	0		500,000	166.7 %
1017 Group Ben (Oth)	195,400	0	0	-195,400	-100.0 %	0	
1023 FICA Acct (Oth)	4,100	0	0	-4,100	-100.0 %	0	
1024 Fish/Game (Oth)	775,000	775,000	775,000	0		0	
1026 HwyCapital (Oth)	15,000,000	15,000,000	15,000,000	0		0	
1027 IntAirport (Oth)	21,806,800	21,806,800	21,806,800	0		0	
1029 PERS Trust (Oth)	330,900	0	0	-330,900	-100.0 %	0	
1034 Teach Ret (Oth)	130,600	0	0	-130,600	-100.0 %	0	
1037 GF/MH (GF)	2,984,184	0	0	-2,984,184	-100.0 %	0	
1041 PF ERA (Oth)	28,000,000	21,000,000	21,000,000	-7,000,000	-25.0 %	0	
1042 Jud Retire (Oth)	900	0	0	-900	-100.0 %	0	
1045 Nat Guard (Oth)	6,600	0	0	-6,600	-100.0 %	0	
1048 Univ Rcpt (Oth)	36,425,000	0	0	-36,425,000	-100.0 %	0	
1050 PFD Fund (Oth)	254,500	135,000	135,000	-119,500	-47.0 %	0	
1052 Oil/Haz Fd (Oth)	5,750,000	5,750,000	5,750,000	0		0	
1061 CIP Rcpts (Oth)	3,200,000	1,700,000	1,700,000	-1,500,000	-46.9 %	0	
1063 NPR Fund (Fed)	15,967,840	15,967,840	15,967,840	0		0	
1065 Rural Elec (Oth)	80,400	0	0	-80,400	-100.0 %	0	
1081 Info Svc (Oth)	9,300,000	0	2,500,000	-6,800,000	-73.1 %	2,500,000	>999 %
1092 MHTAAR (Oth)	1,650,000	0	0	-1,650,000	-100.0 %	0	
1103 AHFC Rcpts (Oth)	2,430,300	0	0	-2,430,300	-100.0 %	0	
1105 PFund Rcpt (Oth)	500,000	0	0	-500,000	-100.0 %	0	
1108 Stat Desig (Oth)	15,610,000	14,110,000	14,610,000	-1,000,000	-6.4 %	500,000	3.5 %
1112 IntAptCons (Oth)	24,941,641	24,941,641	24,941,641	0		0	
1139 AHFC Div (Oth)	61,742,500	54,542,500	60,542,500	-1,200,000	-1.9 %	6,000,000	11.0 %
1140 AIDEA Div (Oth)	22,000,000	22,720,000	22,720,000	720,000	3.3 %	0	
1147 PublicBldg (Oth)	2,800,000	2,800,000	2,800,000	0		0	
1153 State Land (Oth)	3,500,000	3,500,000	3,500,000	0		0	
1156 Rcpt Svcs (Oth)	6,258,508	73,508	73,508	-6,185,000	-98.8 %	0	
1157 Wrkrs Safe (Oth)	3,092,200	3,092,200	3,092,200	0		0	
1171 PFD Crim (Oth)	1,640,400	0	0	-1,640,400	-100.0 %	0	
1173 Misc Earn (Oth)	0	320,000	320,000	320,000	>999 %	0	
1175 BLic&Corp (Oth)	155,000	0	0	-155,000	-100.0 %	0	
1179 PFC (Oth)	4,560,000	4,560,000	4,560,000	0		0	
1185 Elect Fund (Oth)	3,821,720	3,821,720	3,821,720	0		0	
1190 Adak Air (Fed)	1,621,900	1,621,900	1,621,900	0		0	
1193 MaintGrant (Oth)	42,443,481	0	0	-42,443,481	-100.0 %	0	
1195 SpecVehRct (Oth)	450,000	450,000	450,000	0		0	
1196 Master LOC (Oth)	100,229,200	0	0	-100,229,200	-100.0 %	0	
1197 AK Cap Fnd (Oth)	29,118,600	0	0	-29,118,600	-100.0 %	0	
1201 CFEC Rcpts (Oth)	138,000	138,000	138,000	0		0	
1202 Anat Fnd (Oth)	0	8,000	8,000	8,000	>999 %	0	

2009 Legislature - Capital Budget
Statewide Totals - House Structure

Numbers and Language

	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Funding Sources (continued)							
1206 CPV Tax (Oth)	40,720,500	59,227,500	59,227,500	18,507,000	45.4 %	0	
1207 RCS Impact (Oth)	0	26,555,000	26,555,000	26,555,000	>999 %	0	
1210 Ren Energy (Oth)	0	25,000,000	25,000,000	25,000,000	>999 %	0	
1211 Gamble Tax (GF)	6,000,000	0	0	-6,000,000	-100.0 %	0	
1212 Stimulus09 (Fed)	422,574,041	264,026,166	264,026,166	-158,547,875	-37.5 %	0	
1213 AHCC (GF)	128,815,361	0	0	-128,815,361	-100.0 %	0	
Funding Summary							
General Funds (GF)	378,726,223	169,557,540	176,657,540	-202,068,683	-53.4 %	7,100,000	4.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	1,345,911,320	-101,342,261	-7.0 %	16,000,000	1.2 %
Other (Oth)	489,862,250	312,326,869	321,826,869	-168,035,381	-34.3 %	9,500,000	3.0 %

2009 Legislature - Capital Budget
Agency Summary - House Structure

Numbers and Language

Agency	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Agency Budgets							
Administration	94,575,000	2,975,000	5,475,000	-89,100,000	-94.2 %	2,500,000	84.0 %
Community & Economic Dev	135,709,641	185,819,641	192,019,641	56,310,000	41.5 %	6,200,000	3.3 %
Corrections	13,690,400	7,000,000	7,000,000	-6,690,400	-48.9 %	0	
Education & Early Dev	43,443,481	43,443,481	43,443,481	0		0	
Environmental Conservation	120,605,996	95,605,994	95,605,994	-25,000,002	-20.7 %	0	
Fish and Game	27,898,000	27,588,000	27,588,000	-310,000	-1.1 %	0	
Governor	14,889,455	3,821,720	3,821,720	-11,067,735	-74.3 %	0	
Health & Social Services	33,491,625	10,903,342	10,903,342	-22,588,283	-67.4 %	0	
Labor & Workforce Dev	12,178,100	3,692,200	3,692,200	-8,485,900	-69.7 %	0	
Military & Veterans Affairs	30,150,000	29,550,000	29,550,000	-600,000	-2.0 %	0	
Natural Resources	91,355,000	48,385,000	49,685,000	-41,670,000	-45.6 %	1,300,000	2.7 %
Public Safety	13,072,500	4,442,800	4,442,800	-8,629,700	-66.0 %	0	
Revenue	108,851,000	43,077,200	49,677,200	-59,173,800	-54.4 %	6,600,000	15.3 %
Transportation & Public Fac	1,379,491,391	1,196,037,051	1,212,037,051	-167,454,340	-12.1 %	16,000,000	1.3 %
University of Alaska	75,497,000	33,200,000	33,200,000	-42,297,000	-56.0 %	0	
Alaska Court System	2,500,000	12,434,300	12,434,300	9,934,300	397.4 %	0	
Total	**2,197,398,589**	**1,747,975,729**	**1,780,575,729**	**-416,822,860**	**-19.0 %**	**32,600,000**	**1.9 %**
Statewide Items							
Fund Capitalization	118,443,465	63,820,000	63,820,000	-54,623,465	-46.1 %	0	
Total	**118,443,465**	**63,820,000**	**63,820,000**	**-54,623,465**	**-46.1 %**	**0**	
Statewide Total	**2,315,842,054**	**1,811,795,729**	**1,844,395,729**	**-471,446,325**	**-20.4 %**	**32,600,000**	**1.8 %**
Funding Summary							
General Funds (GF)	378,726,223	169,557,540	176,657,540	-202,068,683	-53.4 %	7,100,000	4.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	1,345,911,320	-101,342,261	-7.0 %	16,000,000	1.2 %
Other (Oth)	489,862,250	312,326,869	321,826,869	-168,035,381	-34.3 %	9,500,000	3.0 %

2009 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences Only

		[1] Senate	[2] HFIN	[2] - [1] Senate to HFIN	
Department of Administration					
AP	**Enterprise Security Projects**	0	2,500,000	2,500,000	>999 %
	1081 Info Svc (Oth)	0	2,500,000	2,500,000	>999 %
*** Agency Totals		0	2,500,000	2,500,000	>999 %
Department of Commerce, Community and Economic Development					
AP	**Alaska Energy Authority Energy Projects**	20,000,000	25,500,000	5,500,000	27.5 %
	1002 Fed Rcpts (Fed)	20,000,000	20,000,000	0	
	1004 Gen Fund (GF)	0	4,500,000	4,500,000	>999 %
	1007 I/A Rcpts (Oth)	0	500,000	500,000	>999 %
	1108 Stat Desig (Oth)	0	500,000	500,000	>999 %
Grants to Municipalities (AS 37.05.315)					
AP	**Kenai - River Bluff Erosion Project**	0	2,000,000	2,000,000	>999 %
	1004 Gen Fund (GF)	0	2,000,000	2,000,000	>999 %
AP	**Kodiak (City of) - Pedestrian Improvements Between Cruise Ship Dock (Pier II) & Downtown Kodiak**	0	700,000	700,000	>999 %
	1207 RCS Impact (Oth)	0	700,000	700,000	>999 %
AP	**Kodiak - Baranof Park Improvements**	2,000,000	0	-2,000,000	-100.0 %
	1207 RCS Impact (Oth)	2,000,000	0	-2,000,000	-100.0 %
*** Agency Totals		22,000,000	28,200,000	6,200,000	28.2 %
Department of Natural Resources					
AP	**Fort Abercrombie Tourist Bus Parking/Turnaround and Facilities Upgrade**	0	1,300,000	1,300,000	>999 %
	1207 RCS Impact (Oth)	0	1,300,000	1,300,000	>999 %
AP	**State Parks Deferred Maintenance and Emergency Repairs**	0	6,000,000	6,000,000	>999 %
	1207 RCS Impact (Oth)	0	6,000,000	6,000,000	>999 %
State Parks Deferred Maintenance and Emergency Repairs					
AL	**State Park Emergency Repairs**	400,000	0	-400,000	-100.0 %
	1207 RCS Impact (Oth)	400,000	0	-400,000	-100.0 %
AL	**State Parks Deferred Maintenance and Equipment**	4,530,000	0	-4,530,000	-100.0 %
	1207 RCS Impact (Oth)	4,530,000	0	-4,530,000	-100.0 %
AL	**State Park Sanitation and Safety Projects**	500,000	0	-500,000	-100.0 %
	1207 RCS Impact (Oth)	500,000	0	-500,000	-100.0 %
AL	**Sultana Drive Reconstruction**	570,000	0	-570,000	-100.0 %
	1207 RCS Impact (Oth)	570,000	0	-570,000	-100.0 %
*** Agency Totals		6,000,000	7,300,000	1,300,000	21.7 %

2009 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences Only

		[1] Senate	[2] HFIN	[2] - [1] Senate to HFIN	
Department of Revenue					
Alaska Housing Finance Corporation					
AP	**AHFC Building System Replacement Program**	**0**	**1,000,000**	**1,000,000**	**>999 %**
	1139 AHFC Div (Oth)	0	1,000,000	1,000,000	>999 %
AP	**AHFC Fire Protection Systems - Phase I**	**0**	**1,380,000**	**1,380,000**	**>999 %**
	1139 AHFC Div (Oth)	0	1,380,000	1,380,000	>999 %
AP	**AHFC Loussac Manor Renovation and Replacement - Phase 3**	**2,336,000**	**5,656,000**	**3,320,000**	**142.1 %**
	1139 AHFC Div (Oth)	2,336,000	5,656,000	3,320,000	142.1 %
AP	**AHFC Security Systems Replacement/Upgrades**	**0**	**300,000**	**300,000**	**>999 %**
	1139 AHFC Div (Oth)	0	300,000	300,000	>999 %
AP	**AHFC Weatherization Program**	**2,000,000**	**2,600,000**	**600,000**	**30.0 %**
	1002 Fed Rcpts (Fed)	2,000,000	2,600,000	600,000	30.0 %
*** Agency Totals		**4,336,000**	**10,936,000**	**6,600,000**	**152.2 %**
Department of Transportation/Public Facilities					
AP	**Alaska Aviation Safety Program**	**0**	**800,000**	**800,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	400,000	400,000	>999 %
	1004 Gen Fund (GF)	0	400,000	400,000	>999 %
AP	**Harbor Program Development**	**0**	**200,000**	**200,000**	**>999 %**
	1004 Gen Fund (GF)	0	200,000	200,000	>999 %
Surface Transportation Program					
AL	**Seward Meridian Parkway: Road Improvements - Parks Highway to Palmer-Wasilla Highway**	**0**	**13,000,000**	**13,000,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	13,000,000	13,000,000	>999 %
AL	**Sterling Highway Scales Replacement**	**0**	**2,000,000**	**2,000,000**	**>999 %**
	1002 Fed Rcpts (Fed)	0	2,000,000	2,000,000	>999 %
*** Agency Totals		**0**	**16,000,000**	**16,000,000**	**>999 %**
All Agencies					
*** All Agencies Totals		**32,336,000**	**64,936,000**	**32,600,000**	**100.8 %**

2009 Legislature - Capital Budget
Agency Summary - House Structure

Numbers and Language

Agency	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Agency Budgets							
Administration	94,575,000	2,975,000	5,475,000	-89,100,000	-94.2 %	2,500,000	84.0 %
Community & Economic Dev	135,709,641	185,819,641	192,019,641	56,310,000	41.5 %	6,200,000	3.3 %
Corrections	13,690,400	7,000,000	7,000,000	-6,690,400	-48.9 %	0	
Education & Early Dev	43,443,481	43,443,481	43,443,481	0		0	
Environmental Conservation	120,605,996	95,605,994	95,605,994	-25,000,002	-20.7 %	0	
Fish and Game	27,898,000	27,588,000	27,588,000	-310,000	-1.1 %	0	
Governor	14,889,455	3,821,720	3,821,720	-11,067,735	-74.3 %	0	
Health & Social Services	33,491,625	10,903,342	10,903,342	-22,588,283	-67.4 %	0	
Labor & Workforce Dev	12,178,100	3,692,200	3,692,200	-8,485,900	-69.7 %	0	
Military & Veterans Affairs	30,150,000	29,550,000	29,550,000	-600,000	-2.0 %	0	
Natural Resources	91,355,000	48,385,000	49,685,000	-41,670,000	-45.6 %	1,300,000	2.7 %
Public Safety	13,072,500	4,442,800	4,442,800	-8,629,700	-66.0 %	0	
Revenue	108,851,000	43,077,200	49,677,200	-59,173,800	-54.4 %	6,600,000	15.3 %
Transportation & Public Fac	1,379,491,391	1,196,037,051	1,212,037,051	-167,454,340	-12.1 %	16,000,000	1.3 %
University of Alaska	75,497,000	33,200,000	33,200,000	-42,297,000	-56.0 %	0	
Alaska Court System	2,500,000	12,434,300	12,434,300	9,934,300	397.4 %	0	
Total	**2,197,398,589**	**1,747,975,729**	**1,780,575,729**	**-416,822,860**	**-19.0 %**	**32,600,000**	**1.9 %**
Statewide Items							
Fund Capitalization	118,443,465	63,820,000	63,820,000	-54,623,465	-46.1 %	0	
Total	**118,443,465**	**63,820,000**	**63,820,000**	**-54,623,465**	**-46.1 %**	**0**	
Statewide Total	**2,315,842,054**	**1,811,795,729**	**1,844,395,729**	**-471,446,325**	**-20.4 %**	**32,600,000**	**1.8 %**
Funding Summary							
General Funds (GF)	378,726,223	169,557,540	176,657,540	-202,068,683	-53.4 %	7,100,000	4.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	1,345,911,320	-101,342,261	-7.0 %	16,000,000	1.2 %
Other (Oth)	489,862,250	312,326,869	321,826,869	-168,035,381	-34.3 %	9,500,000	3.0 %

2009 Legislature - Capital Budget
Statewide Totals - House Structure

Numbers and Language

	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Total	**2,315,842,054**	**1,811,795,729**	**1,844,395,729**	**-471,446,325**	**-20.4 %**	**32,600,000**	**1.8 %**
Funding Sources							
1002 Fed Rcpts (Fed)	1,007,089,800	1,048,295,414	1,064,295,414	57,205,614	5.7 %	16,000,000	1.5 %
1003 G/F Match (GF)	78,129,832	40,769,842	40,769,842	-37,359,990	-47.8 %	0	
1004 Gen Fund (GF)	162,796,846	128,787,698	135,887,698	-26,909,148	-16.5 %	7,100,000	5.5 %
1007 I/A Rcpts (Oth)	800,000	300,000	800,000	0		500,000	166.7 %
1017 Group Ben (Oth)	195,400	0	0	-195,400	-100.0 %	0	
1023 FICA Acct (Oth)	4,100	0	0	-4,100	-100.0 %	0	
1024 Fish/Game (Oth)	775,000	775,000	775,000	0		0	
1026 HwyCapital (Oth)	15,000,000	15,000,000	15,000,000	0		0	
1027 IntAirport (Oth)	21,806,800	21,806,800	21,806,800	0		0	
1029 PERS Trust (Oth)	330,900	0	0	-330,900	-100.0 %	0	
1034 Teach Ret (Oth)	130,600	0	0	-130,600	-100.0 %	0	
1037 GF/MH (GF)	2,984,184	0	0	-2,984,184	-100.0 %	0	
1041 PF ERA (Oth)	28,000,000	21,000,000	21,000,000	-7,000,000	-25.0 %	0	
1042 Jud Retire (Oth)	900	0	0	-900	-100.0 %	0	
1045 Nat Guard (Oth)	6,600	0	0	-6,600	-100.0 %	0	
1048 Univ Rcpt (Oth)	36,425,000	0	0	-36,425,000	-100.0 %	0	
1050 PFD Fund (Oth)	254,500	135,000	135,000	-119,500	-47.0 %	0	
1052 Oil/Haz Fd (Oth)	5,750,000	5,750,000	5,750,000	0		0	
1061 CIP Rcpts (Oth)	3,200,000	1,700,000	1,700,000	-1,500,000	-46.9 %	0	
1063 NPR Fund (Fed)	15,967,840	15,967,840	15,967,840	0		0	
1065 Rural Elec (Oth)	80,400	0	0	-80,400	-100.0 %	0	
1081 Info Svc (Oth)	9,300,000	0	2,500,000	-6,800,000	-73.1 %	2,500,000	>999 %
1092 MHTAAR (Oth)	1,650,000	0	0	-1,650,000	-100.0 %	0	
1103 AHFC Rcpts (Oth)	2,430,300	0	0	-2,430,300	-100.0 %	0	
1105 PFund Rcpt (Oth)	500,000	0	0	-500,000	-100.0 %	0	
1108 Stat Desig (Oth)	15,610,000	14,110,000	14,610,000	-1,000,000	-6.4 %	500,000	3.5 %
1112 IntAptCons (Oth)	24,941,641	24,941,641	24,941,641	0		0	
1139 AHFC Div (Oth)	61,742,500	54,542,500	60,542,500	-1,200,000	-1.9 %	6,000,000	11.0 %
1140 AIDEA Div (Oth)	22,000,000	22,720,000	22,720,000	720,000	3.3 %	0	
1147 PublicBldg (Oth)	2,800,000	2,800,000	2,800,000	0		0	
1153 State Land (Oth)	3,500,000	3,500,000	3,500,000	0		0	
1156 Rcpt Svcs (Oth)	6,258,508	73,508	73,508	-6,185,000	-98.8 %	0	
1157 Wrkrs Safe (Oth)	3,092,200	3,092,200	3,092,200	0		0	
1171 PFD Crim (Oth)	1,640,400	0	0	-1,640,400	-100.0 %	0	
1173 Misc Earn (Oth)	0	320,000	320,000	320,000	>999 %	0	
1175 BLic&Corp (Oth)	155,000	0	0	-155,000	-100.0 %	0	
1179 PFC (Oth)	4,560,000	4,560,000	4,560,000	0		0	
1185 Elect Fund (Oth)	3,821,720	3,821,720	3,821,720	0		0	
1190 Adak Air (Fed)	1,621,900	1,621,900	1,621,900	0		0	
1193 MaintGrant (Oth)	42,443,481	0	0	-42,443,481	-100.0 %	0	
1195 SpecVehRct (Oth)	450,000	450,000	450,000	0		0	
1196 Master LOC (Oth)	100,229,200	0	0	-100,229,200	-100.0 %	0	
1197 AK Cap Fnd (Oth)	29,118,600	0	0	-29,118,600	-100.0 %	0	
1201 CFEC Rcpts (Oth)	138,000	138,000	138,000	0		0	
1202 Anat Fnd (Oth)	0	8,000	8,000	8,000	>999 %	0	

2009 Legislature - Capital Budget
Statewide Totals - House Structure

Numbers and Language

	[1] Gov Comp	[2] Senate	[3] HFIN	[3] - [1] Gov Comp to HFIN		[3] - [2] Senate to HFIN	
Funding Sources (continued)							
1206 CPV Tax (Oth)	40,720,500	59,227,500	59,227,500	18,507,000	45.4 %	0	
1207 RCS Impact (Oth)	0	26,555,000	26,555,000	26,555,000	>999 %	0	
1210 Ren Energy (Oth)	0	25,000,000	25,000,000	25,000,000	>999 %	0	
1211 Gamble Tax (GF)	6,000,000	0	0	-6,000,000	-100.0 %	0	
1212 Stimulus09 (Fed)	422,574,041	264,026,166	264,026,166	-158,547,875	-37.5 %	0	
1213 AHCC (GF)	128,815,361	0	0	-128,815,361	-100.0 %	0	
Funding Summary							
General Funds (GF)	378,726,223	169,557,540	176,657,540	-202,068,683	-53.4 %	7,100,000	4.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	1,345,911,320	-101,342,261	-7.0 %	16,000,000	1.2 %
Other (Oth)	489,862,250	312,326,869	321,826,869	-168,035,381	-34.3 %	9,500,000	3.0 %

Attention!

This is being faxed to all local and national news sources!!!!!

Thank You A.P.A. and Govoner Sarah Palin

Hello,

I would like to tell you the story of a cancer patient that the state of Alaska is allowing to die. My name is William Stevens I have been diagnosed with Adenocarcinoma of the lung a 4.1cm tumor. I recently underwent lung surgery and now am in desperate need of chemo in order save my life. I have no medical insurance and applied to the state of Alaska adult public assistance office for medical help. They are refusing to give me aid even though I qualify financially. My oncologist Dr. Subramanian of anchorage only gives me a 15% chance of survival chemo is my only hope and I cant get it because the state has determined that I am not worthy of treatment. The State Of Alaska is committing Murder. I am sending you phone numbers of all Doctors and case workers if you choose to help me save my life for my self and my son you can check out my story.

Why would a convicted Murderer , child molester or inmate on death row get help from the state to save their life but they are killing me. Why is my life not worth saving?

Adult Public Assistance case # 05541992 last 4 of social 1350

Oncologist Dr. Subramanian 569-2627

Dr. Baker 276-2611 LLC "907" area code

Dr. Valdes 258-4430

Social Worker Sarah M. 264-1504

Thank you for any help you can give me I want to live.

William Stevens
707 764 6401
~~764-6401~~

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 1/22/09

FURTHER:

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

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 75

SB 75 BUDGET: CAPITAL, SUPP. & OTHER APPROPS

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [X] **CS** SB 75 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Ellis	✓			
	Olson	✓			
	Thomas	✓			
	Huggins	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	FY10 CAP [1] SFIN_1	CRUISE SHIP [2] SFIN_4	TRANS STIM [3] SFIN_7	FY09 SUPP [4] SFIN_10	[5] Bill Total
Total	**1,394,236,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,811,795,729**
Funding Sources					
1002 Fed Rcpts (Fed)	993,418,680	0	-16,050,766	70,927,500	1,048,295,414
1003 G/F Match (GF)	40,769,842	0	0	0	40,769,842
1004 Gen Fund (GF)	125,703,198	0	0	3,084,500	128,787,698
1007 I/A Rcpts (Oth)	300,000	0	0	0	300,000
1024 Fish/Game (Oth)	775,000	0	0	0	775,000
1026 HwyCapital (Oth)	15,000,000	0	0	0	15,000,000
1027 IntAirport (Oth)	16,806,800	0	0	5,000,000	21,806,800
1041 PF ERA (Oth)	21,000,000	0	0	0	21,000,000
1050 PFD Fund (Oth)	135,000	0	0	0	135,000
1052 Oil/Haz Fd (Oth)	5,750,000	0	0	0	5,750,000
1061 CIP Rcpts (Oth)	1,700,000	0	0	0	1,700,000
1063 NPR Fund (Fed)	15,967,840	0	0	0	15,967,840
1108 Stat Desig (Oth)	14,055,000	0	0	55,000	14,110,000
1112 IntAptCons (Oth)	24,029,141	0	0	912,500	24,941,641
1139 AHFC Div (Oth)	54,542,500	0	0	0	54,542,500
1140 AIDEA Div (Oth)	22,720,000	0	0	0	22,720,000
1147 PublicBldg (Oth)	2,800,000	0	0	0	2,800,000
1153 State Land (Oth)	3,500,000	0	0	0	3,500,000
1156 Rcpt Svcs (Oth)	73,508	0	0	0	73,508
1157 Wrkrs Safe (Oth)	3,092,200	0	0	0	3,092,200
1173 Misc Earn (Oth)	320,000	0	0	0	320,000
1179 PFC (Oth)	4,560,000	0	0	0	4,560,000
1185 Elect Fund (Oth)	0	0	0	3,821,720	3,821,720
1190 Adak Air (Fed)	1,621,900	0	0	0	1,621,900
1193 MaintGrant (Oth)	0	0	0	0	0
1195 SpecVehRct (Oth)	450,000	0	0	0	450,000
1201 CFEC Rcpts (Oth)	138,000	0	0	0	138,000
1202 Anat Fnd (Oth)	8,000	0	0	0	8,000
1206 CPV Tax (Oth)	0	59,227,500	0	0	59,227,500
1207 RCS Impact (Oth)	0	26,555,000	0	0	26,555,000
1210 Ren Energy (Oth)	25,000,000	0	0	0	25,000,000
1211 Gamble Tax (GF)	0	0	0	0	0
1212 Stimulus09 (Fed)	0	0	264,026,166	0	264,026,166
1213 AHCC (GF)	0	0	0	0	0
Funding Summary					
General Funds (GF)	166,473,040	0	0	3,084,500	169,557,540
Federal Receipts (Fed)	1,011,008,420	0	247,975,400	70,927,500	1,329,911,320
Other (Oth)	216,755,149	85,782,500	0	9,789,220	312,326,869

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

2009 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language

Agency	FY10 CAP [1] SFIN_1	CRUISE SHIP [2] SFIN_4	TRANS STIM [3] SFIN_7	FY09 SUPP [4] SFIN_10	[5] Bill Total
Agency Budgets					
Administration	2,975,000	0	0	0	2,975,000
Community & Economic Dev	125,717,641	58,602,000	0	1,500,000	185,819,641
Corrections	7,000,000	0	0	0	7,000,000
Education & Early Dev	43,443,481	0	0	0	43,443,481
Environmental Conservation	95,605,994	0	0	0	95,605,994
Fish and Game	27,533,000	0	0	55,000	27,588,000
Governor	0	0	0	3,821,720	3,821,720
Health & Social Services	10,903,342	0	0	0	10,903,342
Labor & Workforce Dev	3,692,200	0	0	0	3,692,200
Military & Veterans Affairs	29,550,000	0	0	0	29,550,000
Natural Resources	42,385,000	6,000,000	0	0	48,385,000
Public Safety	4,442,800	0	0	0	4,442,800
Revenue	43,077,200	0	0	0	43,077,200
Transportation & Public Fac	848,456,651	21,180,500	247,975,400	78,424,500	1,196,037,051
University of Alaska	33,200,000	0	0	0	33,200,000
Alaska Court System	12,434,300	0	0	0	12,434,300
Total	**1,330,416,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,747,975,729**
Statewide Items					
Fund Capitalization	63,820,000	0	0	0	63,820,000
Total	**63,820,000**	**0**	**0**	**0**	**63,820,000**
Statewide Total	**1,394,236,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,811,795,729**
Funding Summary					
General Funds (GF)	166,473,040	0	0	3,084,500	169,557,540
Federal Receipts (Fed)	1,011,008,420	0	247,975,400	70,927,500	1,329,911,320
Other (Oth)	216,755,149	85,782,500	0	9,789,220	312,326,869

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

4-13-09

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] Gov Comp	[2] Sen Comp	[2] - [1] Gov Comp to Sen Comp	
Total	**2,315,842,054**	**1,811,795,729**	**-504,046,325**	**-21.8 %**
Funding Sources				
1002 Fed Rcpts (Fed)	1,007,089,800	1,048,295,414	41,205,614	4.1 %
1003 G/F Match (GF)	78,129,832	40,769,842	-37,359,990	-47.8 %
1004 Gen Fund (GF)	162,796,846	128,787,698	-34,009,148	-20.9 %
1007 I/A Rcpts (Oth)	800,000	300,000	-500,000	-62.5 %
1017 Group Ben (Oth)	195,400	0	-195,400	-100.0 %
1023 FICA Acct (Oth)	4,100	0	-4,100	-100.0 %
1024 Fish/Game (Oth)	775,000	775,000	0	
1026 HwyCapital (Oth)	15,000,000	15,000,000	0	
1027 IntAirport (Oth)	21,806,800	21,806,800	0	
1029 PERS Trust (Oth)	330,900	0	-330,900	-100.0 %
1034 Teach Ret (Oth)	130,600	0	-130,600	-100.0 %
1037 GF/MH (GF)	2,984,184	0	-2,984,184	-100.0 %
1041 PF ERA (Oth)	28,000,000	21,000,000	-7,000,000	-25.0 %
1042 Jud Retire (Oth)	900	0	-900	-100.0 %
1045 Nat Guard (Oth)	6,600	0	-6,600	-100.0 %
1048 Univ Rcpt (Oth)	36,425,000	0	-36,425,000	-100.0 %
1050 PFD Fund (Oth)	254,500	135,000	-119,500	-47.0 %
1052 Oil/Haz Fd (Oth)	5,750,000	5,750,000	0	
1061 CIP Rcpts (Oth)	3,200,000	1,700,000	-1,500,000	-46.9 %
1063 NPR Fund (Fed)	15,967,840	15,967,840	0	
1065 Rural Elec (Oth)	80,400	0	-80,400	-100.0 %
1081 Info Svc (Oth)	9,300,000	0	-9,300,000	-100.0 %
1092 MHTAAR (Oth)	1,650,000	0	-1,650,000	-100.0 %
1103 AHFC Rcpts (Oth)	2,430,300	0	-2,430,300	-100.0 %
1105 PFund Rcpt (Oth)	500,000	0	-500,000	-100.0 %
1108 Stat Desig (Oth)	15,610,000	14,110,000	-1,500,000	-9.6 %
1112 IntAptCons (Oth)	24,941,641	24,941,641	0	
1139 AHFC Div (Oth)	61,742,500	54,542,500	-7,200,000	-11.7 %
1140 AIDEA Div (Oth)	22,000,000	22,720,000	720,000	3.3 %
1147 PublicBldg (Oth)	2,800,000	2,800,000	0	
1153 State Land (Oth)	3,500,000	3,500,000	0	
1156 Rcpt Svcs (Oth)	6,258,508	73,508	-6,185,000	-98.8 %
1157 Wrkrs Safe (Oth)	3,092,200	3,092,200	0	
1171 PFD Crim (Oth)	1,640,400	0	-1,640,400	-100.0 %
1173 Misc Earn (Oth)	0	320,000	320,000	>999 %
1175 BLic&Corp (Oth)	155,000	0	-155,000	-100.0 %
1179 PFC (Oth)	4,560,000	4,560,000	0	
1185 Elect Fund (Oth)	3,821,720	3,821,720	0	
1190 Adak Air (Fed)	1,621,900	1,621,900	0	
1193 MaintGrant (Oth)	42,443,481	0	-42,443,481	-100.0 %
1195 SpecVehRct (Oth)	450,000	450,000	0	
1196 Master LOC (Oth)	100,229,200	0	-100,229,200	-100.0 %

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] Gov Comp	[2] Sen Comp	[2] - [1] Gov Comp to Sen Comp	
Funding Sources (continued)				
1197 AK Cap Fnd (Oth)	29,118,600	0	-29,118,600	-100.0 %
1201 CFEC Rcpts (Oth)	138,000	138,000	0	
1202 Anat Fnd (Oth)	0	8,000	8,000	>999 %
1206 CPV Tax (Oth)	40,720,500	59,227,500	18,507,000	45.4 %
1207 RCS Impact (Oth)	0	26,555,000	26,555,000	>999 %
1210 Ren Energy (Oth)	0	25,000,000	25,000,000	>999 %
1211 Gamble Tax (GF)	6,000,000	0	-6,000,000	-100.0 %
1212 Stimulus09 (Fed)	422,574,041	264,026,166	-158,547,875	-37.5 %
1213 AHCC (GF)	128,815,361	0	-128,815,361	-100.0 %
Funding Summary				
General Funds (GF)	378,726,223	169,557,540	-209,168,683	-55.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	-117,342,261	-8.1 %
Other (Oth)	489,862,250	312,326,869	-177,535,381	-36.2 %

2009 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language

Agency	[1] Gov Comp	[2] Sen Comp	[2] - [1] Gov Comp to Sen Comp	
Agency Budgets				
Administration	94,575,000	2,975,000	-91,600,000	-96.9 %
Community & Economic Dev	135,709,641	185,819,641	50,110,000	36.9 %
Corrections	13,690,400	7,000,000	-6,690,400	-48.9 %
Education & Early Dev	43,443,481	43,443,481	0	
Environmental Conservation	120,605,996	95,605,994	-25,000,002	-20.7 %
Fish and Game	27,898,000	27,588,000	-310,000	-1.1 %
Governor	6,889,455	3,821,720	-3,067,735	-44.5 %
Health & Social Services	33,491,625	10,903,342	-22,588,283	-67.4 %
Labor & Workforce Dev	12,178,100	3,692,200	-8,485,900	-69.7 %
Military & Veterans Affairs	30,150,000	29,550,000	-600,000	-2.0 %
Natural Resources	91,355,000	48,385,000	-42,970,000	-47.0 %
Public Safety	13,072,500	4,442,800	-8,629,700	-66.0 %
Revenue	116,851,000	43,077,200	-73,773,800	-63.1 %
Transportation & Public Fac	1,379,491,391	1,196,037,051	-183,454,340	-13.3 %
University of Alaska	75,497,000	33,200,000	-42,297,000	-56.0 %
Alaska Court System	2,500,000	12,434,300	9,934,300	397.4 %
Total	**2,197,398,589**	**1,747,975,729**	**-449,422,860**	**-20.5 %**
Statewide Items				
Fund Capitalization	118,443,465	63,820,000	-54,623,465	-46.1 %
Total	**118,443,465**	**63,820,000**	**-54,623,465**	**-46.1 %**
Statewide Total	**2,315,842,054**	**1,811,795,729**	**-504,046,325**	**-21.8 %**
Funding Summary				
General Funds (GF)	378,726,223	169,557,540	-209,168,683	-55.2 %
Federal Receipts (Fed)	1,447,253,581	1,329,911,320	-117,342,261	-8.1 %
Other (Oth)	489,862,250	312,326,869	-177,535,381	-36.2 %

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language	FY10 CAP [1] SFIN_1	CRUISE SHIP [2] SFIN_4	TRANS STIM [3] SFIN_7	FY09 SUPP [4] SFIN_10	[5] Bill Total
Total	**1,394,236,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,811,795,729**
Funding Sources					
1002 Fed Rcpts (Fed)	993,418,680	0	-16,050,766	70,927,500	1,048,295,414
1003 G/F Match (GF)	40,769,842	0	0	0	40,769,842
1004 Gen Fund (GF)	125,703,198	0	0	3,084,500	128,787,698
1007 I/A Rcpts (Oth)	300,000	0	0	0	300,000
1024 Fish/Game (Oth)	775,000	0	0	0	775,000
1026 HwyCapital (Oth)	15,000,000	0	0	0	15,000,000
1027 IntAirport (Oth)	16,806,800	0	0	5,000,000	21,806,800
1041 PF ERA (Oth)	21,000,000	0	0	0	21,000,000
1050 PFD Fund (Oth)	135,000	0	0	0	135,000
1052 Oil/Haz Fd (Oth)	5,750,000	0	0	0	5,750,000
1061 CIP Rcpts (Oth)	1,700,000	0	0	0	1,700,000
1063 NPR Fund (Fed)	15,967,840	0	0	0	15,967,840
1108 Stat Desig (Oth)	14,055,000	0	0	55,000	14,110,000
1112 IntAptCons (Oth)	24,029,141	0	0	912,500	24,941,641
1139 AHFC Div (Oth)	54,542,500	0	0	0	54,542,500
1140 AIDEA Div (Oth)	22,720,000	0	0	0	22,720,000
1147 PublicBldg (Oth)	2,800,000	0	0	0	2,800,000
1153 State Land (Oth)	3,500,000	0	0	0	3,500,000
1156 Rcpt Svcs (Oth)	73,508	0	0	0	73,508
1157 Wrkrs Safe (Oth)	3,092,200	0	0	0	3,092,200
1173 Misc Earn (Oth)	320,000	0	0	0	320,000
1179 PFC (Oth)	4,560,000	0	0	0	4,560,000
1185 Elect Fund (Oth)	0	0	0	3,821,720	3,821,720
1190 Adak Air (Fed)	1,621,900	0	0	0	1,621,900
1193 MaintGrant (Oth)	0	0	0	0	0
1195 SpecVehRct (Oth)	450,000	0	0	0	450,000
1201 CFEC Rcpts (Oth)	138,000	0	0	0	138,000
1202 Anat Fnd (Oth)	8,000	0	0	0	8,000
1206 CPV Tax (Oth)	0	59,227,500	0	0	59,227,500
1207 RCS Impact (Oth)	0	26,555,000	0	0	26,555,000
1210 Ren Energy (Oth)	25,000,000	0	0	0	25,000,000
1211 Gamble Tax (GF)	0	0	0	0	0
1212 Stimulus09 (Fed)	0	0	264,026,166	0	264,026,166
1213 AHCC (GF)	0	0	0	0	0
Funding Summary					
General Funds (GF)	166,473,040	0	0	3,084,500	169,557,540
Federal Receipts (Fed)	1,011,008,420	0	247,975,400	70,927,500	1,329,911,320
Other (Oth)	216,755,149	85,782,500	0	9,789,220	312,326,869

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

2009 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language

Agency	FY10 CAP [1] SFIN_1	CRUISE SHIP [2] SFIN_4	TRANS STIM [3] SFIN_7	FY09 SUPP [4] SFIN_10	[5] Bill Total
Agency Budgets					
Administration	2,975,000	0	0	0	2,975,000
Community & Economic Dev	125,717,641	58,602,000	0	1,500,000	185,819,641
Corrections	7,000,000	0	0	0	7,000,000
Education & Early Dev	43,443,481	0	0	0	43,443,481
Environmental Conservation	95,605,994	0	0	0	95,605,994
Fish and Game	27,533,000	0	0	55,000	27,588,000
Governor	0	0	0	3,821,720	3,821,720
Health & Social Services	10,903,342	0	0	0	10,903,342
Labor & Workforce Dev	3,692,200	0	0	0	3,692,200
Military & Veterans Affairs	29,550,000	0	0	0	29,550,000
Natural Resources	42,385,000	6,000,000	0	0	48,385,000
Public Safety	4,442,800	0	0	0	4,442,800
Revenue	43,077,200	0	0	0	43,077,200
Transportation & Public Fac	848,456,651	21,180,500	247,975,400	78,424,500	1,196,037,051
University of Alaska	33,200,000	0	0	0	33,200,000
Alaska Court System	12,434,300	0	0	0	12,434,300
Total	**1,330,416,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,747,975,729**
Statewide Items					
Fund Capitalization	63,820,000	0	0	0	63,820,000
Total	**63,820,000**	**0**	**0**	**0**	**63,820,000**
Statewide Total	**1,394,236,609**	**85,782,500**	**247,975,400**	**83,801,220**	**1,811,795,729**
Funding Summary					
General Funds (GF)	166,473,040	0	0	3,084,500	169,557,540
Federal Receipts (Fed)	1,011,008,420	0	247,975,400	70,927,500	1,329,911,320
Other (Oth)	216,755,149	85,782,500	0	9,789,220	312,326,869

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

3303

2009 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language

Agency	[1] SCS Sec1	[2] SCS Sec4	[3] SCS Sec7	[4] SCSSec10	[5] SCS 13+	[6] Bill Total
Agency Budgets						
Administration	2,975,000	0	0	0	0	2,975,000
Community & Economic Dev	82,035,400	58,602,000	0	1,500,000	42,875,840	185,013,240
Corrections	7,000,000	0	0	0	0	7,000,000
Education & Early Dev	43,443,481	0	0	0	0	43,443,481
Environmental Conservation	95,605,994	0	0	0	0	95,605,994
Fish and Game	26,033,000	0	0	55,000	1,500,000	27,588,000
Governor	0	0	0	3,821,720	2,500,000	6,321,720
Health & Social Services	10,903,342	0	0	0	0	10,903,342
Labor & Workforce Dev	3,692,200	0	0	0	0	3,692,200
Military & Veterans Affairs	29,550,000	0	0	0	0	29,550,000
Natural Resources	16,435,000	6,000,000	0	0	25,950,000	48,385,000
Public Safety	4,442,800	0	0	0	0	4,442,800
Revenue	43,077,200	0	0	0	0	43,077,200
Transportation & Public Fac	819,556,651	21,180,500	247,975,400	78,424,500	0	1,167,137,051
University of Alaska	33,200,000	0	0	0	0	33,200,000
Alaska Court System	12,434,300	0	0	0	0	12,434,300
Total	**1,230,384,368**	**85,782,500**	**247,975,400**	**83,801,220**	**72,825,840**	**1,720,769,328**
Statewide Items						
Fund Capitalization	0	0	0	0	63,820,000	63,820,000
Total	**0**	**0**	**0**	**0**	**63,820,000**	**63,820,000**
Statewide Total	**1,230,384,368**	**85,782,500**	**247,975,400**	**83,801,220**	**136,645,840**	**1,784,589,328**
Funding Summary						
General Funds (GF)	174,993,139	0	0	3,084,500	43,250,000	221,327,639
Federal Receipts (Fed)	912,540,580	0	247,975,400	70,927,500	69,567,840	1,301,011,320
Other (Oth)	142,850,649	85,782,500	0	9,789,220	23,828,000	262,250,369

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] SCS Sec1	[2] SCS Sec4	[3] SCS Sec7	[4] SCSSec10	[5] SCS 13+	[6] Bill Total
Total	1,230,384,368	85,782,500	247,975,400	83,801,220	136,645,840	1,784,589,328
Funding Sources						
1002 Fed Rcpts (Fed)	910,918,680	0	42,397,600	70,927,500	-4,848,366	1,019,395,414
1003 G/F Match (GF)	53,346,342	0	0	0	0	53,346,342
1004 Gen Fund (GF)	121,646,797	0	0	3,084,500	43,250,000	167,981,297
1007 I/A Rcpts (Oth)	300,000	0	0	0	0	300,000
1024 Fish/Game (Oth)	775,000	0	0	0	0	775,000
1026 HwyCapital (Oth)	15,000,000	0	0	0	0	15,000,000
1027 IntAirport (Oth)	16,806,800	0	0	30,000,000	0	46,806,800
1041 PF ERA (Oth)	0	0	0	0	21,000,000	21,000,000
1050 PFD Fund (Oth)	135,000	0	0	0	0	135,000
1052 Oil/Haz Fd (Oth)	5,750,000	0	0	0	0	5,750,000
1061 CIP Rcpts (Oth)	1,700,000	0	0	0	0	1,700,000
1063 NPR Fund (Fed)	0	0	0	0	15,967,840	15,967,840
1081 Info Svc (Oth)	0	0	0	0	2,500,000	2,500,000
1108 Stat Desig (Oth)	14,055,000	0	0	55,000	0	14,110,000
1112 IntAptCons (Oth)	24,029,141	0	0	-24,087,500	0	-58,359
1139 AHFC Div (Oth)	24,686,000	0	0	0	0	24,686,000
1147 PublicBldg (Oth)	2,800,000	0	0	0	0	2,800,000
1153 State Land (Oth)	3,500,000	0	0	0	0	3,500,000
1156 Rcpt Svcs (Oth)	73,508	0	0	0	0	73,508
1157 Wrkrs Safe (Oth)	3,092,200	0	0	0	0	3,092,200
1173 Misc Earn (Oth)	0	0	0	0	320,000	320,000
1179 PFC (Oth)	4,560,000	0	0	0	0	4,560,000
1185 Elect Fund (Oth)	0	0	0	3,821,720	0	3,821,720
1190 Adak Air (Fed)	1,621,900	0	0	0	0	1,621,900
1193 MaintGrant (Oth)	0	0	0	0	0	0
1195 SpecVehRct (Oth)	450,000	0	0	0	0	450,000
1201 CFEC Rcpts (Oth)	138,000	0	0	0	0	138,000
1202 Anat Fnd (Oth)	0	0	0	0	8,000	8,000

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

2009 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] SCS Sec1	[2] SCS Sec4	[3] SCS Sec7	[4] SCSSec10	[5] SCS 13+	[6] Bill Total
Funding Sources (continued)						
1206 CPV Tax (Oth)	0	59,227,500	0	0	0	59,227,500
1207 RCS Impact (Oth)	0	26,555,000	0	0	0	26,555,000
1210 Ren Energy (Oth)	25,000,000	0	0	0	0	25,000,000
1211 Gamble Tax (GF)	0	0	0	0	0	0
1212 Stimulus09 (Fed)	0	0	205,577,800	0	58,448,366	264,026,166
1213 AHCC (GF)	0	0	0	0	0	0
Funding Summary						
General Funds (GF)	174,993,139	0	0	3,084,500	43,250,000	221,327,639
Federal Receipts (Fed)	912,540,580	0	247,975,400	70,927,500	69,567,840	1,301,011,320
Other (Oth)	142,850,649	85,782,500	0	9,789,220	23,828,000	262,250,369

adopted 4-11-09

26-GS1003\T
Kane
4/10/09

CS FOR SENATE BILL NO. 75(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	***** **Department of Administration** *****			
	*****	*****		
Alaska Public Offices Commission Online System Completion (HD 1-40)		175,000	175,000	
Facilities Deferred Maintenance (HD 1-40)		2,800,000		2,800,000
	*****		*****	
***** **Department of Commerce, Community and Economic Development** *****				
	*****		*****	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Renewable Energy Project Grants (AS 42.45.045) (HD 1-40)		25,000,000		25,000,000
Alaska Energy Authority Energy Projects (HD 1-40)		20,000,000		20,000,000
Community Block Grants (HD 1-40)		6,100,000	70,000	6,030,000
Community Development and Assistance (HD 1-40)		2,630,000	430,000	2,200,000
Grants Tracking System		255,000	255,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
Kodiak Launch Complex Infrastructure (HD 36)		17,500,000	3,500,000	14,000,000
Manufacturing Extension Program (HD 1-40)		806,401	806,401	
Organization Grant (HD 1-40)		100,000	100,000	
Grants to Named Recipients (AS 37.05.316)				
Arctic Power (HD 1-40)		120,000	120,000	
Grants to Municipalities (AS 37.05.315)				
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000	10,000,000	
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Annual Facilities Maintenance and Repairs (HD 1-40)		1,000,000	1,000,000	
Goose Creek Correctional Center Utility and Energy Costs for New Construction (HD 13-16)		6,000,000	6,000,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Major Maintenance Grant Fund (AS 14.11.007)		**42,443,481**	**42,443,481**	
Craig Elementary School Roof Replacement (HD 5)	85,807			
St. Mary's - Garage and Warm Storage Renovation (HD 39)	882,608			
Houghtaling Elementary Outdoor Physical Education Shelter Replacement (HD 1)	276,110			
Evergreen Elementary School Playground Safety Upgrades (HD 2)	770,698			
Sand Point K-12 School Window Replacement (HD 37)	67,948			
Pacific High School Renovation (HD 2)	1,736,513			
Huslia High School Exterior Upgrades (HD 6)	923,685			
Valley Park Elementary Siding Replacement (HD 1)	467,164			
Craig Middle School Exterior Envelope Upgrades (HD 5)	26,868			
Cold Bay K-12 Heating System Upgrade (HD 37)	75,789			
Galena Regional Learning Center Gym Building Upgrade (HD 6)	6,888,506			
Allakaket K-12 School Water System Improvements	161,994			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 6)				
Platinum K-12 School Prime Power Generators (HD 38)	181,678			
False Pass K-12 School Siding Replacement (HD 37)	92,042			
Galena Regional Learning Center Dining Facility Upgrade (HD 6)	3,528,598			
Kasigluk-Akula K-12 School Generator Building Floor Failure Repairs (HD 38)	928,581			
Aleknagik, Clarks Point, Ekwok K-12 Schools: HVAC Upgrades (HD 37)	384,186			
Kotlik K-12 Heat Plant Relocation (HD 39)	1,369,016			
Saint Mary's - Districtwide Fuel Tank Farm Replacement (HD 39)	3,306,502			
Craig Middle School Classroom Renovation (HD 5)	83,588			
Kodiak Schools Seismic Mitigation Project (HD 36)	3,236,143			
Diomede K-12 School Renovation (HD 39)	15,890,622			
Kaltag K-12 School Heating System Replacement (HD 6)	1,078,835			

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Environmental Conservation *****				
*****			*****	
Oil and Hazardous Substance First Responder Equipment and Preparedness (HD 1-40)		750,000		750,000
Statewide Contaminated Sites Cleanup (HD 1-40)		5,000,000		5,000,000
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**23,189,396**	**23,189,396**	
Anchorage: Girdwood Wastewater Treatment Facility (HD 17-32)	4,182,000			
Dillingham: Water System Improvements, Phase II (HD 37)	3,090,000			
Fairbanks North Star Borough: Pioneer Park Water and Sewer Improvements (HD 7-11)	100,395			
Juneau: East Valley Reservoir/Jordan Creek Rehabilitation Project (HD 3-4)	41,400			
Juneau: North Douglas Sewer Expansion, Phase III (HD 3-4)	123,165			
Juneau: North Douglas Sewer Expansion, Phase IV (HD 3-4)	1,804,560			

	Allocations	Appropriation Items	General Funds	Other Funds
Juneau: West Mendenhall Valley Sewer Expansion, Phase II (HD 3-4)	109,710			
Juneau: West Mendenhall Valley Sewer Expansion, Phase III (HD 3-4)	1,608,860			
Kenai: New Water Transmission Mains Phase II and Wellhouse (HD 33-35)	2,132,100			
Kenai: Water Treatment Plant Upgrades, Phase III (HD 33-35)	648,945			
Ketchikan Gateway Borough: Waterline Extension from Mountain Point (HD 1)	1,453,241			
Ketchikan: Tongass Avenue Water and Sewer Replacement, Phase II (HD 1)	1,691,260			
Matanuska Susitna Borough: Garden Terrace Estates, Phase II (HD 13-16)	356,040			
Nome: Moonlight Springs Transmission Line Upgrade/Replacement, Phase II (HD 39)	3,090,000			
North Pole: Sewer Lift Station Renovation Project (HD 7-11)	724,500			
Palmer: Steel Water Main	2,033,220			

	Allocations	Appropriation Items	General Funds	Other Funds
Replacement, Phase VII (HD 13-16)				
Village Safe Water and Wastewater Infrastructure Projects		**66,666,598**	**14,041,598**	**52,625,000**
Adak: Water and Sewer Improvements (HD 37)	526,490			
Akiachak: Service Lines and Plumbing (HD 38)	1,652,060			
Alatna: Landfill Master Plan (HD 6)	55,000			
Alatna: Water Supply and Sewage Collection and Treatment Project Phase IV (HD 6)	124,697			
Ambler: Sanitation Facility Master Plan Upgrade (HD 40)	80,000			
Anchor Point: Water and Sewer Line Extension Study (HD 33-35)	81,000			
Anchor Point: Water System Upgrades (HD 33-35)	810,000			
Anderson: Sewage Lagoon (HD 7-11)	870,500			
Aniak: Sewer Service (HD 6)	44,535			
Atka: Phase IV Improvements (HD 37)	310,385			
Beaver: Sanitation Improvement Feasibility	64,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Study (HD 6)				
Bethel: Backbone Upgrades Phase I (HD 38)	1,514,181			
Buckland: Water and Sewer System (HD 40)	3,919,056			
Chenega Bay: Water Treatment and Sewer Collection (HD 5)	290,794			
Chignik Bay: Wastewater System Improvements Phase IV (HD 37)	396,605			
Chistochina: Washeteria and Community Water System (HD 6)	471,778			
Chuathbaluk: Piped Sewer System Improvements (HD 6)	318,806			
Coffman Cove: Water Storage System (HD 1)	1,068,783			
Crooked Creek: Piped Water and Sewer System Final Phase (HD 6)	648,058			
Denali Commission/ANTHC/Other Federal Agencies (HD 1-40)	10,500,000			
Eek: Water and Sewer Service (HD 38)	4,186,267			
Ekwok: Sewer System Improvements (HD 37)	364,231			
Emmonak: Water and Sewer Mains and Upgrades (HD 39)	534,417			

	Allocations	Appropriation Items	General Funds	Other Funds
False Pass: Sewage Collection System (HD 37)	638,276			
Fort Yukon: Sewer Collection and Water Storage System (HD 6)	165,902			
Gambell: Water Storage System and Sewer System Improvements (HD 39)	35,628			
Glennallen: Hub Sewer Extension Final Phase (HD 12)	17,813			
Golovin: Water Storage Tank (HD 39)	169,232			
Hooper Bay: Piped Water and Sewer System (HD 39)	2,761,152			
Kachemak: Selo Water System Feasibility Study and Groundwater Investigation (HD 33-35)	216,000			
Kasaan: Water Treatment Plant and Storage Tank (HD 5)	502,846			
Kasigluk: Piped Water and Sewer and Sewer Haul Service (HD 38)	556,974			
Kongiganak: Water System Improvements (HD 38)	961,950			
Kotlik: Piped Water and Sewer Extensions (HD 39)	218,950			
Kotzebue: Water and Sewer Upgrades (HD 40)	1,567,622			

	Allocations	Appropriation Items	General Funds	Other Funds
Lower Kalskag: Piped Water and Sewer System (HD 38)	1,564,758			
Manokotak: Old Village Water and Sewer Plan and Source Study (HD 37)	189,000			
Manokotak: Water and Sewer Disposal and Distribution Improvements (HD 37)	860,658			
Marshall: Water and Sewer Line Replacement (HD 6)	254,418			
McGrath: Water and Sewer Improvements (HD 6)	1,456,541			
Mountain Village: Water Improvement Feasibility Study (HD 39)	113,400			
Nanwalek: Piped Water and Sewer System Replacement (HD 33-35)	404,259			
Napaskiak: Solid Waste Study (HD 38)	81,000			
Nightmute: Sewer Lagoon and System Improvements (HD 38)	368,712			
Nikolai: Water Treatment Study and Gravity Sewer Study (HD 6)	75,000			
Ninilchik: Water and Sewer System Improvements (HD 33-35)	1,613,955			
Nunapitchuk: Water Treatment and Sewer Lagoon	569,011			

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrades (HD 38)				
Old Harbor: Water Treatment Plant, Tank and Connections (HD 36)	326,796			
Pelican: Water and Sewer Upgrades (HD 2)	855,095			
Pilot Point: Water and Sewer Pipe Extension and Upgrades (HD 37)	602,911			
Pitkas Point: Water and Sewer System Upgrades (HD 39)	751,006			
Quinhagak: Piped Water and Sewer System Upgrades (HD 38)	891,496			
Saint Mary's: Water System Upgrades (HD 39)	2,000,000			
Saint Michael: Completion of Piped Water and Sewer System (HD 39)	17,813			
Saint Paul: Sewage Ocean Outfall (HD 37)	1,512,000			
Saxman: Water Treatment Plant (HD 1)	266,638			
Seldovia: Water and Sewer Pipe Replacement and Upgrades (HD 33-35)	1,178,317			
Shageluk: Water Source and Sewer Service (HD 6)	2,310,105			
Shaktoolik: Water and Sewer Treatment Plant Upgrades	81,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Compliance Study (HD 39)				
Shungnak: Sanitation Facilities Master Plan Upgrade (HD 40)	80,000			
Slana: Wells and Septic Systems (HD 6)	808,501			
Stebbins: Water and Sewer System (HD 39)	2,939,292			
Takotna: Water and Sewer System Upgrades (HD 6)	423,614			
Tanana: Sewage Lagoon Improvements and Piped Water and Sewer Extension (HD 6)	1,291,150			
Thorne Bay: Water, Sewer and Solid Waste Study (HD 1)	135,000			
Togiak: Water Treatment Plant Upgrades and Repairs (HD 37)	1,066,856			
Toksook Bay: Water and Sewer System Improvements (HD 38)	1,315,797			
Tuluksak: Piped Water and Sewer System (HD 38)	1,154,004			
Tuntutuliak: Water and Sewer System Improvements (HD 38)	247,613			
Tununak: Flush Tank and Haul (HD 38)	140,633			

	Allocations	Appropriation Items	General Funds	Other Funds
Unalakleet: Water and Sewer Lagoon Improvements (HD 39)	1,070,437			
Voznesenka: Water and Sewer System Improvements (HD 33-35)	221,034			
Wales: Lagoon Repair and Expansion (HD 39)	783,990			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Cooperative Resource Program (HD 1-40)		455,000		455,000
Pacific Coastal Salmon Recovery Fund (HD 1-40)		22,000,000		22,000,000
Permit Card Equipment for eLandings Program (HD 1-40)		138,000		138,000
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
Statewide Annual Deferred Maintenance, Repair, Upgrades, and Equipment (HD 1-40)		340,000	340,000	
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Emergency Medical Services - Emergency Communications (HD 1-40)		190,000	190,000	
Emergency Medical Services		425,000	425,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)				
Health Insurance Portability and Accountability Act Compliance (HD 1-40)		1,337,448	668,724	668,724
HIPAA Updated Electronic Transaction Standards (HD 1-40)		4,500,000	450,000	4,050,000
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		1,146,589	942,717	203,872
Online Resources for the Children of Alaska Enhancements to Meet Federal Requirements (HD 1-40)		414,255	242,163	172,092
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		800,000	800,000	
Production Printer Replacement (HD 1-40)		474,300	299,300	175,000
Public Health Disaster Preparedness (HD 1-40)		500,000	500,000	
Safety and Support Equipment for Probation Officers and Front Line Workers (HD 1-40)		1,115,750	750,000	365,750

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *		* * * * *	
	* * * * * **Department of Labor and Workforce Development** * * * * *			
	* * * * *		* * * * *	
AVTEC Deferred Maintenance and Training Facility Expansion (HD 33-35)		600,000	600,000	
Workers' Compensation .Net Upgrade and Rewrite (HD 1-40)		3,092,200		3,092,200
	* * * * *		* * * * *	
	* * * * * **Department of Military and Veterans Affairs** * * * * *			
	* * * * *		* * * * *	
Army Guard Facilities Projects (HD 1-40)		2,500,000	750,000	1,750,000
Compliance Cleanup Site Restoration (HD 1-40)		17,000,000		17,000,000
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)		400,000	400,000	
National Guard Counterdrug Support and ROPES Program (HD 1-40)		150,000	50,000	100,000
State Homeland Security Grant Program (HD 1-40)		9,500,000		9,500,000
	* * * * *		* * * * *	
	* * * * * **Department of Natural Resources** * * * * *			
	* * * * *		* * * * *	
Abandoned Mine Lands Reclamation Federal		3,000,000		3,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
Alaska Boating Safety Program (HD 1-40)		1,450,000		1,450,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Cooperative Water Resource Program (HD 1-40)		300,000		300,000
Federal and Local Government Funded Forestry and Fire Projects (HD 1-40)		3,500,000		3,500,000
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sales - New Subdivision Development (HD 1-40)		3,500,000		3,500,000
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		900,000		900,000
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000		250,000
Wildland Fire Truck Replacement (HD 1-40)		375,000	375,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Department of Public Safety** * * * * *			
	* * * * *	* * * * *		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		600,000	600,000	
AST Law Enforcement Equipment Replacement (HD 1-40)		250,000	250,000	
AST Mobile Data Computers - Phase II (HD 1-40)		240,000	240,000	
AWT Law Enforcement Equipment Replacement (HD 1-40)		200,000	200,000	
Crime Laboratory Equipment Replacement (HD 1-40)		50,000	50,000	
Marine Fisheries Patrol Improvements (HD 1-40)		2,500,000		2,500,000
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		602,800	602,800	
	* * * * *	* * * * *		
	* * * * * **Department of Revenue** * * * * *			
	* * * * *	* * * * *		
Child Support Services Computer Replacement Project - Phase 5 (HD 1-40)		216,200		216,200
Permanent Fund Dividend Division Call Center Automated Routing (HD 1-40)		135,000		135,000

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Housing Finance Corporation				
AHFC Birch Park II Building (B) Reconstruction (HD 7-11)		640,000		640,000
AHFC Competitive Grants for Public Housing (HD 1-40)		1,000,000		1,000,000
AHFC Denali Commission Projects (HD 1-40)		5,000,000		5,000,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000		1,000,000
AHFC Federal and Other Competitive Grants (HD 1-40)		4,000,000		4,000,000
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,050,000		4,050,000
AHFC Housing Loan Program/Teacher/Health and Public Safety Professionals Housing (HD 1-40)		6,800,000		6,800,000
AHFC Loussac Manor Renovation and Replacement - Phase 3 (HD 17-32)		2,336,000		2,336,000
AHFC Senior Citizens Housing Development		4,500,000		4,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
AHFC State Energy Program Special Projects (HD 1-40)		200,000		200,000
AHFC Statewide Project Improvements (HD 1-40)		2,000,000		2,000,000
AHFC Supplemental Housing Development Program (HD 1-40)		6,000,000		6,000,000
AHFC Weatherization Program (HD 1-40)		2,000,000		2,000,000
*****			*****	
***** **Department of Transportation/Public Facilities** *****				
*****			*****	
Adak Airport Maintenance and Operations (HD 37)		1,621,900		1,621,900
Airport Deferred Maintenance (HD 1-40)		340,000	340,000	
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)		936,760	936,760	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		6,000,000	6,000,000	
Americans with Disabilities Act Compliance Projects (HD 1-40)		238,000	238,000	
Facilities Deferred Maintenance and Critical		1,020,000	1,020,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Repairs (HD 1-40)				
Harbor Deferred Maintenance (HD 1-40)		272,000	272,000	
Highway Deferred Maintenance (HD 1-40)		1,100,000	1,100,000	
Highway Maintenance Vehicle Replacement and Safety Equipment (HD 1-40)		450,000	450,000	
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)		61,500	61,500	
State Equipment Fleet Replacement (HD 1-40)		15,000,000		15,000,000
Statewide Rural Airport Safety Improvements (HD 1-40)		1,000,000	1,000,000	
Statewide Federal Programs		**113,560,000**	**22,783,500**	**90,776,500**
Commercial Vehicle Enforcement Program (HD 1-40)	3,400,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	25,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			
Federal-Aid Aviation State	6,320,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Match (HD 1-40)				
Federal-Aid Highway State Match (HD 1-40)	27,880,000			
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,160,000			
Statewide Safety Program (HD 1-40)	11,800,000			
Airport Improvement Program		**362,126,491**		**362,126,491**
Alakanuk: Airport Relocation (HD 39)	7,140,000			
Alakanuk: Snow Removal Equipment Building (HD 39)	950,000			
Alaska International Airport System: Reimbursable Services Authority (HD 1-40)	5,000,000			
Alaska International Airport System: System Master Plan (HD 1-40)	1,000,000			
Barrow: Airport Runway - Apron Paving and Safety Area Expansion (HD 40)	7,200,000			
Bethel: Airport Master Plan Update (HD 38)	300,000			
Birchwood: Airport Master Plan (HD 13-16)	175,000			
Central Region: Snow Removal Equipment (HD	7,300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
Chalkyitsik: Airport Improvements (HD 6)	375,000			
Chefornak: Airport Relocation (HD 38)	16,000,000			
Chignik: Airport Master Plan Wind Study (HD 37)	100,000			
Cold Bay: Airport Rescue and Firefighting Building Expansion (HD 37)	300,000			
Crooked Creek: Airport Improvements (HD 6)	20,000,000			
Dillingham: Airport Apron and Taxiway Resurfacing (HD 37)	10,200,000			
Emmonak: Airport Rehabilitation and Apron Expansion (HD 39)	3,550,000			
Fairbanks International Airport: Airport Rescue and Fire Fighting Building Reroof and Assessment (HD 7-11)	2,000,000			
Fairbanks International Airport: Annual Improvements (HD 7-11)	1,300,000			
Fairbanks International Airport: Contingency Funds (HD 7-11)	5,280,200			
Fairbanks International Airport: Equipment (HD	830,000			

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Fairbanks International Airport: Information Technology Improvements (HD 7-11)	80,000			
Fairbanks International Airport: Master Plan Update (HD 7-11)	1,000,000			
False Pass: Airport Improvements (HD 37)	17,250,000			
Gustavus: Airport Runway Safety Area (HD 5)	10,000,000			
King Salmon: Airport Improvements (HD 37)	8,500,000			
Kipnuk: Airport Reconstruction (HD 38)	2,000,000			
Kodiak: Regulator Building (HD 36)	2,800,000			
Kotzebue: Airport Certification Compliance Improvements (HD 40)	1,800,000			
Little Diomede: Snow Removal Equipment Building (HD 39)	90,000			
Newtok: Airport Master Plan (HD 38)	375,000			
Northern Region: Snow Removal Equipment (HD 1-40)	3,000,000			
Northern Region: Snow Removal Equipment Building	1,100,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrades (HD 1-40)				
Pilot Station: Airport Relocation (HD 39)	2,400,000			
Port Lions: Regulator Building (HD 36)	580,000			
Saint Marys: Airport Improvements (HD 39)	16,900,000			
Seward: Regulator Building (HD 33-35)	330,000			
Southeast: Snow Removal and Fire Fighting Equipment (HD 1-5)	3,300,000			
Statewide: Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide: Aviation Systems Plan Update (HD 1-40)	1,500,000			
Statewide: Various Airports - Surveys for Lateral Precision Vertical Guidance Systems (HD 1-40)	1,500,000			
Statewide: Various Airports Minor Surface Improvements (HD 1-40)	9,000,000			
Stony River: Airport Relocation and Airport Improvements (HD 6)	4,500,000			
Ted Stevens Anchorage International Airport: Advanced Project Design and Planning (HD 17-32)	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ted Stevens Anchorage International Airport: AIAS Contingency Funds (HD 17-32)	20,991,049			
Ted Stevens Anchorage International Airport: Annual Improvements (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Emergency Operations Center / Airport Communication Center (HD 17-32)	10,000,000			
Ted Stevens Anchorage International Airport: Environmental Management System (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Equipment (HD 17-32)	3,860,000			
Ted Stevens Anchorage International Airport: Facility Improvements, Renovations and Upgrades (HD 17-32)	2,400,000			
Ted Stevens Anchorage International Airport: Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage	2,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
International Airport: Jet Bridge Replacements (HD 17-32)				
Ted Stevens Anchorage International Airport: Kulis Planning and Design (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Lake Hood Bank Stabilization and Land Acquisition (HD 17-32)	5,263,159			
Ted Stevens Anchorage International Airport: Lake Hood Strip Improvements (HD 17-32)	1,000,000			
Ted Stevens Anchorage International Airport: Lake Hood Strip Runway Protection Zone Land Acquisition (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport: Land Acquisition (HD 17-32)	3,000,000			
Ted Stevens Anchorage International Airport: Master Plan Update (HD 17-32)	5,350,000			
Ted Stevens Anchorage International Airport: Master Plan-Part 150 Noise	533,333			

	Allocations	Appropriation Items	General Funds	Other Funds
Compatibility Study (HD 17-32)				
Ted Stevens Anchorage International Airport: North Terminal Gates N1, 3, and 5 (HD 17-32)	681,250			
Ted Stevens Anchorage International Airport: Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	3,600,000			
Ted Stevens Anchorage International Airport: Runway 7L Rehabilitation (HD 17-32)	1,875,000			
Ted Stevens Anchorage International Airport: Runway 7R Design Group VI Upgrade (HD 17-32)	61,000,000			
Ted Stevens Anchorage International Airport: Runway 7R/25L Extension (HD 17-32)	29,102,000			
Ted Stevens Anchorage International Airport: Runway Deicer Storage (HD 17-32)	600,000			
Unalakleet: Snow Removal Equipment Building Replacement (HD 39)	1,130,000			
Willow: Airport Master	250,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Plan (HD 13-16)				
Surface Transportation Program		**344,730,000**		**344,730,000**
Alaska Marine Highway: Ferry Vessel Refurbishment (HD 1-40)	18,000,000			
Alaska Marine Highway: Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway: Terminal - Prince Rupert Ferry Terminal Acquisition (HD 1-5)	7,500,000			
Alaska Marine Highway: Terminal - Southwest Warehouse (HD 33-35)	360,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Congestion Mitigation Air Quality (CMAQ) (HD 17-32)	2,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Projects, Flexible (HD 17-32)	20,300,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) Trails and Recreational Access for Alaska (TRAAK) Projects (HD 17-32)	1,150,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Bethel: Tundra Ridge Road Improvements (HD 38)	1,200,000			
Central Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	20,000,000			
Copper River Highway: Permanent Flooding Repairs (HD 5)	6,500,000			
Dalton Highway: Milepost 197 to 209 (HD 1-40)	22,900,000			
Dalton Highway: Milepost 274 to 289 Reconstruction (HD 40)	3,090,000			
Emmonak: Landfill Road (HD 39)	470,000			
Fairbanks North Star Borough: Transportation Related PM 2.5 Reductions (HD 7-11)	1,160,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	12,570,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System	1,560,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(FMATS): Noble Street Reconstruction (HD 7-11)				
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): North Pole Interchange Pedestrian Facilities (HD 7-11)	1,630,000			
Fairbanks: Fairbanks Metropolitan Area Transportation System (FMATS): Preventative Maintenance Program (HD 7-11)	1,370,000			
Fairbanks: Nelson Road Resurfacing (HD 7-11)	2,000,000			
Fairbanks: Phillips Field Road Rehabilitation (HD 7-11)	1,200,000			
Glenn Highway: Milepost 172 to 189 Rehabilitation (HD 12)	7,500,000			
Haines: Haines Highway Reconstruction, Milepost 17 to 21 (HD 5)	14,000,000			
Haines: Klehinin River Bridge (HD 5)	3,000,000			
Huslia: Landfill Road (HD 6)	630,000			
Hyder: Causeway Reconstruction and Trestle	2,300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Replacement (HD 5)				
Juneau: Brotherhood Bridge and Industrial Boulevard Improvements (HD 3-4)	3,000,000			
Kake to Petersburg Road and Shuttle Ferry Terminals (HD 5)	10,000,000			
Ketchikan: Tongass/Water Street Pedestrian Improvements (HD 1)	1,300,000			
Kodiak: Chiniak Road Milepost 23.7 Improvements (HD 36)	6,000,000			
Mat-Su: Trunk Road Reconstruction (HD 13-16)	10,000,000			
McCarthy Road/Edgerton Highway: Permanent Flooding Repairs (HD 6)	10,000,000			
Nome-Council Highway Milepost 62 to 72 (HD 39)	6,370,000			
Northern Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	23,000,000			
Northern Region: Winter Trail Markings (HD 1-40)	200,000			
Richardson Highway: Milepost 228 - One Mile Creek Bridge Replacement (HD 12)	380,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Richardson Highway: Milepost 353 to 357 Access (HD 7-11)	3,500,000			
Richardson Highway: Milepost 357 - Fairbanks New Weigh Station (HD 7-11)	2,790,000			
Richardson Highway: Permanent Flooding Repairs (HD 1-40)	11,400,000			
Safe Routes to Schools (HD 1-40)	1,000,000			
Seward Highway: Dowling to Tudor Reconstruction (HD 17-32)	8,000,000			
Sitka: Japonski Island Streets and Utilities (HD 2)	2,000,000			
Southeast Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	7,800,000			
Statewide: Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide: Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide: Civil Rights Program (HD 1-40)	200,000			
Statewide: Congestion Mitigation and Air Quality (CMAQ) Projects (HD 1-40)	7,500,000			
Statewide: Highway Data Equipment Acquisition and Installation (HD 1-40)	1,200,000			
Statewide: Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide: Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide: Intelligent Transportation Systems Implementation Plan (IWAYS) (HD 1-40)	1,500,000			
Statewide: Intelligent Transportation Systems Operations and Maintenance (IWAYS) (HD 1-40)	750,000			
Statewide: National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide: Planning Work Program (HD 1-40)	7,500,000			
Statewide: Research Program (HD 1-40)	1,500,000			
Statewide: Scenic Byways Grants (HD 1-40)	500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide: Urban Planning Program (HD 1-40)	1,000,000			
Statewide: Weigh-in-Motion Equipment (HD 1-40)	750,000			
Steese Highway: Milepost 62 to 69 (HD 7-11)	300,000			
Sterling Highway: Milepost 135 - Ninilchik Intersection Improvements and Illumination (HD 33-35)	350,000			
Stevens Village: Sanitation Road (HD 6)	730,000			
Surface Transportation Preconstruction (HD 1-40)	45,000,000			
Taylor Highway: Milepost 70 - Lost Chicken Slide (HD 6)	720,000			
Tok Cutoff: Milepost 2 Bridge Replacement - Gakona River (HD 6)	1,300,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Federal Receipt Authority (HD 1-40)		15,000,000		15,000,000
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		3,200,000	3,200,000	
UA Climate Projects (HD		10,000,000		10,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
UA Energy Projects (HD 7-11)		5,000,000		5,000,000
	* * * * *	* * * * *		
	* * * * * **Alaska Court System** * * * * *			
	* * * * *	* * * * *		
Anchorage Campus Project Phase 2 (HD 17-32)		9,900,000	9,900,000	
Court Security Projects (HD 1-40)		1,190,000	1,190,000	
CourtView Enhancements (HD 1-40)		1,344,300	1,344,300	

(SECTION 2 OF THIS ACT BEGINS ON PAGE 37)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	175,000
1147 Public Building Fund	2,800,000
*** Total Agency Funding ***	$2,975,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	40,630,000
1003 General Fund Match	500,000
1004 Unrestricted General Fund Receipts	15,111,801
1007 Interagency Receipts	300,000
1061 Capital Improvement Project Receipts	1,300,000
1210 Renewable Energy Grant Fund	25,000,000
*** Total Agency Funding ***	$82,841,801
Department of Corrections	
1004 Unrestricted General Fund Receipts	7,000,000
*** Total Agency Funding ***	$7,000,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	43,443,481
*** Total Agency Funding ***	$43,443,481
Department of Environmental Conservation	
1002 Federal Receipts	52,125,000
1003 General Fund Match	14,041,598
1004 Unrestricted General Fund Receipts	23,189,396
1052 Oil/Hazardous Release Prevention & Response Fund	5,750,000
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$95,605,994
Department of Fish and Game	
1002 Federal Receipts	24,325,000
1004 Unrestricted General Fund Receipts	340,000

1024	Fish and Game Fund	775,000
1108	Statutory Designated Program Receipts	455,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
***	Total Agency Funding ***	$26,033,000
Department of Health and Social Services		
1002	Federal Receipts	5,635,438
1003	General Fund Match	2,494,744
1004	Unrestricted General Fund Receipts	2,773,160
***	Total Agency Funding ***	$10,903,342
Department of Labor and Workforce Development		
1004	Unrestricted General Fund Receipts	600,000
1157	Workers Safety and Compensation Administration Account	3,092,200
***	Total Agency Funding ***	$3,692,200
Department of Military and Veterans Affairs		
1002	Federal Receipts	28,350,000
1003	General Fund Match	750,000
1004	Unrestricted General Fund Receipts	450,000
***	Total Agency Funding ***	$29,550,000
Department of Natural Resources		
1002	Federal Receipts	10,810,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	375,000
1108	Statutory Designated Program Receipts	1,100,000
1153	State Land Disposal Income Fund	3,500,000
1195	Special Vehicle Registration Receipts	450,000
***	Total Agency Funding ***	$16,435,000
Department of Public Safety		
1002	Federal Receipts	2,500,000
1004	Unrestricted General Fund Receipts	1,942,800
***	Total Agency Funding ***	$4,442,800
Department of Revenue		

1002	Federal Receipts	18,182,692
1050	Permanent Fund Dividend Fund	135,000
1139	Alaska Housing Finance Corporation Dividend	24,686,000
1156	Receipt Supported Services	73,508
*** Total Agency Funding ***		$43,077,200
Department of Transportation/Public Facilities		
1002	Federal Receipts	727,260,550
1003	General Fund Match	22,783,500
1004	Unrestricted General Fund Receipts	11,418,260
1026	Highways Equipment Working Capital Fund	15,000,000
1027	International Airports Revenue Fund	16,806,800
1061	Capital Improvement Project Receipts	400,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	24,029,141
1139	Alaska Housing Finance Corporation Dividend	4,856,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1179	Passenger Facility Charges	4,560,000
1190	Adak Airport Operations	1,621,900
*** Total Agency Funding ***		$848,456,651
University of Alaska		
1002	Federal Receipts	30,000,000
1004	Unrestricted General Fund Receipts	3,200,000
*** Total Agency Funding ***		$33,200,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	12,434,300
*** Total Agency Funding ***		$12,434,300
* * * * * Total Budget * * * * *		$1,260,090,769

(SECTION 3 OF THIS ACT BEGINS ON PAGE 40)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1003	General Fund Match	40,769,842
1004	Unrestricted General Fund Receipts	122,453,198
Total General Funds		$163,223,040
Federal Funds		
1002	Federal Receipts	939,818,680
1190	Adak Airport Operations	1,621,900
Total Federal Funds		$941,440,580
Other Non-Duplicated Funds		
1024	Fish and Game Fund	775,000
1027	International Airports Revenue Fund	16,806,800
1108	Statutory Designated Program Receipts	14,055,000
1139	Alaska Housing Finance Corporation Dividend	29,542,500
1140	Alaska Industrial Development and Export Authority Dividend	7,720,000
1153	State Land Disposal Income Fund	3,500,000
1156	Receipt Supported Services	73,508
1157	Workers Safety and Compensation Administration Account	3,092,200
1179	Passenger Facility Charges	4,560,000
1195	Special Vehicle Registration Receipts	450,000
1201	Commercial Fisheries Entry Commission Receipts	138,000
Total Other Non-Duplicated Funds		$80,713,008
Duplicated Funds		
1007	Interagency Receipts	300,000
1026	Highways Equipment Working Capital Fund	15,000,000
1050	Permanent Fund Dividend Fund	135,000

1052	Oil/Hazardous Release Prevention & Response Fund	5,750,000
1061	Capital Improvement Project Receipts	1,700,000
1112	International Airports Construction Fund	24,029,141
1147	Public Building Fund	2,800,000
1210	Renewable Energy Grant Fund	25,000,000
Total Duplicated Funds		$74,714,141

(SECTION 4 OF THIS ACT BEGINS ON PAGE 42)

* **Sec. 4.** The following appropriation items are for capital projects to upgrade commercial passenger vessel services and watercraft infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 5 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Aviation Heritage Museum - Major Facility Safety, Energy and Collections Care Improvements (HD 17-32)		500,000		500,000
Alaska Native Heritage Center - Village Site Completion (HD 17-32)		275,000		275,000
Alaska Wildlife Conservation Center, Inc. - Visitor Education and Sactuary Research (HD 17-32)		1,000,000		1,000,000
Alaska Zoo - Infirmary and Commissary for the Animals (HD 17-32)		800,000		800,000
Marine Exchange of Alaska - Vessel Tracking System Upgrades (HD 1-40)		450,000		450,000

	Allocations	Appropriation Items	General Funds	Other Funds
Morris Thompson Cultural and Visitors Center - Exhibit Completion (HD 7-11)		1,000,000		1,000,000
Grants to Municipalities (AS 37.05.315)				
Anchorage - Egan Center Upgrades (HD 17-32)		1,000,000		1,000,000
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000		10,000,000
Cordova - Cordova Center Construction and Equipment (HD 5)		1,000,000		1,000,000
Fairbanks North Star Borough - Carlson Center Improvements (HD 7-11)		1,000,000		1,000,000
Haines Borough: Port Chilkoot Waterfront Improvements (HD 5)		1,900,000		1,900,000
Hoonah - Cruise Ship Mooring Buoy System (HD 5)		1,000,000		1,000,000
Juneau - Cruise Ship Dock Improvements (HD 3-4)		2,500,000		2,500,000
Juneau - Auke Bay Seawalk Construction (HD 3-4)		800,000		800,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Port of		4,000,000		4,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan Berth I and II Replacement (HD 1)				
Ketchikan - Reconstruction of Downtown Bridges and Trestles (HD 1)		5,000,000		5,000,000
Kodiak - Baranof Park Improvements (HD 36)		2,000,000		2,000,000
Palmer - Visitors Information Center Restrooms (HD 13-16)		100,000		100,000
Petersburg - Commercial Dock and Vehicle Drive Down Design (HD 2)		3,390,000		3,390,000
Seward - Bus Transportation Assistance for Cruise Ship Passengers. (HD 33-35)		167,000		167,000
Seward - Dredging Cruise Ship Berthing Basins and Approaches (HD 33-35)		4,500,000		4,500,000
Sitka - Commercial Passenger Vessel Lightering Facility Improvements (HD 2)		2,000,000		2,000,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Cruise Impacts		2,500,000		2,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 5)				
Valdez - City Dock		800,000		800,000
Information and				
Interpretative Center (HD				
12)				
Valdez - Dock Improvements		3,325,000		3,325,000
(HD 12)				
Wasilla - Airport Train		430,000		430,000
Station Improvements (HD				
13-16)				
Whittier - Railroad Station		325,000		325,000
Improvements (HD 17-32)				
Wrangell - Construction		2,500,000		2,500,000
Activities to Complete the				
Marine Service Center (HD				
2)				
Wrangell - Stikine Avenue		390,000		390,000
Sidewalk Extension (HD 2)				
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
State Parks Deferred		**6,000,000**		**6,000,000**
Maintenance and Emergency				
Repairs				
State Park Emergency	400,000			
Repairs (HD 1-40)				
State Parks Deferred	4,530,000			
Maintenance and Equipment				
(HD 1-40)				
State Park Sanitation and	500,000			
Safety Projects (HD 1-40)				

	Allocations	Appropriation Items	General Funds	Other Funds
Sultana Drive Reconstruction (HD 17-32)	570,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Cruise Ship-Related Projects		**21,180,500**		**21,180,500**
Haines: Beach Road Widening and Front Street Intersection Improvements (HD 5)	2,945,500			
Haines: Front Street, Main to Lutak Road (HD 5)	850,000			
Haines: Old Haines Highway Sidewalk Construction (HD 5)	1,150,000			
Homer: Homer Spit Pathway (HD 33-35)	2,000,000			
Juneau: Egan Drive - Whittier to Main Improvements (HD 3-4)	1,990,000			
Juneau: Glacier Spur Pavement Rehabilitation (HD 3-4)	2,000,000			
Juneau: Thane Road Pavement Rehabilitation (HD 3-4)	4,000,000			
Ketchikan: Downtown Pedestrian Enhancements (HD 1)	375,000			
Seward: Seward Highway	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Replacement Bridges - Ptarmigan Creek, Falls Creek and Trail River (HD 33-35)				
Skagway: Dyea Road Taiya River Bridge Rehabilitation (HD 5)	1,500,000			
Skagway: Gateway Pedestrian Improvements (HD 5)	620,000			
Valdez: Hazlet Drive Sidewalk (HD 12)	750,000			

(SECTION 5 OF THIS ACT BEGINS ON PAGE 48)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	41,047,000
1207 Regional Cruise Ship Impact Fund	17,555,000
*** Total Agency Funding ***	$58,602,000
Department of Natural Resources	
1207 Regional Cruise Ship Impact Fund	6,000,000
*** Total Agency Funding ***	$6,000,000
Department of Transportation/Public Facilities	
1206 Commercial Passenger Vessel Tax	18,180,500
1207 Regional Cruise Ship Impact Fund	3,000,000
*** Total Agency Funding ***	$21,180,500
* * * * * Total Budget * * * * *	$85,782,500

(SECTION 6 OF THIS ACT BEGINS ON PAGE 49)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
Total Federal Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	59,227,500
1207 Regional Cruise Ship Impact Fund	26,555,000
Total Other Non-Duplicated Funds	$85,782,500
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 50)

* **Sec. 7.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Transportation/Public Facilities** * * * * *				
* * * * *			* * * * *	
Airport Improvement		**9,500,000**		**9,500,000**
Program				
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	3,000,000			
Kodiak: Chemical Storage Building (HD 36)	1,200,000			
Kotzebue: Apron Expansion (HD 40)	5,300,000			
Surface Transportation		**24,397,600**		**24,397,600**
Program				
Emmonak: Community Road Improvements (HD 39)	3,000,000			
Fairbanks: LED Street Light Conversion (HD 7-11)	3,310,000			
Fairbanks: Sign Replacement (HD 7-11)	973,600			
Fairbanks: Wendell Street ADA Improvements (HD 7-11)	814,000			
Haines: Front Street to Union Street (HD 5)	2,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Kipnuk: Boardwalk Improvements (HD 38)	10,000,000			
Yakutat: Areawide Paving (HD 5)	3,800,000			
Airport Stimulus Projects		**46,250,000**		**46,250,000**
Akiachak: Airport Relocation (HD 38)	11,500,000			
Allakaket: Airport Improvements (HD 6)	3,600,000			
Fairbanks International Airport: Access Control Improvements (HD 7-11)	3,500,000			
Fort Yukon: Airport Improvements (HD 6)	6,500,000			
King Salmon: Apron and Taxiway Resurfacing (HD 37)	9,750,000			
Ouzinkie: Airport Reconstruction and Relocation (HD 36)	8,400,000			
Ted Stevens Anchorage International Airport: North Terminal Gate N8 (HD 17-32)	3,000,000			
Highway and Bridge Stimulus Projects		**158,743,900**		**158,743,900**
AMATS: Anchorage Traffic Congestion Relief - Lake Otis Parkway and Tudor (HD 17-32)	5,000,000			
AMATS: Old Glenn Highway	11,673,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Reconstruction Phase II - Fire Lake to Peters Creek (HD 13-16)				
AMATS: Pavement Replacement Program (HD 17-32)	2,280,000			
Denali Highway: Milepost 7 Wayside (HD 12)	500,000			
Dillingham: Wood River Road Reconstruction (HD 37)	8,900,000			
Glenn Highway: MP 12 to 27 Resurfacing (HD 12)	25,000,000			
Glenn Highway: MP 17 to 27 Lighting (HD 13-16)	12,000,000			
Glenn Highway: MP 34 to 42 Resurfacing (HD 12)	8,000,000			
Hoonah: Airport Road Paving - Ferry Terminal to Airport (HD 5)	3,000,000			
Juneau: Egan Drive and Glacier Highway Resurfacing - Mendenhall Loop to Auke Bay Ferry Terminal (HD 3-4)	4,000,000			
Juneau: Glacier Highway - Amalga to Eagle Beach Widening (HD 3-4)	1,700,000			
Ketchikan: North Tongass Highway - Totem Bight to Whipple Creek (HD 1)	13,800,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan: Water Street Sidewalk Improvements (HD 1)	2,500,000			
Kodiak: Rezanof Drive Resurfacing - Coast Guard Access Road to Jack Hinkel Way (HD 36)	10,000,000			
Kotzebue: Shore Avenue Rehabilitation and Erosion Protection (HD 40)	15,000,000			
Marshall: Airport Access Road Bridge Replacement (HD 6)	2,800,000			
Nome Road Improvements (HD 39)	4,000,000			
Parks Highway: Milepost 72 to 83 Rehabilitation (HD 13-16)	6,800,000			
Sterling Highway Resurfacing: Soldotna to North Coho Loop (HD 33-35)	15,000,000			
Valdez: Areawide Bike and Pedestrian Trail Pavement Refurbishment (HD 12)	3,290,000			
Whittier Shot Gun Cove Road (HD 17-32)	3,500,000			
Transit Stimulus Projects		**9,083,900**		**9,083,900**
Juneau: Downtown Transit Center Construction (HD 3-4)	3,000,000			
Mat-Su: Park and Ride at	900,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Seward Meridian/Parks Highway (HD 13-16)				
Statewide: Transit Rural Formula Capital Projects (HD 1-40)	5,183,900			

(SECTION 8 OF THIS ACT BEGINS ON PAGE 55)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Transportation/Public Facilities	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
*** Total Agency Funding ***	$247,975,400
* * * * * Total Budget * * * * *	$247,975,400

(SECTION 9 OF THIS ACT BEGINS ON PAGE 56)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
1002 Federal Receipts	42,397,600
1212 Federal Stimulus: ARRA 2009	205,577,800
Total Federal Funds	$247,975,400
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 10 OF THIS ACT BEGINS ON PAGE 57)

* **Sec. 10.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Grants to Named Recipients (AS 37.05.316)				
Inter-Island Ferry Authority - Operational Assistance (HD 1-5)		1,500,000	1,500,000	
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		
Cooperative Resource Program (HD 1-40)		55,000		55,000
*****		*****		
***** **Office of the Governor** *****				
*****		*****		
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		3,821,720		3,821,720
*****			*****	
***** **Department of Transportation/Public Facilities** *****				
*****			*****	
Airport Rescue and Fire Fighting Safety Equipment (HD 1-40)		137,100	137,100	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		702,100	702,100	
Alaska Marine Highway System: Columbia Fuel Management System (HD 1-5)		499,500	499,500	
Mission Road (Kodiak Island) - Upgrade and Repair (HD 36)		207,600	207,600	
Susitna Valley High School Safety Improvements (HD 13-16)		38,200	38,200	
Airport Improvement Program		**75,290,000**		**75,290,000**
Alaska International Airport System: Development Fund (HD 1-40)	5,000,000			
Bethel: Airport Parallel Runway and Other Improvements (HD 38)	4,000,000			
Dillingham: 3 Bay Chemical Storage Building (HD 37)	500,000			
Fairbanks International Airport: Runway 1L-19R Reconstruction (HD 7-11)	18,250,000			
Fort Yukon: Snow Removal Equipment Building (HD 6)	1,500,000			
Iliamna: Snow Removal Equipment / Sand and	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Chemical Storage / Office Building (HD 36)				
Nulato: Airport Improvements (HD 6)	9,200,000			
Petersburg: Airport Runway Safety Area (HD 2)	26,000,000			
Savoonga: Airport Improvements (HD 39)	4,840,000			
Takotna: Airport Relocation (HD 6)	5,000,000			
Surface Transportation Program		**1,550,000**		**1,550,000**
Chena Hot Springs Road: Milepost 24 to 56 Rehabilitation (HD 7-11)	1,430,000			
Ester Weigh Station Scale Replacement (HD 7-11)	120,000			

(SECTION 11 OF THIS ACT BEGINS ON PAGE 60)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	1,500,000
*** Total Agency Funding ***	$1,500,000
Department of Fish and Game	
1108 Statutory Designated Program Receipts	55,000
*** Total Agency Funding ***	$55,000
Office of the Governor	
1185 Election Fund	3,821,720
*** Total Agency Funding ***	$3,821,720
Department of Transportation/Public Facilities	
1002 Federal Receipts	70,927,500
1004 Unrestricted General Fund Receipts	1,584,500
1027 International Airports Revenue Fund	5,000,000
1112 International Airports Construction Fund	912,500
*** Total Agency Funding ***	$78,424,500
* * * * * Total Budget * * * * *	$83,801,220

(SECTION 12 OF THIS ACT BEGINS ON PAGE 61)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
General Funds	
1004 Unrestricted General Fund Receipts	3,084,500
Total General Funds	$3,084,500
Federal Funds	
1002 Federal Receipts	70,927,500
Total Federal Funds	$70,927,500
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	5,000,000
1108 Statutory Designated Program Receipts	55,000
Total Other Non-Duplicated Funds	$5,055,000
Duplicated Funds	
1112 International Airports Construction Fund	912,500
1185 Election Fund	3,821,720
Total Duplicated Funds	$4,734,220

(SECTION 13 OF THIS ACT BEGINS ON PAGE 62)

*** Sec. 13.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Development Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 14.** FUND TRANSFERS. (a) The income earned during fiscal year 2010 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The interest earned on amounts in the election fund, estimated to be $320,000, are appropriated to the election fund required by the federal Help America Vote Act.

(c) The sum of $2,500,000 is appropriated from the general fund to the information services fund (AS 44.21.045(a)).

(d) The sum of $15,000,000 is appropriated from the dividend paid to the state by the Alaska Industrial Development and Export Authority under AS 44.88.088 to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(e) The sum of $25,000,000 is appropriated from the dividend paid to the state by the Alaska Housing Finance Corporation under AS 18.56.089 to the renewable energy grant fund (AS 42.45.045).

*** Sec. 15.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 16.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $15,967,840 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, estimated to be $16,035,066, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to be allocated to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) North Slope Borough	North Slope Borough workforce development three-year program enforcement	$2,500,620
(2) North Slope Borough	Arctic Fox supplemental studies to include the prevalence and incidence of rabies and other related diseases in the National Petroleum Reserve - Alaska	409,262
(3) City of Atqasuk	Local government operations and youth program	226,500
(4) City of Wainwright	Operations and maintenance equipment	49,269
(5) North Slope Borough	Continuing waterfowl survey in the National Petroleum Reserve - Alaska	900,000
(6) North Slope Borough	Police officers for National	1,354,712

	Petroleum Reserve - Alaska impacted communities	
(7) North Slope Borough	Meade River school counselor	243,598
(8) City of Barrow	New boat ramp	2,000,000
(9) City of Nuiqsut	Youth center operations and maintenance	188,847
(10) City of Wainwright	Wainwright youth recreation program	240,000
(11) North Slope Borough	Communications system upgrade	5,000,000
(12) North Slope Borough	Emerging disease surveillance: continuation of wildlife population health assessment in the National Petroleum Reserve - Alaska	335,032
(13) City of Nuiqsut	Local government operations and maintenance	420,000
(14) City of Wainwright	Wainwright local government operations	300,000
(15) City of Barrow	Local government operations and maintenance	1,800,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2009, is less than $15,967,840, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the allocations made in (a) of this section to equal the amount received.

* **Sec. 17.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $8,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program under AS 13.50.150 for the fiscal year ending June 30,

2010.

(b) Section 60(b), ch. 29, SLA 2008, is amended to read:

(b) The sum of $125,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the international trade program partnership for the fiscal year ending **June 30, 2010** [JUNE 30, 2009].

(c) Section 10(b), ch. 159, SLA 2004, is amended to read:

(b) **The** [CONTINGENT UPON THE FORMATION OF A BOROUGH THAT ENCOMPASSES THE CITY OF DELTA JUNCTION, THE] balance owing on the loan made under (a) of this section on **June 30, 2009,** [THE DATE OF INCORPORATION OF THE BOROUGH] is redesignated as a grant under AS 37.05.315 to the City of Delta Junction for the payment of the costs of the settlement agreement for litigation regarding the establishment of a private prison in the vicinity of the city.

*** Sec. 18.** DEPARTMENT OF ENVIRONMENTAL CONSERVATION. Section 1, ch. 135, SLA 2000, page 10, lines 30 - 31, is amended to read:

	ALLOCATIONS
Village Safe Water Study, Design, and Construction Projects (HD 40)	834,387
[TUNUNAK FLUSH TANK AND HAUL, AND WASHETERIA PROJECT (ED 38)]	

*** Sec. 19.** HOUSE DISTRICT 1. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2003, page 5, lines 29 - 31 (Thorne Bay, medivac landing site construction - $175,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Thorne Bay for emergency vehicle access and response.

(b) The unexpended and unobligated balance of the appropriation made in sec. 35(b),

ch. 159, SLA 2004 (Ketchikan Area Arts and Humanities Council, design and project development of the Ketchikan community center for the arts) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the First City Players for design and project development of the Ketchikan community center for the arts.

(c) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 135, SLA 2000, page 51, lines 7 - 9, as amended by sec. 33(b), ch. 30, SLA 2007 (Ketchikan Gateway Borough, multi-purpose maintenance facility improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Ketchikan Gateway Borough for a multi-purpose maintenance facility.

*** Sec. 20.** HOUSE DISTRICT 2. (a) Section 41(a), ch. 29, SLA 2008, is amended to read:

(a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 8, lines 8 - 10 (Wrangell, water tank and connection to upper water reservoir - $180,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wrangell for water tank and connection to upper water reservoir for the fiscal **years** [YEAR] ending June 30, 2009**, June 30, 2010, and June 30, 2011**.

(b) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 27, lines 5 - 7 (Wrangell, medical center, 12-passenger handicapped van - $39,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Wrangell Medical Center to purchase snow removal equipment.

(c) The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 29, SLA 2008, page 12, lines 13 - 15 (Alaska Native Brotherhood Sitka Camp #1, Sitka ANB hall renovation - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Sitka Kaagwaantaan, Inc. for the Sitka ANB hall renovations.

(d) The unexpended and unobligated balances of the appropriations made in sec. 7, ch. 29, SLA 2008, page 26, lines 10 - 12 (Sitka, Moller Park lighting improvements - $150,000) and sec. 7, ch. 29, SLA 2008, page 26, lines 13 - 14 (Sitka, Moller Park synthetic

infield - $300,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Sitka for Moller Park baseball field improvements.

*** Sec. 21.** HOUSE DISTRICTS 3 - 4. Section 1, ch. 82, SLA 2006, page 85, lines 30 - 31, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Gastineau Channel Crossing EIS and Dredging **and North Douglas Highway Extension** (HD 3-4)	3,000,000	3,000,000

*** Sec. 22.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balance of the appropriation made in sec. 33(k), ch. 159, SLA 2004 (Yakutat, teen center construction - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for the Yakutat Community Health Center dental clinic remodel.

(b) The unexpended and unobligated balance of the appropriation made in sec. 42(e), ch. 29, SLA 2008 (Craig, Craig Elementary School roof replacement) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for Craig Clinic debt relief for the fiscal year ending June 30, 2010.

(c) The unexpended and unobligated balance of the appropriation made in sec. 42(d), ch. 29, SLA 2008 (Craig, Prince of Wales health care facility project) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for costs incurred for, construction of, and equipment for the Craig seafood processing and cold storage plant.

(d) The unexpended and unobligated balance of the appropriation made in sec. 52(a), ch. 61, SLA 2001 (Hydaburg, construction of a road and parking lot) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(e) The unexpended and unobligated balance, not to exceed $4,671, of the

appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Metlakatla Boys and Girls Club for equipment, projects, and improvements.

(f) The unexpended and unobligated balance, not to exceed $10,000, of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 6, lines 15 - 17, as amended by sec. 42(b), ch. 29, SLA 2008 (Hydaburg, water turbine impellors) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Angoon Boys and Girls Club for equipment, projects, and improvements.

(g) If the amount available for reappropriation under (e) and (f) of this section is less than $14,671, the reappropriations made in (e) and (f) of this section shall be reduced in proportion to the amount of the shortfall.

(h) The unexpended and unobligated balance of the appropriation made in sec. 34(c), ch. 30, SLA 2007 (Angoon Community Association, ANB hall renovation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects and improvements.

* **Sec. 23.** HOUSE DISTRICT 6. (a) Section 4, ch. 30, SLA 2007, page 87, lines 19 - 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Galena - Ptarmigan Dorm Sprinkler System Installation **and Steam Heat Delivery, Monitoring, and Safety Improvements** (HD 6)	1,001,040	1,001,040

(b) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 61, SLA 2001, page 61, lines 20 - 21 (Gulkana, RV park construction completion, phase 2 - $25,000), sec. 1, ch. 1, SSSLA 2002, page 80, lines 7 - 8 (Marshall, teen and youth center - $27,179), sec. 8(a)(16), ch. 159, SLA 2004 (Lake Minchumina, community projects and improvements - $58,672), and sec. 8(b)(26), ch. 159, SLA 2004 (Marshall, community

projects and improvements - $1,259) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Tetlin Village Council for community projects and improvements.

(c) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 7, lines 3 - 4, as amended by sec. 35(a), ch. 30, SLA 2007 (Nenana, cemetery road resurfacing and community projects and improvements) and sec. 8(b)(17), ch. 159, SLA 2004 (Grayling, community projects and improvements - $24,887) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Mentasta Lake Village Council for community projects and improvements.

(d) The unexpended and unobligated balances of the appropriations made in sec. 22(f), ch. 82, SLA 2003 (Deltana, Delta roads and erosion control), sec. 8(a)(8), ch. 159, 2004 (Deltana, community projects and improvements - $27,575), sec. 8(a)(12), ch. 159, SLA 2004 (Healy Lake Traditional, community projects and improvements - $1,292), and sec. 8(a)(24), ch. 159, SLA 2004 (Red Devil, community projects and improvements - $29,114), are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Flats School District for Stevens Village School equipment and upgrades.

(e) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 75, lines 19 - 21 (Eagle, customs house renovation and fire hall addition - $25,000), sec. 1, ch. 1, SSSLA 2002, page 75, lines 22 - 23 (Eagle, renovation of old school - $15,000), and sec. 8(a)(10), ch. 159, SLA 2004 (Four Mile, community projects and improvements - $27,484) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Northway Village Council for community projects and improvements.

(f) The unexpended and unobligated balance of the appropriation made in sec. 38(a), ch. 159, SLA 2004 (Chitina, purchase of land for a community hall and offices) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Allakaket for community projects and improvements.

(g) The unexpended and unobligated balance of the appropriation made in sec.

8(a)(23), ch. 159, SLA 2004 (Rampart, community projects and improvements - $54,390) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Manley Village Council for community projects and improvements.

(h) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Yukon Koyukuk School District for Merreline A. Kangas School projects and improvements.

(i) The unexpended and unobligated balance, not to exceed $40,000, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Alatna for community projects and improvements.

(j) The unexpended and unobligated balance, not to exceed $38,796, of the appropriation made in sec. 38(g), ch. 159, SLA 2004 (Sleetmute, community projects and improvements) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hughes for community projects and improvements.

(k) If the total amount available for reappropriation in (h) - (j) of this section is less than $138,796, the reappropriations made in (h) - (j) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 24.** HOUSE DISTRICTS 7 - 11. (a) Section 4, ch. 3, FSSLA 2005, page 98, lines 8 - 9, is amended to read:

	ALLOCATIONS
Fairbanks - Wilbur Street Extension **and** **Pioneer Park Access** **Safety Improvements** (HD 7-11)	1,000,000

(b) Section 1, ch. 82, SLA 2006, page 69, lines 10 - 12, is amended to read:

	ALLOCATIONS
North Pole [BAKER/NORTH STAR] Water and Sewer [PHASE 1] Matching Grant (HD 7-11)	2,697,293

(c) Section 1, ch. 30, SLA 2007, page 91, line 32, through page 92, line 3, is amended to read:

	ALLOCATIONS
North Pole [- BAKER/NORTH STAR] Water and Sewer [, PHASE I] (HD 7-11)	2,067,210

*** Sec. 25.** HOUSE DISTRICT 12. (a) The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 88, line 25 - 26 (Tolsona, public road access - $25,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated community of Tolsona for public road access.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(a)(30), ch. 159, SLA 2004 (Tolsona, community projects and improvements - $102,637) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.06.020 to the unincorporated community of Tolsona for community projects and improvements.

*** Sec. 26.** HOUSE DISTRICT 17. The unexpended and unobligated balance of that portion of the appropriation made in sec. 100, ch. 2, FSSLA 1999, page 56, line 10, and allocated on lines 11 - 13, that was reappropriated by sec. 57(b), ch. 159, SLA 2004 (Eagle River Veterans, Eagle River Veterans Memorial Museum land acquisition and building construction) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Alaska Veterans Museum for land acquisition,

building construction, or renovation of an existing structure to house the museum.

*** Sec. 27.** HOUSE DISTRICT 19. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 159, SLA 2004, page 10, lines 26 - 28 (Anchorage, Muldoon town center traffic calming study - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the United Way of Anchorage for Russian Jack/Muldoon Weed and Seed Program support for the fiscal year ending June 30, 2010.

*** Sec. 28.** HOUSE DISTRICTS 29 - 30. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 1, SSSLA 2002, page 14, lines 31 - 33 (Anchorage, Papago Park upgrades and improvements - $18,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the purchase of a mobile computer lab for Campbell Elementary School.

*** Sec. 29.** HOUSE DISTRICT 31. Section 1, ch. 159, SLA 2004, page 12, line 31, through page 13, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Municipality of Anchorage/ Anchorage School District - Huffman School - Intercom System **and Light Fixture** Replacement **(HD 17-32)** [ED 17-32]	11,000	11,000

*** Sec. 30.** HOUSE DISTRICTS 33 - 34. (a) Section 42(h), ch. 30, SLA 2007, is amended to read:

(h) The unexpended and unobligated balance, not to exceed $593,700, of the appropriation made in sec. 4, ch. 3, FSSLA 2005, page 97, lines 14 - 15 (Kenai, Spur Road rehabilitation - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Kenai for Wildwood Drive reconstruction **and Marathon Road and Willow Street improvements**.

(b) Section 1, ch. 159, SLA 2004, page 7, line 33, through page 8, line 4, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Kenai Peninsula Borough - Funny River Pedestrian Safety Light **and Driveway Improvements (HD 33-34)** [ED 33-35]	10,000	10,000

*** Sec. 31.** HOUSE DISTRICTS 33 - 35. Section 1, ch. 3, FSSLA 2005, page 24, lines 10 - 12, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Kenai Peninsula Borough - Homer Middle School **and McNeil Canyon Elementary School** Roofing Upgrades (HD 33-35)	200,000	200,000

*** Sec. 32.** HOUSE DISTRICT 37. (a) Section 1, ch. 82, SLA 2006, page 32, lines 14 - 15, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
City of Sand Point - Ferry Dock Warehouse **and Other City-Owned Facilities** (HD 37)	200,000	200,000

(b) The unexpended and unobligated balances of the appropriations made in sec. 8(b), ch. 1, SSSLA 2002, page 97, line 18 (Atka, community projects and improvements - $25,000) and sec. 43(b), ch. 159, SLA 2004 (Atka, federal grant match for clinic/civic center project) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Atka for new clinic construction.

(c) Section 1, ch. 82, SLA 2006, page 27, lines 14 - 15, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
City of Akutan - Akutan Harbor Road Project **and** **Airport Access Projects** (HD 37)	3,100,000	3,100,000

*** Sec. 33.** HOUSE DISTRICT 38. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 135, SLA 2000, page 56, lines 18 - 20 (Upper Kalskag, community restoration and graveyard restoration - $25,000), sec. 1, ch. 1, SSSLA 2002, page 84, lines 25 - 27 (Upper Kalskag, teen center and playground equipment purchase - $28,791), and sec. 8(b)(25), ch. 159, SLA 2004 (Lower Kalskag, community projects and improvements - $41,922) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Native Village of Upper Kalskag for the multi-facility building renovation.

(b) The unexpended and unobligated balance of the appropriation made in sec. 8(b), ch. 1, SSSLA 2002, page 97, line 28 (Eek, community projects and improvements - $170,838) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Eek for river bank repairs and boardwalks.

(c) The unexpended and unobligated balances of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects

and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, 2009.

* **Sec. 34.** HOUSE DISTRICT 39. The unexpended and unobligated balances of the appropriations made in sec. 8(a), ch. 1, SSSLA 2002, page 96, line 26 (Pitka's Point, Community projects and improvements - $77,149) and sec. 8(a)(21), ch. 159, SLA 2004 (Pitka's Point, Community projects and improvements - $35,507) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Pitka's Point Traditional Council for upgrading the washeteria.

* **Sec. 35.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 38, lines 9 - 12 (Kenai Peninsula Borough, Diamond Ridge nonmotorized vehicle safety trail - $65,000) is reappropriated to the Department of Transportation and Public Facilities for Ohlson Mountain Road improvements.

* **Sec. 36.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Council for the projects listed in the amounts stated:

PROJECT	AMOUNT
(1) boiler replacement and heating rehabilitation project	$2,900,000
(2) exterior and interior repair, renovation, and safety improvements	2,600,000
(3) Alaska Conference on State and Federal	750,000

Responsibility Related to Economic Impacts of ESA Listing and addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010

(4) information technology upgrades and electronic voting improvements 450,000

(5) comprehensive statewide energy plan for the fiscal year ending June 30, 2010 300,000

(b) If the amount available for reappropriation in (a) of this section is less than $7,000,000, the reappropriations made by (a)(1) - (5) of this section shall be reduced in proportion to the amount of the shortfall.

(c) The unexpended and unobligated balances, after the reappropriation made in (a) of this section, of the appropriations made in sec. 1, ch. 27, SLA 2008, page 44, line 28 (Legislative Council - $32,960,200), sec. 1, ch. 27, SLA 2008, page 45, line 6 (legislative operating budget - $10,835,500), and sec. 1, ch. 27, SLA 2008, page 44, line 20 (Budget and Audit Committee - $19,123,900) are reappropriated to the Legislative Budget and Audit Committee for purchase, restoration, and display of historical art and artifacts in conjunction with statehood celebrations in the capitol.

(d) Section 70(c), ch. 29, SLA 2008, is amended to read:

(c) The unexpended and unobligated balances, not to exceed $100,000, of the appropriations made in sec. 1, ch. 28, SLA 2007, page 42, line 22 (Budget and Audit Committee - $14,219,300); sec. 1, ch. 28, SLA 2007, page 42, line 28 (Legislative Council - $30,201,500); and sec. 1, ch. 28, SLA 2007, page 43, line 6 (legislative operating budget - $9,682,300) are reappropriated to the Legislative Council for the Legislative Outdoor Heritage Caucus for the fiscal year ending June 30, **2010** [2009].

(e) The unexpended and unobligated balance, estimated to be $750,000, of the appropriation made in sec. 70(b), ch. 29, SLA 2008 (Legislative Council, Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings) is reappropriated to the Legislative Council for the Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings and for addressing the effects of

climate and environmental change on the state for the fiscal years ending June 30, 2009, and June 30, 2010.

*** Sec. 37.** UNIVERSITY OF ALASKA. The unexpended and unobligated balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 117, lines 23 - 25 (University of Alaska, Kachemak Bay Campus expansion - city hall purchase - $2,500,000) is reappropriated to the University of Alaska for property acquisition and property improvements to the Kachemak Bay Campus of the Kenai Peninsula College.

*** Sec. 38.** COASTAL IMPACT ASSISTANCE PROGRAM. (a) The share of money received by the state under the federal coastal impact assistance program, sec. 384, P.L. 109-58 (Energy Policy Act of 2005), expected to be $53,600,000, is appropriated in the following amounts to the departments listed for the projects described:

(1) $25,950,000 to the Department of Natural Resources for state-initiated capital projects, as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(2) $750,000 to the Department of Fish and Game for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program;

(3) $16,000,000 to the Department of Commerce, Community, and Economic Development for capital project grants to be awarded through an open public solicitation process and as allowed under federal and state laws governing the use of coastal impact assistance program funds;

(4) $10,900,000 to the Department of Commerce, Community, and Economic Development for competitive capital project grants, as allowed under federal and state laws governing the use of coastal impact assistance program funds, to be allocated to the following coastal resource service areas and municipalities in the amounts stated:

RECIPIENT	AMOUNT
Cenaliulriit CRSA	$3,000,000
City and Borough of Juneau	1,900,000
Aleutians West CRSA	1,200,000
Bering Straits CRSA	1,100,000
City and Borough of Sitka	900,000
Ketchikan Gateway Borough	900,000

Aleutians East Borough	700,000
Bristol Bay CRSA	500,000
City and Borough of Yakutat	300,000
Haines Borough	200,000
Municipality of Skagway	100,000
City and Borough of Wrangell	100,000

(b) If the amount available for appropriation in (a) of this section is less than $53,600,000, the appropriations made in (a)(1) - (4) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 39.** DEPARTMENT OF FISH AND GAME. The sum of $750,000 is appropriated from the general fund to the Department of Fish and Game to supplement the appropriation of federal funds in sec. 38(a)(2) of this Act for the Western Alaska Salmon Coalition's chum and sockeye genetic identification program for the fiscal year ending June 30, 2010.

*** Sec. 40.** FUND SOURCE CHANGES FOR FEDERAL ECONOMIC STIMULUS PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) Section 2, ch. 61, SLA 2001, page 65, line 24, is amended to read:

Federal Receipts	**658,269,373**
	[664,017,739]
Federal Stimulus: ARRA 2009	**5,748,366**

(b) The fund source amendment in (a) of this section is for $5,748,366 of the allocation made in sec. 1, ch. 61, SLA 2001, page 41, lines 21 - 23 (Ketchikan: Tongass - viaducts replacement and rehabilitation - $5,750,000).

(c) Section 2, ch. 159, SLA 2004, page 53, line 28, is amended to read:

Federal Receipts	**1,095,667,288**
	[1,100,167,288]
Federal Stimulus: ARRA 2009	**4,500,000**

(d) The fund source amendment in (c) of this section is for

(1) $3,000,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 36, lines 29 - 30 (Fort Yukon: resurfacing - $3,000,000); and

(2) $1,500,000 of the allocation made in sec. 1, ch. 159, SLA 2004, page 44, line 33, through page 45, line 4 (Ketchikan: Tongass Highway - viaducts replacement and

rehabilitation - $2,200,000).

(e) Section 2, ch. 3, FSSLA 2005, page 93, line 27, is amended to read:

1002 Federal Receipts	**742,445,086**
	[757,030,711]
1212 Federal Stimulus: ARRA 2009	**14,585,625**

(f) The fund source amendment in (e) of this section is for

(1) $4,220,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 69, lines 31 - 32 (Allakaket: airport improvements - $4,220,000);

(2) $2,765,625 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 71, lines 9 - 10 (Fort Yukon: airport resurfacing - $2,765,625);

(3) $6,600,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 73, lines 6 - 8 (Ouzinkie: airport reconstruction and relocation - $9,000,000); and

(4) $1,000,000 of the allocation made in sec. 1, ch. 3, FSSLA 2005, page 79, lines 30 - 31 (Dillingham: Wood River Road reconstruction - $1,000,000).

(g) Section 2, ch. 82, SLA 2006, page 113, line 23, is amended to read:

1002 Federal Receipts	**1,026,284,951**
	[1,036,719,351]
1212 Federal Stimulus: ARRA 2009	**10,434,400**

(h) The fund source amendment in (g) of this section is for

(1) $2,734,400 of the allocation made in sec. 1, ch. 82, SLA 2006, page 90, lines 16 - 17 (Fort Yukon: airport improvements - $4,725,151); and

(2) $7,700,000 of the allocation made in sec. 1, ch. 82, SLA 2006, page 99, lines 7 - 8 (Gustavus: dock replacement - $19,000,000).

(i) Section 5, ch. 30, SLA 2007, page 121, line 20, is amended to read:

1002 Federal Receipts	**531,315,800**
	[542,215,800]
1212 Federal Stimulus: ARRA 2009	**10,900,000**

(j) The fund source amendment in (i) of this section is for

(1) $3,500,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105, lines 28 - 29 (Akiachak: airport relocation - $10,500,000);

(2) $400,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 105,

lines 32 - 33 (Allakaket: airport improvements - $400,000); and

(3) $7,000,000 of the allocation made in sec. 4, ch. 30, SLA 2007, page 107, lines 4 - 5 (Huslia: airport improvements - $7,525,000).

(k) Section 14, ch. 29, SLA 2008, page 177, line 9, is amended to read:

1002 Federal Receipts	**551,465,150**
	[563,745,150]
1212 Federal Stimulus: ARRA 2009	**12,280,000**

(*l*) The fund source amendment in (k) of this section is for

(1) $1,780,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 162, lines 11 - 12 (Allakaket: airport improvements - $1,950,000); and

(2) $10,500,000 of the allocation made in sec. 13, ch. 29, SLA 2008, page 169, lines 31 - 33 (Juneau: Glacier Highway – Amalga to Eagle Beach widening - $10,500,000).

*** Sec. 41.** ALASKA HOUSING CAPITAL CORPORATION. (a) The available balance of all subfunds and accounts that would be deposited in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2009 by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay appropriations from the budget reserve fund is appropriated to the Alaska Housing Capital Corporation, a subsidiary of the Alaska Housing Finance Corporation created under authority of AS 18.56.086.

(b) Appropriations made to the Alaska Housing Capital Corporation for fiscal year 2009 that are made from subfunds and accounts other than the operating general fund (state accounting system fund number 11100) by operation of (a) of this section are appropriated from the Alaska Housing Capital Corporation to the subfunds and accounts from which those funds were appropriated under (a) of this section.

*** Sec. 42.** REVENUE AND APPROPRIATION BALANCE; CONSTITUTIONAL BUDGET RESERVE. (a) The sum of $1,673,000 is appropriated from the general fund to the Department of Revenue, treasury division, for operating costs related to management of the constitutional budget reserve fund for the fiscal year ending June 30, 2010.

(b) If the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget

reserve fund (AS 37.05.540) to the general fund.

(c) If, after the appropriation made in (b) of this section, the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover general fund appropriations made for fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated to the general fund from the Alaska Housing Capital Corporation, a subsidiary of the Alaska Housing Finance Corporation created under authority of AS 18.56.086.

(d) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund.

* **Sec. 43.** LAPSE. (a) The appropriations made by secs. 14 and 15(1) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made by secs. 16, 19(b), 20(b), 20(c), 22(d) - (f), 23(b) - (e), 23(g) - (i), 26, 33(a), 34, 35, 36(a)(1), 36(a)(2), 36(a)(4), 36(c), 37, and 38 of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project and lapses under AS 37.25.020, unless otherwise specified.

* **Sec. 44.** Sections 4, 7, 10, 18, 40, 42(b), and 42(c) of this Act take effect April 19, 2009.

* **Sec. 45.** Sections 17(b), 17(c), 19 - 37, and 41(a) of this Act take effect June 30, 2009.

* **Sec. 46.** Except as provided in secs. 44 and 45 of this Act, this Act takes effect July 1, 2009.

April 10, 2009

Responsible Cruising in Alaska

Honorable Sarah Palin, Governor
Alaska State Capitol
Juneau, Alaska 99801

Re: SB 75 - Cruise Passenger Fee Appropriations

Dear Governor Palin:

This correspondence addresses and classifies various proposals incorporated in the current version of the State of Alaska's Capital Budget (CSSB-75 (Finance)). This review is limited to the proposals in the appropriation measure funded from the excise tax on passengers of large cruise ships, and uses the same nomenclature as SB 75 at Section 4 of the appropriation measure when describing these proposals.

The analysis and classification of these proposed appropriations is based on a review of the legislative history of the 2006 laws establishing the taxes and to insure that the appropriations are consistent with applicable state and federal law. We believe that the revenues derived from the various taxes passed via the 2006 initiative should, to the greatest extent possible, be spent on projects and activities that have a strong nexus with cruise ships and cruise ship passenger activities. We strongly believe that Alaska should be building more wharfs and facilities for large passenger vessels in coastal communities that now have or are likely to have cruise passenger visits. We also support using the available revenue derived from the cruise related tax levies on ancillary facilities and activities that also have a clear and obvious connection to cruise related activities, e.g., upland improvements adjacent to wharfs, pedestrian harbor walks, and other projects in the immediate vicinity of wharfs and docks used by large passenger vessels. The basic rule of thumb developed during more than a decade of advocating for useful cruise related projects in Alaska comes down to this: "Build a wharf or other infrastructure as close to a wharf as possible." This has proven to be an effective filter for evaluating the many proposals when there is competition for scarce capital funding.

Accordingly, please review and work with the legislative branch to modify and adjust the cruise related projects, as follows:

Obvious and clearly meritorious appropriations consistent with state and federal law:

Grants to Named Recipients per AS 37.05.316

Marine Exchange of Alaska - Vessel Tracking System[1] - $450,000

[1] This is a perfect example of the kind of activity that should be funded with cruise ship excise tax revenue in order to improve the safety and efficiency of cruising in Alaska.

3387

Grants to Municipalities per AS 37.05.315

Hoonah - Cruise Ship Mooring Buoy System - $1,000,000
Juneau - Cruise Ship Dock Improvements - $2,500,000
Ketchikan - Cruise Ship Berth IV Traffic Signal - $1,300,000
Ketchikan - Port of Ketchikan Berth I and II Replacement - $4,000,000
Seward - Bus Transportation Assistance for Cruise Ship Passengers - $167,000
Seward - Dredging Cruise Ship Berthing Basins and Approaches - $4,500,000
Sitka - Commercial Passenger Vessel Lightering Facility Improvements - $2,000,000
Skagway - Municipal Wastewater Treatment Facility Improvements
Due to Seasonal Cruise Impacts - $2,500,000

Appropriations that contain ambiguities and may be inconsistent with the stated purposes of state law, and cause concerns according to federal law:

Grants to Named Recipients per AS 37.05.316

Aviation Heritage Museum - Major Facility Safety, Energy and Collections Care Improvements[2] - $500,000
Alaska Native Heritage Center - Village Site Completion[3] - $275,000
Alaska Wildlife Conservation Center, Inc. -Visitor Education and Sanctuary Research[4] - $1,000,000
Morris Thompson Cultural and Visitors Center - Exhibit Completion[5] - $1,000,000

Grants to Municipalities per AS 37.05.315

Anchorage - Port of Anchorage Expansion[6] - $10,000,000
Haines Borough -Port Chilkoot Waterfront Improvements[7] - $1,900,000
Juneau - Auke Bay Seawalk Construction[8] - $800,000
Ketchikan - Reconstruction of Downtown Bridges and Trestles[9] -$5,000,000
Kodiak - Baranof Park Improvements[10] - $2,000,000

---

[2] The connection between this worthy project and cruise ship passengers is not immediately obvious. However, if cruise passengers are routinely and regularly shuttled to this venue while touring in Alaska, legal concerns about using cruise passenger excise tax funds for this purpose are reduced. Printed materials or other "backup" documentation submitted to the legislature, that outlines a genuine nexus between this project and cruise passengers, would lessen federal and state legal concerns about using cruise passenger excise taxes for this project. Some modification to the legislative appropriation language expressing that these funds will enhance and improve the efficiency of the facilities, based on actual cruise passenger activity, would be appropriate. See, for example, the legislative language pertaining to the proposed Skagway wastewater treatment facility, above.

[3] Id.

[4] Id.

[5] Id.

[6] The Port of Anchorage is increasingly utilized as a port of call for large passenger vessels. The Port has proposed construction of a new cruise passenger terminal, the necessary passenger walkways, gangways and ramps, and building space for security checking and personnel. These needed improvements are likely to cost approximately $6,000,000 - $8,000,000, according to documentation reviewed to date. Clarification of the project should insure that sufficient documentation supports this appropriation. Language in the legislation should specify that the appropriation be used for cruise passenger related activities, not general Port of Anchorage operations or capital needs.

[7] Language clarifying that these waterfront improvements are related to the safe and efficient movement of cruise passengers would significantly improve the prospect of defending this worthy project.

[8] Id.

[9] Id.

Sitka - Crescent Harbor Sidewalk Widening[11] - $1,000,000
Wrangell - Stikine Avenue Sidewalk Extension[12] - $390,000
Valdez - City Dock Information and Interpretative Center[13] - $800,000
Valdez - Dock Improvements[14] - $3,325,000
Whittier - Railroad Station Improvements[15] - $325,000

Department of Transportation and Public Facilities - Cruise Ship-Related Projects

Haines - Beach Road Widening and Front Street Intersection Improvements[16] - $2,945,500
Homer - Homer Spit Pathway[17] - $2,000,000

Appropriations that do not appear to have an obvious relationship with the guidelines in state law, and are problematic according to federal law:

Grants to Municipalities per AS 37.05.315

Anchorage - Egan Center Upgrades[18] - $1,000,000
Cordova - Cordova Center Construction and Equipment[19] - $1,000,000
Fairbanks North Star Borough - Carlson Center Improvements[20] - $1,000,000
Palmer - Visitors Information Center Restrooms[21] - $100,000
Wasilla - Airport Train Station Improvements[22] - $430,000

Department of Natural Resources - State Parks Deferred Maintenance and Emergency Repairs[23] - $6,000,000

---

[10] Id.
[11] Id.
[12] Id. Presumably this sidewalk used by cruise passengers to have safe and efficient access to the famous petroglyphs that cruise passengers are eager to view.
[13] See, e.g., footnote 7, above.
[14] Id.
[15] Id. Because Whittier is a port of call for large passenger vessels, and an embarkation point for cruise passengers traveling by train to points north, this project is certainly appropriate.
[16] Language should be included in the legislative appropriation making it obvious that this project is related to mitigating or improving the efficiency of cruise passenger activities.
[17] Id.
[18] In the absence of a clear and convincing relationship between this proposed project and cruise passengers, use of cruise passenger excise tax funds would likely be a mistake, as this activity appears to be routine construction and/or maintenance.
[19] Id.
[20] Id.
[21] Id.
[22] Id.
[23] Without some sort of showing that there is an obvious relationship between these proposed projects and cruise passengers, use of cruise passenger excise tax funds sequestered in the regional impact fund would probably be a mistake, as this activity appears to be routine and emergency maintenance unrelated to cruise ship passenger activity.

Department of Transportation and Public Facilities - Cruise Ship-Related Projects[24]

Haines - Front Street, Main to Lutak Road - $850,000
Haines - Old Haines Highway Sidewalk Construction - $1,150,000
Juneau - Egan Drive - Whittier to Main Improvements - $1,990,000
Ketchikan - Downtown Pedestrian Enhancements - $375,000
Skagway - Gateway Pedestrian Improvements - $620,000
Valdez - Hazlet Drive Sidewalk - $750,000

Appropriations likely to be found inconsistent with stated purposes of state law and to cause significant concerns according to federal law:

Grants to Named Recipients per AS 37.05.316

Alaska Zoo - Infirmary and Commissary for the Animals - $800,000

Grants to Municipalities per AS 37.05.315

Petersburg - Commercial Dock and Vehicle Drive Down Design[25] - $790,000
Sitka - Swan Lake Recovery and Improvements[26] - $1,650,000
Wrangell - Construction Activities to Complete the Marine Service Center[27] - $2,500,000

Department of Transportation and Public Facilities - Cruise Ship-Related Projects

Juneau - Glacier Spur Pavement Rehabilitation[28] - $2,000,000
Juneau - Thane Road Pavement Rehabilitation - $4,000,000
Seward - Seward Highway Replacement Bridges[29] - Ptarmigan Creek, Falls Creek and Trail River - $3,000,000
Skagway -Dyea Road Taiya River Bridge Replacement[30] - $1,500,000

---

[24] All of these projects, while potentially worthy, have little or no known nexus with cruise passenger activities. At a minimum, each of these projects should expressly state that the project is conceived of and related to mitigating or addressing safety and efficiency concerns related to seasonal cruise passenger traffic and/or pedestrian use.

[25] The relationship between this proposed project and passengers traveling to Alaska on large passenger vessels appears to be negligible. At present, no large cruise vessels call on Petersburg, nor are any large passenger vessels likely to dock there in the foreseeable future. The "commercial" aspects of this project should have a clear connection to cruise passengers.

[26] It is difficult to ascertain the relationship between the project and passengers paying the required excise tax when traveling aboard a large passenger vessel to Alaska.

[27] Id.

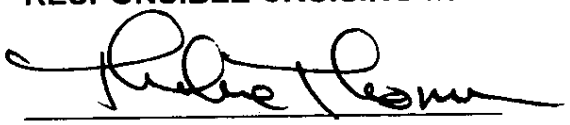
[28] While some cruise passengers paying the excise tax will travel over the portion of the road slated to be rebuilt, use of passenger tax funds for this project, at this time, has legal risk and is believed to be imprudent.

[29] This project appears to be a necessary highway maintenance project rather than a tourist related infrastructure proposal.

[30] Tourists and some large cruise ship passengers visiting Alaska will use this proposed bridge while traveling to Dyea to visit significant historic locations. However, there does not appear to be a compelling or obvious relationship between the excise tax funding source and the bridge use by cruise passengers to justify this particular proposal at this time.

We appreciate your attention to our concerns with the emerging budget, and trust that you and your staff will promptly work with the legislature and various agencies to reconcile and improve the language in the final capital projects bill. If I can be of any additional assistance, please contact me your earliest convenience.

RESPONSIBLE CRUISING IN ALASKA



Theodore Thoma,
President

Box 21884, Juneau AK 99802
(907) 586-2117 chipt@alaska.net

Copy: Jerry Gallagher, Legislative Liaison
Budget Co-Chairs

3391

Testimony on Capital Budget 041509

Thank you Mr. Chairman and committee members for providing me the opportunity to speak to you on the proposed state capital budget.

For the record, my name is John Duffy and I am the Borough Manager for the Matanuska-Susitna Borough.

I know you have a tight schedule so I will be brief. I have a few prepared comments I wish to provide for your consideration.

Mr. Chairman members of the committee No one in the state is growing like we are: In just eight years our population grew 35 percent...by 2030 our population is projected to triple.

We are now ranked as the 34th fastest growing county in the United States. With this growth comes the need to invest in our infrastructure, particularly our roads, bridges, and port. An efficient and effective transportation system is a basic requirement for a growing economy; without adequate roads and bridges our transportation system will be hampered by congestion which results in higher costs of doing business due to long travel time delays. Other problems associated with poor ~~bridges and~~ roads include higher fatality and injury rates, today 3 of the top 4 most dangerous roads are in the Mat-Su Borough.

We understand that we are facing tough financial times and difficult budgetary decisions. The Mat-Su Borough taxpayer is ~~setting~~ stepping up to the plate by taxing themselves

for local ~~bridge and~~ road repair and improvements. Mat-Su taxpayers pay about $11.2 million for local road and bridges. The Assembly recently appropriated additional funds $500,000 for bridge and culvert repairs. This past October our voters passed a road bond to raise additional funds to improve several key arterial roads in the Borough by taxing themselves an additional $15 million. We ask that that state of Alaska match these funds with a $35 million appropriation so that we may continue on with improving our much needed roads.

We also ask that the financial pain from the budget shortfall be shared equally throughout the state; the past votes and the present capital budget places disproportant amount ~~places too much~~ of this burden on the residents of the Mat-Su Borough. If you look at

the per capita spending in the Senate capital budget, Mat-Su is at rock bottom ...just $294 dollars per Mat-Su resident...~~versus~~ $885 ~~in Anchorage and~~ $993 ~~in Fairbanks; these comparisons are similar to other regions in the state as well;~~ We believe the capital budget should be more balanced and serve all Alaskans.

other communities ~~that~~ are receiving between per resident

We respectfully ask for your consideration for capital funds that may be used to improve our transportation system which will benefit all Alaskans.

Mr. Chairman and members of the committee I appreciate the opportunity to speak with you today. We appreciate your efforts and recognize that you have difficult decisions to make. This ends my comments, thank you.

4

SB

77

<target><bill>SB 77</bill><subject>SB
77</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: January 30, 2009 **FURTHER REFERRALS:**

Date of Committee Action: Feb. 2, 2009

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 77(STA)**

"An Act relating to the Joint Armed Services Committee; and providing for an effective date."

SB 77 EXTEND JOINT ARMED SERVICES COMMITTEE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
LEG	1	X		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Wm "Bill" Thomas	Thomas	✓			
Harry L. Crawford Jr	CRAWFORD	X			
Austerman	AUSTERMAN	X			
Salmon	Salmon	X			
Joule	Joule	X			
Foster	FOSTER	X			
Kelly	KELLY	✓			
Anna Fairclough	FAIRCLOUGH	X			
Chair: Hawker	Hawker	X			
Chair: Stoltze	STOLTZE	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 77(STA)
(S) Publish Date: 1/28/09

Identifier (file name): SB77-LEG-COU-1-23-09
Title
Sponsor: Senator Wielechowski
Requester: Senate State Affairs

Dept. Affected: Legislature
RDU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual	0.0	81.5	81.5	81.5	81.5	81.5	81.5
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	81.5	81.5	81.5	81.5	81.5	81.5
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Funding for the Joint Armed Services Committee is included in the Legislative Affairs Agency FY10 Budget Request. If this bill passes, funding for this Committee will be included in future budget requests. This legislation has zero fiscal impact on the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 1/23/09 3:13 PM
Approved by: Pamela Varni, Executive Director — Date 1/23/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

3398

ALASKA STATE LEGISLATURE

Co-chair, Joint Armed Services Committee
•
Co-chair, Resources Committee
•
Vice Chair, Judiciary Committee
•
World Trade Committee

State Capitol, Rm. 115
Juneau, AK 99801
(907) 465-2435
Fax: (907) 465-6615

716 W. 4th Ave, Ste. 440
Anchorage, AK 99501
(907) 269-0102
Fax: (907) 269-6122

SENATOR BILL WIELECHOWSKI

Sponsor Statement: CS for SB 77

CS for SB 77 reauthorizes and makes permanent the legislature's Joint Armed Services Committee, which sunset on January 1. The committee was established by the legislature in July 1999 for a 10-year period. It is responsible for influencing federal decisions regarding realignment and closure of military bases in Alaska, increasing military training in Alaska and advocating for Alaskans serving in the Armed Forces.

Over the past ten years, the committee has had substantial success in carrying out its mission. With new base realignment and closure discussions slated to begin within the next two years, the need for the committee continues to be critical.

The committee is also in the middle of organizing a ceremony to honor Alaskans who, since statehood, have lost their lives in combat. The ceremony will take place this coming May in Anchorage and will recognize the sacrifice made by more than 175 men and women.

Immediate passage of CS for SB 77 is necessary to reauthorize the committee and enable it to continue its important activities.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 77(STA)
(S) Publish Date: 1/28/09

Identifier (file name): SB77-LEG-COU-1-23-09
Title
Sponsor Senator Wielechowski
Requester Senate State Affairs

Dept. Affected: Legislature
RDU Legislative Council
Component Council and Subcommittees
Component Number 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual	0.0	81.5	81.5	81.5	81.5	81.5	81.5
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	81.5	81.5	81.5	81.5	81.5	81.5
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**	**81.5**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Funding for the Joint Armed Services Committee is included in the Legislative Affairs Agency FY10 Budget Request. If this bill passes, funding for this Committee will be included in future budget requests. This legislation has zero fiscal impact on the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division Legislative Affairs Agency — Date/Time 1/23/09 3:13 PM
Approved by: Pamela Varni, Executive Director — Date 1/23/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

3400

SB

83

<target><bill>SB 83</bill><subject>SB
83</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: February 26, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 83(L&C)**

"An Act repealing the Governor's Committee on Employment of People with Disabilities; creating the State Vocational Rehabilitation Committee and relating to the committee; and providing for an effective date."
SB 83-VOCATIONAL REHABILITATION COMMITTEE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
LWF	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	DOOGAN	✓			
	FOSTER	✓			
	Austerman	X			
	KELLY			✓	
	Salmon	X			
	FAIRCLOUGH	✓			
Chair:	Stoltze			☆	
Chair:	Hawker			☆	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 83(L&C)
(S) Publish Date: 2/12/10

Identifier (file name): SB083CS(L&C)-DOLWD-CS-01-21-10
Title: Vocational Rehabilitation Committee
Sponsor: Rules Committee
Requester: Governor

Dept. Affected: Labor and Workforce Development
RDU: Vocational Rehabilitation
Component: Client Services
Component Number: 1828

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel		7.5	7.5	7.5	7.5	7.5	7.5
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		7.5	7.5	7.5	7.5	7.5	7.5
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will increase the number of individuals on the State Vocational Rehabilitation Committee to align with federal regulations by adding three additional seats. Additional costs estimated at $7.5 will result from travel, per-diem, and lodging for the three additional members. The Client Services component will absorb the additional costs within currently budgeted funding.

Prepared by: Cheryl Walsh, Director — Phone 465-6926
Division: Division of Vocational Rehabilitation — Date/Time 2/11/10 3:06 PM
Approved by: Click Bishop, Commissioner — Date 2/11/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

CS FOR SENATE BILL NO. 83(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/6/09
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act repealing the Governor's Committee on Employment of People with Disabilities; creating the State Vocational Rehabilitation Committee and relating to the committee; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 23.15.220 is amended to read:

Sec. 23.15.220. Purpose. The purpose of AS 23.15.220 - 23.15.320 is to create a **State Vocational Rehabilitation Committee** [GOVERNOR'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES] for Alaska to carry on a continuing program to promote the employment of people of the state with disabilities by creating statewide interest in the rehabilitation and employment of people with disabilities, and by obtaining and maintaining cooperation with public and private groups and individuals in this field.

*** Sec. 2.** AS 23.15.230 is amended to read:

Sec. 23.15.230. Appointment of committee. The **governor shall appoint the**

members of the State Vocational Rehabilitation Committee [GOVERNOR'S COMMITTEE CONSISTS OF NOT MORE THAN 12 MEMBERS APPOINTED BY THE GOVERNOR] for staggered terms not exceeding three years. **The composition of the committee must be consistent with the requirements of 29 U.S.C. 725 and 3003, as amended** [THE COMMITTEE SHALL BE COMPOSED OF STATE LEADERS OF INDUSTRY, BUSINESS, AGRICULTURE, LABOR, VETERANS, WOMEN, RELIGIOUS, EDUCATIONAL, CIVIC, FRATERNAL, WELFARE, SCIENTIFIC, MILITARY, MEDICAL, AND OTHER PROFESSIONS, OR AS MANY OF THESE AND LIKE CATEGORIES AS MAY BE FEASIBLY REPRESENTED]. A member may be reappointed, and a vacancy shall be filled by the governor.

* **Sec. 3.** AS 23.15.240 is amended to read:

Sec. 23.15.240. Selection [APPOINTMENT] and term of chair. The **members of the committee shall select a chair from among the voting members of the committee, subject to disapproval by the governor. The chair serves** [GOVERNOR SHALL APPOINT A CHAIR OF THE COMMITTEE WHO SERVES AS CHAIR] for one year or until a successor is **selected** [APPOINTED].

* **Sec. 4.** AS 23.15.260 is amended to read:

Sec. 23.15.260. Meetings. The committee shall meet **four times a year** [ANNUALLY], but, at the request of the governor, special meetings may be called. **Meetings may be conducted telephonically.**

* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: MEMBERS OF THE GOVERNOR'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES. A member of the Governor's Committee on Employment of People with Disabilities on the day before the effective date of this Act, continues to serve as a member of the State Vocational Rehabilitation Committee, created by AS 23.15.220, as amended by sec. 1 of this Act, if the Department of Labor and Workforce Development finds that the member meets the eligibility requirements under AS 23.15.230, as amended by sec. 2 of this Act. A member who continues service under this section after the effective date of this Act

(1) serves until the member's term would have expired as a member of the Governor's Committee on Employment of People with Disabilities; and

(2) may apply to the governor for reappointment to the State Vocational Rehabilitation Committee after the member's term expires.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes shall change the heading of art. 2 of AS 23.15 from "Governor's Committee on Employment of People with Disabilities" to "State Vocational Rehabilitation Committee."

*** Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 83(L&C)
(S) Publish Date: 2/12/10

Identifier (file name): SB083CS(L&C)-DOLWD-CS-01-21-10
Title: Vocational Rehabilitation Committee
Sponsor: Rules Committee
Requester: Governor

Dept. Affected: Labor and Workforce Development
RDU: Vocational Rehabilitation
Component: Client Services
Component Number: 1828

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel		7.5	7.5	7.5	7.5	7.5	7.5
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		7.5	7.5	7.5	7.5	7.5	7.5
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will increase the number of individuals on the State Vocational Rehabilitation Committee to align with federal regulations by adding three additional seats. Additional costs estimated at $7.5 will result from travel, per-diem, and lodging for the three additional members. The Client Services component will absorb the additional costs within currently budgeted funding.

Prepared by: Cheryl Walsh, Director
Division: Division of Vocational Rehabilitation
Phone: 465-6926
Date/Time: 2/11/10 3:06 PM

Approved by: Click Bishop, Commissioner
Agency: Department of Labor and Workforce Development
Date: 2/11/10

(Revised 11/6/2009 OMB)

Explanation of Changes between SB 83 and CSSB 83 (L&C)

Short Title: Vocational Rehabilitation Committee

Section 2, Lines 4-5: Corrected U.S. Code citation from 29. U.S.C. 3001 to 3003.

Prepared by Alaska Department of Labor and Workforce Development, March 2010

CS Senate Bill 83 (Vocational Rehabilitation Committee)

- The primary purpose of this legislation is to bring state statute into compliance with federal laws.
- The committee formed by this legislation is an efficient use of resources as it combines two federally required committees with similar membership (State Rehabilitation Council and the Assistive Technology Advisory Committee).
- The bill allows for telephonic meetings. This may result in cost savings and greater participation by members.
- Any additional costs incurred by changes in membership will be absorbed by the agency administering the federal programs requiring the committees.
- Members bring an external view to the public rehabilitation system. They act as a voice for people with disabilities and other stakeholders, including employers. The majority of members also bring the perspective of what it is like to live with a disability.
- The difference between the original bill and the CS was to fix a typographical error.

Prepared by the Alaska Department of Labor and Workforce Development, April 2010

STATE OF ALASKA

Department of Labor and Workforce Development

DIVISION OF VOCATIONAL REHABILITATION

Governor's Committee on Employment & Rehabilitation
Of People with Disabilities

Sean Parnell, Governor

801 West 10th Street, Suite A
Juneau, AK 99801
V/TTY: (907) 465-2814
Fax: (907) 465-2856

January 26, 2010

Dear Senator:

The Governor's Committee on Employment & Rehabilitation of People with Disabilities strongly supports CS Senate Bill 83(L&C). This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council which is also required under federal law and has similar membership requirements.

The Governor's Committee on Employment and Rehabilitation of People with Disabilities, which operates as Alaska's State Rehabilitation Council, is mandated by 29 U.S.C. 725 as amended, to have a very specific composition that is comprised of employers, service providers and individuals with disabilities. This varied composition provides an avenue for the Division of Vocational Rehabilitation to receive direct public feedback from a variety of stakeholders throughout Alaska. The Division utilizes this valuable feedback to continuously improve and refine its program.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering the CS SB 83(L&C). It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact us if we can be of any assistance or provide any additional information.

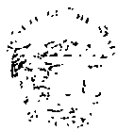
Sincerely,

Ron Boynton

Ron Boynton
Committee Chair

printed on recycled paper

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



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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 2009

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

Dear President Stevens:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill repealing the Governor's committee on employment of people with disabilities, creating the state vocational rehabilitation committee, and relating to the committee.

The purpose of this bill is to eliminate the need to change state law every time federal requirements change the number and or constituency of the membership required for the Governor's committee on employment of people with disabilities and to expand its responsibilities to include the functions of an assistive technology advisory council as required under federal law. Since approximately 70 percent of the financing for the committee comes from the federal government, compliance with federal requirements is necessary.

Assisting those with disabilities in obtaining employment is vital to the economic and social well-being of the state. Given the opportunity, these Alaskans have the ability to contribute significantly to our workforce and to our communities, while granting them financial independence and affirmation of their value to society.

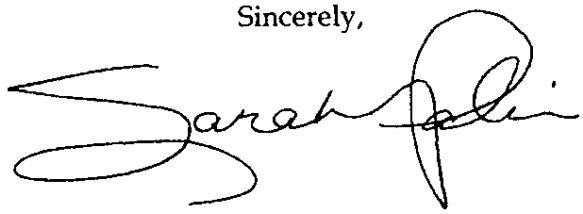
The Governor's committee on employment of people with disabilities has been carrying out the responsibilities of the state rehabilitation council identified in 29 U.S.C. 725, as amended. This bill would replace the existing committee with a federally compliant committee and would allow for adjustments necessary to remain in conformance with federal law without the need for further statute changes. The newly created committee's responsibilities would also include the functions of an assistive technology advisory council required under 29 U.S.C 3001.

The bill would also increase the frequency of meetings of the committee, from a minimum of once each year to four times a year. The bill would allow telephonic participation in committee meetings, and would provide for election of the chair by the committee members, subject to the approval of, rather than appointment by, the Governor.

The bill would also provide a reviser's instruction to change the heading of Article 2 of AS 23.15, to reflect the creation of the new committee.

I urge your prompt and favorable action on this measure.

Sincerely,



Sarah Palin
Governor

CITE-

29 USC Sec. 725

-EXPCITE-

TITLE 29 - LABOR
CHAPTER 16 - VOCATIONAL REHABILITATION AND OTHER REHABILITATION SERVICES
SUBCHAPTER I - VOCATIONAL REHABILITATION SERVICES
Part A - General Provisions

-HEAD-

Sec. 725. State Rehabilitation Council

-STATUTE-

(a) Establishment

(1) In general

Except as provided in section 721(a)(21)(A)(i) of this title, to be eligible to receive financial assistance under this subchapter a State shall establish a State Rehabilitation Council (referred to in this section as the "Council") in accordance with this section.

(2) Separate agency for individuals who are blind

A State that designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind under section 721(a)(2)(A)(i) of this title may establish a separate Council in accordance with this section to perform the duties of such a Council with respect to such State agency.

(b) Composition and appointment

(1) Composition

(A) In general

Except in the case of a separate Council established under subsection (a)(2) of this section, the Council shall be composed of -

(i) at least one representative of the Statewide Independent Living Council established under section 796d of this title, which representative may be the chairperson or other designee of the Council;

(ii) at least one representative of a parent training and information center established pursuant to section 671 of the Individuals with Disabilities Education Act [20 U.S.C. 1471];

(iii) at least one representative of the client assistance program established under section 732 of this title;

(iv) at least one qualified vocational rehabilitation counselor, with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member of the Council if the counselor is an employee of the designated State agency;

(v) at least one representative of community rehabilitation program service providers;

(vi) four representatives of business, industry, and labor;

(vii) representatives of disability advocacy groups representing a cross section of -

(I) individuals with physical, cognitive, sensory, and mental disabilities; and

(II) individuals' representatives of individuals with

disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves;

(viii) current or former applicants for, or recipients of, vocational rehabilitation services;

(ix) in a State in which one or more projects are carried out under section 741 of this title, at least one representative of the directors of the projects;

(x) at least one representative of the State educational agency responsible for the public education of students with disabilities who are eligible to receive services under this subchapter and part B of the Individuals with Disabilities Education Act [20 U.S.C. 1411 et seq.]; and

(xi) at least one representative of the State workforce investment board.

(B) Separate Council

In the case of a separate Council established under subsection (a)(2) of this section, the Council shall be composed of -

(i) at least one representative described in subparagraph (A)(i);

(ii) at least one representative described in subparagraph (A)(ii);

(iii) at least one representative described in subparagraph (A)(iii);

(iv) at least one vocational rehabilitation counselor described in subparagraph (A)(iv), who shall serve as described in such subparagraph;

(v) at least one representative described in subparagraph (A)(v);

(vi) four representatives described in subparagraph (A)(vi);

(vii) at least one representative of a disability advocacy group representing individuals who are blind;

(viii) at least one individual's representative, of an individual who -

(I) is an individual who is blind and has multiple disabilities; and

(II) has difficulty in representing himself or herself or is unable due to disabilities to represent himself or herself;

(ix) applicants or recipients described in subparagraph (A)(viii);

(x) in a State described in subparagraph (A)(ix), at least one representative described in such subparagraph;

(xi) at least one representative described in subparagraph (A)(x); and

(xii) at least one representative described in subparagraph (A)(xi).

(C) Exception

In the case of a separate Council established under subsection (a)(2) of this section, any Council that is required by State law, as in effect on October 29, 1992, to have fewer than 15 members shall be deemed to be in compliance with subparagraph (B) if the Council -

(i) meets the requirements of subparagraph (B), other than the requirements of clauses (vi) and (ix) of such subparagraph; and

(ii) includes at least -

(I) one representative described in subparagraph (B)(vi); and

(II) one applicant or recipient described in subparagraph (B)(ix).

(2) Ex officio member

The Director of the designated State unit shall be an ex officio, nonvoting member of the Council.

(3) Appointment

Members of the Council shall be appointed by the Governor or, in the case of a State that, under State law, vests authority for the administration of the activities carried out under this chapter in an entity other than the Governor (such as one or more houses of the State legislature or an independent board), the chief officer of that entity. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities. In selecting members, the appointing authority shall consider, to the greatest extent practicable, the extent to which minority populations are represented on the Council.

(4) Qualifications

(A) In general

A majority of Council members shall be persons who are -

(i) individuals with disabilities described in section 705(20)(B) of this title; and

(ii) not employed by the designated State unit.

(B) Separate Council

In the case of a separate Council established under subsection (a)(2) of this section, a majority of Council members shall be persons who are -

(i) blind; and

(ii) not employed by the designated State unit.

(5) Chairperson

(A) In general

Except as provided in subparagraph (B), the Council shall select a chairperson from among the membership of the Council.

(B) Designation by chief executive officer

In States in which the chief executive officer does not have veto power pursuant to State law, the appointing authority described in paragraph (3) shall designate a member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a member.

(6) Terms of appointment

(A) Length of term

Each member of the Council shall serve for a term of not more than 3 years, except that -

(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority

described in paragraph (3)) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(B) Number of terms

No member of the Council, other than a representative described in clause (iii) or (ix) of paragraph (1)(A), or clause (iii) or (x) of paragraph (1)(B), may serve more than two consecutive full terms.

(7) Vacancies

(A) In general

Except as provided in subparagraph (B), any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(B) Delegation

The appointing authority described in paragraph (3) may delegate the authority to fill such a vacancy to the remaining members of the Council after making the original appointment.

(c) Functions of Council

The Council shall, after consulting with the State workforce investment board -

(1) review, analyze, and advise the designated State unit regarding the performance of the responsibilities of the unit under this subchapter, particularly responsibilities relating to -

(A) eligibility (including order of selection);

(B) the extent, scope, and effectiveness of services provided; and

(C) functions performed by State agencies that affect or that potentially affect the ability of individuals with disabilities in achieving employment outcomes under this subchapter;

(2) in partnership with the designated State unit -

(A) develop, agree to, and review State goals and priorities in accordance with section 721(a)(15)(C) of this title; and

(B) evaluate the effectiveness of the vocational rehabilitation program and submit reports of progress to the Commissioner in accordance with section 721(a)(15)(E) of this title;

(3) advise the designated State agency and the designated State unit regarding activities authorized to be carried out under this subchapter, and assist in the preparation of the State plan and amendments to the plan, applications, reports, needs assessments, and evaluations required by this subchapter;

(4) to the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with -

(A) the functions performed by the designated State agency;

(B) vocational rehabilitation services provided by State agencies and other public and private entities responsible for providing vocational rehabilitation services to individuals with disabilities under this chapter; and

(C) employment outcomes achieved by eligible individuals receiving services under this subchapter, including the availability of health and other employment benefits in connection with such employment outcomes;

(5) prepare and submit an annual report to the Governor and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public;

(6) to avoid duplication of efforts and enhance the number of individuals served, coordinate activities with the activities of other councils within the State, including the Statewide Independent Living Council established under section 796d of this title, the advisory panel established under section 612(a)(20) of the Individuals with Disabilities Education Act [20 U.S.C. 1412(a)(20)], the State Council on Developmental Disabilities established under section 15025 of title 42, the State mental health planning council established under section 300x-3(a) of title 42, and the State workforce investment board;

(7) provide for coordination and the establishment of working relationships between the designated State agency and the Statewide Independent Living Council and centers for independent living within the State; and

(8) perform such other functions, consistent with the purpose of this subchapter, as the State Rehabilitation Council determines to be appropriate, that are comparable to the other functions performed by the Council.

(d) Resources

(1) Plan

The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and other personnel, as may be necessary and sufficient to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

(2) Resolution of disagreements

To the extent that there is a disagreement between the Council and the designated State unit in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement shall be resolved by the Governor consistent with paragraph (1).

(3) Supervision and evaluation

Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

(4) Personnel conflict of interest

While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State unit or any other agency or office of the State, that would create a conflict of interest.

(e) Conflict of interest

No member of the Council shall cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

(f) Meetings

The Council shall convene at least four meetings a year in such places as it determines to be necessary to conduct Council business and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums shall be publicly announced. The meetings shall be open and accessible to the general

public unless there is a valid reason for an executive session.

(g) Compensation and expenses

The Council may use funds allocated to the Council by the designated State unit under this subchapter (except for funds appropriated to carry out the client assistance program under section 732 of this title and funds reserved pursuant to section 730(c) of this title to carry out part C of this subchapter) to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

(h) Hearings and forums

The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

-SOURCE-

(Pub. L. 93-112, title I, Sec. 105, as added Pub. L. 105-220, title IV, Sec. 404, Aug. 7, 1998, 112 Stat. 1151; amended Pub. L. 105-277, div. A, Sec. 101(f) [title VIII, Sec. 402(c)(6)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-415; Pub. L. 106-402, title IV, Sec. 401(b)(3)(A), Oct. 30, 2000, 114 Stat. 1737; Pub. L. 108-446, title III, Sec. 305(h)(2), (3), Dec. 3, 2004, 118 Stat. 2805.)

-REFTEXT-

REFERENCES IN TEXT

The Individuals with Disabilities Education Act, referred to in subsec. (b)(1)(A)(x), is title VI of Pub. L. 91-230, Apr. 13, 1970, 84 Stat. 175, as amended. Part B of the Act is classified generally to subchapter II (Sec. 1411 et seq.) of chapter 33 of Title 20, Education. For complete classification of this Act to the Code, see section 1400 of Title 20 and Tables.

-MISC1-

PRIOR PROVISIONS

A prior section 725, Pub. L. 93-112, title I, Sec. 105, as added Pub. L. 102-569, title I, Sec. 126(a), Oct. 29, 1992, 106 Stat. 4381; amended Pub. L. 103-73, title I, Sec. 107(d)(1), Aug. 11, 1993, 107 Stat. 721, related to State Rehabilitation Advisory Council, prior to the general amendment of this subchapter by Pub. L. 105-220.

AMENDMENTS

2004 - Subsec. (b)(1)(A)(ii). Pub. L. 108-446, Sec. 305(h)(2), substituted "671 of the Individuals with Disabilities Education Act" for "682(a) of the Individuals with Disabilities Education Act (as added by section 101 of the Individuals with Disabilities Education Act Amendments of 1997; Public Law 105-17)".

Subsec. (c)(6). Pub. L. 108-446, Sec. 305(h)(3), substituted "section 612(a)(20)" for "section 612(a)(21)" and "Individuals with" for "Individual with" and struck out "(as amended by section 101 of the Individuals with Disabilities Education Act Amendments of 1997; Public Law 105-17)" before ", the State Council".

2000 - Subsec. (c)(6). Pub. L. 106-402 substituted "the State

Council on Developmental Disabilities established under section 15025 of title 42" for "the State Developmental Disabilities Council described in section 6024 of title 42".

1998 - Subsec. (b)(3). Pub. L. 105-277, Sec. 101(f) [title VIII, Sec. 402(c)(6)(A)], substituted "Governor or, in the case of a State that, under State law, vests authority for the administration of the activities carried out under this chapter in an entity other than the Governor (such as one or more houses of the State legislature or an independent board), the chief officer of that entity" for "Governor" in first sentence and "appointing authority" for "Governor" in second and third sentences.

Subsec. (b)(4)(A)(i). Pub. L. 105-277, Sec. 101(f) [title VIII, Sec. 402(c)(6)(B)], substituted "section 705(20)(B)" for "section 705(20)(A)".

Subsec. (b)(5)(B). Pub. L. 105-277, Sec. 101(f) [title VIII, Sec. 402(c)(6)(C)], substituted "chief executive officer" for "Governor" in heading and "appointing authority described in paragraph (3) shall" for "Governor shall" in text.

Subsec. (b)(6)(A)(ii), (7)(B). Pub. L. 105-277, Sec. 101(f) [title VIII, Sec. 402(c)(6)(D)], substituted "appointing authority described in paragraph (3)" for "Governor".

-End-

-CITE-

29 USC Sec. 3003

-EXPCITE-

TITLE 29 - LABOR
CHAPTER 31 - ASSISTIVE TECHNOLOGY FOR INDIVIDUALS WITH DISABILITIES

-HEAD-

Sec. 3003. State grants for assistive technology

-STATUTE-

(a) Grants to States

The Secretary shall award grants under subsection (b) to States to maintain comprehensive statewide programs of technology-related assistance to support programs that are designed to maximize the ability of individuals with disabilities across the human lifespan and across the wide array of disabilities, and their family members, guardians, advocates, and authorized representatives, to obtain assistive technology, and that are designed to increase access to assistive technology.

(b) Amount of financial assistance

(1) In general

From funds made available to carry out this section, the Secretary shall award a grant to each eligible State and eligible outlying area from an allotment determined in accordance with paragraph (2).

(2) Calculation of State grants

(A) Base year

Except as provided in subparagraphs (B) and (C), the Secretary shall allot to each State and outlying area for a fiscal year an amount that is not less than the amount the State or outlying area received under the grants provided under section 3011 of this title (as in effect on the day before October 25, 2004) for fiscal year 2004.

(B) Ratable reduction

(i) In general

If funds made available to carry out this section for any fiscal year are insufficient to make the allotments required for each State and outlying area under subparagraph (A) for such fiscal year, the Secretary shall ratably reduce the allotments for such fiscal year.

(ii) Additional funds

If, after the Secretary makes the reductions described in clause (i), additional funds become available to carry out this section for the fiscal year, the Secretary shall ratably increase the allotments, until the Secretary has allotted the entire base year amount.

(C) Higher appropriation years

Except as provided in subparagraph (D), for a fiscal year for which the amount of funds made available to carry out this section is greater than the base year amount, the Secretary shall -

(i) make the allotments described in subparagraph (A); and

(ii) from a portion of the remainder of the funds after the Secretary makes the allotments described in clause (i), the Secretary shall -

(I) from 50 percent of the portion, allot to each State or outlying area an equal amount; and

(II) from 50 percent of the portion, allot to each State or outlying area an amount that bears the same relationship to such 50 percent as the population of the State or outlying area bears to the population of all States and outlying areas,

until each State has received an allotment of not less than $410,000 and each outlying area has received an allotment of $125,000 under clause (i) and this clause;

(iii) from the remainder of the funds after the Secretary makes the allotments described in clause (ii), the Secretary shall -

(I) from 80 percent of the remainder allot to each State an amount that bears the same relationship to such 80 percent as the population of the State bears to the population of all States; and

(II) from 20 percent of the remainder, allot to each State an equal amount.

(D) Special rule for fiscal year 2005

Notwithstanding subparagraph (C), if the amount of funds made available to carry out this section for fiscal year 2005 is greater than the base year amount, the Secretary may award grants on a competitive basis for periods of 1 year to States or outlying areas in accordance with the requirements of subchapter III of this chapter (!1) (as in effect on the day before October 25, 2004) to develop, support, expand, or administer an alternative financing program.

(E) Base year amount

In this paragraph, the term "base year amount" means the total amount received by all States and outlying areas under the grants described in subparagraph (A) for fiscal year 2004.

(c) Lead agency, implementing entity, and advisory council

(1) Lead agency and implementing entity

(A) Lead agency

(i) In general

The Governor of a State shall designate a public agency as a lead agency -

(I) to control and administer the funds made available through the grant awarded to the State under this section; and

(II) to submit the application described in subsection (d) on behalf of the State, to ensure conformance with Federal and State accounting requirements.

(ii) Duties

The duties of the lead agency shall include -

(I) preparing the application described in subsection (d) and carrying out State activities described in that application, including making programmatic and resource allocation decisions necessary to implement the comprehensive statewide program of technology-related assistance;

(II) coordinating the activities of the comprehensive statewide program of technology-related assistance among public and private entities, including coordinating efforts

related to entering into interagency agreements, and maintaining and evaluating the program; and

(III) coordinating efforts related to the active, timely, and meaningful participation by individuals with disabilities and their family members, guardians, advocates, or authorized representatives, and other appropriate individuals, with respect to activities carried out through the grant.

(B) Implementing entity

The Governor may designate an agency, office, or other entity to carry out State activities under this section (referred to in this section as the "implementing entity"), if such implementing entity is different from the lead agency. The implementing agency shall carry out responsibilities under this chapter through a subcontract or another administrative agreement with the lead agency.

(C) Change in agency or entity

(i) In general

On obtaining the approval of the Secretary, the Governor may redesignate the lead agency, or the implementing entity, if the Governor shows to the Secretary good cause why the entity designated as the lead agency, or the implementing entity, respectively, should not serve as that agency or entity, respectively. The Governor shall make the showing in the application described in subsection (d).

(ii) Construction

Nothing in this paragraph shall be construed to require the Governor of a State to change the lead agency or implementing entity of the State to an agency other than the lead agency or implementing entity of such State as of October 25, 2004.

(2) Advisory council

(A) In general

There shall be established an advisory council to provide consumer-responsive, consumer-driven advice to the State for, planning of, implementation of, and evaluation of the activities carried out through the grant, including setting the measurable goals described in subsection (d)(3).

(B) Composition and representation

(i) Composition

The advisory council shall be composed of -

(I) individuals with disabilities that use assistive technology or the family members or guardians of the individuals;

(II) a representative of the designated State agency, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) and the State agency for individuals who are blind (within the meaning of section 101 of that Act (29 U.S.C. 721)), if such agency is separate;

(III) a representative of a State center for independent living described in part C of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796f et seq.);

(IV) a representative of the State workforce investment board established under section 111 of the Workforce Investment Act of 1998 (29 U.S.C. 2821);

(V) a representative of the State educational agency, as defined in section 7801 of title 20; and

(VI) representatives of other State agencies, public

agencies, or private organizations, as determined by the State.

(ii) Majority

(I) In general

A majority, not less than 51 percent, of the members of the advisory council, shall be members appointed under clause (i)(I).

(II) Representatives of agencies

Members appointed under subclauses (II) through (VI) of clause (i) shall not count toward the majority membership requirement established in subclause (I).

(iii) Representation

The advisory council shall be geographically representative of the State and reflect the diversity of the State with respect to race, ethnicity, types of disabilities across the age span, and users of types of services that an individual with a disability may receive.

(C) Expenses

The members of the advisory council shall receive no compensation for their service on the advisory council, but shall be reimbursed for reasonable and necessary expenses actually incurred in the performance of official duties for the advisory council.

(D) Period

The members of the State advisory council shall be appointed not later than 120 days after October 25, 2004.

(E) Impact on existing statutes, rules, or policies

Nothing in this paragraph shall be construed to affect State statutes, rules, or official policies relating to advisory bodies for State assistive technology programs or require changes to governing bodies of incorporated agencies who carry out State assistive technology programs.

(d) Application

(1) In general

Any State that desires to receive a grant under this section shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require.

(2) Lead agency and implementing entity

The application shall contain information identifying and describing the lead agency referred to in subsection (c)(1)(A). The application shall contain information identifying and describing the implementing entity referred to in subsection (c)(1)(B), if the Governor of the State designates such an entity.

(3) Measurable goals

The application shall include -

(A) measurable goals, and a timeline for meeting the goals, that the State has set for addressing the assistive technology needs of individuals with disabilities in the State related to -

(i) education, including goals involving the provision of assistive technology to individuals with disabilities who receive services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

(ii) employment, including goals involving the State

vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

(iii) telecommunication and information technology; and

(iv) community living; and

(B) information describing how the State will quantifiably measure the goals to determine whether the goals have been achieved.

(4) Involvement of public and private entities

The application shall describe how various public and private entities were involved in the development of the application and will be involved in the implementation of the activities to be carried out through the grant, including -

(A) in cases determined to be appropriate by the State, a description of the nature and extent of resources that will be committed by public and private collaborators to assist in accomplishing identified goals; and

(B) a description of the mechanisms established to ensure coordination of activities and collaboration between the implementing entity, if any, and the State.

(5) Implementation

The application shall include a description of -

(A) how the State will implement each of the required activities described in subsection (e), except as provided in subsection (e)(6)(A); and

(B) how the State will allocate and utilize grant funds to implement the activities, including describing proposed budget allocations and planned procedures for tracking expenditures for activities described in paragraphs (2) and (3) of subsection (e).

(6) Assurances

The application shall include assurances that -

(A) the State will annually collect data related to the required activities implemented by the State under this section in order to prepare the progress reports required under subsection (f);

(B) funds received through the grant -

(i) will be expended in accordance with this section; and

(ii) will be used to supplement, and not supplant, funds available from other sources for technology-related assistance, including the provision of assistive technology devices and assistive technology services;

(C) the lead agency will control and administer the funds received through the grant;

(D) the State will adopt such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for the funds received through the grant;

(E) the physical facility of the lead agency and implementing entity, if any, meets the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) regarding accessibility for individuals with disabilities;

(F) a public agency or an individual with a disability holds title to any property purchased with funds received under the grant and administers that property;

(G) activities carried out in the State that are authorized under this chapter, and supported by Federal funds received

under this chapter, will comply with the standards established by the Architectural and Transportation Barriers Compliance Board under section 508 of the Rehabilitation Act of 1973 (20 (!2) U.S.C. 794d); and

(H) the State will -

(i) prepare reports to the Secretary in such form and containing such information as the Secretary may require to carry out the Secretary's functions under this chapter; and

(ii) keep such records and allow access to such records as the Secretary may require to ensure the correctness and verification of information provided to the Secretary under this subparagraph.

(7) State support

The application shall include a description of the activities described in paragraphs (2) and (3) of subsection (e) that the State will support with State funds.

(e) Use of funds

(1) In general

(A) Required activities

Except as provided in subparagraph (B) and paragraph (6), any State that receives a grant under this section shall use a portion of the funds made available through the grant to carry out activities described in paragraphs (2) and (3).

(B) State or non-Federal financial support

A State shall not be required to use a portion of the funds made available through the grant to carry out the category of activities described in subparagraph (A), (B), (C), or (D) of paragraph (2) if, in that State -

(i) financial support is provided from State or other non-Federal resources or entities for that category of activities; and

(ii) the amount of the financial support is comparable to, or greater than, the amount of the portion of the funds made available through the grant that the State would have expended for that category of activities, in the absence of this subparagraph.

(2) State-level activities

(A) State financing activities

The State shall support State financing activities to increase access to, and funding for, assistive technology devices and assistive technology services (which shall not include direct payment for such a device or service for an individual with a disability but may include support and administration of a program to provide such payment), including development of systems to provide and pay for such devices and services, for targeted individuals and entities described in section 3002(16)(A) of this title, including -

(i) support for the development of systems for the purchase, lease, or other acquisition of, or payment for, assistive technology devices and assistive technology services; or

(ii) support for the development of State-financed or privately financed alternative financing systems of subsidies (which may include conducting an initial 1-year feasibility study of, improving, administering, operating, providing capital for, or collaborating with an entity with respect to,

such a system) for the provision of assistive technology devices, such as -

(I) a low-interest loan fund;

(II) an interest buy-down program;

(III) a revolving loan fund;

(IV) a loan guarantee or insurance program;

(V) a program providing for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(VI) another mechanism that is approved by the Secretary.

(B) Device reutilization programs

The State shall directly, or in collaboration with public or private entities, carry out assistive technology device reutilization programs that provide for the exchange, repair, recycling, or other reutilization of assistive technology devices, which may include redistribution through device sales, loans, rentals, or donations.

(C) Device loan programs

The State shall directly, or in collaboration with public or private entities, carry out device loan programs that provide short-term loans of assistive technology devices to individuals, employers, public agencies, or others seeking to meet the needs of targeted individuals and entities, including others seeking to comply with the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(D) Device demonstrations

(i) In general

The State shall directly, or in collaboration with public and private entities, such as one-stop partners, as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801), demonstrate a variety of assistive technology devices and assistive technology services (including assisting individuals in making informed choices regarding, and providing experiences with, the devices and services), using personnel who are familiar with such devices and services and their applications.

(ii) Comprehensive information

The State shall directly, or through referrals, provide to individuals, to the extent practicable, comprehensive information about State and local assistive technology venders, providers, and repair services.

(3) State leadership activities

(A) In general

A State that receives a grant under this section shall use a portion of not more than 40 percent of the funds made available through the grant to carry out the activities described in subparagraph (B). From that portion, the State shall use at least 5 percent of the portion for activities described in subparagraph (B)(i)(III).

(B) Required activities

(i) Training and technical assistance

(I) In general

The State shall directly, or provide support to public or private entities with demonstrated expertise in collaborating with public or private agencies that serve

individuals with disabilities, to develop and disseminate training materials, conduct training, and provide technical assistance, for individuals from local settings statewide, including representatives of State and local educational agencies, other State and local agencies, early intervention programs, adult service programs, hospitals and other health care facilities, institutions of higher education, and businesses.

(II) Authorized activities

In carrying out activities under subclause (I), the State shall carry out activities that enhance the knowledge, skills, and competencies of individuals from local settings described in subclause (I), which may include -

(aa) general awareness training on the benefits of assistive technology and the Federal, State, and private funding sources available to assist targeted individuals and entities in acquiring assistive technology;

(bb) skills-development training in assessing the need for assistive technology devices and assistive technology services;

(cc) training to ensure the appropriate application and use of assistive technology devices, assistive technology services, and accessible technology for e-government functions;

(dd) training in the importance of multiple approaches to assessment and implementation necessary to meet the individualized needs of individuals with disabilities; and

(ee) technical training on integrating assistive technology into the development and implementation of service plans, including any education, health, discharge, Olmstead, employment, or other plan required under Federal or State law.

(III) Transition assistance to individuals with disabilities

The State shall directly, or provide support to public or private entities to, develop and disseminate training materials, conduct training, facilitate access to assistive technology, and provide technical assistance, to assist -

(aa) students with disabilities, within the meaning of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), that receive transition services; and

(bb) adults who are individuals with disabilities maintaining or transitioning to community living.

(ii) Public-awareness activities

(I) In general

The State shall conduct public-awareness activities designed to provide information to targeted individuals and entities relating to the availability, benefits, appropriateness, and costs of assistive technology devices and assistive technology services, including -

(aa) the development of procedures for providing direct communication between providers of assistive technology and targeted individuals and entities, which may include partnerships with entities in the statewide and local workforce investment systems established under the

Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), State vocational rehabilitation centers, public and private employers, or elementary and secondary public schools;

(bb) the development and dissemination, to targeted individuals and entities, of information about State efforts related to assistive technology; and

(cc) the distribution of materials to appropriate public and private agencies that provide social, medical, educational, employment, and transportation services to individuals with disabilities.

(II) Collaboration

The State shall collaborate with entities that receive awards under paragraphs (1) and (3) of section 3005(b) of this title to carry out public-awareness activities focusing on infants, toddlers, children, transition-age youth, employment-age adults, seniors, and employers.

(III) Statewide information and referral system

(aa) In general

The State shall directly, or in collaboration with public or private (such as nonprofit) entities, provide for the continuation and enhancement of a statewide information and referral system designed to meet the needs of targeted individuals and entities.

(bb) Content

The system shall deliver information on assistive technology devices, assistive technology services (with specific data regarding provider availability within the State), and the availability of resources, including funding through public and private sources, to obtain assistive technology devices and assistive technology services. The system shall also deliver information on the benefits of assistive technology devices and assistive technology services with respect to enhancing the capacity of individuals with disabilities of all ages to perform activities of daily living.

(iii) Coordination and collaboration

The State shall coordinate activities described in paragraph (2) and this paragraph, among public and private entities that are responsible for policies, procedures, or funding for the provision of assistive technology devices and assistive technology services to individuals with disabilities, service providers, and others to improve access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State.

(4) Indirect costs

Not more than 10 percent of the funds made available through a grant to a State under this section may be used for indirect costs.

(5) Prohibition

Funds made available through a grant to a State under this section shall not be used for direct payment for an assistive technology device for an individual with a disability.

(6) State flexibility

(A) In general

Notwithstanding paragraph (1)(A) and subject to subparagraph

(B), a State may use funds that the State receives under a grant awarded under this section to carry out any 2 or more of the activities described in paragraph (2).

(B) Special rule

Notwithstanding paragraph (3)(A), any State that exercises its authority under subparagraph (A) -

(i) shall carry out each of the required activities described in paragraph (3)(B); and

(ii) shall use not more than 30 percent of the funds made available through the grant to carry out the activities described in paragraph (3)(B).

(f) Annual progress reports

(1) Data collection

States shall participate in data collection as required by law, including data collection required for preparation of the reports described in paragraph (2).

(2) Reports

(A) In general

Each State shall prepare and submit to the Secretary an annual progress report on the activities funded under this chapter, at such time, and in such manner, as the Secretary may require.

(B) Contents

The report shall include data collected pursuant to this section. The report shall document, with respect to activities carried out under this section in the State -

(i) the type of State financing activities described in subsection (e)(2)(A) used by the State;

(ii) the amount and type of assistance given to consumers of the State financing activities described in subsection (e)(2)(A) (who shall be classified by type of assistive technology device or assistive technology service financed through the State financing activities, and geographic distribution within the State), including -

(I) the number of applications for assistance received;

(II) the number of applications approved and rejected;

(III) the default rate for the financing activities;

(IV) the range and average interest rate for the financing activities;

(V) the range and average income of approved applicants for the financing activities; and

(VI) the types and dollar amounts of assistive technology financed;

(iii) the number, type, and length of time of loans of assistive technology devices provided to individuals with disabilities, employers, public agencies, or public accommodations through the device loan program described in subsection (e)(2)(C), and an analysis of the individuals with disabilities who have benefited from the device loan program;

(iv) the number, type, estimated value, and scope of assistive technology devices exchanged, repaired, recycled, or reutilized (including redistributed through device sales, loans, rentals, or donations) through the device reutilization program described in subsection (e)(2)(B), and an analysis of the individuals with disabilities that have benefited from the device reutilization program;

(v) the number and type of device demonstrations and referrals provided under subsection (e)(2)(D), and an analysis of individuals with disabilities who have benefited from the demonstrations and referrals;

(vi)(I) the number and general characteristics of individuals who participated in training under subsection (e)(3)(B)(i) (such as individuals with disabilities, parents, educators, employers, providers of employment services, health care workers, counselors, other service providers, or vendors) and the topics of such training; and

(II) to the extent practicable, the geographic distribution of individuals who participated in the training;

(vii) the frequency of provision and nature of technical assistance provided to State and local agencies and other entities;

(viii) the number of individuals assisted through the public-awareness activities and statewide information and referral system described in subsection (e)(3)(B)(ii);

(ix) the outcomes of any improvement initiatives carried out by the State as a result of activities funded under this section, including a description of any written policies, practices, and procedures that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices, and assistive technology services, in the contexts of education, health care, employment, community living, and information technology and telecommunications, including e-government;

(x) the source of leveraged funding or other contributed resources, including resources provided through subcontracts or other collaborative resource-sharing agreements, from and with public and private entities to carry out State activities described in subsection (e)(3)(B)(iii), the number of individuals served with the contributed resources for which information is not reported under clauses (i) through (ix) or clause (xi) or (xii), and other outcomes accomplished as a result of such activities carried out with the contributed resources; and

(xi) the level of customer satisfaction with the services provided.

-SOURCE-

(Pub. L. 105-394, Sec. 4, as added Pub. L. 108-364, Sec. 2, Oct. 25, 2004, 118 Stat. 1714.)

-REFTEXT-

REFERENCES IN TEXT

Section 3011 of this title, referred to in subsec. (b)(2)(A), was omitted in the general amendment of this chapter by Pub. L. 108-364, Sec. 2, Oct. 25, 2004, 118 Stat. 1707.

Subchapter III of this chapter, referred to in subsec. (b)(2)(D), which consisted of sections 3051 to 3058 of this title, was omitted in the general amendment of this chapter by Pub. L. 108-364, Sec. 2, Oct. 25, 2004, 118 Stat. 1707.

The Rehabilitation Act of 1973, referred to in subsecs. (c)(2)(B)(i)(III) and (d)(3)(A)(ii), is Pub. L. 93-112, Sept. 26, 1973, 87 Stat. 355, as amended. Title I of the Act is classified generally to subchapter I (Sec. 720 et seq.) of chapter 16 of this

title. Part C of title VII of the Act is classified generally to subpart 3 (Sec. 796f et seq.) of part A of subchapter VII of chapter 16 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 701 of this title and Tables.

The Individuals with Disabilities Education Act, referred to in subsecs. (d)(3)(A)(i) and (e)(2)(C), (3)(B)(i)(III)(aa), is title VI of Pub. L. 91-230, Apr. 13, 1970, 84 Stat. 175, as amended, which is classified generally to chapter 33 (Sec. 1400 et seq.) of Title 20, Education. For complete classification of this Act to the Code, see section 1400 of Title 20 and Tables.

The Americans with Disabilities Act of 1990, referred to in subsecs. (d)(6)(E) and (e)(2)(C), is Pub. L. 101-336, July 26, 1990, 104 Stat. 327, as amended, which is classified principally to chapter 126 (Sec. 12101 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 12101 of Title 42 and Tables.

The Workforce Investment Act of 1998, referred to in subsec. (e)(3)(B)(ii)(I)(aa), is Pub. L. 105-220, Aug. 7, 1998, 112 Stat. 936, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 9201 of Title 20, Education, and Tables.

-FOOTNOTE-

(!1) See References in Text note below.

(!2) So in original. Probably should be "(29".

-End-

Darwin

Promoting self-sufficiency and recovery...
434 Willoughby Ave.
P.O. Box 21661
Juneau, Alaska 99802
(907) 780-6775
(907) 780-6774-fax
email: polarishouse@alaska.net

RECEIVED
MAR 11 2009

March 6, 2009

Senator Bert Stedman
State Capital Building, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

I Dorothy Green, Director of Polaris House strongly encourage you to schedule a hearing for SB 83 as soon as possible.

Polaris House is very much in support of SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering scheduling a hearing for SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact me at Polaris House if we can be of any assistance or provide any additional information.

Sincerely,

Dorothy Green, Director

RECEIVED
MAR 10 2009

March 6, 2009

Senator Bert Stedman
State Capital Building, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

Alyeska Vocational Services strongly encourages you to schedule a hearing for SB 83 as soon as possible.

Alyeska Vocation Services is very much in support of SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering scheduling a hearing for SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact me at (907) 306-7258 if you would like more information.

Sincerely,

Keri Ornellas
Program Manager - Alaska Services

Darwin

1

Assistive Technology of Alaska

2217 E. Tudor Rd., Suite 4
Anchorage, AK 99507
Phone (907) 563-2599
TTY/VP (907) 561-2592
www.atlaak.org

March 9, 2009

RECEIVED
MAR - 9 2009

Senator Bert Stedman
State Capital Building, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

Assistive Technology of Alaska (ATLA) strongly encourages you to schedule a hearing for SB 83 as soon as possible.

Our agency is very much in support of SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering scheduling a hearing for SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact me if I can be of any assistance or provide any additional information.

Sincerely,

Kathy Privratsky
Executive Director

Darwin

REACH INCORPORATED

Phone (907) 586-8228
Fax (907) 586-8226

213 Third Street
Juneau, AK 99801
www.reachak.org

RECEIVED
MAR - 9 2009

March 6, 2009

Senator Bert Stedman
State Capital Building, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

REACH, Inc. strongly encourages you to schedule a hearing for SB 83 as soon as possible. REACH, Inc. is very much in support of SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering scheduling a hearing for SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact me if I can be of any assistance or provide any additional information.

Sincerely,

Richard Fagundes
Executive Director

Darwin

March 6, 2009

RECEIVED
MAR - 9 2009

Senator Bert Stedman
State Capital Building, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

I strongly encourage you to schedule a hearing for SB 83 as soon as possible. I am a Community Rehabilitation Provider, Mobile Job Coach & Licensed Professional Counselor with Alaska's Renewable Resources, Workforce Consulting & SSI/SSDI Benefits Advocacy Agency and am very much in support of SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

I also support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering scheduling a hearing for SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact me if I can be of any assistance or provide any additional information.

Sincerely,

Karen Waldrip

Karen M. Waldrip, Med, LPC, CRP
Alaska's Renewable Resources

Alaska Center
FOR THE BLIND AND
VISUALLY IMPAIRED

3903 Taft Drive
Anchorage, AK 99517-3069
(907)248-7770
1(800)770-7517
(907)248-7517 fax
info@AlaskaBVI.org www.AlaskaBVI.org

Equipping Alaskans who are blind and visually impaired with skills for success in life and work

January 26, 2009

To Whom It May Concern:

This letter is to express strong support for SB 83, changing the name of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight of Vocational Rehabilitation, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division of Vocational Rehabilitation. The name change will also reduce the ongoing confusion between this committee and the Governor's Council on Disabilities and Special Education.

This legislation will bring state statute into compliance with federal law. It will eliminate the need to change statutes every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

Thank you for considering SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assisting Alaskans with visual and other disabilities to be employed and have access to assistive technology services. Please contact me if I can be of any assistance or provide additional information.

Sincerely,

Karla Jutzi

Karla Jutzi
Executive Director

Alaska Community Shares

January 26, 2009

To Whom It May Concern:

The Alaska Statewide Independent Living Council strongly supports SB 83. This legislation will bring state statute into compliance with federal law. It will also eliminate the need to change state statute every time federal law changes. This committee will also function as the assistive technology advisory council as required under federal law.

We support the name change of the Governor's Committee on Employment of People with Disabilities to the State Vocational Rehabilitation Committee. Since this committee provides oversight to the Vocational Rehabilitation program, the name will clearly align it with the State of Alaska, Department of Labor and Workforce Development, Division Vocational Rehabilitation. The name change will also reduce the on-going confusion between this committee and the Governor's Council on Disability and Special Education.

Thank you for considering SB 83. It is important that this committee is compliant with federal law to ensure continued funding which is critical to assist Alaskans with disabilities to become employed and have access to appropriate assistive technology services and devices. Please contact us if we can be of any assistance or provide any additional information.

Sincerely,

Teresa Sarabia
Vice Chair
Alaska Statewide Independent Living Council

SB

88

<target><bill>SB 88</bill><subject>SB
88</subject><comm>HFIN26</comm></target>

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM January 28, 2009

SUBJECT: Senate Bill 88, repealing delayed amendments to the power cost equalization program in order to make permanent certain formula amendments that were treated as temporary when enacted -- sectional analysis (Work Order No. 26-LS0414\R)

TO: Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

FROM: Jack Chenoweth
Assistant Revisor

Among other additions and amendments, § 2, ch. 2, 4SSLA 2008, temporarily amended the parameters for a community to be eligible to receive power cost equalization payments under the power cost equalization program.[1] For one year, now scheduled to

---

[1] Substantively, § 2, ch. 2, 4SSLA 2008, made changes to AS 42.45.110(c) that increased the maximum allowable kilowatt-hour cost for which power cost equalization payments could be calculated from 52.5 cents to $1.00 per kilowatt hour:

> (c) The amount of power cost equalization provided **for each** [PER] kilowatt-hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the power costs, or the average rate **for each** [PER] eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,
>
> (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1, 1999,] the power costs for which power cost equalization **are** [WERE] paid to an electric utility **are** [WERE] limited to minimum power costs of more than 12 cents **a** [PER] kilowatt-hour and less than **$1 a** [52.5 CENTS PER] kilowatt-hour;
>
> (2) **each year** [DURING EACH FOLLOWING STATE FISCAL YEAR], the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the power costs under this paragraph to reduce the amount below the lower limit set out in (1) of this subsection; and

end June 30, 2009, the standards were relaxed -- made less restrictive. Another provision of that Act, § 3, ch. 2, 4SSLA 2008, effective June 30, 2009, restores the standards to what they were before the temporary adjustment.

The provisions of Senate Bill 88 set aside the provisions of the 2008 Act that would restore the former standards.

Bill section 1 repeals the substantive law provision, sec. 3, ch. 2, 4SSSLA 2008, that, if left unamended, would restore the former factors that apply to calculate the amount of power cost equalization payable under that program.

Bill section 3 repeals the related delayed effective date provision, sec. 11, ch. 2, 4SSLA 2008, that, on June 30, 2009, would provide for restoration of the former factors under that power cost equalization formula. This bill section is, in effect, the repeal of an effective date provision that, under the *Manual of Legislative Drafting*, requires that it be separately set out and noticed in the bill title ("providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008"). *Manual of Legislative Drafting* at pp. 12 - 13. This change affects an effective date in the earlier bill and requires a two-thirds vote in each house for adoption.

Bill section 2 is a contingency provision so that, if Senate Bill 88 is passed late in the session and is substantially delayed in transmittal to the governor, or the governor otherwise fails to act to approve the bill until at or beyond the June 30, 2009, transitional date, the new provisions are made retroactive so that the legislature's intent (to eliminate the scheduled formula calculation change) is fully and seamlessly carried out.

Bill section 4 gives the measure an immediate effective date and requires a two-thirds vote in each house for adoption.

This sectional analysis was prepared in response to a request from Jay Livey.

JBC:lmb
09-007.lmb

---

(3) the power cost equalization **for each** [PER] kilowatt-hour may be determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

A related amendment proposed by § 3, ch. 2, 4SSLA 2008, would readjust the maximum allowable, as amended in the last line of AS 42.45.110(c)(1), as shown in the text, from $1 back to the former rate of 52.5 cents.

Senator Lyman Hoffman

Alaska State Legislature

Sponsor Statement for SB 88

Power Cost Equalization (PCE) is the program designed to (1) extend power assistance to rural Alaska as a response to the development of other power around the state and (2) make power more affordable to rural Alaskans. SB 88 proposes to make permanent the changes to the program adopted by the last legislature, which made higher cost power eligible for PCE. This helps Alaskan families continue to afford to buy the electricity that provides the basic services that we all take for granted.

Residents of Alaska whose electricity is generated by oil have seen their power costs increase significantly during the past few years. Last year for example, oil was purchased during the summer when delivery by barge was possible. At that time, they paid the highest price ever recorded. In consequence, though the price of a barrel of oil has plummeted, the cost in the villages continues to reflect the price at which it was purchased - currently over $7.00 per barrel in many communities.

During the previous legislative session, this high cost of electricity was acknowledged by a change in the Power Cost Equalization statute. It recognized the high cost of fuel and the subsequent increase in Power Cost Equalization by increasing the upper limit, the ceiling, of the PCE calculation from 52.5 cents per kilowatt hour to $1.00 per kilowatt hour. This change was for this heating season only, and sunsets on June 30, 2009.

The floor is a weighted average of the cost of power in Anchorage, Fairbanks and Juneau; currently a little over 12 cents per kilowatt. Power Cost Equalization is paid only on the first 500 kilowatts of power used each month. Any use above that does not qualify for PCE. The amount of PCE for each eligible family depends on a calculation which determines a floor and an amount per kilowatt which establishes the ceiling. As noted, the ceiling is now $1.00 but will revert to 52.5 cents if this bill were not to pass. PCE payments are made on any cost for power falling within this band. For many utilities, the cost of producing power now exceeds 52.5 cents per kilowatt. Consequently, for many electric users, reverting to a PCE ceiling of 52.5 cents would mean considerably higher power bills.

Because power costs in many rural communities are approaching the $1.00 per kilowatt range, it is crucial that PCE helps households by making power more affordable, particularly for basic services. To not pass this legislation would mean that many rural families would simply not be able to afford to buy the electricity needed for even the basic services that we take for granted.

Senate District S
Senator_Lyman_Hoffman@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 8, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/09

The FINANCE Committee considered: **SENATE BILL NO. 88**

"An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008; and providing for an effective date."

SB 88 POWER COST EQUALIZATION

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
CED		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	FAIRCLOUGH	✓			
	CRAWFORD	✓			
	KELLY			X	
	AUSTERMAN	X			
	SALMON	X			
	JOULE	X			
Chair:	HAWKER	☆			
Chair:	STOLTZE	X			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB 88**
() Publish Date:

Identifier (file name):SB88-CED-AEA-04-08-09
Title: Power Cost Equalization
Sponsor: Senate Finance Committee
Requester: House Finance Committee

Dept. Affected: DCCED
RDU: Alaska Energy Authority
Component: AEA Power Cost Equalization
Component Number: 2602

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	5,500.0		5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
Miscellaneous							
TOTAL OPERATING	**5,500.0**	**0.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	5,500.0		5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
1005 GF/Program Receipts							
Other PCE Endowment (1169)							
Other PCE Fund (1089)							
TOTAL	**5,500.0**	**0.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill continues a maximum $1.00 per kilowatt-hour cap for power costs paid by the Power Cost Equalization (PCE) program. This fiscal note represents the additional funding needed for the PCE program if the bill passes. The Governor's budget currently contains $32.16 million. The total funding needed if this bill passes is anticipated to be $37.66 million.

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant — Phone 907-771-3029
Division: Alaska Energy Authority — Date/Time 04-08-09/5:00pm
Approved by: Emil Notti, Commissioner — Date 4/8/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

Senator Joe Thomas
February 2, 2009

Golden Valley Electric Association Residential Electric Rates

(includes energy charge and fuel adjustment)

December 1, 2006	$.12885 /kWh
March 1, 2007	$.13053 /kWh
June 1, 2007	$.13534 /kWh
September 4, 2007	$.14026 /kWh
December 3, 2007	$.16280 /kWh
March 3, 2008	$.17056 /kWh
June1, 2008	$.20266 /kWh
September 2, 2008	$.19502 /kWh
December 1, 2008	$.15241 /kWh

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB 88**
() Publish Date:

Identifier (file name): SB88-CED-AEA-04-17-09
Title: Power Cost Equalization
Sponsor: Senate Finance Committee
Requester: House Finance Committee

Dept. Affected: DCCED
RDU: Alaska Energy Authority
Component: AEA Power Cost Equalization
Component Number: 2602

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
1005 GF/Program Receipts							
Other PCE Endowment (1169)							
Other PCE Fund (1089)							
TOTAL	**0.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**	**5,500.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill continues a maximum $1.00 per kilowatt-hour cap for power costs paid by the Power Cost Equalization (PCE) program.

This fiscal note is informational only because the open-ended language in the operating budget bill [Sec. 11(e), HB 81] appropriates the GF necessary to fund the PCE Program. However, the $5.5 million above represents the additional funding needed for the PCE program if the bill passes. The Governor's budget currently contains $32.16 million. The total funding needed if this bill passes is anticipated to be $37.66 million.

Prepared by: Amanda Ryder, Director — Phone 907-465-2506
Division: Division of Administrative Services — Date/Time 04-17-09/3:50pm
Approved by: Emil Notti, Commissioner — Date 4/17/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

3446

BILL: SB 88 **SHORT TITLE:** POWER COST EQUALIZATION
BILL VERSION:
CURRENT STATUS: (S) FIN **STATUS DATE:** 01/28/09
SPONSOR(s): FINANCE
HEARING: (S) FIN Feb 03 9:00 AM SENATE FINANCE 532 TELECONFERENCE

TITLE: "An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008; and providing for an effective date."

AVCP, Inc.
Testimony to the 26th Alaska State Legislature
Senate Finance Committee
By
Myron P. Naneng, Sr., President

Regarding SB 88

Tuesday, February 3, 2009

Good morning Chairman Hoffman and Co-Chairman Bert Stedman. We at the Association of Village Council Presidents, Inc. (AVCP) are grateful for you to be holding this discussion in order to bring more appropriate energy relief to remote, rural Alaska communities like the 56 villages in our Yukon Kuskokwim region.

My name is Myron Naneng, I am President of our regional non-profit corporation. What we are testifying to today comes as no surprise to either of you, since you tried to address it in the last session through SB 4002. Since early last summer, tribal leaders as well as myself were very nervous about our coming winter since we were forced to prepay our winter fuel purchases for our tank farms at the highest costs of oil on record.

Because we are roadless, all of our villages have to import fuel by barge or by air in emergencies. In most cases, we have no choice but to sign no-fault contracts with fuel vendors if weather or acts of god prevent a scheduled delivery. Some of our villages, with human resources turnover or other constraints, are unable to make their fuel orders in concordance to State programs such as the bulk fuel loan in time to lock in at more agreeable rates. Factors such as these aggravate the already challenging nature of providing light and heat to our communities with little or no energy infrastructure.

Rural Alaska village communities are faced with extremely high costs of living, in particular, the people of the Wade Hampton district are having to pay upwards of $0.62 per kWh for electricity, $7.68 per gallon for heating fuel and, recently upwards of $11.00 for heating fuel that had to be flown into the village of Emmonak when they ran out of fuel. Energy costs are up to 60% or more of household costs for many rural Alaskans in this census district whose average incomes are $30,184. Some households went without electricity and fuel for heat because of the extremely high costs and lack of income to

pay. Clearly, energy costs in rural Alaska makes life unsustainable, and practically unhealthy. The high cost of energy combined with the severe cold winter of 2008 and 2009 is a threat to the general health and wellbeing of the residents of this region.

The villages in our region are extremely remote have great distances from major transportation hubs and commercial centers, have small size and economy of scale, and there are tremendous logistical problems and high costs for transporting fuel for home heating and electricity. This contributes to a high cost of electrical power plants with high capital and operating costs. All the villages in this region are dependent upon diesel fuel for electricity and home heating. It is often the only and best solution when considering the available energy resources, cost for development and deployment, and the small loads often experienced in rural Alaska villages. Diesel-electric power plants provide an efficient and effective energy solution in many cases. PCE provides a buffer against the high costs of electricity.

There have been concerns expressed by some of your colleagues within the Senate and your House counterpart that the subsidy suggested in SB 88 creates an unending entitlement program, that it is an insufficient one-size-fits-all solution to an enduring program. Truthfully, it could be that way should the commercial fisheries continue to collapse; however, the circumstances that brought about this particular energy crisis are unusual. The price of oil topping over $100 a barrel, the commercial salmon fishery on either river no good, but catastrophic on the Lower Yukon, the early freeze-up and particularly hard winter has sopped up whatever energy program and cash most families need for our sub-arctic winters. Because of the poor fishing season, the cash usually generated by that commercial practice was not there to outfit seal, small whale or moose hunting and gathering expeditions that make up most of our winter sustenance.

With continued and full funding by the Legislature of the Renewable Energy Fund coupled with possible federal stimulus infrastructure funds, we may be looking at a reality where accessible energy sources come to fruition in a matter of years, rather than a matter of decades. With affordable energy at the village level, a failed fishing season would not break us as badly as this hard winter has shown.

Though Governor Palin herself has not directly acknowledged the fishery or fuel crisis in our region, in her response to the U.S. Army's reduced retirement payments to 26 Alaska Native Elders who had served in the Territorial Guard during WWII, she argued:

> "Rural Alaskans face the highest food and energy costs in the nation, and these veterans need their retirement checks now more than ever," Governor Palin said. "Using the emergency fund to provide monetary protection for these 26 veterans is the right thing to do."

When argumonts on fairness and equality are thrown around, keep in mind, that families with mid-range incomes who live in Anchorage were projected to spend about 3% of their income on energy costs (based on May prices) and that figure increases to about 5% of your income if you live in other cities or towns on Alaska's road system.

Mid-income households in remote villages (places you can only reach by water or plane) were expected to spend about 11% of the paycheck on energy because we rely on diesel fuel, while the majority of Anchorage families use natural gas.

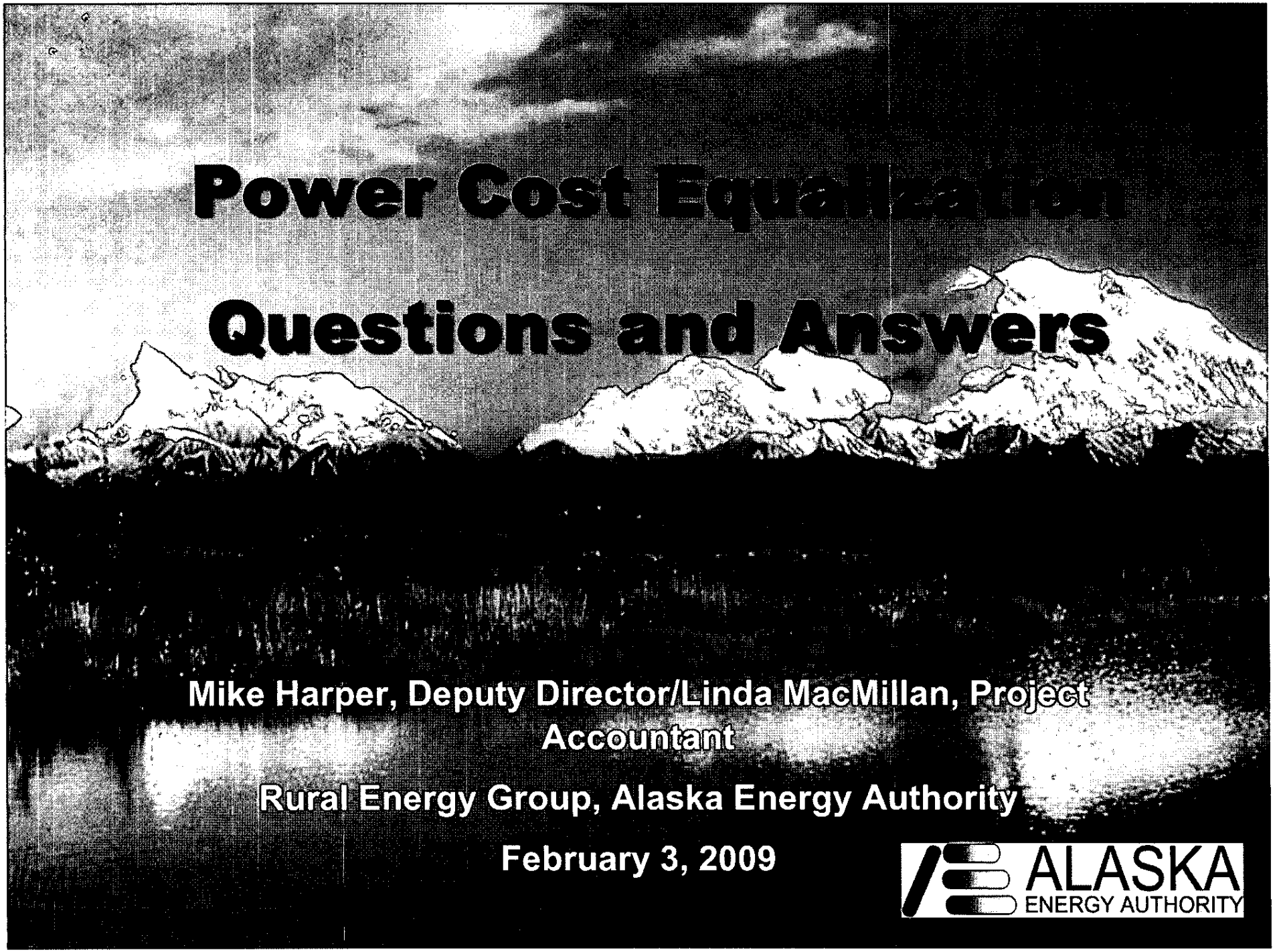
ISER estimates that the median annual cost of power and heating costs for an Anchorage family is about $2,400, compared to about $4,100 for midsize towns and cities and **$6,600 for remote rural villages.**

AVCP provides direct assistance to many families in our member villages that include a Housing Improvement Program, TANF and LIHEAP to name a few. Last year we assisted 1,846 households with energy assistance, and we anticipate the same number if not more appeals for the remainder of this season.

On a related matter, there has been a lot of discussion among regional and tribal entities about heating and lighting village dependent offices that are necessary for operations to the community. When Governor Palin said in her Energy Plan press conference that she had tried to, but failed, to get a hold of people in Emmonak in response to a private citizens appeal for help in the Bristol Bay Times, we were confused as to whom she tried to communicate with. . .the people of Emmonak from the Mayor's office, the tribal council and Nick Tucker all said an hour before in our joint Agency teleconference that their calls were never answered in the Governor's office. It turns out that whatever attempts the Governor's office made - was communicating to a closed up City Office, because the village can't afford to keep the building operational more than one week out of the month. All other entities were operational, all of them frantically calling out for help with the State.

We tried to do this proactively, in public statements and resolutions. We warned that the $1,200 rebate would not adequately address the remote / rural fuel needs - and with the taxes due from as little as $90 to over $300 per person, we will continue to see pain in affected households this year. If we had access to affordable energy sources, all the factors we laid out for you would not have hurt us so badly this winter.

Senator Hoffman's call for the state to make up the difference in the instance where an Alaskan has to pay more than $3 a gallon for residential heating fuel up to 600 gallons purchased per residence from September through March, in addition to SB 88's extension of the PCE program, will go a long way to keeping our homes heated, and saving our families from deciding between freezing or going hungry.


Power Cost Equalization
Questions and Answers
Mike Harper, Deputy Director/Linda MacMillan, Project Accountant
Rural Energy Group, Alaska Energy Authority
February 3, 2009
ALASKA
ENERGY AUTHORITY

Power for Rural Alaska
30 year History

- Statewide -almost no transmission in Alaska
  - Chugach Electric owned a line from Beluga through Anchorage to Nikiski
  - Fairbanks relied on local heavy oil and coal
  - Diesel fuel was the primary energy source elsewhere
- Very little hydropower
  - Eklutna – 30 mw, serving ML&P, MEA, CEA
  - Cooper Lake – 20 mw, serving CEA
  - Snettisham – 52 mw, serving Juneau
  - ~20 mw of small projects scattered throughout SE Alaska

Power Development Begins -Oil started flowing down the Pipeline

The State began to spend its newfound wealth

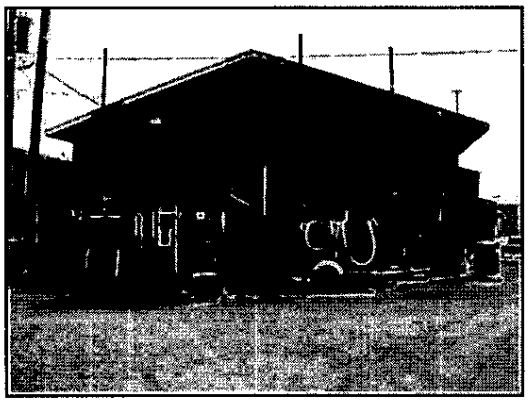
- A transmission line to Fairbanks was started
- The Susitna mega-project design was started - 1981
- The Bradley Lake project was started - 1983
- Kodiak, Valdez, Ketchikan, Wrangell and Petersburg began work on 4 Dam Pool - 1983
- Studies were commissioned to identify projects to reduce the cost of electricity throughout Alaska

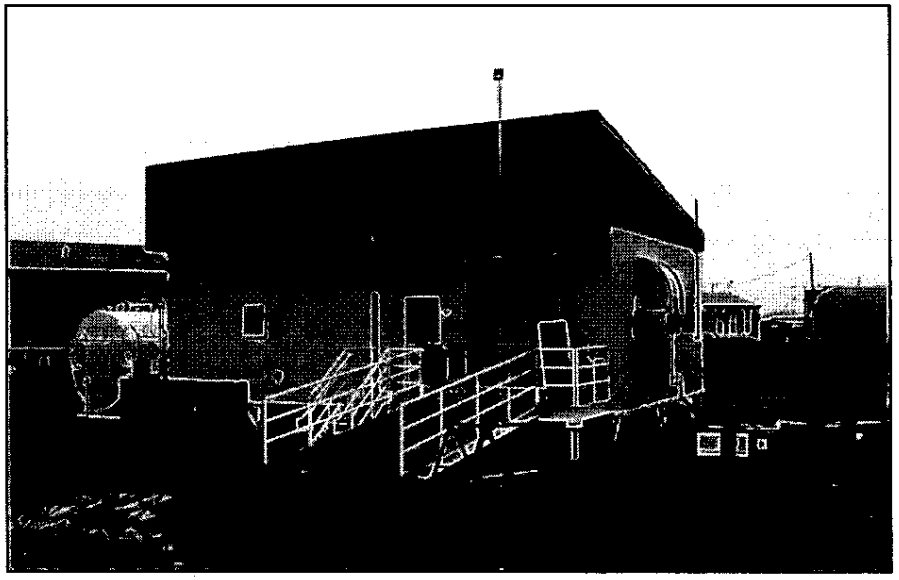
Alaska Rural Electrification
The First Assistance program

- Oil prices peaked in 1979
- Diesel-fueled utilities were hit hard
- Legislature established the Power Production Cost Assistance Program in 1980 – a one year stop-gap
- In 1981, the program was amended into the Power Cost Assistance Program, which was designed to self-extinguish in five years

RPSU program: Golovin power house

Golovin Before and After





ALASKA ENERGY AUTHORITY

DENALI COMMISSION ALASKA

Alaska Rural Electrification And finally - PCE

- There was no silver bullet to cure rural Alaska's electric needs
- Small loads and small communities spread across thousands of miles could not be interconnected
- Legislature established Power Cost Equalization
  - Cost of power was to be equalized to the average of Anchorage, Fairbanks and Juneau – 8.5 cents per kwh
  - PCA was rewritten as PCE – effective October 1984
  - Utilities using diesel to generate at least 75% of power in October 1984 were eligible
  - Costs above 52.5 cents were not covered
  - All users were eligible for the first 700 kwh used

Power Cost Equalization

- Eligible electricity has been reduced 30% to 500 kwh
- Only one meter per resident
- Commercial customers are ineligible for PCE
- Fuel use the same, but cost up 150% since FY00
- FY09 funding ($28 million) is at 100% level
- More utilities crossing through the 52.5 cent ceiling

PCE Program Changes in Recent Years

	2000	2007
Population served	77,625	78,530
Total Sales (gWh)	391	416
Eligible Sales	116	122
Percentage eligible	29.7%	29.2%
Average Fuel Cost/gallon	$1.10	$2.78
Fuel Consumed – million gallons	27.7	27.6
Fuel cost – millions	$30.4	$75.3
Non-fuel cost – millions	$41.5	$67.4
Total PCE Appropriations– millions	$14.4	$25.6
Percent of costs	20%	18%

Qn. #1 – Does PCE Reduce Rural Power Cost to Urban Levels?

Residential Power Cost per 2007 PCE Report

Chugach Electric	Anchorage	.1205 kWh
Golden Valley	Fairbanks	.2030 kWh
AEL&P	Juneau	.1140 kWh
Kodiak Electric	Kodiak	.1831 kWh
Kotzebue Electric	Kotzebue	.1881* kWh
AVEC	52 Villages	.2362* kWh
Bettles	Bettles	.2859* kWh
MKEC	5 Villages	.4398* kWh
Napakiak	Napakiak	.6014* kWh

*after PCE

Cost of 700 Residential kwh

• Anchorage	$84.35
• Fairbanks	$142.10
• Juneau	$79.80
• Kodiak	$128.17
• Kotzebue	$171.05*
• AVEC Village	$219.56*
• Bettles	$268.63*
• MKEC	$374.88*
• Napakiak	$489.48*

*After PCE

Qn. #2 – Who gets PCE?

- Every residential consumer
  - Only one meter per consumer
  - Only the first 500 kWh
- Community Facilities
  - Up to 70 kWh/resident per month
    - Streetlights
    - Washeterias
    - Water and sewer facilities
    - Community buildings

Qn. #3 – Who doesn't get PCE?

- Schools
- State facilities
- Federal facilities
- Commercial consumers
- Consumers with seriously delinquent accounts

Qn. #4 – How does PCE work?

- Utility applies to RCA to participate
- Utility submits detailed cost and operational data
- RCA determines eligible costs and computes PCE by rate class
- Utility bills customers per normal tariff rates
- Utility applies PCE credit based upon actual consumption (subject to kWh limit)
- Consumer is responsible to pay bill after PCE credit
- Utility bills state (AEA) for all PCE credited
- Utility provides AEA with detailed billing records
- Utility files annual update of costs with RCA, per schedule established by RCA

Qn. #5 – Doesn't PCE discourage Conservation & Innovation?

- Only 29% of all electricity sold in eligible communities receives PCE
- But the smaller the community, the more kwh that are eligible (because of minimal commercial usage)
  - Akiachak 46%
  - Aniak 37%
  - AVEC 48%
  - Cordova 28%
  - Kotzebue 27%
  - Napakiak 72% (School is on own generation)
  - Tanana 38%

Non Fuel Costs –Overhead

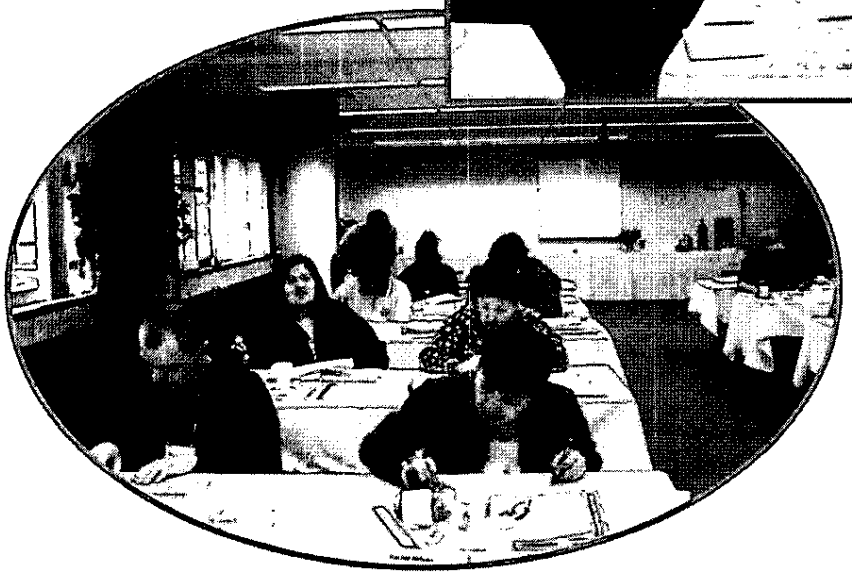
- Operating and maintaining power plants
- Operating and maintaining tanks farms
- Operating and maintaining distribution lines
- Connecting customers, billing, collections
- Administration, accounting, engineering, warehouse
- Insurance, depreciation, cost of long-term debt
- Taxes and miscellaneous

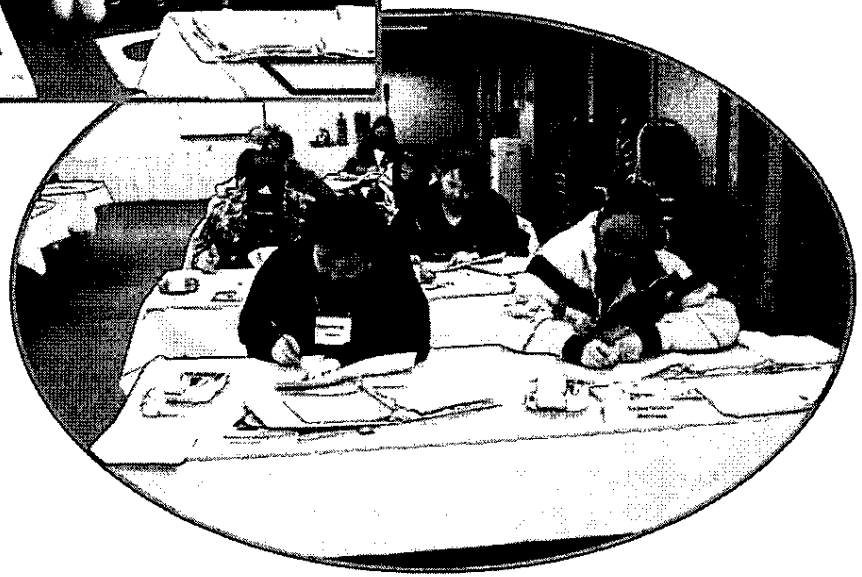
Qn. #6 – Would PCE Money be better spent on Alternative Energy?

Wind generation costs 6 times diesel generation

- We cannot use 'utility grade' turbines as in Lower 48
- Average village load is ~150 kw
- There are only 1 or 2 manufacturers of 50-100 kw units
- To accommodate sophisticated integration needs, the existing generation and distribution must be upgraded
- Typical cost of an integrated project $4+ million
- Diesel generation and fuel tankage still needed for the 70%+ energy that wind cannot provide

PCE Utility Clerk Training





For more information, please contact...

Jeff Williams or Chris Mello

AEA Rural Energy Group

1-888-300-8534 – Toll Free

1-907-771-3000

ALASKA ENERGY AUTHORITY

SB

89

<target><bill>SB 89</bill><subject>SB
89</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

Sponsor Statement
CS for SB 89

Senate Bill 89 would continue providing retirement benefits to the Alaska Territorial Guard veterans whose pensions were reduced by the federal government due to a new interpretation made by the U.S. Department of Defense. SB 89 provides for state funding of benefits beginning April 2009 and ending February, 28th 2010 or until the federal government resumes its full responsibility of the pensions. This funding is a temporary patch meant to give Alaska's Congressional Delegation the time they asked for to reverse the ATG pension reduction.

In January 2009, 26 World War II Alaska Territorial Guard veterans received letters from the U.S. Army Human Resources Command informing them that their pensions will be reduced on February 1st. The pension reduction is based on a legal interpretation that does not classify the time these men spent in the ATG during World War II as applicable toward retirement credit. The people of Alaska have overwhelmingly come out in support of our World War II veterans and believe they should receive their full retirement benefit for their honorable service.

SB 89 supports the honorable men and women of the Alaska Territorial Guard and enacts the overwhelming will of the people of Alaska by funding the difference in what the ATG pensions used to be and what they are now.

Changes made in the CS for SB 89

The changes made in Senate Finance in the CS for SB 89 are as follows:

- The State of Alaska will no longer pay a set amount to each member of the Alaska Territorial Guard deserving a pension. The State will pay the difference between what DOD calculated ATG pensions to be last January and what DOD is now calculating them to be. This difference in pay is described as the "interim benefit."

- If DOD begins paying the full pension benefit then Alaska will be reimbursed for any overlapping payments.

- The State of Alaska will pay the ATG interim benefit until DOD begins paying the full pension or until February 28, 2010.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 27, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 3/30/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 89(FIN)**

"An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date."
SB 89 RETIREMENT BENEFITS: TERRITORIAL GUARD

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
~~MVA~~	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
Harriet I Crawford Jr	CRAWFORD	X			
	Joule	X			
~~Hills~~ Alan Austerman	AUSTERMAN	X			
Anna Fairclough	FAIRCLOUGH	✓			
Kent A Salmon	Salmon	X			
Chair: Bill Stoltze	Stoltze	C			
Chair:					

3471

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 89(FIN)
(S) Publish Date: 3/23/09

Identifier (file name): SB89-DMVA-VS-3-20-09
Dept. Affected: Dept of Military and Veterans Affairs
Title: An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date
RDU: Military and Veterans Affairs
Component: Veterans Services
Sponsor: Senate Finance Committee
Requester: (S) Finance
Component Number: 421

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	83.5	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**83.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	83.5	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**83.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 31.3

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides for the Department of Military and Veterans Affairs to pay eligible individuals, each month, who served for in the Alaska Territorial Guard. Monthly pay to each eligible individual is calculated according to the attached spreadsheet (2009 Pay Delta column).

This fiscal note calculation is based on 3 months of payments in FY09 (April 09-June 09) and 8 months of payments in FY10 (July 09-Feb 10) at $10,437.00 per month to 26 eligible individuals. The department anticipates minimal time and cost to process the 26 monthly payments using existing staff.

Prepared by: McHugh Pierre, Legislative Liaison/Director of Communications
Phone 465-4402
Division: National Guard Military Headquarters/Office of the Commissioner
Date/Time 3/20/09 @ 11:30 am
Approved by: Commissioner Craig Campbell
Department of Military and Veterans Affairs
Date 3/20/2009

(Revised 9/10/2008 OMB)

3472

Fiscal Note Number: 1
Bill Version: CSSB 89(FIN)

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Attachment to Fiscal Note SB89 (FIN) - March 20, 2009
Current Eligible Alaska Territorial Guardsmen Monthly Retirement Pay

Soldier	2008 Retired Gross Pay without Alaska Territorial Service	2008 Retired Gross Pay with credit for time served in Alaska Territorial Guard	2009 Retired Gross Pay without Alaska Territorial Service	2009 Retired Gross Pay with credit for time served Alaska Territorial Guard	2009 PAY DELTA
HA	$344.00	$850.00	$363.00	$899.00	$536.00
CA	$449.00	$892.00	$475.00	$943.00	$468.00
JA	$652.00	$1,119.00	$689.00	$1,183.00	$494.00
RA	$370.00	$859.00	$391.00	$908.00	$517.00
GB	$641.00	$839.00	$678.00	$887.00	$209.00
IB	$473.00	$925.00	$500.00	$978.00	$478.00
WB	$392.00	$598.00	$414.00	$632.00	$218.00
OF	$546.00	$1,020.00	$577.00	$1,079.00	$502.00
VG	$509.00	$1,035.00	$538.00	$1,095.00	$557.00
DG	$270.00	$595.00	$285.00	$629.00	$344.00
SJ	$404.00	$862.00	$427.00	$912.00	$485.00
WJ	$460.00	$919.00	$486.00	$972.00	$486.00
PJ	$251.00	$544.00	$265.00	$575.00	$310.00
PK	$856.00	$1,194.00	$905.00	$1,263.00	$358.00
BM	$640.00	$941.00	$677.00	$995.00	$318.00
JN	$399.00	$729.00	$422.00	$771.00	$349.00
PN	$609.00	$1,089.00	$644.00	$1,152.00	$508.00
NN	$604.00	$1,127.00	$639.00	$1,192.00	$553.00
FP	$627.00	$822.00	$663.00	$869.00	$206.00
JP	$201.00	$439.00	$212.00	$464.00	$252.00
CP	$567.00	$1,032.00	$599.00	$1,091.00	$492.00
JP	$271.00	$592.00	$286.00	$626.00	$340.00
RP	$557.00	$1,048.00	$589.00	$1,108.00	$519.00
CS	$595.00	$1,073.00	$629.00	$1,135.00	$506.00
JW	$235.00	$519.00	$248.00	$549.00	$301.00
WW	$1,057.00	$1,181.00	$1,118.00	$1,249.00	$131.00
				TOTAL PAY LOSS:	$10,437.00

Congress of the United States

Washington, DC 20515

March 18, 2009

The Honorable Bill Wielechowski
Co-Chair, Joint Armed Services Committee
State Capitol, Room 115
Juneau, AK 99811

The Honorable Nancy Dahlstrom
Co-Chair, Joint Armed Services Committee
State Capitol, Room 411
Juneau, AK 99811

Dear Senator Wielechowski and Representative Dahlstrom:

We write to follow up on the issue of the retirement pay for 26 former members of the Alaska Territorial Guard (ATG).

As you know, in June 2008 these individuals were issued military retirement credit for the period of their service in the Territorial Guard and they began receiving a modest increase in their retirement pay. However, in January 2009, the Defense Finance and Accounting Service (DFAS) stopped the retirement payments, based on a finding that they were erroneously awarded due to a misinterpretation of the law.

We immediately contacted the Secretary of the Army seeking a solution and to his credit, Secretary Pete Geren tapped the Army Emergency and Extraordinary Expense Fund to continue the retirement payments for two months. At the same time, we introduced legislation in Congress providing lifetime retirement pay to these Guardsmen. The regular order in the Congress is to consolidate all defense-related legislation into one defense authorization bill, followed by a defense appropriations bill. Accordingly, it is unlikely that the Congress will consider our legislation until later this year. These bills are usually sent to the President in the summer and fall.

We have been asked by members of the Alaska Legislature whether it would be appropriate for the State to consider a special appropriation representing the difference in retirement pay that each of the 26 would receive if his Territorial Guard service were credited toward military retirement and what each will receive as a result of the January 2009 DFAS reinterpretation for the remainder of calendar year 2009.

We think it is important to maintain the economic safety net for these 26 elders and are supportive of this approach. These payments would serve as a "bridge" so these Guardsmen can continue to receive the modest increase in retirement payments to which we all believe they are entitled while we continue to pursue a permanent solution.

On behalf of these Alaska Territorial Guardsmen, thank you in advance for your consideration of our views.

Sincerely,

Mark Begich
U.S. Senator

Lisa Murkowski
U.S. Senator

Don Young
U.S. Congressman

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 89(FIN)
(S) Publish Date: 3/23/09

Identifier (file name): SB89-DMVA-VS-3-20-09
Dept. Affected: Dept of Military and Veterans Affairs

Title: An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date
RDU: Military and Veterans Affairs
Component: Veterans Services

Sponsor: Senate Finance Committee
Requester: (S) Finance
Component Number: 421

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	83.5	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**83.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	83.5	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**83.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 31.3

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides for the Department of Military and Veterans Affairs to pay eligible individuals, each month, who served for in the Alaska Territorial Guard. Monthly pay to each eligible individual is calculated according to the attached spreadsheet (2009 Pay Delta column).

This fiscal note calculation is based on 3 months of payments in FY09 (April 09-June 09) and 8 months of payments in FY10 (July 09-Feb 10) at $10,437.00 per month to 26 eligible individuals. The department anticipates minimal time and cost to process the 26 monthly payments using existing staff.

Prepared by: McHugh Pierre, Legislative Liaison/Director of Communications
Phone 465-4402
Division: National Guard Military Headquarters/Office of the Commissioner
Date/Time 3/20/09 @ 11:30 am
Approved by: Commissioner Craig Campbell
Department of Military and Veterans Affairs
Date 3/20/2009

(Revised 9/10/2008 OMB)

SB 96

<target><bill>SB 96</bill><subject>SB 96</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 96(FIN)**

"An Act relating to nonpayment of child support, to the definition of the term "state" for the purposes of the Uniform Interstate Family Support Act, to certain judicial and administrative orders for medical support of a child, to periodic review and adjustment of child support orders, to relief from administrative child support orders, to child support arrearages, and to medical support of a child and the Alaska Native family assistance program; amending Rule 90.3, Alaska Rules of Civil Procedure; and providing for an effective date."

SB 96 CHILD SUPPORT/ CASH MEDICAL SUPPORT

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 96 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Austerman	X			
	Gara	X			
Anna Fairclough	FAIRCLOUGH	✓			
	Salmon	X			
Chair	Stoltze	X			
Chair:	Hawker	*			

3478

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 96(HSS)
(S) Publish Date: 3/3/09

Identifier (file name): CSSB96(HSS)-DOR-CSS-03-02-09
Dept. Affected: Revenue
Title: Cash Medical Support for Minor Children
RDU: Child Support Services Division
Component: Child Suppor Services Division
Sponsor
Requester: Governor
Component Number: 111

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation does not require any additional funding.

Prepared by: John Mallonee
Phone 269-6801
Division: Child Support Services Division
Date/Time 12/12/2008 / 5:00pm
Approved by: Jerry Burnett
Date 12/15/2008
Department of Revenue

(Revised 9/10/2008 OMB)

3479

adopted 4-16-09

Putzier
4/16/09

AMENDMENT #2

OFFERED IN THE HOUSE FINANCE COMMITTEE By Rep. Thomas

TO: HCS CSSB 96 (JUD)

Page 2, line 8, following "order.":

Delete "In adopting UIFSA conforming amendments, the legislature does not intend to grant or restrict tribal jurisdiction to enter, modify, or enforce child support orders, and the amendments are not intended, either directly or impliedly, to acknowledge, expand, or restrict tribal jurisdiction."

Insert "In adopting UIFSA conforming amendments, the legislative intent is

(1) to remain neutral on the issue of the underlying child support jurisdiction, if any, for the entities listed in the amended definition of "state";

(2) not to expand or restrict the child support jurisdiction, if any, of the listed "state" entities in the amended definition; and

(3) not to assume or express any opinion about whether those entities have child support jurisdiction either in fact or in law."

Renumber accordingly.

3480

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 96(HSS)
(S) Publish Date: 3/3/09

Identifier (file name): CSSB96(HSS)-DOR-CSS-03-02-09
Title: Cash Medical Support for Minor Children
Sponsor
Requester: Governor

Dept. Affected: Revenue
RDU: Child Support Services Division
Component: Child Suppor Services Division
Component Number: 111

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation does not require any additional funding.

Prepared by: John Mallonee
Phone: 269-6801
Division: Child Support Services Division
Date/Time: 12/12/2008 / 5:00pm
Approved by: Jerry Burnett
Department of Revenue
Date: 12/15/2008

(Revised 9/10/2008 OMB)

3481

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 27, 2009

SUBJECT: Sectional Summary (CSSB 96( ); (Work Order No. 26-LS0485\E))

TO: Senator Betty Davis
Attn: Lynda Zaugg

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds reference to cash medical support to the crime of aiding the nonpayment of child support in the second degree.

Section 2. Adds the Virgin Islands and Indian Tribes to the definition of "state."

Section 3. Amends order of support provision to include both parents, medical support, and insurance.

Section 4. Adds medical support to provision authorizing the initiation of administrative action to establish a duty of support.

Section 5. Amends periodic reviews of support orders to require a three year cycle of review.

Section 6. Deletes motion requirement for correcting an administrative mistake in a support order.

Section 7. Deletes motion requirement for vacating a support order that is based on a default amount.

Section 8. Redefines "arrearage" for child support purposes.

Section 9. Amends the definition of "support order" to include cash medical support

Section 10. Amends garnishment provision to include insurance and cash medical support.

Section 11. Amends the Alaska Native family assistance program to include obligations for cash medical support.

Section 12. Provides for an indirect court rule amendment to Rule 90.3, Alaska Rules of Civil Procedure for changes made in the bill.

Section 13. Makes bill changes applicable to child support actions filed on or after the bill's effective date.

Section 14. Authorizes the Department of Revenue to proceed to adopt regulations needed under the bill.

Section 15. Provides for a conditional effect for the court rule amendment in sec. 12 only for two-thirds majority vote.

Section 16. Makes sec. 14 effective immediately.

Section 17. Provides for a July 1, 2009, effective date for all other bill sections.

JMM:ljw
09-125.ljw

1. This bill adds an "Indian tribe" and "United States Virgin Islands" to the definition of state.

2. This bill adds to existing law the authority for a tribunal to order either or both parents to pay cash medical support, if warranted.

3. In addition, the bill directs Child Support Services Division (CSSD) to review child support orders for modification on a federally mandated three-year cycle.

4. The bill adds cash medical support to the definition of arrearage and the definition of support order thereby enabling CSSD to use its existing enforcement tools to collect a cash medical support obligation on behalf of the child.

5. Finally, the bill removes the language limiting who may request the correction of a clerical mistake in an administrative order or request the vacation of an administrative order based upon a default income.

SB 96 puts Alaska in compliance with the federal requirements which assure that Alaska's children receive the medical support to which they are entitled.

In addition, adoption of SB 96 assures 85 million in federal dollars to Alaska for the Child Support Enforcement and Temporary Assistance for Needy Families (TANF) programs.

I appreciate your support of this important bill.

adopted 4-16-09

Putzier
4/16/09

AMENDMENT #2

OFFERED IN THE HOUSE FINANCE COMMITTEE By Rep. Thomas

TO: HCS CSSB 96 (JUD)

Page 2, line 8, following "order.":

Delete "In adopting UIFSA conforming amendments, the legislature does not intend to grant or restrict tribal jurisdiction to enter, modify, or enforce child support orders, and the amendments are not intended, either directly or impliedly, to acknowledge, expand, or restrict tribal jurisdiction."

Insert "In adopting UIFSA conforming amendments, the legislative intent is

(1) to remain neutral on the issue of the underlying child support jurisdiction, if any, for the entities listed in the amended definition of "state";

(2) not to expand or restrict the child support jurisdiction, if any, of the listed "state" entities in the amended definition; and

(3) not to assume or express any opinion about whether those entities have child support jurisdiction either in fact or in law."

Renumber accordingly.

3485

Legislative Testimony

Robert Loescher
Tribal Judiciary Committee Member
Central Council Tlingit & Haida Indian Tribes of Alaska

HEARING: (H) FIN Apr 16 1:30 PM HOUSE FINANCE 519 TELECONFERENCE TELECONFERENCE

RE: House CS for CS for SB 96 (JUD)

My name is Bob Loescher. I am a member of the Central Council Tlingit & Haida Indians of Alaska Tribal Judiciary Committee. Our testimony today is in support of the enactment of House CS for CS for Senate Bill No. 96 (JUD) with a proposed revised and amended Section (b), as follows:

> (b) The proposed changes made in AS 25.25.101(19) under sec. 3 of this Act are conforming amendments that will result in procedural changes in Alaska for enforcement and modification of child support orders from other jurisdictions. UIFSA does not determine the authority of an Indian tribe to enter, modify, or enforce a child support order. ~~In adopting UIFSA conforming amendments, the legislature does not intend to grant or restrict tribal jurisdiction to enter, modify, or enforce child support orders, and the amendments are not intended, either directly or impliedly, to acknowledge, expand, or restrict tribal jurisdiction.~~ In adopting UIFSA conforming amendments, the legislative intent is to remain neutral on the issue of the underlying child support jurisdiction, if any, for the entities listed in the amended definition of "state." This legislation will not expand or restrict the child support jurisdiction, if any, of the listed "state" entities in the amended definition, nor does this legislation assume or express any opinion about whether those entities have child support jurisdiction either in fact or in law.

Mr. Chairman and members of the committee, we request that you amend the legislation as proposed above. We fully support the enactment of this law with these revisions.

3486

4/10

Alaska State Legislature

Interim: May - Dec
716 W 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: Jan - May
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll Free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

SB 96

TITLE: "An Act relating to nonpayment of child support: relating to certain judicial and administrative orders for medical support of a child;."

SPONSOR STATEMENT (c)

SB 96 brings the state into compliance with the federal Uniform Interstate Family Services Act (UIFSA) that require states to have guidelines addressing how either or both parents will provide for a child's healthcare needs and to include an "Indian tribe" in the definition of state. Both amendments to Alaska's child support state plan are conforming amendments which will result in procedural changes in Alaska for enforcement and modification of child support orders from other jurisdictions.

If a parent is ordered to pay for healthcare including cash medical support, the Child Support Services Division must enforce the ongoing medical support obligation as well as collect any cash medical support arrears. Including an "Indian tribe" in the definition of state does not expand or restrict tribal jurisdiction.

Failure to satisfy these mandated requirements jeopardizes 85 million dollars in federal funding for both Alaska's Child support program and Temporary Assistance To Needy Families (TANF).

Legislative Testimony

Jessie M. Archibald
Staff Attorney, Tribal Child Support Unit
Central Council Tlingit & Haida Indian Tribes of Alaska
320 West Willoughby Ave., Suite 300
Juneau, Alaska 99801
HEARING: (H) JUD Apr 13 8:00 AM CAPITOL 120 TELECONFERENCE

My name is Jessie Archibald. I represent the Central Council Tlingit and Haida Indian Tribes of Alaska Tribal child support program. I would like to request that my written testimony be entered into the record. The purpose of my testimony is to explain the Tribe's objection to the Section 1. (b) language regarding the Definition of "State"; Legislative Intent, contained in CS for House Bill 192 (HHS), and respectfully request that section (b) language be deleted.

Reasons for Objections:

1. Section (b) language is not necessary because UIFSA has built in procedures for the non-registrant to raise objections about the issuing tribunal's subject matter jurisdiction, personal jurisdiction, and other matters that may make a specific order not entitled to recognition and enforcement in Alaska's tribunals.

2. The language specifically segregates out tribal child support orders for particular scrutiny, and carries a not-very-thinly-veiled implication that that scrutiny should be hostile, and even suggests that the legislature is pre-judging the validity of an objection based on a lack of Indian country, essentially endorsing the principal that a child support obligor should able to duck a child support obligation by objecting on that basis. The legislature should leave those issues to the individual litigants and the courts.

3. Child support is hard enough without the legislature of the State of Alaska putting into the statutes language that allows deadbeat parents to use legislative intent language to try to get out from under from having to pay support.

As an alternative, the Tribe would like to propose the following legislative intent language:

Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

DEFINITION OF "STATE": LEGISLATIVE INTENT. (a) ....

(b) The legislature recognizes that child support enforcement programs are administered by Federal, State and Tribal entities that address the establishment of paternity and enforcement of

support orders with the intent of promoting the general economic welfare and the best interest of dependent children. UIFSA provides a vehicle for the non-registrant to raise objections about the issuing tribunal's subject matter jurisdiction, personal jurisdiction, and other matters that may make a specific order not entitled to recognition and enforcement in Alaska's tribunals. The intent of the legislature is that tribal child support orders should be subject to the same types of objections, and to the same extent, as child support orders from tribunals of other jurisdictions. It is the intent of the legislature is to provide a procedural vehicle for Tribal child support orders for such orders to be registered in Alaska state tribunals in the same manner child support orders from other tribunals are registered. This legislation is not intended to prejudge the validity of any specific order or the validity of any objections to a specific order.

Short Description of Central Council Tribe's Child Support Program

1. Initially, federal funding was only provided to States that operate federally funded and approved child support programs.

2. More recently, with the adoption of the Final Rule on Child Support Enforcement Programs at 45 CFR 309, federally recognized Indian Tribes became eligible to receive federal funding to operate their own child support programs.

3. With the adoption of the Final Rule, the enforcement of child support has now become a Federal-State-Tribal partnership.

4. To receive federal funding for child support, the Tribe is required to adopt a plan that meets the requirements outlined in 45 CFR 309 which is the Final Rule on Child Support Enforcement Programs.

5. Central Council received federal funding and approval to operate a Tribal Child Support Program in March of 2007.

6. When Alaska initially was required to adopt UIFSA, it did not include the definition of "State" to include an Indian Tribe.

7. Now that Alaska Tribes are beginning to receive federal funding to operate child support programs, it is necessary for Alaska to amend the State UIFSA in order to come into compliance with the rest of the nation.

8. Alaska stands alone as the only state that has not adopted the federal uniform guidelines that define "state" to include an Indian Tribe, probably because when Alaska first adopted the

federal version of UIFSA, it was not considered that Tribes would be receiving federal grants to operate child support programs.

9. The Tribal Child support program is located within the Tribe's Employment and Training Department. Our program is referred to as the "Tribal Child Support Unit."

10. The Tribe's goal is to ensure that Tlingit and Haida children receive the financial and emotional support of both their parents. The program strives to support and affirm the traditions of the Tribe and families. We believe that child support should be a reliable source of income for families. TCSU focuses its efforts on the needs of children, and in doing so, we empower parents to ensure their children's needs are met. Our program has a cooperative approach to establishing and enforcing support obligations.

11. Here are some statements we want to hear our children shout out:

- I'm playing football this year, thanks Dad!
- I made the basketball team, thanks Mom!
- Thanks Dad, I'm getting good grades in school!
- I'm playing soccer this year...thank you Mom!
- I'm going to camp this summer, thank you Dad!
- Even though you're not with me, I know you care! Thanks Mom!

End

Article

4. Establishment of Support Order (§ 25.25.401)
5. Direct Enforcement of Order of Another State Without Registration (§§ 25.25.501 — 25.25.507)
6. Enforcement and Modification of Support Order After Registration (§§ 25.25.601 — 25.25.614)
7. Determination of Parentage (§ 25.25.701)
8. Interstate Rendition (§§ 25.25.801, 25.25.802)
9. Miscellaneous Provisions (§§ 25.25.901 — 25.25.903)

Cross references. — For enforcement of support obligations determined in other states, see AS 25.27.022.

Legislative history reports. — For governor's transmittal letter for ch. 57, SLA 1995 (CSSB 115(FIN)am), which enacted the Uniform Interstate Family Support Act, see 1995 Senate Journal 517. For legislative letter of intent on the same legislation, see 1995 Senate Journal 1405 and 1494 and 1995 House Journal 1996

NOTES TO DECISIONS

Public advocacy. — Proceedings under the Uniform Reciprocal Enforcement of Support Act were not specifically among the classes of cases mentioned in AS 44.21.410, concerning the powers and duties of the office of public advocacy. State v. Superior Court, 718 P.2d 466 (Alaska 1986).

Collateral references. — 23 Am. Jur. 2d, Desertion and Nonsupport, § 73; 59 Am. Jur. 2d, Parent and Child, § 47; 73 Am. Jur. 2d, Support of Persons, § 25 et seq.

Construction and application of state statutes providing for reciprocal enforcement of duty to support dependents, 42 ALR2d 768.

Determination of paternity of child as within scope of proceeding under Uniform Reciprocal Enforcement of Support Act, 81 ALR3d 1175.

Secs. 25.25.010 — 25.25.100. [Repealed, § 21 ch 57 SLA 1995.]

Article 1. General Provisions.

Section
101. Definitions
102. Tribunals of this state
103. Remedies cumulative

Sec. 25.25.101. Definitions. In this chapter,

(1) "child" means an individual, whether over or under the age of majority, who is or is alleged to be owed a duty of support by the individual's parent or who is or is alleged to be the beneficiary of a support order directed to the parent;

(2) "child support order" means a support order for a child, including a child who has attained the age of majority under the law of the issuing state;

(3) "duty of support" means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support;

(4) "home state" means the state in which a child lived with a parent or a person acting as a parent for at least six consecutive months immediately preceding the time of filing of a complaint or comparable pleading for support and, if a child is less than six months old, the state in which the child lived from birth with a parent or person acting as a parent; a period of temporary absence of a parent or person acting as a parent is counted as part of the six-month or other period;

(5) "income" includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this state;

(6) "income withholding order" means an order or other legal process directed to an obligor, an obligor's employer, an obligor's future employer, or another person, political

subdivision, or departi
income of the obligor u
(7) "initiating state"
a proceeding is filed fo
procedure substantiall
similar to the Uniform
Reciprocal Enforcemen
(8) "initiating tribur
(9) "issuing state" r
renders a judgment de
(10) "issuing tribun
judgment determining
(11) "law" includes d
force of law;
(12) "obligee" means
(A) an individual to v
a support order has bee
(B) a state or politi
support order have be
assistance provided to
(C) an individual see
(13) "obligor" means
(A) owes or is allege
(B) is alleged but ha
(C) is liable under a
(14) "register" mean
a registering tribunal;
(15) "registering trib
determining parentage
(16) "responding sta
proceeding is forwarde
procedure substantially
similar to the Uniform
Reciprocal Enforcemen
(17) "responding trib
(18) "spousal support
obligor;
(19) "state" means
Commonwealth of Pue
jurisdiction of the Unite
enacted a law or establi
that are substantially si
Reciprocal Enforcement
of Support Act;
(20) "support enforce
(A) enforcement of su
(B) establishment or
(C) determination of
(D) the location of ob
(21) "support order"
subject to modification,
provides for monetary
include related costs a
relief;

(§§ 25.25.501 -- 25.25.507)
§§ 25.25.601 -- 25.25.614)

hich enacted the Uniform Interstate Act, see 1995 Senate Journal 517. For of intent on the same legislation, see rnal 1405 and 1494 and 1995 House

ncerning the powers and duties of the dvocacy. State v. Superior Court, 718 1986).

ocal enforcement of duty to support ALR2d 768.
of paternity of child as within scope der Uniform Reciprocal Enforcement 31 ALR3d 1175.

. 1995.)

ons.

mulative

he age of majority, who is or parent or who is or is alleged ent;
ld, including a child who has tate;
mposable by law to provide an unsatisfied obligation to

h a parent or a person acting preceding the time of filing child is less than six months arent or person acting as a acting as a parent is counted

ments to money from any pport under the law of this

legal process directed to an or another person, political

subdivision, or department of the state, under AS 25.27 to withhold support from the income of the obligor under AS 25.27;

(7) "initiating state" means a state from which a proceeding is forwarded or in which a proceeding is filed for forwarding to a responding state under this chapter or a law or procedure substantially similar to this chapter, or under a law or procedure substantially similar to the Uniform Reciprocal Enforcement of Support Act or the Revised Uniform Reciprocal Enforcement of Support Act;

(8) "initiating tribunal" means the authorized tribunal in an initiating state;

(9) "issuing state" means the state in which a tribunal issues a support order or renders a judgment determining parentage;

(10) "issuing tribunal" means the tribunal that issues a support order or renders a judgment determining parentage;

(11) "law" includes decisional and statutory law and rules and regulations having the force of law;

(12) "obligee" means

(A) an individual to whom a duty of support is or is alleged to be owed or in whose favor a support order has been issued or a judgment determining parentage has been rendered;

(B) a state or political subdivision to which the rights under a duty of support or support order have been assigned or that has independent claims based on financial assistance provided to an individual obligee; or

(C) an individual seeking a judgment determining parentage of the individual's child;

(13) "obligor" means an individual or the estate of a decedent who

(A) owes or is alleged to owe a duty of support;

(B) is alleged but has not been adjudicated to be a parent of a child; or

(C) is liable under a support order;

(14) "register" means to file a support order or judgment determining parentage with a registering tribunal;

(15) "registering tribunal" means the tribunal in which a support order or judgment determining parentage is registered;

(16) "responding state" means a state in which a proceeding is filed or to which a proceeding is forwarded for filing from an initiating state under this chapter or a law or procedure substantially similar to this chapter, or under a law or procedure substantially similar to the Uniform Reciprocal Enforcement of Support Act or the Revised Uniform Reciprocal Enforcement of Support Act;

(17) "responding tribunal" means the authorized tribunal in a responding state;

(18) "spousal support order" means a support order for a spouse or former spouse of the obligor;

(19) "state" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States; the term "state" includes a foreign jurisdiction that has enacted a law or established procedures for issuance and enforcement of support orders that are substantially similar to the procedures under this chapter or under the Uniform Reciprocal Enforcement of Support Act or the Revised Uniform Reciprocal Enforcement of Support Act;

(20) "support enforcement agency" means a public official or agency authorized to seek

(A) enforcement of support orders or laws relating to the duty of support;

(B) establishment or modification of child support orders;

(C) determination of parentage; or

(D) the location of obligors or their assets;

(21) "support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, for the benefit of a child, a spouse, or a former spouse, that provides for monetary support, health care, arrearages, or reimbursement, and may include related costs and fees, interest, income withholding, attorney fees, and other relief;

(22) "tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage. (§ 4 ch 57 SLA 1995; am §§ 48 — 50 ch 87 SLA 1997)

NOTES TO DECISIONS

Application for child support by custodian. — See Saask v. Yandell, 702 P.2d 1327 (Alaska 1985) (decided under former law).

Arrearages. — Under Alaska law, arrearages were recoverable in actions under the Uniform Reciprocal Enforcement of Support Act. Bailey v. Haas, 655 P.2d 764 (Alaska 1982) (decided under former law).

There was no requirement that a request for arrearages had to be reduced to judgment by the petitioning state. Bailey v. Haas, 655 P.2d 764 (Alaska 1982) (decided under former law).

Cited in McCaffery v. Green, 931 P.2d 407 (Alaska 1997); Fowler v. State, 168 P.3d 870 (Alaska 2007).

Collateral references. — Construction and application of Uniform Interstate Family Support Act, 90 ALR5th 1.

Sec. 25.25.102. Tribunals of this state. The superior court and the child support services agency are the tribunals of this state. (§ 4 ch 57 SLA 1995)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

NOTES TO DECISIONS

Collateral estoppel. — Father affirmatively and explicitly waived his argument that the superior court did not give proper legal effect to the administrative decision concerning child support when he appeared and asked the superior court to proceed to decide support obligations for all years. McDonald v. Trihub, 173 P.3d 416 (Alaska 2007).

Sec. 25.25.103. Remedies cumulative. Remedies provided by this chapter are cumulative and do not affect the availability of remedies under other law. (§ 4 ch 57 SLA 1995)

Secs. 25.25.110 — 25.25.200. [Repealed, § 21 ch 57 SLA 1995.]

Article 2. Jurisdiction.

Section
201. Bases for jurisdiction over nonresident
202. Procedure when exercising jurisdiction over nonresident
203. Initiating and responding tribunal of this state
204. Simultaneous proceedings in another state
205. Continuing, exclusive jurisdiction
206. Enforcement and modification of support order by tribunal having continuing jurisdiction
207. Recognition of controlling child support order
208. Multiple child support orders for two or more obligees
209. Credit for payments

Sec. 25.25.201. Bases for jurisdiction over nonresident. In a proceeding to establish, enforce, or modify a support order or to determine parentage, a tribunal of this state may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if

(1) the individual is personally served with a citation, summons, or notice within this state;

(2) the individual submits to the jurisdiction of this state by consent, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction;

(3) the individual resided with the child in this state;

(4) the individual r
the child;

(5) the child reside

(6) the individual e
been conceived by tha

(7) the individual a
Vital Statistics under

(8) there is another
States for the exercise

Jurisdiction found. — (
contention in his challenge
ification order, the trial cou
tion over the husband pursu
he moved to Missouri as the
support proceedings in Ala

Sec. 25.25.202. Pr
tribunal of this state
25.25.201 may apply
25.25.318 to obtain disc
25.25.301 — 25.25.70
substantive law of thi
established by this cha

Sec. 25.25.203. Ini
chapter, a tribunal o
proceedings to another
another state. (§ 5 ch

Sec. 25.25.204. Sim
this state may exercis
comparable pleading is
state only if

(1) the complaint or
the time allowed in th
exercise of jurisdiction

(2) the contesting par
and

(3) if relevant, this s

(b) A tribunal of this
the complaint or compa
is filed in another state

(1) the complaint or
expiration of the time al
exercise of jurisdiction

(2) the contesting par

(3) if relevant, the ot

Sec. 25.25.205. Con
issuing a support order
jurisdiction over a child

(1) as long as this sta
the child for whose ben

quasi-judicial entity autho-
rmine parentage. (§ 4 ch 57

requirement that a request for
be reduced to judgment by the
Bailey v. Haas, 655 P.2d 764
ded under former law).
ry v. Green, 931 P.2d 407 (Alaska
ate, 168 P.3d 870 (Alaska 2007).

ourt and the child support
A 1995)

this section in accordance with
4 2004.

erior court to proceed to decide
for all years. McDonald v. Trihub,
a 2007).

ided by this chapter are
r other law. (§ 4 ch 57 SLA

995.]

ıd modification of support order
ving continuing jurisdiction
controlling child support order
support orders for two or more

ients

lent. In a proceeding to
ırentage, a tribunal of this
ividual or the individual's

ions, or notice within this

by consent, by entering a
the effect of waiving any

(4) the individual resided in this state and provided prenatal expenses or support for the child;

(5) the child resides in this state as a result of the acts or directives of the individual;

(6) the individual engaged in sexual intercourse in this state and the child may have been conceived by that act of intercourse;

(7) the individual acknowledged parentage in a writing deposited with the Bureau of Vital Statistics under AS 25.20.050; or

(8) there is another basis consistent with the constitutions of this state and the United States for the exercise of personal jurisdiction. (§ 5 ch 57 SLA 1995)

NOTES TO DECISIONS

Jurisdiction found. — Contrary to the husband's contention in his challenge to the child support modification order, the trial court had personal jurisdiction over the husband pursuant to AS 25.25.201 after he moved to Missouri as the husband participated in support proceedings in Alaska for several years, he had lived in Alaska with one of the children, agreed to pay for the wife's expenses relating to her pregnancy with the parties' other child and his birth, and presumably conceived the children in Alaska. Teseniar v. Teseniar, 74 P.3d 910 (Alaska 2003).

Sec. 25.25.202. Procedure when exercising jurisdiction over nonresident. A tribunal of this state exercising personal jurisdiction over a nonresident under AS 25.25.201 may apply AS 25.25.316 to receive evidence from another state and AS 25.25.318 to obtain discovery through a tribunal of another state. In all other respects, AS 25.25.301 — 25.25.701 do not apply and the tribunal shall apply the procedural and substantive law of this state, including the rules on choice of law other than those established by this chapter. (§ 5 ch 57 SLA 1995)

Sec. 25.25.203. Initiating and responding tribunal of this state. Under this chapter, a tribunal of this state may serve as an initiating tribunal to forward proceedings to another state and as a responding tribunal for proceedings initiated in another state. (§ 5 ch 57 SLA 1995)

Sec. 25.25.204. Simultaneous proceedings in another state. (a) A tribunal of this state may exercise jurisdiction to establish a support order if the complaint or comparable pleading is filed after a complaint or comparable pleading is filed in another state only if

(1) the complaint or comparable pleading in this state is filed before the expiration of the time allowed in the other state for filing a responsive pleading challenging the exercise of jurisdiction by the other state;

(2) the contesting party timely challenges the exercise of jurisdiction in the other state; and

(3) if relevant, this state is the home state of the child.

(b) A tribunal of this state may not exercise jurisdiction to establish a support order if the complaint or comparable pleading is filed before a complaint or comparable pleading is filed in another state if

(1) the complaint or comparable pleading in the other state is filed before the expiration of the time allowed in this state for filing a responsive pleading challenging the exercise of jurisdiction by this state;

(2) the contesting party timely challenges the exercise of jurisdiction in this state; and

(3) if relevant, the other state is the home state of the child. (§ 5 ch 57 SLA 1995)

Sec. 25.25.205. Continuing, exclusive jurisdiction. (a) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a child support order

(1) as long as this state remains the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued; or

(2) until each individual party has filed written consent with the tribunal of this state for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.

(b) A tribunal of this state issuing a child support order consistent with the law of this state may not exercise its continuing jurisdiction to modify the order if the order has been modified by a tribunal of another state under a law substantially similar to this chapter.

(c) If a child support order of this state is modified by a tribunal of another state under a law substantially similar to this chapter, a tribunal of this state loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this state and may only

(1) enforce the order that was modified as to amounts accruing before the modification;

(2) enforce nonmodifiable aspects of that order; and

(3) provide other appropriate relief for violations of that order that occurred before the effective date of the modification.

(d) A tribunal of this state shall recognize the continuing, exclusive jurisdiction of a tribunal of another state that has issued a child support order under a law substantially similar to this chapter.

(e) A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

(f) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this state may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state. (§ 5 ch 57 SLA 1995)

NOTES TO DECISIONS

Order not entitled to full faith and credit. — A support order entered by a responding court pursuant to a Uniform Reciprocal Enforcement of Support Act petition, which did not specifically modify an order entered in the initiating state, had no effect on the validity of the earlier order and was not entitled to full faith and credit by courts of the initiating state. State, Dep't of Revenue ex rel. Valdez v. Valdez, 941 P.2d 144 (Alaska 1997) (decided under former law).

Order properly entered on waiver by parties of administrative decision. — Father affirmatively and explicitly waived his argument that the superior court did not give proper legal effect to the administrative decision concerning child support when he appeared and asked the superior court to proceed to decide support obligations for all years. McDonald v. Tribub, 173 P.3d 416 (Alaska 2007).

Interest on support arrearage. — Under the Uniform Interstate Family Support Act, where the child resided in Alaska, the issuing state, Washington could not modify the original support order, and the Child Support Enforcement Division (now the Child Support Services Agency) was entitled to collect interest on father's support arrearage. State, Dep't of Revenue, Child Support Enforcement Div., ex rel. Walklace v. Delaney, 962 P.2d 187 (Alaska 1998).

Jurisdiction found. — Contrary to the husband's contention in his challenge to the child support modification order, the trial court had continuing, exclusive jurisdiction over the support order pursuant to AS 25.25.205(a)(1)-(2) after he moved to Missouri as the wife and the children still resided in Alaska and the parties filed no written consent for Missouri to modify the order. Teseniar v. Teseniar, 74 P.3d 910 (Alaska 2003).

Sec. 25.25.206. Enforcement and modification of support order by tribunal having continuing jurisdiction. (a) A tribunal of this state may serve as an initiating tribunal to request a tribunal of another state to enforce or modify a support order issued in that state.

(b) A tribunal of this state having continuing, exclusive jurisdiction over a support order may act as a responding tribunal to enforce or modify the order. If a party subject to the continuing, exclusive jurisdiction of the tribunal no longer resides in the issuing state, in subsequent proceedings the tribunal may apply AS 25.25.316 to receive evidence from another state and AS 25.25.318 to obtain discovery through a tribunal of another state.

(c) A tribunal of this sta
support order may not serv
of another state. (§ 5 ch 57

Sec. 25.25.207. Recogn
ing is brought under this ch
the order of that tribunal is

(b) If a proceeding is brou
have been issued by tribu
obligor and child, a tribuna
which order to recognize fo

(1) if only one of the tribu
chapter, the order of that t

(2) if more than one of t
under this chapter, an orde
shall be recognized, but, if a
child, the order most recent

(3) if none of the tribuna
chapter, the tribunal of this
support order, which is cont

(c) If two or more child su
and if the obligor or the ind
tribunal of this state to dete
of this section. The request s
in effect. Every party whose
order shall be given notice c

(d) The tribunal that issu
(b), or (c) of this section is
accordance with AS 25.25.2(

(e) A tribunal of this state
support order under (b)(1) c
support order under (b)(3) of
the tribunal made its detern

(f) Within 30 days after
controlling order, the party
with each tribunal that had i
of the party obtaining the or
subjects that party to approp
file arises, but that failure ha
order. (§ 5 ch 57 SLA 1995;

Sec. 25.25.208. Multiple
responding to multiple regis
support orders in effect at th
individual obligees, when at
state, a tribunal of this stat
multiple orders had been iss

Sec. 25.25.209. Credit fo
ular period under a support
against the amounts accrui
issued by the tribunal of this

Secs. 25.25.210 — 25.25.2

ith the tribunal of this state
sume continuing, exclusive

nsistent with the law of this
e order if the order has been
ally similar to this chapter.
unal of another state under
s state loses its continuing,
t of the order issued in this

ing before the modification;

ler that occurred before the

, exclusive jurisdiction of a
r under a law substantially

esolution of a jurisdictional
he issuing tribunal.
it with the law of this state
ort order throughout the
may not modify a spousal
ing continuing, exclusive
ch 57 SLA 1995)

Family Support Act, where the
ka, the issuing state, Washington
original support order, and the
cement Division (now the Child
ncy) was entitled to collect inter-
port arrearage. State, Dep't of
port Enforcement Div., ex rel.
962 P.2d 187 (Alaska 1998).
id. — Contrary to the husband's
llenge to the child support mod-
ial court had continuing, exclu-
the support order pursuant to
after he moved to Missouri as
dren still resided in Alaska and
written consent for Missouri to
seniar v. Teseniar, 74 P.3d 910

port order by tribunal
nay serve as an initiating
ify a support order issued

risdiction over a support
order. If a party subject
er resides in the issuing
5.316 to receive evidence
gh a tribunal of another

(c) A tribunal of this state that lacks continuing, exclusive jurisdiction over a spousal support order may not serve as a responding tribunal to modify a spousal support order of another state. (§ 5 ch 57 SLA 1995)

Sec. 25.25.207. Recognition of controlling child support order. (a) If a proceeding is brought under this chapter and only one tribunal has issued a child support order, the order of that tribunal is controlling and shall be recognized.

(b) If a proceeding is brought under this chapter and two or more child support orders have been issued by tribunals of this state or another state with regard to the same obligor and child, a tribunal of this state shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction:

(1) if only one of the tribunals would have continuing, exclusive jurisdiction under this chapter, the order of that tribunal is controlling and shall be recognized;

(2) if more than one of the tribunals would have continuing, exclusive jurisdiction under this chapter, an order issued by a tribunal in the current home state of the child shall be recognized, but, if an order has not been issued in the current home state of the child, the order most recently issued is controlling and shall be recognized;

(3) if none of the tribunals would have continuing, exclusive jurisdiction under this chapter, the tribunal of this state having jurisdiction over the parties shall issue a child support order, which is controlling and shall be recognized.

(c) If two or more child support orders have been issued for the same obligor and child and if the obligor or the individual obligee resides in this state, a party may request a tribunal of this state to determine which order controls and shall be recognized under (b) of this section. The request shall be accompanied by a certified copy of every support order in effect. Every party whose rights may be affected by a determination of the controlling order shall be given notice of the request for that determination.

(d) The tribunal that issued the order that shall be recognized as controlling under (a), (b), or (c) of this section is the tribunal that has continuing, exclusive jurisdiction in accordance with AS 25.25.205.

(e) A tribunal of this state that determines by order the identity of the controlling child support order under (b)(1) or (2) of this section, or that issues a new controlling child support order under (b)(3) of this section, shall include in that order the basis upon which the tribunal made its determination.

(f) Within 30 days after issuance of the order determining the identity of the controlling order, the party obtaining that order shall file a certified copy of that order with each tribunal that had issued or registered an earlier order of child support. Failure of the party obtaining the order to file a certified copy as required under this subsection subjects that party to appropriate sanctions by a tribunal in which the issue of failure to file arises, but that failure has no effect on the validity or enforceability of the controlling order. (§ 5 ch 57 SLA 1995; am § 51 ch 87 SLA 1997)

Sec. 25.25.208. Multiple child support orders for two or more obligees. In responding to multiple registrations or complaints for enforcement of two or more child support orders in effect at the same time with regard to the same obligor and different individual obligees, when at least one of the orders was issued by a tribunal of another state, a tribunal of this state shall enforce those orders in the same manner as if the multiple orders had been issued by a tribunal of this state. (§ 5 ch 57 SLA 1995)

Sec. 25.25.209. Credit for payments. Amounts collected and credited for a particular period under a support order issued by a tribunal of another state shall be credited against the amounts accruing or accrued for the same period under a support order issued by the tribunal of this state. (§ 5 ch 57 SLA 1995)

Secs. 25.25.210 — 25.25.270. [Repealed, § 21 ch 57 SLA 1995.]

Article 3. Civil Provisions of General Application.

Section
301. Proceedings under this chapter
302. Action by minor parent
303. Application of law of this state
304. Duties of initiating tribunal
305. Duties and powers of responding tribunal
306. Inappropriate tribunal
307. Duties of child support services agency
309. Private counsel
310. Duties of state information and locator agency
311. Pleadings and accompanying documents
312. Nondisclosure of information in exceptional circumstances
313. Costs and fees
314. Limited immunity of petitioner
315. Nonparentage as defense
316. Special rules of evidence and procedure
317. Communications between tribunals
318. Assistance with discovery
319. Receipt and disbursement of payments

Sec. 25.25.301. Proceedings under this chapter. (a) Except as otherwise provided in this chapter, AS 25.25.301 — 25.25.319 apply to all proceedings under this chapter.

(b) This chapter provides for the following proceedings:

(1) establishment of an order for child support or spousal support under AS 25.25.401;

(2) enforcement of a support order and income withholding order of another state without registration under AS 25.25.501 — 25.25.507;

(3) registration of an order for child support or spousal support of another state for enforcement under AS 25.25.601 — 25.25.614;

(4) modification of an order for child support or spousal support issued by a tribunal of this state under AS 25.25.203 — 25.25.206;

(5) registration of an order for child support of another state for modification under AS 25.25.601 — 25.25.614;

(6) determination of parentage under AS 25.25.701; and

(7) assertion of jurisdiction over nonresidents under AS 25.25.201 — 25.25.202.

(c) An individual or a support enforcement agency may commence a proceeding authorized under this chapter by filing a complaint or a comparable pleading in an initiating tribunal for forwarding to a responding tribunal or by filing a complaint or a comparable pleading directly in a tribunal of another state that has or can obtain personal jurisdiction over the respondent. (§ 6 ch 57 SLA 1995; am § 52 ch 87 SLA 1997)

Sec. 25.25.302. Action by minor parent. A minor parent, or a guardian or other legal representative of a minor parent, may maintain a proceeding on behalf of or for the benefit of the minor's child. (§ 6 ch 57 SLA 1995)

Sec. 25.25.303. Application of law of this state. Except as otherwise provided by this chapter, a responding tribunal of this state shall

(1) apply the procedural and substantive law, including the rules on choice of law, generally applicable to similar proceedings originating in this state and may exercise all powers and provide all remedies available in those proceedings; and

(2) determine the duty of support and the amount payable under the law and support guidelines of this state. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Role of Child Support Enforcement Division (now Child Support Services Agency). — Where the state's Child Support Enforcement Division (now the Child Support Services Agency) acted as a responding tribunal, the court appropriately applied state law to modification of a child support order originally issued in another state. State v. Bromley, 987 P.2d 183 (Alaska 1999).

Construction with other provisions. — Because AS 25.25.604 defines when a state may diverge from local law, and because this section provides that local law applies except "as otherwise provided," the sections, when read together, imply that forum law applies in all circumstances not expressly identified by the Uniform Interstate Family Support Act. State v. Bromley, 987 P.2d 183 (Alaska 1999).

Sec. 25.25.304. Duties of initiating tribunal. (a) Upon the filing of a complaint or

comparable pleading aut
forward three copies of
documents

(1) to the responding
responding state; or

(2) if the identity of t
agency of the responding
tribunal and that receipt

(b) If a responding sta
this chapter, a tribunal o
findings required by the
jurisdiction, the tribunal
documents necessary to s
1995; am § 53 ch 87 SL

Sec. 25.25.305. Duti
ing tribunal of this state
tribunal or directly unde
filed and notify the petit

(b) A responding tribu
by law, may do one or m

(1) issue or enforce a s
to determine parentage;

(2) order an obligor t
manner of compliance;

(3) order income with

(4) determine the amo

(5) enforce orders by

(6) set aside property

(7) place liens and or

(8) order an obligor to
address, telephone numb
the place of employment

(9) issue a bench warr
a hearing ordered by th
computer systems for cr

(10) order the obligor

(11) award reasonable

(12) grant any other

(c) A responding tribu
this chapter, or in the d
support order is based.

(d) A responding trib
order issued under this c

(e) If a responding t
tribunal shall send a co
initiating tribunal, if an

Arrearages. — Under Alas
recoverable in actions under
Enforcement of Support Act. I
764 (Alaska 1982) (decided u

Application.

of information in exceptional cir-

nity of petitioner
as defense
f evidence and procedure
ns between tribunals
h discovery
sbursement of payments

cept as otherwise provided
dings under this chapter.

pport under AS 25.25.401:
ng order of another state

pport of another state for

port issued by a tribunal of

for modification under AS

.25.201 — 25.25.202.
commence a proceeding
mparable pleading in an
by filing a complaint or a
e that has or can obtain
; am § 52 ch 87 SLA 1997)

t, or a guardian or other
ling on behalf of or for the

as otherwise provided by

e rules on choice of law,
state and may exercise all
s; and
nder the law and support

other provisions. — Because
vhen a state may diverge from
this section provides that local
otherwise provided," the sec-
ether, imply that forum law
ances not expressly identified
ate Family Support Act. State
83 (Alaska 1999).

e filing of a complaint or

comparable pleading authorized by this chapter, an initiating tribunal of this state shall forward three copies of the complaint or comparable pleading and its accompanying documents

(1) to the responding tribunal or appropriate support enforcement agency in the responding state; or

(2) if the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

(b) If a responding state has not enacted a law or procedure substantially similar to this chapter, a tribunal of this state may issue a certificate or other documents and make findings required by the law of the responding state. If the responding state is a foreign jurisdiction, the tribunal may specify the amount of support sought and provide other documents necessary to satisfy the requirements of the responding state. (§ 6 ch 57 SLA 1995; am § 53 ch 87 SLA 1997)

Sec. 25.25.305. Duties and powers of responding tribunal. (a) When a responding tribunal of this state receives a complaint or comparable pleading from an initiating tribunal or directly under AS 25.25.301(c), it shall cause the complaint or pleading to be filed and notify the petitioner where and when it was filed.

(b) A responding tribunal of this state, to the extent otherwise specifically authorized by law, may do one or more of the following:

(1) issue or enforce a support order, modify a child support order, or render a judgment to determine parentage;

(2) order an obligor to comply with a support order, specifying the amount and the manner of compliance;

(3) order income withholding;

(4) determine the amount of any arrearages, and specify a method of payment;

(5) enforce orders by civil or criminal contempt, or both;

(6) set aside property for satisfaction of the support order;

(7) place liens and order execution on the obligor's property;

(8) order an obligor to keep the tribunal informed of the obligor's current residential address, telephone number, employer, address of employment, and telephone number at the place of employment;

(9) issue a bench warrant for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the bench warrant in any local and state computer systems for criminal warrants;

(10) order the obligor to seek appropriate employment by specified methods;

(11) award reasonable attorney fees and other fees and costs; and

(12) grant any other available remedy.

(c) A responding tribunal of this state shall include in a support order issued under this chapter, or in the documents accompanying the order, the calculations on which the support order is based.

(d) A responding tribunal of this state may not condition the payment of a support order issued under this chapter upon compliance by a party with provisions for visitation.

(e) If a responding tribunal of this state issues an order under this chapter, the tribunal shall send a copy of the order to the petitioner and the respondent and to the initiating tribunal, if any. (§ 6 ch 57 SLA 1995; am §§ 54, 55 ch 87 SLA 1997)

NOTES TO DECISIONS

Arrearages. — Under Alaska law, arrearages were recoverable in actions under the Uniform Reciprocal Enforcement of Support Act. Bailey v. Haas, 655 P.2d 764 (Alaska 1982) (decided under former law).

There was no requirement that a request for arrearages must be reduced to judgment by the petitioning state. Bailey v. Haas, 655 P.2d 764 (Alaska 1982) (decided under former law).

The petition's failure to include a prayer for arrearages did not justify dismissal of the claim since the function of a pleading is to give notice of the type of claim asserted, the body of the petition stated that defendant had contributed nothing toward the support for his daughter, and, the motion for an order of support specifically requested arrearages; therefore, defendant had notice of the claim for arrearages at the very latest by the date when the motion was filed. Bailey v. Haas, 655 P.2d 764 (Alaska 1982) (decided under former law).

Enforcement of support obligation for nonvisitation. — In the appeal of an action to enforce an Oregon judgment for accrued and unpaid child support, a provision in the judgment requiring the father to pay the mother $25.00 for each weekend without visitation for child care expenses unless the mother requested no visitation was interpreted according to the rule of contract interpretation that conditions are disfavored. The payments were treated as an absolute obligation that was part of the child support obligation without conditions concerning geographical limitation, impracticality, lack of information about the mother's whereabouts, reimbursement for actual child care expenses or credit for nonweekend visitation. Logghe v. Jasmer, 686 P.2d 694 (Alaska 1984) (decided under former law).

Sec. 25.25.306. Inappropriate tribunal. If a complaint or comparable pleading is received by an inappropriate tribunal of this state, it shall forward the complaint or pleading, and accompanying documents, to an appropriate tribunal in this state or another state and notify the petitioner where and when the complaint or pleading was sent. (§ 6 ch 57 SLA 1995; am § 56 ch 87 SLA 1997)

Sec. 25.25.307. Duties of child support services agency. (a) The child support services agency of this state, upon request, shall provide services to a petitioner in a proceeding under this chapter.

(b) In providing services under this chapter to the petitioner, the child support services agency shall, as appropriate,

(1) take all steps necessary to enable an appropriate tribunal in this state or another state to obtain jurisdiction over the respondent;

(2) request an appropriate tribunal to set a date, time, and place for a hearing;

(3) make a reasonable effort to obtain all relevant information, including information as to income and property of the parties;

(4) send written notice from an initiating, responding, or registering tribunal to the petitioner within two days of receipt, exclusive of Saturdays, Sundays, and legal holidays;

(5) send a copy of a written communication from the respondent or the respondent's attorney to the petitioner within two days of receipt, exclusive of Saturdays, Sundays, and legal holidays; and

(6) notify the petitioner if jurisdiction over the respondent cannot be obtained.

(c) This chapter does not create or negate a relationship of attorney and client or other fiduciary relationship between the child support services agency or the attorney for the agency and the individual being assisted by the agency. (§ 6 ch 57 SLA 1995; am § 57 ch 87 SLA 1997)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

Sec. 25.25.309. Private counsel. An individual may employ private counsel to represent the individual in proceedings authorized by this chapter. (§ 6 ch 57 SLA 1995)

Sec. 25.25.310. Duties of state information and locator agency. The child support services agency is the state information agency under this chapter, and it shall

(1) compile and maintain a current list, including addresses, of the tribunals in this state that have jurisdiction under this chapter and the appropriate agency offices in this state and transmit a copy to the state information agency of every other state;

(2) maintain a register of tribunals and support enforcement agencies received from other states;

(3) forward to the appropriate tribunal in this state all documents concerning a proceeding under this chapter received from an initiating tribunal or the state information agency of the initiating state; and

(4) obtain information
within this state that is n
state locator services, ex
address from employers.
extent not prohibited by
enforcement, taxation, m
SLA 1995; am § 58 ch 87

Revisor's notes. — In 200
forcement agency" was chang

Sec. 25.25.311. Plead
ing to establish or modif
under this chapter shall
ordered under AS 25.25.3
pleading or accompanyi
residential address, and s
name, sex, residential add
whom support is sought. T
a certified copy of any sup
include other information

(b) The complaint or c
plaint or comparable pleac
with the requirements im
filed by a support enforce

Sec. 25.25.312. Nondi
Upon a finding, which ma
or child would be unreason
if an existing order so pr
party or other identifying
filed in a proceeding unde

Sec. 25.25.313. Costs
including a rule of the Al
pleading is filed under thi
filing fee or other costs.

(b) If an obligee prevail
fees, including fees that w
other costs, necessary tra
obligee and the obligee's w
against the obligee or the
responding state except as
as costs, and may be order
the attorney's own name.
costs, and expenses assess

(c) The tribunal shall
including filing fees that
a hearing under this chapt
delay. In a proceeding un
been requested primarily
without change; however,
rebut this presumption. (§

/ision in the judgment requiring mother $25.00 for each weekend r child care expenses unless the o visitation was interpreted ac- of contract interpretation that ored. The payments were treated ation that was part of the child ithout conditions concerning geo- impracticality, lack of informa- r's whereabouts, reimbursement care expenses or credit for on. Logghe v. Jasmer, 686 P.2d ecided under former law).

or comparable pleading is forward the complaint or tribunal in this state or complaint or pleading was

cy. (a) The child support vices to a petitioner in a

the child support services

al in this state or another

place for a hearing; on, including information

egistering tribunal to the ndays, and legal holidays; ident or the respondent's e of Saturdays, Sundays,

annot be obtained. torney and client or other y or the attorney for the 57 SLA 1995; am § 57 ch

is section in accordance with 004.

ploy private counsel to er. (§ 6 ch 57 SLA 1995)

tor agency. The child his chapter, and it shall , of the tribunals in this ate agency offices in this ery other state; t agencies received from

ocuments concerning a ial or the state informa-

(4) obtain information concerning the location of the obligor and the obligor's property within this state that is not exempt from execution by postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, driver's licenses, and social security. (§ 6 ch 57 SLA 1995; am § 58 ch 87 SLA 1997)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

Sec. 25.25.311. Pleadings and accompanying documents. (a) A petitioner seeking to establish or modify a support order or to determine parentage in a proceeding under this chapter shall verify the complaint or comparable pleading. Unless otherwise ordered under AS 25.25.312, or otherwise prohibited by law, the complaint or comparable pleading or accompanying documents must provide, so far as known, the name, residential address, and social security numbers of the obligor and the obligee, and the name, sex, residential address, social security number, and date of birth of each child for whom support is sought. The complaint or comparable pleading must be accompanied by a certified copy of any support order in effect. The complaint or comparable pleading may include other information that may assist in locating or identifying the respondent.

(b) The complaint or comparable pleading must specify the relief sought. The complaint or comparable pleading and accompanying documents must conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency. (§ 6 ch 57 SLA 1995)

Sec. 25.25.312. Nondisclosure of information in exceptional circumstances. Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, a tribunal shall order that the address of the child or party or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this chapter. (§ 6 ch 57 SLA 1995; am § 59 ch 87 SLA 1997)

Sec. 25.25.313. Costs and fees. (a) Notwithstanding any other provision of law, including a rule of the Alaska Supreme Court, at the time a complaint or comparable pleading is filed under this chapter, a tribunal may not require the petitioner to pay a filing fee or other costs.

(b) If an obligee prevails, a responding tribunal may assess against an obligor filing fees, including fees that were waived under (a) of this section, reasonable attorney fees, other costs, necessary travel expenses, and other reasonable expenses incurred by the obligee and the obligee's witnesses. The tribunal may not assess fees, costs, or expenses against the obligee or the support enforcement agency of either the initiating or the responding state except as required by other law or court rule. Attorney fees may be taxed as costs, and may be ordered paid directly to the attorney, who may enforce the order in the attorney's own name. Payment of support owed to the obligee has priority over fees, costs, and expenses assessed under this subsection.

(c) The tribunal shall order the payment of costs and reasonable attorney fees, including filing fees that were waived under (a) of this section, by a party who requests a hearing under this chapter if it determines that the hearing was requested primarily for delay. In a proceeding under AS 25.25.601 — 25.25.612, a hearing is presumed to have been requested primarily for delay if a registered support order is confirmed or enforced without change; however, the party who requested the hearing may present evidence to rebut this presumption. (§ 6 ch 57 SLA 1995)

Cross references. — For effect of this section on Alaska Rules of Civil Procedure 79 and 82, see § 22, ch. 57, SLA 1995 in the Temporary and Special Acts.

Sec. 25.25.314. Limited immunity of petitioner. (a) Participation by a petitioner in a proceeding before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the petitioner in another proceeding.

(b) A petitioner is not amenable to service of civil process while physically present in this state to participate in a proceeding under this chapter.

(c) The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this chapter committed by a party while present in this state to participate in the proceeding. (§ 6 ch 57 SLA 1995)

Sec. 25.25.315. Nonparentage as defense. A party whose parentage of a child has been previously determined under law may not plead nonparentage as a defense to a proceeding under this chapter. (§ 6 ch 57 SLA 1995)

Sec. 25.25.316. Special rules of evidence and procedure. (a) The physical presence of the petitioner in a responding tribunal of this state is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining parentage.

(b) A verified complaint or comparable pleading, affidavit, document substantially complying with federally mandated forms, and a document incorporated by reference in any of them, not excluded under the hearsay rule if given in person, is admissible in evidence if given under oath by a party or witness residing in another state.

(c) A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it and is admissible to show whether payments were made.

(d) Copies of bills for testing for parentage, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least 10 days before trial or other proceeding, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

(e) Documentary evidence transmitted from another state to a tribunal of this state by telephone, telecopier, or other means that do not provide an original writing may not be excluded from evidence on an objection based on the means of transmission.

(f) In a proceeding under this chapter, a tribunal of this state may permit a party or witness residing in another state to be deposed or to testify by telephone, audiovisual means, or other electronic means at a designated tribunal or other location in that state. A tribunal of this state shall cooperate with tribunals of other states in designating an appropriate location for the deposition or testimony.

(g) If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self-incriminating, the trier of fact may draw an adverse inference from the refusal.

(h) A privilege against disclosure of communications between spouses does not apply in a proceeding under this chapter.

(i) The defense of immunity based on the relationship of husband and wife or parent and child does not apply in a proceeding under this chapter. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Cited in Teseniar v. Teseniar, 74 P.3d 910 (Alaska 2003).

Sec. 25.25.317. Communications between tribunals. A tribunal of this state may

communicate with a tribu
to obtain information con
decree, or order of that t
tribunal of this state may
another state. (§ 6 ch 57

Sec. 25.25.318. Assist
(1) request a tribunal
(2) upon request, com
discovery order issued by

Cited in Teseniar v. Teseniar 2003).

Sec. 25.25.319. Recei
vices agency of this state
order, as directed by the o
of another state a certifie
dates of all payments rec

Revisor's notes. — In 200 forcement agency" was chang

Article

Section
401. Complaint to establish sup

Sec. 25.25.401. Comp
entitled to recognition un
this state may issue a chi
(1) the individual seeki
(2) the support enforce
(b) The tribunal may is
(1) the respondent has
(2) the respondent has
(3) there is other clear
parent.
(c) If a spousal support
issued, a responding supe
(1) the individual seeki
(2) the support enforce
(d) If, after providing
appropriate tribunal finds
a support order directed t
(e) Before issuing an or
shall adopt regulations fo

Revisor's notes. — In 200 forcement agency" was chang

Participation by a petitioner
rson, by private attorney, or
cy, does not confer personal

while physically present in

l to civil litigation based on
by a party while present in
995)

ose parentage of a child has
arentage as a defense to a

lure. (a) The physical pres-
ate is not required for the
rder or the rendition of a

it, document substantially
ncorporated by reference in
in person, is admissible in
n another state.
is a true copy of the original
ding tribunal. The copy is
ther payments were made.
l and postnatal health care
east 10 days before trial or
nount of the charges billed
nary.
o a tribunal of this state by
riginal writing may not be
f transmission.
ate may permit a party or
by telephone, audiovisual
ther location in that state.
r states in designating an

wer on the ground that the
an adverse inference from

en spouses does not apply

sband and wife or parent
§ 6 ch 57 SLA 1995)

tribunal of this state may

communicate with a tribunal of another state in writing, or by telephone or other means, to obtain information concerning the laws of that state, the legal effect of a judgment, decree, or order of that tribunal, and the status of a proceeding in the other state. A tribunal of this state may furnish similar information by similar means to a tribunal of another state. (§ 6 ch 57 SLA 1995)

Sec. 25.25.318. Assistance with discovery. A tribunal of this state may
(1) request a tribunal of another state to assist in obtaining discovery; and
(2) upon request, compel a person over whom it has jurisdiction to respond to a discovery order issued by a tribunal of another state. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Cited in Teseniar v. Teseniar, 74 P.3d 910 (Alaska 2003).

Sec. 25.25.319. Receipt and disbursement of payments. The child support services agency of this state shall disburse promptly any amounts received under a support order, as directed by the order. The agency shall furnish to a requesting party or tribunal of another state a certified statement by the custodian of the record of the amounts and dates of all payments received. (§ 6 ch 57 SLA 1995)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

Article 4. Establishment of Support Order.

Section
401. Complaint to establish support order

Sec. 25.25.401. Complaint to establish support order. (a) If a child support order entitled to recognition under this chapter has not been issued, a responding tribunal of this state may issue a child support order if
(1) the individual seeking the order resides in another state; or
(2) the support enforcement agency seeking the order is located in another state.
(b) The tribunal may issue a temporary child support order if
(1) the respondent has signed a verified statement acknowledging parentage;
(2) the respondent has been determined under law to be the parent; or
(3) there is other clear and convincing evidence that the respondent is the child's parent.
(c) If a spousal support order entitled to recognition under this chapter has not been issued, a responding superior court of this state may issue a spousal support order if
(1) the individual seeking the order resides in another state; or
(2) the support enforcement agency seeking the order is located in another state.
(d) If, after providing an obligor with notice and opportunity to be heard, an appropriate tribunal finds that the obligor owes a duty of support, the tribunal shall issue a support order directed to the obligor and may issue other orders under AS 25.25.305.
(e) Before issuing an order under (b) of this section, the child support services agency shall adopt regulations for issuing such an order. (§ 6 ch 57 SLA 1995)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in (e) of this section in accordance with § 12(a), ch. 107, SLA 2004.

Article 5. Direct Enforcement of Order of Another State Without Registration.

Section
501. Employer's receipt of income withholding order of another state
502. Employer's compliance with income withholding order of another state
503. Compliance with multiple income withholding orders
504. Immunity from civil liability
505. Penalties for noncompliance
506. Contest by obligor
507. Administrative enforcement of orders

Sec. 25.25.501. Employer's receipt of income withholding order of another state. An income withholding order issued in another state may be sent to the person or entity defined as the obligor's employer under AS 25.27 without first filing a complaint or comparable pleading or registering the order with a tribunal of this state. (§ 6 ch 57 SLA 1995; am § 60 ch 87 SLA 1997)

NOTES TO DECISIONS

Personal jurisdiction required for foreign judgment enforcement. — Although personal jurisdiction was not required to register a foreign support judgment under the Uniform Reciprocal Enforcement of Support Act, such jurisdiction was required for enforcement of the foreign judgment. Lagerwey v. Lagerwey, 681 P.2d 309 (Alaska 1984).

Post-judgment dismissal of underlying paternity suit. — The effect of a post-judgment dismissal of the underlying California paternity suit on a final Alaska judgment was determined according to Alaska law. Rubalcava v. Hall, 674 P.2d 767 (Alaska 1983).

Arrears on a pendente lite child support order were due despite the dismissal of the underlying paternity suit. Rubalcava v. Hall, 674 P.2d 767 (Alaska 1983).

Waiver of objection to judgment. — Defendant waived any objection that he could have asserted to an arrears judgment by voluntarily dismissing his appeal from the judgment after the California superior court had dismissed the paternity action pursuant to which the original California pendente lite order had been issued. Rubalcava v. Hall, 674 P.2d 767 (Alaska 1983).

Sec. 25.25.502. Employer's compliance with income withholding order of another state. (a) Upon receipt of an order under AS 25.25.501, the obligor's employer shall immediately provide a copy of the order to the obligor.

(b) The employer shall treat an income withholding order issued in another state that appears regular on its face as if it were issued by a tribunal of this state.

(c) Except as provided by (d) of this section and AS 25.25.503, the employer shall withhold and distribute the funds as directed in the withholding order by complying with the terms of the order, as applicable, that specify

(1) the duration and the amount of periodic payments of current child support, stated as a sum certain;

(2) the person or agency designated to receive payments and the address to which the payments are to be forwarded;

(3) medical support, whether in the form of periodic cash payment, stated as a sum certain, or an order to the obligor to provide health insurance coverage for the child under a policy available through the obligor's employment;

(4) the amount of periodic payments of fees and costs for a support enforcement agency, the issuing tribunal, and the obligee's attorney, stated as sums certain; and

(5) the amount of periodic payments of arrearages and interest on arrearages, stated as sums certain.

(d) The employer shall comply with the law of the state of the obligor's principal place of employment for withholding from income with respect to

(1) the employer's fee for processing an income withholding order;

(2) the maximum amount permitted to be withheld from the obligor's income; and

(3) the time periods within which the employer must implement the withholding order and forward the child support payment. (§ 6 ch 57 SLA 1995; am § 61 ch 87 SLA 1997)

Sec. 25.25.503. Complia
obligor's employer receives n
same obligor, the employer sl
orders if the employer compl
of employment to establish tl
for multiple child support or

Sec. 25.25.504. Immunit
income withholding order is
25.25.505 is not subject to c
employer's withholding of chi

Sec. 25.25.505. Penaltie
comply with an income wit
enforcement is subject to the
an order issued by a tribuna

Sec. 25.25.506. Contest
enforcement of an income wit
by an employer in this state i
of this state. The provisions
(b) The obligor shall give
(1) a support enforcement
(2) each employer that ha
(3) if
(A) a person or an agency i
order, to that person or agen
(B) no person or agency is
order, to the obligee. (§ 62 cl

Sec. 25.25.507. Adminis
enforce a support order or an
another state may send the
support services agency of th
(b) Upon receipt of the doc
seeking to register the order,
procedure authorized by the
withholding order, or both. If
order need not be registere
enforcement of the order, the
this chapter. (§ 62 ch 87 SL/

Revisor's notes. — In 2004, "c
forcement agency" was changed t

Article 6. Enforcemer

Section
601. Registration of order for enforc
602. Procedure to register order for
603. Effect of registration for enforc
604. Choice of law
605. Notice of registration of order
606. Procedure to contest validity o
registered order

nother State Without

om civil liability
noncompliance
bligor
ive enforcement of orders

nolding order of another may be sent to the person or out first filing a complaint or of this state. (§ 6 ch 57 SLA

ndente lite child support order were smissal of the underlying paternity Hall, 674 P.2d 767 (Alaska 1983). **ction to judgment.** — Defendant n that he could have asserted to an by voluntarily dismissing his ap- ment after the California superior d the paternity action pursuant to California pendente lite order had cava v. Hall, 674 P.2d 767 (Alaska

e withholding order of .501, the obligor's employer

issued in another state that of this state.
25.503, the employer shall ng order by complying with

urrent child support, stated

nd the address to which the

payment, stated as a sum overage for the child under

or a support enforcement d as sums certain; and erest on arrearages, stated

he obligor's principal place

g order;
ne obligor's income; and
nent the withholding order am § 61 ch 87 SLA 1997)

Sec. 25.25.503. Compliance with multiple income withholding orders. If an obligor's employer receives multiple orders to withhold support from the earnings of the same obligor, the employer shall be considered to have satisfied the terms of the multiple orders if the employer complies with the law of the state of the obligor's principal place of employment to establish the priorities for withholding and allocating income withheld for multiple child support orders. (§ 62 ch 87 SLA 1997)

Sec. 25.25.504. Immunity from civil liability. An employer who complies with an income withholding order issued in another state in accordance with AS 25.25.501 -- 25.25.505 is not subject to civil liability to an individual or agency with regard to the employer's withholding of child support from the obligor's income. (§ 62 ch 87 SLA 1997)

Sec. 25.25.505. Penalties for noncompliance. An employer who wilfully fails to comply with an income withholding order issued by another state and received for enforcement is subject to the same penalties that may be imposed for noncompliance with an order issued by a tribunal of this state. (§ 62 ch 87 SLA 1997)

Sec. 25.25.506. Contest by obligor. (a) An obligor may contest the validity or enforcement of an income withholding order issued in another state and received directly by an employer in this state in the same manner as if the order were issued by a tribunal of this state. The provisions of AS 25.25.604 apply to the contest.

(b) The obligor shall give notice of the contest to

(1) a support enforcement agency providing services to the obligee;

(2) each employer that has directly received an income withholding order; and

(3) if

(A) a person or an agency is designated to receive payments in the income withholding order, to that person or agency; or

(B) no person or agency is designated to receive payments in the income withholding order, to the obligee. (§ 62 ch 87 SLA 1997)

Sec. 25.25.507. Administrative enforcement of orders. (a) A party seeking to enforce a support order or an income withholding order, or both, issued by a tribunal of another state may send the documents required for registering the order to the child support services agency of this state.

(b) Upon receipt of the documents, the child support services agency, without initially seeking to register the order, shall consider and, if appropriate, use any administrative procedure authorized by the law of this state to enforce a support order or an income withholding order, or both. If the obligor does not contest administrative enforcement, the order need not be registered. If the obligor contests the validity or administrative enforcement of the order, the child support services agency shall register the order under this chapter. (§ 62 ch 87 SLA 1997)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

Article 6. Enforcement and Modification of Support Order After Registration.

Section
601. Registration of order for enforcement
602. Procedure to register order for enforcement
603. Effect of registration for enforcement
604. Choice of law
605. Notice of registration of order
606. Procedure to contest validity or enforcement of registered order
607. Contest of registration or enforcement
608. Confirmed order
609. Procedure to register child support order of another state for modification
610. Effect of registration for modification
611. Modification of child support order of another state

Section
612. Recognition of order modified in another state
613. Jurisdiction to modify support order of another state when individual parties reside in this state
614. Notice to issuing tribunal of modification

Sec. 25.25.601. Registration of order for enforcement. A support order or an income withholding order issued by a tribunal of another state may be registered in this state for enforcement. (§ 6 ch 57 SLA 1995)

Sec. 25.25.602. Procedure to register order for enforcement. (a) A support order or income withholding order of another state may be registered in this state by sending the following documents and information to a tribunal of this state:

(1) a letter of transmittal to the tribunal requesting registration and enforcement;

(2) two copies, including one certified copy, of all orders to be registered, including any modification of an order;

(3) a sworn statement by the party seeking registration or a certified statement by the custodian of the records showing the amount of any arrearage;

(4) the name of the obligor and, if known,

(A) the obligor's address and social security number;

(B) the name and address of the obligor's employer and any other source of income of the obligor; and

(C) a description and the location of property in this state of the obligor not exempt from execution; and

(5) the name and address of the obligee and, if applicable, the agency or person to whom support payments are to be remitted.

(b) On receipt of a request for registration, the registering tribunal shall file the order as a foreign judgment, together with one copy of the documents and information, regardless of their form.

(c) A complaint or comparable pleading seeking a remedy that must be affirmatively sought under other law of this state may be filed at the same time as the request for registration or later. The pleading must specify the grounds for the remedy sought. (§ 6 ch 57 SLA 1995; am § 63 ch 87 SLA 1997; am § 19 ch 132 SLA 1998)

Cross references. — For purpose and findings provisions related to the 1998 amendments affecting this section, see § 1, ch. 132, SLA 1998 in the 1998 Temporary and Special Acts.

Sec. 25.25.603. Effect of registration for enforcement. (a) A support order or income withholding order issued in another state is registered when the order is filed in the registering tribunal of this state.

(b) A registered order issued in another state is enforceable in the same manner and is subject to the same procedures as an order issued by a tribunal of this state.

(c) Except as otherwise provided in AS 25.25.601 — 25.25.612, a tribunal of this state shall recognize and enforce, but may not modify, a registered order if the issuing tribunal had jurisdiction. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Collateral estoppel held inapplicable. — While it was proper for the Arizona court to consider a father's contention that he was improperly served, that court's determination that a father was not properly served with a 1993 Alaska child support order should not have had preclusive effect so as to invalidate the Alaska order. Bartlett v. State ex rel. Bartlett, 125 P.3d 328 (Alaska 2005).

Sec. 25.25.604. Choice of law. (a) The law of the issuing state governs the nature, extent, amount, and duration of current payments and other obligations of support and the payment of arrearages under the order.

(b) In a proceeding for
or of the issuing state, w

Construction with other p
this section defines when a st
local law, and because AS 25.
local law applies except "as oth
sections, when read together, i
applies in all circumstances no
by the Uniform Interstate Fami
v. Bromley, 987 P.2d 183 (Alask

Interest on support arrea

Sec. 25.25.605. Notice
income withholding order
shall notify the nonregiste
registered order and the d
(b) The notice must infc
(1) that a registered or
manner as an order issued
(2) that a hearing to con
be requested within 20 day
(3) that failure to contest
manner will result in confi
alleged arrearages and prec
that could have been assert
(4) of the amount of alleg
(c) Upon registration of a
tribunal shall notify the ob
§§ 64, 65 ch 87 SLA 1997)

Sec. 25.25.606. Procedu
order. (a) A nonregistering
registered order in this state
registration. The nonregiste
defense to an allegation of
remedies being sought or the
(b) If the nonregistering
registered order in a timely
(c) If a nonregistering part
of the registered order, the re
give notice to the parties of th
am §§ 66, 67 ch 87 SLA 199

Sec. 25.25.607. Contest o
the validity or enforcement of
the burden of proving one or
(1) the issuing tribunal lacl
(2) the order was obtained
(3) the order has been vaca
(4) the issuing tribunal has
(5) there is a defense under
(6) full or partial payment h

uing tribunal of modification

ent. A support order or an
ate may be registered in this

iforcement. (a) A support
e registered in this state by
inal of this state:
stration and enforcement:
be registered, including any

a certified statement by the
age;

ny other source of income of

te of the obligor not exempt

ole, the agency or person to

; tribunal shall file the order
ocuments and information,

/ that must be affirmatively
ime time as the request for
for the remedy sought. (§ 6
SLA 1998)

1, ch. 132, SLA 1998 in the 1998
ecial Acts.

nt. (a) A support order or
ed when the order is filed in

ole in the same manner and
ibunal of this state.
.612, a tribunal of this state
order if the issuing tribunal

ith a 1993 Alaska child support
ave had preclusive effect so as to
ka order. Bartlett v. State ex rel.
328 (Alaska 2005).

g state governs the nature,
obligations of support and

(b) In a proceeding for arrearages, the statute of limitation under the laws of this state or of the issuing state, whichever is longer, applies. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Construction with other provisions. — Because this section defines when a state may diverge from local law, and because AS 25.25.303 provides that local law applies except "as otherwise provided," the sections, when read together, imply that forum law applies in all circumstances not expressly identified by the Uniform Interstate Family Support Act. State v. Bromley, 987 P.2d 183 (Alaska 1999).

Interest on support arrearage. — Under the Uniform Interstate Family Support Act, where the child resided in Alaska, the issuing state, Washington could not modify the original support order, and the Child Support Enforcement Division (now the Child Support Services Agency) was entitled to collect interest on father's support arrearage. State, Dep't of Revenue, Child Support Enforcement Div., ex rel. Walklace v. Delaney, 962 P.2d 187 (Alaska 1998).

Sec. 25.25.605. Notice of registration of order. (a) When a support order or income withholding order issued in another state is registered, the registering tribunal shall notify the nonregistering party. The notice must be accompanied by a copy of the registered order and the documents and relevant information accompanying the order.

(b) The notice must inform the nonregistering party

(1) that a registered order is enforceable as of the date of registration in the same manner as an order issued by a tribunal of this state;

(2) that a hearing to contest the validity or enforcement of the registered order must be requested within 20 days after notice;

(3) that failure to contest the validity or enforcement of the registered order in a timely manner will result in confirmation of the order and enforcement of the order and the alleged arrearages and precludes further contest of that order with respect to any matter that could have been asserted; and

(4) of the amount of alleged arrearages.

(c) Upon registration of an income withholding order for enforcement, the registering tribunal shall notify the obligor's employer under AS 25.27. (§ 6 ch 57 SLA 1995; am §§ 64, 65 ch 87 SLA 1997)

Sec. 25.25.606. Procedure to contest validity or enforcement of registered order. (a) A nonregistering party seeking to contest the validity or enforcement of a registered order in this state shall request a hearing within 20 days after the notice of the registration. The nonregistering party may seek to vacate the registration, to assert a defense to an allegation of noncompliance with the registered order, or to contest the remedies being sought or the amount of alleged arrearages under AS 25.25.607.

(b) If the nonregistering party fails to contest the validity or enforcement of the registered order in a timely manner, the order is confirmed by operation of law.

(c) If a nonregistering party requests a hearing to contest the validity or enforcement of the registered order, the registering tribunal shall schedule the matter for hearing and give notice to the parties of the date, time, and place of the hearing. (§ 6 ch 57 SLA 1995; am §§ 66, 67 ch 87 SLA 1997)

Sec. 25.25.607. Contest of registration or enforcement. (a) A party contesting the validity or enforcement of a registered order or seeking to vacate the registration has the burden of proving one or more of the following defenses:

(1) the issuing tribunal lacked personal jurisdiction over the contesting party;

(2) the order was obtained by fraud;

(3) the order has been vacated, suspended, or modified by a later order;

(4) the issuing tribunal has stayed the order pending appeal;

(5) there is a defense under the law of this state to the remedy sought;

(6) full or partial payment has been made; or

(7) the statute of limitation under AS 25.25.604 precludes enforcement of some or all of the arrearages.

(b) If a party presents evidence establishing a full or partial defense under (a) of this section, the tribunal may stay enforcement of the registered order, continue the proceeding to permit production of additional relevant evidence, and issue other appropriate orders. An uncontested portion of the registered order may be enforced by all remedies available under the law of this state.

(c) If the contesting party does not establish a defense under (a) of this section to the validity or enforcement of the order, the registering tribunal shall issue an order confirming the order. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Collateral estoppel held inapplicable. — While it was proper for an Arizona court to consider father's contention that he was improperly served, that court's determination that a father was not properly served with a 1993 Alaska child support order should not have had a preclusive effect so as to invalidate the Alaska order. Bartlett v. State ex rel. Bartlett, 125 P.3d 328 (Alaska 2005).

Sec. 25.25.608. Confirmed order. Confirmation of a registered order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to a matter that could have been asserted at the time of registration. (§ 6 ch 57 SLA 1995)

Sec. 25.25.609. Procedure to register child support order of another state for modification. If a party or the child support services agency seeks to modify, or to modify and enforce, a child support order issued in another state but not registered in this state, the party or agency shall register that order in this state in the same manner provided in AS 25.25.601 — 25.25.608. A complaint for modification may be filed at the same time as a request for registration, or later. The pleading must specify the grounds for modification. (§ 6 ch 57 SLA 1995; am § 68 ch 87 SLA 1997)

Revisor's notes. — In 2004, "child support enforcement agency" was changed to "child support services agency" in this section in accordance with § 12(a), ch. 107, SLA 2004.

Sec. 25.25.610. Effect of registration for modification. A tribunal of this state may enforce a child support order of another state registered for purposes of modification in the same manner as if the order had been issued by a tribunal of this state, but the registered order may be modified only if the requirements of AS 25.25.611 have been met. (§ 6 ch 57 SLA 1995)

Sec. 25.25.611. Modification of child support order of another state. (a) After a child support order issued in another state has been registered in this state, unless the provisions of AS 25.25.613 apply, the responding tribunal of this state may modify that order only if, after notice and an opportunity for hearing, it finds that

(1) the following requirements are met:

(A) the child, the individual obligee, and the obligor do not reside in the issuing state;

(B) a petitioner who is not a resident of this state seeks modification; and

(C) the respondent is subject to the personal jurisdiction of the tribunal of this state; or

(2) the child, or a party who is an individual, is subject to the personal jurisdiction of the tribunal and all of the parties who are individuals have filed a written consent in the issuing tribunal providing that a tribunal of this state may modify the support order and assume continuing, exclusive jurisdiction over the order; however, if the issuing state is a foreign jurisdiction that has not enacted a law or procedure substantially similar to this chapter, the written consent of an individual residing in this state is not required for the tribunal to assume jurisdiction to modify the child support order.

(b) Modification of a regi
ments, procedures, and defe
tribunal of this state and th
(c) A tribunal of this state
not be modified under the la
child support orders for the s
be recognized under the prov
of the support order.
(d) On issuance of an orde
tribunal of this state becom
(e) *[Repealed, § 148 ch 87*
SLA 1997; am § 20 ch 132 S

Cross references. — For pur
provisions related to the 1998 ame

Construction. — The use of t
ments" in this section means that A
law applies when the state assum
diction to modify a child suppor
Bromley, 987 P.2d 183 (Alaska 199
Assumption of jurisdiction. —
and child no longer resided in the
child support order had been issue
of-state mother sought modification
child support enforcement agency (
port services agency), and where th
ject to that agency's personal jurisd
court could modify the original o
continuing jurisdiction. State v. B
183 (Alaska 1999).
Interest on support arrearag
Uniform Interstate Family Suppo

Sec. 25.25.612. Recogni
this state shall recognize a n
another state that assume
substantially similar to this
this chapter, shall
(1) enforce the order tha
modification;
(2) enforce only nonmodifi
(3) provide other appropr
before the effective date of th
(4) recognize the modifyin
of enforcement. (§ 6 ch 57 S

Sec. 25.25.613. Jurisdic
individual parties reside i
state and the child does no
jurisdiction to enforce and
proceeding to register that o
(b) A tribunal of this state
the provisions of AS 25.25.1
ment or modification proce
25.25.802 do not apply, and
of this state. (§ 72 ch 87 SL

es enforcement of some or all

tial defense under (a) of this
istered order, continue the
ence, and issue other appro-
rder may be enforced by all

nder (a) of this section to the
bunal shall issue an order

ka child support order should not
usive effect so as to invalidate the
rtlett v. State ex rel. Bartlett, 125
2005).

egistered order, whether by
ner contest of the order with
ne of registration. (§ 6 ch 57

order of another state for
ency seeks to modify, or to
r state but not registered in
is state in the same manner
lification may be filed at the
ng must specify the grounds
1997)

n this section in accordance with
LA 2004.

on. A tribunal of this state
for purposes of modification
ibunal of this state, but the
AS 25.25.611 have been met.

of another state. (a) After
ered in this state, unless the
this state may modify that
finds that

t reside in the issuing state;
nodification; and
of the tribunal of this state;

the personal jurisdiction of
led a written consent in the
odify the support order and
vever, if the issuing state is
substantially similar to this
state is not required for the
rder.

(b) Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this state and the order may be enforced and satisfied in the same manner.

(c) A tribunal of this state may not modify any aspect of a child support order that may not be modified under the law of the issuing state. If two or more tribunals have issued child support orders for the same obligor and child, the order that is controlling and must be recognized under the provisions of AS 25.25.207 establishes the nonmodifiable aspects of the support order.

(d) On issuance of an order modifying a child support order issued in another state, a tribunal of this state becomes the tribunal of continuing, exclusive jurisdiction.

(e) *[Repealed, § 148 ch 87 SLA 1997.]* (§ 6 ch 57 SLA 1995; am §§ 69, 70, 148 ch 87 SLA 1997; am § 20 ch 132 SLA 1998)

Cross references. — For purpose and findings provisions related to the 1998 amendments affecting this section, see § 1, ch. 132, SLA 1998 in the 1998 Temporary and Special Acts.

NOTES TO DECISIONS

Construction. — The use of the term "requirements" in this section means that Alaska substantive law applies when the state assumes exclusive jurisdiction to modify a child support order. State v. Bromley, 987 P.2d 183 (Alaska 1999).

Assumption of jurisdiction. — Where parents and child no longer resided in the state in which a child support order had been issued, where the out-of-state mother sought modification through the state child support enforcement agency (now the child support services agency), and where the father was subject to that agency's personal jurisdiction, the Alaska court could modify the original order and assume continuing jurisdiction. State v. Bromley, 987 P.2d 183 (Alaska 1999).

Interest on support arrearage. — Under the Uniform Interstate Family Support Act, where the child resided in Alaska, the issuing state, Washington could not modify the original support order, and the Child Support Enforcement Division (now the Child Support Services Agency) was entitled to collect interest on father's support arrearage. State, Dep't of Revenue, Child Support Enforcement Div., ex rel. Walklace v. Delaney, 962 P.2d 187 (Alaska 1998).

Jurisdiction found. — Contrary to the husband's contention in his challenge to the child support modification order, the trial court had continuing, exclusive jurisdiction over the support order after the husband moved to Missouri as none of the exceptions in AS 25.25.202 applied, the issuing state was Alaska, the wife and the children lived in Alaska, and the parties filed no written consent for Missouri to modify the order. Teseniar v. Teseniar, 74 P.3d 910 (Alaska 2003).

Sec. 25.25.612. Recognition of order modified in another state. A tribunal of this state shall recognize a modification of its earlier child support order by a tribunal of another state that assumed jurisdiction under this chapter or a law or procedure substantially similar to this chapter and, upon request, except as otherwise provided in this chapter, shall

(1) enforce the order that was modified only as to amounts accruing before the modification;

(2) enforce only nonmodifiable aspects of that order;

(3) provide other appropriate relief only for violations of that order that occurred before the effective date of the modification; and

(4) recognize the modifying order of the other state, upon registration, for the purpose of enforcement. (§ 6 ch 57 SLA 1995; am § 71 ch 87 SLA 1997)

Sec. 25.25.613. Jurisdiction to modify support order of another state when individual parties reside in this state. (a) If all of the individual parties reside in this state and the child does not reside in the issuing state, a tribunal of this state has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

(b) A tribunal of this state exercising jurisdiction as provided in this section shall apply the provisions of AS 25.25.101 — 25.25.209 and 25.25.601 — 25.25.614 to the enforcement or modification proceeding. AS 25.25.301 — 25.25.507, 25.25.701, 25.25.801, and 25.25.802 do not apply, and the tribunal shall apply the procedural and substantive law of this state. (§ 72 ch 87 SLA 1997)

Sec. 25.25.614. Notice to issuing tribunal of modification. Within 30 days after issuance of a modified child support order, the party obtaining the modification shall file a certified copy of the order with the issuing tribunal that had continuing, exclusive jurisdiction over the earlier order and with each tribunal in which the party knows that an earlier order has been registered. Failure of the party obtaining the order to file a certified copy as required subjects that party to appropriate sanctions by a tribunal in which the issue of failure to file arises, but that failure has no effect on the validity or enforceability of the modified order of the new tribunal of continuing, exclusive jurisdiction. (§ 72 ch 87 SLA 1997)

Article 7. Determination of Parentage.

Section
701. Proceeding to determine parentage

Sec. 25.25.701. Proceeding to determine parentage. (a) A tribunal of this state may serve as an initiating or responding tribunal in a proceeding brought under this chapter or a law or procedure substantially similar to this chapter, a law or procedure substantially similar to the former provisions of this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act to determine whether the petitioner is a parent of a particular child or to determine whether a respondent is a parent of that child.

(b) In a proceeding to determine parentage, a responding tribunal of this state shall apply the procedural and substantive law of this state and the rules of this state on choice of law. (§ 6 ch 57 SLA 1995; am § 73 ch 87 SLA 1997)

Collateral references. — Determination of paternity of child as within scope of proceeding under Uniform Reciprocal Enforcement of Support Act, 81 ALR3d 1175.

Article 8. Interstate Rendition.

Section
801. Grounds for rendition
802. Conditions of rendition

Collateral references. — Extradition under state statutes providing for reciprocal enforcement of duty to support dependents, 42 ALR2d 768.

Sec. 25.25.801. Grounds for rendition. (a) The governor or a designee of the governor may

(1) demand that the governor of another state surrender an individual found in the other state who is charged criminally in this state with having failed to provide for the support of an obligee; or

(2) on the demand by the governor of another state, surrender an individual found in this state who is charged criminally in the other state with having failed to provide for the support of an obligee.

(b) A provision for extradition of individuals not inconsistent with this chapter applies to the demand even if the individual whose surrender is demanded was not in the demanding state when the crime was allegedly committed and has not fled from that state. (§ 6 ch 57 SLA 1995)

Sec. 25.25.802. Conditions of rendition. (a) Before making demand that the governor of another state surrender an individual charged criminally in this state with

having failed to provid
designee of the governc
obligee had initiated
previously or that the p
(b) If, under this cha
provisions of this chapt
Revised Uniform Recip
makes a demand that
criminally in that state
individual to whom a du
may require a prosecuto
support has been initiat
effective but has not be
demand for a reasonabl
(c) If a proceeding for
demanded prevails, the g
demand. If the petitione
subject to a support orde
the individual is complyi

Post-judgment dismissal c
nity suit. — The effect of a po
of the underlying California pa

Arti

Section
901. Uniformity of application
902. Severability clause

Sec. 25.25.901. Unifo
be applied and construed t
respect to the subject of th

Sec. 25.25.902. Severa
chapter or its application t
not affect other provisions
the invalid provision or ap

Sec. 25.25.903. Short
Family Support Act. (§ 6 c

Chapter 27.

Section
10. Creation of child support se
20. Duties and responsibilities o
22. Establishment and enforcen
other states
25. Rate of interest
30. Establishment of fund
40. Determination of paternity
45. Determination of support obl
50. Legal assistance
60. Order of support
61. Payment of support to 18-yea

dification. Within 30 days after
taining the modification shall file
l that had continuing, exclusive
al in which the party knows that
rty obtaining the order to file a
priate sanctions by a tribunal in
has no effect on the validity or
of continuing, exclusive jurisdic-

Parentage.

ge. (a) A tribunal of this state
proceeding brought under this
his chapter, a law or procedure
apter, the Uniform Reciprocal
procal Enforcement of Support
articular child or to determine

ing tribunal of this state shall
the rules of this state on choice

cal Enforcement of Support Act, 81

tion.

rnor or a designee of the

an individual found in the
ng failed to provide for the

der an individual found in
ing failed to provide for the

t with this chapter applies
emanded was not in the
id has not fled from that

aking demand that the
ninally in this state with

having failed to provide for the support of an obligee, the governor of this state or the designee of the governor may require a prosecutor of this state to demonstrate that the obligee had initiated proceedings for support under this chapter at least 60 days previously or that the proceeding would be of no avail.

(b) If, under this chapter or a law substantially similar to this chapter, the former provisions of this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act, the governor of another state makes a demand that the governor of this state surrender an individual charged criminally in that state with having failed to provide for the support of a child or other individual to whom a duty of support is owed, the governor or a designee of the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor or designee may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

(c) If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor or the designee of the governor may decline to honor the demand. If the petitioner prevails and the individual whose rendition is demanded is subject to a support order, the governor or designee may decline to honor the demand if the individual is complying with the support order. (§ 6 ch 57 SLA 1995)

NOTES TO DECISIONS

Post-judgment dismissal of underlying paternity suit. — The effect of a post-judgment dismissal of the underlying California paternity suit on a final Alaska judgment was determined according to Alaska law. Rubalcava v. Hall, 674 P.2d 767 (Alaska 1983) (decided under former law).

Article 9. Miscellaneous Provisions.

Section		Section	
901.	Uniformity of application and construction	903.	Short title
902.	Severability clause		

Sec. 25.25.901. Uniformity of application and construction. This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it. (§ 6 ch 57 SLA 1995)

Sec. 25.25.902. Severability clause. Under AS 01.10.030, if a provision of this chapter or its application to a person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application. (§ 6 ch 57 SLA 1995)

Sec. 25.25.903. Short title. This chapter may be cited as the Uniform Interstate Family Support Act. (§ 6 ch 57 SLA 1995)

Chapter 27. Child Support Services Agency.

Section		Section	
10.	Creation of child support services agency	62.	Income withholding order for support
20.	Duties and responsibilities of the agency	63.	Medical support order
22.	Establishment and enforcement requests from other states	65.	Waiver of child support
25.	Rate of interest	70.	Order to assign wages for support
30.	Establishment of fund	75.	Employment information
40.	Determination of paternity	80.	Enforcement of support orders
45.	Determination of support obligation	85.	Subpoenas
50.	Legal assistance	86.	Subpoenas issued by agency of another state
60.	Order of support	95.	Agency exempt from execution
61.	Payment of support to 18-year-olds	100.	All persons may use agency
		103.	Payments to agency

State of Alaska

Department of Revenue

Administrative Services Division

SARAH PALIN, GOVERNOR

333 Willoughby Avenue, 11th Floor

P.O. Box 110400

Juneau, Alaska 99811-0405

Phone: (907) 465-2300

Fax: (907) 465-2394

April 11, 2009

The Honorable Jay Ramras
Chair, Judiciary Committee
Alaska House of Representatives
Alaska State Capitol, Room 120
Juneau, AK 99801

Dear Representative Ramras;

There is only one difference between the Senate CS for SB 96 and the House CS for HB 192. On page 2 of both bills, Sec 1 included paragraph (a) of intent language but the Senate CS inadvertently left out paragraph (b) which is in CSHB 192 as follows:

"(b) The proposed changes made in AS 25.25.101(19) under sec. 3 of this Act are conforming amendments that will result in procedural changes in Alaska for enforcement and modification of child support orders from other jurisdictions. UIFSA does not determine the authority of an Indian tribe to enter, modify, or enforce a child support order. In Alaska, the scope of tribal authority to enter, modify, or enforce a child support order is an unsettled legal question, due in part to the lack of Indian country in most of the state. In adopting UIFSA conforming amendments, the legislature does not intend to grant or restrict tribal jurisdiction to enter, modify, or enforce child support orders, and the amendments are not intended to either directly or impliedly, to acknowledge, expand, or restrict tribal jurisdiction."

The Department supports including this intent language in CSSB 96 if that bill is to pass (H)JUD and move to (H)FIN for further consideration

Thank you for working with us on this issue.

Sincerely,

Ginger Blaisdell
Director

SB 110

<target><bill>SB 110</bill><subject>SB 110</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Senator Hollis French

Sponsor Statement
Senate Bill 110 Preservation of Evidence

The American system of justice is founded on balancing the twin protections of the rights of those harmed by crimes, and the rights of the accused. Criminal convictions are guided by evidence of innocence or guilt, and no one in the criminal justice system wants innocent people to be convicted of crimes they did not commit. The availability and use of physical evidence at trials and during appeals is a critical piece of a meaningful justice system.

Modern DNA technology, coupled with today's comprehensive information and communications technologies, has exponentially increased the power of preserved evidence. Preserved evidence can solve cold cases and prove or disprove claims of innocence in ways unimaginable just a few years ago. The problem is, however, that evidence collection and preservation policies have not always kept pace with these new technologies.

Senate Bill 110 begins to address this issue by requiring that biological evidence in murder and sexual assault cases is properly retained while cases are unsolved and during the period after conviction that an offender is imprisoned or required to register as a sex offender. The bill still provides for police departments to return or dispose of evidence too large to keep after portions of the material likely to contain biological evidence have been removed and preserved. The bill provides for a notice process in cases where evidence will be destroyed, and it establishes a temporary task force to look at other issues involved in this emerging field of technology and make recommendations on standards and practices in cataloging and handling evidence. The bill also provides for procedures for post-conviction DNA tests.

Recently in Denver, Colorado a young man who had been convicted of murder at the age of 15 and who served over a decade in prison was released and his conviction was vacated as a result of DNA evidence that proved his innocence. And in cases closer to home, DNA was used after 13 years to identify a suspect in the murder of Bonnie Craig, a UAA student. The preservation of evidence is a vital and effective way to ensure the criminal justice system meets its goal of protecting the innocent and convicting the guilty. Join me in supporting this important bill.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/12/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 110(FIN)**

"An Act relating to the preservation of evidence and to the DNA identification system."
SB 110-PRESERVATION OF EVIDENCE/DNA I.D. SYSTEM

Recommends it be replaced with [✓] HCS *or* [ ] CS *for* CS SB 110 (FIN)
For Senate Bills with new title: [ ] Technical Title [✓] New Title: HCR _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFIN/LAW				✓

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DPS	4			✓
DPS	5			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS			✓	
	Ceava	✓			
Mike Dorgan	Dorgan	✓			
	Joule	✓			
	KELLY			✓	
	AUSTERMAN			X	
	Salman			✓	
	Foster			✓	
	FAIRCLOUGH	✓			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 110(FIN)**
() Publish Date:

Identifier (file name): SB110HCSCS(FIN)-LAW-CRIM-04-12-10
Dept. Affected: Law
Title: An Act relating to the preservation of evidence and to the DNA
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Senator French
Requester: House Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/12/2010 6:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/12/2010

(Revised 9/10/2008 OMB)

3515

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSSB 110(FIN)
(S) Publish Date: 3/15/10

Identifier (file name): CSSB110-DPS-AST-03-10-10
Title "An Act relating to the preservation of evidence."
Sponsor Senator French
Requester Senate Finance

Dept. Affected: Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill amends AS 12.36.010 by adding a new section which requires the preservation of evidence in crimes listed under AS 11.41.100 - 11.41.130. This legislation will result in additional evidence being stored for a longer period of time. It is expected that the requirements of this bill will be manageable and have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial — Phone 907-247-4480
Division Alaska State Troopers — Date/Time 03-10-10 / 4:00
Approved by: Joseph Masters, Commissioner — Date 3/10/2010
Department of Public Safety

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 110(FIN)
(S) Publish Date: 3/15/10

Identifier (file name): CSSB 110(JUD)
Dept. Affected: Public Safety
Title: Preservation of Evidence
RDU: Statewide Support
Component: Laboratory Services
Sponsor: Senator French
Requester: Senate Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Darwin Peterson
Senate Finance Committee
Phone 465-3873/465-4453
Date/Time 3/12/10 8:30 AM

Approved by: Co-Chair Bert Stedman/Co-Chair Lyman Hoffman
Date

(Revised 11/6/2009 OMB)

3517

Adopted 4/12/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: House CS for CSSB 110 (JUD)

Page 8, lines 19-20:

Delete "(A) is not inconsistent with a defense presented at trial; and

(B)"

Adopted 4/12

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: House CS for CSSB 110 (JUD)

Page 8, lines 19-20:

Delete "(A) is not inconsistent with a defense presented at trial; and

(B)"

2010 HOUSE FINANCE
VOTE CALL

DATE: _____

Amendment: _____

MEMBER	Favor	Oppose
REP. JOULE	✓	
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. HAWKER	✓	
REP. STOLTZE		✓

YEA 6

NAY 5

Governor Parnell's

Strategic Plan to End the Epidemic of Sexual Assault and Domestic Violence

PURPOSE

Within a decade, end the epidemic of sexual assault and domestic violence and make Alaska the national leader in fighting these scourges.

STRATEGIC OBJECTIVES

1. Break the cycle of abuse using a comprehensive public education and prevention campaign to promote a culture of respect that does not tolerate violence against women and children.

2. Deter, segregate, and treat sex offenders so they pose no risk of harm to women and children.

3. Improve public safety by establishing a law enforcement presence in every community that desires one.

4. Increase availability of victim services so more victims have a safe place to go and the services they need to heal.

5. Coordinate and streamline efforts among all stakeholders to more effectively combat violence against women and children.

GUIDING PRINCIPLES

- A culture of responsibility – the answers and resources cannot come from government alone
- Community ownership over solutions
- Partnership between NGOs and state, local, federal, and tribal organizations
- Culturally tailored programs
- Youth leadership in developing and executing programs
- Support only programs with proven effectiveness

Relevant to
HB324
SB 110
SB 222

- Use metrics to measure success

SUPPORTING GOALS

- Heighten public awareness of the problem
- Make violence against women and children culturally unacceptable
- Evaluate, develop, and implement prevention programs and continue to support programs with proven effectiveness
- Enact legislation that will enhance public safety
- Increase the proportion of incidents reported and suspects arrested, prosecuted, and punished
- Lower recidivism levels
- Make law enforcement more responsive through training
- Ensure shelter beds or safe houses are available to every person in need
- Link victims to medical care, legal services, and opportunities to establish independence from abusive relationships

CRIME STATISTICS

- The Alaska per capita rape rate is the worst in the nation -- two and half times the national average. *Source: Alaska Network on Domestic Violence and Sexual Assault, 2006 Annual Report: Working in Alaska Communities for Safety, Justice, Advocacy and Education (2006).*
- Rape is a greater percentage of all violent crimes reported in Alaska than it is nationally, at 12% of all violent crime in Alaska compared to 6% of violent crime in the United States. *Source: Alaska Senate Judiciary Committee's Report and Recommendations: Reducing Sexual Assault in Alaska (2009).*
- The Alaska per capita child sexual assault rate is also the worst in the nation -- almost six times the national average. *Source: Alaska Network on Domestic Violence and Sexual Assault, 2006 Annual Report: Working in Alaska Communities for Safety, Justice, Advocacy and Education (2006).*
- Outside of Anchorage, 55% of sexual assault victims are under the age of 15; 30% are between 13 and 15 years old and 25% of victims are between 6 and 12 years old. *Source: Studies by Alaska State Troopers and Anchorage Police Department, compiled by UAA Justice Center (2009).*

- Alaska has the highest rate per capita of men murdering women. *Source: Alaska Network on Domestic Violence and Sexual Assault, 2006 Annual Report: Working in Alaska Communities for Safety, Justice, Advocacy and Education (2006).*

- In nearly one-quarter of sexual assault cases the victim was incapacitated due to alcohol or drug use. *Source: Alaska Sexual Assault Nurse Examiner Study, Reprinted in Andre Rosay, Sexual Assault in Alaska: Slide Show Presentation to Alaska State Legislature Senate Judiciary Committee (August 2009), available at http://justice.uaa.alaska.edu/vaw/2009-08.jc-vaw-sexualassault.pdf.*

- Two-thirds of domestic violence victims reported that alcohol had been a factor. *Source: U.S. Department of Justice, Bureau of Justice Statistics, Crime Characteristics: Summary Findings (2009), available at http://www.ojp.usdoj.gov/bjs/cvict_c.htm.*

- Boys who witness domestic violence are twice as likely to abuse their own partners and children when they become adults. *Source: Strauss, Gelles, and Smith, Physical Violence in American Families: Risk Factors and Adaptations to Violence in 8,145 Families (1990).*

- Villages with law enforcement presence have a 40% lower rate of serious injury caused by an assault compared to villages without local law enforcement. *Source: Wood and Gruenwald, Local Alcohol Prohibition, Police Presence and Serious Injury in Isolated Alaska Native Villages (2006).*

IMPLEMENTATION

I. BREAK THE CYCLE OF ABUSE USING A COMPREHENSIVE EDUCATION AND PREVENTION CAMPAIGN TO PROMOTE A CULTURE OF RESPECT THAT DOES NOT TOLERATE VIOLENCE AGAINST WOMEN AND CHILDREN

A. Statewide Education Efforts

Rationale: All members of society must consider violence against women and children unacceptable, and all must believe it is something that can be stopped. Schools, media, and high-profile public engagements can be used to transmit the message that sexual assault and domestic violence are intolerable in our society and that every individual and group must identify its role in combating these problems.

1. Develop, coordinate, and broadcast public service announcements. For example, the Governor, the Department of Public Safety (DPS), the Department of Law, and the Council on Domestic Violence and Sexual Assault (CDVSA) have coordinated with the Alaska Network

on Domestic Violence and Sexual Assault (ANDVSA) to launch the "Real Alaskan Men Choose Respect Campaign."

2. Cabinet members engage in public outreach to raise awareness and change attitudes about sexual assault and domestic violence. For example, the Governor held a major press event to highlight the epidemic. The Attorney General has discussed the epidemic in speeches and has been interviewed by reporters and talk show hosts. DPS Commissioner Masters frequently speaks throughout the state about the Governor's initiative and the epidemic.

3. Engage communities in awareness-raising events to show united opposition against domestic violence and sexual assault. On March 31, 2010, marches and rallies will be held in communities throughout the state in order to raise awareness of the problems and build support for victims.

4. Develop partnerships with Alaska Native organizations to work together on prevention solutions. An excellent example is CDVSA's Tribal and State forums, which seek to devise programs and strategies to break the cycle of violence.

B. Locally-Targeted Education Efforts

Rationale: In order to reduce violence against women and children, we need to prevent violence before it occurs rather than intervening after injury occurs. To do this we must develop a prevention strategy seeking to bring about change in individuals, relationships, communities, and society. Cultural change is most effective from the ground up and requires a coordinated effort among local communities, nonprofits, and government.

1. Work with tribal, non-profit and religious organizations to raise awareness of the problem, especially among youth, and stigmatize violence against women and children. Under the legislature's guidance, CDVSA is in the process of developing and implementing a plan to "promote education and programs to prevent future incidents of domestic violence and sexual assault." And, as discussed in more detail below, the Governor's budget requests the creation of a coordinator to lead the initiative to combat sexual assault and domestic violence. Part of the coordinator's portfolio will be to take a leading role in these outreach efforts.

2. Cultivate youth leaders through schools and community groups and incorporate youth leaders in developing primary prevention strategies. For example, CDVSA partners with the ANDVSA in developing prevention programs for schools and youth.

II. DETER, SEGREGATE, AND TREAT OFFENDERS SO THEY POSE NO RISK OF HARM TO WOMEN AND CHILDREN

A. Enact Legislative Changes To Protect Alaskans

Rationale: Alaska needs tougher laws to send a message that violence against women and children will not be tolerated and to ensure that offenders no longer pose a risk to others, either because they are behind bars or because they have been rehabilitated. Although the Alaska legislature has already enacted stringent laws, more can be done to punish offenders and protect victims.

1. Toughen penalties for crimes of sexual assault by making it an aggravating factor if the defendant sexually assaulted the victim while knowing the person was vulnerable due to use of alcohol or drugs. The Governor has sponsored SB 222 and HB 298 to make it an aggravating factor if the defendant was convicted of any crime and the defendant knew that the victim was vulnerable due to use of alcohol or drugs.

2. Expand laws to protect children from online sexual predators. The Governor has sponsored SB 222 and HB 298, which prohibit suspended imposition of sentences for people convicted of human trafficking, possession or distribution of child pornography, and distribution of indecent materials to minors. These bills make it against the law not just to possess child pornography but also to access it on a computer with the intention of viewing it. The bills also empower courts to prohibit sex offenders, in cases involving children, from using a computer or communicating with children under 16 years old.

3. Enhance protection and processing of DNA and other forensic evidence to ensure the actual perpetrator is held accountable. To help accomplish this goal, the Governor has sponsored HB 317 and SB 241, which adopt standards for evidence retention and post-conviction DNA testing. The Senate Judiciary Committee Report found that proper examination of DNA evidence is critical to sexual assault prosecutions and that the backlog in getting the evidence processed is causing significant delays in prosecuting cases.

4. Close loopholes that allow convicted sex offenders from other states to escape registering in Alaska. SB 222 and HB 298 provide that if a person is registered as a sex offender in other states, he must register

here, even if the sex crime he was convicted of does not have an exact equivalent in Alaska.

5. Modify the bail statutes to protect the victims of the crime and the general public. The Governor has introduced a bail reform bill that seeks to accomplish this goal. Under this bill, a person charged with serious crimes like felony sexual assault or, if the person has a domestic violence conviction within the preceding five years, with a domestic violence offense, would have burden of proof to establish that his or her release would not be dangerous to the victim or the public. The bill would also ensure the person's appearance in certain cases. Currently, the State has the burden to make this showing.

B. Improve Prosecution

Rationale: Bringing offenders to justice deters future violent acts and sends a strong message that violence against women and children is unacceptable. While most prosecutions result in guilty pleas or convictions, increasing the rates at which incidents are reported and referred for prosecution will help us hold more offenders accountable. Creating a law enforcement presence in every community will also deter violence, increase reporting rates, and improve evidence collection necessary for more and more successful prosecutions.

1. The Governor's budget requests $75 million for a new crime lab to help us process the evidence needed to win convictions in sexual assault cases and $92.8K for a forensic scientist at the crime lab

2. Department of Law has issued specific prosecution policies and guidelines for sexual assault and domestic violence cases

3. Prosecutors are being trained in tough plea negotiations, and the Governor's budget seeks an additional $75K for additional training.

4. The Department of Law has hired a cybercrimes prosecutor to prosecute child pornography offenses and other internet crimes.

5. DPS has reorganized its Computer and Financial Crimes Unit so that investigators can focus solely on computer crimes against children.

6. The Governor's budget requests $2.3 million in General Funds to make permanent 17 prosecutor and victim-witness paralegal positions at the Department of Law, which were previously funded on an interim basis through federal grants.

7. The Governor's budget requests $656,000 in General Funds to make permanent DPS's cold case unit, which had been funded by federal grant money.

8. To ensure forensic evidence is gathered, the Governor's budget requests $12.3K for 350 pediatric sexual assault kits and $150K for adult sexual assault exams. The Senate Judiciary Committee report found that when victims receive a medical forensic exam, it more than doubled the likelihood that the case was accepted for prosecution.

C. Reduce Recidivism Rates

Rationale: The majority of batterers return to their families, and the cycle of violence continues unbroken. It is in the state's interest to reduce recidivism. Otherwise, victims will continue to be harmed and offenders will continue to be arrested and imprisoned at the state's expense. Programs to reduce recidivism will help heal families and save the state money in the long run.

1. The Department of Corrections (DOC) is working collaboratively with DPS's Village Public Safety Officer (VPSO) program to provide effective supervision for probationers and parolees in rural communities.

2. The Criminal Justice Working Group is reviewing ways to improve DOC's prisoner re-entry programs, including after-care programs for substance abuse treatment, halfway house beds, mental health clinicians in correctional facilities, re-entry case workers, and coordination among stakeholders.

3. The Criminal Justice Working Group is reviewing reforms to the probation system to reduce recidivism rates by imposing swift punishments for probation violations. According to the Senate Judiciary Committee Report, nationally 45% of prisoners serving time for rape or sexual assault committed their crime while on probation or parole.

III. IMPROVE PUBLIC SAFETY BY ESTABLISHING A LAW ENFORCEMENT PRESENCE IN EVERY COMMUNITY THAT DESIRES ONE

A. Add 150 More VPSO Positions Over the Next Ten Years

Establishing a law enforcement presence in every village that desires one will prevent offenses from happening and facilitate investigation and prosecution for the offenses that do occur. UAA Justice Center studies show that in villages where a VPSO was available, rates of serious assault declined 40% and a case was over three times more likely to be prosecuted. But increasing

the number of VPSO positions alone will not suffice. Local communities must collaborate by identifying qualified candidates, providing VPSO facilities, and supporting the VPSO's work.

1. The Governor's budget requests adding 15 VPSOs per year (at cost of $1.26 million annually) for 10 years so that every community of a certain size that desires a VPSO shall have one if the community puts forward a qualified individual. The Governor's budget also requests a merit increases ($129.9K) for VPSOs and an increase in the VPSO cost-of-living-adjustment ($93.9K).

2. To secure housing for VPSOs, the Governor's budget requests $1 million for VPSO housing grants and loans in AHFC programs.

B. Hire Additional Investigators for Sexual Assault Investigations

Rationale: Maintaining VPSOs in rural communities will increase safety and ensure incidents of violence are investigated promptly. However, in many cases additional resources will be required to investigate, collect evidence, and prepare cases for referral to prosecutors. By hiring troopers specifically trained to investigate sexual assault and domestic violence incidents, we will maximize the number of incidents that result in convictions, ultimately deterring future offenders.

1. The Governor's budget requests $500K for three additional Alaska State Troopers to investigate sexual assault and domestic violence offenses.

2. Eight additional investigators will be hired using federal money. Three of these investigators will be hired by municipal governments to work with Alaska State Troopers on multijurisdictional task forces.

IV. Ensure Victims Have a Safe Place to Go and the Services They Need to Heal

A. Increase Availability of Civil Legal Services for Victims

Rationale: A study conducted by economists found that increased provision of legal services for victims of domestic violence contributes to the decline of domestic violence rates. Civil legal services offer victims help with practical matters – like protective orders, custody disputes, and child support – that give victims options and increase their safety over the long term.

1. Increase the number and skill of attorneys who volunteer their services to victims of domestic violence. To accomplish this goal, LAW has

held over a dozen meetings with legal service providers, victim advocates, and the court system to find ways to increase legal representation for victims, and will continue to work with all stakeholders in increasing legal representation for victims.

2. Obtain commitments from leading Alaska law firms to devote a certain number of hours every month to pro bono legal work on behalf of victims of domestic violence and sexual assault. The Attorney General has begun an outreach effort to the legal community to meet this goal.

3. The Governor's budget requests an additional CINA attorney (at a cost of $200K) to remove children from violent homes.

B. Increase Shelter Capacity to Meet Needs of Battered Women

Rationale: The ability to leave a dangerous situation and have a safe place to stay will reduce the number of violent incidents. Further, counseling services provided by shelters inform victims of their rights and options to escape abusive relationships. Increasing facilities and training staff will enhance shelters' ability to provide these crucial functions.

1. The Governor's budget requests an additional $381,000 to increase the shelter capacity to better house, counsel, and treat victims, so that they can escape abusive situations.

V. Coordinate and Streamline Efforts Among Stakeholders

A. Hire a Coordinator to Lead the Initiative Against Domestic Violence and Sexual Assault

Rationale: Effective efforts to address the problems of domestic violence and sexual assault exist, but more can be done to coordinate between government agencies, tribes, NGOs, and other stakeholders to improve and streamline these efforts. A coordinator would expand and improve state government's capacity to address sexual assault and domestic violence, provide a link between these stakeholders, and identify and obtain new resources.

1. The Governor's budget requests $200K to create a new coordinator position that will oversee this comprehensive plan to end the epidemic of domestic violence and sexual assualt. More specifically, the coordinator will establish partnership and form work groups with NGOs, tribal entities, and federal agencies to maximize effectiveness and minimize duplication in efforts to combat domestic violence and sexual assault.

2. The coordinator will consult with stakeholders to develop and implement additional programs to carry out the Governor's initiative.

3. The coordinator will improve the state's existing programs and efforts as they relate to domestic violence and sexual assault, including prosecution, corrections, provision of services to victims, and education.

4. The coordinator will work with CDVSA, DPS, and the UAA Justice Center (or other research organizations) in developing and executing the research necessary for baseline data and for evaluating the success of the initiative's programs.

Addendum: Budget

The budget pieces of the plan at this point in time include all the efforts that were in the base budget for FY 10, i.e., funding for DPS, LAW, CDVSA, sex offender treatment in DOC and in DHSS for juveniles, etc. **PLUS** new increments of:

- $200K Child Protection Attorney in Kenai
- $2.2M Prosecutors and staff who work primarily on sexual assault and domestic violence cases. Making these positions permanent and funding them with state dollars. We cannot afford to lose these resources.
- $200K SA / DV Coordinator
- $656.5K Cold case unit – Critical unit to solving homicides, many of which involve domestic violence and sexual assault. We cannot afford to lose these resources.
- $150K Sexual assault exam costs
- $75K SA / DV Prevention training
- $500K 3 SA / DV investigators at DPS
- $381.9K Shelters
- $651.4K Replace decline in convicted felons' PFD funds, which are forfeited to CDVSA
- $12.3K 350 pediatric sexual assault kits
- $92.8K Forensic scientist at the crime lab
- $129.9K Merit increases for VPSO positions
- $93.9K VPSO cost-of-living-adjustment
- $1.261.5 15 new VPSOs
- $75M Crime Lab
- $1.0M VPSO housing loans and grants
- $86K New and improved crime lab equipment

Addendum: Recent Actions Taken To End the DV/SA Epidemic

- CDVSA has devised a strategic plan to develop prevention programs
- The Network, in collaboration with the State, has launched a PSA campaign
- To devise metrics that will measure the initiative's outcomes, cabinet members have met with the United Way and the Alaska Mental Health Trust; LAW is working on forming a committee to monitor the initiative's impact on domestic violence and sexual rates
- DPS has received federal Recovery Act funding for five investigators in the Alaska Bureau of Investigation and three municipal investigators for multi-jurisdictional task force and is in the process of hiring
- The Department of Law has hired a new cybercrime prosecutor
- DPS has reorganized its Computer and Financial Crimes Unit so that investigators can focus solely on computer crimes against children
- The Criminal Justice Working Group is reviewing ways to reduce recidivism through improved prisoner re-entry services and by imposing swift and consistent penalties for probation violations
- The Attorney General has discussed the epidemic of domestic violence and sexual assault in speeches, has conducted several radio interviews, and has been interviewed by editorial boards and reporters
- CDVSA has acquired $290K in the FY 2010 budget for research and studies
- The Attorney General and Commissioner Masters have met with DOJ officials to raise awareness and secure funding for programs

Addendum: Proposed Legislation

- **Changes In Crimes and Sentences Involving Sexual Assault and Domestic Violence**
    - This bill would make 5 important changes to our current laws:
    - Prohibit suspended imposition of sentences for people convicted of human trafficking, possession or distribution of child pornography, and distribution of indecent materials to minors;
    - Make it against the law not just to possess child pornography but also to access it on a computer with the intention of viewing it;
    - Courts could prohibit sex offenders, in cases involving children, from using a computer or communicating with children under 16 years old;
    - Sentences for sex offenses could be increased through new "aggravating factors," including the defendant's knowledge that the victim had consumed drugs or alcohol, or a previous dating relationship with the victim;
    - Anyone required to register as a sex offender in another state would have to register in Alaska.
- **A Revision of Bail Laws**
    - A comprehensive review of our bail statutes has not occurred since the 1960s; reorganization and updating of this law is overdue.
    - Although the substantive provisions are generally similar to current law, there are some differences.
    - Under this bill, a person charged with serious crimes, like a sexual assault felony or a defendant charged with domestic violence who has been convicted of domestic violence within the five preceding years, would have burden of proof to establish that his or her release would not be dangerous to the victim or the public, and would assure the person's appearance in certain cases.
    - Currently, the State has the burden to make this showing.
    - The bill also provides that once convicted of sex-related felonies, perpetrators could not be released pending sentencing or an appeal.
- **Specific Procedures for Post-Conviction DNA Testing**

- This bill is prompted by the State's victory in the *Osborne* case.

- The bill adopts new requirements for preservation of evidence and biological material in certain cases by all law enforcement agencies in the state.

- It also adopts a procedure for a person convicted of a felony against a person to apply for post-conviction DNA testing.

- More specifically, the bill requires municipal police departments, courts and state agencies to retain DNA evidence for post-conviction testing and cold case prosecution.

- **The Alaska Scientific Crime Detection Laboratory in Anchorage**

  - The state would issue $75 million in certificates of participation for the lab in order to effectively conduct examinations of evidence and expedite the processing of a large backlog of evidence in criminal cases. Using certificates of participation spreads the cost out over time so that both this generation of Alaskans and the next will help pay for this important facility and reap its benefits.

  - Over 50% of submitted cases to the Crime Lab are related to sexual assault or domestic violence.

  - The new lab will DPS to bring in cutting edge technologies and DNA techniques

Alaska State Legislature

Senator Hollis French, Chair
State Capitol, Room 417
Juneau, Alaska 99801
Phone: (907) 465-3892
Fax: (907) 465-6595

Committee Members:
Senator Bill Wielechowski
Senator Dennis Egan
Senator Lesil McGuire
Senator John Coghill

Senate Judiciary Committee

HCS for CSSB 110 (JUD)
EVIDENCE RETENTION AND POST-CONVICTION DNA TESTING
Sectional Analysis

Sections 1 and 2 are conforming amendments to clarify that the evidence retention provisions in the bill take precedence over the provisions of AS 12.36.010 - 12.36.090 that address disposition of evidence in various circumstances, including disposal of unclaimed property.

Section 3 proposes a new statute in AS 12.36, Preservation of Evidence, that would require municipal police departments, the Department of Public Safety, the Department of Law, and the Alaska Court System to preserve both physical evidence and biological evidence for the periods described below. The highlights include:

- The retention requirements apply to an investigation and prosecution of homicide (murder, manslaughter, and criminally negligent homicide), sexual assault in the first degree, and sexual abuse in the first degree.

  Because this is a new (and unfunded) duty imposed on municipal agencies in addition to state agencies, the bill was drafted to apply to a limited number of offenses; the offenses are the most likely to include evidence with DNA as part of the investigation and prosecution.

- Requires evidence (not including biological material) to be retained until the crime is solved or for fifty years.

  The bill allows agencies to preserve samples of evidence if the item itself is impractical or hazardous to preserve. It recognizes that municipal police agencies will have varying storage capacity; that is, a rural agency will have a smaller storage ability that a larger municipality. The bill requires each agency to adopt written policies addressing removal and preservation of samples.

- Requires biological material to be retained by an agency until the defendant is unconditionally discharged for the crime (including any period of probation or parole), the period the person is required to register as a sex offender, or until the period for retention of physical evidence have expired, whichever is longer.

  Biological material is defined to include the contents of a sexual assault examination kit, all human bodily material collected in the investigation, slides, swabs, or test tubes containing human bodily material, and swabs or cuttings from other evidence that contain human bodily material.

- The bill adopts a procedure for an agency, after notice to the parties and their attorneys, to dispose of or return evidence or biological material if no party objects to the disposal or return of the evidence or biological material. If there is an objection, it allows the agency to request the court to allow the disposal or return of evidence or biological material.

- The remedy for an agency's failure to preserve evidence and biological material is left to the court.

- The bill prohibits a person from bringing a civil action against an agency for a good faith failure to abide by the new requirements.

Section 4 requires that a person who seeks post-conviction DNA testing to support a claim of innocence bring the application for testing under AS 12.73, proposed in the bill.

Section 5 clarifies practice in the area of post-conviction relief by putting in statute the common law rule that requires an applicant to plead a prima facie case for post-conviction relief, and the court make a finding that a prima facie case has been pled before the state responds. Then the parties may pursue discovery on the matter. *State v. Jones*, 759 P.2d 558, 565-566.

Section 6 adopts procedures for post-conviction DNA testing. These include the following:

- **Sec. 12.73.010** sets out the information that must be included in an application for post-conviction DNA testing. The applicant must file

  - An affidavit by the applicant that states

    - that the applicant did not commit the crime for which he was convicted or any lesser included offense;

    - that the applicant did not solicit another person to commit, or aid or abet another person in planning or committing, the offense or any lesser included offense;

- that the applicant did not admit or concede guilt for the offense under oath in an official proceeding except that the court may in the interest of justice waive this requirement; the entry of a plea of guilty or nolo contendere is not considered an admission or concession of guilt for purposes of this requirement;

- An affidavit by the applicant or the applicant's lawyer stating the results of each DNA test already performed on evidence in the prosecution of the defendant;

- An affidavit by the applicant or the applicant's lawyer describing previous efforts to obtain DNA testing;

- **Sec. 12.73.020** provides the standards for when a court may order post-conviction DNA testing. These include:

  - The applicant was convicted of a felony against a person (AS 11.41);

  - Completion of the affidavits required by AS 12.73.010 have been submitted;

  - The applicant has not admitted or conceded guilt in an official proceeding (with the same exceptions as state in the corresponding section above);

  - Either

    - The evidence has not been tested;

    - The evidence has been previously tested, the applicant is requesting a more probative test; or

    - The court determines that granting the application is in the best interest of justice;

  - The evidence has been retained under conditions that ensure that it has not changed in a way that would undermine the accuracy of the test;

  - The applicant proposes a defense theory not inconsistent with the defense at trial, and that would establish innocence;

  - If the defendant was convicted at trial, the identity of the perpetrator was an issue;

- That the testing requested will produce new evidence that would support the new defense theory and raise a reasonable probability the applicant did not commit the offense;

- The applicant consents to give a DNA sample and to have that sample entered into the DNA identification registration system; and

- The application is timely.

- **Sec. 12.73.030** allows for summary dismissal by the court if the application does not include the information required. If the application is not summarily dismissed the prosecuting authority has 45 days to file a response.

- **Sec. 12.73.040** adopts presumptions regarding timeliness. There is a presumption that filing an application within three years after conviction is timely; this may be rebutted if the application is repetitive. There is a presumption that an application filed later is untimely; these may be rebutted for any other good cause.

- **Sec. 12.73.050** adopts procedures for collecting DNA samples. It also provides that the testing must be performed at a laboratory operated by the state or approved by the state. The cost of testing will be paid for by the state; if the applicant requests additional testing, the applicant must pay for it, and it must be performed at an accredited laboratory or one approved by the Department of Public Safety.

- **Sec. 12.73.060** clarifies that the prosecution and an applicant may stipulate to DNA testing without following the procedures in the bill.

- **Sec. 12.73.090** includes definitions for the new chapter.

Section 7 provides that an indigent applicant is entitled to representation by the Public Defender Agency in bringing an application for post-conviction DNA testing.

Sections 8 - 12 make clarifying amendments to the DNA identification registration system statutes. The bill clarifies that a minor must be 16 years of age or older at the time of offense for the minor's DNA to be entered into the database. It also requires that the Department of Public Safety remove a DNA sample entered into the database if the individual was found not guilty for the offense that was the basis of the DNA entry. The bill also makes several draft changes to improve the readability of the law.

Section 13 provides that a DNA sample from the registration system may be used in a criminal investigation if it was mistakenly in the system, if the error was made in good faith. Section 13 also clarifies that if a sample does not include sufficient material to obtain an accurate identification, another sample may be taken.

Section 14 notes the effect the bill has on Rule 35.1, Alaska Rules of Criminal Procedure.

Section 15 creates a task force to consider and recommend standards for preservation of evidence. The task force would consist of the attorney general, the commissioner of public safety, a chief of police from a community not on the state's road system, a chief of police from a municipal department, the state medical examiner, representatives from the crime laboratory , the victims' advocate, the public defender, a member of the Alaska senate, a member of the Alaska house of representatives; a representative of the office of public advocacy, and a representative of the Alaska Innocence Project and the Alaska Native Justice Center.

The task force's work would be to recommend standards for collection, storage, organization, cataloging, disposal, return to owners, and retrieval of evidence; identify sources of financial help for implementing the standards; recommend minimum qualification and training of persons responsible for storing evidence. After completing its work, the task force will report its recommendations to the legislature.

Sections 16 - 19 include applicability and effective date provisions.

SB 114

<target><bill>SB 114</bill><subject>SB 114</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 114(L&C)**

"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; extending the term of a temporary member of the State Board of Registration for Architects, Engineers, and Land Surveyors; and providing for an effective date."

SB 114 BD OF ARCHITECTS, ENGRS, & SURVEYORS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
R Foster	Foster	+			
Harry T Crawford Jr	CRAWFORD	X			
	Gara	+			
	KELLY	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:	Hawk	+			
Chair:	STOLTZE				

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 114(L&C)
(S) Publish Date: 3/13/09

Identifier (file name): SB114-CED-CBPL-03-09-09
Title: Extend Board of Architects/Engineers/Surveyors
Sponsor: Senate Labor and Commerce
Requester: Senate Labor and Commerce

Dept. Affected: DCCED
RDU: Corp., Bus., & Prof. Licensing
Component: Corp., Bus., & Prof. Licensing
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		264.4	264.4	264.4	264.4	264.4	264.4
Travel		50.4	50.4	50.4	50.4	50.4	50.4
Contractual		138.5	138.5	138.5	138.5	138.5	138.5
Supplies		1.6	1.6	1.6	1.6	1.6	1.6
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**454.9**	**454.9**	**454.9**	**454.9**	**454.9**	**454.9**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: (1156) RSS		454.9	454.9	454.9	454.9	454.9	454.9
TOTAL	**0.0**	**454.9**	**454.9**	**454.9**	**454.9**	**454.9**	**454.9**

Estimate of any current year (FY2009) cost: 454.9

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill extends the State Board of Registration for Architects, Engineers, and Land Surveyors to June 30, 2017. In accordance with AS 08.03.020 funding would extend one year following the termination date allowing the Board to conclude its affairs. FY 2010 funding is included in the Operating Budget request. The costs shown are an average of direct costs for a biennial licensing period and are included in the FY 2010 budget request.

Travel expenses represent transportation and per diem for the 10 member board and at least 3 staff to meet at least four times each year and to administer licensing examinations as required by statutes.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Chief
Division: Corporations, Business & Professional Licensing
Phone (907) 465-2144
Date/Time 3/6/09 1:30 PM

Approved by: Emil Notti, Commissioner
Commerce, Community and Economic Development
Date 3/9/2009

(Revised 9/10/2008 OMB)

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sarah Palin, Governor
Emil Notti, Commissioner

October 16, 2008

RECEIVED
OCT 20 2008
LEGISLATIVE AUDIT

Ms. Pat Davidson, CPA
Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811

Dear Ms. Davidson,

Re: Audit Report, CAN 08-20058-08
Board of Registration for Architects, Engineers and Land Surveyors

Thank you for allowing us to comment on the Audit Report of the State Board of Registration for Architect, Engineers and Land Surveyors.

We concur with your audit findings and recommendations that –

Recommendation No. 1: The Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing, in conjunction with the State Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS), should review registration fees as provided by statute and consider decreasing fees.

We fully concur with this recommendation and will take immediate action to reassess expenditure and revenue data, and calculate new fee proposals to utilize the surplus of excess revenue. Staff turnover in the Division and miscommunications with the department's Fiscal staff have unfortunately caused this negative impact on incorrect fee assessments. The new fee assessments will be ready for implementation at the next license renewal cycle in December 2009.

Recommendation No. 2: The director of Corporations, Business, and Professional Licensing should ensure that BRAELS registrants that are Corporations, Limited Liability Companies (LLC's), and Limited Liability Partnerships (LLP's) are licensed in accordance with state regulations.

P.O. Box 110800, - 23 -Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

We concur with your recommendation. Staff has already initiated the process of reviewing files to obtain a "responsible charge" statement for each business. Since January 2008, there were 50 corporate authorizations issued. Of the 50, seventeen failed to contain the responsible charge statement or a copy of the seal of the responsible charge individual. Attempts to obtain the missing information are currently in progress.

Another item worth mentioning is while many of the files failed to contain a "responsible charge form" as required by regulation, the files do contain correspondence identifying or verifying the designation of the responsible charge individual. The department will ensure procedures are followed to satisfy regulation 12 AAC 36.135(7).

Recommendation No. 3: The Office of the Governor should fill vacant seats on the State Board of Registration for Architects, Engineers, and Land Surveyors in a timely manner.

We concur with this recommendation.

Thank you again for the opportunity to comment on your audit findings.

Sincerely,

Emil Notti /by CH

Emil Notti
Commissioner

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sarah Palin, Governor
Emil Notti, Commissioner
Mark R. Davis, Director

Division of Corporations, Business and Professional Licensing

October 21, 2008

Mr. Pat Davidson
Legislative Auditor
Legislative Audit and Budget Committee
PO Box 113300
Juneau, Alaska 99811-3300

RECEIVED
OCT 22 2008
LEGISLATIVE AUDIT

Dear Pat:

I have reviewed the "CONFIDENTIAL" preliminary audit report on:

Department of Commerce, Community, and Economic Development, State Board of Registration for Architects, Engineers and Land Surveyors, September 22, 2008

The Board agrees with the contents and substance of your Preliminary Audit Report dated September, 2008, most notably the three "FINDINGS AND RECOMMENDATIONS" contained therein.

It is further noted that the Preliminary Audit Report removed Recommendation number three of four recommendations contained in an earlier "Management Letter No. 1", State Board of Registration for Architects, Engineers, and Land Surveyors" dated September 9, 2008.

The board will work closely with our divisional staff to bring the recommendations to closure as follows:

- RECOMMENDATION #1. The board will avail itself to and cooperate with our division's budgeting and accounting activities to review registration fees and make appropriate recommendations as provided by statute.

- RECOMMENDATION #2. The board will work closely with our investigative support, as appropriate, to bring closure to those corporations, LLC's and LLP's who are operating without proper documentation and to correct procedures that will ensure the process is complete upon original application.

- RECOMMENDATION #3. The board will continue to emphasize the importance of fielding a complete representation of professionals as defined by statute/regulation. It is noted that, after an extended time without a Public Member, the board has recently received a replacement. Our board needs only to fill an Architect seat.

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sarah Palin, Governor
Emil Notti, Commissioner
Mark R. Davis, Director

Division of Corporations, Business and Professional Licensing

In behalf of the board, I appreciate the opportunity to view and provide comment on the contents of these documents

Sincerely,

Richard Yoder

For Boyd J. Brownfield, PE
Chair

PO Box 110806, Juneau, AK 99811-0806
Telephone: (907) 465-2550 Fax: (907) 465-2974 Website: www.commerce.state.ak.us/occ

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

September 22, 2008

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes, sunset legislation, we have reviewed the activities of the State Board of Registration for Architects, Engineers, and Land Surveyors. The attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT
STATE BOARD OF REGISTRATION FOR ARCHITECTS,
ENGINEERS, AND LAND SURVEYORS

September 22, 2008

Audit Control Number
08-20058-08

This review examines the activities of the State Board of Registration for Architects, Engineers, and Land Surveyors to determine if there is a demonstrated need for its continued existence. Currently, under AS 08.03.010(c)(3), the State Board of Registration for Architects, Engineers, and Land Surveyors is scheduled to terminate on June 30, 2009. We recommend that the legislature extend the board's termination date to June 30, 2017.

The audit was conducted in accordance with generally accepted government audit standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	11
Agency Response	
Office of the Governor	21
Department of Commerce, Community and Economic Development	23
Board of Registration for Architects, Engineers, and Land Surveyors	25

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the State Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS or board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BRAELS shall be continued. Currently, AS 08.03.010(c)(3) states that the board will terminate on June 30, 2009. If the legislature does not extend the termination date for the board, BRAELS will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest.
3. To determine if the board has exercised appropriate regulatory oversight of architects, engineers, land surveyors, and landscape architects.

Scope

The assessment of operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities for FY 05 through FY 08.

Methodology

The major areas of our review were board proceedings, licensing, and complaint investigation. During the course of our audit we:

- Reviewed applicable statutes and regulations.
- Tested for compliance with statutes and regulations related to the State Board of Registration for Architects, Engineers, and Land Surveyors.
- Reviewed meeting minutes of the board.
- Reviewed and tested licensing files for compliance with statutory and regulatory requirements.
- Reviewed and analyzed investigation files.
- Reviewed annual reports issued by the board.
- Corresponded with the Department of Administration, Division of Personnel, the Equal Employment Opportunity Commission, the Human Rights Commission, the Office of

Victim's Rights, and the State Ombudsman's Office regarding complaints against BRAELS.

- Reviewed the reading and correspondence files maintained with the Department of Commerce, Community, and Economic Development's Division of Corporations, Business, and Professional Licensing.
- Interviewed employees of the Division of Corporations, Business, and Professional Licensing and BRAELS board members.

ORGANIZATION AND FUNCTION

The State Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS or board) is a regulatory board consisting of 10 members appointed by the governor. The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, and one public member[1].

Alaska Statute requires each board member to have been a resident of the State for three consecutive years immediately preceding an appointment to BRAELS.

Additionally, except for the public member, board members must be registered and have a minimum of five years of professional practice in their field.

Exhibit 1

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS, AND LAND SURVEYORS
(As of June 30, 2008)

Professional Members
Boyd Brownfield, Chair, Civil Engineer
Craig Fredeen, Vice Chair, Mechanical Engineer
Mark Morris, Secretary, Electrical Engineer
Charles Leet, Civil Engineer
Clifford Baker, Land Surveyor
Richard Heieren, Land Surveyor
Daniel Walsh, Mining Engineer
Harley Hightower, Architect
Burdett Lent, Landscape Architect (non-voting)
Vacant, Architect

Public Member
Vacant

Alaska Statutes 08.48.101 and 08.48.111 establish the powers of the board. They include adopting regulations for:

1. Describing the contents, conducting, and establishing a minimum score for passing examinations.
2. Establishing bylaws governing its meetings and activities.
3. Publishing a code of ethics or professional conduct for those persons regulated by the board.
4. Establishing continuing education requirements for persons regulated by the board.

The board may issue registrations to architects, engineers, land surveyors, and landscape architects who meet the standards of education and training determined to be necessary by the board. In addition to issuing new or renewal registrations, the board may also suspend, refuse to renew, or revoke registrations.

By statute, the Department of Commerce, Community, and Economic Development's, Division of Corporations, Business, and Professional Licensing (division) provides administrative support to the board. Administrative support is carried out by the board's

[1] In August 2007, the board voted to introduce legislation to make the landscape architect representative a full voting member and increase the board to 11 members. This legislation was introduced in the 2007-2008 legislative session. The result was unsuccessful and legislation will again be introduced in the 2008 – 2009 legislative session. Currently, the Landscape Architect seat is non-voting.

Executive Administrator and Licensing Examiner and the division's Office of Consumer Affairs and Investigations.

Administrative support includes budgetary services and functions such as collecting fees, maintaining files, receiving application forms, and publishing notices of examinations and meetings.

AS 08.01.087 empowers the division with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or about to engage in a prohibited professional practice.
2. Bring an action in Superior Court to enjoin the act.
3. Examine the books and records of a registrant or an individual engaged in practices regulated by the board.
4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

Under AS 08.03.010(c)(3), the Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS or board) will terminate on June 30, 2009. If the legislature does not take action to extend the board's termination date, AS 08.03.020 provides that the board will have one year in which to conclude its administrative operations.

In our opinion, the termination date for the board should be extended. BRAELS serves a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner. The registration of qualified architects, engineers, land surveyors, and landscape architects benefits the public's health, safety, and welfare. We recommend that the legislature extend the termination date of the board until June 30, 2017.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing, in conjunction with the State Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS), should review registration fees as provided by statute and consider decreasing fees.

BRAELS has a significant cumulative surplus of revenues. The FY 08 surplus income is almost twice the four year average of expenditures. Additionally, the division has not reviewed BRAELS registration rates since 2005.

Based on the division's 2005 review, BRAELS registration fees were increased for the 2006-2007 biennium registration period. However, the division's review was flawed due to understated revenue information. The division neglected to include over half a million dollars in registration fees paid through the internet in its analysis[2].

AS 08.01.065(c) states that:

> *...the department shall establish fee levels under (a) of this section so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The department shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation.*

The division was unable to provide an explanation of BRAELS's need for the cumulative surplus of excess revenue from registration fees. Without the required annual review of registration fee levels, it is likely that the board will continue to accumulate revenue in excess of its regulatory costs.

We recommend the division, in conjunction with the board, review registration fees and regulatory expenditures as required by statute and determine whether a fee decrease is necessary to reduce BRAELS's current surplus. Further, we recommend that the division perform the annual review of fee levels as defined in state statute.

[2] Specifically, revenues collected electronically over the internet were missing from the rate review. These missing revenues total: FY 02 (renewal year) $230,283, FY 03 $780, and FY 04 (renewal year) $435,318.

3556

Recommendation No. 2

The director of Corporations, Business, and Professional Licensing should ensure that BRAELS registrants that are Corporations, Limited Liability Companies (LLC's), and Limited Liability Partnerships (LLP's) are licensed in accordance with state regulations.

In addition to registering individuals, the board also registers architects, engineer, land surveyor, and landscape architect corporations, LLC's and LLP's. State regulation[3] requires that:

1. Corporations, LLPs or LLCs designate an individual currently registered in Alaska as the responsible person for each field of practice, and;
2. The entity must provide full authority to the designated individual to make all final practice decisions on behalf of the corporation, LLC, or LLP.

In FY 08, over 35% of corporations, LLC's, and LLP's registered by division staff were registered without the required documentation showing the acceptance by the individual designated by the entity as the responsible person for each field of practice.

12 AAC 36.135(7) states that:

> *...a certified statement on a form provided by the board, stating that each licensee designated in responsible charge for each branch of practice acknowledges and agrees to that designation by the corporation, limited liability company, or limited liability partnership; the statement must include each responsible charge licensee's (A) state registration number; (B) registration expiration date; (C) professional seal; and (D) signature.*

We recommend that the director of Corporations, Business, and Professional Licensing obtain any missing certified statement of acceptance, from the responsible person, for all corporations, LLCs and LLPs currently licensed. The director should also have registration procedures corrected to ensure all required documentation is obtained prior to registering any corporations, LLCs or LLPs.

Recommendation No. 3

The Office of the Governor should fill vacant seats on the State Board of Registration for Architects, Engineers, and Land Surveyors in a timely manner.

For the past nine months, the board has not been in a position to serve in the best interest of the public due to board vacancies. The public member seat has been vacant since December 5, 2007 and an architect seat vacant since March 1, 2008.

[3] 12 AAC 36.135(3).

Alaska Statute 08.48.011(b) states that the board consists of ten members appointed by the governor having the qualifications as set out in AS 08.48.031. The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, and one public member.

Staff turnover in the Office of Boards and Commissions has negatively impacted the Governor's ability to make timely appointments to the State Board of Registration for Architects, Engineers, and Land Surveyors.

The public has not been represented by a seat on the board for the past three meetings; architects have not been fully represented for the past two meetings.

We recommend that the Office of the Governor fill vacant seats on the State Board of Registration for Architects, Engineers, and Land Surveyors in a timely manner.

(Intentionally left blank)

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The State Board of Registration for Architects, Engineers, and Land Surveyors (BRAELS or board), through its registration of architects, engineers, land surveyors and landscape architects, has presented competent professionals to the public. There is a continued public need for this board because of the professional expertise required to practice the varied professions within its scope. The registering of applicants who meet the required qualifications is necessary to protect the public's safety, health, and welfare.

The board is responsible for adopting regulations to ensure only persons with the proper qualifications are admitted into the profession. The board disciplines, suspends, or revokes registrations of practitioners who have committed acts in violation of state law. Registrants are required to stamp final drawings, specifications, surveys, plats, plates, reports, and similar documents with a seal bearing the registrant's name, registration number, and the profession for which they are registered. By affixing this seal and signing the documents, the registrant certifies that these documents were prepared by or under the registrant's direct supervision, and the registrant has met the minimum standard set to protect public safety, health, and welfare.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The board receives its primary revenue from registration and renewal fees. Renewals are conducted on a biennial basis creating a two-year cycle in board revenues. The board has had an ending cumulative surplus since FY 06, see Exhibit 2 on the following page.

BRAELS registration fees have not been reviewed since October 2005 when fees were increased $100. This increase in registration fees was based on understated revenue information. We recommended that the division, using corrected revenue information, review registration rates and consider changes to fee levels to reduce this cumulative surplus in income, see Recommendation No. 1.

Exhibit 2

State Board of Registration for Architects, Engineers, and Land Surveyors
Schedule of License Revenue and Expenditures
As of June 30, 2008
(Unaudited)

	FY 05	FY 06	FY 07	FY 08
Regular Revenue	$170,065	$870,474	$185,778	$ 903,769
Online Revenue	1	890,983	4,425	864,941
Total Revenues	170,066	1,761,457	190,203	1,768,710
Direct Expenditures				
Personal Services	268,313	286,842	242,015	199,898
Travel	36,362	59,818	41,040	33,863
Services	146,170	176,596	100,339	147,836
Commodities	1,472	1,845	1,271	1,456
Total Direct Expenditures	452,317	525,101	384,665	383,053
Administrative Indirect Costs	303,021	273,258	353,890	310,652
Total Expenditures	755,338	798,359	738,555	693,705
Annual Revenues over (under) Expenditures	(585,272)	963,098	(548,352)	1,075,005
Beginning Cumulative Surplus (Deficit)	469,600	(115,672)	847,426	299,074
Ending Cumulative Surplus (Deficit)	$ (115,672)	$ 847,426	$ 299,074	$ 1,374,079

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

In FY 08 the board supported SB 263 which was passed into law (Ch. 66, SLA 2005) on June 6, 2008. This law provided a BRAELS registration exemption for persons already authorized by the Department of Public Safety who are engaged in the design of fire detection and suppression systems. Additionally, this law allowed that if a mining engineer who qualifies for appointment to the board and is interested in serving on the board is not available, the governor may appoint a petroleum or chemical engineer to the seat designated for a mining engineer.

The board has also worked to make needed revisions to BRAELS regulations. Significant changes to regulations include:

- 12 AAC 36.061(a)(2) – Updating the National Council of Architectural Registration Boards' education standards.
- 12 AAC 36.067 – Changing the computation of qualifying experience days for admission to the examination.
- 12 AAC 36.068 – Updating landscape architect mentoring regulations.
- 12 AAC 36.100 – Mandating an applicant seeking registration by examination pass a jurisprudence questionnaire, with the exception of land surveyors.
- 12 AAC 36.910 – Enacting stricter policies to board member absences.
- 12 AAC 36.510 – Changing the continuing education requirements for architects, engineers, and landscape architects.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Board meeting dates, times and locations are published both on the State's Online Public Notice system and in the Anchorage Daily News. In addition, board members extend meeting invitations to peers and to the public, and promote use of the BRAELS ListServ[4] function. Meetings are rotated between the State's three largest cities and time was provided at every meeting for public comment.

Online public notice was not given for the board's November 17, 2006 and May 17, 2007 meetings. Additionally, public notice was only given ten days in advance of the August 9, 2007 meeting, instead of the required 15 days notice. These omissions were caused by staff turnover in the Department of Commerce, Community, and Economic Development's, Division of Corporations, Business, and Professional Licensing publications technician position.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Meetings were sufficiently advertised; time was allotted in the agenda of each meeting for public discussion; and often, public members with knowledge in a specific field were sought to share their insights. Public notices of proposed regulations are published on the Alaska State website, and circulated to architects, engineers, land surveyors and landscape architects in professional trade journals, public notice advertisements, and direct mail correspondence with the division. The board reviews and considers all public correspondence at their meetings.

[4] ListServ is the board's electronic mailing list. Members receive agendas, minutes and other board-related materials.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

Complaints

No complaints against the board were reported to the State Department of Administration's Division of Personnel, the Equal Employment Opportunity Commission, the Human Rights Commission, or the Office of Victim's Rights.

The State Ombudsman received four complaints against the board from FY 05 to FY 08. Three were declined based on a lack of jurisdiction and the fourth involved providing oral advice to the complainant. Each of these cases was closed the same day they were received.

We received a complaint regarding possibly inappropriate communications between the board and the administrative law judge (ALJ) while the board was meeting in executive session. In the cases of professional occupation boards, the dispute before an ALJ would be between the complainant and the attorney general's office. Since it is the board that decides to accept or reject the ALJ's decision, the board itself is not a party to the dispute.

Typically when transmitting their decision, the ALJ will offer the board an opportunity to meet and answer questions that the board might have. If the board meets with the ALJ as part of its deliberation regarding a possible licensing action, this would be done in executive session. This process appears reasonable given the relative duties and responsibilities of both the board and the ALJ.

Registrant Investigations

The board sets goals and then develops objectives in order to meet these goals. Two objectives related to investigations were developed and accomplished. These objectives included working to reduce the backlog of enforcement cases and having active participation in investigations. A special board committee was created to work with investigators on technical issues and expedite cases. The length of time between when cases opened and closed and the amount of cases open have significantly declined during the last four years.

From the period of July 1, 2005 through June 19, 2008, 245 investigation cases were open or opened with the Division of Corporations, Business and Professional Licensing's Office of Consumer Affairs and Investigations (OCAI)[5]. Types of cases are summarized on the next page.

[5] The investigations unit in the Department of Commerce, Community and Economic Development's Division of Corporations, Business, and Professional Licensing was reorganized effective July 1, 2008 as the Office of Consumer Affairs and Investigations.

3563

- Unlicensed Practice/Activity (94)
- Violation of Licensing Regulations (65)
- Negligence (27)
- Practice Beyond Scope (17)
- Violating Professional Ethics (11)
- License Application Practice (8)
- Incompetence (5)
- Fraud/Misrepresentation (5)
- Other (4)
- Violation of Agreement (3)
- Contested License Denial (2)
- Action in Another State (2)
- Supervision (1)
- Malpractice (1)

Of these 245 cases open or opened, 230 were closed in an average of 2.5 months time. Exhibit 3 identifies the actions taken in these closed cases:

Exhibit 3

Case Closure Summary July 1, 2005 - June 19, 2008

Disposition of Closed Cases	Number of Cases
Advisement Letter	113
Compliance	57
No Action - No Violation, Unfounded or Insufficient Evidence	47
Other	6
License Action	4
Incomplete Complaint	2
Director Caseload Reduction	1

Of the remaining 15 cases open, 14 cases were assigned to OCAI and one case to the Office of Administrative Hearings. The average time these 14 cases have been opened with OCAI is 4.6 months and all have a case priority level of 3[6].

OCAI is effectively investigating cases, and the board has operated efficiently by taking necessary enforcement actions. These board actions were both fair and objective.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board registers architects, engineers, land surveyors, or landscape architects either by

[6] Case Priority levels are defined as:

Level 1 - Incident represents an immediate danger to public,
Level 2 - Incidents which by the severity of their nature dictate a high priority,
Level 3 - Incidents that are less serious in nature and do not appear to constitute immediate or severe pubic danger or serious damages,
Level 4 - Incidents involving failure to comply with statutes or regulations which are discovered through the course of proactive enforcement on the part of the Investigative Unit, but do not meet the criteria of priority 1 - 3. This type of enforcement can only occur when manpower and caseload allow.

3564

examination or by using past performance records. Registration using past performance records is more commonly referred to as registration by comity. Each applicant is required to satisfy the requirements listed in State regulations for registration. In addition, architect, engineer, and landscape architect applicants are required to complete a board-approved university level course in arctic engineering. The registration application process appears to be reasonable and appropriate. We found no instances of unqualified applicants being registered.

In 35% of licenses issued to corporations, limited liability companies, and limited liability partnerships, the certified statement acknowledging and agreeing with the responsible party designation had not been obtained by the division. Obtaining this statement is required by regulation,[7] see Recommendation No. 2.

The board implemented continuing education (CE) requirements for Land Surveyors during the 2007 renewal period. Architects, engineers, and landscape architects will be required to fulfill CE requirements for the 2009 renewal period. Registrants fulfill CE requirements on the honor system and a sample is audited by division staff for compliance. Due to a procedural error, division staff only audited 7% sample of registrants for compliance instead of the 10% defined in regulations.

Concerns surfaced in FY 08 regarding the board's comity policy with Canada, specifically, that the Board waived the fundamentals of engineering examination (FE) if a Canadian engineer applicant had at least 5 years of experience.

The board's position is that Canada's education program for engineers differs from that of the United States (US) and therefore comity regulations[8] for Canadian engineers differ. As explained by a board member, in the US, engineering candidates receive a bachelor's degree and then sit for the FE exam. The FE exam tests engineering basics. After at least four years of work experience an US applicant sits for the Practice of Engineering (PE) exam prior to being registered.

In Canada, engineering candidates go to school longer and are subject to a rigorous mentoring program. These Canadian schools and mentoring programs' curriculums exceed what is tested on the US FE exam, and therefore the exam is waived. Canadian engineers applying for practice in the US are still required to pass the US PE exam. These regulations appear reasonable and a review of the 245 investigations shows no licensing actions taken against Alaskan registered engineers residing in Canada.

The exhibit on the following page summarizes new registrations issued by the board from FY 05 to FY 08.

[7] 12 AAC 36.135
[8] 12 AAC 36.105

Exhibit 4

New Licenses or Permits Issued (Exclusive of Renewals)	FY 05	FY 06	FY 07	FY 08	Current License Holders as of June 30, 2008
Architects	25	22	34	21	539
Landscape Architects	8	5	2	4	45
Land Surveyors	7	11	18	11	478
Chemical Engineers	3	7	6	6	103
Civil Engineers	124	128	117	135	2755
Electrical Engineers	21	33	33	27	581
Mechanical Engineers	39	38	38	30	679
Mining Engineers	2	0	0	1	30
Petroleum Engineers	5	2	2	4	114
Certificate of Authority - Corporations	29	32	43	39	375
Certificate of Authority - LLC	12	15	27	14	90
Certificate of Authority - LLP	0	1	1	0	3

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

The board is in compliance with State personnel practices, including affirmative action in qualifying applicants. From FY 05 to FY 08, the board did not deny an applicant registration based on personal attributes.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Statutory

In August 2007, the board voted to support introduction of legislation to make the landscape architect representative a full voting member. The legislation introduced to revise the statute during the 2007/2008 legislative session was unsuccessful. Currently, board members are working with the Alaska Professional Design Council to craft new legislation to be introduced during the 2008/2009 legislative session. The board anticipates that the landscape architect representative will be a full voting member by spring 2009.

Regulatory

In May 2007, the board voted to begin registering structural, environmental, and fire protection engineers. The special committee assigned to studying additional engineering specialties for registering is now addressing issues such as regulation changes, definitions,

3566

and grandfathering of civil engineers. The board anticipates having these disciplines registered by the end of FY 09.

Other Changes

For the past nine months, the board has been hampered in its work due to board vacancies. The public member seat has been vacant since December 05, 2007 and an architect seat vacant since March 1, 2008; see Recommendation No. 3.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

BRAELS's mission is to protect the public health, safety, and welfare through the regulation of the practice of architecture, engineering, land surveying, and landscape architecture by:

- Ensuring that those entering these practices meet minimum standards of competency, and maintain such standards during their practice;
- Requiring registration to practice in the State of Alaska; and
- Enforcing both the registration and competency requirements in a fair and uniform manner.

We reviewed the board's goals and objectives established to achieve this mission from FY 05 to FY 08. These goals and related objectives were aligned with the board's mission and they have either been met by the board or the board is in the process of attaining them.

Major goals and objectives the board has successfully met include:

- Implemented continuing education requirements for architects, engineers, land surveyors and landscape architects.
- Reviewed the Arctic Engineering course to ensure all materials used to establish competency in professions are appropriate.
- Evaluated administrative process and staffing functions to ensure effective use of human resources.
- Continually updated the board's website with new and changing information.
- Attended architect, engineer, land surveyor, and landscape architect zone and national meetings.
- Encouraged board members to assume leadership positions in national organizations.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BRAELS is the only such board that registers, investigates, and enforces continuing education requirements for architects, engineers, land surveyors and landscape architects in Alaska. BRAELS registrants have the option to affiliate with state and national organizations. We reviewed numerous state and national organizations and have found none that duplicate the efforts of the board.

(Intentionally left blank)

3569

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

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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

October 23, 2008

RECEIVED
OCT 23 2008
LEGISLATIVE AUDIT

Ms. Pat Davidson
Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

This letter is in response to your September 22, 2008 confidential preliminary audit report on the State Board of Registration for Architects, Engineers and Land Surveyors.

Recommendation No. 4

The Office of the Governor should fill vacant seats on the State Board of Registration for Architects, Engineers and Land Surveyors in a timely manner.

The Office of the Governor concurs with this recommendation. I appreciate your observation that turnover in the Boards and Commissions office may have played a role in the delay. I am pleased to report that the Governor recently selected the public member for the board, however, we are still working on identifying an architect to fill the remaining vacancy. We find it challenging to find volunteers from the various professions who are willing and able to devote the time necessary to serve on the licensing boards. We will continue to make every effort to fill vacant positions in a timely manner.

If you need additional information, please contact me at 269-7450.

Sincerely,

Frank Bailey, Director
Boards and Commissions

(Intentionally left blank)

SB 116

<target><bill>SB 116</bill><subject>SB 116</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 27, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 116(FIN)**

"An Act making a special appropriation for energy assistance for Alaska residents; and providing for an effective date."
SB 116 APPROP: ENERGY ASSISTANCE

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	**Printed Last Name**	**DP**	**DNP**	**NR**	**AM**
	Thomas	✓			
	Gara	✓			
Anna D. Fairclough	FAIRCLOUGH	✓			
Harry D. Crawford Jr.	CRAWFORD	✓			
	KELLY		X		
	Austerman			X	
	Salmon	X			
	Joule	X			
Chair:	Hawker			*	
Chair:	Stoltze			~~*~~	

Senator Lyman Hoffman

Alaska State Legislature

Sponsor Statement for SB 116

SB 116 appropriates $5,000,000 into the Rural Community Energy Assistance Program, created by SB 115 to help Alaska households afford to heat their homes.

During this winter, it has been difficult for many Alaskan families to afford to purchase heating oil. This is especially true in rural areas of the state. Reports detail the dilemma of choosing between purchasing adequate amounts of heating fuel or choosing among the other necessities of life.

Unlike past years, there is sufficient fuel in the villages. But fuel and other costs have become so expensive that people cannot afford to buy both. A recent report written by the Institute of Social and Economic Research (ISER) noted than in 1990, food costs in Bethel were 45 percent above food costs in Anchorage. By the beginning of 2007, this differential had increased to 92 per cent. It stands to reason that small villages outside of Bethel are even more expensive. This issue is exacerbated by a lack of income to accommodate these rising prices.

The ISER document said that in 2007, 100 gallons of fuel oil in Bethel costs $459 while in Anchorage the equivalent energy costs $120. Again this difference would be greater if comparing Anchorage with more remote villages in Alaska.

This legislation is not a permanent fix to the energy problems in rural Alaska. However, this funding for the Rural Community Energy Assistance Program will provide much needed relief to some Alaskan families during the rest of the winter.

Senate District S
Senator_Lyman_Hoffman@legis.state.ak.us

3575

Alaska Heating Assistance Programs

From the Office of Sen. Lyman Hoffman

March 9.2009

3576

- Low Income Home Energy Assistance Program (LIHEAP)
- Alaska Heating Assistance Program (AkHAP)

3577

Program Participants

- Program is statewide
- Directly serves 162 communities
- Through contracts with Native organizations serves 114 more communities
- Outside of tribal areas, 47% of households using the program live in 6 communities – Anchorage, Wasilla, Fairbanks, Palmer, North Pole, Homer

3578

Eligibility

- Resident of the State
- Living in the home in which the heating costs occur
- For LIHEAP have income (family of four) less than $39,750
- For AkHAP have income (family of four) less than $59,750
- For heating costs incurred from November 1st through April 30

3579

Program Mechanics

- Individual must apply on behalf of a household
- Household is assigned points based on application information
- Number of applications is estimated
- Based on state and federal appropriations and estimate of the number of applications, a dollar amount is assigned to each point
- Initial grant is made on behalf of household to vendor in community
- Supplemental assistance is provided if available

3580

Amount of Assistance

- Based on household points
- Fuel cost and climatic conditions
- Size and type of housing
- Household size and income
- If elderly, disabled or young children are in the household
- Federal and state appropriations

3581

Sample Calculation

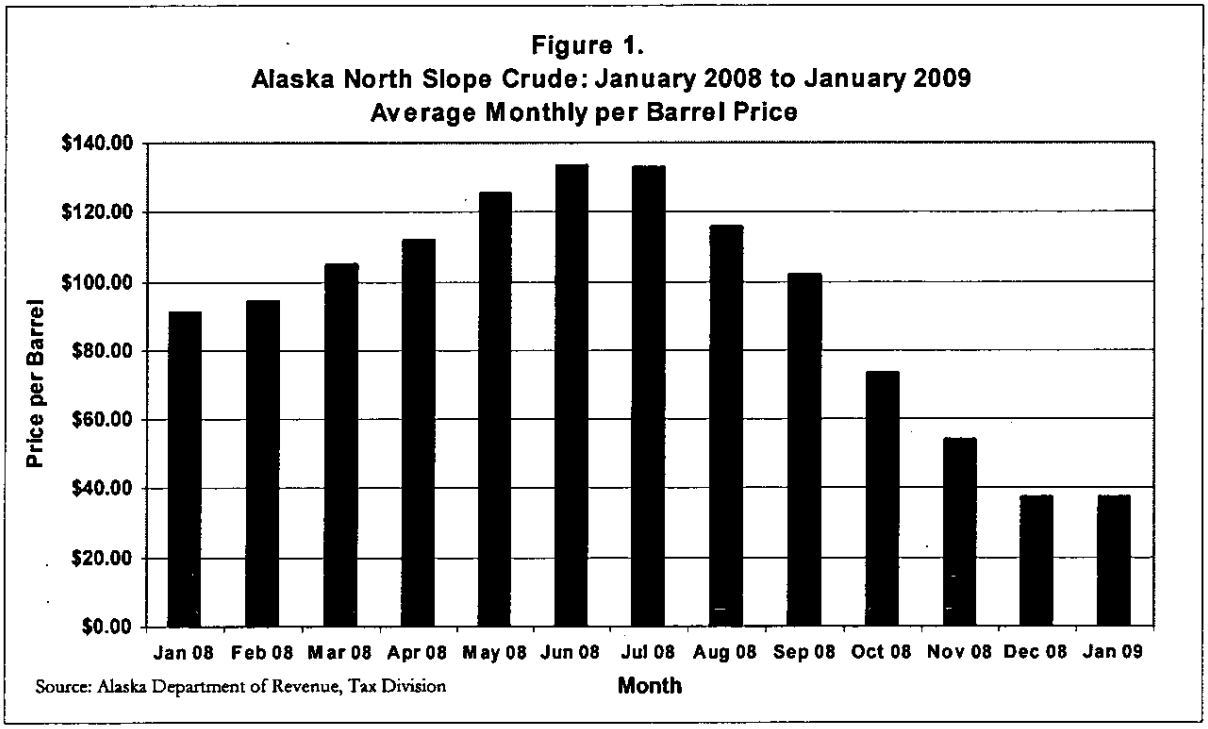
- Based on application, household has 15 points.
- Based on available funds and estimate of total number of applications – each point is worth $220.
- Applicant would receive $3300
- Based on heating oil prices of $6.50 per gallon user could purchase 507 gallons or 84 gallons per month
- Assuming each household uses 150 gallons per month, only 56 per cent of household's fuel needs are recognized by the program

CURRENT COMMUNITY CONDITIONS:

FUEL PRICES ACROSS ALASKA

FEBRUARY 2009 UPDATE

INTRODUCTION



In December 2008, the price of Alaskan North Slope (ANS) crude dropped to $37.70, its lowest price since June 2004. This drop continued in January 2009, and prices fell to $37.38. This is markedly lower than the price six months earlier in June 2008, when ANS crude oil reached a record average monthly price of $133.78 per barrel (Figure 1). The national average price of gasoline dropped 55 percent from its peak of $4.05 per gallon in mid-July to $1.84 at the end of January. Similarly, national average heating fuel prices have dropped 36 percent since October

2008, from $3.66 to $2.36[1] per gallon. Alaska has not experienced the same level of decline. Due to transportation issues, many remote rural Alaska communities purchased most or all of this winter's fuel at peak prices during June and July. These communities are unlikely to see price relief until the middle of 2009.

During February 2009, the Division of Community & Regional Affairs (DCRA) repeated a statewide survey of retail heating fuel and gasoline prices in a cross-section of 100 select Alaska communities, first initiated during 2005 (*Community Conditions: Fuel Prices Across Alaska*). This report, *Current Community Conditions: Fuel Prices Across Alaska, February 2009 Update*, summarizes fuel survey findings, discusses changes in fuel prices during the recent past, and provides a current and historical perspective on fluctuating fuel prices. This report details fuel prices in each community on the date of contact.

METHODOLOGY

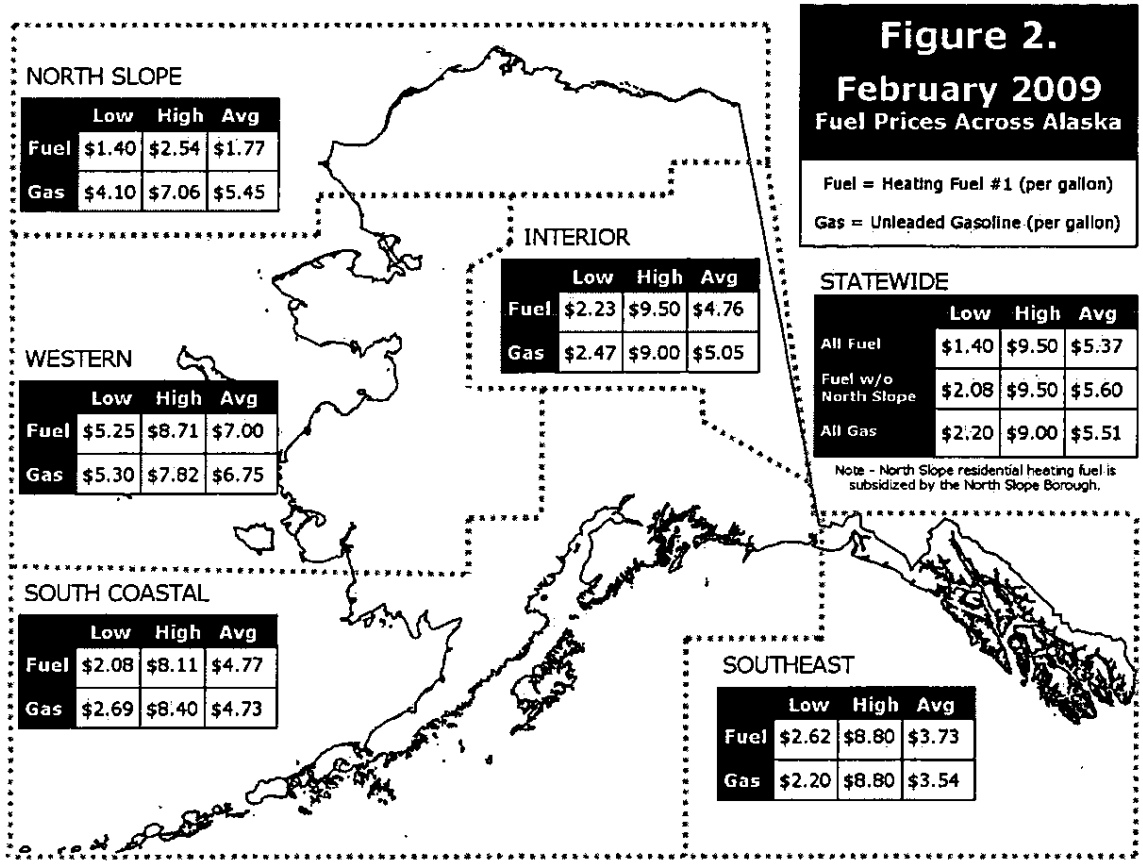
The DCRA Research and Analysis Section and Local Government Assistance Section, developed the survey and selected a community sample during 2005. Communities were strategically selected to represent differing socioeconomic conditions and all Alaska regions, including the Interior, North Slope, South Coastal, Southeast, and Western regions. Selected communities had also generally been the recipient of an Alaska Energy Authority bulk fuel project during the recent past.

Since a non-probability sampling method was utilized, this survey is considered a non-scientific study with results not generalizable to the entire population of rural Alaska. To accurately and consistently track longitudinal changes in fuel prices, the 2005 survey and community sample were used to collect 2006, 2007, 2008, and 2009 fuel information – the communities and core questionnaire items remained the same from 2005 to 2009.

DCRA Research and Analysis staff conducted a survey between February 3 - 6, 2009. In total, local fuel retailers serving 100 communities were contacted (via telephone) and asked to provide current heating fuel (#1) and gasoline per gallon prices. Survey results are one-time measurements and representative of retail fuel prices on the particular day of contact. Heating fuel and gasoline prices may have changed between the time of contact and publishing of this report.

[1] Source: United States Department of Energy, Energy Information Administration. Note: Heating fuel prices are only recorded from October to March. Gasoline prices are recorded year-round.

CURRENT FUEL PRICES ACROSS ALASKA



Average heating fuel prices per gallon vary across Alaska by region (Figure 2). Western Alaska communities report the highest average heating fuel retail price at $7.00 per gallon, while North Slope communities report the lowest average retail price at $1.77 per gallon. Of noteworthy importance, the North Slope Borough provides free heating fuel for residential use through village corporations, who distribute fuel to residents throughout the borough, charging only a delivery fee on a per gallon basis. The North Slope Borough does not subsidize heating fuel for commercial use. Consequently, the retail price of heating fuel for commercial entities is significantly higher than for residences (Table 1). Compared to other regions, excluding the North Slope, Southeast communities experience the lowest heating fuel prices, at an average price of $3.73 per gallon.

Table 1. North Slope Heating Fuel (#1) and Gasoline Retail Prices

Community	Community Retailer	Heating Fuel Retail Price		Gasoline Retail Price
		Residential	Commercial	
Anaktuvuk Pass	Nunamiut Corporation	$1.55	$9.20	$6.50
Atqasuk	Atqasuk Corporation	$1.40	$4.10	$4.10
Barrow	BUEC, Inc.	Natural Gas	$5.78	$4.70
Kaktovik	Kaktovik Inupiat Corporation	$2.00	$6.95	$4.90
Nuiqsut	Kuukpik Corporation	$2.54	$3.95	$4.95
Point Hope	Tigara Corporation	$1.65	$6.35	$5.95
Wainwright	Olgoonik Corporation	$1.50	$7.83	$7.06

To accurately summarize statewide heating fuel prices, it is appropriate to exclude North Slope Region communities because of the North Slope Borough subsidy for residential use heating fuel. The Arctic Village Traditional Council in Arctic Village (Interior Region) reports the highest heating fuel retail price at $9.50 per gallon (see Appendix). In contrast, Homer Run Oil in Homer (South Coastal Region) reports the lowest heating fuel retail price at $2.08 per gallon. On average, excluding North Slope Region communities, heating fuel retails for $5.60 per gallon across the 93 surveyed Alaska communities.

As Figure 2 illustrates, average gasoline prices per gallon also vary across Alaska by region. Western Region communities report the highest average gasoline retail price at $6.75 per gallon while Southeast communities report the lowest average retail price at $3.73 per gallon. Statewide retail prices indicate significant variation in gasoline retail price. Specifically, the Arctic Village Traditional Council in Arctic Village (Interior Region) reports the highest gasoline prices at $9.00 per gallon. In contrast, Fred Meyer Gas in Juneau (Southeast Region) reports the lowest gasoline retail price at $2.20 per gallon. On average, gasoline retails for $5.51 per gallon across 99 Alaska communities.

CHANGE IN FUEL PRICES ACROSS ALASKA

Portions of Alaska have begun to realize fuel price relief (Figure 3). Excluding North Slope Region communities, the statewide average per gallon heating fuel price decreased from $5.85 to $5.60 from November 2008 to February 2009. This $0.25 per gallon average price change represents a four percent decrease in the statewide average heating fuel price per gallon. Prices in the Southeast (-25%), South Coastal (-6%), Interior (-2%), and North Slope (-2%) regions

decreased from November 2008 to February 2009 (Figure 4). The Western Region experienced a $.01 increase, less than one percent.

Figure 3. Trend in Average Alaska Fuel Price: November 2005 to Feburary 2009

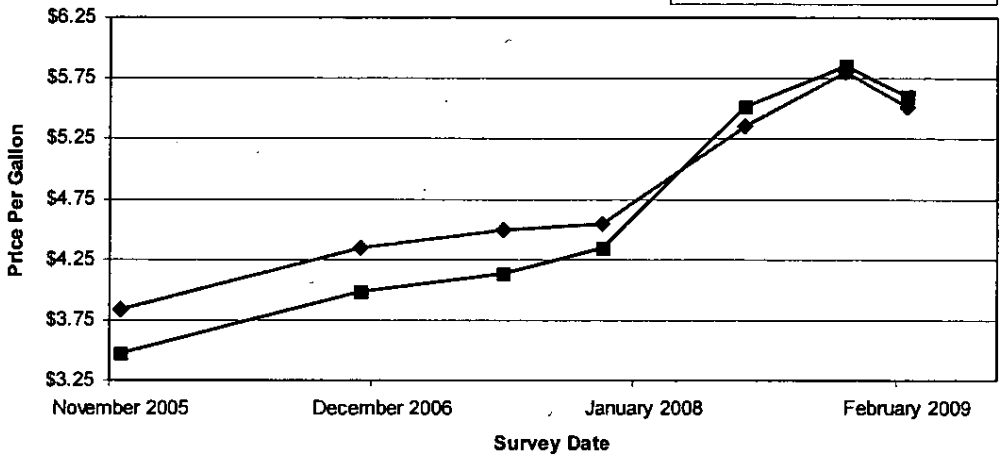
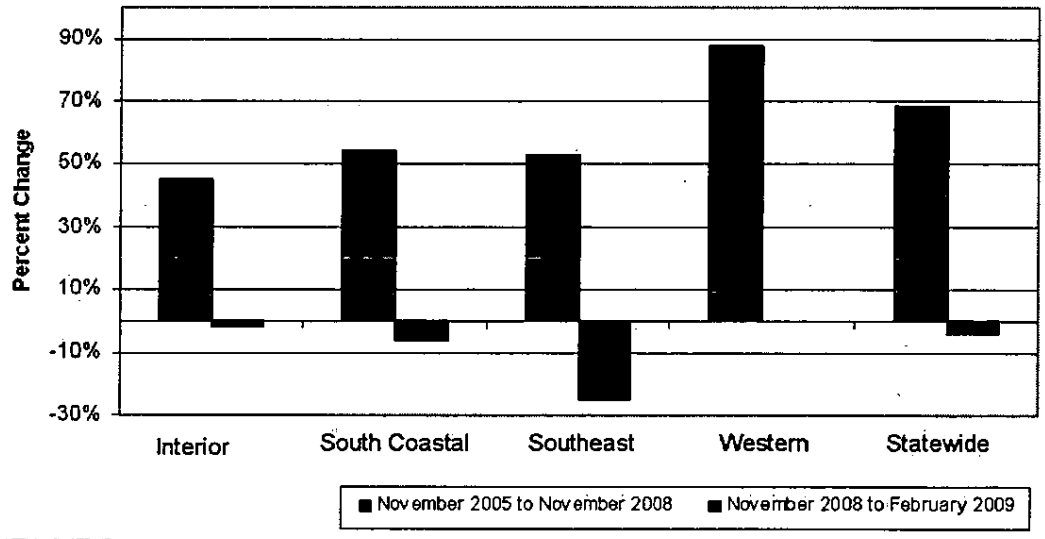


Figure 4. Percent Change: Cost of Heating Fuel by Region

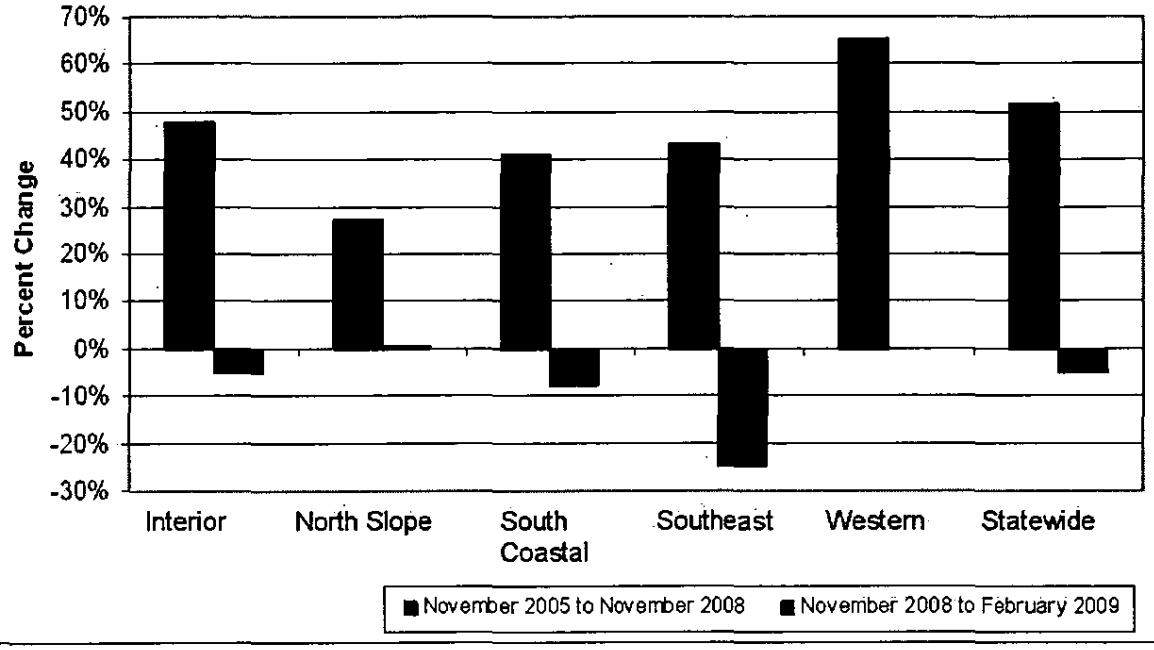


The statewide average gasoline price also decreased from November 2008 to February 2009, from $5.80 to $5.51 per gallon (Figure 5). This $0.29 per gallon average price decrease

3586

represents a five percent decrease in the statewide average price per gallon of gasoline. Prices in the Southeast (-25%), South Coastal (-8%), and Interior (-5%) regions declined during the past three months. Western Region prices decreased by $.01, less than one percent. Prices in the North Slope Region increased one percent.

Figure 5. Percent Change: Cost of Gasoline by Region



From November 2005, when this survey began, to November 2008, the statewide average price for heating fuel increased $2.37 per gallon. From June 2008 to November 2008, it increased $0.34 per gallon; from November 2008 to February 2009, it decreased by $0.25 per gallon. Similarly, from November 2005 to November 2008, the statewide average price for gasoline increased $1.97 per gallon. From June 2008 to November 2008, it increased $0.45 per gallon; from November 2008 to February 2009, it decreased by $0.29 per gallon.

ADDITIONAL DISCOUNTS ON HEATING FUEL

Due to the high price of fuel in Rural Alaska, vendors were asked if any discounts were being offered to residents. Of the one hundred surveyed, nine vendors were offering discounts. The discounts were not consistent. For example, Point Hope offers a 10% discount for elders, the

City of Akutan is selling their fuel at cost, and Dillingham dropped its gas tax from six to three percent (see Appendix). Twenty-one respondents were unsure whether the business offered discounts or not. Fuel vendors operated by a tribe, such as in Quinhagak, often give discounts to local tribal shareholders.

In the previous fuel survey, one of the questions posed to fuel vendors was whether they offered volume discounts. Volume discounts are more prevalent in larger and/or more accessible communities. In the Southeast Region, where most communities have regular barge service, two-thirds (64%) of fuel vendors offer volume discounts. Only five Western Region vendors (13%) offer volume discounts, two of them located in the regional hubs of Kotzebue and McGrath. Generally speaking, residents of remote rural Alaska communities have the least opportunity to benefit from volume purchases of residential heating fuel.

Other fuel cost relief came during the 2008 legislative special session, in which the final outcome was a $1200 energy rebate to every Permanent Fund eligible individual. From September 1, 2008, through August 31, 2009, there was also a one-year suspension of both the state motor fuel tax of $0.08 and the state tax on resident heating fuel. Despite these measures, the cost of fuel remains an issue for Alaska.

SUMMARY

While Alaska North Slope crude oil prices have dropped significantly during the past few months, Alaskans have continued to pay high prices for heating fuel and gasoline. As the price of crude oil continues to drop, communities along the road system and in temperate coastal regions have seen their cost of fuel decline; however, many remote rural Alaska communities are still plagued with high fuel prices.

From November 2008 to February 2009, the statewide average per gallon price of heating fuel decreased four percent from $5.85 to $5.60. Concurrently, the statewide average per gallon price of gasoline decreased five percent from $5.80 to $5.51. Since DCRA began keeping track of fuel prices in November 2005, this period is the first time the average price of fuel has decreased. From November 2005 to November 2008, the statewide average cost of fuel increased 68%; from November 2008 to February 2009, prices declined 4%. Although the average cost of fuel is still several dollars higher in 2009 than it was in 2005, this decline in the price of fuel has offered some relief to residents of Southeast and communities on the road system. Unfortunately, many of the communities off the road system are not experiencing the same relief, continue to pay high fuel costs, and are unlikely to see a decline in fuel prices any time in the near future.

Community Heating Fuel and Gasoline Survey – February 2009

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Alatna	Interior	Alatna Traditional Council	$5.50	2%	0%	$7.00	27%	0%	No	
Anderson	Interior	Nenana Heating	$2.53	-53%	-10%	$2.76	-50%	-21%	No	
Arctic Village	Interior	Arctic Village Traditional Council	$9.50	77%	6%	$9.00	63%	0%	No	
Circle	Interior	Steese (HF) HC Company Store (Gas)	$2.46	-54%	-18%	$3.60	-35%	-23%	No	
Delta Junction	Interior	Crowley Fuel (HF) Buffalo Service (Gas)	$2.36	-56%	-14%	$2.70	-51%	-7%	No	
Eagle	Interior	Telegraph Hill Services	$4.95	-8%	0%	$5.50	0%	0%	No	
Fairbanks	Interior	Alaska Petroleum	$2.23	-59%	-15%	$2.47	-55%	-10%	No	
Galena	Interior	Crowley Marine Services	$6.27	17%	0%	$6.00	9%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Healy	Interior	Fisher Fuel (HF) Keith's Healy Service (Gas)	$2.77	-49%	-16%	$2.79	-49%	-20%	No	
Hughes	Interior	Hughes City Council	$8.55	59%	0%	$8.50	54%	0%	No	
Huslia	Interior	Huslia Gas & Oil	$7.00	30%	0%	$7.00	27%	0%	No	
Minto	Interior	North Fork Store	$2.85	-47%	-14%	$3.40	-38%	-16%	Don't know	
Nenana	Interior	Nenana Heating	$2.44	-55%	-13%	$2.87	-48%	-18%	No	
Ruby	Interior	Dinega Fuel Corporation	$6.15	14%	0%	$5.70	3%	0%	No	
Tanana	Interior	Tanacon Fuel	$5.80	8%	26%	$6.39	16%	0%	Don't know	
Anaktuvuk Pass	North Slope	Nunamiut Corporation	$1.55	-71%	0%	$6.50	18%	-24%	No	
Atqasuk	North Slope	Atqasuk Corporation	$1.40	-74%	0%	$4.10	-26%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38[a]):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Barrow	North Slope	Eskimo Inc.	Natural Gas	N/A	N/A	$4.70	-15%	0%	No	
Kaktovik	North Slope	Kaktovik Inupiat Corporation	$2.00	-63%	0%	$4.90	-11%	0%	No	
Nuiqsut	North Slope	Kuukpik Corporation	$2.54	-53%	-8%	$4.95	-10%	0%	No	
Point Hope	North Slope	Tigara Corporation	$1.65	-69%	0%	$5.95	8%	0%	Yes - for elders	10%
Wainwright	North Slope	Olgoonik Corporation	$1.50	-72%	3%	$7.06	28%	48%	No	
Akutan	South Coastal	City of Akutan	$3.65	-32%	-24%	$4.40	-20%	0%	Yes	Selling at cost, no profit
Atka	South Coastal	Atka Native Store	$7.99	49%	10%	$5.09	-8%	0%	No	
Chenega Bay	South Coastal	Chengega Bay Utility	$5.60	4%	0%	$5.70	3%	0%	No	Costs them $4000 to transport fuel
Chignik	South Coastal	City of Chignik (HF) Trident (Gas)	$3.85	-28%	-1%	$3.31	-40%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Chitina	South Coastal	Chitina Services (HF) Kenny Lake Mercantile (Gas)	$2.87	-47%	-10%	$2.91	-47%	-17%	No	
Clark's Point	South Coastal	City of Clark's Point	$6.00	12%	0%	$6.00	9%	0%	No	
Cordova	South Coastal	Hovers Mover	$3.30	-39%	-24%	$3.50	-36%	-29%	No	
Dillingham	South Coastal	Delta Western	$6.12	14%	0%	$5.76	5%	-9%	Yes	From Jan to Apr, city tax on gas drops from 6% to 3%
Glennallen	South Coastal	Crowley (HF) The Hub (Gas)	$2.77	-49%	-13%	$2.80	-49%	-19%	Don't know	
Goodnews Bay	South Coastal	Mumtram Pikkai Village Corporation	$6.14	14%	0%	$6.71	22%	-3%	Don't know	
Homer	South Coastal	Homer Run Oil	$2.08	-61%	-22%	$2.69	-51%	-15%	No	
King Cove	South Coastal	Peter Pan Seafood	$4.64	-14%	0%	$4.61	-16%	3%	No	
Kodiak	South Coastal	Petro Marine	$3.10	-42%	-19%	$2.85	-48%	-20%	Don't know	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Kokhanok	South Coastal	Kokhanok Tribal Council	$8.11	51%	1%	$8.40	52%	-5%	Don't know	
Larsen Bay	South Coastal	City of Larsen Bay	$5.53	3%	-3%	$5.75	4%	-3%	Don't know	
Nelson Lagoon	South Coastal	Nelson Lagoon Enterprises	$5.96	11%	0%	$5.71	4%	0%	No	
New Stuyahok	South Coastal	New Stuyahok Village Corporation	$6.64	23%	5%	$6.34	15%	0%	No	
Nondalton	South Coastal	City of Nondalton	$5.35	-1%	-11%	$5.95	8%	-11%	No	
Old Harbor	South Coastal	City of Old Harbor	$3.47	-36%	-22%	$3.86	-30%	-35%	Don't know	
Ouzinkie	South Coastal	Ouzinkie Native Corporation	$3.47	-36%	-3%	N/A	N/A	N/A	No	
Port Lions	South Coastal	Kizhuyak Oil Sales (open M, W, F)	$5.65	5%	-13%	$5.60	2%	0%	No	
Saint George	South Coastal	Delta Fuel Company	$6.50	21%	0%	$6.63	20%	0%	Don't know	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Sand Point	South Coastal	TDX Svcs (HF) Trident (Gas)	$3.62	-33%	-26%	$3.09	-44%	-22%	No	
Seldovia	South Coastal	Seldovia Fuel and Lube	$4.29	-20%	5%	$3.81	-31%	-2%	No	
Togiak	South Coastal	Togiak Village Corporation	$5.87	9%	0%	$5.53	0%	-2%	No	
Unalaska	South Coastal	Delta Western	$3.44	-36%	-23%	$3.00	-46%	-34%	Don't know	
Valdez	South Coastal	North Pacific (HF) Captain Joe's (Gas)	$2.65	-51%	-15%	$2.86	-48%	-8%	Don't know	
Angoon	Southeast	Angoon Oil and Gas	$3.69	-31%	-26%	$3.53	-36%	-29%	No	
Craig	Southeast	Petro Marine	$2.75	-49%	-29%	$2.71	-51%	-27%	Don't know	
Gustavus	Southeast	Gustavus Dray - Gustavus Propane	$2.84	-47%	-39%	$2.74	-50%	-37%	Don't know	
Hoonah	Southeast	Hoonah Trading	$3.50	-35%	-23%	$2.89	-48%	-30%	Don't know	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Juneau	Southeast	Delta Western - Fred Meyer Gas	$3.02	-44%	-26%	$2.20	-60%	-24%	No	
Kake	Southeast	Kake Tribal Fuel	$3.61	-33%	-26%	$3.33	-40%	-29%	Don't know	
Pelican	Southeast	Pelican Fuel Dock	$4.27	-21%	-28%	$3.96	-28%	-38%	No	
Petersburg	Southeast	Petro Marine	$2.62	-51%	-33%	$2.63	-52%	-25%	Don't know	
Point Baker	Southeast	Point Baker Trading Post	$8.80	64%	0%	$8.80	60%	0%	Don't know	
Thorne Bay	Southeast	Petro (Craig - HF) Bayview (Gas)	$2.75	-49%	-31%	$2.91	-47%	-26%	Don't know	
Wrangell	Southeast	Wrangell Oil - Fennemore's Service	$3.18	-41%	-35%	$3.21	-42%	-28%	Don't know	
Akiak	Western	Kokarmiut Corporation	$6.45	20%	0%	$6.25	13%	0%	No	
Anvik	Western	Deloyges, Inc.	$5.25	-2%	0%	$5.50	0%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Atmautluak	Western	Atmauthluak Limited	$5.86	9%	0%	$5.92	7%	0%	No	
Bethel	Western	Crowley	$5.58	4%	-3%	$5.48	-1%	-2%	Quantity discount	$.07/gallon if more than 100 gallon
Brevig Mission	Western	Brevig Mission Native Store	$7.00	30%	-3%	$6.80	23%	-3%	No	
Deering	Western	Deering IRA	$7.88	46%	-1%	$7.82	42%	0%	No	
Emmonak	Western	Emmonak Corp. Tank Farm	$8.71	62%	11%	$7.25	32%	0%	No	Lowest possible mark-up, barely making profit
Gambell	Western	ANICA (Gambell Native Store)	$7.88	46%	0%	$7.26	32%	0%	No	
Golovin	Western	Golovin Public Utilities	$5.32	-1%	0%	$5.30	-4%	0%	No	
Grayling	Western	AYL Grayling Fuel Company	$7.00	30%	0%	$6.00	9%	0%	No	
Holy Cross	Western	Holy Cross O.L. Company	$7.66	42%	0%	$7.28	32%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Hooper Bay	Western	Crowley Marine	$7.37	37%	0%	$7.16	30%	0%	No	
Kaltag	Western	Kaltag Cooperative	$5.50	2%	0%	$5.75	4%	0%	Yes	$.25/gallon rebate
Kiana	Western	Kiana Traditional Council	$6.64	23%	0%	$7.21	31%	0%	No	
Kotlik	Western	Kotlik Yupik Enterprises	$7.79	45%	0%	$7.55	37%	0%	No	
Kotzebue	Western	Crowley (HF) EZ Market (Gas)	$6.35	18%	0%	$7.25	32%	0%	No	
Koyuk	Western	Koyuk Native Corporation	$8.06	50%	0%	$7.71	40%	0%	No	
Kwigillingok	Western	KWIK Marina Inc.	$6.70	25%	0%	$5.75	4%	0%	No	
Marshall	Western	Maserculiq Inc.	$7.21	34%	-4%	$6.21	13%	-14%	No	
McGrath	Western	Crowley	$6.85	27%	-1%	$6.35	15%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Mountain Village	Western	Azachorak Fuel	$7.02	30%	0%	$6.50	18%	0%	No	
Noorvik	Western	Morris Trading Post	$7.50	39%	0%	$7.22	31%	0%	Yes	5%
Nulato	Western	City of Nulato	$5.40	0%	0%	$5.75	4%	0%	No	
Nunapitchuk	Western	Nunapitchuk LTD.	$6.59	22%	12%	$6.54	19%	11%	Don't know	
Pilot Station	Western	Pilot Station Native Corporation	$7.42	38%	0%	$6.66	21%	-1%	Don't know	
Quinhagak	Western	Qanirtuuq Corporation	$7.02	30%	-4%	$6.22	13%	-3%	No	Shareholders get for $5.24 and $5.26/gallon
Russian Mission	Western	Russian Mission Corporation	$6.15	14%	0%	$6.05	10%	0%	Yes	Markup lower this year (DK how much)
Saint Michael	Western	Saint Michael Fuel Company	$8.06	50%	0%	$7.80	42%	0%	No	
Savoonga	Western	ANICA (Savoonga Native Store)	$7.88	46%	0%	$7.26	32%	3%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Scammon Bay	Western	Askinuk Corporation	$7.04	31%	0%	$6.93	26%	0%	No	
Shishmaref	Western	Shishmaref Native Store	$7.91	47%	2%	$7.54	37%	2%	No	
Sleetmute	Western	Henry Hill Store	$7.75	44%	0%	$7.70	40%	0%	No	Discount by volume
Stebbins	Western	Tapraq Fuel Company	$7.99	49%	0%	$7.71	40%	0%	No	Ration community members to 5 gal/day
Teller	Western	Teller Native Fuel Business	$6.95	29%	0%	$6.64	21%	0%	First year in business	As low as possible
Toksook Bay	Western	Nunakauiak Yupik Corporation	$7.86	46%	0%	$7.74	40%	0%	No	
Tuntutuliak	Western	Qinarmiut Corporation	$6.86	28%	0%	$6.60	20%	0%	Yes	Don't know (6%?)
Unalakleet	Western	Unalakleet Native Corporation	$6.81	27%	0%	$6.97	26%	0%	Yes	By less than a dollar
Upper Kalskag	Western	City of Upper Kalskag	$6.50	21%	0%	$6.50	18%	0%	No	

Community	Region	Community Retailer: (entity selling fuel)	Heating Fuel #1 02/2009 Retail: (selling price per gallon - $$)	Percent (%) +/- Statewide Heating Fuel Average ($5.38*):	Percent +/- 11/2008 Retail: (selling price per gallon)	Gasoline 02/2009 Retail Price: (selling price per gallon - $$)	Percent (%) +/- Statewide Gasoline Average ($5.51):	Percent +/- 6/2008 Retail: (selling price per gallon)	Reduced price?	Amount Price Reduced?
Wales	Western	Wales Native Store	$7.98	48%	0%	$7.73	40%	0%	No	Tried to make as low as possible
White Mountain	Western	White Mountain Native Store	$6.31	17%	1%	$6.05	10%	0%	No	

* Heating fuel average does not include North Slope Region communities, whose residential fuel is subsidized by the North Slope Borough.
** Petro Alaska closed its Thorne Bay location in 2008. Heating fuel deliveries for Thorne Bay residents are now being provided by Petro Alaska in Craig.

Division of Community & Regional Affairs

Department of Commerce, Community, and Economic Development

Sarah Palin, Governor • Emil Notti, Commissioner • Tara Jollie, Director

The Community Fuel Survey was conducted by the Alaska Department of Commerce, Community, and Economic Development, Division of Community & Regional Affairs (DCRA). If you have any questions or comments regarding the survey or this report, please contact:

Ann Marbourg, Research Analyst (907) 465-4752; ann.marbourg@alaska.gov

Previous editions of *Current Community Conditions: Fuel Prices Across Alaska* may be found on DCRA's website:
http://commerce.alaska.gov/dcra/researchanalysis/RApublications.htm

DIVISION OF COMMUNITY & REGIONAL AFFAIRS (DCRA), RESEARCH AND ANALYSIS SECTION
ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
FEBRUARY 2009

Estimated Impact of $9M Appropriation for Heating Assistance Programs[1]

Community	Avg. CHP[2]	Fuel Oil $/Gal.[3]	Est. Avg. HH Award[4]	Est. # Gal.
Anchorage	5	2.68	$285	106.3
Fairbanks	7	2.63	$399	151.7
Juneau	5	4.07	$285	70.0
Noorvik	26	7.50	$1,482	197.6
Chitina	11	4.12	$627	152.2
Togiak	14	5.87	$798	135.9
Shismaref	29	7.75	$1,653	213.3
New Stuyahok	16	6.34	$912	143.8
Est. $ per CHP[5]	$57			

[1] Estimates show the impact on households participating in the state-operated heating assistance programs

[2] Avg. CHP - Average Community Heating Points based on 2009 ytd approved Heating Assistance Applications

[3] Fuel Oil Prices from DCRA "Current Community Conditions: Fuel Prices Across Alaska November 2008 Update"

[4] Est. Avg. HH Award - Estimated award for average household based on the average total number of Community Heating Points for the community multiplied by calculated dollar value per CHP

[5] $57 is the estimated dollar per CHP based on the statewide average of CHP (8.5), the projected number of eligible households (13,000), and the amount of the appropriation available for the State heating assistance programs ($6.3M)

Provided by the Department of Health and Social Services
Submitted by the Office of Sen. Lyman Hoffman

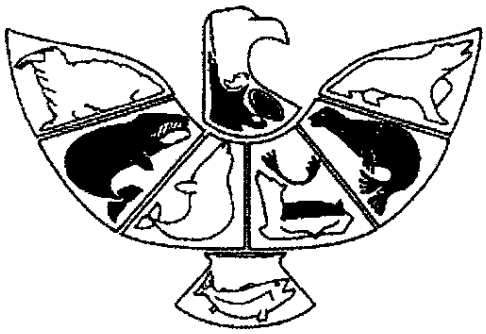
AVERAGE MONTHLY TEMPERATURES FOR BETHEL ALASKA

MARCH AND APRIL (1997 – 2008)

SOURCE: NATIONL WEATHER SERVICE (2-24-09)

Year	March	April
1997	8.3	33.9
1998	27.6	31.4
1999	19.5	25.3
2000	20.5	26.8
2001	13.5	29.1
2002	21.9	27.5
2003	15.5	33.2
2004	11.9	33.2
2005	18.5	20.9
2006	10.6	18.8
2007	2.3	35.7
2008	12.0	22.1

Submitted by the Office of Senator Lyman Hoffman
Source: National Weather Service. Bethel Alaska
Phone conversation – 2/24/09



Alaska Native Health Board

1840 South Bragaw Street, Suite 220
Anchorage, Alaska 99508

Phone: (907) 562-6006
Fax: (907) 563-2001

Honorable Lyman Hoffman, Senate Finance Co-Chair
Honorable Bert Stedman, Senate Finance Co-Chair
Senate Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

RE: Energy Assistance Need

Dear Co-Chairs Hoffman and Stedman and Members of the Senate Finance Committee:

The Alaska Native Health Board (ANHB) thanks the Senate Finance Committee for introducing and expresses support for SB 115 and SB 116.

ANHB represents 24 regional and village tribal health organizations that provide direct care services and programs to approximately 130,000 Alaska Natives and American Indians and to non-Native residents in most of the rural/remote villages in Alaska.

Village clinics and regional health organizations are experiencing extreme energy-related hardships with as a second year of high energy costs set in. As they struggling to balance budgets, many have had to cut direct patient services, reduce spending on medical supplies, and, in the worst instances, close clinics. I'll give you a few examples of these struggles.

- Maniilaq Association, which represents the hub village of Kotzebue and 11 surrounding villages, has seen fuel prices increase by 45%. The cost of electricity has increased 28%, along with office space rent. Maniilaq is estimating the increased cost in energy from last year to this year at $2.1 million.
- Eastern Aleutian Tribes, Inc. represents eight remote villages along the Aleutian Chain and Whittier. Transportation fuel costs have risen more than 35%. As a result, many of their grants have spent 75% of their total budget in just the first eight months of the year. The Adak clinic has been open on an intermittent basis. It is one example of the impact high fuel and utility costs are having on direct patient services. The ability of the clinic to pay staff salaries has created retention and recruitment problems.
- Tyonek employs one Community Health Aide. Their energy costs have increased substantially, but they have been able to maintain clinic hours. However, they are experiencing rising supply costs due to freight charges causing changes to supplies orders.
- Bristol Bay Area Health Corporation (BBAHC) serves Dillingham and 34 villages in the area. BBAHC's village cost of living increases directly related to energy and fuel costs range from 206% to 376% above the Anchorage cost of living index. Facing their very first unbalanced budget, BBAHC recently laid off 18 employees and reduced hours for six employees. To

ALASKA NATIVE TRIBAL HEALTH CONSORTIUM
ALEUTIAN/PRIBILOF ISLANDS ASSOCIATION
ARCTIC SLOPE NATIVE ASSOCIATION
BRISTOL BAY AREA HEALTH CORPORATION
CHUGACHMIUT
COPPER RIVER NATIVE ASSOCIATION
COUNCIL OF ATHABASCAN TRIBAL GOVERNMENTS
EASTERN ALEUTIAN TRIBES
KARLUK IRA TRIBAL COUNCIL
KENAITZE INDIAN TRIBE
KETCHIKAN INDIAN COMMUNITY
KODIAK AREA NATIVE ASSOCIATION
METLAKATLA INDIAN COMMUNITY
MT. SANFORD TRIBAL CONSORTIUM
NATIVE VILLAGE OF EKLUTNA
NATIVE VILLAGE OF TYONEK
NINILCHIK TRADITIONAL COUNCIL
NORTON SOUND HEALTH CORPORATION
SELDOVIA VILLAGE TRIBE
SOUTHCENTRAL FOUNDATION
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM
TANANA CHIEFS CONFERENCE
YUKON-KUSKOKWIM HEALTH CORPORATION
VALDEZ NATIVE TRIBE

offset increased fuel and electricity costs experienced by village clinics, BBAHC increased Indian Health Service village lease payments by ten percent. Patient travel, medevac services, fuel oil and electricity combined are $1 million above BBAHC's FY 2008 budget.

ANHB is also concerned about the toll high energy costs are taking on individual families. As households struggle with home heating and other energy costs, some families are deciding to close their homes and move in with relatives. Combining households means more people are living together in close quarters, raising public health issues. In these circumstances, the risk of spreading communicable diseases, including respiratory disease and skin infections, increases dramatically. Another concern is persons who are dependent on durable medical equipment (such as respirators) for chronic conditions are choosing to limit their hours of use because of high electric rates, which risks their health and, in the long run, puts the patient at risk for more invasive treatment.

Alaskans who live in rural/remote areas of the state count on the health systems in their communities for a complex array of health services. For most of rural Alaska, that is the tribal health system. As you consider energy assistance to the part of Alaska most challenged during high energy costs, we respectfully request you craft a solution that includes energy assistance for rural health facilities.

If we can provide any additional information or assistance please feel free to contact me at 907-562-6006 or via e-mail at edotomain@anhb.org.

Respectfully,

Evangelyn Dotomain
President/CEO

SB 125

<target><bill>SB 125</bill><subject>SB 125</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

Senate District E
Fairbanks and Fort Wainwright

State Capitol Building, Room 7
Juneau, Alaska 99801-1182

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
http://paskvan.aksenate.org/

Sponsor Statement

SB 125 Alaska Aerospace Corporation

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

Senate Bill 125 simply seeks to change the name of the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation.

"Development" gives the perception that the organization is a non-profit administrative body that simply encourages aerospace development in Alaska, rather than an organization that owns and operates space launch facilities that are fully developed and capable of launching rockets as large as the Minotaur IV.

There are an increasing number of state sponsored aerospace development organizations that have been established in the lower 48 (California, Florida, New Mexico, Oklahoma, Texas, Virginia) that fit the "development" mold. They have some facilities, and they all work hard to develop aerospace incentives within the individual states, but they all have limited hands-on rocket launch experience.

The launch site in Kodiak is operational, functioning and self supporting, in that no Alaska General Fund appropriations are needed for operations and maintenance of the site. The site has had 14 successful launches since November 1998. The corporation's title needs to reflect these facts and this name change will help the organization meet its 21st century goals.

The new title, Alaska Aerospace Corporation, is unambiguous about their capabilities and will improve their ability to offer launch services to the national and international aerospace market.

This name change will further assist the corporation in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

I urge your support of this legislation.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 11, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/18/09

The FINANCE Committee considered: **SENATE BILL NO. 125**

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

SB 125 AK AEROSPACE CORPORATION

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Bill	Thomas	✓			
Anna Fairclough	FAIRCLOUGH	✓			
	Gara	✓			
Kevin J. Crawford Jr.	CRAWFORD	X			
	KELLY	X			
	Austerman	X			
	Joule	Y			
Chair:	Hawker	☆			
Chair:	STOLTZE	☆			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 125
(S) Publish Date: 3/13/09

Identifier (file name): SB125-CED-AADC-03-10-09
Dept. Affected: DCCED
Title: Alaska Aerospace Corporation
RDU
Component: Alaska Aerospace Develop. Corp.
Sponsor: Senate Labor and Commerce
Requester: Senate Labor and Commerce
Component Number: 1424

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies	4.5						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**4.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	4.5						
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other ( )							
TOTAL	**4.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes to change the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation. The supplies expenditures reflect the cost of new letterhead, business cards, logo and website updates.

Prepared by: Tyson Fick, Legislative Liaison
Phone 465-2503
Division: DCCED
Date/Time 3/10/09 12:00 PM
Approved by: Emil Notti, Commissioner
Date 3/1/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

3609

ALASKA AEROSPACE DEVELOPMENT CORPORATION

March 10, 2009

Senator Joe Paskvan, Chair
Senate Labor and Commerce Committee
Alaska State Capitol, Room #7
Juneau, Alaska 99801

SUBJECT: Support of SB 125 - Alaska Aerospace Corporation
"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation"

Dear Senator Paskvan:

The Alaska Aerospace Development Corporation completely supports this bill that changes our name to the Alaska Aerospace Corporation. We feel strongly that this name change will further assist the corporation in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

The launch site in Kodiak is fully operational, functioning and self supporting. The site has had 14 successful launches since November 1998. The corporation's title needs to reflect our maturity and this name change will help the organization meet its 21st century goals.

The new title, Alaska Aerospace Corporation, is unambiguous about our capabilities and will improve our ability to compete for and offer launch services to the national and international aerospace market.

Please call me if you have any questions.

Sincerely,

Dale K. Nash
Chief Executive Officer

Alaska Aerospace Development Corporation • 4300 "B" Street, Suite 101 • Anchorage, AK 99503 • (907) 561-3338 • (907) 561-3339

Talking Points

SB 125 Alaska Aerospace Corporation:

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

Mr. Chairman, the Alaska Aerospace Development Corporation was established by the Alaska State Legislature in 1991 and charged with stimulating a high technology aerospace industry in the state and is designed to augment the nation's ability to place satellites into orbit and support missile defense testing. The Corporation, in partial fulfillment of its charter, built and operates the Kodiak Launch Facility, the nation's first full service commercial spaceport that was not co-located on a Federal reservation.

Senate Bill 125 simply seeks to change the name of the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation.

The word, "Development", in the Corporation's title gives the perception that they are a non-profit administrative body that simply encourages aerospace *development* in Alaska, rather than an organization that owns and operates space launch facilities that are fully developed and capable of launching rockets.

According to Dale Nash, the Chief Executive Officer of the Corporation, this name change will assist them in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

These are just a few facts about the economic impact of the Corporation in Alaska:

- The Alaska Aerospace Development Corporation contributed about $28.7 million to the state last year, according to the independent firm, Northern Economics.

- During fiscal year 2008, the corporation spent about $17.8 million in Kodiak, supporting about 100 local vendors and generating 155 jobs. Those jobs paid about $7.7 million in wages and salaries on the island. Nearly 1,000 people visited the island during the year to support activities at the launch facility. These visits generated about $365,000 for hotels, restaurants and retail services on the island.

- Also, the Alaska Aerospace Development Corporation was involved in a project to increase cellular phone access in areas previously unavailable on the island, and it helped generate funding for improvements to Pasagshak

Road. All totaled, the Kodiak Launch Facility was responsible for 11 percent of total earnings for the borough.

- In Anchorage, the corporation employed 20 people and paid wages, salaries and fees to employees and suppliers of $1.7 million. All totaled it contributed about $7.1 million to the Anchorage economy.

The launch site in Kodiak is operational, functioning and self supporting, in that no Alaska General Fund appropriations are needed for operations and maintenance of the site. The small fiscal note -- $4,500 – reflects the cost of new letterhead, business cards, logo, and website designs; and will be paid for with federal receipts, not the State's General Fund.

Mr. President, this name change will help the organization meet its 21st century goals. The new title, Alaska Aerospace Corporation, is unambiguous about their capabilities and will improve their ability to offer launch services to the national and international aerospace market, which benefits both our nation and our State.

I urge your support of this legislation.

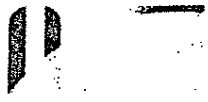
The Economic Benefits of the Alaska Aerospace Development Corporation, FY2008

Prepared for the

Alaska Aerospace Development Corporation

January 2009

Prepared by



Northern

Northern Economics
880 H Street, Suite 210
Anchorage, Alaska 99501
Phone: (907) 274-5600
Fax: (907) 274-5601

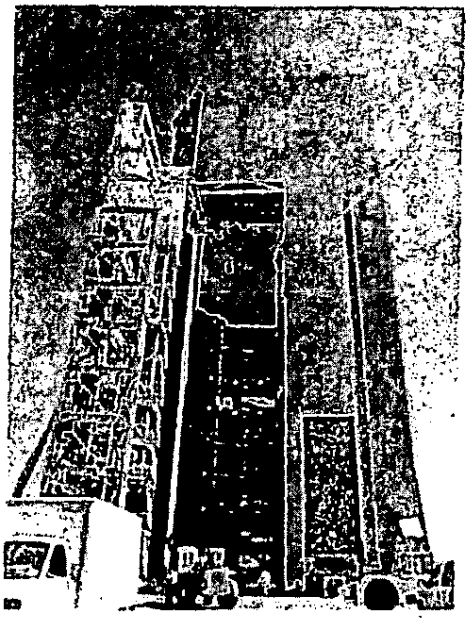
114 W Magnolia Street, Suite 411
Bellingham, WA 98225
Phone: (360) 715-1808
Fax: (360) 715-3588
Email: mail@norecon.com

3613

Executive Summary

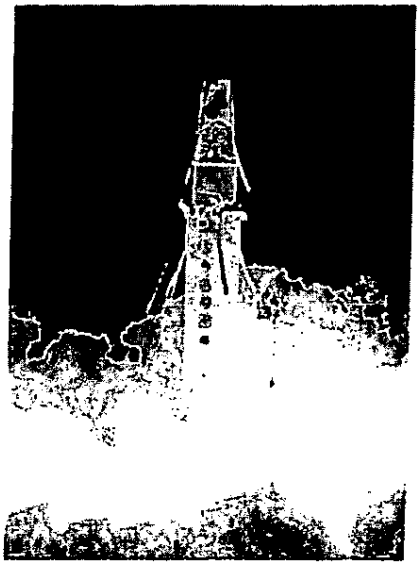
This study quantifies the economic contribution of the Alaska Aerospace Development Corporation's (AADC) and the Kodiak Launch Complex (KLC) operations on the local economies of Kodiak, Anchorage and Cordova as well as the economy of the state as a whole. The economic analysis covers the 2008 fiscal year (July 1, 2007 to June 30, 2008).

The KLC operations and projects continue to generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs, providing local economic diversity, as well as creating short-term benefits from projects and construction activities. In FY08, AADC's total economic contribution to the state amounted to $28.7 million in economic output. AADC continued to purchase goods and services from local businesses. AADC directly supported 260 Alaska businesses and generated 235 direct, indirect and induced jobs that paid a total of $12.5 million in wages and salaries within the state. Figure ES-1, Figure ES-2, and Figure ES-3 illustrate the share of economic output, jobs and labor income generated in the different regions that benefited from AADC activities. Table ES-1 presents all the direct, indirect and induced economic impacts on the different regional economies as well as the total statewide impacts.



Launch Services Structure (LSS) with rotating service door open. Upper floors show results of corrosion control process (in progress). Photo from AADC Archives.

As expected, the economic impacts of AADC's operations and projects were most significant in the Kodiak region. The total direct, indirect and induced local impacts to the Kodiak economy alone amounted to $17.8 million, supporting over a hundred local vendors, and generating 155 local jobs with $7.7 million in local payments for wages and salaries. This amount represents about 11 percent of the total earnings recorded for the Kodiak Island Borough for the previous year.



IFT-13c Target Missile Launch Dec 2004. Photo courtesy of Sandia National Laboratory.

The local impacts to Kodiak are especially significant during a launch. The Kodiak Launch Complex attracted 420 mission related and 562 non-mission related visits to Kodiak during the 2008 fiscal year. These visits contributed approximately $365,000 in business sales for hotels, restaurants, and other retail and service sectors in Kodiak. Besides the economic impacts generated in the tourism or hospitality sector, logistics activities during launches also directly benefited local contractors. Approximately $100,000 in direct local spending per launch is associated with logistics activities. Activities during a launch typically involve HAZMAT certified drivers and trucks, communications equipment and material handling equipment and operators.

3614

Related Links

+ Annual Reports

AADC History

AADC was established by the Alaska State Legislature in 1991 and charged with stimulating a high technology aerospace industry in the state. The corporation, in partial fulfillment of its charter, built and operates KLC, the nation's first full service commercial spaceport that was not collocated on a Federal reservation. KLC is located on Kodiak Island, which was chosen over several other sites scattered across the state, for its ability to best support commercial launch operations. The launch complex occupies around 3,700 acres of State owned land. AADC has authority over an additional 10,000 acres of land abutting the complex that it limits access to during launch operations to assure public safety and security. KLC offers a broad unobstructed open ocean launch fan to the south that ranges from 110° to 220°. There are no down range human safety concerns and missions can be flown without need for energy dissipating dog leg segments.

Construction of KLC began in 1998 and the facility was completed in 2001. AADC's customers to date have included the US Air Force, NASA, and the Missile Defense Agency.

Alcatel installing a section of the new undersea fiber optic cable network at Kodiak Island, in 2006.

FTG-02 lifts off from KLC on September 1, 2006 - Photo courtesy of Sandia National Laboratories

Economic Development and Industry Expansion

Satellite Earth Station

AADC participated in feasibility studies that brought a satellite down-link earth station to Fairbanks. At high northern latitude, Fairbanks is well suited as a location to receive data from remote sensing, research or other observation satellites in polar orbits. A satellite in polar orbit offers data to a receiving earth station in Fairbanks more times a day than would be possible if the earth station were further south in the U.S.

Telecommunications in Southcentral Alaska

In 2006, AADC partnered with the Kodiak Kenai Cable Company to bring high speed fiber optic connectivity to KLC and Kodiak Island. AADC owns sufficient fiber to support conceivable long term needs at KLC. Fiber cable was laid to Kodiak from Seward, Alaska, to the east and Homer, Alaska, to the north providing assured redundancy as a guard against cable breaks. Communication between KLC and the rest of the world is provided by a Synchronous Optical Network (SONET) fiber ring. The SONET ring has

KLC Launch History

December 5, 2008
Missile Defense Agency (MDA) Strategic Targets System (STARS), FTG-05

July 18, 2008
MDA STARS, FTX-03

September 28, 2007
MDA STARS, FTG-03a

May 25, 2007
MDA STARS, FTG-03

September 1, 2006
MDA STARS, FTG-02

February 23, 2006
MDA STARS, FT 04-1

February 13, 2005
MDA STARS, IFT-14

December 14, 2004
MDA STARS, IFT-13C

April 24, 2002
U.S. Air Force (USAF) Quick Response Launch Vehicle, (QRLV-2)

November 9, 2001
U.S. Army Space and Missile Defense Command, West Coast Risk-Reduction Flight (WCRRF)

September 29, 2001
Lockheed Martin, NASA and USAF, Kodiak Star

March 22, 2001
USAF QRLV-1

September 15, 1999
USAF Atmospheric Interceptor Technology (AIT), ait-2

November 5, 1998
USAF, ait-1

+ View Launch Videos

full and automatic redundancy. KLC currently has one OC-12 capacity on the fiber ring with an installed capacity of two DS 3s (equal to 56 T-1s).

^ top

AADC Home Kodiak Launch Complex : Documents : Visiting AADC Site Map Contact Us : Tour Info

Copyright © 2009 Alaska Aerospace Development Corporation. All Rights Reserved

SB 133

<target><bill>SB 133</bill><subject>SB 133</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPC Γ

(11)
Date Referred to Committee: April 16, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 133(FIN)**

"An Act creating a statewide electronic health information exchange system; and providing for an effective date."

SB 133 ELECTRONIC HEALTH INFO EXCHANGE SYSTEM

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 133 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [X] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DHS	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	—			
Harry J Crawford Jr	CRAWFORD	X			
R Foster	Foster	X			
	Austerman	X			
	KELLY	X			
Anna Fairclough	FAIRCLOUGH	✓			
R Gould	Gould	X			
Chair:	Hawker	☆			
Chair:	Stevens			X	

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

State Capitol Building, Room 7
Juneau, Alaska 99801-1182
http://paskvan.aksenate.org/

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
Senate District E – Fairbanks, AK

Sponsor Statement

SB 133

Alaska health care providers and patients continue to rely on an outdated healthcare infrastructure, with many providers using only paper based systems, which contributes to dangerous drug interactions, missed diagnoses, costly delays, duplicate testing and administrative overhead. According to national studies, these problems contribute to approximately 5% of health care expenditures or $250 million annually in Alaska and unnecessarily degrade the quality of health care for all Alaskans.

SB 133 modernizes Alaska's healthcare IT infrastructure by developing a secure electronic Health Information Exchange (HIE) system to improve the *safety, cost effectiveness,* and *quality of healthcare* in Alaska. This standards-based electronic health network will allow individual Alaskans to have their own personal health record and to authorize their health care providers to exchange electronic medical records in a timely, secure manner.

The use of such technology requires careful and strict privacy protection measures. Current Federal and State laws already provide a number of standards protecting a patient's privacy and personal information. The privacy and security rules contained in the Health Insurance Portability and Accountability Act (HIPAA) most directly and extensively impact the HIE system. HIPAA establishes individuals' right to review and obtain a copy of their health information, requires notice of privacy practices, limits the use of records and the disclosure of information, and institutes strict security standards.

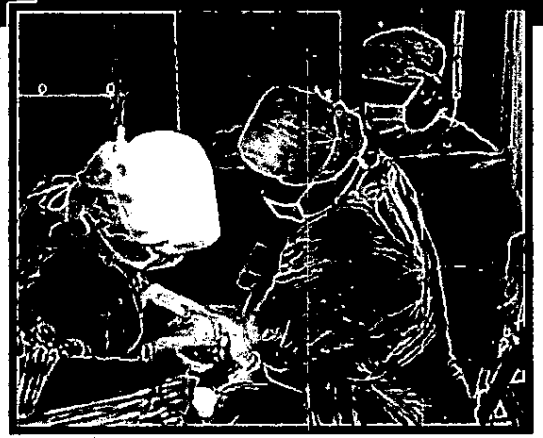
SB 133 establishes further strict standards to secure and protect the confidentiality of individually identifying health information of a patient. These standards include a secure and traceable electronic audit system to allow patients to see who has viewed their record, restrictions on how information may be used, patient consent requirements, an ability to opt out of the health information exchange system, and notification of confidentiality violations.

When complete, the Health Information Exchange System will have the capability to provide any Alaskan with a secure Personal Health Record, including authorization for their health care providers on the network to have access to electronic records required for continuity of care, such as hospitalization records, prescription information, vaccinations, allergies, imaging records, laboratory results, etc. The Network will support telemedicine services, the transfer of high resolution images for patient care, video conferencing, and Voice over Internet applications for providers.

Over 300 health organizations in Alaska are eager to participate in the electronic Health Information Exchange system.

I urge your support for SB 133.

3621



Deploying a Health Information Exchange for Alaskans

Paul Sherry, President
Alaska eHealth Network
March 2009

Medical Care: From Paper to Electronic

- Alaska's health care providers are now making major investments ($100M+) in moving from paper records to ***Electronic Medical Records***

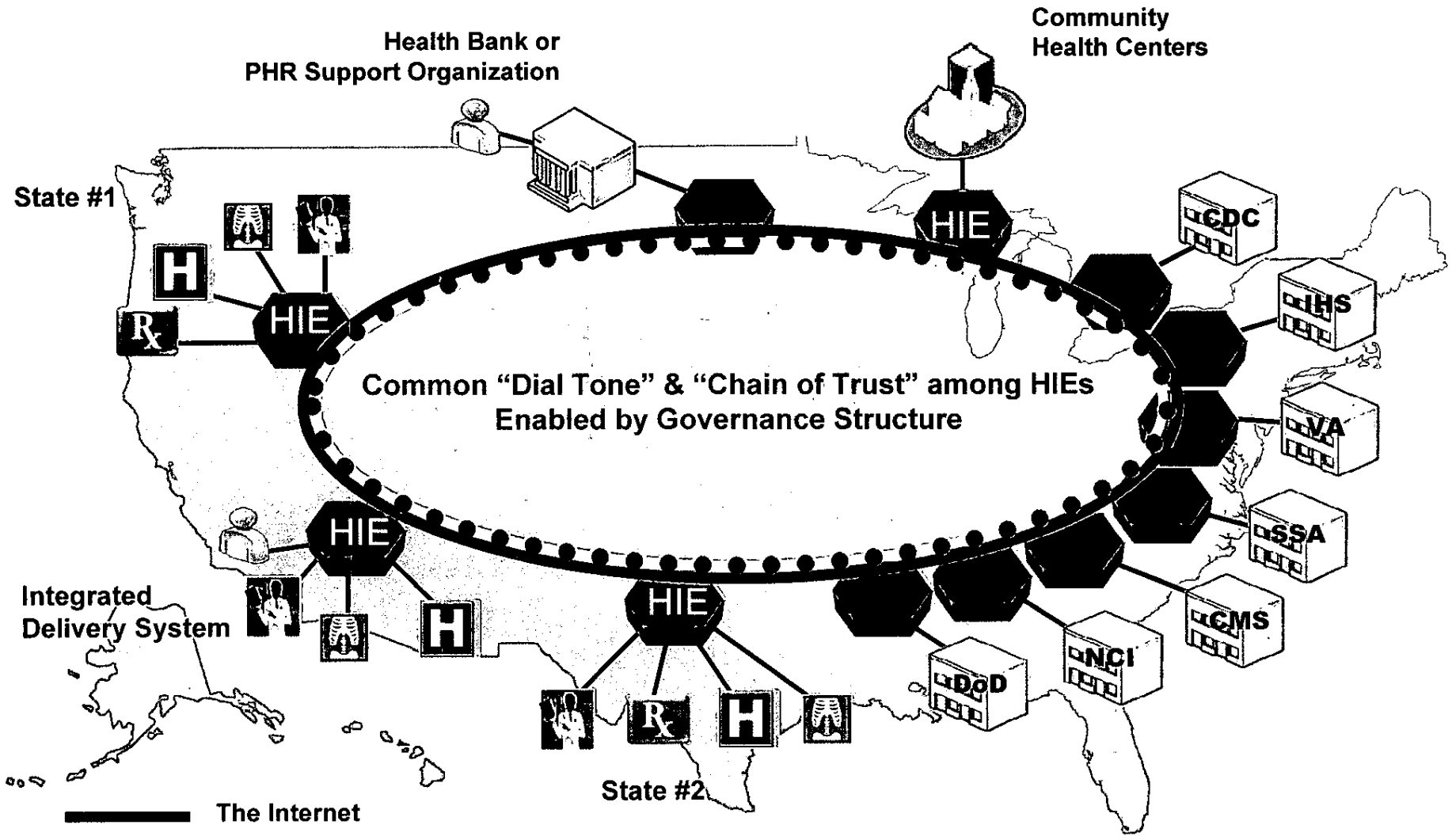
- Alaska's health care providers are aligned in support of creating a statewide ***Health Information Exchange*** network so patient records may be securely exchanged between providers for timely and safe patient care

- State of Alaska plays a ***key role as a partner*** in Alaska's developing Health Information Exchange

Health Information Exchanges: National effort: State Solutions

- Statewide and regional health information exchanges have developed over the last 10 years in other states
- "National Health Information Network" concept created in Bush administration and enhanced in Obama administration through ARRA 2009 stimulus
- Successful State Models:
  - DHIN - Delaware Health Information Network
  - CalRHIO – California, Los Angeles County
  - FHIN – Florida Health Information Network
  - Regenstrief – Indiana Eight County Network

NHIN "Network of Networks"



Health Information Exchanges: Providing timely, safer care

- Provide rapid access by authorized providers to critical patient information at the point of care
  - medical history
  - medication status
  - immunization status
  - allergies
  - laboratory reports
  - imaging reports
- Reduce redundancy in medical testing and procedures
- Improve patient safety through reducing medication reconciliation errors
- Reduce provider administrative costs for data management
- Expedited response to public health emergencies

Health Information Exchanges: Respecting Patient Privacy

- Do not require centralized patient health record repositories: health providers continue to own their records
- Facilitate connectivity with patient's Personal Health Record choices
- Respect patient decisions to opt-out of network participation
- Provide significant penalties for data breaches

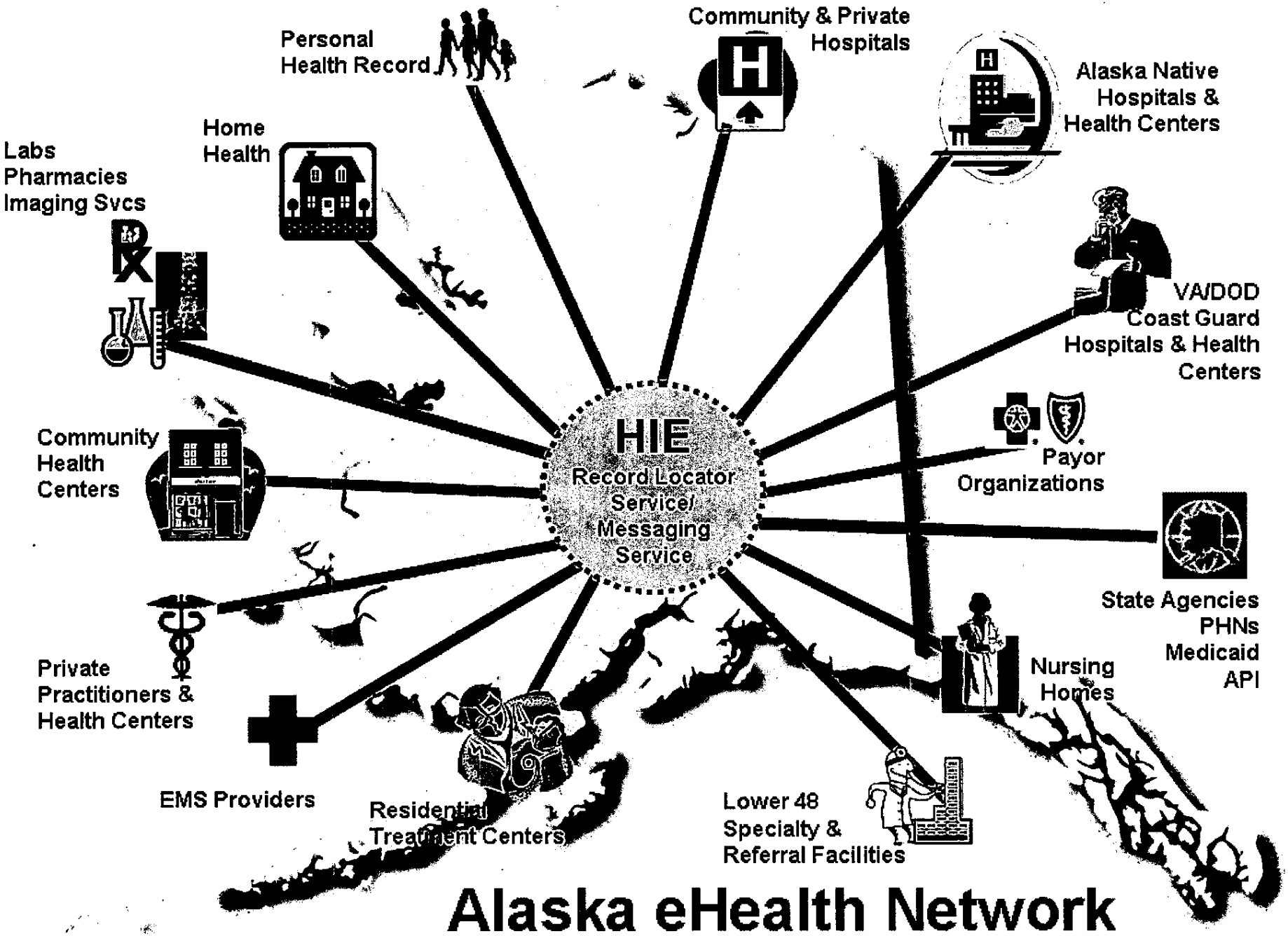
Health Information Exchanges: Saving money

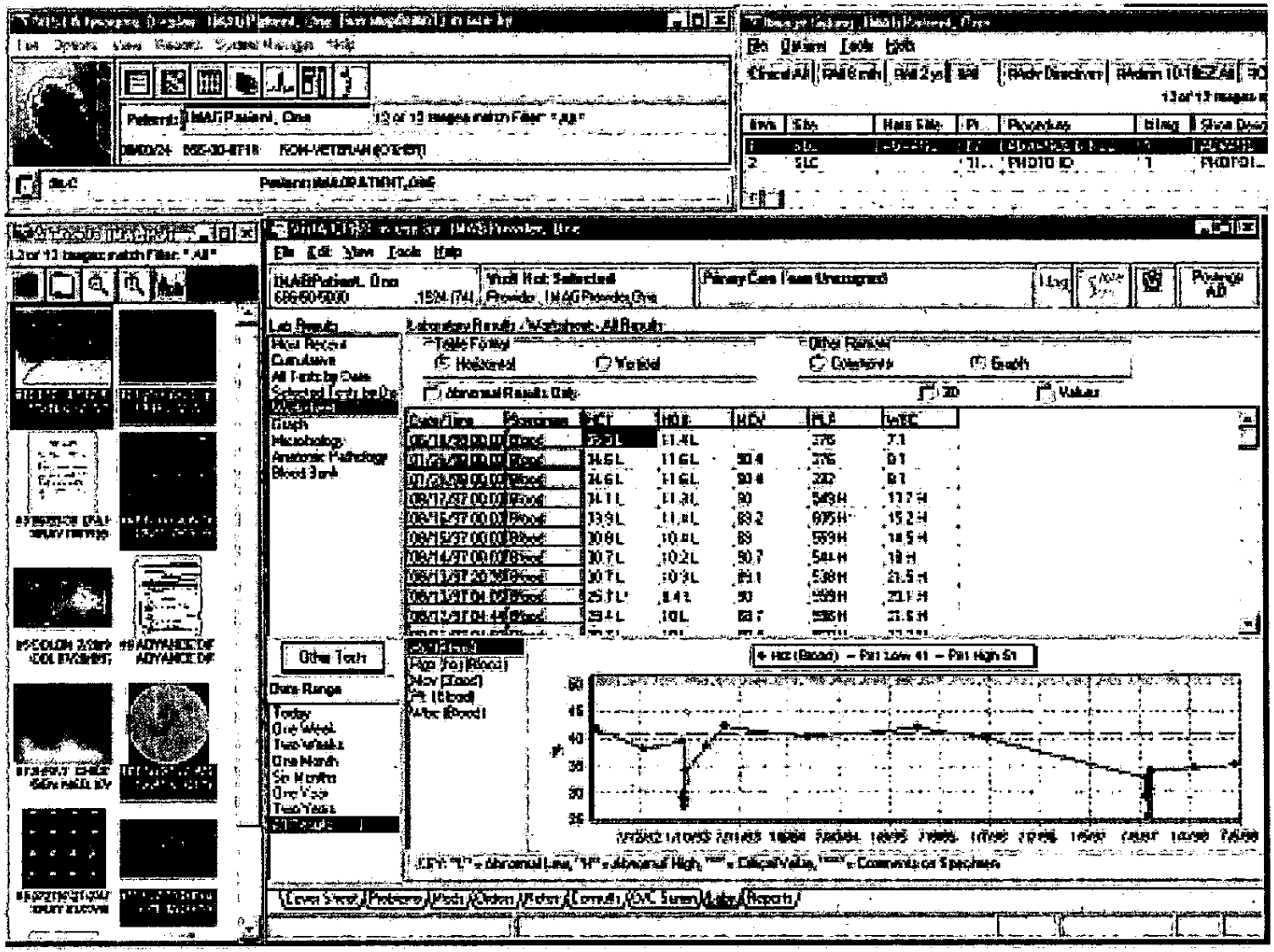
- Federal and private research projects 5% savings in annual U.S. health care expenditures from full deployment of inter-operable electronic medical records
- For Alaska's $5B health care industry, annual savings could reach $250M.
- For the State of Alaska's $250M GF Medicaid expenditures, annual savings could exceed $10M

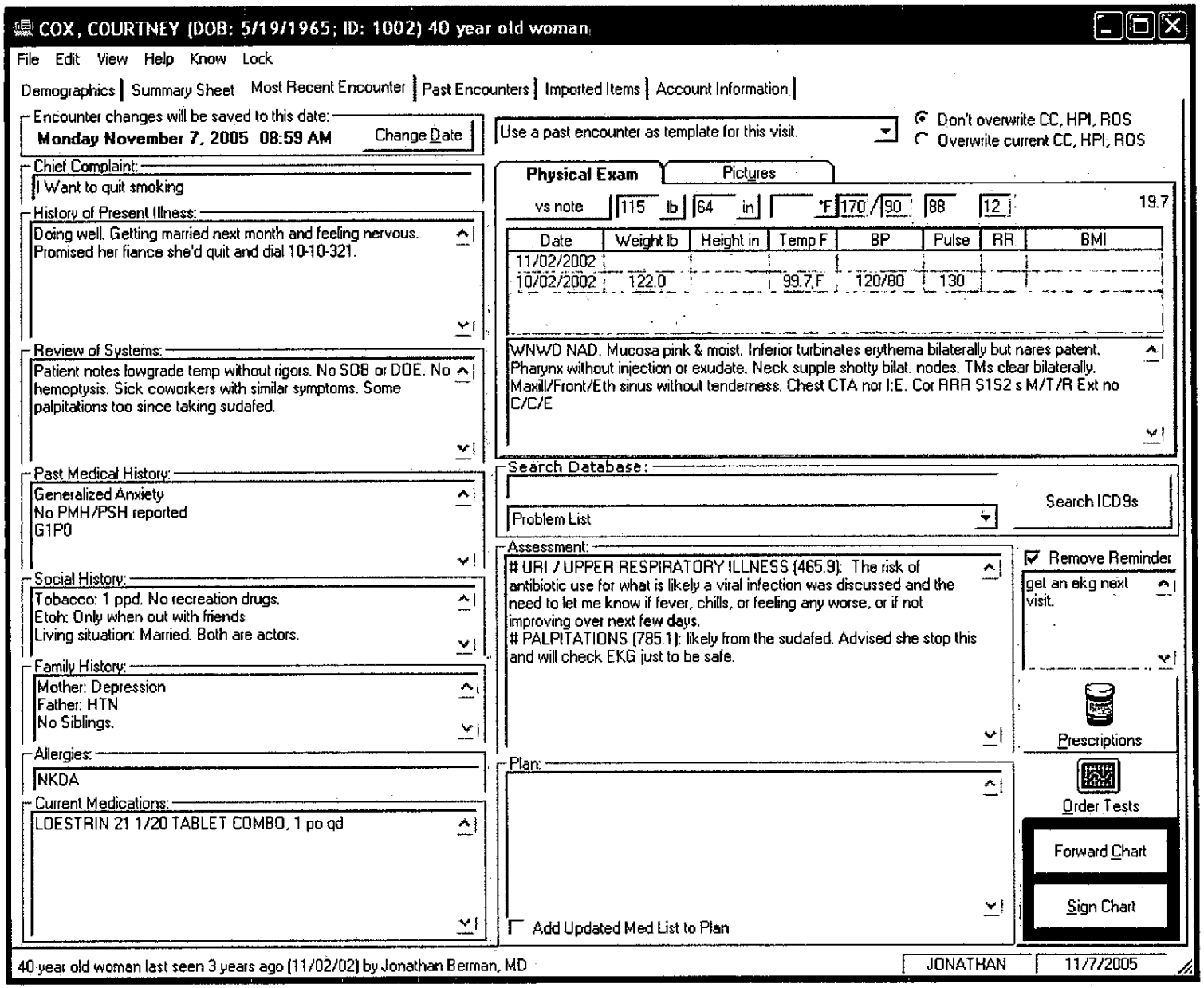
Alaska eHealth Network

- **5 year $35 million project** to deploy a secure network supporting the exchange of electronic health records between all Alaska health care providers

- **$12.0 million currently awarded** through 2008 from Federal Communications Commission, US Dept. of Health and Human Services, State of Alaska, Alaska Federal Health Care Partnership


Personal Health Record
Community & Private Hospitals
Alaska Native Hospitals & Health Centers
Home Health
Labs
Pharmacies
Imaging Svcs
VA/DOD
Coast Guard
Hospitals & Health Centers
HIE
Record Locator Service/ Messaging Service
Community Health Centers
Payor Organizations
State Agencies
PHNs
Medicaid
API
Private Practitioners & Health Centers
Nursing Homes
EMS Providers
Residential Treatment Centers
Lower 48 Specialty & Referral Facilities
Alaska eHealth Network




COX, COURTNEY (DOB: 5/19/1965; ID: 1002) 40 year old woman
File Edit View Help Know Lock
Demographics | Summary Sheet | Most Recent Encounter | Past Encounters | Imported Items | Account Information
Encounter changes will be saved to this date:
Monday November 7, 2005 08:59 AM
Change Date
Use a past encounter as template for this visit.
Don't overwrite CC, HPI, ROS
Overwrite current CC, HPI, ROS
Chief Complaint:
I Want to quit smoking
History of Present Illness:
Doing well. Getting married next month and feeling nervous. Promised her fiance she'd quit and dial 10-10-321.
Review of Systems:
Patient notes lowgrade temp without rigors. No SOB or DOE. No hemoptysis. Sick coworkers with similar symptoms. Some palpitations too since taking sudafed.
Past Medical History:
Generalized Anxiety
No PMH/PSH reported
G1P0
Social History:
Tobacco: 1 ppd. No recreation drugs.
Etoh: Only when out with friends
Living situation: Married. Both are actors.
Family History:
Mother: Depression
Father: HTN
No Siblings.
Allergies:
NKDA
Current Medications:
LOESTRIN 21 1/20 TABLET COMBO, 1 po qd
Physical Exam
Pictures
vs note 115 lb 64 in °F 170 / 90 88 12 19.7
Date | Weight lb | Height in | Temp F | BP | Pulse | RR | BMI
11/02/2002
10/02/2002 | 122.0 | | 99.7 F | 120/80 | 130
WNWD NAD. Mucosa pink & moist. Inferior turbinates erythema bilaterally but nares patent. Pharynx without injection or exudate. Neck supple shotty bilat. nodes. TMs clear bilaterally. Maxill/Front/Eth sinus without tenderness. Chest CTA nor I:E. Cor RRR S1S2 s M/T/R Ext no C/C/E
Search Database:
Problem List
Search ICD9s
Assessment:
URI / UPPER RESPIRATORY ILLNESS (465.9): The risk of antibiotic use for what is likely a viral infection was discussed and the need to let me know if fever, chills, or feeling any worse, or if not improving over next few days.
PALPITATIONS (785.1): likely from the sudafed. Advised she stop this and will check EKG just to be safe.
Remove Reminder
get an ekg next visit.
Prescriptions
Plan:
Order Tests
Add Updated Med List to Plan
Forward Chart
Sign Chart
40 year old woman last seen 3 years ago (11/02/02) by Jonathan Berman, MD
JONATHAN
11/7/2005

Alaska eHealth Network

- Incorporated non-profit August 2008
- Partners:
  - Alaska Native Tribal Health Consortium (designated lead partner)
  - Alaska State Hospitals and Nursing Homes Association
  - Alaska Primary Care Association
  - Premera Blue Cross/Blue Shield
  - State of Alaska DHSS
  - Alaska Federal Health Care Partnership (DOD, VA, USCG, Indian Health Service)
  - University of Alaska
  - Alaska E.H.R. Alliance (private physicians)
  - American Association of Retired Persons

Alaska eHealth Network
Board of Directors

- Alex Spector
- Jeff Davis
- Garth Hamblin
- Jay Butler, M.D.
- Jerome List, M.D.
- Tom Nighswander, M.D.
- Joel Gilbertson
- Marilyn Walsh-Kasmar
- Pat Luby
- Paul Sherry
- Rod Betit

Progress to Date: 2007-2008

- Participation in determining national privacy standards and technology interoperability standards
- Contract for technical network design awarded to GCI; determining requirements for needed broadband connectivity for Alaska health providers
- FCC grant funding is now available for health provider network technology acquisitions in 2009 and 2010

Next Steps: 2009-2010

- Complete network design and assist providers with connectivity
- Secure AeHN designation as Alaska's qualified Health Information Exchange organization
- Secure $20M+ from $19B available federal ARRA funding to acquire Health Information Exchange software

Next Steps: 2009-2010

- Secure $1.3M for FY2010 and $1.0M in FY2011 from State of Alaska for network development
  - Ensures match for federal stimulus funds
- Engage contractor/vendors to deploy Health Information "bridging" software to interconnect Alaska's various Electronic Medical Records systems
- Align the Health Information Exchange with State systems: MMIS, API, Public Health data
- Add Internet2 connectivity for telemedicine applications, teleconferencing, voice-over-internet, and consults from lower-48 academic/teaching hospitals

Sustainability: FY2011+

Establish the Alaska eHeath Network business structure to sustain network and software services through provider and payor contributions

AeHN Estimated recurring costs after FY11: $5.0M

$1.3M administration/business operations

$3.7M contractual HIE technical/software services

Estimated recurring AeHN revenues after FY11: $5.0M

- $1.5M 1500+ physicians/clinicians
- $0.5M 26 Hospitals
- $0.5M Laboratories/Pharmacies/Imaging Centers
- $1.0M State of Alaska
- $1.0M Private Insurers
- $0.5M Alaska Federal Health Care partners

SB133 Facilitates HIE development

- Positions Alaska for substantial stimulus funding
- Demonstrates state commitment to support and participate in Alaska's Health Information Exchange development
- Provides for DHSS oversight, engagement, and long-term participation plan
- Provides framework for designation of a qualified state Health Information Exchange entity
- Ensures privacy protections

Alaskan's support Health Information Exchange

- Partner organization support: hospitals, physicians, tribal health, insurers, citizens, community health centers, employers, federal health providers
- Alaska Health Care Commission short term priority area
- Strong Congressional delegation support

Summary recommendations

- A. Passage of SB133
- B. State DHSS oversight, support, and designation of HIE organization
- C. Provide stimulus match of $1.3M in FY10 and $1.0M in FY11

The outcomes:

- Timelier access to safer health care for Alaskans

- $1M annual State investment yields ~5% savings in future State expenses for Medicaid, employee health care, state-operated health care programs

SB 133 – Electronic Health Info Exchange

Questions and Answers

1. Impact of developed AeHN to sole practitioner
2. Does North Sound Support?
3. $27 million fiscal note includes federal dollars – if we don't get the federal stimulus funding have we obligated the state to $27 million general funds?
4. Why does the fiscal note include 6 positions?
5. What happens if this bill doesn't pass this year?
6. What "strings" are attached to the stimulus funding?
7. Do we need the state match?

---

1. Impact of developed AeHN to sole practitioner?

SB 133 does not mandate any provider to implement (Electronic Health Records) EHRs or to join the Health Information Exchange (HIE) system.

It is anticipated that any provider could join the network for a minimum membership fee of $50/year. Additional fees would be charged for additional services such as practice work flow design and use of an ASP (application service provider) model EHR. By utilizing a shared network to exchange data, the cost to private providers is greatly decreased.

The real benefit to providers is in the connectivity. While the provider may be able to implement a local EHR, the real need is to have access to data in other provider EHRs. This is what will provide "meaningful use". Note that meaningful use is still being defined by CMS (Center for Medicare/Medicaid Services), but connectivity has been identified as one of the criteria.

Submitted by Sen Pedersen

3642

2. Does Norton Sound support?

All of the regional organizations including Norton Sound have signed letters of agreement to participate in the FCC network build out for the non-profit AeHN and are participating in the ongoing health information exchange planning process.

The health information exchange does not provide the regional corporations with EHRs, but does connect the EHRs currently being installed at regional locations with the ANTHC EHR and the rest of the state.

3. $27 million fiscal note includes federal dollars - if we don't get the federal stimulus funding have we obligated the state to $27 million general funds?

The current fiscal note is based on a state-developed Health Information Exchange (HIE), with state employees. However, SB 133 allows the state to designate an entity other than itself to plan and implement the system. This approach would avoid costs of state employees and place the costs in a non-profit, user supported entity.

Below may be considered alternative fiscal note summary language which would identify the actual costs to the state based on the cost estimates prepared by the non-profit AeHN:

2010 $1.3M (stimulus match) plus $65K (1 FTE for a oversight position)
2011 $1.0M (stimulus match) plus $65K (1 FTE for a oversight position)
2012 $1.0M (Operations membership fee) plus $65K (1 FTE for a oversight position)
2013 $1.0M (Operations membership fee) plus $65K (1 FTE for a oversight position)
2014 $1.0M (Operations membership fee) plus $65K (1 FTE for a oversight position)

The AeHN Business Plan shows the cost being borne by all of the stakeholders not just the state. The State's ongoing bill is $1M. This amount is offset by a potential savings to Medicaid of $10M.

4. Why does the fiscal note include 6 positions?

The state is projecting the entire project cost in the fiscal note if the state were to fully implement it on its own. With SB 133, the state has the option to designate another entity while maintaining oversight.

The state oversight may be handled by 1 FTE. A second position may be required for Finance. The other positions are part of the HIE and would be covered in the sustainable model by revenues generated through user fees.

5. What happens if this bill doesn't pass this year?

Passing this bill would cement the state's involvement in the HIE project, demonstrate the state's commitment to HIE, require a standards based approach, and solidify privacy standards on Alaska's terms. Other states are moving forward with a similar approach. With the availability of stimulus funds, and additional competitive grants, passing this bill would put a designated entity in a better position to be awarded additional funding.

If it doesn't pass, the HIE project would not have the match required to apply for regular grants, stimulus grants or the stimulus match required funds. Essentially, the existing work done to bring Alaska along with the rest of the nation for health information exchange would be severely impacted and momentum to complete this project would be lost.

SB 133 ensures that progress toward HIE completion is done on Alaska's terms. It outlines additional privacy standards not currently existing in Federal and State law.

AeHN will continue to look for additional funds from other funders (Denali, Rasmuson and others), and will do this whether there are stimulus funds or not. However, the guarantee for success is much higher with a state match. The $10 million FCC project which is already approved by the feds would also be placed on hold.

6. What "strings" are attached to the stimulus funding?

There are no strings attached according to the Office of the National Coordinator (ONC) staff and the speakers at a recent HIMSS Conference. All the federal agencies are feeling the push from the Obama administration to get stimulus funds released. In particular, agencies are focusing on the money that will be given directly to states. But all agencies are gearing up for an increased number of competitive grants as well. There are still unanswered questions regarding the release of funds, but each day brings additional clarity as agencies meet with consumers.

The HIMSS Conference in Chicago was attended by over 30,000 people representing most of the states. Almost every state is approaching electronic health network system development similarly as proposed in SB 133—partnership organization with a state designated, shareholder based entity. Speakers from Congress, federal agencies, HIE Directors, providers and consumers all spoke about the need to include private providers, state agencies, federal agencies, consumers and payors.

7. Do we need the state match?

Yes. The language in ARRA is clear, and requires a 90/10 match. The state is a key player in the health information exchange process. Without state commitment, this project will move much slower and cost the state more over time. The non-profit, AeHN, which has already made significant progress, will continue to pursue other revenue sources whether the state money is awarded or not.

There will be stimulus funds available very soon in the form of competitive grants from federal agencies such as HRSA, FCC, and NTIA to anyone. If a non-profit has the $1.3M, they can use it as match for other funds as well. They can apply for these funds with or without the governor's approval of the stimulus $$ for states. State match will be necessary to apply for these funds as well.

3645

Passed Sen Finance
CS SB 133 (FIN)

CSSB 133(HSS) Amendment

Summary

This amendment does two things:

1. Deletes the designation of "the state" as an option for fully implementing and operating the HIE system
   a. It is not necessary to have a big-government operation when there are private sector options – the state can just act in an oversight role.

2. Puts in statute the expectation that the designated entity must become self-sustaining through a combination of user fees and other private and public funding sources.

Passed Sen. Finance
CS SB 133 (FIN)

26-LS0489\P.2
Mischel
4/10/09

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 133(HSS)

Page 4, line 7:

Delete "the state or"

Page 4, lines 8 - 9:

Delete "or a combination of the state and one or more entities under contract with the state"

Page 5, line 2, following "information":

Insert ";

(6) ensure that the health information exchange system becomes self-sustaining through a combination of user fees and other private and public funding sources."

3647

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SARAH PALIN, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

April 6, 2009

The Honorable Lyman Hoffman, Co-Chair
The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
Alaska State Capitol, Rooms 518 and 516
Juneau, AK 99801-1182

RECEIVED
APR - 7 2009

Subject: Support for SB 133

Dear Chair Hoffman and Chair Stedman:

The Alaska Commission on Aging (ACoA) respectfully asks for your support of SB 133, a bill to establish a statewide electronic health information exchange system that would modernize the current paper-based system and allow health care providers quick access to patient health care records, reducing medical errors and enhancing cost effectiveness. This legislation is authored by Senator Joe Paskvan and co-sponsored by Senator Bettye Davis.

The benefits of an electronic heath care information exchange system are significant and would contribute substantially to the State's goals to improve safety, cost effectiveness, and quality of health care in Alaska. An electronic information exchange system provides the means for individual Alaskans to have their own personal health records accessible to all health care providers so that providers can make medical decisions in a timely and secure manner in the location where medical services are delivered. The electronic exchange system will support telemedicine services including the transfer of high resolution images for patient care and video conferencing between providers and between providers and patients which are particularly important for patients living in rural Alaskan communities. SB 133 also provides for the implementation of a secure infrastructure that follows federal standards and requires patient consent to insure maximum protection of patient confidentiality and their medical records.

For older Alaskans, an electronic health information system will help to enhance the management of chronic diseases and improve health outcomes by increasing the availability of complete patient health information to ensure appropriate care and use of evidence-based health care services. An electronic health information system can also help to facilitate patient education in self-management of health conditions and potentially provide a means for personal health records to be connected to the electronic medical record system – including prescription records, lab results, schedules of medical appointments, and patient diaries of reported symptoms, side effects related to medicine, and other related information.

ACoA is pleased to support SB 133 and appreciates your consideration of this bill. We believe that an electronic health care information system will serve all Alaskans well, including older Alaskans who are among the largest consumers of health care services. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position or request assistance from our office. Thank you for your consideration of support for this important legislation.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

CC: Senator Johnny Ellis
Senator Charlie Huggins

Sincerely,

Denise Daniello
ACoA Executive Director

CC: Senator Donald Olson
Senator Joe Thomas

Implementation Project Summary and Impact Analysis

State of Alaska Report

Subcontract No.
RTI Project No. 9825

Prepared by:

Carolyn Heyman-Layne, Dorsey & Whitney LLP
Linda Boochever, Alaska EHR Alliance
Rebecca Madison, Alaska ChartLink
Alaska Native Tribal Health Consortium
4000 Diplomacy Drive
Anchorage, AK 99508

Submitted to:

Linda Dimitropoulos, Project Director
Privacy and Security Solutions for
Interoperable Health Information Exchange

Research Triangle Institute
P. O. Box 12194
3040 Cornwallis Road
Research Triangle Park, NC 27709-2194

December 5, 2007

RTI INTERNATIONAL

3649

Alaska HISPC Implementation Project Summary and Impact Analysis Report

Executive Summary:

Alaska, like the rest of the United States, faces challenges in addressing increasing health care costs, improving access to medical care, and ensuring and improving quality medical care for patients. Timely access to essential medical information by providers at the point of care is critical to good outcomes for the patients. A statewide initiative is working to address these challenges by promoting the expansion of the use of electronic health records by Alaska's medical providers and by establishing a statewide electronic health information exchange delivery system to provide critical information when and where it is needed.

Alaska health care leaders and members of the Alaska Telehealth Advisory Council formed the Alaska Regional Health Information Organization to look at innovative technology solutions targeted toward lowering costs and preventing medical errors. To accomplish this goal the Alaska RHIO, with the support of the Alaska Governor's office, successfully competed for a national contract to focus on issues of security and privacy as related to health information exchange. In January 2007, the Alaska RHIO was reorganized as Alaska ChartLink.

The Health Information Security and Privacy Collaboration (HISPC) is part of a national effort to encourage wider adoption of Electronic Health Records (EHRs) and establish a Health Information Exchange (HIE) network in Alaska and throughout the United States. Participation in this national initiative gives a voice to Alaska specific issues, needs, and recommendations in the development of national policies as related to security, privacy and best business practices surrounding interoperability of health information exchange.

Phase I of the HISPC contract provided an assessment of the privacy and security climate in Alaska as it relates to health information exchange. The findings from this assessment determined a number of action steps that needed to be addressed in order for Alaskans to begin exchanging electronic health information. Key areas of action included:

- Legal solutions for enacting legislation related to medical records and the electronic exchange of health information,
- Standardized policies and procedures for use across participating organizations,
- Participation agreements for use by participating organizations and consumers, and
- Education and marketing tailored to consumers and providers encouraging use of electronic health records.

Alaska HISPC Implementation Project Summary and Impact Analysis Report

Phase II of the HISPC contract provided an opportunity for Alaska to implement selected solutions developed during Phase I and to participate in a national collaborative security and privacy think tank. In particular, the Alaska HISPC contract produced three products:

1. Five essential documents providing a standardized approach to the exchange of health information and addressing privacy and security concerns.
2. A Communications Plan and educational materials targeted toward patients, providers, and payers, that addressed the benefits of exchanging critical medical information in a secure manner that ensures patient privacy.
3. A collaborative report developed in conjunction with Guam, Iowa, New Jersey, North Carolina, North Dakota, Puerto Rico, and South Dakota addressing multi-state inter-organizational agreements for health information exchange.

Volunteers from across the state participated in the HISPC project. Over 250 Alaska citizens participated in stakeholder meetings held in both urban and rural locations. Participants included; healthcare consumers, public, private and federal providers, payers, state and municipal workers, healthcare professionals, lawyers and employers. These dedicated individuals provided valuable insights into the needs, desires and fears associated with electronic health information. The documents created through the exchanges with the citizens of Alaska provide a sound basis for the ongoing development of health information exchange in Alaska.

V. Conclusion

Phase I of the HISPC contract provided an assessment of the privacy and security climate in Alaska as it relates to health information exchange. The findings from this assessment determined a number of action steps that needed to be addressed in order for Alaskans to begin exchanging electronic health information. Key areas of action included:

- Legal solutions for enacting legislation related to medical records and the electronic exchange of health information,
- Standardized policies and procedures for use across participating organizations,
- Participation agreements for use by participating agreements and consumers, and
- Education and marketing tailored to consumers and providers encouraging use of electronic health records.

Phase II of the HISPC contract provided an opportunity for Alaska to implement selected solutions developed during Phase I and to participate in a national collaborative security and privacy think tank. In particular, the Alaska HISPC contract produced three products:

1. Six essential documents providing a standardized approach to the exchange of health information and addressing privacy and security concerns.
2. A Communications Plan and educational materials targeted toward patients, providers, and payers addressing the benefits of electronic health records, personal health records, and exchanging critical medical information in a secure manner that ensures patient privacy.
3. A collaborative report developed in conjunction with Guam, Iowa, New Jersey, North Carolina, North Dakota, Puerto Rico, and South Dakota addressing multi-state inter-organizational agreements for health information exchange.

In addition to the products developed during the HISPC contract, the Alaska partners received additional benefits:

The HISPC project has helped to increase awareness of electronic health records and health information exchange in both consumers and providers throughout the state. Processes are now in place to continue this awareness campaign.

Prior to this project there was no coordinated statewide approach to addressing issues of privacy and security. Standardized policies, procedures, and participation agreements are now available for use statewide.

The collaborative process initiated by HISPC facilitated the exchange of ideas and lessons learned between many states. It was an opportunity for Alaska's Core Team to share and receive "best practice" solutions to privacy and security issues.

The HISPC project created an opportunity for Alaska to advance the HIE and EHR initiatives within Alaska and has opened the door to potential future grant opportunities.

Updating Privacy Laws to Facilitate Health Information Exchange

Consumer and provider concerns about privacy and security are inhibiting adoption of health IT. Consumers are concerned about the consequences of disclosure of sensitive health information related to dire or stigmatized diseases, such as the loss of health coverage or employment. Providers, concerned about varying interpretations of state and federal privacy laws and the liability for violations, often are reluctant to exchange data. State updates to health privacy laws can help alleviate these and other concerns. Trends identified in enacted legislation include the following.

Comprehensive Reform

Key policy decisions for states that want to update privacy laws to allow for health information exchange include structuring patient consent, addressing provider concerns and establishing accountability mechanisms.

Structuring Patient Consent

States face key questions on the issue of patient consent. Under what circumstances should patient consent be required? How should consent be structured (opt-in, opt-out)? Will patients have to choose between including all their information for exchange or none? Or will patients be able to choose specific information to share? As states set policy on consent, a number of competing issues must be balanced, including: patients' desire to control data, providers' concern about having access to all relevant information for treatment, and implementation costs for providers and health information exchanges.

Provider Concerns

Providers, understandably, want access to all relevant patient information at time of treatment. They are concerned about liability if they treat a patient based on incorrect or missing data obtained from a health information exchange. Providers also are concerned about the cost of implementing privacy rules and their effect on practice workflows.

Accountability

States need to structure regulations and penalties so that patient, provider and health information exchange needs are balanced.

3654

Minnesota and Rhode Island passed health privacy updates as part of comprehensive health IT measures. A comparison of the privacy portion of the bills illustrates the differing paths states take as they attempt to capture the benefits of mobile health data and temper the associated risks (Table 1).

Table 1. Comparison of Privacy Provisions from Minnesota and Rhode Island

	Minnesota *Minnesota Health Records Act*	**Rhode Island** *Rhode Island Health Information Exchange Act of 2008*
Bill	2007 HB 1078	2008 HB 7409
Status	Enacted 5/25/07	Enacted 7/10/2008
Summary	Allows creation of record locator services (RLS). An RLS is an electronic index of patient identifying information that directs providers to the location of patient health records held by providers and group purchasers.	Establishes a statewide health information exchange (HIE) under state authority. Designates the Rhode Island Quality Institute as the governance body or regional health information organization (RHIO) for the HIE.
Putting Patient Data into the System	An RLS can be created without patient consent. Patients have the right to opt-out of the RLS in total or can exclude specific provider contacts from the system.	Patients must opt in for their data to be included in the HIE.
Consent for Access	Consent is required to search an RLS for the location of a patient's records except in an emergency. To facilitate the real-time exchange of data, one provider can electronically represent patient consent to another. To do so, a provider must have a signed and dated patient consent form authorizing the release. In addition, the provider releasing the record shall document: 1) the provider requesting the health records; 2) the identity of the patient; 3) the health records requested; and 4) the date the health records were requested.	Patients who opt in can choose which providers have access to their data. If a patient opts in their authorization is not required for release to: • public health authorities for specified functions; • health care providers for diagnosis or treatment in an emergency; and • the RHIO for operation and administrative oversight of the HIE.

Table 1. Comparison of Privacy Provisions from Minnesota and Rhode Island (continued)

	Minnesota *Minnesota Health Records Act*	**Rhode Island** *Rhode Island Health Information Exchange Act of 2008*
Audit Log	RLS must maintain an audit log of providers who access a patient's information. The log must contain at least the following: 1) the identity of the provider accessing the information; 2) the identity of the patient whose information was accessed by the provider; and 3) the date the information was accessed.	Patients have the following rights: (a) to obtain a copy of their health care information from the HIE; (b) to obtain a copy of the disclosure report pertaining to their health care information; (c) to be notified of a breach of the HIE security system; (d) to terminate participation in the HIE; and (e) to request to amend their information through the provider participant.
Provider Liability	(b) When requesting health records using consent, or a representation of holding a consent, a provider warrants that the request: 1) contains no information known to the provider to be false; 2) accurately states the patient's desire to have health records disclosed or that there is specific authorization in law; and 3) does not exceed any limits imposed by the patient in the consent.	Provides immunity to health care providers who rely in good faith upon information provided through the HIE in the treatment of a patient.
Penalties	An RLS is liable for inappropriate disclosures of information. Anyone who inappropriately discloses a patient's data is liable for compensatory damages caused by an unauthorized release, plus costs and reasonable attorneys' fees. Providers who violate the statute can face disciplinary action by the appropriate licensing board or agency.	The bill establishes civil and criminal penalties for violations of the statute. Attorneys' fees may be awarded by the court to the successful party in any action under this chapter.

Source: National Conference of State Legislatures, 2008.

Other Strategies

Make HIPAA the Rule

Nevada specifies that the Health Insurance Portability and Accountability Act (HIPAA) shall preempt any more stringent state laws related to the electronic exchange of health information by covered entities. The bill allows patients to not participate in electronic transmission of individually identifiable health information, with an exception for Medicaid and SCHIP patients and when required by HIPAA or state law.

3656

> Nevada SB 536 *Section 1 1. "If a covered entity transmits electronically individually identifiable health information in compliance with the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, which govern the electronic transmission of such information, the covered entity is, for purposes of the electronic transmission, exempt from any state law that contains more stringent requirements or provisions concerning the privacy or confidentiality of individually identifiable health information."*

Address Varying Interpretations of State and Federal Privacy Laws

To address differing interpretations and application of federal and state privacy laws, the Oklahoma Legislature ordered the State Board of Health to create a standard authorization form for exchange of health information. Providers who use the form and follow the board's instructions are immunized from liability under state privacy laws that may arise from the exchange of health information. Use of the form is not required. (Oklahoma SB 1420)

Data Breach Notification

California AB 1298 expands the state's data breach notification law to include unencrypted medical information and health insurance information. The bill also expands the definition of provider of health care under the state's Confidentiality of Medical Information Act to cover third-party vendors of personal health records such as Google and Microsoft. HIPAA and most state health privacy laws do not cover personal health records maintained by third-party vendors.

E-prescribing

A few states prohibit e-prescribing systems from influencing provider prescribing practices. New Hampshire passed the most comprehensive of these bills, which included the following language to prohibit use of prescription information by certain parties:

> New Hampshire HB 134 *"(e) No person who has access to electronic prescription information solely by transmitting or facilitating the transmission of prescriptions between the licensed prescriber generating the prescription and the pharmacy receiving the prescription, or any intermediary, shall retain the prescription or any information it contains for longer than is mandated by federal or state law, after which time the prescription information shall be destroyed. No such person shall sell, use, or otherwise make available the prescription information for any purpose other than transmission of prescriptions, prescription refills, and clinical information displayed to the prescriber or pharmacist."*

3657

Promoting Health Information Exchange

States are working to advance health information exchange by promoting interoperable health IT tools and by establishing and sustaining health information exchange organizations and infrastructure. Interoperability, combined with state initiatives to create health information exchange organizations is essential to states efforts to achieve quality improvements and reduce duplicative tests. Trends identified in the enacted legislation include the following.

Interoperability

Interoperability allows different systems to share information in an understandable format. Uniform data standards are essential to achieving this capability among health IT systems. At the national level, the Healthcare Information Technology Standards Panel is establishing standards, and the Certification Commission for Healthcare Information Technology certifying products. State approaches to encourage interoperability vary. Some states adopted these standards by reference, while others designated a state agency or outside group to establish standards. To encourage use of the standards, states can require agencies to purchase only standards-based systems. States also can require specific functions for health IT systems sold within their borders.

Require Purchase of Certified Systems

Minnesota mandated interoperable electronic health records by 2015 for all hospital and health care providers. To meet the interoperability standards set by statute, providers must use an electronic health records system certified by the Certification Commission for Healthcare Information Technology or its successor. An exception is included in the legislation for specialists whose practice setting the Certification Commission for Healthcare Information Technology doesn't certify electronic health records for. (Minnesota SB 3780)

Use State Agency Purchasing Requirements

Virginia HB 2198 requires that electronic health records systems or other tools that interact with electronic patient information purchased by state agencies meet interoperability standards or be certified by a recognized certification body. The bill also requires state agencies that provide grants available to other entities for such systems ensure that the systems meet interoperability standards or be certified by a recognized certification body.

3658

Create Standards and Require Use to Exchange Data

Utah HB 47 authorizes the Department of Health to adopt standards for electronic health information exchange. Payers and providers must use the standards adopted by the department to electronically exchange health information between health care systems. Payers and providers are not required to use the standards if they electronically exchange health information within a health care system.

Require Certain Functions

Texas SB 204 requires that electronic medical record systems sold to Texas health care providers who administer immunizations be able to interface with the state immunization registry.

Create or Designate a State-level Health Information Exchange

Many early health information exchange efforts began in the private sector, and state governments were asked to join. The current wave of health information exchanges, by contrast, is as likely to originate at the state level. Texas and Indiana created bodies to run the state-level health information exchange; and Connecticut, Vermont and Rhode Island designated existing independent nonprofit entities. Whether they create new entities or bless existing activities, statutes that define a state-level health information exchange confer formal status and authority, charge the health information exchange to promote health IT in both private and public sectors, define governance to include state agencies, and determine that they may receive and disburse funds on behalf of statewide health IT initiatives. Beyond these broad elements, various models have been adopted, reflecting existing activity in the state. Statutes that create these entities typically are comprehensive measures that, among other things, include: start-up support for a designated group, a state governance role, ongoing funding, and unique state-level responsibilities.

Appendix A compares legislation from Indiana, Texas and Vermont that creates or designates a state-level health information exchange.

3659

Advancing Adoption and Use

States are drawing on a wide range of policy levers to expand the use of health IT. These include mandates, incentives and leveraging state purchasing power. Trends identified in the enacted legislation include the following.

Mandates

Minnesota and Massachusetts have enacted mandates for the use of health IT tools. A few other states considered such mandates but did not enact them.

Mandate Purchase

Minnesota enacted two mandates for the purchase of health IT systems. The first requires hospitals and health care providers to have interoperable electronic health records systems by 2015. (Minnesota HB 1078) The second requires that, by 2011, all providers, group purchasers, prescribers and dispensers establish and maintain e-prescribing systems. (Minnesota SB 3780)

Tie Facility Licensure to Health IT System Implementation

Massachusetts tied implementation of computerized physician order entry and electronic health records to facility licensure standards for hospitals and community health centers. The Department of Public Health is charged with adopting regulations to require implementation of computerized physician order entry by Oct. 1, 2012, and of electronic health records by Oct. 1, 2015. The systems are to be certified by the Certification Commission for Healthcare Information Technology or its successor. (Massachusetts SB 2863)

Require health IT competency for physician licensure.

(Massachusetts SB 2863) *"The board shall require, as a standard of eligibility for licensure, that applicants show a predetermined level of competency in the use of computerized physician order entry, e-prescribing, electronic health records and other forms of health information technology, as determined by the board."*

3660

Incentives

Link Medical School Loan Repayment to Health IT Competency

Massachusetts created a workforce loan repayment assistance program for graduates of medical or nursing schools who specialize in areas where practitioners are in short supply. Among other eligibility requirements for the program is demonstration of competency with certain health IT tools. (Massachusetts SB 2863)

Offer Tax Credits

Wisconsin SB 40 creates a tax credit for providers who purchase electronic medical records. Providers can claim up to 50 percent of the cost of the system, to a maximum of $10 million per year.

Leverage State Purchasing Power

States are leveraging their role as a purchaser and provider of care to drive adoption and use of health IT.

Offer Incentive Payments for Electronic Health Records Use

New York SB 6808 allows providers who meet certain standards set by the Department of Health to receive supplemental payments for the increased cost of using electronic health records. To receive the payments, a provider must have an operating electronic health records system, and a set percentage of patients must be on Medicaid or uninsured.

Provide Targeted Reimbursement

Colorado SB 196 provides medical assistance program reimbursement for home and community services delivered via telemedicine.

Leverage State Employee Health Plan

Minnesota HB 548 creates a pilot program to provide a consumer-owned portable personal health record to members of the state employee health plan.

3661

Appendix A. Comparison of Health Information Exchange Legislation in Three States

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Project's Role within State Health IT Activities			
	Chapter 5. General Powers Sec. 1. The corporation shall encourage and facilitate the development of health informatics functions in Indiana. Sec. 2. The corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this article. Chapter 7. Expiration Corporation will expire on June 30, 2015.	Section 182.051 (a) Created to promote the establishment of a voluntary statewide network for the communication of electronic health information and to foster a coordinated public-private initiative for the development and operation of the health information infrastructure in the state.	Amends the scope of work of the Vermont Information Technology Leaders (VITL, a non-profit organization incorporated in 2005). Section 903 (c) VITL shall develop the states health information technology plan. Designates VITL to operate the statewide health information exchange network.
Organizational Structure			
	Chapter 3. Indiana Health Informatics Corporation Sec. 2. (a) The corporation is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions.	Sec.A182.051. Texas Health Services Authority; Purpose. ... (b) The corporation is a public nonprofit corporation and, except as otherwise provided in this chapter, has all the powers and duties incident to a nonprofit corporation under the Business Organizations Code.	VITL is a nonprofit corporation.

3662

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	Texas *Texas Health Services Authority Corporation*	Vermont *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Board Membership			
	Chapter 4. Corporation Board Sec. 1. The corporation shall be governed by a board. Sec. 2. (a) The board is composed of the following nine (9) members, none of whom may be a member of the general assembly: (1) The secretary of family and social services, or the secretary's designee. (2) The state health commissioner, or the state health commissioner's designee. (3) Seven (7) individuals appointed by the governor, of which at least: (A) one (1) individual must be a licensed physician who is actively engaged in the practice of medicine; and (B) one (1) individual must be engaged in the administration of a hospital licensed under IC 16-21.	Sec.A182.053.AA Composition Of Board Of Directors. (a) The corporation is governed by a board of 11 directors appointed by the governor, with the advice and consent of the senate. (b) The governor shall also appoint at least two ex officio, nonvoting members representing the Department of State Health Services. (c) The governor shall appoint as voting board members individuals who represent consumers, clinical laboratories, health benefit plans, hospitals, regional health information exchange initiatives, pharmacies, physicians, or rural health providers, or who possess expertise in any other area the governor finds necessary for the successful operation of the corporation.	Sec. 903. Health Information Technology (d) The following persons shall be members of VITL: (1) the commissioner, who shall advise the group on technology best practices and the state's information technology policies and procedures, including the need for a functionality assessment and feasibility study related to establishing an electronic health information infrastructure under this section; (2) the director of the office of Vermont health access or his or her designee; (3) the commissioner of health or his or her designee; and (4) the commissioner of banking, insurance, securities, and health care administration or his or her designee.

3663

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Financing			
	Chapter 5. General Powers Section 11 The corporation may request appropriations from the general assembly to: 1) carry out the corporation's duties under this article; and 2) fund the effort to develop and operate a statewide health information network. Section 12. (a) The Indiana health informatics fund is established. ...the corporation shall deposit the following in the fund: (1) All appropriations made by the general assembly to the corporation (2) All funding received from nonprofit entities under IC 5-31-6-2(4). (3)All other contributions received by the corporation from a nonprofit entity, as long as the nonprofit entity does not otherwise have an interest in the decisions of the corporation or board.	Sec. 182.107 (a) The corporation may be funded through the General Appropriations Act and may request, accept, and use gifts and grants as necessary to implement its functions. (b) The corporation may assess transaction, convenience, or subscription fees to cover costs associated with implementing its functions. All fees must be voluntary but receipt of services provided by the corporation may be conditioned on payment of fees. (c) The corporation may participate in other revenue-generating activities that are consistent with the corporation's purposes.	Sec. 903 (a)(8)(g) By July 1, 2007, shall prepare a plan for achieving self-sustainable funding, including an analysis of the costs, benefits, and effectiveness of any pilot projects. (i) VITL is authorized to seek matching funds...In addition, it may accept any and all donations, gifts and grants of money, equipment, supplies, materials, and services from the federal or any local government, or any agency thereof, and from any person, firm or corporation for any of its purposes and functions under this section and may receive and use the same, subject to the terms, conditions, and regulations governing such donations, gifts, and grants.

3664

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Privacy and Security			
	Chapter 6. Duties Sec. 3. The corporation's plan to create the statewide health information exchange system must provide for procedures and security policies to ensure the following: (1) Compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) (P.L. 104-191). (2) Protection of information privacy. (3) Use of information in the statewide health information exchange system only in accordance with the federal Health Insurance Portability and Accountability Act (HIPAA) (P.L.104-191) and as required by public health agencies.	Sec. 182.104.AASecurity Compliance. The corporation shall: (1) establish appropriate security standards to protect both the transmission and the receipt of individually identifiable health information or health care data; (2) establish appropriate security standards to protect access to any individually identifiable health information or health care data collected, assembled, or maintained by the corporation; (3) establish the highest levels of security and protection for access to and control of individually identifiable health information, including mental health care data and data relating to specific disease status, that is governed by more stringent state or federal privacy laws; and	Sec. 903. Health Information Technology (f) The standards and protocols developed by VITL shall be no less stringent than the "Standards for Privacy of Individually Identifiable Health Information" established under the Health Insurance Portability and Accountability Act of 1996 and contained in 45 C.F.R., Parts 160 and 164, and any subsequent amendments. In addition, the standards and protocols shall ensure that there are clear prohibitions against the out-of-state release of individually identifiable health information for purposes unrelated to treatment, payment, and health care operations, and that such information shall under no circumstances be used for marketing purposes. The standards and protocols shall require that access to individually identifiable health information is secure and traceable by an electronic audit trail.

3665

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Data Standards			
	Chapter 6. Duties Sec. 1. The corporation shall do the following:... (6) Promote the use of the statewide health information exchange system by doing the following: (A) Encouraging and facilitating users of the statewide health information exchange system and other interested parties in developing and adopting standards for the statewide health information exchange system. (B) Recommending policies and legislation that advance the development and efficient operation of the statewide health information exchange system.... (10) Encourage and endorse interoperability standards.	Sec.A182.103. Privacy of Information. (c) The corporation shall develop privacy, security, operational, and technical standards to assist health information networks in the state to ensure effective statewide privacy, data security, efficiency, and interoperability across networks. The network 's standards shall be guided by reference to the standards of the Certification Commission for Healthcare Information Technology or the Health Information Technology Standards Panel, or other federally approved certification standards, that exist on May 1, 2007, as to the process of implementation, acquisition, upgrade, or installation of electronic health information technology.	Sec. 903. Health Information Technology b) The health information technology plan shall: (3) promote the use of national standards for the development of an interoperable system, which shall include provisions relating to security, privacy, data content, structures and format, vocabulary, and transmission protocols;... (6) incorporate the existing health care information technology initiatives in order to avoid incompatible systems and duplicative efforts; (7) integrate the information technology components of the blueprint for health established in chapter 13 of Title 18, the global clinical record, and all other Medicaid management information systems being developed by the office of Vermont health access, information technology components of the quality assurance system, the program to capitalize with loans and grants electronic medical record systems in primary care practices, and any other information technology initiatives coordinated by the secretary of administration pursuant to section 2222a of Title 3;

3666

Interoperable Statewide Health Information Exchange (HIE)

State Medicaid General Fund and Alaska Health Care System Cost Savings Projections

Annual Medicaid State General Funds	Net Value Percentage	Annual Net Value of HIE*	
$248,544,000	4.68%	$11,631,859	Based on standard cost benefit model
$248,544,000	3.69%	$9,171,274	Based on high-cost HIE model
$248,544,000	5.70%	$14,167,008	Based on low-cost HIE model

Annual AK Health Care Spending	Net Value Percentage	Annual Net Value of HIE*	
$5,294,000,000	4.68%	$247,759,200	Based on standard cost benefit model
$5,294,000,000	3.69%	$195,348,600	Based on high-cost HIE model
$5,294,000,000	5.70%	$301,758,000	Based on low-cost HIE model

*Full Annual Net Value realized beginning 2013

Assumptions:

Fully standardized and fully implemented statewide interoperable Health Information Exchange
State Medicaid GF budget based on Gov 09 Request for Medicaid Services Component only
State Medicaid GF budget remains flat
Annual AK Health Care Spending remains flat
Based on national cost benefit model (see Sources):
- Cost savings: 5.68% of annual health care expenditures, minus cost: 1% of annual health care expenditures
- National cost benefit model calculates projected cost savings based on projected efficiencies in laboratory testing, imaging procedures, interactions between outpatient providers and pharmacies, provider to provider connectivity, provider to public health agency connectivity, and provider-payer transactions

Sources:

Institute for Social and Economic Research, UA Research Summary No. 6, March 2006
http://www.iser.uaa.alaska.edu/Publications/researchsumm/RS6_06.pdf
Walker, J, et al, The Value of Health Care Information Exchange and Interoperability, Health Affairs, January 2005.
http://content.healthaffairs.org/cgi/content/full/hlthaff.w5.10/DC1

Updating Privacy Laws to Facilitate Health Information Exchange

Consumer and provider concerns about privacy and security are inhibiting adoption of health IT. Consumers are concerned about the consequences of disclosure of sensitive health information related to dire or stigmatized diseases, such as the loss of health coverage or employment. Providers, concerned about varying interpretations of state and federal privacy laws and the liability for violations, often are reluctant to exchange data. State updates to health privacy laws can help alleviate these and other concerns. Trends identified in enacted legislation include the following.

Comprehensive Reform

Key policy decisions for states that want to update privacy laws to allow for health information exchange include structuring patient consent, addressing provider concerns and establishing accountability mechanisms.

Structuring Patient Consent

States face key questions on the issue of patient consent. Under what circumstances should patient consent be required? How should consent be structured (opt-in, opt-out)? Will patients have to choose between including all their information for exchange or none? Or will patients be able to choose specific information to share? As states set policy on consent, a number of competing issues must be balanced, including: patients' desire to control data, providers' concern about having access to all relevant information for treatment, and implementation costs for providers and health information exchanges.

Provider Concerns

Providers, understandably, want access to all relevant patient information at time of treatment. They are concerned about liability if they treat a patient based on incorrect or missing data obtained from a health information exchange. Providers also are concerned about the cost of implementing privacy rules and their effect on practice workflows.

Accountability

States need to structure regulations and penalties so that patient, provider and health information exchange needs are balanced.

3668

Minnesota and Rhode Island passed health privacy updates as part of comprehensive health IT measures. A comparison of the privacy portion of the bills illustrates the differing paths states take as they attempt to capture the benefits of mobile health data and temper the associated risks (Table 1).

Table 1. Comparison of Privacy Provisions from Minnesota and Rhode Island

	Minnesota *Minnesota Health Records Act*	**Rhode Island** *Rhode Island Health Information Exchange Act of 2008*
Bill	2007 HB 1078	2008 HB 7409
Status	Enacted 5/25/07	Enacted 7/10/2008
Summary	Allows creation of record locator services (RLS). An RLS is an electronic index of patient identifying information that directs providers to the location of patient health records held by providers and group purchasers.	Establishes a statewide health information exchange (HIE) under state authority. Designates the Rhode Island Quality Institute as the governance body or regional health information organization (RHIO) for the HIE.
Putting Patient Data into the System	An RLS can be created without patient consent. Patients have the right to opt-out of the RLS in total or can exclude specific provider contacts from the system.	Patients must opt in for their data to be included in the HIE.
Consent for Access	Consent is required to search an RLS for the location of a patient's records except in an emergency. To facilitate the real-time exchange of data, one provider can electronically represent patient consent to another. To do so, a provider must have a signed and dated patient consent form authorizing the release. In addition, the provider releasing the record shall document: 1) the provider requesting the health records; 2) the identity of the patient; 3) the health records requested; and 4) the date the health records were requested.	Patients who opt in can choose which providers have access to their data. If a patient opts in their authorization is not required for release to: • public health authorities for specified functions; • health care providers for diagnosis or treatment in an emergency; and • the RHIO for operation and administrative oversight of the HIE.

3669

Table 1. Comparison of Privacy Provisions from Minnesota and Rhode Island (continued)

	Minnesota *Minnesota Health Records Act*	**Rhode Island** *Rhode Island Health Information Exchange Act of 2008*
Audit Log	RLS must maintain an audit log of providers who access a patient's information. The log must contain at least the following: 1) the identity of the provider accessing the information; 2) the identity of the patient whose information was accessed by the provider; and 3) the date the information was accessed.	Patients have the following rights: (a) to obtain a copy of their health care information from the HIE; (b) to obtain a copy of the disclosure report pertaining to their health care information; (c) to be notified of a breach of the HIE security system; (d) to terminate participation in the HIE; and (e) to request to amend their information through the provider participant.
Provider Liability	(b) When requesting health records using consent, or a representation of holding a consent, a provider warrants that the request: 1) contains no information known to the provider to be false; 2) accurately states the patient's desire to have health records disclosed or that there is specific authorization in law; and 3) does not exceed any limits imposed by the patient in the consent.	Provides immunity to health care providers who rely in good faith upon information provided through the HIE in the treatment of a patient.
Penalties	An RLS is liable for inappropriate disclosures of information. Anyone who inappropriately discloses a patient's data is liable for compensatory damages caused by an unauthorized release, plus costs and reasonable attorneys' fees. Providers who violate the statute can face disciplinary action by the appropriate licensing board or agency.	The bill establishes civil and criminal penalties for violations of the statute. Attorneys' fees may be awarded by the court to the successful party in any action under this chapter.

Source: National Conference of State Legislatures, 2008.

Other Strategies

Make HIPAA the Rule

Nevada specifies that the Health Insurance Portability and Accountability Act (HIPAA) shall preempt any more stringent state laws related to the electronic exchange of health information by covered entities. The bill allows patients to not participate in electronic transmission of individually identifiable health information, with an exception for Medicaid and SCHIP patients and when required by HIPAA or state law.

> Nevada SB 536 *Section 1 1. "If a covered entity transmits electronically individually identifiable health information in compliance with the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, which govern the electronic transmission of such information, the covered entity is, for purposes of the electronic transmission, exempt from any state law that contains more stringent requirements or provisions concerning the privacy or confidentiality of individually identifiable health information."*

Address Varying Interpretations of State and Federal Privacy Laws

To address differing interpretations and application of federal and state privacy laws, the Oklahoma Legislature ordered the State Board of Health to create a standard authorization form for exchange of health information. Providers who use the form and follow the board's instructions are immunized from liability under state privacy laws that may arise from the exchange of health information. Use of the form is not required. (Oklahoma SB 1420)

Data Breach Notification

California AB 1298 expands the state's data breach notification law to include unencrypted medical information and health insurance information. The bill also expands the definition of provider of health care under the state's Confidentiality of Medical Information Act to cover third-party vendors of personal health records such as Google and Microsoft. HIPAA and most state health privacy laws do not cover personal health records maintained by third-party vendors.

E-prescribing

A few states prohibit e-prescribing systems from influencing provider prescribing practices. New Hampshire passed the most comprehensive of these bills, which included the following language to prohibit use of prescription information by certain parties:

> New Hampshire HB 134 *"(e) No person who has access to electronic prescription information solely by transmitting or facilitating the transmission of prescriptions between the licensed prescriber generating the prescription and the pharmacy receiving the prescription, or any intermediary, shall retain the prescription or any information it contains for longer than is mandated by federal or state law, after which time the prescription information shall be destroyed. No such person shall sell, use, or otherwise make available the prescription information for any purpose other than transmission of prescriptions, prescription refills, and clinical information displayed to the prescriber or pharmacist."*

3671

Promoting Health Information Exchange

States are working to advance health information exchange by promoting interoperable health IT tools and by establishing and sustaining health information exchange organizations and infrastructure. Interoperability, combined with state initiatives to create health information exchange organizations is essential to states efforts to achieve quality improvements and reduce duplicative tests. Trends identified in the enacted legislation include the following.

Interoperability

Interoperability allows different systems to share information in an understandable format. Uniform data standards are essential to achieving this capability among health IT systems. At the national level, the Healthcare Information Technology Standards Panel is establishing standards, and the Certification Commission for Healthcare Information Technology certifying products. State approaches to encourage interoperability vary. Some states adopted these standards by reference, while others designated a state agency or outside group to establish standards. To encourage use of the standards, states can require agencies to purchase only standards-based systems. States also can require specific functions for health IT systems sold within their borders.

Require Purchase of Certified Systems

Minnesota mandated interoperable electronic health records by 2015 for all hospital and health care providers. To meet the interoperability standards set by statute, providers must use an electronic health records system certified by the Certification Commission for Healthcare Information Technology or its successor. An exception is included in the legislation for specialists whose practice setting the Certification Commission for Healthcare Information Technology doesn't certify electronic health records for. (Minnesota SB 3780)

Use State Agency Purchasing Requirements

Virginia HB 2198 requires that electronic health records systems or other tools that interact with electronic patient information purchased by state agencies meet interoperability standards or be certified by a recognized certification body. The bill also requires state agencies that provide grants available to other entities for such systems ensure that the systems meet interoperability standards or be certified by a recognized certification body.

3672

Create Standards and Require Use to Exchange Data

Utah HB 47 authorizes the Department of Health to adopt standards for electronic health information exchange. Payers and providers must use the standards adopted by the department to electronically exchange health information between health care systems. Payers and providers are not required to use the standards if they electronically exchange health information within a health care system.

Require Certain Functions

Texas SB 204 requires that electronic medical record systems sold to Texas health care providers who administer immunizations be able to interface with the state immunization registry.

Create or Designate a State-level Health Information Exchange

Many early health information exchange efforts began in the private sector, and state governments were asked to join. The current wave of health information exchanges, by contrast, is as likely to originate at the state level. Texas and Indiana created bodies to run the state-level health information exchange; and Connecticut, Vermont and Rhode Island designated existing independent nonprofit entities. Whether they create new entities or bless existing activities, statutes that define a state-level health information exchange confer formal status and authority, charge the health information exchange to promote health IT in both private and public sectors, define governance to include state agencies, and determine that they may receive and disburse funds on behalf of statewide health IT initiatives. Beyond these broad elements, various models have been adopted, reflecting existing activity in the state. Statutes that create these entities typically are comprehensive measures that, among other things, include: start-up support for a designated group, a state governance role, ongoing funding, and unique state-level responsibilities.

Appendix A compares legislation from Indiana, Texas and Vermont that creates or designates a state-level health information exchange.

Advancing Adoption and Use

States are drawing on a wide range of policy levers to expand the use of health IT. These include mandates, incentives and leveraging state purchasing power. Trends identified in the enacted legislation include the following.

Mandates

Minnesota and Massachusetts have enacted mandates for the use of health IT tools. A few other states considered such mandates but did not enact them.

Mandate Purchase

Minnesota enacted two mandates for the purchase of health IT systems. The first requires hospitals and health care providers to have interoperable electronic health records systems by 2015. (Minnesota HB 1078) The second requires that, by 2011, all providers, group purchasers, prescribers and dispensers establish and maintain e-prescribing systems. (Minnesota SB 3780)

Tie Facility Licensure to Health IT System Implementation

Massachusetts tied implementation of computerized physician order entry and electronic health records to facility licensure standards for hospitals and community health centers. The Department of Public Health is charged with adopting regulations to require implementation of computerized physician order entry by Oct. 1, 2012, and of electronic health records by Oct. 1, 2015. The systems are to be certified by the Certification Commission for Healthcare Information Technology or its successor. (Massachusetts SB 2863)

Require health IT competency for physician licensure.

(Massachusetts SB 2863) *"The board shall require, as a standard of eligibility for licensure, that applicants show a predetermined level of competency in the use of computerized physician order entry, e-prescribing, electronic health records and other forms of health information technology, as determined by the board."*

3674

Incentives

Link Medical School Loan Repayment to Health IT Competency

Massachusetts created a workforce loan repayment assistance program for graduates of medical or nursing schools who specialize in areas where practitioners are in short supply. Among other eligibility requirements for the program is demonstration of competency with certain health IT tools. (Massachusetts SB 2863)

Offer Tax Credits

Wisconsin SB 40 creates a tax credit for providers who purchase electronic medical records. Providers can claim up to 50 percent of the cost of the system, to a maximum of $10 million per year.

Leverage State Purchasing Power

States are leveraging their role as a purchaser and provider of care to drive adoption and use of health IT.

Offer Incentive Payments for Electronic Health Records Use

New York SB 6808 allows providers who meet certain standards set by the Department of Health to receive supplemental payments for the increased cost of using electronic health records. To receive the payments, a provider must have an operating electronic health records system, and a set percentage of patients must be on Medicaid or uninsured.

Provide Targeted Reimbursement

Colorado SB 196 provides medical assistance program reimbursement for home and community services delivered via telemedicine.

Leverage State Employee Health Plan

Minnesota HB 548 creates a pilot program to provide a consumer-owned portable personal health record to members of the state employee health plan.

Appendix A. Comparison of Health Information Exchange Legislation in Three States

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Project's Role within State Health IT Activities			
	Chapter 5. General Powers Sec. 1. The corporation shall encourage and facilitate the development of health informatics functions in Indiana. Sec. 2. The corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this article. Chapter 7. Expiration Corporation will expire on June 30, 2015.	Section 182.051 (a) Created to promote the establishment of a voluntary statewide network for the communication of electronic health information and to foster a coordinated public-private initiative for the development and operation of the health information infrastructure in the state.	Amends the scope of work of the Vermont Information Technology Leaders (VITL, a non-profit organization incorporated in 2005). Section 903 (c) VITL shall develop the states health information technology plan. Designates VITL to operate the statewide health information exchange network.
Organizational Structure			
	Chapter 3. Indiana Health Informatics Corporation Sec. 2. (a) The corporation is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions.	Sec.A182.051. Texas Health Services Authority; Purpose. ... (b) The corporation is a public nonprofit corporation and, except as otherwise provided in this chapter, has all the powers and duties incident to a nonprofit corporation under the Business Organizations Code.	VITL is a nonprofit corporation.

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Board Membership			
	Chapter 4. Corporation Board Sec. 1. The corporation shall be governed by a board. Sec. 2. (a) The board is composed of the following nine (9) members, none of whom may be a member of the general assembly: (1) The secretary of family and social services, or the secretary's designee. (2) The state health commissioner, or the state health commissioner's designee. (3) Seven (7) individuals appointed by the governor, of which at least: (A) one (1) individual must be a licensed physician who is actively engaged in the practice of medicine; and (B) one (1) individual must be engaged in the administration of a hospital licensed under IC 16-21.	Sec.A182.053.AA Composition Of Board Of Directors. (a) The corporation is governed by a board of 11 directors appointed by the governor, with the advice and consent of the senate. (b) The governor shall also appoint at least two ex officio, nonvoting members representing the Department of State Health Services. (c) The governor shall appoint as voting board members individuals who represent consumers, clinical laboratories, health benefit plans, hospitals, regional health information exchange initiatives, pharmacies, physicians, or rural health providers, or who possess expertise in any other area the governor finds necessary for the successful operation of the corporation.	Sec. 903. Health Information Technology (d) The following persons shall be members of VITL: (1) the commissioner, who shall advise the group on technology best practices and the state's information technology policies and procedures, including the need for a functionality assessment and feasibility study related to establishing an electronic health information infrastructure under this section; (2) the director of the office of Vermont health access or his or her designee; (3) the commissioner of health or his or her designee; and (4) the commissioner of banking, insurance, securities, and health care administration or his or her designee.

3677

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Financing			
	Chapter 5. General Powers Section 11 The corporation may request appropriations from the general assembly to: 1) carry out the corporation's duties under this article; and 2) fund the effort to develop and operate a statewide health information network. Section 12. (a) The Indiana health informatics fund is established. ...the corporation shall deposit the following in the fund: (1) All appropriations made by the general assembly to the corporation (2) All funding received from nonprofit entities under IC 5-31-6-2(4). (3)All other contributions received by the corporation from a nonprofit entity, as long as the nonprofit entity does not otherwise have an interest in the decisions of the corporation or board.	Sec. 182.107 (a) The corporation may be funded through the General Appropriations Act and may request, accept, and use gifts and grants as necessary to implement its functions. (b) The corporation may assess transaction, convenience, or subscription fees to cover costs associated with implementing its functions. All fees must be voluntary but receipt of services provided by the corporation may be conditioned on payment of fees. (c) The corporation may participate in other revenue-generating activities that are consistent with the corporation's purposes.	Sec. 903 (a)(8)(g) By July 1, 2007, shall prepare a plan for achieving self-sustainable funding, including an analysis of the costs, benefits, and effectiveness of any pilot projects. (i) VITL is authorized to seek matching funds...In addition, it may accept any and all donations, gifts and grants of money, equipment, supplies, materials, and services from the federal or any local government, or any agency thereof, and from any person, firm or corporation for any of its purposes and functions under this section and may receive and use the same, subject to the terms, conditions, and regulations governing such donations, gifts, and grants.

3678

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Privacy and Security			
	Chapter 6. Duties Sec. 3. The corporation's plan to create the statewide health information exchange system must provide for procedures and security policies to ensure the following: (1) Compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) (P.L. 104-191). (2) Protection of information privacy. (3) Use of information in the statewide health information exchange system only in accordance with the federal Health Insurance Portability and Accountability Act (HIPAA) (P.L.104-191) and as required by public health agencies.	Sec. 182.104.AASecurity Compliance. The corporation shall: (1) establish appropriate security standards to protect both the transmission and the receipt of individually identifiable health information or health care data; (2) establish appropriate security standards to protect access to any individually identifiable health information or health care data collected, assembled, or maintained by the corporation; (3) establish the highest levels of security and protection for access to and control of individually identifiable health information, including mental health care data and data relating to specific disease status, that is governed by more stringent state or federal privacy laws; and	Sec. 903. Health Information Technology (f) The standards and protocols developed by VITL shall be no less stringent than the "Standards for Privacy of Individually Identifiable Health Information" established under the Health Insurance Portability and Accountability Act of 1996 and contained in 45 C.F.R., Parts 160 and 164, and any subsequent amendments. In addition, the standards and protocols shall ensure that there are clear prohibitions against the out-of-state release of individually identifiable health information for purposes unrelated to treatment, payment, and health care operations, and that such information shall under no circumstances be used for marketing purposes. The standards and protocols shall require that access to individually identifiable health information is secure and traceable by an electronic audit trail.

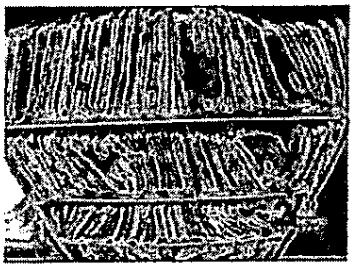
3679

Appendix A. Comparison of Health Information Exchange Legislation in Three States (continued)

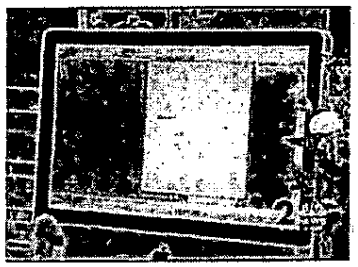
	Indiana *Indiana Health Informatics Corporation*	**Texas** *Texas Health Services Authority Corporation*	**Vermont** *Vermont Information Technology Leaders*
Bill	**2007 IN S 551**	**2007 TX H 1066**	**2007 VT H 229**
Status	Enacted 5/2/07	Enacted 6/15/07	Enacted 6/5/07
Data Standards			
	Chapter 6. Duties Sec. 1. The corporation shall do the following:... (6) Promote the use of the statewide health information exchange system by doing the following: (A) Encouraging and facilitating users of the statewide health information exchange system and other interested parties in developing and adopting standards for the statewide health information exchange system. (B) Recommending policies and legislation that advance the development and efficient operation of the statewide health information exchange system.... (10) Encourage and endorse interoperability standards.	Sec.A182.103. Privacy of Information. (c) The corporation shall develop privacy, security, operational, and technical standards to assist health information networks in the state to ensure effective statewide privacy, data security, efficiency, and interoperability across networks. The network 's standards shall be guided by reference to the standards of the Certification Commission for Healthcare Information Technology or the Health Information Technology Standards Panel, or other federally approved certification standards, that exist on May 1, 2007, as to the process of implementation, acquisition, upgrade, or installation of electronic health information technology.	Sec. 903. Health Information Technology b) The health information technology plan shall: (3) promote the use of national standards for the development of an interoperable system, which shall include provisions relating to security, privacy, data content, structures and format, vocabulary, and transmission protocols;... (6) incorporate the existing health care information technology initiatives in order to avoid incompatible systems and duplicative efforts; (7) integrate the information technology components of the blueprint for health established in chapter 13 of Title 18, the global clinical record, and all other Medicaid management information systems being developed by the office of Vermont health access, information technology components of the quality assurance system, the program to capitalize with loans and grants electronic medical record systems in primary care practices, and any other information technology initiatives coordinated by the secretary of administration pursuant to section 2222a of Title 3;

<<Back

Medical offices gradually switching to electronic records



Doctors are hoping to transition patient records from this ... (Daniel Hernandez/KTUU-TV)



... to this, a computerized database. (Daniel Hernandez/KTUU-TV)

Rebecca Madison director of the Alaska eHealth Network (Daniel Hernandez/KTUU-TV)

Dr. Jerome List (Daniel Hernandez/KTUU-TV)

by Ashton Goodell
Tuesday, March 17, 2009

ANCHORAGE, Alaska -- Visiting the doctor's office you can expect two things: paperwork and a wait time.

But a new record system might do away with one of those two things. Doctors say it's a wonder offices still use paper charts.

"If this were the banking industry or any other industry we would be bankrupt," Dr. Tom Nighswander said.

The Alaska eHealth Network is designing a system to exchange medical records. The network would allow you and your doctor to access your medical information anywhere.

"The No. 1 reason is for patient safety," said Rebecca Madison director of the Alaska eHealth Network. "You've probably heard horror stories (about people) who had drug interactions or have tests done by mistake just because there's not a way to transfer records."

The network won't have a central database where patient information is stored. All the data will be in your doctor's office and will stay there, but offices will share the information through a network.

"It's less time consuming as far as the time it takes to make a chart," said Yanira Williams, a doctor's office administrator.

Patients have raised concerns about privacy. They are worried someone could potentially hack the system or get into private records.

"A lot of people are nervous about their stuff being scanned into the system, so they are a little bit hesitant about identity theft," Williams said.

Some doctors say paper databases aren't necessarily safer.

"Paper charts have just always been messy and difficult to organize, difficult to gather information from, easy to lose," Dr. Jerome List said.

Electronic records could replace the bulk of paper records, and a patient has full control over who accesses their health records.

Electronic records work kind of like an ATM -- the information you see on the screen isn't transmitted and can't be pulled up by someone else after it's closed.

You might go home or to the office and look at your bank statement online -- the same applies for the e-network. You can look up your information at any time to see who last touched the record.

"You can see who actually looked at your record for how long and for what purpose," Nighswander said.

The e-network is voluntary, so it's up to you whether you want to be on the system, and if so who you'll allow access to your records.

Some doctors have already switched to electronic records, but they said it wasn't easy.

"Early on document scanning was very difficult," List said. "Scanning did not get saved and so on and so forth, so yes, I had some bumps along the road to show for it."

The goal now is to exchange those records between offices, probably two years down the road.

A move toward electronic record keepers will eliminate jobs in doctors' offices. The eHealth Network says the system would cut jobs but would also cut other costs like the mailing of records.

They say that savings would pass along to patients.

The e-network says it needs $20 million to finish the system. Some of the state's stimulus money could go toward the project.

Contact Ashton Goodell at agoodell@ktuu.com

WorldNow

All content © Copyright 2000 - 2009 WorldNow and KTUU. All Rights Reserved.
Anchorage Winter Skyline Copyright 2008 by Edward Bennett / Bennett Images.
For more information on this site, please read our Privacy Policy, Terms of Service, Meet the News Team, Employment Opportunities, Contact Us and Public Filings.

The New York Times

PRINTER FRIENDLY FORMAT SPONSORED BY ACADEMY AWARD WINNER

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers here or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for samples and additional information. Order a reprint of this article now.

March 1, 2009

UNBOXED

How to Make Electronic Medical Records a Reality

By STEVE LOHR

IN the world of technology, inventors are hailed as heroes. Yet it is more subtle forms of innovation that typically determine the impact of a technology in the marketplace and on society. Clever engineering, smart business models and favorable economics are the key ingredients of widespread adoption and commercial success.

History abounds with evidence. For years, much of what was known as "Yankee ingenuity" was, in fact, the American ability to pursue commercial applications of British inventions, from the Bessemer steel process to the jet engine. Even in computing, which we regard as made-in-America technology, the first stored-program computer, simple programming language and reusable code were pioneered in Britain.

But, of course, computer technology and the industry really flowered in the United States. That happened in no small part because the federal government nurtured the market with heavy investment, mainly by the Defense Department, and by choosing standards, like the Cobol programming language.

Today, Washington is about to embark on another ambitious government-guided effort to jump-start a market — in electronic health records. The program provides a textbook look at the economic and engineering challenges of technology adoption.

In its economic recovery package, the Obama administration plans to spend $19 billion to accelerate the use of computerized medical records in doctors' offices. Medical experts agree that electronic patient records, when used wisely, can help curb costs and improve care.

The proof is seen in large medical groups, with hundreds or thousands of physicians. They sift, sort and analyze the data from digital records, for example, to better manage the health of patients with costly, chronic conditions like diabetes and heart disease. These larger groups have the scale to invest in information technology, and they are often insurers as well as providers, so they benefit directly from the cost savings.

Yet these large groups are the exceptions in American health care. Three-fourths of the nation's doctors practice in small offices, with 10 doctors or fewer. For most of them, an investment in digital health records looks like a cost for which they are not reimbursed.

It is scarcely surprising, then, that only about 17 percent of the nation's physicians are using computerized patient records, according to a government-sponsored survey published last year in The New England Journal of Medicine.

"This is really not a technology problem," observed Erik Brynjolfsson, an economist at the Sloan School of Management at the Massachusetts Institute of Technology. "It's a matter of incentives and market failure."

That market failure is a principal target of the Obama administration's plan. A main feature of the legislation calls for incentive payments of more than $40,000 spread over a few years for a physician who buys and uses electronic health records. But the technology is just a tool, one that needs to be used properly to improve health care.

So the legislation states that physicians will be paid only for the "meaningful use" of digital records. The government has not yet defined that term precisely. While the long-term goal is better health for patients, that can take years to measure. Consequently, many health experts predict that the meaningful use will be a requirement to collect and report measurements that can be closely correlated with improved health. Examples would be data for blood glucose, cholesterol and blood pressure levels for diabetes patients.

The legislation, health experts say, seems thoughtfully put together, but the obstacles to success will be daunting. "What's underappreciated is the implementation challenge," said Dr. Blackford Middleton, chairman of the Center for Information Technology Leadership, a research arm of Partners Healthcare in Boston.

A crucial bridge to success, according to experts, will be how local organizations help doctors in small offices adopt and use electronic records. The new legislation calls for creation of "regional health I.T. extension centers." In a letter to the White House and Congress last month, Dr. Middleton and 50 other experts emphasized the importance of these centers and pointed to the Primary Care Information Project in New York City as a model.

The New York project's brief history, beginning two years ago with $27 million in financing, offers a glimpse of the challenges of wiring small physician practices. The New York team, headed by Dr. Farzad Mostashari, an assistant commissioner in the city's health department, started by bringing in decision-support experts in medicine to study how doctors work, so the technology would be easier to use. Team members considered writing their own software for simple, Web-based electronic health records, but abandoned that idea once they understood that patient records would have to be tightly linked to billing — a physician's financial lifeblood.

The project's 50-member staff provides centralized technical support and education for doctors and others. "There's no way small practices can effectively implement electronic health records on their own," Dr. Mostashari said. "This is not the iPhone."

The staff worked closely with its software supplier, eClinicalWorks, to tweak and tailor the system. They began rolling out the records a little more than a year ago. They are now used by more than 1,000 physicians, mainly in poorer neighborhoods, whose workplaces include two hospital outpatient clinics, 10 community health centers, 150 small group physician practices and one women's jail, serving a total of one million patients. The rollout is progressing, and the government plan promises to accelerate adoption.

"Our experience here is that it's just hard," Dr. Mostashari said. "It's not impossible."

Copyright 2009 The New York Times Company

DEPARTMENT OF VETERANS AFFAIRS
Alaska VA Healthcare System and Regional Office
2925 DeBarr Road
Anchorage, Alaska 99508-9998

March 4, 2009

In Reply Refer To: 463/00

Senator Joe Paskvan
State Capitol
Juneau, Alaska

Subject: Alaska e-Health Network

Dear Senator Paskvan:

I recently read with interest Senate Bill #133 that advocates creating a statewide electronic health information exchange system. The Alaska Veteran Affairs Healthcare System is a strong advocate of such a system. The VA has had an electronic medical record since the 1980's and has seen the benefits of improving quality patient care and safety, reducing healthcare costs, coordinating care and improving emergency services. Increasing the ability to exchange information with private sector providers would further enhance these benefits for Alaska veterans.

The Alaska VA Healthcare System has a strong relationship with providers throughout Alaska. Last year the Alaska VA purchased approximately $40m of healthcare services from hospitals, clinics and doctor's offices throughout the state. Allowing instantaneous exchange of vital information can do nothing but improve the quality of care for Alaskans. Reducing duplication of tests, x-rays, medications and procedures would surely drive down costs for everyone. We are excited about the possibilities of a statewide network. As such, I am a member of the Board of the Alaska e-Health Network to assure federal providers are included as a stakeholder in any system developed in our state.

The Alaska VA Healthcare System seeks the same solutions as you do. We would be glad to work with all parties to assure such a system is comprehensive in its scope.

Good Luck in your efforts.

Sincerely,

Alex Spector
Director
Alaska VA Healthcare System

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 17, 2009

Honorable Joe Paskvan
Alaska State Senate
Capitol, Room 7
Juneau, Alaska

RE: SB 133 – Electronic Health Information Exchange System

Dear Senator Paskvan:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

We in Alaska need the ability to electronically transmit patient health information securely and flawlessly between the various facilities and health care professionals involved in the treatment process. The transfer of such information in a uniform manner is important in providing the best care for our injured or ill citizens. Additionally, this system also needs to mesh with similar systems outside of Alaska as well. This facilitates the timely and best care for patients in Alaska who reside elsewhere in the United States and Alaskan patients who require care while in another state.

ASMA has been engaged as a stake holder in this process for sometime being represented by Dr Jerome List, an ASMA past president. He currently is on the board of Alaska e-Health Network. Additionally, ASMA was one of the founders of the Alaska Electronic Health Record Alliance and is represented on its board by Dr. List and Jim Jordan, ASMA Executive Director. This entity is engaged in developing pilot programs to get electronic health records deployed in the office of solo or small number physician practices. It needs the uniform interoperability to maximize patient care through the ability to send and receive health information involving all in the care of a patient.

ASMA supports SB 133 and urges its passage.

Sincerely,

Thomas P Vasileff

By: Thomas Vasileff, MD, President
For: The Alaska State Medical Association

PREMERA | BLUE CROSS BLUE SHIELD OF ALASKA

3/9/09

Senator Joe Paskvan
State Capitol
Juneau, Alaska 99801
Fax: (907) 465-4714

Re: SB 133

Dear Senator Paskvan:

Premera Blue Cross Blue Shield of Alaska is pleased to offer this letter of support for Senate Bill No.133. Benefits to Alaskans will be significant. Health information exchange networks have been successful in improving patient care and safety, reducing healthcare costs and enhancing emergency response to public health emergencies.

A non-profit organization which is independent, widely representative of the major stakeholders, and operates transparently is crucial to the success of this effort. We feel this is necessary to win and maintain the trust of Alaskans. Your bill truly meets these important criteria.

Premera feels a deep commitment to improving the health and welfare of the citizens of Alaska while creating efficiencies in the health care system. This organization is willing to work with other stakeholders to seek out best practices and solutions for a statewide healthcare network infrastructure enabling the secure exchange of health care data.

Premera supports this plan. Healthcare organizations in Alaska have a track record of working together with other health care leaders in Alaska to improve health services for our patients. We see this as a next logical step toward improving health care delivery and outcomes throughout Alaska.

Thank you, Senator Paskvan, for supporting this important legislation.

Sincerely,

Barbara B. Russell

Barbara B. Russell, CLU
Vice President, Alaska Sales
Premera Blue Cross Blue Shield of Alaska

2550 Denali Street
Suite 1404
Anchorage, AK 99503

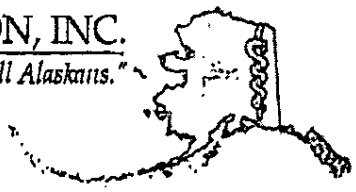
tel 907.258.5065
fax 907.258.1619

www.premera.com

An Independent Licensee of the Blue Cross Blue Shield Association

ALASKA PRIMARY CARE ASSOCIATION, INC.

"... Uncompromising in the pursuit of access to primary care for all Alaskans."



March 6, 2009

Senator Joe Paskvan
State Capitol
Juneau, Alaska 99801
Fax: (907) 465-4714

Re: Alaska e-Health Network Appropriation Request

Dear Senator Paskvan:

The Alaska Primary Care Association (APCA) is pleased to offer this letter of support for Senate Bill No.133. Irrefutable research shows that health information exchange (HIE) networks are successful in improving patient care and safety, reducing healthcare costs and enhancing emergency response to public health emergencies. Thus, there is no question that benefits to Alaskans as a result of this bill will be significant.

APCA holds a deep commitment to improving the health and welfare of the citizens of Alaska while creating efficiencies in the health care system. APCA's mission, purpose and programs revolve around increasing access to primary care for all Alaskans. APCA is committed to working with other stakeholders to seek out best practices and solutions for a statewide healthcare network infrastructure enabling the secure exchange of health care data, as it will help our constituents (Alaska's community health centers and other safety net providers) in providing quality health care more effectively.

Healthcare organizations in Alaska have a track record of working together with other leaders and stakeholders here to improve health services for our patients. APCA sees this plan for the continued development of an HIE as a next logical step toward improving health care delivery and outcomes throughout Alaska.

Thank you, Senator Paskvan, for supporting this important legislation.

Sincerely,

Marilyn Walsh Kasmar, RNC, MBA
Executive Director.

Phone 907-929-2722 Fax 907-929-2734 www.alaskapca.org alaskapca@alaskapca.org
903 West Northern Lights Blvd. Suite 200 Anchorage AK 99503-2400

Alaska Ear Nose & Throat, Inc.

Jerome List, DDS, MD

3841 Piper Street
Suite T4-348
Anchorage, Alaska 99508

Tel: (907) 261-3096
Fax: (907) 261-3094

March 3, 2009

Senator Joe Paskvan
State Capitol
Juneau, Alaska 99801
Fax: (907) 465-4714

Re: Alaska e-Health Network appropriation request

Dear Senator Paskvan:

Alaska Ear Nose & Throat, Inc. is pleased to offer this letter of support for Senate Bill No. 133. Benefits to Alaskans will be significant. Health information exchange networks have been successful in improving patient care and safety, reducing healthcare costs and enhancing emergency response to public health emergencies.

A non-profit organization which is independent, widely representative of the major stakeholders, and operates transparently is crucial to the success of this effort. We feel this is necessary to win and maintain the trust of Alaskans. Your bill truly meets these important criteria.

Alaska Ear Nose & Throat, Inc. feels a deep commitment to improving the health and welfare of the citizens of Alaska while creating efficiencies in the health care system. This organization is willing to work with other stakeholders to seek out best practices and solutions for a statewide healthcare network infrastructure enabling the secure exchange of health care data.

With the geography in Alaska, exchange of medical information is critical. Telemedicine has been a huge cost savings to the Native Health System not to mention numerous other benefits. We need to expand our interconnectivity to allow exchange of medical data among all Health Care Providers for all patients when appropriate & needed.

Alaska Ear Nose & Throat, Inc. supports this plan. Healthcare organizations in Alaska have a track record of working together with other health care leaders in Alaska to improve health services for our patients. We see this as a next logical step toward improving health care delivery and outcomes throughout Alaska.

Thank you, Senator Paskvan, for supporting this important legislation.

Sincerely,

Barbara Stare List

Jerome List, DDS, MD

Bristol Bay Area
Health Corporation
6000 Kanakanak Road
P.O. Box 130
Dillingham, AK 99576
(907) 842-5201
800-478-5201
FAX (907) 842-9354

Bristol Bay Area Health Corporation is a tribal organization representing 34 villages in Southwest Alaska:

Aleknagik
Chignik Bay
Chignik Lagoon
Chignik Lake
Clark's Point
Dillingham
Egegik
Ekuk
Ekwok
Goodnews Bay
Igiugig
Iliamna
Ivanof Bay
Kanatak
King Salmon
Knugank
Kokhanok
Koliganek
Levelock
Manokotak
Naknek
New Stuyahok
Newhalen
Nondalton
Pedro Bay
Perryville
Pilot Point
Platinum
Port Heiden
Portage Creek
South Naknek
Togiak
Twin Hills
Ugashik

To promote health with competence, a caring attitude &

March 16, 2009

To Whom It May Concern:

The Bristol Bay Area Health Corporation (BBAHC) has begun implementation of a Electronic Health Records EHR system at our Kanakanak Hospital and hopes to secure additional funding to do so with our 28 village clinics.

It is our hope that we can electronically communicate our EHR's and receives EHR's from all patients using our system and other health facilities throughout the state and elsewhere.

With our different system's we need a way to all talk to each other.
We are excited about the possibility of SB No. 133 "An Act creating a statewide electronic health information exchange systems; and providing for an effective date. By senators PASKVAN, Davis introduced on 3.2.09.

We are members of several statewide groups who are supportive of an HIE as proposed, as we have seen how well it works in the lower 48.

This should be a high priority of the state and is an area that President Obama's stimulus package supports.

Thank you for you support.

Robert J. Clark
President/CEO

426 Main Street
Juneau, AK 99801
907-586-1790

March 4, 2009

The Honorable Joe Paskvan
Alaska State Senator
State Capitol
Juneau, Alaska 99801

Re: SB 133 and the Alaska e-Health Network (AeHN) Budget Request

Dear Senator Paskvan:

The Alaska State Hospital & Nursing Home Association (ASHNHA) is pleased to offer this letter of support for Senate Bill No.133. ASHNHA has been – and is – a long standing and strong supporter of the efforts of the AeHN. Indeed, I have seat on the newly formed board of directors for the AeHN, in part as a reflection of the Association's keen interest in this important project, but primarily because ASHNHA's members believe that the benefits to Alaskans from the outcome of the AeHN initiative will be significant. Health information exchange (HIE) networks in other parts of the country have been successful in improving not only the quality of patient care but patient safety, as well. As a result, HIE's contribute to reducing healthcare costs while enhancing emergency response to public health emergencies.

The AeHN is an independent, non-profit organization with representative of the major stakeholders within Alaska concerned for the development and provider and patient utilization of important health information technologies (HIT). In this day of heightened concern for the speed at which digital information is spinning out across the Internet, the purposeful and transparent actions and activities of the AeHN are viewed by ASHNHA as crucial to the success of this statewide effort to bring unity of purpose to this important cost-effective, public safety program. The AeHN Board of Directors feels strongly that it must conduct its business in the full view of the public in order to win and maintain the trust of Alaskans. Your bill truly ensures these important criteria.

ASHNHA and its individual members feel a deep and demonstrative commitment to improving the health and welfare of the citizens of Alaska, while also recognizing citizen call for the creation of more efficiencies within the health care system.

Our organization is most willing to work with other healthcare related stakeholders to seek out best practices and solutions as we move forward together to create a statewide healthcare network infrastructure enabling the secure exchange of personal health care data.

ASHNHA whole heartedly supports the approach outlined in SB 133. Healthcare organizations in Alaska have a track record of working together with other health care leaders in Alaska to improve health services for our patients. We see this legislation, its goals and intents, as the next logical step toward improving health care delivery and outcomes throughout Alaska.

Thank you, Senator Paskvan, for sponsoring this important legislation.

Respectfully,

Rod Betit

Rod Betit
President and Chief Executive Officer
Alaska State Hospital & Nursing Home Association

cc: Rebecca Madison

DORSEY
DORSEY & WHITNEY LLP

CAROLYN Y. HEYMAN-LAYNE
(907) 257-7870
FAX (907) 276-4152
heyman.carolyn@dorsey.com

March 9, 2009

VIA FACSIMILE

Senator Joe Paskvan
State Capitol
Juneau, Alaska 99801
Fax: (907) 465-4714

Re: SB 133

Dear Senator Paskvan:

As a mother and a health care lawyer, I am writing in support of Senate Bill No.133. Health information exchange networks can be a great tool to improve healthcare and increase the efficiency and safety of health care services. In addition, they can assist in reducing healthcare costs and eliminating redundant services. As a mother, I want to make sure my daughter can receive the best health care with the least amount of pain or discomfort. As a health lawyer, I want to make sure clients can provide services quickly and in compliance with all laws and regulations. An independent non-profit organization representing the major stakeholders would help to facilitate these goals and is an important step towards a complete health care system. Senate Bill No. 133 is a major part of this goal.

Everyday, I encourage clients to adopt electronic health records and help them figure out the privacy and security of those records. Most clients are ready and willing to support health information exchange, if they know there will be support available and the infrastructure to make their efforts worthwhile. They also want to know that there are local laws that address and encourage the exchange of health information, so they can show patients that these efforts are backed by more than just a computer company selling a program, or a healthcare organization pushing its own agenda. This bill would be one step in the building blocks that form a health information exchange network.

Even with my daily interaction with health care providers, I did not realize how difficult coordination of records would be without an electronic health record and health information network until I had a baby. My daughter was born over a year ago, was happy and healthy, and yet we are still working out the bills and services provided during her birth. I can only imagine the difficulty that we would have had if she were not healthy and happy. By coordinating records and services electronically, and by helping families avoid redundant tests and paperwork, a health information exchange network can make it easier for parents to cope with a loved one's illness.

I strongly support this plan. Healthcare organizations in Alaska have a track record of working together with other health care leaders in Alaska to improve health services for patients – I see this happening everyday. This bill is the next logical step toward improving health care delivery and outcomes throughout Alaska.

DORSEY

Thank you, Senator Paskvan, for supporting this important legislation.

Sincerely,

DORSEY & WHITNEY LLP

Carolyn Heyman-Layne

Carolyn Y. Heyman-Layne

cc: R. Madison (via email)

Alaska Native Tribal Health Consortium

Administration · 4000 Ambassador Drive · Anchorage, Alaska 99508 · Phone: (907) 729-1900 · Fax: (907) 729-1901 · www.anthc.org

March 10, 2009

Senator Joe Paskvan
Alaska State Capitol
Juneau, Alaska 99801

RE: Endorsement of SB133: Alaska Health Information Exchange

Dear Senator Paskvan:

The Alaska Native Tribal Health Consortium (ANTHC) hereby expresses our support for your introduction of SB133 for consideration by the Alaska State Legislature.

For the past two years our organization has been the managing partner for the development of the Alaska e-Health Network, organized to create a health information exchange serving all residents of the State of Alaska. Like most Americans, Alaskans receive medical care services from multiple providers, and the availability of an electronic network allowing rapid transfer of medical data will significantly improve medical care wherever patients seek services. We have been encouraged that all of the major health care provider organizations in Alaska are aligned and working together in support of development of such a network.

Our organization is making a significant investment in the process of transferring all of our paper medical records to electronic medical records. When this process is complete, the Alaska e-Health Network will allow us to exchange our records with other participating health care providers both within the Alaska Tribal Health System and with other governmental and private health care providers who also see our patients.

National research, and the experience of health information exchanges developed in the lower-48 states, have demonstrated that full deployment of interoperable electronic health records save the health care system nearly 5% of total annual costs, improve patient safety through reduction of medical errors, and improve the coordination of patient care.

The Alaska e-Health Network will ensure that patient privacy is protected and enhanced through the availability of a secure, encrypted network that is HIPAA compliant.

ANTHC urges the State of Alaska to take a leadership role in deploying health information exchange for Alaskans through passage of SB133 as enabling legislation, through a capital contribution to the development of the Network, and through a proportionate contribution for the long-term operations of the Network. The State will realize savings as a health care provider, as an employer, and as a major payor for health care services for Alaskans.

Please let me know how ANTHC can assist further in supporting your initiative.

Sincerely,

Don Kashevaroff
Chief Executive Officer
Alaska Native Tribal Health Consortium

cc: Governor Sarah Palin
Commissioner William Hogan, DHSS
Paul Sherry, Alaska e-Health Network

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 6, 2009

The Honorable Joe Paskvan
Member of the Senate
Alaska State Capitol, Room 7
Juneau, AK 99801-1182

RE: SB 133 (Paskvan)—Support

Dear Senator Paskvan:

On behalf of the 97,000 members of AARP in Alaska, we are pleased to support SB 133, authored by you and co-sponsored by Senator Davis.

AARP has been collaborating with a group of organizations and medical leaders for several years to determine how Alaska can develop electronic medical record systems in medical offices and an electronic health record exchange network to connect clinics, hospitals, labs, pharmacies, insurers, the State of Alaska and other related health and medical providers that need to have quick access to accurate records.

SB 133 will establish an electronic health information exchange system.

AARP strongly supports this effort.

We believe electronic medical records will save overall costs as well as significantly reduce medical errors. In addition, electronic medical records will also lead to the more effective use of personal health records to increase consumers' engagement in their health care. Electronic records can take advantage of technology to facilitate patient education and self-management, permit secure messaging reminders, allow patients to maintain diaries, eg., of pain, symptoms and side effects, and to obtain prescription refills, schedule medical appointments online, and track medical test results. Ideally these personal health records will be connected to the electronic medical record system.

Even if all an electronic health information exchange accomplished was a reduction in medical errors, that goal alone is worth pursuing in Alaska.

Some proponents of setting up such an exchange system believe such a network could be the biggest advance in medicine since the discovery of penicillin. A network like this in Alaska has the potential to save hundreds, if not thousands, of lives and save millions of

dollars by eliminating duplicate tests, shortening hospital stays, improving care for chronically ill patients, and guaranteeing accurate prescribing.

The collaboration on this issue that we have already witnessed in Alaska gives us confidence that the system will work and work well. Some of our "best and brightest" are committed to accomplishing this for Alaska citizens and health consumers.

AARP members, more than any other age group, are consumers of health care. We believe SB 133 is in the best interests of our members as well as their families.

AARP is pleased to lend our strong support to SB 133.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Senator Bettye Davis
Patrick Luby

SB 139

<target><bill>SB 139</bill><subject>SB 139</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 508
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

Sponsor Statement
SB 139 – Incentives for Certain Medical Providers

Alaska is facing a serious shortage of healthcare practitioners, especially in the rural areas of our state, and it is projected to worsen significantly in the next few decades. Senate Bill 139 is intended to address this issue by establishing a program to immediately begin filling the vacant healthcare practitioner positions throughout the state.

This legislation will establish an incentive program in the Department of Health and Social Services. The program is designed to attract healthcare practitioners to Alaska. Currently, the WWAMI program serves a similar purpose by giving WWAMI medical students the option of paying off a portion of their loans by staying in Alaska to practice for a specified number of years. Recently, the number of WWAMI seats was increased from 10 to 20, and legislation such as SB 18 aims to raise that number. However, expanding the WWAMI program only ensures that we have more healthcare practitioners in future years, as WWAMI participants must complete their education before they can begin their service. Therefore, it is not the immediate solution that we need. SB 139 would be an effective way to fill this gap in the very near future, and would attract healthcare practitioners from all areas of country, rather than just from the WWAMI participating states.

Senate Bill 139 will provide incentives for up to 90 applicants per year in 10 different health care occupations. Thirty of the slots will be reserved for "very-hard-to-fill" positions, which can be located only in areas that are designated by the Commissioner of Health and Social Services. Priority will be given to sites that treat patients who are uninsured and who have medical assistance or Medicare coverage. The amount of monetary incentive will vary with each slot, according to location and the category of healthcare provided. Prioritized tier I slots are designated according to the relative need in the state, and will include physicians, pharmacists and dentists. A slot in this tier has incentives of up to $35,000 per year for three years at a regular site, and up to $47,000 per year for three years at a very-hard-to-fill site. Tier II slots are also designated according to the relative need in the state, and will include dental hygienists, registered nurses, certified nurse practitioners, physician assistants, physical therapists, clinical psychologists, and clinical social workers holding at least a master's degree in social work. A slot in this tier has incentives of up to $20,000 per year for three years at a regular site, and up to $27,000 per year for three years at a very-hard-to-fill site.

It is critical that we promptly address Alaska's healthcare shortages in order to ensure that all Alaskans have adequate access to medical care. SB 139 helps us to save and improve the lives of our constituents by allowing us to provide for those who cannot wait until tomorrow to get the care that they need today.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 139(FIN)
(S) Publish Date: 4/11/10

Identifier (file name): SB139CS(FIN)-04-10-10
Dept. Affected: Health & Social Services

Title: Incentives for certain Medical Providers
RDU: Health Care Services
Component: Medical Assistance Administration

Sponsor: Olson

Requester: Senate Finance
Component Number: 242

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	89.3		89.3	89.3	89.3	89.3	89.3
Travel	6.0		6.0	6.0	6.0	6.0	6.0
Contractual	2,742.4		2,742.4	2,742.4	2,742.4	2,742.4	2,742.4
Supplies	2.0		2.0	2.0	2.0	2.0	2.0
Equipment	7.6						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**2,847.3**	**0.0**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match	2,036.3		2,036.3	2,036.2	2,036.2	2,036.2	2,036.2
1004 GF	132.3		124.7	124.7	124.7	124.7	124.7
1005 GF/Program Receipts	678.7		678.7	678.8	678.8	678.8	678.8
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**2,847.3**	**0.0**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**	**2,839.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS for SB 139(FIN) creates a cash incentive program for eligible health professionals engaged in qualified employment. The intent of the legislation is to "address the worsening shortage of certain health care professionals in the state by increasing the number and
improving the distribution of health care professionals who provide direct patient care."

Division of Health Care Services estimates that it will need a total of 1 FTE to fully administer the employment incentive programs.

(continued on next page)

Prepared by: William J. Streur, Deputy Commissioner
Division: DHSS Health Care Services
Phone (907) 269-7827
Date/Time 4/10/10 1:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date 4/10/2010

STATE OF ALASKA **BILL NO.** CSSB 139(FIN)

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Health Care Professions Incentive Program

The Division assumes it will need $2,715.0 for practitioner incentive payments in FY2011. Maximum payments established for cash incentive are: $35.0 annually for tier I health care professionals employed in "regular" positions; $47.0 annually for tier I health care professionals employed in "very hard-to-fill" positions; $20.0 annually for tier II health care professionals employed in "regular" positions; and $27.0 annually for tier II health care professionals employed in "very hard-to-fill" positions. The need for $2,715.0 in FY2011 assumes the following:

Tier I	27 Practitioners	$1,161.0	(assumes 9 participants from each of 3 types comprising tier I at $387.0 for each type)
Tier II	63 Practitioners	$1,554.0	(assumes 9 participants from each of 7 types comprising tier II at $222.0 for each type)
Total	90 Practitioners	$2,715.0	

The Division assumes the employing entities will provide 25% of the $2,715.0 as contributing match as specified in HB392. Therefore, the expected GF match is $2,036.3 The match for the employing entities is $678.7.

Incentive payments are available to professionals for up to 3 years of qualified employment with a lifetime maximum participation of six years in the direct incentives program by a tier I or tier II health care professional. The total number of participants in the program may not exceed 90 participants annually, regardless of whether the participant is a new or continuing participant.

On the fiscal note, the payments for practitioners will be paid from the contractual line:

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Practitioner Payments	$2,715.0	$2,715.0	$2,715.0	$2,715.0	$2,715.0	$2,715.0
Evaluation Contract	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0	$ 18.0
Staff Contractual Costs	$ 9.4	$ 9.4	$ 9.4	$ 9.4	$ 9.4	$ 9.4
Total:	$2,742.4	$2,742.4	$2,742.4	$2,742.4	$2,742.4	$2,742.4

Administrative Costs

1 Health Program Manager II, $89.3 (includes fringe benefits). Assumes $9.4 per FTE annually for office space, phones, and other contractual costs; $2.6 one time costs per FTE for computers and software; $5.0 one time costs per FTE for office equipment; $2.0 per FTE annually for supplies; $6.0 per year for travel; $18.0 each year for a program evaluation contract.

Health Program Manager II.

This position will serve as lead program manager for the employment incentive program and will: establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program, develop the application process for participation in the program for sites and professionals, develop and disseminate public information and notices pertinent to the program, lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions, prepare annual reports that document the successes and challenges of the program, facilitate the creation of and ongoing work of the advisory committee, and establish procedures and manage the employer contribution portion of the program.

Health Professional Shortage Area (HPSA) and Medically Underserved Areas and Populations (MUA/MUP) Listing 3/2009

(Listing does not include the automatic Primary Care HPSAs for Alaska Native Tribal Populations, which are available to meet designation requirements)

Census Area/Borough	Primary Care HPSA	Dental HPSA	Mental Health HPSA	MUA (Medically Underserved Area)	MUP (Medically Underserved Population per Governor's Request)
013 - Aleutians East Borough	yes	yes	yes	y	
016 - Aleutians West Census Area	yes	yes	yes	y	
020 - Anchorage Borough	CHC	CHC	CHC		y (North)
050 - Bethel Census Area	yes	CHC (applied for geographic DHPSA)	yes	y	
060 - Bristol Bay Borough	CHC	yes	applied/CHC	y	
068 - Denali Borough	yes	applied; CHC site	yes		y
070 - Dillingham Census Area	only AN; CHC shortly	yes	applied for geographic; CHC		y
090 - Fairbanks North Star Borough	Low income	CHC;applying for low income	CHC		y
100 - Haines Borough	CHC	--	yes		y
110 - Juneau Borough	--	--	--	--	--
122 - Kenai Peninsula Borough	CHC	CHC	CHC; Seward subarea is MHPSA		y
130 - Ketchikan Gateway Borough	--	--	--	--	--
150 - Kodiak Island Borough	CHC	CHC	CHC		y
164 - Lake and Peninsula Borough	yes	yes	yes	y	
170 - Matanuska-Susitna Borough	yes (north); 2 CHCs	yes (north); 2 CHCs	2 CHCs		y
180 - Nome Census Area	yes	yes	yes	y	
185 - North Slope Borough	yes	yes	yes	y	
188 - Northwest Arctic Borough	yes	yes	yes	y	
201 - Prince of Wales-Outer Ketchikan Census Area	CHC (lost geo)	CHC	CHC	y	
220 - Sitka Borough	--	--	--	--	--
232 - Skagway-Hoonah-Angoon Census Area	yes	yes	yes	y	
240 - Southeast Fairbanks Census Area	yes	--	--		y
261 - Valdez-Cordova Census Area	Cordova geo (and CHC); CHC Copper Valley	2 CHCs	2 CHCs	y part (Copper Valley)	y part (Cordova; Whittier)
270 - Wade Hampton Census Area	yes	yes	yes	y	
280 - Wrangell-Petersburg Census Area	CHC	CHC	yes		y
282 - Yakutat Borough	yes	yes	CHC	y	
290 - Yukon-Koyukuk Census Area	yes	yes	yes	y	

data from www.hrsa.gov March 3, 2009
http://www.hpsafind.hrsa.gov/HPSASearch.aspx

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility).
Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population.

USDHHS HRSA: More about shortage areas

Alaska Primary Care Office information: http://www.hss.state.ak.us/dph/healthplanning/primarycare/PC_Home.htm

"Yes" in HPSA columns means there is a "geographic" HPSA designatuion approved by HRSA Office of Shortage Designation, for all or part of the census area or borough.
"CHC" indicates there is at least one Community Health Center with automatice HPSA designation. Where geographic HPSAs exist, the geographic area score is generally higher than the CHC score. Most of the areas with geographic designations also have CHCs in one or more sites within the census area or borough.

Prepared by Health Planning and Systems Development Section, Health Care Services, Alaska Department of Health and Social Services 3/19/2009

Health Care Professions Loan Repayment Program

Concept Proposal

Submitted by
Pat Carr, Chief
Health Planning & Systems Development
Department of Health & Human Services
State of Alaska

on
September 11th, 2007

via
PCC Workforce Subcommittee

to
Alaska Primary Care Council

3704

Health Care Professions Loan Repayment Program

Summary

Problem

Alaska is competing with other states and nations for the finite pool of available healthcare professionals. This competition will only intensify since the growth of supply is continuing to fall behind that of demand.

A common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSP's). Good outcomes have been achieved with these. There are five types: scholarships, service-option loans, loan repayment, direct financial incentives, and residency support programs. All SFSP's have the same public goal: To improve healthcare staffing in shortage areas. National studies have determined loan repayment programs to be one of the most effective of the several support-for-service strategies - in terms of both recruitment and retention (see: *HCPLRP: Issue Paper*, 2007)

A key problem is that Alaska does not have a robust support-for-service program while most other states do, many have several, and further, some of those are growing. In sum, Alaska is at a substantive disadvantage as it necessarily competes in the national healthcare labor market.

Discussion

Alaskan health care provider agencies use many approaches to recruit and retain staff. This has proved difficult, however, and particularly so where (1) federal loan repayment programs do not apply, or, (2) there is insufficient resource available to meet need. More tools are needed to confront the problem of steadily growing vacancies in the Alaskan healthcare workforce.

Most all other states have state-sponsored programs that influence health professionals' geographic and specialty distributions. Programs that integrate a number of strategies for attracting and retaining health professionals have had a greater likelihood of success than have programs which rely on a single strategy. Substantial evidence indicates that state-level support-for-service programs typically are a fundamental part of those strategies.

Support-for-Service Programs

It is well-established that many healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away. For instance, in 2004, young physicians' educational debt averages stood at over $109,000 and this cost was increasing at the rate of more than $4,000 per annum.

There are several types of support-for-service programs. One of the two most common types of such programs is the service-requiring scholarship program. These pay tuition and other costs for healthcare students while obligating them to a period of service that begins when they complete residency (or similar post-graduate training) years later. The other common program type is loan repayment. Loan repayment programs recruit healthcare practitioners as they complete their training and are ready to begin service in exchange for paying off the traditional education loans

they acquired years earlier. Programs of both types typically require one year of service for each year of training cost support they provide.

Considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel. Overall, 81 state-level programs were identified. There were 44 states with at least one program (88% of states). Fully 21 states had two or more programs (47%), with highs found in New Mexico (at 5) and Minnesota (at 7). On average, the 44 states had nearly two programs (1.8) each.

Loan Repayment Programs

In national studies, loan repayment has been found to be a successful strategy to recruit and retain health care professionals. Twenty-five years of program evaluations have clarified many of the outcomes possible from healthcare training support-for-service programs. Furthermore, studies have demonstrated that loan repayment programs, as a whole, have better outcomes than scholarship programs. Studies have shown that there are several benefits which can accrue from loan repayment programs. Selected examples include: (a) high position-fill rates, (b) high service-completion rates, and (c) high retention rates.

These programs are successful because the benefit of loan repayment is clear to potential applicants, and programs typically only provide payments to participants after they complete each 3 or 6 months of work; therefore, if a participant leaves or otherwise fails to work in the agreed upon area or practice, payments simply stop and there is no need to enforce penalties.

In 2006, the Alaska Physician Supply Task Force recommended a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need. One of the PSTF findings was that loan repayment is a proven strategy for recruiting physicians, and the federal loan repayment programs currently available to Alaska physicians need to be stabilized financially and supplemented with Alaska-based programs.

Conclusion

Reported increasing vacancy rates, increasing costs of recruitment [SORRAS report], and comparisons with national norms [PSTF report] suggest that Alaska currently experiences a shortage of healthcare professionals, and, that shortages exist in several key occupational categories. Loan repayment programs have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages.

Recommendation

It is recommended that Alaska create a "Health Care Professions Loan Repayment Program".

To do this, a planning process should be established. This process should define and prepare for adoption at least the following program elements: (a.) organizational support, (b.) oversight, (c.) fiduciary agent, (d.) practitioner eligibility, (e.) site eligibility, (f) repayment details, (g.) program design & management, and (g) program evaluation.

Resource

Health Care Professions Loan Repayment Program: Issue Paper (2007). Health Planning & Systems Development, Alaska Department of Health & Social Services.

Health Care Professions Loan Repayment Program
Issue Paper

Abstract

This paper: (1.) illustrates the current and expected healthcare workforce needs of Alaska; (2.) indicates the widespread use elsewhere of support-for-service programs, and in particular loan repayment; and (3.) recommends that Alaskans should now explore creation of a Health Care Professions Loan Repayment Program (HCPLRP).

Main Issue

Alaska is increasingly vulnerable to the competitive challenges posed by other states and nations for the finite pool of available healthcare graduates. This vulnerability will increase during coming years because of two factors. (1.) The need for health care professionals in Alaska is steadily rising, and, shortages are now evident in some categories. (2.) Further, these trends are national. These workers are part of, and often respond to, nationwide labor markets. Further, these trends are expected to accelerate. This is particularly true in those states that do not produce adequate numbers of their own health workers in the given disciplines. This puts such states at a marked disadvantage. Financial incentive programs are particularly important for those states, and Alaska is one of these. As a result, several other states have become robust competitors in recruitment of the healthcare workforce, and some are planning new and expanded loan repayment programs (Pathman, 2007).

A fundamental, and common, state-level response to these pressures is the use of financial inducements, these collectively known as support-for-service programs (SFSP's). Excellent outcomes are readily achievable from these efforts. There are five types: scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs. All support-for-service programs have the same key public goal: To improve healthcare staffing in shortage area communities.

National studies have determined loan repayment programs to be one of the most effective of the several support-for-service strategies - in terms of both recruitment and retention. As compared to the other SFSP options, here loan repayment participants sign support-for-service contracts after they complete their training, when they are older and better informed as to their career options. These professionals make commitments at the time they are ready to begin their service-obligations. They are more likely to know their own needs and those of their families at this later juncture. They know where they will serve and have a sense as to how well their chosen worksites will "fit" their needs.

Problem

This section presents evidence which indicates that:

- A healthcare workforce shortage currently exists in several occupations.
- Under current conditions these shortages will continue into the foreseeable future.
- In several occupations, these shortages will escalate.

Trends in National Workforce

Numerous, prominent sources indicate that there is a growing national shortage in the rural health care workforce. Two examples follow.

GAO Position (2001): In 2001, the General Accounting Office's (GAO's) director of health care-public health issues testified before Congress regarding growing concerns about the adequacy of the health care work force and lessons learned from the experience of the National Health Service Corps (NHSC) in addressing the maldistribution of health care professionals (Heinrich, 2001). Selected key points were:

- Recruitment and retention of adequate numbers of qualified health care workers are major concerns for many health care providers today.
- Available evidence suggests emerging shortages in some fields (e.g. nurses).
- Vacancy rates for HC workers in rural areas and inner cities are especially high.
- Although demand for most health workers will continue to grow, the increasing age of Americans, and their workforce may limit supply.
- The National Health Services Corp (NHSC) illustrates the challenges in addressing shortages of health professionals in certain locations.
- Better placement coordination with waivers for J-1 visa physicians is needed.
- Loan repayment is a better approach than service-requiring scholarships, to which individuals commit when they are still students.

NOSORH Position (2006): A representative and recent understanding can be gained from the National Organization of State Offices of Rural Health (NOSORH). In September 2006 NOSORH issued a Statement of National Priorities. Presented below are selected summaries of that document, without further comment. Interested readers should see: http://www.nosorh.org/pdf/Rural_Impact_Study_States_IT.pdf

- While most rural communities in the U.S. already experience health care workforce shortages, the demand for health care workers nationwide is projected to grow faster than the supply. This shortage of health care workers can impact health care in a variety of ways, including: decreasing quality of care, decreasing access to care, increasing stress in the workplace, increasing medical errors, increasing workforce turnover/decreasing retention rates, and increasing health care costs.

- Most rural areas ... are classified by the federal government as Health Professional Shortage Areas (HPSAs) for primary medical care. A HPSA designation is made using a formula that includes a ratio of physician to population that is greater than 1:3,500. A population is considered "adequately served" when the ratio is 1:2,000. In 1997, more than 2,200 additional physicians would have been needed in non-metropolitan areas to eliminate HPSA designations. SORH directors consider the workforce shortage to be one of the greatest issues facing rural health, in particular shortages related to physicians and nurses.

- Certain national health workforce trends that will have a profound impact on rural populations and exacerbate the current rural health workforce shortages. Examples follow:

    - If health care consumption patterns and physician productivity remain constant over time, the aging population will increase the demand for physicians per thousand population from 2.8 in 2000 to 3.1 in 2020. Demand for fulltime-equivalent RNs per thousand population would increase from 7 to 7.5 during this same period.

    - Minority and female physicians have a greater propensity than do non-minority and male physicians to practice in urban communities. Meanwhile the percentage of physicians that are minorities and women is increasing.

    - The Bureau of Health Professions projects that there will be a 33-44% increase in demand for physicians, 41 percent for RNs, and 46 percent for LPNs from 2000 to 2020.

    - According to the Bureau of Health Professions, there is an acute shortage of pharmacists in the U.S. In February 1998, there were 2,670 unfilled full and part-time positions in the U.S. as compared to 6,920 in February 2000. Adding to this, enrollment rates in U.S. schools of pharmacy declined during this period.

    - In 1970, women accounted for 13 percent of the nation's pharmacists as compared to 2000 when they were 46 percent of the nation's pharmacists. Women tend to elect part-time work as pharmacists.

    - From 1990 to 1999, there was a 46 percent increase in the number of prescriptions dispensed from hospitals.

- *NOSORH concluded the following in its 2006 statement of national priorities:* ...SORH directors around the U.S. determined that they are most concerned with issues related to rural health workforce, health care services, and the needs of special populations. Research suggests that this concern is warranted as: demand for health care workers is increasing while the supply is decreasing; rural health care facilities continue to be fragile, there are gaps in these services, and all of these rural health services are critical to the health and well-being of the U.S.; and the needs of rural populations are changing, however, the programs serving them are unable to meet their needs. While SORHs respond to a variety of rural health needs and issues, new health care policies and additional rural health programs and funding will be needed if states are to address these increasingly important rural health issues and concerns.

Growth in Alaskan Jobs

Healthcare Workforce Overall: In 2004 there were 301,300 jobs in Alaska, with 32,700 (10.9 percent) of these in health care and social assistance (HCSA). By 2014, the overall job count is projected to be 349,550, with the HCSA workforce at 43,650 (12.5 percent). Thus by 2014, the number of HCSA jobs is projected to grow by 10,950 (34 percent), accounting for 22.7 percent of overall statewide job growth for the period. By 2014, health care and social assistance is projected to be the largest single industry workforce category in Alaska with 43,650 workers. (AHCDB, 2007, Table 3.300).

Social Service Occupations: For 2004, employment in community & social service (CSS) occupations was estimated to be 6,025 jobs. By 2014, this category of jobs is forecasted to be at 7,487, a rise of 1,462 (24 percent). The highest projected growth rates from 2000-2014 are projected to include mental health & substance abuse social workers (36.2 percent), social & human service assistants (34.6 percent) and mental health counselors (32 percent). (AHCDB, 2007, Table 3.310).

Selected Occupations: Review of 42 particular healthcare occupations indicates that these held 14,083 jobs in 2000, and that these are forecasted to reach 25,009 by 2010, an overall rise of 10,026 jobs (78 percent). Registered nursing positions are expected to grow the most, from 4,439 in 2000 to 8,556 in 2010, a gain of 4,117 jobs or (93 percent). All but one of the examined occupations is expected to have more jobs available by 2010. Further, of the 42 occupations presented, employment in 8 of these will more than double (e.g. AHCDB, 2007, Table 3.330).

Shortage in Alaskan Workforce

Health Professional Shortage Areas: Alaska has a large number of federally designated "Health Professional Shortage Areas" (HPSAs), the point of these designations being to aid in health care planning and finance. Typically these are determined by the existence of: (1.) a relative lack of desired personnel, and (2.) the existence of particular socio-economic conditions. A second route to HPSA designation, which is automatic, is via the existence of a federally funded community health center (CHC). HPSAs are of three types. Statewide in 2007 the following HPSAs existed: 28 in Primary Care (with 16 scored, and 12 via CHCs), 27 in Mental Health (with 14 scored, and 13 via CHCs), and 24 in Dental Health (with 7 scored, & 17 via CHCs). (Alaska Health Care Databook, 2007, Table 3.360). However, an important caveat is that many observers feel that the federal HPSA designation process underestimates the extant need for more healthcare professionals (e.g. US GAO, 1995). Thus, these designations should be considered as a conservative method for establishing need for the healthcare workforce.

Medically Underserved Areas: Alaska also has numerous federally designated "Medically Underserved Areas" (MUA) and "Medically Underserved Populations" (MUP). These designations identify shortages of primary medical care, dental health or mental health providers. Designations may be either geographic (MUA, i.e. a county or service area), or demographic (MUP, i.e. low income, Medicaid-eligible populations, cultural and/or linguistic access barriers to primary medical care services). Each designation is assigned an Index of Medical Underservice (IMU) score, which is used to determine the eligibility of an area or population for MUA/MUP status. For 2007, there were 17 area designations and 11 population designations. (Alaska Health Care Databook, 2007, Table 3.350).

Resident Workers with Age: Two aspects of worker demographics further suggest the likelihood of a workforce shortage in the health care and social assistance (HCSA). The first of these regards "resident workers with age". In 2005 total employment in all HCSA occupations stood at 28,356. Of resident workers in all HCSA occupations statewide, 40 percent were age 45 and older; 27 percent were age 50 and older. Of resident workers who were in health care practitioner occupations per se, 47 percent were age 45 and older; and 31 percent were age 50 and older. Therefore, succession planning will be of concern over the next two decades as today's mature health care professionals retire (Alaska Health Care Databook, 2007, Table 3.320).

Non-Resident Workers: A second workforce demographic issue regards the sizeable number of "non-resident" workers. Overall, 10 percent of the workforce was non-residents in 2005, with a

high of (13 percent) among non-resident health care practitioner and technologist occupations. Expect additional pressure to build on the health care system if non-resident (itinerate) workers are not available to fill Alaska health care workforce gaps (e.g. AHCDB, 2007, Table 3.320).

Selected Occupations: Physicians

Physician Shortage – 1997: A decade ago Johnson and Norris (1997) conducted a comprehensive study to describe Alaska's geographic distribution of generalist physicians relative to population. These investigators queried all 443 generalist care physicians (family, general, general internal medicine, and pediatric) or their offices as to their specialties, employers, populations served, hours spent per week offering direct patient care, and locations. The results indicated a 30% overall shortage of generalist physicians for the state, representing roughly 141 full-time-equivalent generalists relative to national practice patterns and trends of health maintenance organizations. Of 17 primary health care areas, including the Anchorage area, 15 showed a need for additional generalist physicians. Most areas had a 20 to 40% shortage.

Physician Shortage – 2004: In 2004, a survey by the American Medical Association showed that, nationally, there were 2.38 practicing physicians per 1,000 people. Alaska's rate of practicing physicians was 2.05 per 1,000 people. Based on Alaska's 2004 population estimate of 656,834 and the national average of 2.38 physicians per 1,000 people, Alaska should have had 1,565 practicing physicians to be on par with national averages. The actual number of physicians practicing in Alaska was 1,347, indicating a shortage of 14 percent or 218 physicians. In areas outside of Anchorage, the rate of physician deficiency was 16 percent. (Alaska Health Care Databook, 2007, Table 3.370).

Physician Shortage – 2006: In 2006, the AK DHSS and the University of Alaska jointly assembled the "Alaska Physician Supply Task Force" (PSTF). This group then conducted a large inter-agency study, issuing the authoritative report, "*Securing an Adequate Number of Physicians for Alaska's Needs*". It found that Alaska had a shortage of physicians. Although not at crisis levels, the shortage was affecting access to care throughout the state, and, increasing cost to hospitals and other health care organizations. Up to 16% of rural physician positions in Alaska were vacant in 2004. Patients with Medicare were having difficulty finding a primary care physician. Several important specialties were in serious shortage in Alaska. It concluded that:

- The shortage is very likely to worsen over the next 20 years as the state's population increases and ages. Physician supply nationwide is entering a period of shortage, according to the best current predictions. Physicians in Alaska are aging and one-third may be retiring in the next 10-15 years. The new generation of physicians wants a more balanced life, meaning fewer hours on duty and more predictable schedules. These trends mean that more physicians will be required to serve the same population. Technology and scientific advances have increased the amount of medical care available, also adding to the need for physicians, as the patients expect more care than previously.

- As the supply of physicians shrinks, recruitment will become more competitive. Alaska's traditional system of recruiting physicians from federal assignment in the military and Indian Health Service is much less effective with changes in these systems. Alaska is far behind the other states in production capacity. (1-2) Long-range planning, even if it includes a four-year medical school in Alaska, will not address current physician needs in a timely fashion, so interim measures are needed. (59)

Selected Occupations: Nurses

Nursing Shortage – 2003: The nursing shortage is particularly acute, both in Alaska and nationwide. It is estimated that during this decade the need for RN's will increase by 4,117 (in 2000: 4,439; in 2010: 8,556) (Fried, N. & Keith, B. (2003). National shortages will make recruitment yet more difficult. As a result, Alaska will have a great need to recruit and retain registered nurses. Addressing the need of rural and remote areas will be yet more difficult and expensive than to do so for urban areas.

Impact on CHC's

Rosenblatt, et al. (2006) examined the status of provider workforce shortages such as these may limit CHC expansion. They noted that the federal government has continued to expand the capacity of community health centers (CHCs) to provide care to underserved populations. The researchers therefore conducted a survey of all 846 federally funded US CHCs that directly provide clinical services and are within the 50 states and the District of Columbia (May-Sept, 2004). Questionnaires were completed by the chief executive officer of each grantee. Overall response rate was 79.3%. Information was supplemented by data from the 2003 Bureau of Primary Health Care Uniform Data System and weighted to be nationally representative.

Rosenblatt, et al (2006) found that primary care physicians made up 89.4% of physicians working in the CHCs, the majority of whom are family physicians. In rural CHCs, 46% of the direct clinical providers of care were non-physician clinicians compared with 38.9% in urban CHCs. There were 428 vacant funded full-time equivalents (FTEs) for family physicians and 376 vacant FTEs for registered nurses. There were vacancies for 13.3% of family physician positions, 20.8% of obstetrician/gynecologist positions, and 22.6% of psychiatrist positions. Rural CHCs had a higher proportion of vacancies and longer-term vacancies and reported greater difficulty filling positions compared with urban CHCs. Physician recruitment in CHCs was heavily dependent on National Health Service Corps scholarships, loan repayment programs, and international medical graduates with J-1 visa waivers. The study concluded that CHCs face substantial challenges in recruitment of clinical staff, particularly in rural areas. The largest numbers of unfilled positions were for family physicians at a time of declining interest in family medicine among graduating US medical students. They stated that success of the current US national policy to expand CHCs may be challenged by these workforce issues.

Strategy

It is essential to enhance the capacity of Alaskan health care provider agencies to recruit and retain staff where: (1.) federal loan repayment programs either do not apply, or, (2.) there are insufficient resources available to meet need. More tools are needed to confront the problem of steadily growing vacancies in the Alaskan healthcare workforce.

Most other states have programs that influence health professionals' geographic and specialty distributions. Programs that integrate a number of strategies for attracting and retaining health professionals have a greater likelihood of success than do programs which rely on a single strategy. Substantial evidence indicates that state-level support-for-service programs should be, and typically are, a fundamental part of those strategies.

Debt from Health Care Training

What follows are brief summaries of recent, representative studies which suggest that:

- Health care student debt affects subsequent practitioner career choices;
- Loan repayment options support recruitment goals; and
- These programs directly help to correct practitioner maldistributions.

Factors in Recruitment & Retention: Daniels, et al. (2007) sought to identify factors associated with rural recruitment and retention of graduates from a variety of health professional programs in the southwestern United States. They conducted a longitudinal study by mailing a survey to graduates from 12 health professional programs in New Mexico. The main outcomes examined were: (1.) first rural employment, and, (2.) aspects of any rural employment, since graduation. Daniels, et al. (2007) concluded that rural background and preference for smaller sized communities are associated with both recruitment and retention. In addition, however, they stated that loan forgiveness and rural training programs appear to support recruitment. Retention efforts must focus on financial incentives, professional opportunity, and desirability of rural locations

Medical Student Debt & Career Choice: Rosenblatt & Andrilla (2005) examined the notion that medical students' rising total educational debt is one of the factors that explains the recent decline in students' interest in family medicine and primary care. They analyzed the results from questions on the Association of American Medical Colleges' 2002 Medical School Graduation Questionnaire that focused on students' debt and career choices. Students reported that higher levels of debt influenced their future career choices. An inverse relationship was observed between the level of total educational debt and the intention to enter primary care, with the most marked effect noted for students owing more than $150,000 at graduation.

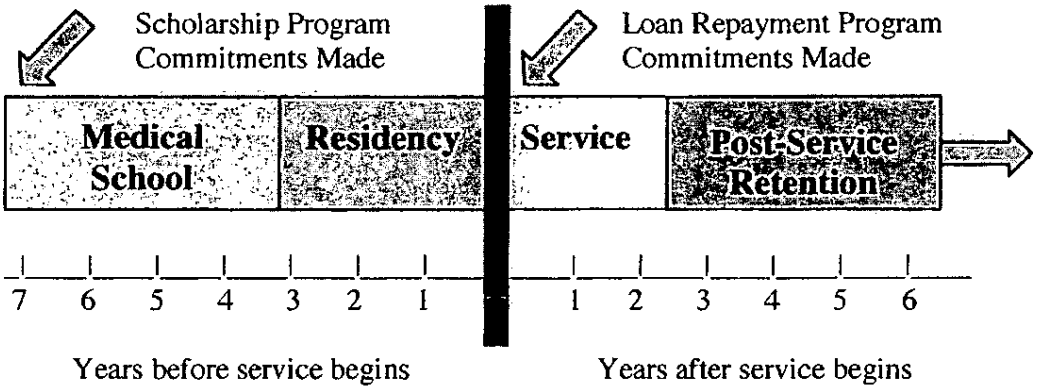
Medical Training Debt & Service Commitments: Pathman, et al (2000) assessed how student loan debt and scholarships, loan repayment and related programs with service requirements influence the incomes young physicians seek and attain, influence whether they choose to work in rural practice settings and affect the number of Medicaid-covered and uninsured patients they see. Data are from a 1999 mail survey of a national probability sample of 468 practicing family physicians, general internists and pediatricians who graduated from U.S. medical schools in 1988 and 1992. A majority of these generalist physicians recalled "moderate" or "great" concern for their financial situations before, during and after their training. Eighty percent financed all or part of their training with loans, and one-quarter received support from federal, state or community-sponsored scholarship, loan repayment and similar programs with service obligations. In their first job after residency, family physicians and pediatricians with greater debt reported caring for more patients insured under Medicaid and uninsured than did those with less debt. For no "specialty" was debt associated with physicians' income or likelihood of working in a rural area. Physicians serving commitments in exchange for training cost support, compared to those without obligations, were more likely to work in rural areas (33 vs. 7 percent, respectively, $p < 0.001$) and to provide care to more Medicaid-covered and uninsured patients (53 vs. 29 percent, $p < 0.001$), but did not differ in their incomes ($99,600 vs. $93,800, $p = 0.11$). Thus, among physicians who train as generalists, the high costs of medical education appear to promote, not harm, national physician work force goals by prompting participation in service-requiring financial support programs and perhaps through increasing student borrowing.

Support-for-Service Programs

It is well-established that a sizeable number of healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away. For instance, training to become a physician is expensive, as 80 percent of medical students who graduate in debt will attest (e.g. Jolly, 2005). In 2004, young physicians' educational debt averages stood at over $109,000 and was this cost was increasing at the rate of more than $4,000 per annum (e.g. AAMC, 2004). Nonetheless, educational costs and students' fears of acquiring six-figure debts have created a market for government programs that link support for healthcare training costs to a period of obligated clinical work in shortage areas.

There are several types of financial "support-for-service programs" (SFSP's). These include: scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs. One of the two most common types of such programs is the service-requiring scholarship program. These pay tuition and other costs for healthcare students while obligating them to a period of service that begins when they complete residency (or similar post-graduate training) years later. The other common program type is loan repayment. Loan repayment programs recruit healthcare practitioners as they complete their training and are ready to begin service in exchange for paying off the traditional education loans they acquired years earlier. Programs of both types typically require one year of service for each year of training cost support they provide.

Figure 1 - Timeline of physicians' training years, signing of commitments with service-requiring scholarship and loan repayment programs, service periods (typically two-to-four years) and post service retention.



(After: Pathman, D.E. (2006). What Outcomes Should We Expect From Programs That Pay Physicians' Training Expenses in Exchange For Service? NCMEDJ, 67(1), pg. 77)

Support-for-service programs appear to be a natural solution to both the students' and the public's needs. They have grown in popularity over the past 25 years in tandem with rising tuition costs, with both federal and state agencies using them. In one well-known federal example, in 2005 the Bureau of Health Professions reported that the National Health Service Corps (NHSC) was providing an obligated physician workforce of about 1,700 scholars and loan re-payers. As a result of NHSC shifting most of its funding to loan repayment, more workers were immediately brought into the fold, and that census has now roughly doubled. In addition, most states also

sponsor their own support-for-service programs. In 1996 there were a total of 69 state programs with an estimated workforce of 1,300 practicing physicians. These state programs doubled in number from 1990 to 1996 and very likely have grown further since (Pathman, et al. 2000).

State Scholarship, Loan Forgiveness, and Related Programs: Pathman, Taylor, et al (2000) noted that in the mid-1980s, states expanded their initiatives of scholarships, loan repayment programs, and similar incentives to recruit primary care practitioners into underserved areas. These programs have since grown substantially during the ensuing two decades. The authors thus sought to identify and describe state programs that provide financial support to physicians and midlevel practitioners in exchange for a period of service in underserved areas, and to begin to assess the magnitude of the contributions of these programs to the US health care safety net. This cross-sectional, descriptive study established the number and types of state support-for-service programs in 1996; trends in program types and numbers since 1990; distribution of programs across states; numbers of participating physicians and other practitioners in 1996; numbers in state programs relative to federal programs; and basic features of the state programs.

The study found that in 1996 there were 82 eligible programs operating in 41 states, including 29 loan repayment programs, 29 scholarship programs, 11 loan programs, 8 direct financial incentive programs, and 5 resident support programs. Programs more than doubled in number between 1990 (n = 39) and 1996 (n = 82). In 1996, an estimated 1306 physicians and 370 midlevel practitioners were serving obligations to these state programs, a number comparable with those in federal programs. Common features of state programs were a mission to influence the distribution of the health care workforce within their states' borders, an emphasis on primary care, and reliance on annual state appropriations and other public funding mechanisms.

The authors concluded that as of 1996 the several states had fielded an obligated primary care workforce comparable in size to the better-known federal programs. Thus, these state programs constitute a major portion of the US health care safety net. The study emphasized that such state programs should be considered in plans to further improve health care access.

Experience of Other States

State-Level Support-for-Service Programs (2007): Considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel. Tables 1, 2 & 3 here-present listings of those state-level support-for-service programs that were web-posted by the Association of American Medical Colleges (as of 8/10/07). These provide a selective look at state and federal loan repayment, forgiveness and scholarship programs available to allopathic medicine and other health professions students. This compilation is not exhaustive, and at present, our office is not aware of one that is. The here-derived tables shows that, overall, there were 81 programs. There were 44 listed states with at least one program (88% of US states). Fully, 21 of these states had two or more programs (47% of listing), with highs found in New Mexico (at 5) and Minnesota (at 7). On average, the 44 listed states had nearly 2 programs (1.8) each. Table 1 presents 43 listings that were designated as "state programs". Table 2 presents another 20 listings that were designated as "federal/state programs". Finally, Table 3 presents another 18 programs were not otherwise classified, though quick inspection of titles suggests that many can be readily classified. Those programs that were categorized as (strictly) "federal" (e.g. NIH, military) are not further considered. Click on any program title for more programmatic detail.

State-Level Offices: Service-for-Support Programs

Table 1: Designation as: "State Program"

State	Program
Arizona	Arizona Medical Student Loan Program
Arkansas	Community Match Physician Recruitment Program
Arkansas	Physician Grant Recruitment and Retention Program
Colorado	Colorado Health Professions Loan Repayment Program
Georgia	State Medical Education Board of Georgia Scholarship Program
Indiana	Indiana Primary Care Scholarship Program (IPCSP)
Iowa	Osteopathic Physician Recruitment Program (O.P.R.P.)
Kansas	Kansas Bridging Plan
Maine (2)	Maine Health Professions Loan Program
Maryland	Loan Assistance Repayment Program for Primary Care Physicians
Minnesota	Minnesota Dentist Loan Forgiveness Program
Minnesota	Minnesota Nurse Loan Forgiveness Program
Minnesota	Minnesota Rural Mid-level Practitioner Loan Forgiveness Program
Minnesota	Minnesota Rural Physician Loan Forgiveness Program
Minnesota	Urban Physician Loan Forgiveness Program
Mississippi (2)	Family Medical Education Loan/Scholarship Program
Mississippi	State Medical Education Loan/Scholarship Program
Missouri	Primary Care Resource Initiative for Missouri (PRIMO)
Montana (3)	Montana Rural Physician Incentive Program (MRPIP)
Montana	WICHE Professional Student Exchange Program
Montana	WWAMI Medical Exchange Program
Nebraska	Nebraska Student Loan Program
Nevada	Nevada Health Service Corps
New Mexico (5)	Allied Health Loan-for-Service Program
New Mexico	New Mexico Health Professions Student Loan-for-Service Program
New Mexico	Nursing Loan-for-Service Program
New Mexico	Osteopathic Medical Student Loan for Service Program
New York	Regents Physician Loan Forgiveness Award Program
North Carolina (4)	Community Practitioner Program
North Carolina	NC Student Loan Program for Health, Science and Mathematics
North Carolina	North Carolina State Loan Repayment Program
Ohio	Ohio Physician Loan Repayment Program

Table 1: "State Program" (continued)

Oklahoma (3)	Family Practice Resident Rural Scholarship Loan Program
Oklahoma	Oklahoma Rural Medical Education Scholarship Loan Program
Oklahoma	Oklahoma State Loan Repayment Program
Oregon	Oregon Rural Health Services (RHS) Loan Repayment Program
South Dakota	South Dakota Midlevel Tuition Reimbursement Program
Tennessee (2)	Health Access Incentive Program: Incentive Grant: Mid-Levels
Tennessee	Health Access Incentive Program: Incentive Grant: Physicians
Virginia	Virginia Loan Repayment Program
Washington (2)	WA State Health Professional Loan Repayment Program
West Virginia	Medical Student Loan Program
Wyoming	Wyoming WWAMI Medical Education Program

State-Level Offices: Service-for-Support Programs

Table 2: Designations as: "Federal/State Program"

Connecticut	Connecticut State Loan Repayment Program
Delaware	Delaware State Loan Repayment Program
Illinois	Illinois/National Health Service Corps Loan Repayment Program
Iowa (2)	Iowa PRIMECARRE Loan Repayment Program
Louisiana	Louisiana State Loan Repayment Program
Maine	Maine State Loan Repayment Program
Massachusetts	Massachusetts State Loan Repayment Program
Minnesota	Minnesota State Loan Repayment Program
Missouri (2)	Physician Loan Repayment
New Hampshire	NH Primary Loan Care Repayment Provider Plans
New Jersey	Primary Care Loan Redemption Program of New Jersey
New Mexico	Health Professional Loan Repayment Program (HPLPP)
Ohio	NHSC / BHPr Ohio Loan Repayment Program
Pennsylvania	Pennsylvania's Primary Health Care Practitioners Loan Repayment Program
Texas	Physician Education Loan Repayment Program of Texas
Utah	Utah Health Care Workforce Financial Assistance Program
Virginia (2)	National Health Service Corp-VA Loan Repayment Program
Washington	WA State Health Professional Scholarship Program
Wisconsin (2)	Wisconsin Health Professions Loan Assistance Program
Wisconsin	Wisconsin Physician Loan Assistance Program

(number in parentheses indicates total state-office programs for that state that are not "federal" per se)

State-Level Offices: Service-for-Support Programs

Table 3: Programs – "Not Otherwise Designated"

Arizona (3)	Arizona Loan Repayment Program
Arizona	NHSC/Arizona Department of Health Services
Arkansas (3)	Arkansas Rural Medical Practice Student Loan/Scholarship Program (ARMPSLSP)
California (2)	Dr. James L. Hutchinson & Evelyn Ribbs Hutchinson Medical School Scholarship
California	NHSC/CA State Loan Repayment Program
Georgia (2)	Georgia Physician Loan Repayment Program
Kentucky	Rural Kentucky Medical Scholarship Fund (RKMSF) Grant Program
Michigan	Michigan Essential Health Provider Program/SLRP
Minnesota (7)	Federal National Health Service Corps (NHSC) Loan Repayment Program
Nebraska (2)	Nebraska Loan Repayment Program
North Carolina	Loan Repayment Program
North Dakota (2)	The Medical Personnel Loan Repayment Program
North Dakota	The State Community Matching Physician Loan Repayment Program
Rhode Island	Rhode Island Health Professional Loan Repayment Program
South Dakota (3)	NHSC/Loan Repayment and Scholarship Program
South Dakota	South Dakota Physician Tuition Reimbursement Program
Vermont (2)	Freeman Educational Loan Repayment for Physicians Program
Vermont	Vermont State Loan Repayment Program

(number in parentheses indicates total state-office programs for that state that are not "federal" per se)

Loan Repayment Programs

In national studies, loan repayment has been found to be a successful strategy to recruit and retain physicians and nurses. Twenty-five years of program evaluations have clarified many of the outcomes possible from healthcare training support-for-service programs. Furthermore, studies have demonstrated that loan repayment programs, as a whole, have better outcomes than scholarship programs. Results of these comparisons have proved compelling. For example, studies demonstrating the strengths of loan repayment programs prompted Congress recently to allow the NHSC to make more loan repayment and fewer scholarship awards (e.g. Bureau of Health Professions, 2005) and led some states to expand their loan repayment programs (Pathman, et al. 2000).

Studies have shown that there are several benefits which can accrue from loan repayment programs. Selected examples follow:

> *High Position Fill-Rates:* Some programs, including the NHSC, have many more applicants than their funds can support and regularly fill all funded positions; other programs have many unfilled positions for lack of applicants.
>
> *High Service Completion Rates*: Very few loan repayment programs, accordingly, have found a need to set any buy-out penalties; as a group, their service completion rates average 93% without them (Pathman, et al, 2004). It is the physician-program-community fit and the financial attractiveness of the program that prompts physicians to complete their obligations with service (the "carrot"), not financial and legal threats (the "stick").
>
> *High Retention Rates:* Beyond merely completing obligations with service, there has long been the hope that obligated physicians will remain in their service communities for years afterwards ... In fact, data show that physicians participating in state-run support-for-service programs remain in their service sites as long on average as other young physicians remain in practices of all types nationwide. Physicians obligated to state-run loan repayment programs remain substantially *longer* than other young physicians (e.g. Pathman, 2004).

Effectiveness of Support-for-Service: Sempowski, I.P. (2004) attempted to evaluate the effectiveness of programs that provide financial incentives to physicians in exchange for a rural or underserviced area return-of-service (ROS) commitment. This was done via a systematic literature review using Medline and Ovid HealthSTAR databases were searched from 1966 to 2002. The initial search yielded 516 results. Bibliography review yielded additional references. Ten publications were selected as the highest level of evidence available. The main outcome measures were: (a.) initial recruitment of physicians, (b.) buyout rates, and (c.) long-term retention.

The majority of studies reported effective recruitment despite high buyout rates in some US-based programs. The one prospective cohort study on retention showed that physicians who chose voluntarily to go to a rural area were far more likely to stay long term than those who located there as an ROS commitment. Multidimensional programs appeared to be more successful than those relying on financial incentives alone. Sempowski, I.P. (2004) concluded that ROS programs to rural and underserviced areas have achieved their primary goal of short-term recruitment but have had less success with long-term retention. However, this study combined different types of support-for-service programs within its analysis thus somewhat preventing conclusions as to loan repayment programs, per se.

Loan Repayment vs. Payback Programs: Miller & Crittenden (2001) sought to determine and contrast the possible impact that two different types of support-for-service programs might have on medical school choice, and, students' intentions to return to their home states. The authors examined difference in preferences for: (a.) payback programs regarding state-subsidized medical education which are designed to increase the rate of graduates returning to those states to practice; and (b.) loan repayment programs that are designed to entice medical school graduates from rural states to return to their home states.

Miller & Crittenden (2001) surveyed 229 medical students (response rate 80 percent). The questionnaire collected background information on the students and addressed the possible

impact of payback and loan repayment policy proposals on student plans. Forty-seven percent of students reported that they would attend a different medical school if a required payback program were in place. Students who were more competitive at the time of admission to medical school were significantly more likely to say they would attend another medical school than were less competitive students. In contrast, 48 percent of students reported that they would be more likely to return to their home states if expanded loan repayment programs were available for service in areas of need. The findings suggest that payback programs may dissuade more competitive students from entering medical schools with such requirements, compromising the pool of students most likely to return to rural areas. Conversely, medical students appear willing to consider loan repayment programs upon completion of their training.

Why Do Loan Repayment Programs Work? Expert opinion was sought for insights into why loan repayment programs work. Donald Pathman, MD, MPH, (Univ. of North Carolina) was queried as to his view. Dr. Pathman stated:

> "As a whole, state-run (loan repayment) programs are successful but not because they are run well---- most are under-funded, under-staffed and can't offer individualized assistance to the health care practitioners they support. They are successful because the benefit of loan repayment is clear to potential applicants and programs typically only provide payments to participants after they complete each 3 or 6 months of work; therefore, if a participant leaves or otherwise fails to work in the agreed upon area or practice, payments simply stop and there is no need to enforce penalties." (Pathman, 2007)

Does a Loan Repayment Program Make Sense for Alaska? Expert opinion was sought for perceptions as to whether a loan repayment program makes sense for Alaska. Again, Donald Pathman, MD, MPH, (Univ. of North Carolina) was queried as to his view. Dr. Pathman stated:

> "I am glad to hear that Alaska is thinking of expanding loan repayment opportunities. I visited Alaska for the first time this past spring for the National Rural Health Association meeting, in Anchorage, with a side trip to Minto and Fairbanks. What an amazing place! I spoke with several folks working with the Native American health corporation in the state, and realize the physician shortages for the populations they serve. I was impressed that they knew little about how to attract and keep a physician. Lots of opportunities there for improvement in programs." (Pathman, personal communication, 2007)

Position of the Alaska Physician Supply Task Force (2006): The PSRF recommended a number of specific strategies and action steps to achieve four main goals related to assuring an adequate supply of physicians to meet Alaska's need. One of the PSRF findings was that Alaska's clinics and hospitals receive inquiries from physicians about the availability of loan forgiveness often. Loan repayment is a proven strategy for recruiting physicians, and the federal loan repayment programs currently available to Alaska physicians need to be stabilized financially and supplemented with Alaska-based programs. For detail, see: *"Securing an Adequate Number of Physicians for Alaska's Need"* (2006).

Precedents in Alaska: There are, and have been, other circumspect loan repayment programs for health professionals here in Alaska. These have typically been via categorical federal funding. Examples include Indian Health Service supports, and use of the National Health Service Corp. There have also been selected opportunities via the regional health corporations, and certain hospitals. Further, the Alaska Mental Health Trust has recently considered some loan repayment supports in the behavioral health field. While promising, these will collectively still fall far short of garnering the needed workforce to face projected need.

Recommendation

Recommended: Alaska should establish a Health Care Professionals Loan Repayment Program (HCPLRP). Decisions as to particular program elements must await further public process. Questions should be addressed regarding at least the following program elements:

- *Organizational Support*: What are the best ways to build legislative and public understanding and support on this issue? For instance, members of the Alaska Physician Supply Task Force supported a loan payback provision for physicians.

- Oversight: What is that governance entity most suited to provide leadership and oversight of this program? Similarly, which entity is most suited to administer the program? There is evidence that no single entity has the expertise to properly oversee and administer such a program. This might argue for a blended or interagency oversight structure. One agency might provide programmatic administration, while the other might serve as fiduciary agent.

- *Fiduciary Agent*: It may prove both workable and preferred that fiduciary mechanics and other administrative aspects be organizationally separated. If so, which agency is most to assume this fiduciary role? One approach might be to have the program work in tandem with the Alaska Commission on Postsecondary Education (ACPE). It is possible that the functions of the Alaska Commission on Postsecondary Education could be amended as these relate to repayment provisions healthcare degree program participants. It appears likely that no substantive change would be necessary for ACPE to act strictly as fiscal agent for participant payments. Further, this would not be a recommendation to change the scope of the ACPE mission to include direct workforce development. This later function would likely be accomplished by another state agency via interagency partnership.

- *Provider Eligibility*: Which healthcare occupations are to be deemed as eligible for the HCPLRP? Are all eligible occupations to benefit equally from the HCPLRP, or, will the occupations differ in terms of: (a.) maximum financial benefit, (b.) length of service required, (c.) specificity of service location, and, (d.) penalty for early-quit? There is evidence that for a loan repayment program, marked penalties are not needed, and, are actually likely harm outcomes.

- *Repayment Details*: Several policy and procedural decisions must be concluded. Examples follow. What is an adequate period of service-payback? What is the proportionality of payback when scheduled over years? What are the most useful policies with which to govern service payoff?

- *Work Processes*: Several work-process details will need to be established as regards management client relationships. Programmatically, what ways do we want to work, one-on-one, with program applicants to help them find suitable communities/positions? What types of assistance do we most want to provide to applicants, practices and communities?

- *Program Evaluation*: An ongoing evaluation should be installed and maintained as an expected part of any proposed support-for-service program (e.g. Henderson & Fox-Grage, 1997). It is in everyone's interest, and particularly in those of Alaska's medically underserved communities, that such programs: (a.) have explicit outcome objectives, (b.)

are regularly monitor as to those outcomes, (c.) openly acknowledge weaknesses, and (d.) embrace change as needed. Many different types of outcomes might be monitored. Reasonable measures might include:

- Practice in specific needy communities (e.g. HPSAs)
- Serve high-priority patient groups (e.g. Medicaid)
- Service completion of participants
- Retention rate of participants
- Satisfaction of participants
- Indictors as to the content of practice/work of program participants (e.g., proportion that provide inpatient care, that provide obstetrical care, or whatever specific services are deemed to have critical workforce shortages)

Other Support-For-Service Options to Consider:

As robust as a state-level loan repayment is likely to prove, there are other programmatic strategies. At least two other strategies should also be thoroughly examined: (a.) service-option loans, and (b.) direct incentives.

- *Strategy: Service-Option Loan Programs*

  Consider provision of educational loans to all citizens of Alaska who undertake health professions training, where the loans will be forgiven if they work within Alaska after graduation. This would provide added incentive for health care students who were raised in Alaska to return to Alaska to practice, rather than being wooed away by the states/communities where they receive their training. There is evidence that these have worked well elsewhere, given attention to key programmatic details. For Alaska, a service-option loan program should nicely complement a loan repayment program; because the former would address only Alaska residents and the latter would primarily attract those health practitioners coming from out-of-state.

- *Strategy: Direct Incentive Programs*

  Consider provision of direct incentive programs. In these, funding is provided to practitioners who agree to work in needy settings whether or not they have educational loans to be repaid. There is no reason to believe that only young practitioners-with-debt are suited to work in rural areas and/or with underserved populations.

  Loan repayment programs only target recent graduates who have weighty educational debts. For instance, as regards physicians, many recent graduates carry minimal debt (perhaps 40%). Further, a large portion of those physicians who are potentially recruit-able to Alaska are 10 or 20 years out of training and have no educational debts. It is possible, even likely, that "an Alaskan adventure" would appeal to some number of mid and late-career physicians. It may prove informative to assess the State's medical licensure files to learn the average/median/quartiles of age of physicians as to when they gain their first Alaska license. If, indeed, many are older, then this is a group that should be targeted. Direct incentive programs target those practitioners without loans, and, older practitioners.

Finally, support-for-service programs (of all types) constitute only one way to help bolster recruitment and retention of health care professionals. Alaska must develop a multi-pronged approach to confronting our growing healthcare workforce shortage.

Conclusion

Substantial evidence shows that Alaska currently experiences a shortage of healthcare professionals, and, that this shortage exists in several key occupational categories.

There are several types of support-for-service programs, and the national experience has proven loan repayment programs to be robust. These have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages. To quote from Pathman, et al. (2004),

> "As a whole, states' support-for-service programs bring physicians to needy communities where they find satisfying work caring for at-risk patient populations and remain for many years. Of all program types, the loan repayment and direct financial incentive forms, which target physicians after training, show the broadest successes. The successes of these state programs warrant their continued support and perhaps expansion to remedy the continuing maldistribution of physicians." (pg. 567).

References

1. *Alaska Health Care Databook: Selected Measures* (2007). Health Planning & Systems Development. Alaska Department of Health & Social Services.

2. Association of the American Medical Colleges, Division of Medical School Services and Studies. (2004). AAMC Data Book: Statistical Information Related to Medical Schools and Teaching Hospitals. LeEtta Robinson, Editor. Washington, DC: AAMC.

3. Bureau of Health Professions, Health Resources and Services Administration, US Department of Health and Human Services (2005). National Health Service Corps. Available at http://nhsc.bhpr.hrsa.gov.

4. Chaconas J.A. (2001). Loan repayment program provides financial incentives to practice in Delaware's health professional shortage areas. Del Med J. 2001 Aug; 73(8):305-6.

5. Daniels, Z.M., Vanleit, B.J., Skipper, B.J., Sanders, M.L., & Rhyne, R.L. (2007). Factors in recruiting and retaining health professionals for rural practice. J Rural Health. 23(1): 62-71.

6. Fried, N. & Keith, B. (2003). Alaska's Health Care Industry. Alaska Economic Trends, 23(4): 3-11.

7. Heinrich, J. (2001) Health workforce: Ensuring adequate supply and distribution remains challenging. Testimony before the Subcommittee on Health, Committee on Energy and Commerce, House of Representatives (Aug. 1st, 2001).

8. Jackson, J., Shannon, C.K., Pathman, D.E., Mason, E., & Nemitz, J.W. (2003). A Comparative Assessment of West Virginia's Financial Incentive Programs for Rural Physicians. J Rural Health, 19 (suppl): 329-339.

9. Johnson, D.R. & Norris, T.E. (1997). Geographic distribution, supply and need for generalist physicians in Alaska. West J Med. 167(5): 330-335.

10. Jolly P. (2005). Medical school tuition and young physicians' indebtedness. Health Affairs, 24:527-535.

11. Miller, J.B. & Crittenden, R.A. (2001). The effects of payback and loan repayment programs on medical student career plans. J Rural Health. 17(3): 160-164.

12. National Organization of State Offices of Rural Health (2006). National Rural Health Issues: NOSORH National Priorities, 2006. (accessed website 8/15/07: http://www.nosorh.org/pdf/Rural_Impact_Study_States_IT.pdf

13. Pathman, D.E. (2007). Personal communication. (Cecil G. Sheps Center for Health Services Research Department of Family Medicine University of North Carolina at Chapel Hill).

14. Pathman DE. (2006). What outcomes should we expect from programs that pay physicians' training expenses in exchange for service? North Carolina Medical Journal. 67:77-82.

15. Pathman DE, Fryer GE, Phillips RL, Smucny J, Miyoshi T, Green LA. (2006). National Health Service Corps staffing and the growth of the local rural non-NHSC primary care physician workforce. Journal of Rural Health. 22(4):285-293.

16. Pathman D.E., Konrad T.R., Dann, R., Koch, G. (2004). Retention of primary care physicians in rural health professional shortage areas. Am J Public Health, 94:1723-1729.

17. Pathman, D.E, Konrad, T.R, King, T.S., Spaulding, C. & Taylor, D.H. (2000). Medical training debt and service commitments: the rural consequences. J. Rural Health. 16(3): 264-272.

18. D.E., Konrad, T.R., King, T.S., Taylor, D.H., & Koch G.G. (2004). Outcomes of states' scholarship, loan repayment, and related programs for physicians. Medical Care, 42(6): 560-568.

19. Pathman, D.E., Taylor, D.H. Jr., Konrad, T.R., King, T.S., Harris, T., Henderson, T.M., Bernstein, J.D., Tucker, T., Crook, K.D., Spaulding, C., & Koch, G.G. (2000). State scholarship, loan forgiveness, and related programs: the unheralded safety net. JAMA 284:2084-2092.

20. Rosenblatt, R.A., Andrilla, C.H., Curtin, T., and Hart, L.G. (2006). Shortages of medical personnel at community health centers: implications for planned expansion. JAMA 295(9): 1042-1049.

21. Rosenblatt, R.A. & Andrilla, C.H. (2005). Impact of U.S. medical students' debt on their choice of primary care careers: An analysis of data from the 2002 Medical School Graduation Questionnaire. Academic Medicine, 80(9), 815-819.

22. *Securing an Adequate Number of Physicians for Alaska's Needs* (2006). Health Planning & Systems Development Office, Dept Health & Social Services, State of Alaska. (http://www.hss.state.ak.us/commissioner/PhysicianSupply.htm).

23. Sempowski, I.P. (2004). Effectiveness of financial incentives in exchange for rural and underserviced area return-of-service commitments: systematic review of the literature. Can J Rural Med. 9(2): 82-88.

24. Thaker SI, Pathman DE, Mark BA, Ricketts TC. (2007). Service-Linked Scholarships, Loans and Loan-Repayment Programs for Nurses in the Southeast. Journal of Professional Nursing (in press).

25. US General Accounting Office (1995). Health Care Shortage Areas. Designations Not a Useful Tool for Directing Resources to the Underserved. Washington DC, (GAO/HEHS-95-200, September 1995).

How Hard Is It for Alaska's Medicare Patients to Find Family Doctors?

By Rosyland Frazier and Mark Foster

UA Research Summary No. 14 • March 2009
Institute of Social and Economic Research • University of Alaska Anchorage

In the past few years, Alaskans have been hearing reports that some primary-care doctors won't see new Medicare patients. Medicare pays these doctors only about two-thirds of what private insurance pays—and that's after a sizable increase in 2009. But most Americans 65 or older have to use Medicare as their main insurance, even if they also have private insurance. Just how widespread is the problem of Alaska's primary-care doctors turning away Medicare patients? ISER surveyed hundreds of doctors to find out—and learned that so far there's a major problem in Anchorage, a noticeable problem in the Mat-Su Borough and Fairbanks, and almost no problem in other areas.

Medicare is the federal health insurance program for older Americans and for some younger people with disabilities. At issue is what Medicare pays primary-care doctors for their services—not what it pays for other medical costs. Alaska's 50,000 Medicare enrollees are almost all in the "fee for service" plan, which pays doctors standard fees for their services.*

Why is it so worrisome if primary-care doctors won't see Medicare patients? These are the doctors who provide broad care, track patients' overall health, and coordinate care with specialists. That's very important for older people, who often have various medical problems and chronic conditions. And the number of Alaskans over 65 is growing fast—it's expected to double in the next 15 years.

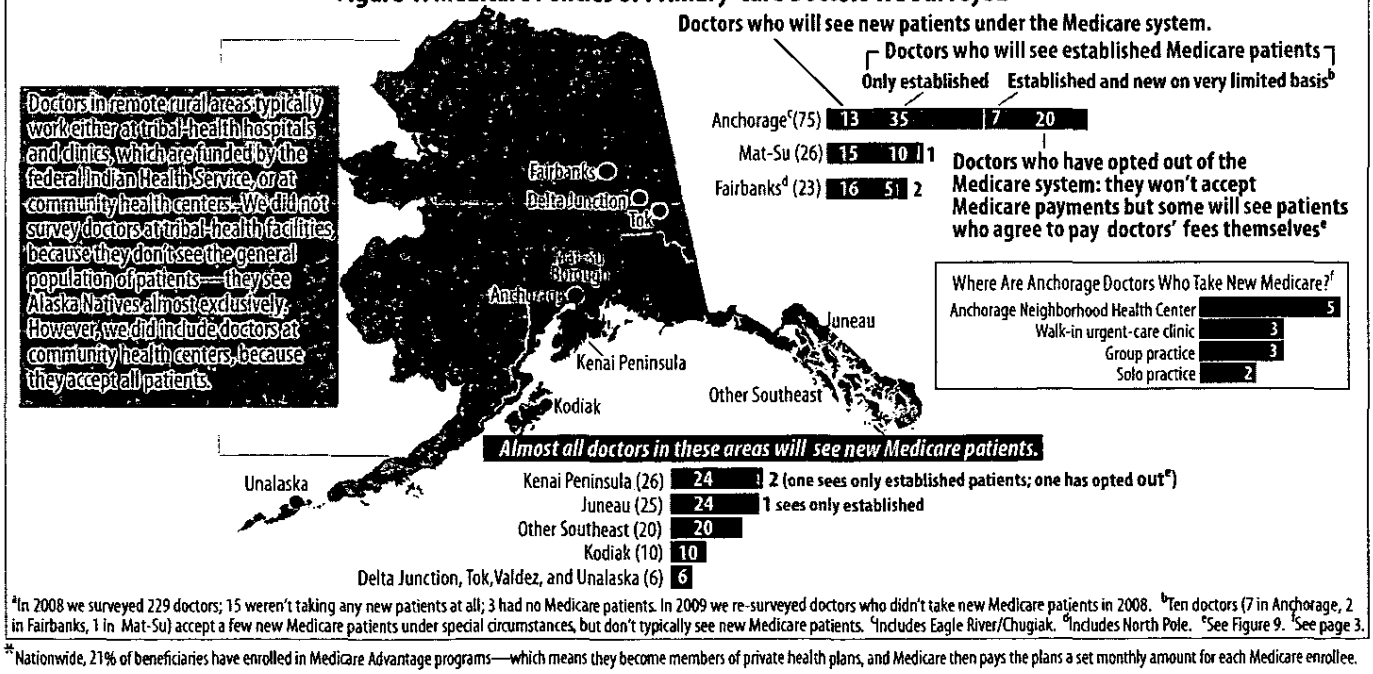
To learn how hard it is for older Alaskans to find primary-care doctors, in 2008 we tried to survey all those who could see the general population of Medicare patients. We were able to interview 229 doctors or their staffs—about 85% of those we tried to reach.

But Medicare payments for Alaska doctors increased in 2009, thanks to efforts of Alaska's U.S. senators. So we recently called back the doctors who had told us they weren't taking new Medicare patients. None of them had opened their doors to significant numbers of new Medicare patients. Four said they now see a very limited number of new Medicare patients, under special circumstances. Two doctors in a joint practice who still didn't see new Medicare patients had hired a nurse practitioner who did.

It's certainly also possible that without the 2009 increase, even more doctors would have decided not to see Medicare patients. Figure 1 shows what our 2008 and 2009 surveys found.

- *It's mainly doctors in Alaska's larger urban areas who are declining to see new Medicare patients.* But that's where the majority of older Alaskans live. Most doctors (even in Anchorage) will still see established patients—that is, patients they've seen in the past.
- *Almost all doctors in smaller communities take new Medicare patients.* Rural places have few doctors—so doctors probably feel more of an obligation to see all patients. For patients (Medicare or otherwise) in rural Alaska, the challenge is more likely to be recruiting and keeping doctors.
- *One in ten doctors we surveyed has opted out of the Medicare system.* Most are in Anchorage. They will not accept Medicare payments, but some will see patients who agree to pay the entire doctor's bill themselves.
- *The Anchorage Neighborhood Health Center,* which accepts all patients, saw twice as many Medicare patients in 2007 as in 2001. It has become the only choice for many of Anchorage's Medicare patients.
- *Medicare patients are not relying more on emergency rooms,* if figures for Providence Hospital's emergency room in Anchorage are typical. Numbers of Medicare patients there haven't changed much in the past several years.

Figure 1. Medicare Policies of Primary-Care Doctors We Surveyed[a]



[a]In 2008 we surveyed 229 doctors; 15 weren't taking any new patients at all; 3 had no Medicare patients. In 2009 we re-surveyed doctors who didn't take new Medicare patients in 2008. [b]Ten doctors (7 in Anchorage, 2 in Fairbanks, 1 in Mat-Su) accept a few new Medicare patients under special circumstances, but don't typically see new Medicare patients. [c]Includes Eagle River/Chugiak. [d]Includes North Pole. [e]See Figure 9. [f]See page 3.

*Nationwide, 21% of beneficiaries have enrolled in Medicare Advantage programs—which means they become members of private health plans, and Medicare then pays the plans a set monthly amount for each Medicare enrollee.

Survey of Primary-Care Doctors

We surveyed only primary-care doctors. So far there hasn't been any sign that specialists are declining to see Alaska's Medicare patients—not surprising, since Medicare tends to pay them closer to private-insurance rates.

We first had to determine how many doctors fit our survey criteria: those who currently practice general, family, or internal medicine at least 20 hours a week and who could see the average Medicare patient, if they chose to.

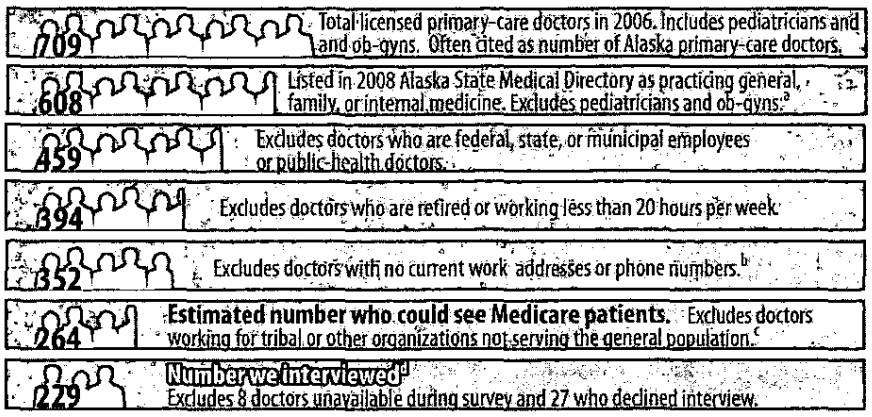
About 700 primary-care doctors are licensed in Alaska, but most aren't available to see the general population of Medicare patients. Hundreds work for government agencies, are in public health, or see only specific groups (Figure 2).

Among those who didn't fit our criteria are doctors working for tribal-health facilities that provide Indian Health Service programs for Alaska Natives. These doctors do see Alaska Native Medicare patients.

We estimated that 264 doctors were left, after we took out those who didn't fit our criteria. In 2008 we tried to reach all 264. We were able to talk with about 85%—229 doctors or their staffs. We asked them to tell us their policies for seeing Medicare patients and to rank reasons why they might be limiting or turning them away. The top reason they cited was "inadequate reimbursement"—that is, Medicare payments aren't enough to cover the costs of seeing patients.

We also followed up, in 2009, with doctors who had told us in 2008 that they weren't taking new Medicare patients. We reached all but two.

Figure 2. How Many Primary-Care Doctors Are Available to See Medicare Patients?
(Among Alaska Doctors Practicing General, Family, or Internal Medicine at Least 20 Hours per Week)



[a]We excluded pediatricians and obstetrician-gynecologists, who are often included in definitions of primary-care doctors, because they don't routinely see older patients. [b]About 42 doctors were not at the addresses and phone numbers in the medical directory. We tried but weren't able to find them, and we assume they have left the state or are not practicing [c]We excluded doctors working for tribal-health organizations, the military, the Veterans' Administration, and Planned Parenthood, because they don't see the general population of Medicare patients. Doctors who work for tribal-health facilities do see Alaska Native Medicare patients. [d]We interviewed either doctors or members of their staffs.

Medicare Versus Private Insurance

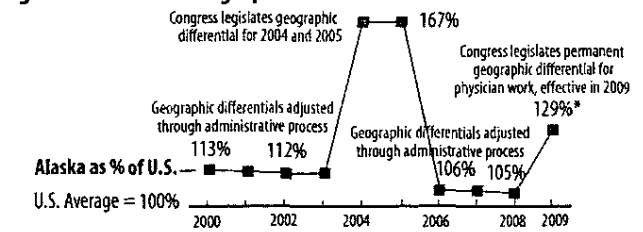
The federal Center for Medicare and Medicaid Services (CMS) calculates Medicare payments for doctors under a complex formula that takes into account geographic differences in costs around the country. Alaska's doctors have historically been paid more than the U.S. average for seeing Medicare patients.

The CMS formula actually includes three geographic differentials: one for "physician work" itself, one for doctors' costs of operating practices, and one for doctors' costs of carrying liability insurance.

In 2008, Congress set the Alaska geographic differential for "physician work" at 50% above the U.S. average, effective in 2009. Alaska's U.S. senators Lisa Murkowski and Ted Stevens were instrumental in gaining that increase for Alaska doctors. But combined with the other differentials—set by CMS—the overall Medicare geographic differential for Alaska doctors in 2009 is 29% above the U.S. average. Figure 3 shows the differential since 2000.

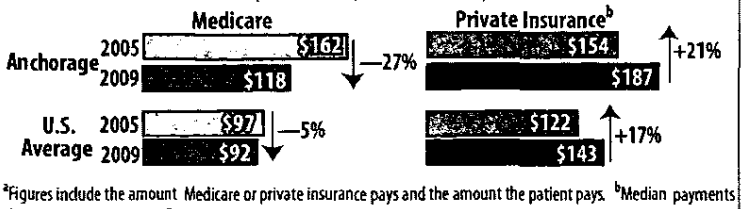
- *From 2000 to 2003, the geographic differential for Alaska doctors was about 12% above the U.S. average.* That differential was set entirely under CMS's administrative process.
- *In 2004 and 2005, the differential for Alaska doctors jumped to 67% above the U.S. average.* Ted Stevens, at that time Alaska's senior U.S. senator, spearheaded the legislation that led to the substantial but temporary increase. In those two years, Medicare paid Alaska doctors as much as private health insurance (Figure 4).
- *After that legislation expired, the Medicare differential dropped sharply,* to about 5% above the U.S. average from 2006 to 2008.
- *In 2009, the cost differential for Alaska doctors climbed to 29% above the U.S. average,* due to new federal legislation—as we just discussed. But Medicare still pays doctors less now than it did in 2005 (Figure 4).
- *Medicare pays about two-thirds of what private insurance pays, in Alaska and on average nationwide.* (But in the adjacent markets of Washington state, Medicare pays 68% to 75% of what private insurance pays.)
- *That nationwide gap helps explain why more Medicare patients are having trouble finding doctors.* Recent national surveys sponsored by the Medicare Payment Advisory Commission found that 17% of Medicare patients in the U.S. had "a big problem" finding family doctors in 2007, up from 13% in 2005. Alaska may be the harbinger of a national trend.

Figure 3. Medicare Geographic Cost Differential* for Alaska Doctors



*This is a weighted average of three geographic cost differentials the Center for Medicare and Medicaid Services uses in a complex formula that determines what doctors are paid. One of those is the differential for "physician work," and Congress set that at 150% of the U.S. average for Alaska doctors, effective in 2009. But the other differentials—for physicians' costs of operating their practices and for carrying liability insurance—are set by CMS and can vary from year to year.
Source: Center for Medicare and Medicaid Services; Medicare Payment Advisory Committee

Figure 4. Medicare and Private Insurance Payments[a] To Primary-Care Doctors, Anchorage and U.S. Average, 2005 and 2009
(New Patient, 30-Minute Visit)



[a]Figures include the amount Medicare or private insurance pays and the amount the patient pays. [b]Median payments
Source: Ingenix National Fee Analyzer

3727

Where Are the Medicare Patients?

• *Nearly 70% of non-Natives over 65 live in Anchorage, the Mat-Su Borough, and the Fairbanks area.* Figure 5 shows only where older non-Natives live, because older Alaska Native patients have access to doctors through tribal-health care facilities. For them, the issue is not that doctors won't see them but that there may not be enough doctors, especially in rural areas.

Who Accepts Medicare Patients?

Besides the doctors who will see new or established patients, some doctors have made another choice: they've opted out of the Medicare system. They don't accept any Medicare payments (see Figure 9), but some will see Medicare patients who agree to pay the doctor's fee themselves. Patients who can do that have more choices. But for those who need Medicare to help pay the bill, the access problem is the worst in Anchorage.

• *We found only 13 primary-care doctors seeing the general population of new Medicare patients in Anchorage.* Of those, 3 were at walk-in, urgent-care clinics, which mostly just treat minor injuries and illnesses (Figure 1).

• *Five of the 13 Anchorage doctors seeing new Medicare patients in 2008 were at the Anchorage Neighborhood Health Center.* That's one of dozens of federally funded community health centers in Alaska. There are hundreds more across the U.S. These centers are open to everyone, but they are mainly for medically "under-served" groups of people—poor and uninsured, for instance—or areas of the country without adequate local medical care, like many of Alaska's rural communities.

• *The Anchorage Neighborhood Health Center is the main choice for growing numbers of Medicare patients.* Both the number of Medicare patients coming to the clinic and the percentage they make up of all patients doubled between 2001 and 2007 (Figure 6). That growth did flatten out in 2004 and 2005, when Medicare paid doctors at a level comparable to private insurance. But after that, the numbers climbed. (In Fairbanks, the community health center saw a similar percentage increase. In the Mat-Su Borough, a health center just opened in 2005, so data are limited.)

• *Until recently there was another choice for Anchorage's Medicare patients—the Alaska Family Medicine Residency Program*, where some family doctors get their final phase of training. These resident doctors see patients, and they had been accepting growing numbers of Medicare patients. But to make sure the residents see a variety of patients, the program has now capped the number of Medicare patients it accepts.

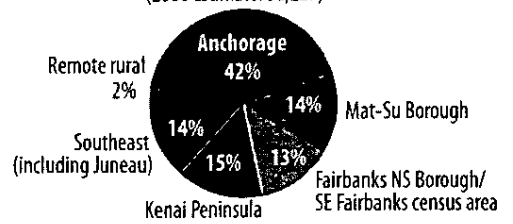
• *Anchorage's Medicare patients don't seem to be turning more to emergency rooms.* Data from Providence Hospital's emergency room show that visits by older patients have stayed mostly steady, with seasonal variations, since 2004 (Figure 7). But some health-care providers think that Medicare patients may be postponing care they need and coming in only when medical problems get much worse.

Medicare Payments to Doctors and to Health Centers

• *Medicare pays doctors and community health centers differently.* Some people believe that Medicare uniformly pays health centers more than it pays private doctors, making it more feasible for health centers to see Medicare patients. But the reality is more complex.

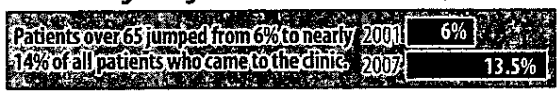
• *Medicare pays health centers the same fee for seeing Medicare patients for any visit, but private doctors more for longer, more complex visits.* Figure 8 compares payments for 30- and 60-minute visits with new patients, at doctors' offices and the Anchorage Neighborhood Health Center (ANHC). For a 30-minute visit, Medicare pays ANHC $119 and doctors about $95. But for a 60-minute visit, it still pays ANHC $119, but the doctors $189.

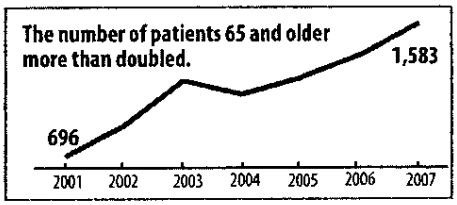
Figure 5. Where Do Non-Native Alaskans Over 65 Live?
(2006 Estimate: 38,227)



Source: Alaska Department of Labor, Research and Analysis section, 2006 bridge estimates

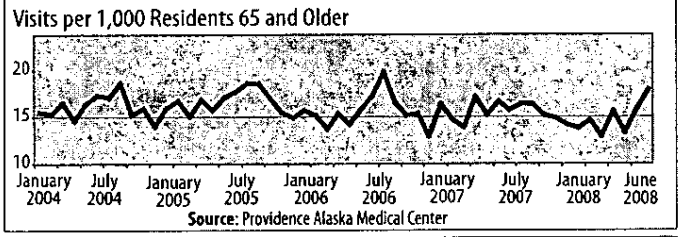
Figure 6. Growth in Number of Patients 65 and Older at Anchorage Neighborhood Health Center, 2001-2007





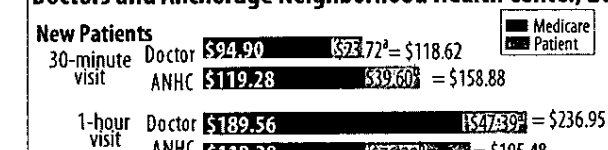
Source: Uniform Data System Reports, U.S. Department of Health and Human Services, Health Resources and Services Administration

Figure 7. Visits to Providence Hospital's Emergency Room in Anchorage, Patients 65 and Older, 2004 to 2008



Source: Providence Alaska Medical Center

Figure 8. Medicare and Patient Payments to Private Doctors and Anchorage Neighborhood Health Center, 2009



[a]Patient co-pay; 20% of total payment. [b]Facility fee charged to patient, but many are not able to pay full charge. Patients with incomes up to 200% of federal poverty line pay on a sliding fee scale.

Sources: Anchorage Neighborhood Health Center; Ingenix National Fee Analyzer

• *What Medicare patients pay at health centers and at doctors' offices is also determined in different ways.* Essentially, Medicare allows the health centers to take their own fees into account when determining what patients are charged. But Medicare doesn't allow doctors to use their own fees; instead, Medicare sets a maximum allowable charge for specific kinds of visits, and patients pay a portion of that (see Figure 9).

• *Neither ANHC nor the doctors' offices necessarily collect the amounts shown in Figure 8 as payments from patients.* At ANHC, patients with incomes up to 200% of the federal poverty line are charged on a sliding fee scale. Likewise, private doctors may not always be able to collect the patient's share. And both private doctors and ANHC report losing money when they see Medicare patients.

3728

Doctors and the System

Primary-care doctors who see Medicare patients have three choices for getting paid. Figure 9 describes those choices among doctors we surveyed.

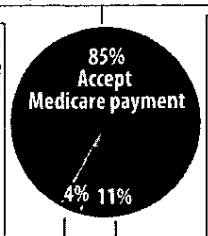
About 85% choose the standard Medicare process ("participating"). Another 4% still work with the Medicare system but charge patients somewhat more ("non-participating"). The final 11% have opted out of the Medicare system, but will still see patients who agree to foot the bill.

Patients also pay different amounts, depending on their doctors' policies. For a service with an allowable Medicare fee of $100, patients seeing doctors who accept that fee would pay $20—but only after Medicare paid the other $80. Patients seeing "non-participating" doctors would pay the doctors $109.25; Medicare would later reimburse the patients $76, so their final cost would be $33.25. Patients seeing doctors who have opted out of the Medicare system would pay a fee determined by the doctor—perhaps a negotiated fee, but still typically more than Medicare pays.

Figure 9. How Do Alaska Primary-Care Doctors Who See Medicare Patients Deal with the System?
(Among 211 Surveyed Who See New or Established Patients)

Most doctors accept standard Medicare fees and bill Medicare. They are called "participating." Medicare sets maximum allowable charges for various services. Participating doctors agree not to charge more than the allowable rate, and Medicare pays them 80% of that. The patients (and their secondary insurance, if they have any) pay the other 20%.

A few doctors (called non-participating) can charge up to 9% more than the allowable Medicare charge. But Medicare pays less and patients pay more. Here's how it works. The patient pays the entire bill, but the doctor submits a statement to Medicare so the patient is paid for the Medicare share. But instead of paying 80% of the charge, Medicare pays only 76%. The patients (and their secondary insurance, if they have any) pay the rest of the bill.



Some doctors don't accept Medicare payments for their fees. They are said to have "opted out." They will still see Medicare patients, but patients must agree to pay a fee the doctor sets. Medicare doesn't pay either doctors or patients, and patients can't bill any secondary health insurance they may have. Remember that patients pay only the fee for the doctor. They still use Medicare to help pay hospital and other medical costs. Doctors who opt out have to re-confirm their decision with Medicare every two years. They can also apply to come back into the system after two years.

Example: How Much Would Patients Pay for a Service with an Allowable Medicare Charge of $100?

	Participating Doctors Charge $100	Non-Participating Doctors Can Charge $109.25	Doctors Who Have Opted Out Can Set Their Own Fees
Medicare pays	$80	$76	$0
Patient pays	$20[a]	$33.25[a]	Entire doctor's fee[b]

[a]Patients can bill secondary insurance to help pay their share. [b]Patients can't bill secondary insurance to pay any amount.

Sources: American Academy of Family Physicians; Government Accountability Office

Conclusion

With few exceptions, Americans 65 or older who are retired have to use Medicare as their primary insurance—even if they also carry private health insurance or have retirement benefits that include health-care coverage. Any other insurance they have can *only* be used to help pay *their share of the allowable Medicare charge*. They can't use private insurance to pay doctors more than Medicare allows.

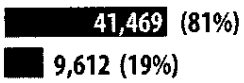
As more Alaskans turn 65, the access problem will get worse, unless something changes. Growing numbers of Medicare patients around the country are also reporting access problems. And the American College of Physicians has reported that a nationwide shortage of primary-care doctors is looming—which would make the problem even worse.

This summary talks about just a very narrow slice of the multitude of issues facing Medicare. It's one of the largest and fastest-growing federal programs, and President Obama has said reforming it will be part of his plan to improve the U.S. health-care system. How potential reforms might affect Medicare patients' access to family doctors isn't clear today.

Because Medicare is a federal program, the state's options for helping improve access are limited. But Alaskans are talking about various possibilities—like recruiting more doctors and offering them bonuses to see Medicare patients, and either establishing an Anchorage clinic for Medicare patients or expanding the Anchorage Neighborhood Health Center.

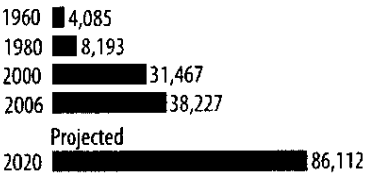
In a publication later this year, we'll look at the implications of various ways of trying to improve access for Medicare patients. We'll also report what family doctors themselves told us—how they make decisions about seeing Medicare patients and what might make them willing to see more.

Figure 10. Alaska Medicare Enrollment, 2005



Source: Alaska Department of Health and Social Services, Alaska Health Care Data Book 2007

Figure 11. Non-Native Alaskans 65 and Older



Sources: U.S. Bureau of the Census; ISER estimates based on census data; Alaska Department of Labor, Research Analysis, 2006 estimates and mid-range 2020 projections

Back-up materials for figures in this summary are available from ISER. Call the authors at 907-786-7710 with questions. We've also developed a basic model that doctors—or anyone else—can use to estimate how changing the balance between patients paying with Medicare and with private insurance could affect doctors' revenues. To try that model, go to ISER's Web site:

www.iser.uaa.alaska.edu

The authors thank the doctors and others in health care who took the time to help us. We especially thank doctors Leslie Bryant, Richard Neubauer, and Thomas Nighswander; Joan Fisher of the Anchorage Neighborhood Health Center; James Jordan of the Alaska State Medical Association; and Providence Alaska Medical Center, Providence Health and Services - Alaska.

This research is part of ISER's Understanding Alaska Choices research initiative, funded by the University of Alaska Foundation. Karen Perdue, associate vice president for health programs, University of Alaska, provided additional funds.

Editor: Linda Leask Graphics: Clemencia Merrill

3729

Alaska Center for Rural Health – Alaska's AHEC
UNIVERSITY of ALASKA ANCHORAGE
August 2007

2007 Alaska Health Workforce Vacancy Study Research Summary

Key Findings: *Alaska is confronted by severe shortages of professional health workers, primarily in high-level primary care occupations that include* ***Family Physician, General Internist, Critical Care Nurse, Nurse Case Manager, Family Nurse Practitioner, Physician Assistant, Pharmacist, Dentist, Physical/Occupational/Speech Therapist,*** *and* ***Behavioral Health*** *occupations. Shortages in* ***RNs*** *and* ***Allied Health*** *are much less acute. Most affected are rural areas and Tribal Health Organizations, though growth-driven high vacancy rates affect the Anchorage-Matsu region as well.*

BACKGROUND

Alaska is confronted by a "perfect storm" of health professional shortages. The state has long suffered from a deficient "supply side" characterized by insufficient numbers of key health workers whose recruitment, retention and training have been impeded by Alaska's remoteness, harsh climate, rural isolation, low population density and scarce training resources. Now exacerbating this already difficult situation is a burgeoning "demand side" for increased health services for a steadily growing and aging population. The health services industry is the fastest growing sector of Alaska's economy, employing over 7% of the state workforce.

METHODOLOGIES

The key questions this study sought to answer were: What health occupations were at this time most critically affected by shortages? Exactly how many budgeted positions existed and how many of these currently remained unfilled? Where were these vacancies regionally and in what types of organizations? What did employers perceive to be the major underlying causes of their vacancies? How many new trainees/graduates could the job market actually absorb annually and how many organizations could absorb them?

Four hundred seventy-six (476) purposively sampled Alaska health service organizations of all types responded to the study survey (Figure 1). Survey data was used to generate estimates of positions and vacancies for the entire state of Alaska.

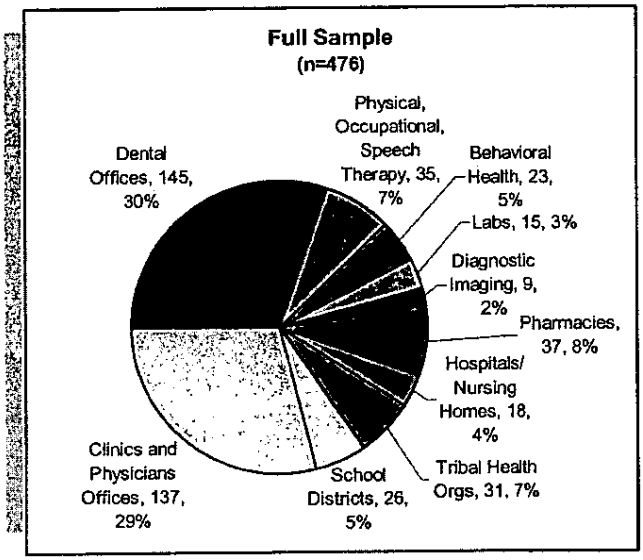


Figure 1

KEY FINDINGS

The findings confirm and quantify the trends cited in recent studies and accumulating anecdotal evidence: despite the recent progress in training and deploying health personnel, such as **Registered Nurses**, critical shortages persist (Tables 1,2).

The situation for key primary care occupations – **Family Physician, General Internist, Nurse Practitioner, and Physician Assistant** – was troubling, particularly in the rural areas, with numerous estimated vacancies and high estimated state vacancy rates between 15% and 20%.

Though vacancies for **Psychiatrists** were not numerous, they were particularly in demand (19.0% estimated vacancy rate) and difficult to recruit (mean vacancy length of 34.5 months).

This study was funded by the Office of Associate VP for Health, University of Alaska Anchorage, through Center for Disease Control and Prevention grant #5-H755-DP024673, and by the Alaska Mental Health Trust Authority.

The national **Pharmacist** shortage has hit Alaska hard and affects every region, with high estimated vacancy numbers (98), and an estimated vacancy rate of 23.7%.

Therapists of all kinds – **Physical, Occupational, Speech, and Speech-Language Pathologists** – were in short supply, with estimated vacancy rates ranging from 15.6% to 29.3%. No part of the state escaped the shortages; vacancy rates were most acute in rural areas, but numerically high in the Anchorage Mat-Su region.

High numbers of vacancies and high vacancy rates were reported for key specialized nursing occupations, particularly for **Nurse Case Manager, Family Nurse Practitioner,** and **Critical Care Nurse.** These appeared to be the current areas of most critical shortage in nursing.

The estimated **Registered Nurse** vacancy rate was moderate (8.0%), but this masked 10% rates in hospitals and tribal health organizations, and an estimated rural rate of 16.1%.

While the estimated vacancy rate for **Dentist** was 10.3%, this masked a 15.3% estimated rural rate and a very high 42.0% rate for tribal health organizations, which had 39% of estimated **Dentist** vacancies.

Table 1. Occupational Groups

Occupational Groups	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
All Occupations	18158	1866	10.3%	34738	3529	10.2%
Physicians	730	109	14.9%	1931	226	11.7%
Professional Nurses	4202	462	11.0%	7139	696	9.8%
Other Nursing Staff	1769	135	7.6%	1762	111	6.3%
Professions/ Therapists	1240	217	17.5%	2281	404	17.7%
Behavioral Health	2938	327	11.1%	7450	1033	13.9%
Allied Health	3209	291	9.1%	5523	434	7.9%
Public Health/ Nutrition	154	18	11.7%	189	ND	ND
Other Primary Care (PA & CHAP)	759	132	17.4%	1067	198	18.5%
Managers	1337	69	5.2%	2947	160	5.4%
Health Information/ Reimbursement	1816	106	5.8%	4451	253	5.7%

In the **Behavioral Health** occupational group, the most acute shortages – with both extremely high vacancy numbers and high vacancy rates – appeared to be among **Human Services Workers.** In addition, overall estimated **Behavioral Health** occupation vacancies were extremely numerous (1033), around 29% of all estimated vacancies – more than any other occupational group.

Among **Allied Health** occupations, high vacancy rates were affecting employers of **Physical Therapy Assistants** and **Respiratory Therapists. Sonographer** vacancies were difficult to fill, and **Surgical Technician** vacancies, though not numerous, were averaging 3 to 4 years in length.

One hundred (100) vacancies and a vacancy rate of 18.1% were reported for **Community Health Aide/Practitioners (CHA/Ps).**

Among "front office" and "back office" occupations, **Coding Specialist** and **Certified Coder** had 11% estimated vacancy rates and very long mean vacancy lengths.

The managerial occupations for which high vacancy rates were reported were healthcare related: **Behavioral Health Supervisor, Clinical Department Manager, Health Information Manager, Medical Director, Nurse Manager, and Practice Manager.** Behavioral health organizations had the most estimated managerial vacancies.

Table 2. Key occupations

Key Occupations (high numbers of vacancies, high vacancy rates)	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
Family Physician	252	48	18.3%	675	107	15.8%
General Internist	71	15	21.1%	200	40	20.0%
Psychiatrist	36	10	27.8%	93	18	19.0%
Registered Nurse	3109	299	9.6%	5489	439	8.0%
Critical Care Nurse	497	43	8.7%	629	60	9.5%
Nurse Case Manager	136	42	30.9%	209	49	23.4%
Family Nurse Practitioner	155	36	23.2%	364	71	19.5%
Physician Assistant	207	32	15.5%	515	98	19.0%
Pharmacist	302	73	24.2%	413	98	23.7%
Physical Therapist	271	29	10.7%	510	84	16.5%
Dentist	319	47	14.7%	692	71	10.3%
Human Services Worker	1568	170	10.8%	4800	697	14.5%
Behavioral Health Clinician	297	35	11.8%	555	71	12.8%
Case Manager/Care Coordinator	505	52	10.3%	1163	164	14.1%
Physical Therapy Assistant	35	11	31.4%	62	18	28.6%
Medical Assistant	367	38	10.4%	1092	102	9.3%
CHA/P	552	100	18.1%	552	100	18.1%
Certified Coder	85	6	7.1%	209	22	10.6%
Medical Director	49	6	12.2%	120	18	14.8%
Behavioral Health Supervisor	82	13	15.9%	176	22	12.5%

3731

Looking at respondent types, tribal health organizations reported the highest overall vacancy rate (16.5%). These organizations reported 87 **CHA/P** vacancies; approximately half of all estimated vacancies for **Nurse Case Manager, Pharmacist, Chemical Dependency Counselor, Dentist, Medical Lab Tech, Medical Technologist,** and **Health Educator**; and all the estimated vacancies for **Coding Specialist.** But every respondent type was a locus for acute shortages in key occupations, such as clinics/offices of physicians for **PAs**, hospitals/nursing homes for **RNs**, pharmacies for **Pharmacists**, behavioral health organizations for **Human Services Workers**, and school districts for **Speech-Language Pathologists**.

Higher vacancy rates were generally found in the rural respondents, particularly in the North/West and Southwest regions, which reported double digit vacancy rates for nearly all occupational groups, and overall vacancy rates of around 20% (Table 3, Figure 2). Occupations with much higher rural estimated vacancy rates included **RN** (6.9% urban, 16.1% rural), **Behavioral Health Clinician** (9.3% urban, 22.9% rural), **Dentist** (7.2% urban, 15.3% rural), **Physical Therapist** (13.5 urban, 31.6% rural), and **PA** (14.7% urban, 26.8% rural) (Table 4).

DISCUSSION

The "supply side" shortages apparently persist. "Inadequate Pool of Qualified Workers" was the top reason given for vacancies, cited by 54% of respondents, followed by "Transience/Moving Away" (28%), "Insufficient Compensation" (18%), and "Rural Isolation" (16%). Many tribal health organizations also reported "Insufficient/Expensive Housing" as a top reason for unfilled vacancies. The data also indicated a burgeoning "demand side," where shortages were exacerbated by population growth and an increased need and demand for health services, particularly in the high-growth Anchorage Mat-Su region.

Table 3. Regional vacancy rates

Occupational Group	Regions (Study Sample n=476)						
	North/West (n=10)	Southwest (n=17)	Interior (n=72)	Anchorage Mat-Su (n=232)	Gulf Coast (n=69)	Southeast (n=70)	Statewide/ Multiregional (n=6)
Physicians	26.7%	21.2%	21.6%	12.6%	10.4%	6.8%	30.3%
Professional Nurses	26.0%	21.6%	5.9%	11.1%	8.0%	5.9%	12.1%
Other Nursing Staff	18.6%	18.8%	5.8%	6.2%	4.6%	2.3%	8.8%
Dentists/Pharmacists/Therapists	32.4%	32.4%	20.7%	15.9%	16.5%	16.3%	12.4%
Behavioral Health	19.0%	22.7%	13.1%	8.3%	7.1%	11.1%	11.6%
Allied Health	17.0%	24.6%	5.3%	6.5%	8.4%	7.7%	8.6%
Public Health/ Nutrition	30.0%	6.3%	0.0%	4.0%	18.9%	0.0%	10.5%
Other Primary Care (PA & CHA/P)	19.7%	18.6%	24.5%	9.0%	9.1%	4.0%	0.0%
Managers	13.8%	2.4%	3.5%	3.2%	6.4%	11.7%	4.0%
Health Information/ Reimbursement	15.9%	16.9%	2.0%	5.3%	6.6%	2.8%	7.2%
All Occupations	20.1%	20.3%	9.0%	8.6%	8.1%	7.7%	10.2%

Table 4. Urban vs. Rural vacancies and vacancy rates

Occupation	Urban		Rural	
	Estimated Vacancies	Estimated Vacancy Rate	Estimated Vacancies	Estimated Vacancy Rate
Family Physician	68	14.9%	38	17.6%
General Internist	27	18.8%	13	23.1%
RN	339	6.9%	94	16.1%
Family Nurse Practitioner	36	13.3%	34	36.4%
Pharmacist	68	22.7%	30	25.9%
Behavioral Health Clinician	36	9.3%	34	22.9%
Human Services Worker	158	8.5%	209	10.1%
Dentist	32	7.2%	38	15.3%
Dental Hygienist	14	3.6%	17	10.0%
Dental Assistant	27	4.4%	64	14.9%
Physical Therapist	59	13.5%	26	31.6%
PA	50	14.7%	47	26.8%
All Occupations	1998	8.1%	1162	13.3%

Many respondents provided commentary with their surveys and noted positions that are particularly difficult to fill:

- *"We have been hiring travelers for Physical Therapy positions at $67/hr – we can't find therapists to employ. We have been looking for 2 years."* (Urban Medical Clinic)
- *"Without a state Physical Therapy program it is very difficult to get PT staff. Usually this area is staffed by PTs that leave competing PT clinics."* (Urban Physical Therapy Office)
- *"We really need a pharmacy school in Alaska. It took two years to fill our last pharmacist position."* (Urban Pharmacy)
- *"Pharmacists are always the most difficult position to fill."* (Rural Pharmacy)

3732

The availability of military spouses has apparently alleviated some of the workforce pressure, but has exacerbated the "transience" problem. Also affecting the shortages was the absence of local training resources (such as medical, dental, pharmacy, and therapy schools) to provide a local workforce pipeline. In the qualitative data, common refrains were, "we need a pharmacy school," "we need a dental school," "we need a physical therapy school."

The acuity of workforce shortages was also reflected by the high percentage of estimated vacancies the responding employers would consider filling with new grads (Table 5). Respondents indicated that they had the capacity to hire sizeable graduating cohorts of Family Physicians, PAs, Occupational and Physical Therapists, Pharmacists, and Dentists. These may be the occupations likely to yield optimal responses to substantial investments in preparation and training programs and/or targeted recruitment and retention campaigns.

Copies of the full study can be downloaded from the ACRH website at:

http://nursing.uaa.alaska.edu/acrh/

Table 5. New Grad Vacancies

Occupation	Study Sample (n=476)	Statewide Estimate
Human Services Worker – HS diploma	68	266
Registered Nurse	93	226
Human Services Worker – AA degree	47	195
Case Manager/Care Coordinator	37	120
Family Physician	25	89
CHA/P	88	88
Pharmacist	46	84
Medical Assistant	21	84
Physician Assistant	23	80
Occupational Therapist	21	75
Dental Assistant	26	75
Dentist	27	67
Physical Therapist	23	62
Speech Language Pathologist	28	53
Behavioral Health Clinician	19	53

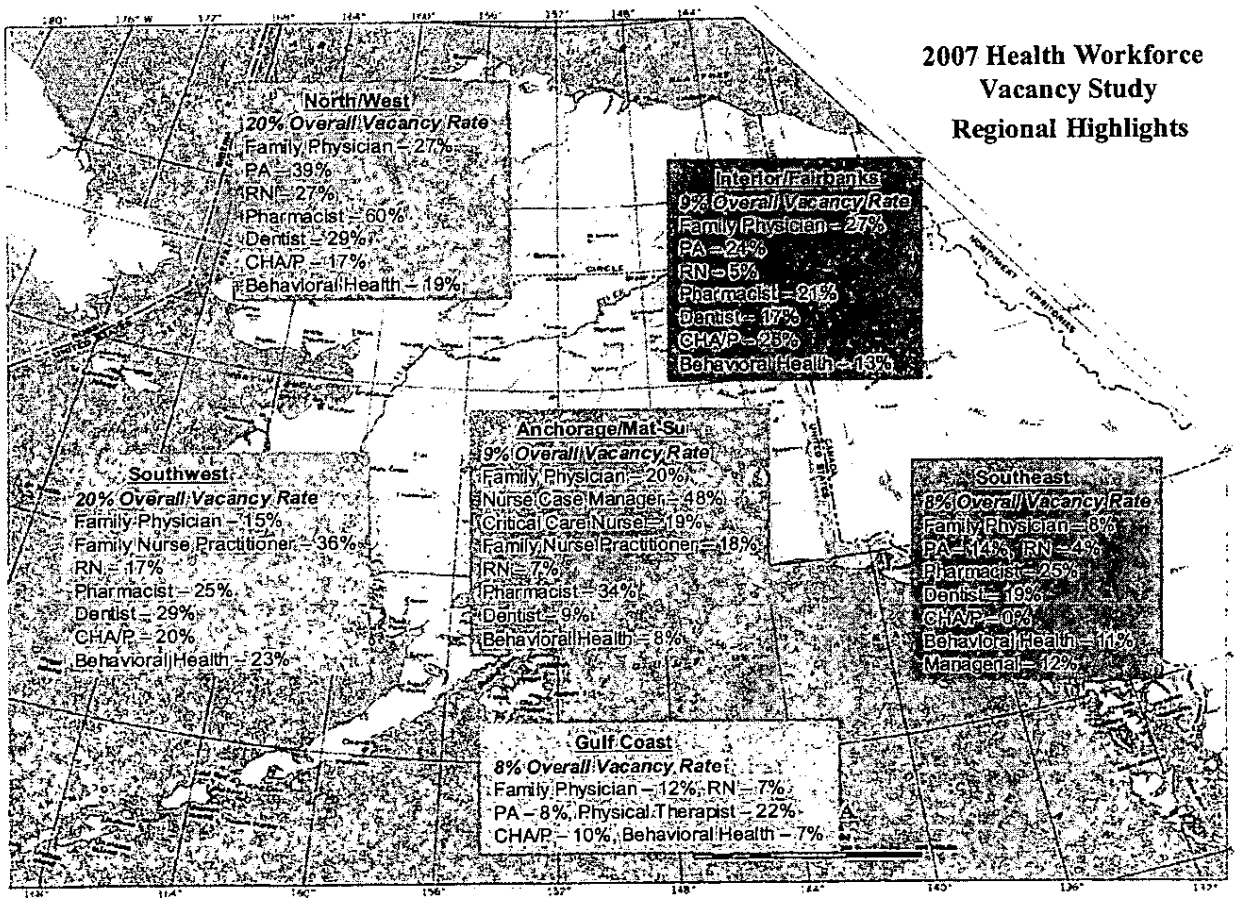


Figure 2. Regional Highlights

3733

Outcomes of States' Scholarship, Loan Repayment, and Related Programs for Physicians

Donald E. Pathman, MD, MPH,† Thomas R. Konrad, PhD,* Tonya S. King, PhD,‡ Donald H. Taylor, Jr., PhD,§ and Gary G. Koch, PhD‖*

Context: Many states attempt to entice young generalist physicians into rural and medically underserved areas with financial support-for-service programs—scholarships, service-option loans, loan repayment, direct financial incentives, and resident support programs—with little documentation of their effectiveness.

Objective: The objective of this study was to assess outcomes of states' support-for-service programs as a group and to compare outcomes of the 5 program types.

Design: We conducted a cross-sectional, primarily descriptive study.

Participants: We studied all 69 state programs operating in 1996 that provided financial support to medical students, residents, and practicing physicians in exchange for a period of service in underserved areas; federally funded initiatives were excluded. We also surveyed 434 generalist physicians who served in 29 of these state programs and a matched comparison group of 723 nonobligated young generalist physicians.

Data Collection: Information on eligible programs was collected by telephone, mail questionnaires, and from secondary sources. Obligated and nonobligated physicians were surveyed, with 80.3% and 72.8% response rates, respectively.

Main Outcome Measures: Levels of socioeconomic need of communities and patients served by physicians, programs' participant service completion and retention rates, and physicians' satisfaction levels.

Results: Compared with young nonobligated generalists, physicians serving obligations to state programs practiced in demonstrably needier areas and cared for more patients insured under Medicaid and uninsured (48.5% vs. 28.5%, $P < 0.001$). Service completion rates were uniformly high for loan repayment, direct incentive, and resident-support programs (93% combined) but lower for student-targeting service-option loan (mean, 44.7%) and scholarship (mean, 66.5%) programs. State-obligated physicians were more satisfied than nonobligated physicians, and 9 of 10 indicated that they would enroll in their programs again. Obligated physicians also remained longer in their practices than nonobligated physicians ($P = 0.03$), with respective group retention rates of 71% versus 61% at 4 years and 55% versus 52% at 8 years. Retention rates were highest for loan repayment, direct incentive, and loan programs.

Conclusions: States' support-for-service programs bring physicians to needy communities where a strong majority work happily and with at-risk patient populations; half stay over 8 years. Loan repayment and direct financial incentive programs demonstrate the broadest successes.

Key Words: physicians, health services access, rural health, primary care, student loans and scholarships, loan repayment, state health policy

(*Med Care* 2004;42: 560–568)

■ *It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.—"Louis Brandeis*
Supreme Court of the United States
New State Ice Co. v. Liebmann, *1932; dissenting opinion*[1]

States and federal agencies frequently use service-requiring scholarships, loans, loan repayment, and related incentives to entice physicians into medically underserved settings.[2–4] As of 1996, 40 states offered 69 such physician-obligating programs, the federal National Health Service Corps (NHSC) and Indian Health Service (IHS)-sponsored scholarship and loan repayment initiatives,[5] and the NHSC and states jointly sponsored an additional 29 loan repayment programs. Service-requiring programs collectively wield a sizable workforce, estimated at 2900 physicians in 1996, half each under state and federal auspices.[5]

The 5 recognized program types—scholarships, service-option loans, loan repayment, direct financial incentives,

From the *Cecil G. Sheps Center for Health Services Research, and the †Department of Family Medicine, UNC-Chapel Hill, Chapel Hill, North Carolina; the ‡Department of Health Evaluation Sciences, Pennsylvania State University, Philadelphia, Pennsylvania; the §Terry Sanford Institute of Public Policy Studies, Duke University, Durham, North Carolina; and the ‖Department of Biostatistics, UNC-Chapel Hill, Chapel Hill, North Carolina.

Reprints: Donald E. Pathman, MD, MPH, Cecil G. Sheps Center for Health Services Research, UNC CB# 7590, Chapel Hill, NC 27599. E-mail: don_pathman@unc.edu.

Copyright © 2004 by Lippincott Williams & Wilkins

ISSN: 0025-7079/04/4206-0560
DOI: 10.1097/01.mlr.0000128003.81622.ef

3736 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

and resident support[5]—share fundamental goals and an approach that links financial support to periods of service; however, these program variations differ in important ways. *Scholarship programs* obligate medical students early in their training and many years before they are to serve their obligations. Participants in scholarship programs are firmly expected to provide service, and hefty penalties are used to discourage participants from buying out their obligations should their career interests change. *Service-option loan programs* also target medical students but offer participants a choice of performing service or repaying program funds at standard interest rates.

Loan repayment and *direct financial incentive programs* commit physicians much later, near the completion of residency training when their service is to begin. They typically levy no or minimal penalties on physicians who fail to complete a period of service. With loan repayment programs, physicians receive assistance repaying traditional education loans they acquired years earlier as students, whereas financial incentive programs provide unrestricted funds.

The newest programs, the *resident support* type, respond to the growing financial pressures on residents[6] with assistance in the form of scholarships, loan repayment, and direct financial incentives. Service is required and begins 1 to 2 years after a commitment is signed, at the end of residency.

Over the decades much has been said, with little supporting evidence, about the outcomes of these programs as a group and the relative strengths of the individual program types. It is generally believed, for example, that physicians in support-for-service programs are less satisfied and remain in their practices briefer than physicians without obligations. Many observers believe that stiff penalties are required to curtail otherwise high buyout rates, especially in programs that obligate individuals years in advance of service.[7] Others worry, however, that high penalties trap some participants in ill-suited commitments who are then unhappy as they serve and unlikely to be retained.[8–10] Proponents of loan repayment and direct incentive programs believe satisfaction and retention are better when physicians sign commitments after their training when they know their career interests, job options, and families' needs.[11] Scholarship defenders counter that only captive scholarship recipients can be drawn to the most desperately underserved communities because they are so unattractive.[12]

Few studies have assessed the outcomes of support-for-service programs, like the rates at which their practitioners complete their obligations with service and their practitioners' satisfaction and retention. Programs do not often undertake self-evaluations and those that do seldom have comparative data on other programs.[2,13] States and federal agencies regularly add, drop, and modify their programs without firm evidence of their effectiveness.[14–17]

This study has 2 primary goals: 1) to assess outcomes of states' support-for-service programs as a group, and 2) to compare outcomes for the 5 program types. We assess program outcomes we believe are important to underserved communities, physicians, and policymakers: the levels of socioeconomic need of communities and patients served by participating physicians, participant service completion and retention rates, and satisfaction levels of participants and their families. We also test the assumptions that 1) higher buyout penalties increase the proportion of physicians who fulfill their obligations with service but at a cost of lower physician satisfaction and poorer retention, and 2) scholarship programs bring physicians into the neediest communities.

METHODS

Identifying Eligible State Programs

We identified all state support-for-service physician programs nationally as of 1996[5] by supplementing previous lists of relevant programs[3,18,19] with information from telephone calls to key contacts in every state and from available online sources and printed materials. Eligibility criteria for programs were that they 1) provided financial support to students, residents, and/or practicing physicians in 1996; 2) had a service requirement or option in defined medically needy settings located across a given state; and 3) received no direct federal support. Of the 69 identified eligible programs, 20 offered scholarships, 24 provided loan repayment incentives, 12 offered loans with service options, 7 offered direct financial incentives, and 6 offered support to residents.

Program Data

We obtained basic descriptive information for all programs through initial and follow-up telephone contacts with program directors and from programs' web sites, brochures, reports, and copies of their enacting legislation. This information was verified and supplemented through an 8-page mailed questionnaire completed by 45 programs (65%). Forty-eight (86%) of the 56 programs old enough to have had more than 20 physicians eligible for placement in service sites provided estimates of the service completion rate for their obligated physicians over the previous 3 years. Programs were approached for survey and other data in no particular order other than we started with the few directors we knew and tended to recruit all programs within a particular state at the same time.

Identifying State-Obligated and Comparison Group Physicians

Programs were asked to provide names and basic information on each physician who signed a first contract with them and/or had been placed in a first-service site in 1991 and 1996. These 2 years were selected because individuals who

© 2004 Lippincott Williams & Wilkins

3735 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

committed to student programs in 1991 and loan repayment and direct incentive programs in 1996 would have begun serving their obligations in approximately 1996. Programs created after 1991 provided names of individuals contracted in their first year of operation; very large programs provided only a randomly selected subsample of names from 1991 and 1996, and smaller programs supplemented their samples with names of physicians obligated in proximate years (eg, 1992 and 1995). We elected not to request physician names from the last 12 eligible programs as a result of project time requirements. Of the 48 programs from which we requested physician data, 29 (60%) provided all data we needed to survey their obligated physicians. Programs from which we requested and received physician-specific information, programs from which we requested but did not receive this information, and programs from which this information was not requested were similar in size, physicians' contract terms, the types of geographic locations where their obligated practitioners served, and reported service completion rates.

We surveyed all 434 family physician, general internist, and general pediatrician participants (allopaths and osteopaths) identified by programs as then serving or having served their obligations. We excluded nongeneralists and physicians who defaulted or bought out their obligations without ever serving a day of their obligations. Programs reported no international medical graduates.

We constructed a comparison group of nonobligated generalists from the American Medical Association Physician Masterfile. A sampling frame of eligible subjects was constructed of all 8742 graduates of U.S. allopathic and osteopathic medical schools in 1988 and 1992 who 4 years after graduation were in clinical practice in the United States in family practice, general internal medicine, and general pediatrics. A stratified random sample of 723 of these physicians was selected, with oversampling of strata to match the state-obligated cohort in specialty distribution and geography, and to ensure diverse racial and ethnic representation.

Physician Surveys

In 1998 and early 1999, we sent up to 4 questionnaire mailings to the state-obligated and comparison group physicians. Of the 434 obligated physicians surveyed, 23 proved to be ineligible or were never located, and there were 330 eligible respondents (80.3%). Response rates for obligated physicians were comparable across service program types, physician specialties, and racial–ethnic groups.

In the comparison sample of 723 physicians, 56 subjects proved ineligible or were never located and 468 eligible physicians responded (72.8%). Response rates for the comparison sample did not vary by subjects' rural/urban location, gender, or specialty; rates were somewhat lower for blacks (52.4%). We excluded 100 physicians from the comparison group who indicated that they had or were serving a state or federal obligation.

In the physician questionnaires, participants of state programs reported details of the first practice in which they served their obligations. On parallel questionnaire items, comparison group physicians described the first practice after residency in which they worked 9 months or longer. Both groups reported their incomes, satisfaction, their families' experiences, and their patients' insurance types. Nearly all questionnaire items had been used in earlier studies[9,20,21] and were pilot-tested again for applicability to this study with 30 obligated and nonobligated physicians in North Carolina.

We appended 1990 U.S. Census data characterizing the towns and cities where physicians worked.[22] County data on local physician-to-population numbers were appended for 1994 from the Area Resource File.[23]

Analyses

We compared obligated and nonobligated physicians on a variety of outcomes, including satisfaction and retention rates. We also compared programs of each of the 5 types individually and with the other 4 program types as a group. We used chi-squared tests, independent sample 2-tailed t tests, and 1-way analysis of variance (ANOVA) to compare groups on normally distributed variables. The Kruskal-Wallis test was used to compare groups on 4 nonnormally distributed variables: physician income, town population, town per capita income, and county primary care physician-to-population ratios. Bivariate comparisons were followed with linear and logistic regression models (with log transformations of nonnormally distributed variables) to adjust for key potentially confounding or explanatory variables. Life tables were used to describe proportions of physician groups remaining in their practices for specified numbers of years. Kaplan-Meier plots and Cox proportional hazards models were used to compare estimates of retention for various physician groups over time.

We also assessed relationships between programs' buyout costs and the various program outcomes with chi-squared and 2-tailed t tests. We further used multiple and logistic regression to test the relationships between buyout costs and the various outcomes for confounding by varying service obligation terms across programs and/or respondents' actual obligation periods. No confounding was found and we do not report these models.

Comparisons of obligated and nonobligated physicians were weighted to adjust for strata sampling fractions and response rates and run on the SUDAAN statistical software program (Research Triangle Institute, Research Triangle Park, NC). Analyses involving only obligated physicians were run on the SPSS statistical program (release 11.5.0; SPSS Inc., Chicago, IL) and not weighted. A level of statistical significance of $P \leq 0.05$ was used throughout.

© 2004 Lippincott Williams & Wilkins

3736 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

RESULTS

State Programs

In 1996, the 69 eligible programs were relatively new and small, with a median age of just 6 years and median workforce of 11 physicians. Sixty-four programs were funded with state revenues, 2 had only private support, and 3 were self-supporting using buyout funds from earlier participants; 9 programs also used community matching funds. Forty-seven programs were based in state offices of rural health or other state agencies, 18 within individual medical schools, and 4 within private organizations.

Programs supported physicians with an average of $14,000 for each year of obligated service with no significant differences across the 5 types of programs ($P = 0.55$). Average minimum service obligation terms did vary across program types, from 12 months in resident support programs, 18 months in scholarship programs, 19 months in service-option loan programs, 29 months in loan repayment programs, and 36 months in direct financial incentive programs ($P = 0.003$).

Physicians and Their Practices

Physicians obligated to state programs, compared with physicians without obligations, were more often male (63% vs. 53%, $P < 0.05$), more often married (84% vs. 75%, $P < 0.05$), slightly older (33 vs. 32 years on average, $P < 0.001$), but no more or less likely to be black or Hispanic (8.5% vs. 6.2%, $P = 0.10$). Obligated physicians were much more likely than nonobligated generalist physicians to be family physicians (72% vs. 38%, $P < 0.001$) and more often owned the practices where they worked (36% vs. 27%, $P < 0.05$), but earned comparable salaries (median, $89,735 vs. $89,622, $P = 0.2$).

Comparing physicians obligated to the 5 types of programs, we found no differences in gender, marital status, ethnicity, or income. Loan program participants, however, were less likely to be family physicians than participants of other programs (54% vs. 75%, $P = 0.02$), and physicians in incentive programs more often owned their practices (49% vs. 16%, $P = 0.01$).

Although minimum service obligation durations varied across programs of the 5 types, the average number of years this study's respondents were actually obligated to their programs did not differ for those in 4 of the types (range, 3.13–3.48 years, $P = 0.31$) but was shorter for participants of resident-support programs (2.72 years, $P = 0.02$).

Service Completion Rates

The 5 types of programs differed greatly in how often their physicians completed their obligations with service rather than buying out or defaulting ($P < 0.001$) (Fig. 1). Service-option loan programs reported the lowest average service completion rates (44.7%) followed by scholarship programs (66.5%). The 30 programs of the remaining 3 types, programs that committed physicians after training or as residents, reported uniformly high service rates (entire group mean, 93%; 92% after omitting the 5 of these 30 programs without a minimum service period).

Program directors reported obligation default rates, the proportion of obligated physicians who failed to provide either service or repay program funds, of 5.2% on average for all programs combined with no significant differences across program types ($P = 0.78$). In contrast, the percentage of physicians who bought out-of-service commitments differed greatly across the 5 program types, greatest in service-option loan programs (49.2%) and scholarship programs (27.2%).

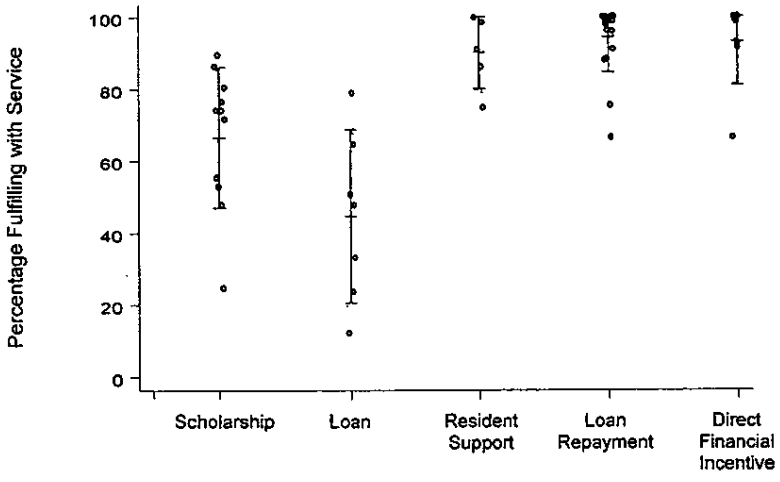


FIGURE 1. Percentage of recent physicians in each program (°) who fulfilled their obligations with service, grouped by program type.

© 2004 Lippincott Williams & Wilkins

3737 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

Programs of the remaining 3 types reported comparable low buyout rates (2.3% combined). Thus, the high buyout rates of student programs account for their low service completion rates.

The costs that loan repayment, direct incentive, and resident support programs levy on physicians who buyout of obligations had no relationship with programs' service completion rates. Only among student programs, scholarships and service-option loans, were penalties and service completion rates related; specifically, rates averaged 80.3% for the 4 student programs that charged penalties of 3 times the amount of support provided compared with 48.6% for the 12 programs that charged less ($P = 0.02$).

Communities and Patients Served by Physicians

Physicians serving in state programs of all types combined, compared with the nonobligated physicians, worked in counties that were far more often rural and had lower primary care physician-to-population ratios, in cities and towns that were much smaller and poorer, and they reported more of their patients were uninsured or covered under Medicaid (Table 1). Even in analyses run separately for rural and urban-situated physicians and in multivariate models adjusting for physicians' rural versus urban location, specialty, and demographics, obligated physicians were still found to work in needier communities and with needier patients by all measures.

We explored whether county physician-to-population ratios were lower for obligated physicians simply because states with a greater need for physicians (and thus lower ratios) more often sponsored support-for-service programs.[24] We confirmed that, indeed, obligated physicians worked in counties with primary care physician-to-population ratios lower than their state's median county ratios more often than nonobligated physicians (37% vs. 11%, $P < 0.001$).

Among obligated physicians and weighing findings on all 5 measures of community need (Table 1), those serving in direct financial incentive programs worked in the neediest settings. Contrary to popular belief, the towns and counties where scholarship participants worked demonstrated no greater need than where participants of other programs worked.

Physician and Family Satisfaction

Physicians serving state obligations were more often satisfied with their work and practices and more often felt a sense of belonging to their communities than nonobligated physicians (Fig. 2). Obligated and nonobligated physicians gave comparable estimations of the satisfaction and needs-fulfillment of their spouses and children.

In virtually all ways tested, satisfaction was comparable for physicians and families participating in the 5 types of programs, the only exception being that scholarship program participants more often than others felt restricted by the practice sites available to them (36.6% vs. 19.3%; $P < 0.01$).

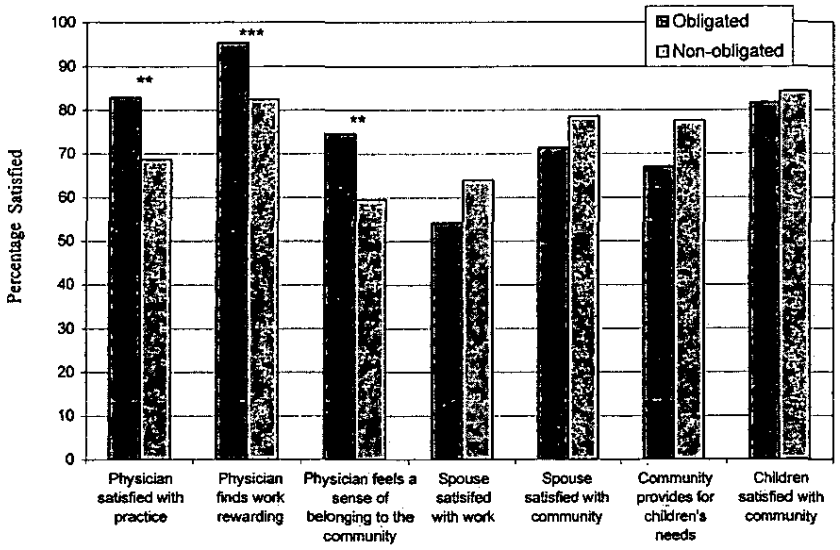
TABLE 1. Comparison of Community and Patient Characteristics of State-Obligated and Nonobligated Physicians; Physicians Serving in the 5 Types of Service Programs; and Physicians Obligated to Programs Using Different Types of Site-Eligibility Criteria

		Community and Patient Characteristics				
	(n Physicians/ Programs)	Rural (Nonmetropolitan) County (%)	Median Town/City Population	Median Town/City per Capita Income ($)	Median County Primary Care Physician-to-Population Ratio	Mean Patients Covered by Medicaid or Uninsured (%)
Obligated vs. nonobligated						
Obligated, all types	(330/29)	68.4‡	5094‡	10,813‡	78.5‡	48.5‡
Nonobligated	(368/NA)	11.6	56,129	14,090	118.1	28.5
Comparisons of 5 program types						
Scholarship	(30/5)	86.2*	3541	10,302	82	40.5
Service-option loan	(56/3)	50.0‡	7284	12,082‡	76	43.3
Resident support	(38/3)	51.4*	4062†	10,958	57‡	50.8
Loan repayment	(138/14)	73.3	5422*	10,681	91†	48.0
Direct financial incentive	(68/4)	75.4	4410	9911‡	64	55.5†

*$P \leq 0.05$;
†$P \leq 0.01$;
‡$P \leq 0.001$; 2-tailed t-test, chi-square, and Kruskal-Wallis comparisons of nonobligated versus obligated physicians, and comparisons of physicians in each program type versus obligated physicians in all four other types of programs.

© 2004 Lippincott Williams & Wilkins

3738 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.



* $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

FIGURE 2. Satisfaction and needs fulfillment of physicians and their families serving in all state programs combined (n = 330) compared with nonobligated physicians (n = 368)

A remarkable 90.2% of obligated physicians indicated that they likely would enroll in their program if they had it to do all over again, including 64.2% who indicated that they definitely would do so. Differences across programs were found only for physicians in scholarship compared with loan repayment programs in which 47% versus 71% of physicians indicated that they would definitely sign up again ($P = 0.01$).

We explored the relationships between the buyout costs that programs levied and physicians' satisfaction, again finding associations only for medical student-targeted programs. When service-option loan and scholarship programs charged more than simple principal plus interest to buyout, most measures of physician satisfaction were lower, including fewer participants reporting, in retrospect, a definite willingness to commit to their programs again (36% vs. 65%, $P = 0.04$).

Retention

Obligated physicians remained longer in their service practices than nonobligated physicians remained in their first jobs after training (hazard ratio [HR] for leaving, 0.70; 95% confidence interval [CI], 0.51–0.96; $P = 0.029$) (Table 2). Respective group retention rates from life tables at 2 years were 92% versus 77%, at 4 years 71% versus 61%, at 6 years 59% versus 55%, and at 8 years 55% versus 52%. Retention tended to be better for obligated physicians than nonobligated physicians even after adjusting for group differences in physicians' specialties and demographics, although the differ-

TABLE 2. Comparison of the Retention of State-Obligated versus Nonobligated Physicians

	Hazard Ratio	*P* Value	95% Confidence Interval
Model 1 (unadjusted)			
Obligated vs. nonobligated	0.70	0.029	(0.51–0.96)
Model 2 (adjusted)			
Obligated vs. nonobligated	0.75	0.080	(0.53–1.03)
Family physician vs. internist	0.91	0.688	(0.58–1.43)
Pediatrician vs. internist	0.80	0.533	(0.40–1.61)
Male vs. female	0.76	0.190	(0.50–1.15)
Married vs. unmarried	0.75	0.270	(0.46–1.25)
Age when physicians began serving obligations	1.01	0.675	(0.95–1.08)

© *2004 Lippincott Williams & Wilkins*

3736 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

ence fell under the threshold of statistical significance (P = 0.08).

Among the 5 types of service-requiring programs, the longest group retention was seen for loan repayment recipients, 66% of whom remained in their service sites 8 years after starting work there, with a hazard ratio of departure compared with all other programs = 0.46 (95% CI, 0.30–0.70; P <0.001) (Fig. 3). Retention was shortest for resident support programs (HR, 6.72; 95% CI, 4.05–11.12; P <0.002). Scholarship participants demonstrated the second shortest retention (HR relative to service-option loan, loan repayment and direct incentive programs, 1.96; 95% CI, 0.97–3.97; P = 0.061).

Programs' buyout penalties were associated with retention, but once again only in scholarship and service-option loan programs, wherein penalties above simple principal plus interest were associated with lower odds of retention at 4 years (odds ratio, 12.4; P = 0.012).

DISCUSSION

Outcomes for states' support-for-service programs as a group were generally quite positive. Programs as a whole placed physicians in small and needy rural towns and counties, where physicians estimated that almost half of their patients were covered by Medicaid or were without health insurance. Physicians who served in these state programs were generally more satisfied with their work and communities and remained in their service sites longer than nonobligated "mainstream" generalists. We do not believe that the jobs and communities where these physicians served were inherently more pleasing; rather, we suspect that the benevolence of individuals who commit to and then fulfill service requirements predisposes them to find particular satisfaction from work that they believe in.[25,26]

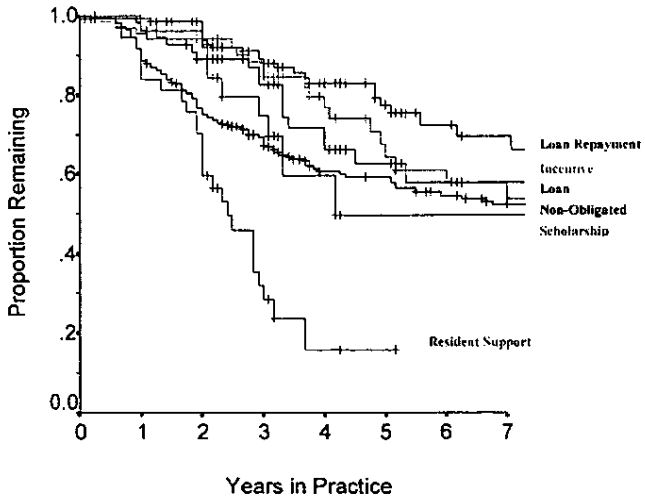


FIGURE 3. Retention of obligated physicians within their service practices: Kaplan-Meier estimations by type of program and compared with nonobligated physicians

Loan repayment and direct financial incentive programs enjoyed the greatest successes among the various program types, confirming the wisdom of recruiting physicians at the end of their training.[11] Financial buyout penalties were generally not used or needed in these programs, because their service completion rates were excellent without financial threats. Several program directors spoke of how much easier loan repayment and financial incentive programs are to administer than student-targeted programs, in which program staff must monitor participants during their training and deal with the many who buy out.[10,27] Direct financial incentive programs demonstrated an interesting niche among the program types, supporting physicians who often owned their practices, often in particularly needy settings.

Despite positive outcomes for programs overall, this study confirmed some commonly held concerns about scholarship programs. Very high penalties do seem to cut buyout rates by one third,[7] but penalties of any amount were associated with lower physician satisfaction and shorter retention. Contrary to claims,[12] state scholarship program participants did not work in demonstrably needier settings than participants of other programs. Studies of the NHSC Scholarship Program have similarly found that its participants do not serve in needier settings than those in the NHSC Loan Repayment Program.[11,27] The Congressional Government Accounting Office (GAO) and NHSC further similarly concluded that the NHSC Loan Repayment Program achieved better outcomes—higher service-completion rates, greater satisfaction, and longer retention—than the NHSC Scholarship Program, and also at a lower cost.[11,15,28]

The affordable buyout terms of student service-option loan programs allowed half of their participants to opt out of service, but the half who did serve were satisfied and long retained. Service-option loans could play an important complementary role to programs that target graduates, appealing to aspiring medical students who might otherwise choose not to pursue a medical career rather than assume the typical $100,000+ debt in traditional education loans. To embrace loan programs with service options, states must accept that it is not fatally undesirable for some participants to satisfy their loan contracts financially rather than with service. Indeed, most medical students fund their education with traditional loans, like the Health Education Assistance Loans (HEAL), where there is no option or enticement for service.[6] Concerns that too many physicians buyout of loan-for-service programs leaving too few available for shortage communities can be addressed quite readily by making more awards up front, costing programs nothing more because nearly all who opt not to serve repay their loans with interest.

© 2004 Lippincott Williams & Wilkins

374 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

Limitations and Unanswered Questions

Some of this study's data were self-reported and thus vulnerable to reporting inaccuracies. Directors provided figures on their programs' default and buyout rates and likely used a variety of methods to determine these rates. We are unaware, however, of any systematic inaccuracies likely to have biased our principal findings.

Some directors of scholarship and service-option loan programs who otherwise cooperated with our study would not provide the physician-specific information we needed to survey their participants, citing federal confidentiality protections of administrative data collected on students.[29] Given the demonstrated similarities between participating and nonparticipating programs, most importantly in the service completion rates of their participants, we do not suspect that the lower participation rates of student programs biased our outcomes. However, if less successful student programs withheld participants' names to hide their weaknesses, then loan repayment and direct incentive programs could actually be relatively even *more* successful than we judged (ie, bias, if present, was toward the null).

We had wanted to assess program costs and cost-effectiveness but program directors could not provide complete or comparable cost data. We also did not assess the experiences of physicians who signed up with these programs but chose not to serve.

We had no validated criteria on which to judge how often state-obligated physicians work in the very neediest settings, because states have not substantiated their site eligibility criteria and current federal criteria are inadequate.[30,31] Nonetheless, because some state programs use very broad site eligibility criteria, it is very likely that some obligated physicians do not work in the neediest areas.[5,32]

CONCLUSIONS AND RECOMMENDATIONS

As a whole, states' support-for-service programs bring physicians to needy communities where they find satisfying work caring for at-risk patient populations and remain for many years. Of all program types, the loan repayment and direct financial incentive forms, which target physicians after training, show the broadest successes. The successes of these state programs warrant their continued support and perhaps expansion to remedy the continuing maldistribution of physicians.

ACKNOWLEDGMENTS

The authors are grateful to the many state program directors, program staff, and participating physicians who provided data for this study. The authors thank the indispensable contributions of Kathleen Crook, MPA, to the data management aspects of this study, and the contributions of Tim Henderson, MSPH, of the National Conference of State Legislatures and James Bernstein, MHA, and Thomas Tucker of the NC Office of Rural Health and Resources Development to our understanding of these state programs and interpretation of the data. The authors also thank the fellows of UNC's National Research Service Award Primary Care Research Fellowship for their thoughtful suggestions on various drafts of this paper. This study was funded by grant R01-HS09165 from the Agency for Healthcare Research and Quality.

REFERENCES

1. Brandeis L. *New State Ice Co. v. Liebmann*, dissenting opinion. No 463. Supreme Court of the United States. 285 US 262; 52 S. Ct. 371;1932 US LEXIS 785;76 L. Ed. 747.
2. Donohue EA. Physician distribution and rural health care in the states: an overview of state legislative activity, 1984–1989. *Acad Med.* 1990; 65:S92–S113.
3. Henderson TM, Fox-Grage W. *Evaluation of State Efforts to Improve the Primary Care Workforce: Scholarship/Loan Programs and Medical Education Reforms.* Washington, DC: National Conference of State Legislatures; 1997.
4. National Health Service Corps. Available at: www.bphc.hrsa.gov/nhsc. Accessed January 6, 2001.
5. Pathman DE, Taylor DH, Konrad TR, et al. State scholarship, loan forgiveness, and related programs: the unheralded safety net. *JAMA.* 2000;284:2084–2092.
6. Beran RL, Lawson GE. Medical student financial assistance, 1996–1997. *JAMA.* 1998;280:819–820.
7. Duttera MJ, Blumenthal DS. Improving recruitment and retention of medical scholarship recipients in rural Georgia. *J Health Care Poor Underserved.* 2000;11:135–143.
8. Harbin RE. A Historical Perspective of the National Health Service Corps. Available at: www.clinicians.org/nhsc/history.html. Accessed January 6, 2001.
9. Pathman DE, Konrad TR, Ricketts TC. The National Health Service Corps experience for rural physicians in the late 1980s. *JAMA.* 1994; 272:1341–1348.
10. Helms LB, Helms CM. Forty years of litigation involving medical students and their education: II. Issues of finance. *Acad Med.* 1991;66:71–76.
11. National Health Service Corps. *Opportunities to Stretch Scarce Dollars and Improve Provider Placement* (GAO/HEHS-96-28). Washington, DC: US General Accounting Office; November 1995.
12. Bernstein JD. *Testimony Before the Subcommittee on Health and the Environment, Committee on Energy and Commerce.* Washington, DC: US House of Representatives; April 18, 1990.
13. Sparer MS. Laboratories and the health care marketplace: the limits of state workforce policy. *J Health Polit Policy Law.* 1997;22:789–814.
14. Mississippi Code 37-143-6, 2000.
15. *Programs for Underserved Populations Could Be Improved* (GAO/T-HEHS-00-81). Testimony by Janet Heinrich before the Subcommittee on Public Health and Safety, Committee on Health, Education, Labor and Pensions, US Senate. Washington, DC: US General Accounting Office; March 23, 2000.
16. Mullan F. The muscular Samaritan: The National Health Service Corps in the new century. *Health Aff (Millwood).* 1999;18:169–175.
17. Council on Graduate Medical Education. *Third Report. Improving Access to Health Care through Physician Workforce Reform: Directions for the 21st Century.* Report published by Health Resources and Services Administration, US Department of Health and Human Services; October 1992.
18. Association of the American Medical Colleges. *State and Other Loan Repayment/Forgiveness and Scholarship Programs*, 2nd ed. Washington, DC: AAMC Division of Student Affairs and Education Services; 1995.
19. Office of Data Analysis and Management. *Compendium of State Health Professions Distribution Programs*; 1986 (Report No. 2–87). Rockville, MD: US Bureau of Health Professions; 1986.
20. Pathman DE, Williams ES, Konrad TR. Rural physician satisfaction: its

© 2004 Lippincott Williams & Wilkins

374 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

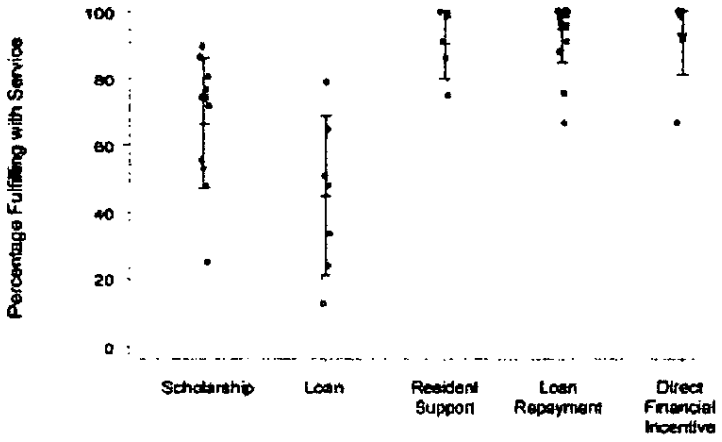
sources and relationship to retention. *J Rural Health*. 1996;12:366–377.
21. Pathman DE, Steiner BD, Williams BD, et al. The four community dimensions of primary care practice. *J Fam Pract*. 1998;46:293–303.
22. US Census. Available at: http://www.census.gov/geo/www/tiger/glossary.html. Accessed January 6, 2001.
23. Area Resource File (ARF) System. Available at: http://bhpr.hrsa.gov/arf.htm. Accessed January 6, 2001.
24. Weissert CS, Knott JH, Stieber BE. Education and the health professions: explaining policy choices among the states. *J Health Polit Policy Law*. 1994;19:361–392.
25. Eliason BC, Guse C, Gottlieb MS. Personal values of family physicians, practice satisfaction, and service to the underserved. *Arch Fam Med*. 2000;9:228–232.
26. Kohrs FP, Mainous AG, Fernandez ES, et al. Family medicine faculty development fellowships and the medically underserved. *Fam Med*. 2001;33:124–127.
27. Wheeler L, Goldstein AD. C. Suits Say 7 Doctors Failed to Repay Loans. *Washington Post*. May 7, 1992:C1, C5.
28. Konrad TR, Leysieffer K, Stevens C, et al. *Evaluation of the Effectiveness of the National Health Service Corps*. Final Report to the Heath Resources and Services Administration. Chapel Hill, NC: Cecil G. Sheps Center for Health Services Research and Mathematica Policy Research; May 31, 2000.
29. US Code, Title 20, Chapter 31, Subchapter III, section 1232g. Family Educational and Privacy Rights (Buckley Amendment).
30. US Department of Health and Human Services. Designation of Medically Underserved Populations and Health Professional Shortage Areas; proposed rule (42 CFR Parts 5 and 51c). *Federal Register*. September 1, 1998;63:46538–46555. Available at: http://www.access.gpo.gov/su_docs/aces/aces140.html.
31. Taylor DH. The natural life of policy indices: Geographical problem areas in the US and UK. *Soc Sci Med*. 1998;47:713–725.
32. Strosberg MA, Mullan F, Winsberg GR. Service-conditional medical student aid programs: the experience of the states. *J Med Educ*. 1982; 57:586–592.

© 2004 Lippincott Williams & Wilkins

374 Copyright © Lippincott Williams & Wilkins. Unauthorized reproduction of this article is prohibited.

From: Pathman DE, Konrad TR, King TS, Taylor DH, Koch GG. Outcomes of states' scholarship, loan repayment, and related programs for physicians. *Medical Care*. 2004;42:560-568.

FIGURE 1. Percentage of recent physicians in each program (°) who fulfilled their obligations with service, grouped by program type.



Bars denote group means +/- standard deviations

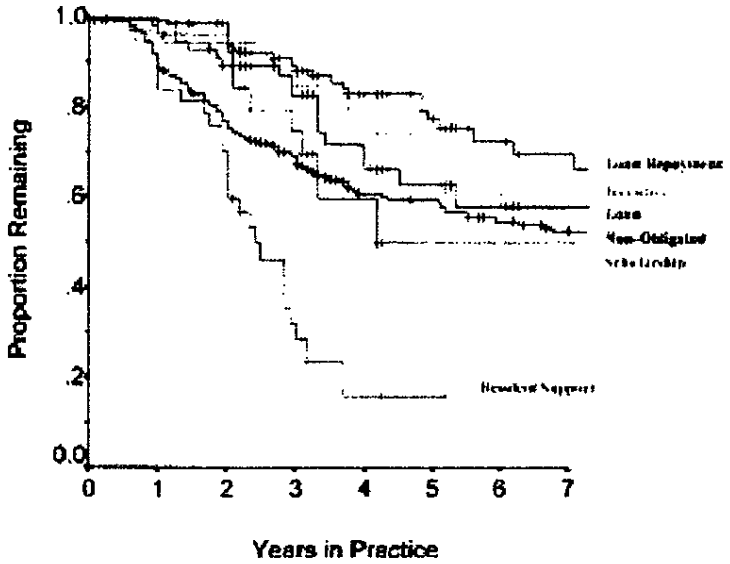


FIGURE 3. Retention of obligated physicians within their service practices: Kaplan-Meier estimations by type of program and compared with nonobligated physicians

adn.com
Anchorage Daily News

Print Page Close Window

Money seen as cure for shortage of doctors in Alaska

PRIMARY CARE: State considers help for more medical students; paying physicians to move north.

By ROSEMARY SHINOHARA
rshinohara@adn.com
(12/16/09 16:10:18)

Citing a continuing shortage of primary care doctors in Alaska, a state commission recommends the state spend considerably more money to train new doctors and lure more already-qualified doctors to the state.

Exactly how many primary care physicians Alaska needs isn't clear, but it's certain we need more, said Dr. Ward Hurlburt, chief medical officer for the Alaska Department of Health and Social Services and chair of the Alaska Health Care Commission, which made the recommendations.

Getting more primary care doctors will help deal with the crisis in care for senior citizens on Medicare, too, the commission believes. Doctors say reimbursement rates for Medicare are too low, and many primary care physicians won't take new Medicare patients.

If there were more doctors available, though, they could spread the Medicare population around.

The proposals include:

• Adding four students annually to the WWAMI medical school jointly operated by University of Alaska Anchorage and the University of Washington, taking each class up from 20 to 24 students. The state pays about $50,000 per student to UW for each of the second, third and fourth years of their schooling. The first year is spent at UAA.

• Starting up three new residency programs to turn medical school graduates into fully qualified psychiatrists, pediatricians and primary care internists. The cost is unknown, but the state pays $2 million per year to support Alaska's only full-fledged residency program: Alaska Family Medicine Residency.

• Paying primary care doctors to get them to move to and practice in Alaska.

The health care commission, comprised of seven people most of whom work in health care, was appointed by then-Gov. Sarah Palin in January. The report completed so far is a draft. The group's final report is to be delivered to the governor and the Legislature by Jan. 15.

A spokesman for Gov. Sean Parnell said it's too early for him to comment.

The commission suggested other ways to improve health care in Alaska beyond increasing the supply of doctors, but put some issues -- such as expanding health insurance, and improving water and sanitation systems around Alaska -- aside for later.

ALASKANS IN MEDICAL SCHOOL

The commission recommends that the state's financial resources target increasing the supply of primary care providers, including doctors, physician assistants and nurse practitioners.

In one case, at least, this single-minded focus is controversial: their approach to the WWAMI program, in which Alaska medical school students do part of their studies at the UAA and the rest at the University of Washington.

The state subsidizes each Alaskan in WWAMI. The commission proposes the students be required to pay the state subsidy back in full if they don't practice as primary care physicians in Alaska for five years. Currently, there's a requirement that Alaska students pay back half the state contribution if they don't practice in Alaska for five years.

Dennis Valenzeno, director of the Alaska WWAMI program, said in an interview that he's afraid the 100 percent payback provision could actually discourage med school graduates from going into primary care.

They come out of medical school with about $100,000 in other debt anyway, he said. If they also have to repay some $150,000 plus interest to the state, the medical school graduates might think they can't afford to go into primary care -- a career that pays half or a third as much as some other specialities, said Valenzeno.

"My fear is this is going to be another disincentive," he said.

WWAMI does have the space to add four more students as recommended, said Valenzeno, but the earliest it could do so would be the fall of 2011.

PAY AND THEY WILL COME The quickest way to get more doctors to Alaska, without doubt, is to pay doctors who have already finished their training to come here.

Research shows that's also the most cost effective way to get primary care doctors, said Hurlbert. "It's convincing."

A bill pending in the Legislature, SB 139, calls for paying doctors, nurses or specified other health workers incentives to take certain Alaska jobs -- from $35,000 to $47,000 for doctor positions, depending on how hard they are to fill.

The commission also suggests the state should figure out how to deliver primary care to Alaskans more efficiently, and how to make better use of "physician extenders" like advanced nurse practitioners, who do some of the same work as a doctor.

The Alaska Health Care Commission's proposals include three new residency programs to turn med school graduates into fully qualified psychiatrists, pediatricians and primary care internal medicine.

Two of those programs are already more than just a dream: Residency programs for psychiatrists and pediatricians are in the planning stages for Alaska, said Dr. Harold Johnston, director of the Alaska Family Medicine Residency.

Both of the new programs would be partnerships with University of Washington. Multiagency steering committees are putting together the pediatric and psychiatric residency proposals.

"We think it's very realistic, very doable. It will require some funding. We don't know how much," Johnston said.

Both Johnston and Susan Humphrey-Barnett, area operations administrator for Providence Health

and Services Alaska, say Alaska's most critical shortage appears to be in psychiatrists.

The need for more pediatricians doesn't seem to be as urgent, said Dr. Richard Mandsager, chief executive of Providence Alaska Medical Center, but there is an opportunity available -- Seattle Children's Hospital and UW are interested in starting a pediatrics residency in Alaska, he said.

An internal medicine residency for primary care doctors -- arguably the one that would help older Alaskans the most -- doesn't appear to be off the ground yet.

Find Rosemary Shinohara online at adn.com/contact/rshinohara or call her at 257-4340.

Print Page | Close Window

Copyright © Mon Dec 21 11:00:44 UTC-0900 20091900 The Anchorage Daily News (www.adn.com)

Comments Regarding Senate Bill 139

These comments are unsolicited support for Senate Bill 139.

My name is David Head, M.D. I have practiced medicine in Nome, Alaska at Norton Sound Health Corporation nearly 21 years, 20 of those years as Chief of Staff. I have also served on the Alaska State Medical Board for the last 7 years, 4 of those years as the Chairman for the Board. In addition I have served on multiple State and National committees and advisory groups regarding Physician Shortage and recruitment and retention strategies.

It is these experiences that cause me to be such a strong supporter for **Senate Bill 139**.

At this time Alaska is entering a crisis situation when it comes to adequate medical providers. For the first 15 years that I was in Nome, if we had a vacancy open up we were able to pick and choose between several qualified, experienced and well educated physicians to fill that slot. We had no difficulty maintaining a full staff. During the last 5 years this has changed dramatically. The national shortage of primary care physicians, along with the dramatic increase in the cost of living in Bush Alaska has led us into operating in crisis mode. We have slowly gone from a full time staff of 8 physicians to now 3. We scramble to maintain adequate coverage with temporary "traveling doctors", often going through 20-30 different physicians per year to provide basic care. This makes it near impossible to maintain the high quality level of care that the people of this area have become accustomed to, as well as burning out our regular doctors. We have hired recruitment firms that over the last 3 years have only been able to find 2 doctors that would even come for interview. Although I do not see Senate Bill 139 as the "cure all", I do believe it offers immediate aid and will greatly help give us additional chips to play in this game of attracting the professionals that we so greatly need until other more long term answers can be found.

Thank you for your time and dedicated service.

David Head, M.D
Chief of Staff
Norton Sound Health Corporation
Nome, Alaska

Christina Apathy

From: Coady [coady@alaska.net]
Sent: Tuesday, January 26, 2010 3:03 PM
To: Sen. Donny Olson
Subject: SB 139

Dear Senator Olson...Donny:

...a voice from the past, in Nome. It's hard to believe that our family moved from Nome back to Fairbanks 18 years ago. We still have the same C-180 as we did in Nome, and I'm doing some flight instruction to keep my hand in the flying business.

Carol and I noted your Bill SB139, and it made us think of a situation with one of our daughters: Erica will complete a 2 year post-doctoral fellowship in neuropsychology at UCLA this summer. Her work has focused on neurocognitive testing of patients with brain tumors, memory issues, aphasias, movement disorders, HIV, brain injuries, as well as other neurological problems associated with both clinical and forensic cases. She would love to return to Alaska (I'm told there is only one board-certified neuropsychologist in Alaska), but with $100,000 in student loans to pay off she has no choice but to remain in California or other South 48 location where salaries are high enough to make reasonable progress in paying down her education debt. A cash incentive or loan forgivineness program that would include her profession would be a major step in bring her skills and training back home to Alaska.

We trust all is well with you and your family. Please contact us on your next trip to Fairbanks (cell 907-750-5083). It would be great to get together for a visit. Best regards for now.

John Coady

From: Barbara Hale [mailto:bfhale1@msn.com]
Sent: Sunday, April 05, 2009 3:44 PM
To: Sen. Bettye Davis; Sen. Joe Paskvan; Sen. Johnny Ellis; Sen. Joe Thomas; Sen. Fred Dyson
Cc: Sen. Donny Olson; Sen. Bill Wielechowski; Sen. Kevin Meyer; Natalie Hale
Subject: The Alaska Health Care Professions Loan Repayment & Incentive Program
Importance: High

Dear Senators Davis, Paskvan, Ellis, Thomas and Dyson,

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. Competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska. The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. This proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. Loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. This proposal is more cost-efficient and results-producing than other methods.

My daughter, Natalie Hale, will be entering her first year of medical school in August at the University of Washington WWAMI program in Anchorage. With more than $50,000 in student loan debt from her undergraduate studies at Yale already, the Alaska Health Care Professions Loan Repayment and Incentive Program will offer an incentive and encouragement for her to be able to pursue her first love, public health policy and primary care, here in Alaska. Thank you all for your consideration of this important policy under SB 139 to help alleviate health care shortages that Alaska is experiencing and to help retain providers who begin their studies here.

Best Regards,
Barbara Hale
P.O. Box 240211
Douglas, AK 99824-0211
907-586-6590

Christina Apathy

From: Julie Lynch McDonald [julie.cpfi@gmail.com]
Sent: Wednesday, March 03, 2010 8:47 AM
To: Sen. Donny Olson
Cc: Denise Liccioli
Subject: SB 139 Support by Pharmacist Interested in Working in Alaska
Attachments: SB139_Julie_McDonald_3-2-10.pdf

Dear Senator Olson,

I am a pharmacist in south Florida who previously interned in Alaska. I would like to share my story and subsequent support for SB 139 *Incentives for Certain Medical Providers* due to my desire to return and work in Alaska. Please include my attached letter as written testimony for the SB 139 hearing.

After putting myself through college to earn a bachelors degree in environmental science, I decided to move back into my parent's home in order to save for a place of my own and to begin aggressively repaying my nearly twenty thousand in student loans. After a year of working as a field biologist and living on a restricted budget, I was very excited to purchase a garden apartment. However, during this year had been very involved with a children's hospital and nursing home. This volunteer work inspired me to return to college in order to pursue a career that offered the daily opportunity to help alleviate suffering and improve the health of those in my community. I decided the best career would be the profession of pharmacy. As a result, I spent the following year continuing my same employment as a field biologist, completing prerequisite courses in the evening, volunteering on the weekends, living with my parents, and renting my apartment. I was accepted into two private colleges of pharmacy and one out of state college. I knew any choice would result in massive student loans accrued during the four years required for a Doctor of Pharmacy degree (tuition alone exceeded eighty thousand). Therefore, I choose a local college of pharmacy that allowed me to continue living with my parents throughout pharmacy school and rented my apartment that I sold a few years later without having the pleasure of ever living in it.

The summer after my first year in pharmacy school, I was thrilled to have the opportunity to spend a month working at the Prescription Center Pharmacy in Fairbanks and volunteering with the Fairbanks Native Bible Church. I anticipated enjoying the beauty of the Alaskan outdoors, but did not expect to fall in love with the people and culture of Alaska. One small example is the quick bond I developed with those who simply rode the same bus route. One day a co-worker generously offered to pick me up for work. I can still recall on the following morning how those on the bus shared they had been truly concerned since I had not been on the bus the previous day. My time in Alaska made a marked impression. Therefore, I was saddened to leave when the month was over and have hoped to return to Alaska ever since.

After graduation from pharmacy school, I felt a great responsibility to begin immediately paying down my student loans. As a result, I did not choose to defer my loans in order to complete a residency and subsequently enter into a more sought-after field of pharmacy. Rather, I entered the very demanding field of retail pharmacy. I have spent nearly two years working fulltime at an independent retail pharmacy and as a relief pharmacist at another independent pharmacy. I have come to value and respect the vital role a local retail pharmacist has in counseling and advising patients, collaborating with practitioners on patients' medication therapy, seeking innovative ways to meet individual patient's needs (i.e. compounding medications), and often serving as a listening friend. It is a physically demanding and emotionally draining, but richly rewarding by the relationships built with your patients.

Currently my husband, who has a bachelors in business, and I are considering moving to Craig. We would be working at an independent retail pharmacy and are enthused to become a part of the Prince of Wales

community. Additionally, I serve on the board of directors for a pharmacy organization where I oversee seventy-six student chapters nationwide and internationally. Part of my work in Craig would be encouraging pharmacy students from numerous states to come to Alaska for a summer position or complete a rotation during their final year of pharmacy school. My husband and I are confident the culture and spirit of Alaska would be of great benefit for us and we would continually seek to benefit the community through our combined diverse background in medicine, environmental science, business, accounting, and construction. However, my monthly student loan payment is significantly greater than our mortgage payment. My husband and I would like to relocate to Craig, but my more than two hundred thousand in student loans causes us to be very cautious with our choices.

From my perspective, SB139 would be a powerful incentive to draw pharmacists to the great state of Alaska. I have witnessed much legislation that is well intentioned, but often a significant portion ends up benefiting or rewarding those who have not necessarily made the hard choices. In contrast, I personally found SB139 to be distinctive and very encouraging. The reason for this is twofold. First, SB139 will attract medical professionals to Alaska and rural areas in particular, thus benefitting those who live in those areas and are often underserved. Second, SB139 will actually assist those who have made the continuous rigorous sacrifices of time, energy, and finances to enter the medical profession in an effort to give of themselves in the service of others.

Thank you for your time and consideration!

Sincerely,

Julie McDonald
Julie.CPH@gmail.com
561.222.3330

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

The Honorable Senator Olson
Alaska State Senate
State Capitol, Room 514
Juneau, Alaska 99801-1182

Re: Support for Incentives for Certain Medical Providers – SB 139

March 18, 2008

Dear Senator Olson,

The Alaska Primary Care Association (APCA) represents 26 health care organizations and 141 Community Health Centers (CHCs), as well as other safety net providers throughout Alaska. The APCA knows firsthand that workforce shortages can affect access to health care services in Alaska's Community Health Centers. In 2007, our sites provided primary health care services to over 80,000 patients despite suffering a severe 35% shortage of primary care physicians and a 22% shortage of midlevel providers at Community Health Centers.[1] In fact, Alaska's CHCs have current vacancies for an estimated 22 physicians, 20 physician assistants, 26 nurse practitioners, 6 dentists, and 10 licensed certified social workers – to name a few.

Alaska is suffering from labor shortages in most professional health care occupations[2], while most of the State of Alaska has been designated either as a Health Professional Shortage Area or a Medically Underserved Area[3]. All but six states have addressed similar professional health provider shortages by implementing support-for-service programs which have helped to attract and retain health care providers[4].

The Alaska Primary Care Association supports SB 139 and the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" to help fill vacancies and help health care facilities recruit and retain health care professionals.

We appreciate your hard work and service to Alaskans and support your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly
State Affairs Coordinator

Shelley S. Hughes
Government Affairs Director

[1] Bureau of Primary Health Care. "Alaska Section 330 Grantees Uniform Data System (Provider Utilization)."
2 Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007. http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.
3 US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage
4 Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska

Alaska Primary Care Association
903 W Northern Lights Blvd, Suite 200
Anchorage, AK 99503

ph. 907-929-2722
fx. 907-929-2734
www.alaskapca.org

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

Alaska Primary Care Association
Board of Directors

RESOLUTION 2009-02

Health Care Professions Loan Repayment and Incentive Program for Alaska

WHEREAS the Alaska Primary Care Association strives toward the goal of a healthy population, it recognizes that a robust health care workforce is necessary to provide adequate health care access for all Alaskans and is a key ingredient in improving the public health of all Alaskans; and

WHEREAS Alaska is competing with other states and nations for the finite pool of available health care professionals; and

WHEREAS Alaska is suffering from labor shortages in most professional health care occupations[1], and these shortages are hitting primary care "safety net" agencies particularly hard; and

WHEREAS most of the State of Alaska has been designated either a Health Professional Shortage Area or a Medically Underserved Area;[2] and

WHEREAS a common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSPs), and good outcomes have been achieved with these;[3] and

WHEREAS national studies have determined loan repayment and incentive programs to be two of the most effective of the several SFSP strategies in terms of both recruitment and retention;[4] and

WHEREAS a key problem is that Alaska does not have a robust SFSP while most other states do, many have several, and further, some of those are growing;[5] and

WHEREAS most all other states have state-sponsored SFSPs that influence health professionals' geographic and specialty distributions;[6] and

WHEREAS it is well-established that many health care professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away; and

Phone 907-929-2722 • Fax 907-929-2734 • www.alaskapca.org • alaskapca@alaskapca.org
903 West Northern Lights Blvd., Suite 200 • Anchorage, AK 99503-2400

DONE AND DATED THE 21st DAY OF January IN THE YEAR 2009

SIGNED BY _____

Sonia Handforth-Kome, APCA Board President

[1] Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007. http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.

[2] US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage Area. http://hpsafind.hrsa.gov/.

[3] Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska DHSS. September 11, 2007. http://www.hss.state.ak.us/primarycare/assets/loan-proposal.pdf.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Health Planning & Systems Development, Alaska Department of Health & Social Services. *Health Care Professions Loan Repayment Program Concept Proposal*, September 11, 2007.

[8] Ibid.

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 17, 2009

Honorable Donald Olson
Alaska State Senate
Capitol, Room 514
Juneau, Alaska

RE: SB 139 – Recruitment Increments for Certain Health Care Professionals

Dear Senator Olson:

As you know, Dr. Olson, the Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

On behalf of all ASMA members, I thank-you for introducing SB 139. ASMA participated as one of the stake holders who came together to develop the concept for the loan repayment and direct incentive program embodied in SB 139. ASMA strongly supports SB 139 as an effective recruitment tool for physicians as well as the other health care professionals covered by the program.

Alaska competes with all other states in the recruitment of an ever shrinking pool of physicians practicing general internal medicine or family medicine. Currently only 2% of medical school graduates are choosing general internal medicine or family medicine residencies. 44 of those states already have a loan repayment or direct incentive program.

SB 139 will help to provide an important part in solving Alaska's chronic and acute (in certain practice specialties) physician workforce shortages. All of the health care system reforms aimed at providing some form of universal insurance coverage provides an empty promise so long as sufficient numbers of appropriately trained physicians (and other health care professionals) do not exist.

ASMA supports SB 139 and urges passage of this important legislation.

Again, ASMA, thanks you in your leadership and efforts to introduce and secure passage of the Alaska Health Care Professions Loan Repayment and Incentive Program.

Sincerely,

Thomas J Vasileff

By: Thomas Vasileff, MD, President
For: The Alaska State Medical Association

Re: Support for SB 139 Incentives for Certain Medical Providers

March, 19, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, I strongly support SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

In my roll as clinical site director for the U.W. DENTEX Training Center, I have had the opportunity to hear about the difficulties health care facilities in Alaska have in recruiting and retaining providers.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

There is already a crisis of dental care access in rural Alaska. We have large numbers of our Alaska Native population who cannot access even the basic services needed, such as a yearly exam or treatment for urgent dental needs. The caries rate is 2 ½ times the national rate in our rural communities. Headstart programs struggle to find local providers to perform the mandatory evaluations for their students, many programs resort to bringing in outside providers at great expense. Teeth are left untreated until it is too late to restore them, because there are not appointments available for routine care. Our communities should not have to suffer with the pain and cost of untreated disease.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

I support SB 139 and urge passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Mary E. Williard, DDS
Clinical Site Director
ANTHC Division of Community Health Services
U.W. DENTEX Training Center
4200 Lake Otis Parkway, Suite 204
Anchorage, AK 99508

Alaska Native Health Board

1840 Bragaw Street, Suite 220
Anchorage, Alaska 99508

Phone: (907) 562-6006
Fax: (907) 563-2001

January 25, 2010

Senator Donny Olson
State Capital Building, Room 514
Juneau, Alaska 99801-1182

Dear Senator Olson,

We write to express the Alaska Native Health Board's support for SB 139, establishing a health professions loan repayment and employment incentive program. Alaska is one of only six states without a state-sponsored health professions support-for-service program.

Overall, Alaska health workforce vacancy rates are now over 10% and growing, particularly for hard-to-fill positions in rural locations where most providers are "safety net" providers who deliver care to primarily to Medicaid and Medicare beneficiaries and the uninsured.

Among tribal providers, who are the only provider of health services in many areas of the state, health professional vacancy rates exceed the statewide rates across the board by 150-200%.

The challenges are daunting: The average time it takes for a tribal provider to fill a physician vacancy is over a year, while the average time to fill a mid-level vacancy is six months. **As of November 2009, within the Alaska tribal health system alone, there were over 80 physician vacancies.** These severe workforce shortages compound the challenge of providing good access to quality healthcare for all Alaskans, particularly in the rural areas.

SB 139, The Alaska Health Care Professions Loan Repayment & Incentive Program, is an important part of the solution to Alaska's health workforce shortage. It was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska.

More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively alleviate shortage problems in other states, and we are certain that SB 139 will work because it has been thoroughly reviewed and customized for Alaska.

Sincerely,

Evangelyn "Angel" Dotomain
President/CEO

P.O. Box 240247 " Anchorage, AK 99524 " www.asdha.com

Re: Support for SB 139--Incentives for Certain Medical Providers

March 23, 2009

Dear Senate and House Members of the Alaska State Legislature:

The Alaska State Dental Hygienists' Association (ASDHA) supports Senate Bill 139 to establish a loan repayment and incentive program. This legislation addresses the shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals that provide direct patient care.

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. This legislation would allow Alaska to compete with other states in the recruitment of numerous providers and help fill the alarming number of vacancies that exist.

Senate Bill 139 provides incentives for dental professionals, including dentists and dental hygienists. While current practice act limitations exist for direct patient care by dental hygienists, we are hopeful SB 139 will attract more dentists and dental hygienists to our state and to rural communities. With up to eighteen dental hygiene students graduating from Alaska universities yearly, we believe SB 139 would provide an additional incentive for them to stay.

The ASDHA supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Gail Walden

Gail Walden, RDH
Alaska State Dental Hygienists' Association

Alaska Osteopathic Medical Association

142 East Ontario Street | Chicago, IL 60611
Phone 800.621.1773, ext. 8128 | Fax 312.202.8428 | Email: AKOMA@osteopathic.org

December 3, 2008

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Osteopathic Medical Association (AKOMA) strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The mission of the AKOMA is to promote public health through providing quality, relevant and professional CME that enhances the body of knowledge and skills of those in attendance. Emphasis will be placed upon Osteopathic Practice and Principles to enable attending physicians to better serve the needs of their patients.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

AKOMA recommends the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program.

Respectfully,

T. Capistrant

Todd Capistrant, DO
President

Alaska Pharmacists Association

RE: Support for SB 139
Alaska Health Care Professions Loan Repayment & Incentive Program

March 24, 2009

Dear Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, putting Alaskans in jeopardy, the Alaska Pharmacists Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a limited and shrinking national pool.

"The Mission of the Alaska Pharmacists Association is to preserve, promote and lead the profession of pharmacy in Alaska."

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, LCSWs (licensed, clinical social workers), and physical therapists are all in short supply in Alaska.

Based on statistics provided by Laura Miller, PhD, Senior Economist with the National Association of Chain Drug Stores, the national average of community pharmacists per 10,000 people is 5.36. For Alaska, the figure is 3.35. To get to the national average, Alaska would need an additional 137 pharmacists. The average number of people per community retail pharmacy is about 5,300 nationally, and in Alaska it is 8,900. Even if you add in the 15 Indian Health Service (IHS) pharmacies, Alaska's pharmacies average about 7,500 people, much higher than the national average.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

Respectfully,

Nancy O. Davis
Executive Director

E-mail: akphrmcy @ alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

Alaska Pharmacists Association

Alaska Pharmacists Association
Board of Directors

RESOLUTION 2009-01

Health Care Professions Loan Repayment and Incentive Program for Alaska

WHEREAS Alaska is competing with other states and nations for the finite pool of available healthcare professionals; and

WHEREAS Alaska is suffering labor shortages in most professional healthcare occupations, and that these shortages are hitting primary care "safety net" agencies particularly hard; and

WHEREAS the harsh conditions of Alaska and the fiscal limitations of safety net clinics makes it difficult for Alaska to compete in the hiring market; and

WHEREAS the entire State of Alaska has been designated either a Health Professional Shortage Area or a Medically Underserved Area; and

WHEREAS a common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSP's), and that good outcomes have been achieved with these; and

WHEREAS national studies have determined loan repayment programs to be one of the most effective of the several SFSP strategies in terms of both recruitment and retention; and

WHEREAS a key problem is that Alaska does not have a robust support-for-service program while most other states do, many have several, and further, some of those are growing; and

WHEREAS most all other states have state-sponsored SFSP programs that influence health professionals' geographic and specialty distributions; and

WHEREAS it is well-established that many healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away; and

WHEREAS considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel; and

E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

WHEREAS in 2006, the Alaska Physician Supply Task Force recommended a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need, including creation of a loan repayment program; and

WHEREAS AkPhA serves as a voice on behalf of Pharmacists to preserve, promote and lead the profession of pharmacy n Alaska;

THEREFORE BE IT RESOLVED that the Alaska Pharmacists Association (AkPhA) supports the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" and will advocate for the necessary authorizing and fiduciary legislation.

SUBMITTED BY:
Melanie Gibson, AkPhA President
Nancy Davis, Executive Director

DONE AND DATED THE 25th DAY OF AUGUST IN THE YEAR 2008

SIGNED BY

_____

Melanie Gibson, AkPhA Board President

[1] Alaska Center for Rural Health. *2007 Alaska Health Workforce Vacancy Study*. July 2007, http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce_7-24-07_body_final.pdf.

E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

ALASKA PHYSICAL THERAPY ASSOCIATION, INC.

A CHAPTER OF THE AMERICAN PHYSICAL THERAPY ASSOCIATION
PO BOX 140351 ANCHORAGE, AK 99514-0351
PHONE (907) 566-3749

Re: Support for Alaska Health Care Professions Loan Repayment & Incentive Program

November, 26, 2008

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Physical Therapy Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The Alaska Physical Therapy Associations mission is that it's a member driven organization (290 members) is to represent and advocate for the profession of physical therapy and promote excellent, ethical, and autonomous practice, which serves the culturally diverse population of Alaska.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

At any given time you can contact most remote hospitals and clinics and find at least 1-2 vacancies, or openings for physical therapists. Even urban clinics are constantly recruiting for providers due to turnover, retirement, or keeping up with population growth in their respective communities. There are companies that provide temporary travelling Physical Therapists for 13-16 week assignments which can be extremely expensive for coverage, and again the turn over rate creates changes for patients and can also cause breaks in care or shortage of man power coverage.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

APTA
American Physical Therapy Association

The Alaska Physical Therapy Association highly recommends and advocates for the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program for health related assistance to our states residents.

Respectfully,

Sundi M Hondl, PT, OCS

Sundi M Hondl, PT, OCS
Alaska Physical Therapy Association President

ALASKA PUBLIC HEALTH ASSOCIATION

Committed To Advancing Alaska's Public Health Since 1978

ALPHA

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Public Health Association (ALPHA) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

ALPHA supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Jayne Andreen

President
ALPHA Board of Directors

P.O. Box 9-1825 Anchorage, AK 99509 907/332-1030 *e-mail:* publichealth@alaska.net
www.alaskapublichealth.org

3766

Ilaqalaqkz
Iliuliuk Family and Health Services, Inc.
P.O. Box 144
Unalaska, Alaska 99685
Phone: (907) 581-1202
Fax: (907) 581-2331

Re: Support for SB 139 Incentives for Certain Medical Providers

March 17, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Iliuliuk Family and Health Services, Inc. (IFHS) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

Our organization, IFHS, is the only comprehensive service provider for medical, dental and behavioral health services within 800 air miles of Unalaska. We are remote, and we frequently find that we are unable to compete with "lower 48" medical practices for providers, since we also cannot compete effectively with salaries. State loan repayment options for our providers would help us offer a competitive package.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

It takes IFHS over a year to recruit a single doctor; six months to recruit a behavioral health specialist, and the last time we recruited a dentist, it took us four years to do so. We cannot recruit RNs – we have had two open RN positions for over two years. A state-sponsored support-for-service program would help make our recruitment package more appealing and more competitive.

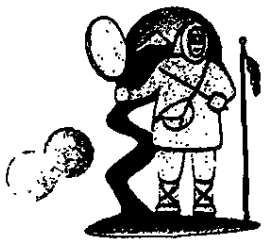
The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB

139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

IFHS supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Sonia Handforth-Kome
Executive Director



Maniilaq Association

Maniilaq Health Center

Administration

Phyllis Boskofsky RN
Hospital Administrator
P.O. Box 43, 436 5th & Stevens Way
Kotzebue, AK 99752
Phone (907) 442-7319
FAX (907) 442-7250

Re: Support for SB 139 Incentives for Certain Medical Providers

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, especially in remote regions such as ours, the Maniilaq Health Center (MHC) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

In order for the Maniilaq Health Center to meet its Mission Statement:
"The Maniilaq Health Center provides comprehensive health care to all the people in our service area while promoting prevention, fitness, wellness, holistic strategies, and incorporating local traditional core values and beliefs", its Vision Statement: ***"All customers of Maniilaq health services, including its employees, are empowered, and involved partners in its high quality services and healing atmosphere"***, and its Purpose statement: ***"We are a family of care, helping every person live a healthier life"***, we must have a trained healthcare workforce.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult, and becomes even more difficult as you leave urban area facilities for remote facilities such as MHC. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

Maniilaq Health Centers Professional Vacancy Rates

MD/DO Vacancies	3 vacancies out of 9 positions = 30% vacancy rate
Dentist Vacancies	3 vacancies out of 5 positions= 60% vacancy rate
Pharmacist Vacancies	3 vacancies out of 4 positions= 75% vacancy rate
Registered Nurse Vacancies	12 vacancies out of 24 positions = 50% vacancy rate
Physical Therapist	1 vacancy for > 2 years= 100% vacancy rate

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The Maniilaq Health Center supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Phyllis A. Boskofsky
Hospital Administrator

Member Villages

Ivissaappaat, Nunatchiaq, Ipnatchiaq, Katyaak, Kivaliniq, Laugviik, Qikiqtagruk, Naitaaq, Nuurvik, Tikigaq, Akuligaq, Isinnaq,
Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Point Hope, Selawik, Shungnak

Mat-Su Health Foundation Resolution to Support Health Care Professions Loan Repayment & Incentive Program for Alaska

WHEREAS the Mat-Su Health Foundation's mission is to enhance the health of Alaskans living in Mat-Su, where health is in part determined by access to primary, behavioral, and dental care and preventive services;

WHEREAS an adequate healthcare workforce is necessary to provide this access, and according to the *2005-2015 Mat-Su Borough Health Plan*, Mat-Su has an "inadequate number of providers to meet the demands of a growing population" in both the core area and the outlying rural areas of the borough;[i]

WHEREAS Mat-Su is designated a Medically-Underserved Area/Population by the U.S. Health Resources and Services Administration and has sub-regions designated Primary Care Health Professional Shortage Area, Mental Health Professional Shortage Area, and Dental Care Health Professional Shortage Area;[ii]

WHEREAS the Mat-Su Borough is the fastest growing area of Alaska, growing from 5,188 in 1960 to 82,515 in 2008 due to both positive birth and in-migration rates; and the AK Department of Labor projects that all Mat-Su age groups will continue to grow through 2020;[iii]

WHEREAS the Mat-Su Borough is experiencing one of the highest rates of population growth in the state among senior citizens, who use the healthcare system disproportionately more than any other age group; and the Alaska Commission on Aging reports Mat-Su's senior growth rate at 11.6%, which includes a net gain from a senior in-migration rate that is almost double its senior out-migration rate;[iv]

WHEREAS the Alaska Health Care Commission has designated Medicare-access as one of its six focus areas; and the University of Alaska Anchorage Institute of Social and Economic Research has reported that access to primary care for Medicare beneficiaries is problematic in Mat-Su, where data reveals that only 57.7% of Mat-Su primary care physicians will see new Medicare patients;[v]

WHEREAS the Mat-Su Health Foundation believes that an investment in the education of Mat-Su residents will help to build the healthcare workforce of the future and an engaged citizenship with a higher capacity to address the health-related challenges impacting Mat-Su and Alaska; and to this end has offered scholarships to help defray the cost of higher education and encourage Mat-Su residents to complete a degree or certificate program that emphasizes health and/or wellness; but also recognizes that more needs to be done to bolster the healthcare workforce in Mat-Su and Alaska;

WHEREAS Mat-Su Regional Medical Center has spent $6,238,438 on contract labor over the last five years on temporary health professionals from outside the state to fill current needs;

WHEREAS Alaska is competing with other states for the finite pool of available health care professionals; and over 40 states currently offer Support-for-Service Programs (SFSPs) that have influenced health professionals' geographic and specialty distributions;

WHEREAS national studies have determined loan repayment and incentive programs to be two of the most effective strategies in terms of both recruitment and retention;[vi]

WHEREAS without this incentive, it will be challenging for Alaska to compete for medical and health professionals, especially to work in rural areas;

BE IT THEREFORE RESOLVED that the Mat-Su Health Foundation promotes and advocates for the establishment of the Health Care Professions Loan Repayment & Employment Incentive Program to bring more qualified medical professionals to Alaska and will advocate for the necessary authorizing and fiduciary legislation.

***Approved by the Mat-Su Health Foundation Board of Directors on* January 18, 2010.**

Deborah Prator, President

---

[i] 2005-2015 Mat-Su Borough Health Plan. Information Insights. January 2006.
http://www.matsugov.us/planning/index.php?option=com_content&view=article&id=69:mayors-blue-ribbon-task-force-on-borough-health-and-social-service-board&catid=20:health-and-human-services-board&Itemid=[illegible]

[ii] U.S. Department of Human Services. Health Resources and Service Administration. Health Professional Shortage Area.
http://hpsafwarehouse.hrsa.gov/GeoAdvisor/shortageDesignate.aspx?type=[illegible]

[iii] Matanuska-Susitna Borough. Alaska Department of Labor. Division of Research & Analysis.
http://laborstats.alaska.gov/pop/projections/pub/MatSu.pdf

[iv] Alaska State Plan for Senior Services FY2008-FY2011. Alaska Commission on Aging. June 2007.
http://www.gov.state.ak.us/aging/boards/council/pdf/2008-2011_State_Plan.pdf

[v] How Hard Is It for Alaska's Medicare Patients to Find Family Doctors? University of Alaska Anchorage Institute of Social and Economic Research. UA Research Summary No. 14. March 2009.
http://www.iser.uaa.alaska.edu/Publications/2009_03-Medicare_Access.pdf

[vi] Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska DHSS. September 11, 2007. http://[illegible]

March 20, 2009

Re: Support for SB 139 Incentives for Certain Medical Providers

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Behavioral Health Association strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

One of our primary goals deals with Workforce Development and this bill fits well within the goal to assure that a well trained adequate workforce is available to behavioral health providers.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants, behavioral health clinicians, addiction professionals, and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The Alaska Behavioral Health Association supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

In Health,

Steve Horn
Executive Director

2009 abha Membership

Organization	Community
Akeela	Anchorage
Alaska Children's Services	Anchorage
Alaska Family Services	Palmer
Alaska Island Community Services	Wrangell
Alaska Youth & Family Network	Anchorage
Anchorage Community Mental Health Services (Southcentral Counseling)	Anchorage
Arc of Anchorage	Anchorage
Assets, Inc.	Anchorage
Mat-Su Health Services	Wasilla
Bristol Bay Counseling Center (BBAHC)	Dillingham
Boys and Girls Home of Alaska	Fairbanks
Catholic Community Service	Juneau
The Center	Homer
Community Connections, Inc.	Ketchikan
Denali Family Services	Anchorage
Edgar Nollner Health Center	Galena
Fairbanks Community Behavioral Health Center, Inc.	Fairbanks
Fairbanks Native Association	Fairbanks
Family Centered Services of Alaska	Fairbanks

Organization	Community
Frontier Community Services	Soldotna
Gateway Center for Human Services	Ketchikan
Impact Counseling	Haines
Juneau Alliance for Mental Health, Inc.	Juneau
Juneau Youth Services	Juneau
Kenai Peninsula Care Center	Kenai
Lynn Canal Counseling	Haines
Maniilaq Association	Kotzebue
North Star Behavioral Health System	Anchorage
Peninsula Community Health Services	Soldotna
Petersburg Mental Health Services, Inc.	Petersburg
Railbelt MH and Addictions	Nenana
SEARHC - Behavioral Health Service Division	Sitka
SeaView Community Services	Seward
Sitka Counseling and Prevention Services	Sitka
Southcentral Foundation Behavioral Health Services	Anchorage
Volunteers of America of AK	Anchorage
Yukon-Kuskokwim Health Corporation	Bethel

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

ALASKA MENTAL HEALTH BOARD
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
431 NORTH FRANKLIN STREET, SUITE 200
JUNEAU, ALASKA 99801
(907) 465-8920

March 25, 2009

Senator Donald Olson
Alaska State Capitol, Room 514
Juneau, Alaska 99801

Re: SB139 – Loan Repayment and Employment Incentive Program

Dear Senator Olson,

The Advisory Board on Alcoholism and Drug Abuse and the Alaska Mental Health Board appreciate your support for Alaska's health care workforce. The Boards support the intent of SB 139, and look forward to continued dialogue about how best to support our health care professionals and encourage more Alaskans to enter the field.

As you know, the health care industry has been one of our fastest growing employment sectors. Despite that, health care providers — including mental health and substance abuse providers — report an inability to maintain a workforce that meets the demand for services. The Alaska Department of Labor and Workforce Development reported that growth in health care jobs has slowed since 2006 (reporting growth of only 1% in Anchorage in 2008) and forecasts only modest growth in 2009. In this environment, we need measures to sustain the workforce we have and to encourage more Alaskans to enter the health care fields.

Loan repayment programs prove to be very effective ways to encourage health care professionals to serve rural and underserved populations, and often result in longer terms of service in these communities. Offering this much needed support to our current health care workforce will help promote stability for our providers and encourage more people to pursue health care careers.

We recognize the immense amount of effort that has gone into SB 139, and applaud the fact that it involved a cooperative effort by a coalition of stakeholders. We also recognize the concerns about the potential cost of the program and the infrastructure necessary to implement the program. We are hopeful that as SB 139 progresses through committee, there will be greater understanding about these issues.

Thank you for your work this session, and always, on behalf of Alaska.

Sincerely,

L S Walters

Lonnie Walters, Chair
ABADA

Debi Keith, Chair
AMHB

The TRUST

The Alaska Mental Health Trust Authority

November 10, 2008

Re: Support for Alaska Health Care Professions Loan Repayment & Incentive Program

Dear Governor and Members of the Alaska State Legislature:

The Alaska Mental Health Trust Authority (The Trust) strongly supports the concept of a state-sponsored health professional loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a limited and shrinking national pool.

The Trust has invested in workforce development around providers serving our beneficiaries for many years, often partnering with both state and non-state entities. The Trust will be investing over $3,300,000 in FY 10 in our Workforce Development Focus Area and partners such as the University of Alaska will invest much more in this important area. Currently The Trust's Workforce Development Focus Area is investing $200,000 in a loan repayment strategy for behavioral health professionals in underserved areas and another $200,000 in cash incentives because research indicated this is an effective strategy for recruitment and retention. The Trust believes that in order to continue to address health professional recruitment and retention we will have to be innovative and aggressive, and with many other states and the federal government using loan repayment as a key strategy, we must also have a program that is available to our health professional organizations serving Alaska's residents.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. The Department of Labor and Workforce Development's labor data tell us that health and social services jobs are and will be some of the top growth job opportunities in Alaska for the next 10 years. Strategies such as loan repayment are critical to meeting the demand in this high job growth area and Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists, psychiatrists, physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, LCSWs (licensed, certified social workers), and physical therapists are all in short demand in Alaska.
The Trust invests in a semi-annual vacancy rate study conducted by the Alaska Center for Rural Health which shows that behavioral health vacancy rates are some of the highest of all health professionals. Psychiatrist's in all of our public mental health systems have become a critical problem with a mean vacancy length of 34.5 months.

The TRUST

The Alaska Mental Health Trust Authority

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

The Trust recommends the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program.

Respectfully,

Delisa Culpepper

Delisa Culpepper
Chief Operating Officer

Tel Fax

Christina Apathy

From: RIPLEY, ELIZABETH [E.Ripley@MSrmc.com]
Sent: Monday, January 25, 2010 11:40 AM
To: Sen. Donny Olson
Subject: Mat-Su Health Foundation Resolution to Support Health Care Professions Loan Repayment & Incentive Program for Alaska
Attachments: MSHF Resolution in Support of Loan Repayment & Incentive Program 10.pdf

Sen. Olson, In reference to your sponsorship of SB 139, please consider the attached **Mat-Su Health Foundation Resolution to Support Health Care Professions Loan Repayment & Incentive Program for Alaska** in support of your efforts. Many thanks!

Elizabeth Ripley

Elizabeth Ripley | Executive Director | Mat-Su Health Foundation | 950 E. Bogard Road | Wasilla, AK 99654 | Direct: 907-352-2896 | Main Office: 907-352-2863 | Fax: 907-352-2865 | e.ripley@msrmc.com | http://www.matsuhealthfoundation.org

Proprietary/Confidential Information may be contained in this message. If you are not a recipient indicated or intended in this message (or responsible for delivery of this message to such person), or you think for any reason that this message may have been addressed to you in error, you may not use or copy or deliver this message to anyone else. In such case, you should delete this message and notify the sender of the problem.

Disclaimer: This electronic message may contain information that is Proprietary, Confidential, or legally privileged or protected. It is intended only for the use of the individual(s) and entity named in the message. If you are not an intended recipient of this message, please notify the sender immediately and delete the material from your computer. Do not deliver, distribute or copy this message and do not disclose its contents or take any action in reliance on the information it contains.

Christina Apathy

From: Nancy St.John-Smith [nsjsmith@pchsak.org]
Sent: Tuesday, February 09, 2010 5:01 PM
To: Sen. Donny Olson
Subject: Capitol Hill Visit

Dear Senator Olson and staff,

Thank you for your hospitality during our capitol hill visit on February 2 and 3, 2010. It was my first visit to Juneau and you all made us feel right at home. We know that we can count you as a friend to community health centers across the state and we appreciate the time and attention you were able to give to our cause.

An amazing fact that you can share with others who need to know about the importance of community health centers in our great state is that Peninsula Community Health Services provided either medical, dental, or behavioral health care to about 25% of the central peninsula's population last year. The demands on community health centers continue to grow as there are more and more uninsured and underinsured consumers in our state. As always, we treat all comers and do not turn consumers away based on their ability to pay. Due to the high quality of care received at our facilities, people from all walks of life access their health care through us. Unfortunately, we are not able to keep up with the rising costs of providing care and recruiting providers.

As members of the Alaska Primary Care Association, we are in support of SB 139, which provides loan repayment and incentives for health care providers to work and live in the state of Alaska. We have asked for $ 400,282.00 in funding for senior access. Alaska's community health centers are asking for $2 million for operating funds to cover the rising costs of doing business, such as insurance premiums. We support increasing the Denali Kid Care eligibility limit to 200% of the federal poverty level.

We look to you and our other legislators to provide the leadership and support to accessing funding from the state of Alaska for community health centers in Alaska. We are one of only 5 states which do not routinely fund their community health centers.

Sincerely,
Nancy

Nancy St.John-Smith
Manager of Dental Support Services
Aspen Dental Center, a clinic of
Peninsula Community Health Services
395 Main Street Loop
Kenai, Alaska 99611
907.283.7759

SEARHC
SouthEast Alaska Regional Health Consortium
3245 Hospital Drive, Juneau, AK 99801
907 463-4000 • www.searhc.org

Re: Support for SB 139 Incentives for Certain Medical Providers

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the SEARHC Ethel Lund Medical Center strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The SEARHC Ethel Lund Medical Center provides comprehensive outpatient care to Alaska Native/Native American patients in the Juneau area (over 7,000 active patients). We have found recruitment of health providers to be extremely challenging, including physicians, physician assistants, pharmacists, physical therapists, optometrists, and other health care professionals. Almost all potential applicants request loan repayment. Juneau does not qualify for any loan-repayment program, and this puts us at a significant disadvantage in recruiting health care providers.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage that we here at SEARHC Juneau, and that the rest of Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The SEARHC Ethel Lund Medical Center supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Janice Sheufelt, MD

Janice Sheufelt, MD
Medical Director
SEARHC Ethel Lund Medical Center
Juneau, Alaska

P.O. Box 787 (Mile 4.4 Talkeetna Spur Road) Talkeetna, AK 99676 (Ph) (907) 733-2273 (Fax) (907) 733-1735 schc@sunshineclinic.org

RE: Support for SB 139 Incentives Alaska Health Care Professions Loan Repayment & Incentive Program

March 25, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Sunshine Community Health Center (SCHC) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

SCHC's mission is to assist people in the upper Susitna Valley to meet their health care responsibilities by providing affordable, accessible, quality health care, including preventive aspects, to all people regardless of their ability to pay for services. We are a safety-net provider, with our primary focus on patients who are uninsured and unable to pay for basic medical care. We operate two clinics, one in Talkeetna that is open 6 days a week and one in Willow that is open 5 days a week.

The biggest obstacle to accomplishing our mission is our inability to fully staff the organization with the number of medical, dental, and mental health providers we need. As of this writing, SCHC has been recruiting unsuccessfully for a medical provider to staff our Willow clinic for 3 years. We have been recruiting for a full-time mental health professional for 2 years, a nurse for 1 year, and a dentist for 6 months. Two years ago, unsuccessful recruiting and unexpected vacancies shrank our staff of five medical providers (not including dental and mental health) to just two medical providers covering both clinics, and since then we have never been fully staffed.

Our efforts at recruitment during this period have attracted a high level of interest from providers interested in relocating to our community because of the attractive quality of life we offer. Unfortunately, once excitement gives way to realism, the following factors dissuade them from actually accepting a position and moving here:

- the high cost of student loans; medical and dental graduates average over $100,000 of student debt;
- moving expenses;
- high cost of living in Alaska;
- the escalating cost of health insurance.

SCHC's experience is not unusual. With alarming and rising vacancy rates, Alaska is poised for a crisis unless there is some new intervention. Alaska is one of only six states without a state-sponsored incentive program such as a loan repayment program. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

Sunshine Community Health Center supports SB 139 and urges passage of this important legislation. Your support and action on this matter are greatly appreciated.

Respectfully,

Mary Loeb, MD
Medical Director of Sunshine Community Health Center

AaNA Alaska Nurses Association
3701 E Tudor Road Suite 208
Anchorage, Alaska 99507

March 9, 2010

To Senator Olson

Re: SB 139

The Alaska Nurses Association supports SB 139 Education Reinvestment Act that will provide loan repayment and incentives to health professionals who commit to continued professional practice in Alaska. The elements of SB 139 that provide incentives to health professionals who have completed their education and are ready to provide critical health services are excellent recruitment and retention strategies for those professionals in short supply.

SB 139 provides a fast start to making a difference in our health professional shortages. Incentives and loan repayment are key concerns for recruitment and the mechanism for staging the incentive payments on a quarterly basis increase the likelihood that it will also serve as an excellent retention tool.

Alaska faces an uphill struggle to attract qualified health professionals to work here. A number of other states have enacted incentives and loan repayment programs that stiffen the competition for our state. Although our state has many unparalleled opportunities, the economic burdens for health professionals to move to Alaska, get set up in a practice, and repay enormous loans for education, make it impossible for many to even consider working in our state. SB 139 not only helps level that economic field, but it speaks volumes to Alaska's commitment to solving our health professional shortages

The Alaska Nurses Association with a membership of over 1100 Registered Nurses in Alaska appreciates your sponsoring SB 139 and looks forward to working with you in support of this important legislation. Alaskans deserve our best efforts to protect and promote their health. A qualified workforce of health professionals is essential to that goal.

Sincerely,

Nancy C. Davis, RN MS

Nancy C. Davis, RN, MS
AaNA President
907-274-0827 Office

Debbie Thompson

Debbie Thompson, BSN, RN, CNOR
AaNA Executive/Labor Program Director
907-274-0827 Office

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 25, 2009

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 139 (Olson)--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 139, authored by Senator Donald Olson and co-sponsored by Senators Bill Wielechowski, Kevin Meyer and you.

As you know, Alaska has a chronic shortage of health professionals. We compete with the other states who all have their own shortages. SB 139 follows a proven tradition of recruitment incentives by providing loan forgiveness and economic incentives to encourage health professionals to practice in our state. We understand that there is a cost to recruitment and retention. We also understand that there is a greater cost when our citizens are unable to secure the services of health professionals.

AARP requests an "AYE" vote on SB 139.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson
Senator Donald Olson

Jennie Chin Hansen, President
William D. Novelli, Chief Executive Officer

COMMONWEALTH
NORTH

Resolution 2009-2
In support of Incentives for Certain Medical Providers as proposed in Senate Bill 139
April 14, 2009

This resolution is based on the 2005 Commonwealth North study entitled "Alaska Primary Health Care: Opportunities and Challenges."

Commonwealth North:

Encourages and promotes the establishment of incentives to bring more qualified Medical professionals to Alaska.

Requests all state legislators to approve authorizing legislation in Senate Bill 139; and

Forwards this resolution to all members of the Alaska State Legislature, Governor Sarah Palin, and Alaska's congressional delegation.

Resolved for the following reasons:

1. There are critical health manpower shortages in both our urban and rural areas
2. The State of Alaska is in competition with over forty states who already offer similar programs
3. Without this incentive, it will be difficult for Alaska to compete for medical and health professionals
4. Multiple millions of dollars are being spent annually in Alaska to have temporary health professionals from Outside fill our current needs
5. Current and potential future shortages can be identified in specific specialties including family practice physicians, internists, nurse practitioners, physician's assistants, nurses and clinical support health manpower areas such as physical therapist, x-ray and laboratory technicians

Approved by the Commonwealth North Board of Directors
April 14, 2009

David Wight

David Wight, President

Nome Eskimo Community
Box 1090
Nome, Alaska 99762
Phone (907) 443-2246
Fax (907) 443-3539

March 23, 2009

RE: Support for SB 139 Incentives for Health Care Professions

Dear Senate and House Members of the Alaska State Legislature:

The Nome Eskimo Community strongly supports SB 139 that would establish a loan repayment and incentive program for health care professions in Alaska. The on-going healthcare workforce shortage in Alaska significantly impacts access to and continuity of health care for our residents and the creation of such a program could be a solution to address a critical shortage in our state.

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The competition for recruitment of providers is very difficult and the establishment of this program would allow Alaska to compete with the lower 48 for the recruitment of much needed medical providers. Alaska is experiencing a crisis: we have more than 90 pharmacist vacancies in Alaska; many communities have inadequate, if any, access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit, and nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply statewide.

Loan repayment and incentive programs have been proven to effectively alleviate workforce shortage problems in other states and the Alaska Health Care Professions Loan Repayment & Incentive Program could be part of the solution to address this issue in Alaska. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention, and with input from stakeholders statewide that includes consideration of factors that are unique to Alaska; SB 139 will establish a program customized for Alaska.

The Nome Eskimo Community fully supports and encourages the passage of SB 139. Your support to assure the establishment of the Alaska Health Care Professions and Loan Repayment & Incentive program is greatly appreciated.

Respectfully,

NOME ESKIMO COMMUNITY

Denise Barengo, Executive Director

Christina Apathy

From: Pamela J Embler [afpje@uaa.alaska.edu]
Sent: Wednesday, February 03, 2010 7:23 AM
To: Sen. Donny Olson
Subject: SB139

Senator Olsen -

Thank you for sponsoring such an important piece of legislation which has the potential to positively impact the residents of our great state. I would like to ask that you consider adding nurse educators to the list of qualified applicants. I am a faculty member at the University of Alaska Anchorage, School of Nursing. I recently received my masters in nurse education, that is my specialty area of nursing practice. Nurse educator certification has been recognized by the National League of Nursing as an advance practice specialty. I have been accepted to the University of Tennessee's nurse PhD program, an online/onsight program. The PhD is the expected terminal degree for nurse educators.
Alaska, the University of Alaska needs nurse educators to prepare the nurses of tomorrow, nurses for tomorrow that can meet the needs of the residents of Alaska. Many students are traveling outside to obtain a their nurse edcuation, many who leave may not return. If we want the students to stay in Alaska after obtaining their education we need to be able to educate them here, to that end we need more nurse educators.

Thank you for your time and your consideration.

Respectfully,
Pam Embler

Pam Embler, MSN, RN
Assistant Professor
University of Alaska Anchorage
3211 Providence Drive
PSB 110A
Anchorage, AK 99645
afepje@uaa.alaska.edu
(907)786-4509 Office
(907)786-4559 Fax
(907)775-3428 Cell

UAA UNIVERSITY of ALASKA ANCHORAGE
Dental Clinic

Re: Support for SB 139 Incentives for Certain Medical Providers

March 15 2009

Dear Senate and House Members of the Alaska State Legislature:
Senator Bettye Davis, Chair, and Members of the Senate HSS Committee

The University of Alaska Anchorage Dental Hygiene Program has produced successful candidates for over thirty years, our graduates placing second nationally in two of the last three years. Our goal is to prepare professionals who are familiar with the most advanced technology and evidenced-based practice and proficient in providing a wide range of dental services to diverse populations in a caring manner. It is a well known fact that we face an increasing demand for dental care with the burgeoning senior population, in addition to the many citizens who lack access to care. Poor dental health directly compromises systemic health, and contributes to a myriad of complications when not addressed. Our rural population suffers the most. Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the University of Alaska Anchorage Dental Hygiene Program strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The competition for recruitment of providers is very difficult. Due to alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists or hygienists; physician assistants and nurse practitioners are increasingly difficult to recruit. Dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces by providing more support to those willing to serve at risk populations. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. Loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states, proving less costly and more effective than other methods. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

2 [illegible] MHS [illegible] • Anchorage, Alaska 99[illegible] • T 907 [illegible] • F 907 [illegible] • www.uaa.alaska.edu/dental

The University of Alaska Anchorage Dental Hygiene Program supports SB 139 and strongly recommends passage of this important legislation.

Respectfully,

Elizabeth Barnett, Clinic Director
UAA Dental Hygiene Program
3211 Providence Drive
Allied Health Science Bldg #121
Anchorage, Alaska 99508
barnett@uaa.alaska.edu
907.786.6926

SB 144

<target><bill>SB 144</bill><subject>SB 144</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 12, 2010

FURTHER REFERRALS:

Date of Committee Action: 4/14/10

The FINANCE Committee considered:

CS FOR SENATE BILL NO. 144(FIN)

"An Act relating to hunting permits and tag fees for musk oxen."

SB 144-MUSK OXEN PERMITS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DFG	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	KELLY			✓	
	Austerman	X			
	Foster	✓			
	Salmon	X			
	FAIRCLOUGH			✓	
Chair:	Stoltze			✓	
Chair:	Hawker			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 144
(S) Publish Date: 3/10/10

Identifier (file name): SB144-DFG-DAS-03-05-10
Dept. Affected: ADF&G
Title: An Act relating to hunting permits and tag fees for musk oxen
RDU: Administration and Support
Component: Administrative Services
Sponsor: Senator Olson
Requester: Senate Resources
Component Number: 479

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: *(Attach a separate page if necessary)*

No fiscal impact to Department of Fish and Game

Prepared by: Jeff Hoover, Deputy Director — Phone 907-465-6077
Division: Administrative Services — Date/Time 3/5/10 12:00 PM
Approved by: Tom Lawson, Director of Administrative Services — Date 3/5/2010
Alaska Department of Fish and Game

(Revised 11/6/2009 OMB)

3791

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

CSSB 144 (FIN) – Musk Oxen Permits & Tags

Version 26-LS0666/E, March 22, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT and SECTIONAL ANALYSIS

SPONSOR STATEMENT:

There are four Game Management Units in which musk oxen are found in Alaska; Unit 18 (Nunivak and Nelson Islands), Units 22 and 23 (Seward Peninsula and Northwest), and Unit 26 (Northeast). The musk oxen population in Alaska is currently estimated to be 4,400 animals, and annually, between 325 and 350 animals are available for harvest.

The primary objective of SB 144 is to allow issuance of a second permit for a musk ox hunt in a second Game Management Unit or another hunt area within a unit, for resident hunters and subsistence hunters only; no out-of-state hunters qualify. If a harvester does not take an animal under the first permit, this would double the chance a hunter has to harvest the bag limit of one animal, either a bull or a cow. It would not allow for the taking of two animals.

Current statute provides for a limit of one musk ox permit for each hunter per calendar year. Musk oxen are the only game animals in the Arctic to which the one-permit restriction still applies. Under SB 144, the department could issue subsistence permits beyond a calendar year basis, to accommodate a season which straddles two calendar years (Example: a season which runs from August 1st to March 15th), because a "year" under this bill, is changed from a calendar year to a regulatory year, which is July 1st to June 30th.

Wildlife biologists and regulators within the Department of Fish and Game have determined that the health and size of the state's herd is well past the threshold for expanding opportunities for Alaskan hunters. State biologists

estimate that a minimal number of additional permits would be issued under the provisions of this bill, and perhaps 25 more animals would be harvested. If passed this legislative session, these new provisions would be in place for seasons beginning in August of this year.

SB 144 would authorize the Board of Game to reduce or eliminate subsistence tag and fee requirements at its discretion.

SB 144 carries a ZERO fiscal note, and has the support of the department. Support from the hunting community in Northwest Alaska includes the Northern and Southern Norton Sound Advisory Committees, and the Seward Peninsula Musk Ox Cooperators' Group. We have discovered no opposition to this bill.

SECTIONAL ANALYSIS:

SECTION 1: Amends AS 16.05.340(a)(16) to allow the Board of Game to reduce or eliminate the fee, as well as the tag requirements, for a musk oxen hunt, and makes it applicable to all or a portion of a game management unit. Applying this to an open season has been eliminated. The objective is to have the statute for musk oxen read the same as for other game.

SECTION 2: Amends AS 16.05.346(a) by providing that the department shall issue permits to take musk oxen once the Board of Game has reduced or eliminated requirements for a resident tag and fee. This statute is further amended by providing that a resident may not be charged a fee for an application for a musk oxen permit under these circumstances.

COMMITTEE SUBSTITUTE CHANGES:

The Senate Finance Committee Substitute addresses a drafting error. It inserts the word **"and"** between the words "tag" and "fee" in two places, one on page 1, line 15, and the second on page 2, line 8.

Current Status of Muskoxen in Alaska 1970-2009

Letty Hughes[1*], Patricia Reynolds[2*], Kimberlee Beckmen[1*], Phillip Perry[1], Geoff Carroll[1], Steve Arthur[1]

[1]Alaska Dept. of Fish & Game, [2]US Fish & Wildlife Service, Arctic National Wildlife Refuge

Introduction

Muskoxen (*Ovibos moschatus*) were reintroduced to Alaska after disappearing in the late 1800s. The first establishment of muskoxen from Greenland to rural Alaska was Nunivak Island in 1936. The Nunivak population acted as a source of animals for future relocations on historic range between 1967-1981. The relocation of 300 animals created five populations throughout Alaska: Nunivak, Nelson Island, Northeastern, Northwestern, and Seward Peninsula (Figure 1). The successful establishment of muskoxen populations and current cooperative management efforts have resulted in range expansion, population growth and stability, along with hunting and viewing opportunities .

Harvest

Hunting of reintroduced muskoxen first occurred on Nunivak Island in 1975. Four of the five populations are open to harvest on an annual quota and permit basis (Table 1). In 2008, the Board of Game adopted regulations that allow Alaskans to harvest muskoxen on the Seward Peninsula with a registration permit (Gorn 2009). The new hunts were created from recommendations from local advisory committees and Seward Peninsula Muskox Cooperators, a stakeholder group established n 1994.

Table 1. Harvest of Muskoxen in Alaska

Population	Hunting Began	Average Annual harvest Pre-1998	Average Annual Harvest 1998-2008	Available Harvest 2009	Hunt Structure 2009	Sex of Harvest	Available Harvest as % of population 2009
Nunivak Island	1975	56	81	85	•Drawing •Registration	•Bulls 1975-1976 •Cows & Bulls 1979-present	15
Nelson Island	1981	23	23	42	•Registration	•Cows & Bulls	8
Northeastern	1990	9	8	0	No Open Season	•Closed to harvest in 2006	0
Northwestern	1999	No Hunt	<3	6	•Tier II drawing	•Bulls 1999-present	1
Seward Peninsula	1995	13	76	187	•Tier I Registration •Drawing •Federal Permit	•Bulls 1995-2000 •Cows & Bulls 2000-present	7* *will be <7% in 2010-2011 pending census results

Recent Range Expansion

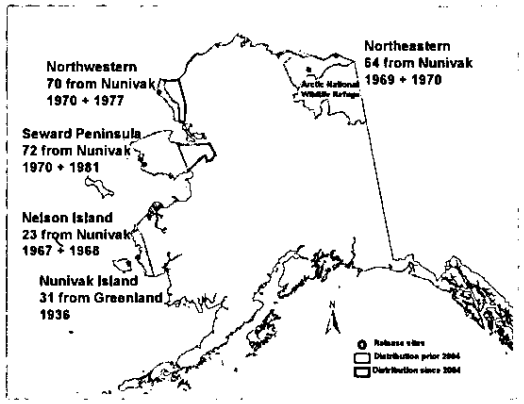


Figure 1. Reintroduction sites and group distribution of muskoxen populations

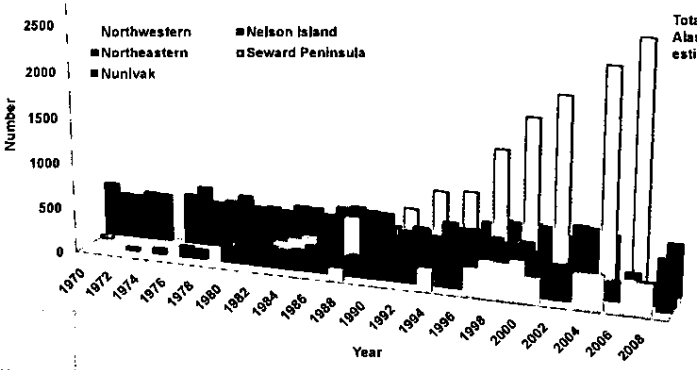


Figure 2. Historic counts of Alaska muskoxen populations 1970-2009

Future Management

The reintroduction of muskoxen to Alaska continues to be successful. Population growth and range expansion provides opportunities for consumptive and non-consumptive uses of muskoxen. Continued investigation of population parameters and health assessments along with public input will enhance future management of Alaska muskoxen.

Population Growth

During the 74 years since 31 muskoxen were first established on Nunivak Island, populations have increased to over 4400 animals in Alaska (Table 2). The Seward Peninsula population is the state's largest, and continues to expand eastward (Figure 1) as the population increases (Figure 2).

Table 2. Current size of Alaska muskoxen populations

Population	Population Size	Date of Estimate	Status
Nunivak Island	567	Oct. 2009	•16% from 1947-1968 •Stable since 1970
Nelson Island	557	Jun. 2009	•22% from 1968-1981 •6% from 2004
Northeast	200-250[a]	Apr. 2008	•650 muskoxen by 1995 •Declined 60% 1996-2006 •Stable from 2006-2009
Northwest	324-424[a]	Jan. 2008	•6% from 1970-1998 •Stable from 1999-2008
Seward Peninsula	2688[b]	Mar. 2007	•14% from 1970-2000 •6% from 2000-2007
Total minimum Alaska population estimate	4486		

[a] Westing 2009
[b] Gorn 2009
* Northern Canada animals excluded

Table 3. Mortality type in Northeastern population 2007-2009

Mortality Type	Adults	Calves	Total
Bear Predation	16	36	52
Disease	2	2	4
Vehicle collision	3	0	3
Other non-predation	4	10	14
Total	25	48	73

Mortality and Disease Surveillance

Seward Peninsula

- Predation relatively low compared to Northeastern
- Chlamydia present (Gorn 2009)
- Low in copper
- Negative for iron, zinc, selenium (Gorn 2009)
- Composition surveys show 30 yearlings:100 cows since 2002 (Gorn 2009)

Northeastern

- Predation a significant mortality factor (Table 3)
- Mortalities from drowning and stranding on sea ice
- Chlamydia present (Lenart 2009)
- Copper deficient (Lenart 2009)
- Low calf recruitment and low calf:cow ratios (Lenart 2007)

Your Purchases of hunting licenses and equipment support Wildlife Restoration funding

References

Gorn, T.S. 2008. In Prep. Unit 22 Muskox. Muskox management report of survey and inventory activities. 1 July 2006-30 June 2008. Alaska Department of Fish and Game. Juneau, AK. USA.

Lenart, E. A. 2007. Units 25B and 26C muskox. Pages 49-69 in P. Harper, editor. Muskox management report and inventory activities. 1 July 2004-30 June 2006. Alaska Department of Fish and Game, Project 16.0. Juneau AK, USA.

Lenart, E.A. 2009. In Prep. Units 25B and 26C muskox. Muskox management report of survey and inventory activities. 1 July 2006-30 June 2008. Alaska Department of Fish and Game. Juneau, AK. USA.

Westing, C. In Prep. Unit 23 muskox. Muskox management report of survey and inventory activities. 1 July-30 June 2008. Alaska Department of Fish and Game. Juneau, AK. USA.

SB 159

<target><bill>SB 159</bill><subject>SB 159</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

Senate District E
Fairbanks and Fort Wainwright

State Capitol Building, Room 7
Juneau, Alaska 99801-1182

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
http://paskvan.aksenate.org/

Sponsor Statement

SB 159: Workers' Compensation Funeral Expenses

"An Act increasing the maximum funeral expenses payable as a workers' compensation death benefit; and providing for an effective date."

Senate Bill 159 addresses one section of the Workers' Compensation Statutes in Alaska and proposes that reasonable and necessary funeral expenses will be increased from $5,000 to $10,000.

The funeral expense for a worker who is killed on the job has not been adjusted since 2000, even though the cost of a funeral has risen significantly in the last decade.

Last year, according to the Department of Labor and Workforce Development, there were 17 fatalities in the State of Alaska that required payment of the workers' compensation funeral expenses.

As a result of this legislation, there will be no financial impact to the state and the National Council on Compensation Insurance estimates that "overall workers compensation system costs in Alaska will increase by less than 0.1%."

I urge your support of this legislation.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 10, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **SENATE BILL NO. 159**

"An Act increasing the maximum funeral expenses payable as a workers' compensation death benefit; and providing for an effective date."

SB 159-WORKERS' COMPENSATION FUNERAL EXPENSES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
LWF	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	Cano	✓			
	DOGGAN	✓			
	FOSTER	✓			
	FAIRCLOUGH	✓			
	AUSTERMAN	X			
	KELLY			✓	
	Salmon	X			
Chair:	Stoltze	✓			
Chair:	Hawker			*	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 159
(S) Publish Date: 2/24/10

Identifier (file name): SB159-DOLWD-WC-02-05-10
Dept. Affected: Labor and Workforce Development
Title: Workers' Compensation Funeral Expenses
RDU: Workers' Compensation
Component: Workers' Compensation
Sponsor: Senator Paskvan
Requester: Senate Finance
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Currently if an employee is fatally injured in a work-related accident, the employer is liable for burial expenses up to a maximum of $5,000 in addition to the other benefits required under AS 23.30.215. The proposed bill would raise the maximum burial expense from $5,000 to $10,000. The maximum funeral expense payable under AS 23.30.215 was last increased from $2,500 to $5,000 in 2000. This bill would not change any other benefits. The estimated increase in premium costs associated with this bill will be less than 0.1%. The department does not anticipate any significant fiscal impact from this bill.

Prepared by: Trena L. Heikes, Director
Phone 465-6059
Division: Workers' Compensation
Date/Time 2/5/10 1:29 PM
Approved by: Click Bishop, Commissioner
Date 2/5/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

3798

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 159
(S) Publish Date: 4/3/09

Identifier (file name): SB159-DOLWD-WC-03-26-09
Title: Workers' Compensation Funeral Expenses
Sponsor: Senator Paskvan
Requester: Senate L&C

Dept. Affected: Labor and Workforce Development
RDU: Workers' Compensation
Component: Workers' Compensation
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no anticipated financial impact to the department as a result of this legislation.

Prepared by: Trena Heikes, Director — Phone 465-6059
Division: Workers' Compensation — Date/Time 3/26/09 3:44 PM
Approved by: Click Bishop, Commissioner — Date 3/26/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

3799

STATE OF ALASKA

Sean Parnell, Governor

P. O. Box 111149
Juneau, AK 99811-1149
PHONE: (907) 465-2700
FAX: (907) 465-2784

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

OFFICE OF THE COMMISSIONER

February 18, 2010

The Honorable Lyman Hoffman
The Honorable Bert Stedman
Co-Chairs Senate Finance
State Capital Building
Juneau, AK 99801-1182

Dear Senators Hoffman and Stedman,

Attached is the additional information that you requested from Trena Heikes, Director of the Workers' Compensation Division at the Senate Finance hearing on SB 159-Workers' Compensation Funeral Expenses.

The three documents provide the information requested by the committee. They are as follows:

1. Attachment A: Details the minimum funeral costs in Anchorage, Fairbanks and Kenai, Alaska.

2. Attachment B: Identifies the total number of work-related injuries reported for FY 2000 through FY 2009. Total injuries are separated into those involving time-loss from work, those in which no time-loss was required and those resulting in death. The "jurisdictional" portion identifies the total number of injuries in which coverage under the Alaska Workers' Compensation Act was questioned (i.e. may have involved the Longshore and Harbor Workers Act or the Jones Act).

3. Attachment C: Identifies all employer's and cause of death for the 17 work-related deaths reported in FY 2009. By identifying the employer, we hope to identify the various industries involves in these deaths.

If you need further assistance, please contact Paula Scavera, Legislative Liaison at 465-2700.

Sincerely,

Clark Bishop

Clark Bishop
Commissioner

3800

Attachment A

AVERAGE FUNERAL COSTS

	Anchorage	Kenai	Fairbanks
Traditional Funeral Service Preceded by a Visitation: *			
Basic Services	$3,500.00	$3,695.00	$3,360.00
Casket	2,130.00	2,130.00	2,130.00
Outer Burial Container (Required Fairbanks)			800.00
Marker	735.00	735.00	735.00
Plot Charge	960.00	250.00	650.00
Grave digging fee	510.00	510.00	650.00
Marker Setting Fee & Vault Installation (Required – Fairbanks)			350.00
Total	**$7,835.00**	**$7,320.00**	**$8,675.00**

NOTE: Charges are minimum burial costs and do not include the following:

Refrigeration costs	**$55/day**
Weekend/holiday or after hour fees	**$350.00**
Airline Shipping costs (varies)	
Anch. – Fbx.	**$221 + .12/lb**
Anch. – Nome	**$315 + .12/lb**
Anch – Seattle	**$331 + .12/lb**
Air tray required for airline transport	**$200.00**
Ground transportation beyond 25 miles:	**2.50/mile**
Memorial Folders	**75.00/100 cards/.50 ea. additional**

Prepared by: Department of Labor and Workforce Development,
Division of Workers' Compensation
February 16, 2010

Attachment B

TOTAL FILINGS BY TYPE
FY09 Annual Report Board Filings
(Percentage Change)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Total Board Files Established	28,233	28,665	28,174	25,981	24,544	23,939	23,716	22,528	22,261	21,454
	-1.36%	1.53%	-1.71%	-7.78%	-5.53%	-2.46%	-0.93%	-5.01%	-1.19%	-3.63%
No Time-Loss	18,040	18,012	18,281	17,193	16,032	15,959	15,873	15,352	15,484	14,540
	0.67%	-0.16%	1.49%	-5.95%	-6.75%	-0.46%	-0.54%	-3.28%	0.86%	-6.10%
Time-Loss	10,073	10,582	9,802	8,739	8,472	7,914	7,771	6,395	6,727	6,862
	-3.12%	5.05%	-7.37%	-10.84%	-3.06%	-6.59%	-1.81%	-17.71%	5.19%	2.01%
Fatality	33	37	39	23	17	27	15	21	29	17
	6.45%	12.12%	5.41%	-41.03%	-26.09%	58.82%	-44.44%	40.00%	38.10%	-41.38%
Jurisdictional	87	36	21	14	20	39	57	30	21	35
	-68.13%	-58.62%	-41.67%	-33.33%	42.86%	95.00%	46.15%	-47.37%	-30.00%	66.67%

Prepared by the
Department of Labor and Workforce Development February 2010

Attachment C

REPORTED WORKERS' COMPENSATION FATALITIES
FY 2009

AWCB No	Fatality Date	InjuryDescription	Employer
200813997*	7/8/2008	ACUTE ONSET INTRACRANIAL BLEED	OCEAN BEAUTY SEAFOODS INC
200811129	7/19/2008	UNKNOWN CAUSE	VIKING LUMBER CO INC
200813582	8/21/2008	MOTOR VEHICLE ACCIDENT	NATIVE VILLAGE OF SAVOONGA
200814457	8/29/2008	HOMICIDE VICTIM	GUY BARTLETT B & G HEATED MINI STORAGE
200819190	11/19/2008	HIT BY SNOW MACHINE	SOUTHCENTRAL FOUNDATION
200823012*	11/21/2008	LUNG CANCER	UNIVERSITY OF ALASKA ANCHORAGE
200819856	11/26/2008	GUNSHOT	CENTRAL PENINSULA GENERAL HOSPITAL
200820825*	12/17/2008	CARDIAC ARREST	PROVIDENCE ALASKA MEDICAL CENTER
200900601	1/15/2009	MOTOR VEHICLE ACCIDENT	HOPE COMMUNITY RESOURCES INC
200900891*	1/28/2009	UNKNOWN CAUSE	ICE SERVICES, INC.
200904287	3/4/2009	UNKNOWN CAUSE	LITHIA MOTORS SUPPORT SERVICES INC
200903805	3/22/2009	AIRCRAFT CRASH	FEDERAL EXPRESS CORPORATION
200904122	3/23/2009	AIRCRAFT CRASH	FEDERAL EXPRESS CORPORATION
200905879	4/30/2009	FELL OFF BOAT HITTING HEAD	ALASKA R&C COMMUNICATIONS INC
200907533	5/23/2009	HIT WITH HAYWIRES	PHOENIX LOGGING CO
200908253*	6/19/2009	HEART ATTACK	NYAC MINING CO
200909448*	6/28/2009	MOTOR VEHICLE ACCIDENT	SECON

* Employer has disputed compensation of claim

Prepared by the
Alaska Department of Labor and Workforce Development February 2010

National Council on Compensation Insurance, Inc.

ANALYSIS OF ALASKA SENATE BILL (SB) 159
As Introduced March 20, 2009

Alaska Senate Bill (SB) 159 proposes to raise the maximum burial benefit from $5,000 to $10,000. NCCI estimates that SB 159 would result in a negligible increase in overall workers compensation system costs in Alaska.

Background and Bill Summary

Currently in Alaska, if an employee is fatally injured in a work-related accident, then the employer is liable for burial expenses up to a maximum of $5,000, in addition to the other benefits required by Alaska statutes.

The proposed language of SB 159 would raise the maximum burial expense from $5,000 to $10,000. This bill would not change any other benefits.

Actuarial Analysis of Senate Bill 159

To estimate a cost impact if SB 159 were enacted, NCCI used CPS data for 1989-1993 and NCCI Detailed Claim Information (DCI) data for 1984-1993 for fatalities, to estimate the distribution of fatal cases involving widow alone, widow with children, parents, siblings, etc.

NCCI used annuity calculations to estimate the indemnity benefits payable for 1,000 cases, assuming each fatal claim receives the maximum burial benefit ($5,000). Based on these calculations burial expenses represent 2.1% of overall fatal indemnity costs.

Other fatal benefit provisions are unchanged by this proposal. Thus, the projected cost impact from a 100% increase ($10,000 / $5,000 – 1.0) in the maximum burial expense is +2.1% on overall fatal indemnity benefits.

Fatal indemnity benefit costs comprise an estimated 2.8% of Alaska indemnity costs, based on workers compensation statistical plan data from the two-year policy period ending March 31, 2006. Therefore, the estimated impact on indemnity costs would be an increase of +0.1% (= +2.1% x 2.8%). Indemnity benefit costs comprise an estimated 26.1% of Alaska's overall benefit costs. If enacted in its current form, NCCI estimates that overall workers compensation system costs in Alaska will increase by less than 0.1% (= +0.1% x 26.1%).

3804

SB 165

<target><bill>SB 165</bill><subject>SB 165</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 165

AN ACT AUTHORIZING THE TRANSFER OF TWO PARCELS OF LAND FROM THE ALASKA RAILROAD CORPORATION TO THE MUNICIPALITY OF ANCHORAGE; AND PROVIDING FOR AN EFFECTIVE DATE

Senate Bill 165 would authorize the Alaska Railroad Corporation (ARRC) to exchange two parcels of land on Government Hill in Anchorage for land owned by the Municipality of Anchorage (MOA). The MOA parcel is of similar value and is located on 3rd Avenue between the A and C Street couplet in Anchorage.

The first ARRC parcel is not contiguous with other ARRC property and does not currently generate lease revenue. It is located near the entrance of Government Hill and was formerly occupied by an auto detailing shop. Once the parcel transfers, the Anchorage School District will use the land to design a safer, more efficient entrance to Government Hill Elementary School. The parcel has an appraised value of $122,800.

The second ARRC parcel is covered under a long-term lease. It was leased approximately six years ago by Jaguar Development Group, LLC for a term of 55 years. The parcel is surrounded by MOA owned or controlled property (Hollywood Drive and the old Hollywood Vista housing complex, demolished in the late 1980s). The site is being redeveloped into a residential subdivision after years of planning by the Government Hill community and the MOA. The MOA will own the parcel after the trade. Fee simple title can then be offered to individual purchasers instead of a lease, through the MOA or its developer. The parcel has an appraised market value of $480,000.

In exchange for the two ARRC parcels, MOA will transfer its parcel to ARRC, which is surrounded by ARRC land. It is currently used for parking and is managed by the Downtown Parking Authority. The MOA property is approximately 20,150 sq. ft. with an appraised market value of $645,000.

The ARRC and MOA properties proposed for exchange have been independently appraised and valued at $602,800 and $645,000, respectively. MOA indicates it expects no additional consideration for its slightly higher valued property.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 10, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/09

The FINANCE Committee considered: **SENATE BILL NO. 165**

"An Act authorizing the transfer of two parcels of land from the Alaska Railroad Corporation to the Municipality of Anchorage; and providing for an effective date."

SB 165 AUTHORIZING TRANSFER OF RAILROAD LAND

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓

Signing with recommendations	**Printed Last Name**	**DP**	**DNP**	**NR**	**AM**
	THOMAS	✓			
R FOSTER	FOSTER	+			
Harry J Crawford Jr	CRAWFORD	X			
	KELLY			X	
Anna Fairclough	FAIRCLOUGH	✓			
	AUSTERMAN	X			
	Joule	X			
Chair:	Hawker			★	
Chair:				X	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 165**
(S) Publish Date: 4/1/09

Identifier: SB165-CED-ARR-03-30-09
Dept. Affected: DCCED
Title: Land Exchange ARRC and MOA
RDU
Component: Alaska Railroad Corporation
Sponsor: Senator Johnny Ellis
Requester: Senate Community and Regional Affairs
Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation would authorize the Alaska Railroad Corporation (ARRC) to exchange two separate parcels of rail land on Government Hill in Anchorage with a parcel of land owned by the Municipality of Anchorage (MOA). The two parcels of rail land have been appraised for $602,800. The MOA parcel located on 3rd Avenue between the A and C Street couplet in Anchorage has been appraised for $645,000. The Municipality has indicated it expects no additional consideration for its slightly higher valued property.

Prepared by: Wendy Lindskoog
Phone 265-2498
Division: Assistant Vice President Alaska Railroad Corporation
Date/Time 3/30/09 12:30 p.m.
Approved by: Emil Notti, Commissioner
Date 3/30/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

3808

Adopted: February 17, 2009

Resolution No. 2009-006

Approving Transfer of Real Property to the Municipality of Anchorage

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of two separate parcels of land on Government Hill that are proposed for a land swap with the Municipality of Anchorage; and

WHEREAS, one of the parcels, shown on the attached Exhibit A as ARRC Parcel 1, is not contiguous with other ARRC property and does not currently produce lease revenue; all improvements were previously removed from the parcel to expedite the Municipality's movement of gravel from a nearby site to the Port of Anchorage; the parcel presents a physical and legal obstruction to safe and efficient access to the Municipality's Government Hill Elementary School; and

WHEREAS, the second parcel, covered under a long-term lease and shown on the attached Exhibit A as ARRC Parcel 2, is surrounded by municipally owned or controlled property known as the Hollywood Vista site; the site is currently being redeveloped into a residential subdivision after years of planning by the Government Hill community and the Municipality of Anchorage, and ARRC's parcel will be incorporated into the redevelopment; and

WHEREAS, the Municipality would like to acquire the ARRC Parcel 2 in order to more efficiently develop the entire site, allowing the ARRC parcel to be subdivided as part of the overall development which would otherwise be restricted in its use; and

WHEREAS, the Municipality has offered to transfer the land shown on Exhibit A as MOA Parcel 1, which is more desirably located for ARRC use or development, in exchange for both ARRC parcels; and

WHEREAS, the ARRC and municipal properties proposed for exchange have been independently appraised and valued at $602,800 and $645,000, respectively; the Municipality has indicated it expects no additional consideration for its slightly higher valued property; and

WHEREAS, ARRC management recommends approval of this land exchange because the corporation will acquire property of equivalent or greater value that will increase the development potential of a central business district site or could potentially be incorporated in the development ARRC's existing Ship Creek land

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416
AlaskaRailroad.com

holdings, which would increase the value of ARRC's property that surrounds MOA Parcel 1; and

WHEREAS, both ARRC Board approval and legislative approval are required for conveyance of the corporation's entire interest in land under AS 42.40.120(c)(14) and AS 42.40.285(1), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the proposed transaction and approves the conveyance of Parcels A and B as shown on Exhibit A to the Municipality of Anchorage in exchange for conveyance of MOA Parcel 1 as shown on Exhibit A; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the conveyance of the corporation's entire interest in land as required by law.

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-006 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on February 17, 2009.

Date Feb. 17, 2009 James B. Blasingame

James B. Blasingame
Board Secretary

Corporate Seal

Anchorage School District

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

March 10, 2009

The Honorable Nancy Dahlstrom
State of Alaska
House of Representatives

Re: Alaska Railroad/Municipality of Anchorage Land Trade; HB 171

Dear Representative Dahlstrom:

It is my understanding that the above-mentioned bill is being considered at this legislative session.

The land trade proposed between the Alaska Railroad and the Municipality of Anchorage will result in a small parcel of land, directly in front of the entrance to the Government Hill Elementary School, being transferred to the Municipality of Anchorage. Last year the Municipality purchased the business located there, and razed the derelict building. If the parcel is owned by the Municipality it can be used to improve the entrance to the school and enhance student safety there.

The Anchorage School District is in support of this legislation and we urge the legislature to pass the bill in this session.

Thank you for your consideration.

Sincerely yours,

Carol Comeau

Carol Comeau, Superintendent
Anchorage School District

February 23, 2009

Representative Nancy Dahlstrom
State of Alaska
House of Representatives

Dear Representative Dahlstrom:

At our February 19th Government Hill Community Council meeting, Ron Pollock, Executive Director and Sue Lukens, Development Director of Anchorage Community Development Authority, asked us to support the bill authorizing the exchange of Alaska Railroad land in Government Hill for Municipality of Anchorage land. Following their presentation and discussion, our council voted to support this legislation.

Two railroad parcels within Government Hill are under consideration for trade. One is a small triangle of land near the entrance to Government Hill Elementary School. Last year, the Municipality of Anchorage purchased a business on this site and razed the derelict building. Mr. Pollock and Ms. Lukens report that this parcel, if owned by the Municipality, will be modified to improve the entrance to the school, which could enhance appearance, traffic flow and student safety.

The second railroad parcel is approximately 1.77 acres located on the south side of Hollywood Drive. Currently, it is leased from the railroad but is included in the Northpointe Bluff Subdivision. If traded to the Municipality, this parcel could be sold to the developer/owner of the subdivision, who, in turn, could sell lots to individual buyers for single family, owner/occupied homes.

Given the future uses of the above two parcels, as stated by the Municipality, Government Hill Community Council supports this land trade. We ask for your support as well.

Sincerely,

Thomas Pease

Thomas Pease
Acting President
Government Hill Community Council

SB 170

<target><bill>SB 170</bill><subject>SB 170</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 170

SB 170 – An Act modifying the Alaska unemployment insurance statutes to comply with the requirements of the federal economic stimulus bill by redefining the base period for determining eligibility for unemployment benefits; and providing for an effective date.

Senate Bill 170 updates Alaska's unemployment insurance statutes to conform to the federal unemployment insurance modernization provisions included in the American Recovery and Reinvestment Act of 2009, commonly known as the federal stimulus bill. ARRA provides over $16 million in funding to support these changes, which includes just over $1 million in administrative assistance. This funding is conditional on making the changes included in SB 170. Of the three provisions necessary to receive this funding, Alaska is already in compliance with the two more difficult requirements. The bill meets the final requirement by creating an alternative base period to determine an unemployed person's eligibility for unemployment insurance.

Thirteen Governors (including seven Republicans) from across the country have expressed their intention to make these changes, and four states already comply. Iowa and South Dakota have already passed legislation to modernize their UI systems and accept their share of the federal money, and Georgia is in the process, with the support of each of their Governors. Any funding sources Alaska chooses not to take advantage of will be re-allocated to the federal UI program that will put it to use rather than being used to reduce federal deficit spending.

The Alaska Department of Labor estimated that the alternative base period would make approximately 1,300 more Alaskans eligible for unemployment insurance compensation each year. This change will help low-income Alaskans weather the national economic downturn without placing an undue hardship on employers and small businesses that support the UI trust fund. The estimated impact on the UI trust fund in calendar year 2008 had this change been in place would have been approximately $1.9 million in additional payments (on top of the $121 million paid out already). This amount is small enough in comparison to the overall size of the fund's corpus - $351 million at the end of 2008 – the annual investment returns, and the additional federal funds which would become available, that the impact on business taxes would be negligible.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 170(FIN)**

"An Act modifying the Alaska unemployment insurance statutes by redefining the base period for determining eligibility for unemployment benefits; relating to contributions, interest, penalties, and payments under the Alaska Employment Security Act; and providing for an effective date."

SB 170 UNEMPLOYMENT COMPENSATION

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LWF				✓

PREVIOUS **FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
R-FOSTER	Foster	X			
	Gara	✓			
Harry T. Crawford Jr.	CRAWFORD	X			
	KELLY	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair: M D Hawker	Hawker	X			
Chair:					

3815

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB 170(FIN)
() Publish Date:

Identifier (file name): SBCS170(FIN)-DOLWD-UI-04-11-09
Dept. Affected: Labor and Workforce Development
Title: Unemployment Amendments: Fed Stimulus
RDU: Employment Security
Component: Unemployment Insurance
Sponsor: Senator Ellis
Requester: Senate Finance
Component Number: 2276

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no anticipated fiscal impact to the department as a result of this legislation.

This legislation makes changes to the Unemployment Insurance base period used to determine eligibility for benefits by allowing use of the most recent completed quarter if an individual would not be eligible using the prior four quarters. Based on a review of 2008 unemployment insurance benefit applications, 1,293 additional unemployed workers would have been eligible for unemployment insurance benefits if the alternate base period were in place in 2008, resulting in $1.95 million in unemployment insurance benefits paid from the Unemployment Insurance Trust Fund.

This legislation also provides recognized tribal entities the ability to become reimbursable employers for tax purposes.

Prepared by: Thomas Nelson, Director — Phone 465-5933
Division: Division of Employment Security — Date/Time 4/11/09 1:22 PM
Approved by: Click Bishop, Commissioner — Date 4/11/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

3816

ALASKA STATE LEGISLATURE

Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

FREQUENTLY ASKED QUESTIONS
ABOUT UNEMPLOYMENT INSURANCE MODERNIZATION FUNDING IN THE FEDERAL STIMULUS

The American Recovery and Reinvestment Act of 2009, better known as the federal stimulus, has been the subject of intense scrutiny here in Alaska and around the country. Because of the amount of interest and complexity of the stimulus bill, there has been significant confusion about a number of specific points. In the interest of ensuring accuracy in the conversation around Senate Bill 170 and the unemployment insurance funds in the federal stimulus, this sheet attempts to address some of those common misconceptions around the specific changes proposed in this bill.

Q: What changes Alaska must make to our unemployment insurance program to be eligible for the modernization incentive? Many states are concerned that changes to the UI statutes will require significant expansions of eligibility requirements.

A: The US Department of Labor has certified that **Alaska already meets two of the three qualifications** for the unemployment insurance modernization incentive funds. The first third of the money is contingent on a state including an alternative base period to determine eligibility, which is the change SB170 proposes. The second two-thirds are based on a state allowing UI payments to be made to unemployed workers who fit at least two of the following four conditions: part-time workers, workers enrolled in training programs, workers who leave their jobs for compelling family reasons, and additional benefits for workers with dependents. Alaska already meets the final two categories, making further change unnecessary. Many other states need to make all three changes.

Q: Won't those changes mean increased numbers of people receiving UI benefits and increase business taxes over the long term?

A: The Alaska Department of Labor has determined that had the changes in SB170 been in effect in calendar year 2008, 1,300 additional people would have been eligible for $1.9 million in payments. The amount necessary to keep the UI trust fund solvent, given the current balance of over $350 million, is significantly less than the amount offered by the federal government. After seeing these calculations, the **National Federation of Independent Business – Alaska endorsed SB170** as "a relatively simple administrative change the cost of which will be born by stimulus funding. . . This is good for individual Alaskans, employers, and Alaska's economy."

Q: What is the effect on state government of accepting short-term federal money? Will we be forced to close down the existing programs or replace the federal dollars with state funds?

A: While the stimulus does not mandate that any federal funds be replaced, the unemployment insurance modernization funds provided are **more than enough to cover the costs of the expansion indefinitely**. The state Department of Labor is determining exactly how much of the

$15.6 million Alaska would be eligible for if SB170 is adopted would need to be deposited in the UI trust fund to maintain solvency, but it is expected to be significantly less than the available total, freeing up the rest of the money to support job training and workforce development programs.

Q: If all the money is not necessary to shore up the UI trust fund, what will be done with it, and how can we be assured that it will not create a long-term growth in government?

A: The UI modernization incentive funds are eligible to be used for three purposes: paying UI benefits, administering the UI program, or job training programs. It is our intent that funding in excess of the amount required to pay benefits without increasing taxes would be appropriated to support job training. Alaska is currently facing the highest unemployment rates in a generation, and we are facing a massive shortage of qualified workers as we approach construction on a natural gas pipeline. The confluence of these two events makes the timing perfect for a **highly targeted short term expansion of workforce development programs**, the need for which will decline as the federal money runs out.

Q: Are these stimulus funds a backdoor approach to increasing state spending through the requirement of a state match?

A: There are some stimulus programs that require a state match component to participate, but the UI modernization is not one of them. It is also worth noting that other stimulus programs serve to reduce state spending, either by increasing federal reimbursement levels or eliminating state match components altogether.

Q: Some are concerned about the impact of the federal stimulus package on the overall federal debt. Many of these criticisms portray the stimulus package as burdening the future and passing debt on to future generations.

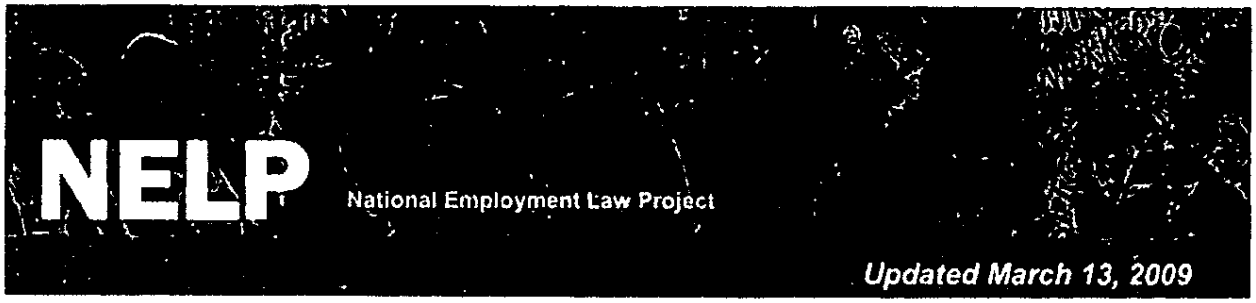
A: The federal debt is a very serious issue, and significant action must be taken to undo the fiscal impacts of the last eight years and return to the surpluses left by the Clinton Administration. Unfortunately, **state action on the stimulus cannot have any impact**. All funds have already been appropriated by the federal government, and any moneys not accepted by Alaska will be re-routed to other states that are willing to take advantage of them – many of which have already stated their willingness to do so due to the hardships caused by the current economic downturn.

Q: A major consideration for some has been potential strings attached to federal funds, and what a change in statute now means for the future.

A: Any changes to state statute that are made to maximize federal funding are done freely, after a detailed examination of the positive and negative attributes of the package. While the unemployment insurance section of the stimulus explicitly prohibits sunset clauses or temporary provisions, there is **no prohibition on future legislatures re-examining the program** and making whatever changes they see fit.

Q: Doesn't increasing our reliance on federal funding create a potential loss of state sovereignty? Many are concerned that the stimulus funds represent a marked increase in moneys contingent on compliance with federal mandates.

A: The fiscal year 2010 operating budget contains approximately $2.8 billion in federal funds, almost all attached to highly specific instructions on how it may be spent. Since its inception, the state of Alaska has received tens of billions of dollars from the federal government, and our delegation to Congress, most notably Sen. Ted Stevens, has made careers out of maximizing the number of federal dollars that flow into our state.



GOVERNORS IN SUPPORT OF THE UNEMPLOYMENT INSURANCE MODERNIZATION ACT STIMULUS PROVISIONS

Arkansas
- Governor Mike Beebe (D)
- Arkansas Democrat-Gazette, March 4, 2009
- Editorial: "Beebe should accept help," Arkansas Leader, March 2, 2009

California
- Governor Arnold Schwarzenegger (R)
- Los Angeles Times, February 25, 2009; New York Times, February 22, 2009
- Editorial: "As We See It: Shoring up jobless benefits," San Jose Mercury News, March 6, 2009

Connecticut
- Governor Jodi Rell (R)
- Governor's Press Release, March 6, 2009

Florida
- Governor Charlie Crist (R)
- Miami Herald, March 5, 2009

Georgia
- Governor Sonny Perdue (R)
- Atlanta Journal-Constitution, March 4, 2009; 11Alive, Atlanta, March 4, 2009
- Oped: "Too few Georgia workers qualify for unemployment," Atlanta Journal-Constitution, March 9, 2009

Iowa
- Governor Chet Culver (D)
- Governor's Press Release, February 18, 2009

Oklahoma
- Governor Brad Henry (D)
- Tulsa World, March 4, 2009

Oregon
- Governor Ted Kulongoski (D)
- Statesmen Journal, February 24, 2009

Pennsylvania
- Governor Ed Rendell (D)
- Allentown Morning Call, February 28, 2009
- Editorial: "Funds for state's unemployed are getting precariously low," Patriot News, March 5, 2009

National Employment Law Project
75 Maiden Lane, Suite 601, New York, NY 10038
(212) 285-3025 • www.nelp.org • nelp@nelp.org • (212) 285-3044 (fax)

Rhode Island

- Governor Donald Carcieri (R)
- Governor's Press Release, February 26, 2009

South Dakota

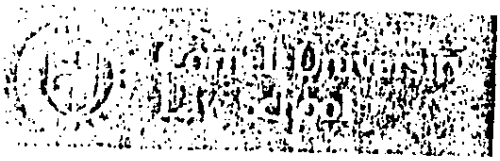
- Governor Michael Rounds (R)
- "Opinion: Stimulus cash means more unemployment benefits in S. Dakota," The Daily Republic, March 07, 2009

Tennessee

- Governor Phil Bredesen (D)
- Chattanooga Times Free Press, March 7, 2009; WSMV Nashville, March 6, 2009

Utah

- Governor Jon Hunstman (R)
- New York Times, February 26, 2009



LII / Legal Information Institute

U.S. Code collection

TITLE 26 > Subtitle C > CHAPTER 23 > § 3309

§ 3309. State law coverage of services performed for nonprofit organizations or governmental entities

(a) State law requirements

For purposes of section 3304 (a) (6)—

(1) except as otherwise provided in subsections (b) and (c), the services to which this paragraph applies are—

(A) service excluded from the term "employment" solely by reason of paragraph (8) of section 3306 (c), and

(B) service excluded from the term "employment" solely by reason of paragraph (7) of section 3306 (c); and

(2) the State law shall provide that a governmental entity, including an Indian tribe, or any other organization (or group of governmental entities or other organizations) which, but for the requirements of this paragraph, would be liable for contributions with respect to service to which paragraph (1) applies may elect, for such minimum period and at such time as may be provided by State law, to pay (in lieu of such contributions) into the State unemployment fund amounts equal to the amounts of compensation attributable under the State law to such service. The State law may provide safeguards to ensure that governmental entities or other organizations so electing will make the payments required under such elections.

(b) Section not to apply to certain service

This section shall not apply to service performed—

(1) in the employ of

(A) a church or convention or association of churches,

(B) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches, or

(C) an elementary or secondary school which is operated primarily for religious purposes, which is described in section 501 (c)(3), and which is exempt from tax under section 501 (a);

(2) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

(3) in the employ of a governmental entity referred to in paragraph (7) of section 3306 (c), if such service is performed by an individual in the exercise of his duties—

(A) as an elected official;

(B) as a member of a legislative body, or a member of the judiciary, of a State or political subdivision thereof, or of an Indian tribe;

(C) as a member of the State National Guard or Air National Guard;

(D) as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency;

(E) in a position which, under or pursuant to the State or tribal law, is designated as

(i) a major nontenured policymaking or advisory position, or

(ii) a policymaking or advisory position the performance of the duties of which ordinarily does

not require more than 8 hours per week; or

(F) as an election official or election worker if the amount of remuneration received by the individual during the calendar year for services as an election official or election worker is less than $1,000;

(4) in a facility conducted for the purpose of carrying out a program of—

(A) rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or

(B) providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market,

by an individual receiving such rehabilitation or remunerative work;

(5) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof or of an Indian tribe, by an individual receiving such work relief or work training; and

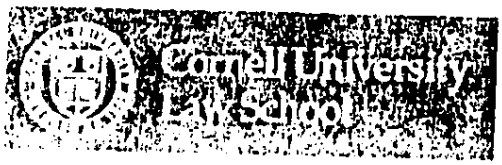
(6) by an inmate of a custodial or penal institution.

(c) Nonprofit organizations must employ 4 or more

This section shall not apply to service performed during any calendar year in the employ of any organization unless on each of some 20 days during such calendar year or the preceding calendar year, each day being in a different calendar week, the total number of individuals who were employed by such organization in employment (determined without regard to section 3306 (c)(8) and by excluding service to which this section does not apply by reason of subsection (b)) for some portion of the day (whether or not at the same moment of time) was 4 or more.

(d) Election by Indian tribe

The State law shall provide that an Indian tribe may make contributions for employment as if the employment is within the meaning of section 3306 or make payments in lieu of contributions under this section, and shall provide that an Indian tribe may make separate elections for itself and each subdivision, subsidiary, or business enterprise wholly owned by such Indian tribe. State law may require a tribe to post a payment bond or take other reasonable measures to assure the making of payments in lieu of contributions under this section. Notwithstanding the requirements of section 3306 (a)(6), if, within 90 days of having received a notice of delinquency, a tribe fails to make contributions, payments in lieu of contributions, or payment of penalties or interest (at amounts or rates comparable to those applied to all other employers covered under the State law) assessed with respect to such failure, or if the tribe fails to post a required payment bond, then service for the tribe shall not be excepted from employment under section 3306 (c)(7) until any such failure is corrected. This subsection shall apply to an Indian tribe within the meaning of section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b (e)).



LII / Legal Information Institute

U.S. Code collection

TITLE 26 > Subtitle C > CHAPTER 23 > § 3306

§ 3306. Definitions

(a) Employer

For purposes of this chapter—

(1) In general

The term "employer" means, with respect to any calendar year, any person who—

(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $1,500 or more, or

(B) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least one individual in employment for some portion of the day.

For purposes of this paragraph, there shall not be taken into account any wages paid to, or employment of, an employee performing domestic services referred to in paragraph (3).

(2) Agricultural labor

In the case of agricultural labor, the term "employer" means, with respect to any calendar year, any person who—

(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $20,000 or more for agricultural labor, or

(B) on each of some 20 days during the calendar year

or during the preceding calendar year, each day being in a different calendar week, employed at least 10 individuals in employment in agricultural labor for some portion of the day.

(3) Domestic service

In the case of domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, the term "employer" means, with respect to any calendar year, any person who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of $1,000 or more for such service.

(4) Special rule

A person treated as an employer under paragraph (3) shall not be treated as an employer with respect to wages paid for any service other than domestic service referred to in paragraph (3) unless such person is treated as an employer under paragraph (1) or (2) with respect to such other service.

(b) Wages

For purposes of this chapter, the term "wages" means all remuneration for employment, including the cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include—

(1) that part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to $7,000 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose

of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $7,000 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

(2) the amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of—

(A) sickness or accident disability (but, in the case of payments made to an employee or any of his dependents, this subparagraph shall exclude from the term "wages" only payments which are received under a workmen's compensation law), or

(B) medical or hospitalization expenses in connection with sickness or accident disability, or

(C) death;

[(3) Repealed. Pub. L. 98–21, title III, § 324(b)(3)(B), Apr. 20, 1983, 97 Stat. 124]

(4) any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of 6 calendar months following the last calendar month in which the employee worked for such employer;

(5) any payment made to, or on behalf of, an employee or his beneficiary—

(A) from or to a trust described in section 401 (a) which is exempt from tax under section 501 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or

(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403 (a),

(C) under a simplified employee pension (as defined in section 408 (k)(1)), other than any contributions described in section 408 (k)(6),

(D) under or to an annuity contract described in section 403 (b), other than a payment for the purchase of such contract which is made by reason of a salary reduction agreement (whether evidenced by a written instrument or otherwise),

(E) under or to an exempt governmental deferred compensation plan (as defined in section 3121 (v)(3)),

(F) to supplement pension benefits under a plan or trust described in any of the foregoing provisions of this paragraph to take into account some portion or all of the increase in the cost of living (as determined by the Secretary of Labor) since retirement but only if such supplemental payments are under a plan which is treated as a welfare plan under section 3(2)(B)(ii) of the Employee Retirement Income Security Act of 1974; [1]

(G) under a cafeteria plan (within the meaning of section 125) if such payment would not be treated as wages without regard to such plan and it is reasonable to believe that (if section 125 applied for purposes of this section) section 125 would not treat any wages as constructively received, or

(H) under an arrangement to which section 408 (p) applies, other than any elective contributions under paragraph (2)(A)(i) thereof,[2]

(6) the payment by an employer (without deduction from the remuneration of the employee)—

(A) of the tax imposed upon an employee under section 3101, or

(B) of any payment required from an employee under a State unemployment compensation law,

with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(7) remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business;

[(8) Repealed. Pub. L. 98-21, title III, § 324(b)(3)(B), Apr. 20, 1983, 97 Stat. 124]

(9) remuneration paid to or on behalf of an employee if (and to the extent that) at the time of the payment of such remuneration it is reasonable to believe that a corresponding deduction is allowable under section 217 (determined without regard to section 274 (n));

(10) any payment or series of payments by an employer to an employee or any of his dependents which is paid—

(A) upon or after the termination of an employee's employment relationship because of

(i) death, or

(ii) retirement for disability, and

(B) under a plan established by the employer which makes provision for his employees generally or a class or classes of his employees (or for such employees or class or classes of employees and their dependents),

other than any such payment or series of payments which would have been paid if the employee's employment relationship had not been so terminated;

(11) remuneration for agricultural labor paid in any medium other than cash;

(12) any contribution, payment, or service, provided by an employer which may be excluded from the gross income of

an employee, his spouse, or his dependents, under the provisions of section 120 (relating to amounts received under qualified group legal services plans);

(13) any payment made, or benefit furnished, to or for the benefit of an employee if at the time of such payment or such furnishing it is reasonable to believe that the employee will be able to exclude such payment or benefit from income under section 127, 129, 134 (b)(4), or 134 (b)(5);

(14) the value of any meals or lodging furnished by or on behalf of the employer if at the time of such furnishing it is reasonable to believe that the employee will be able to exclude such items from income under section 119;

(15) any payment made by an employer to a survivor or the estate of a former employee after the calendar year in which such employee died;

(16) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 74 (c), 108 (f)(4), 117, or 132;

(17) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106 (b);

(18) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106 (d); or

(19) remuneration on account of—

(A) a transfer of a share of stock to any individual pursuant to an exercise of an incentive stock option (as defined in section 422 (b)) or under an employee stock purchase plan (as defined in section 423 (b)), or

(B) any disposition by the individual of such stock.

Except as otherwise provided in regulations prescribed by the Secretary, any third party which makes a payment included in wages solely by reason of the parenthetical matter contained in subparagraph (A) of paragraph (2) shall be

treated for purposes of this chapter and chapter 22 as the employer with respect to such wages. Nothing in the regulations prescribed for purposes of chapter 24 (relating to income tax withholding) which provides an exclusion from "wages" as used in such chapter shall be construed to require a similar exclusion from "wages" in the regulations prescribed for purposes of this chapter.

(c) Employment

For purposes of this chapter, the term "employment" means any service performed prior to 1955, which was employment for purposes of subchapter C of chapter 9 of the Internal Revenue Code of 1939 under the law applicable to the period in which such service was performed, and

(A) any service, of whatever nature, performed after 1954 by an employee for the person employing him, irrespective of the citizenship or residence of either,

(i) within the United States, or

(ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, and

(B) any service, of whatever nature, performed after 1971 outside the United States (except in a contiguous country with which the United States has an agreement relating to unemployment compensation) by a citizen of the United States as an employee of an American employer (as defined in subsection (j)(3)), except—

(1) agricultural labor (as defined in subsection (k)) unless—

(A) such labor is performed for a person who—

(i) during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of $20,000 or more to individuals employed in agricultural labor (including labor performed by an

alien referred to in subparagraph (B)), or

(ii) on each of some 20 days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor (including labor performed by an alien referred to in subparagraph (B)) for some portion of the day (whether or not at the same moment of time) 10 or more individuals; and

(B) such labor is not agricultural labor performed by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act;

(2) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority unless performed for a person who paid cash remuneration of $1,000 or more to individuals employed in such domestic service in any calendar quarter in the calendar year or the preceding calendar year;

(3) service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(A) on each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or

(B) such individual was regularly employed (as determined under subparagraph (A)) by such employer in the performance of such service during the preceding calendar quarter;

(4) service performed on or in connection with a vessel or aircraft not an American vessel or American aircraft, if the

employee is employed on and in connection with such vessel or aircraft when outside the United States;

(5) service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

(6) service performed in the employ of the United States Government or of an instrumentality of the United States which is—

(A) wholly or partially owned by the United States, or

(B) exempt from the tax imposed by section 3301 by virtue of any provision of law which specifically refers to such section (or the corresponding section of prior law) in granting such exemption;

(7) service performed in the employ of a State, or any political subdivision thereof, or in the employ of an Indian tribe, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions or Indian tribes; and any service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 3301;

(8) service performed in the employ of a religious, charitable, educational, or other organization described in section 501 (c)(3) which is exempt from income tax under section 501 (a);

(9) service performed by an individual as an employee or employee representative as defined in section 1 of the Railroad Unemployment Insurance Act (45 U.S.C. 351);

(10)

(A) service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501 (a) (other than an organization described in section 401 (a)) or under section 521, if the remuneration for such service is less than $50, or

(B) service performed in the employ of a school,

college, or university, if such service is performed

(i) by a student who is enrolled and is regularly attending classes at such school, college, or university, or

(ii) by the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that

(I) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and

(II) such employment will not be covered by any program of unemployment insurance, or

(C) service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subparagraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers, or

(D) service performed in the employ of a hospital, if such service is performed by a patient of such hospital;

(11) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(12) service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality

thereof; and

(B) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(13) service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an intern in the employ of a hospital by an individual who has completed a 4 years' course in a medical school chartered or approved pursuant to State law;

(14) service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(15)

(A) service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(B) service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back;

(16) service performed in the employ of an international organization;

(17) service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except—

(A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and

(B) service performed on or in connection with a vessel of more than 10 net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

(18) service described in section 3121 (b)(20);

(19) Service [3] which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F), (J), (M), or (Q) of section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 (a)(15)(F), (J), (M), or (Q)), and which is performed to carry out the purpose specified in subparagraph (F), (J), (M), or (Q), as the case may be;

(20) service performed by a full time student (as defined in subsection (q)) in the employ of an organized camp—

(A) if such camp—

(i) did not operate for more than 7 months in the calendar year and did not operate for more than 7 months in the preceding calendar year, or

(ii) had average gross receipts for any 6 months in the preceding calendar year which were not more than 331/3 percent of its average gross receipts for the other 6 months in the preceding calendar year; and

(B) if such full time student performed services in the employ of such camp for less than 13 calendar weeks in such calendar year; or

(21) service performed by a person committed to a penal institution.

(d) Included and excluded service

For purposes of this chapter, if the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by subsection (c)(9).

(e) State agency

For purposes of this chapter, the term "State agency" means any State officer, board, or other authority, designated under a State law to administer the unemployment fund in such State.

(f) Unemployment fund

For purposes of this chapter, the term "unemployment fund" means a special fund, established under a State law and administered by a State agency, for the payment of compensation. Any sums standing to the account of the State agency in the Unemployment Trust Fund established by section 904 of the Social Security Act, as amended (42 U.S.C. 1104), shall be deemed to be a part of the unemployment fund of the State, and no sums paid out of the Unemployment Trust Fund to such State agency shall cease to be a part of the unemployment fund of the State until expended by such State agency. An unemployment fund shall be deemed to be maintained during a taxable year only if throughout such year, or such portion of the year as the unemployment fund was in

existence, no part of the moneys of such fund was expended for any purpose other than the payment of compensation (exclusive of expenses of administration) and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 3305 (b); except that—

(1) an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration;

(2) the amounts specified by section 903(c)(2) or 903(d)(4) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices,[4]

(3) nothing in this subsection shall be construed to prohibit deducting any amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance, or the withholding of Federal, State, or local individual income tax, if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor;

(4) amounts may be deducted from unemployment benefits and used to repay overpayments as provided in section 303 (g) of the Social Security Act;

(5) [5] amounts may be withdrawn for the payment of short-time compensation under a plan approved by the Secretary of Labor; and

(5) [5] amounts may be withdrawn for the payment of allowances under a self-employment assistance program (as defined in subsection (t)).

(g) Contributions

For purposes of this chapter, the term "contributions" means payments required by a State law to be made into an unemployment fund by any person on account of having individuals in his employ, to the extent that such payments are made by him without being deducted or deductible from the

remuneration of individuals in his employ.

(h) Compensation

For purposes of this chapter, the term "compensation" means cash benefits payable to individuals with respect to their unemployment.

(i) Employee

For purposes of this chapter, the term "employee" has the meaning assigned to such term by section 3121 (d), except that paragraph (4) and subparagraphs (B) and (C) of paragraph (3) shall not apply.

(j) State, United States, and American employer

For purposes of this chapter—

(1) State

The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(2) United States

The term "United States" when used in a geographical sense includes the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(3) American employer

The term "American employer" means a person who is—

(A) an individual who is a resident of the United States,

(B) a partnership, if two-thirds or more of the partners are residents of the United States,

(C) a trust, if all of the trustees are residents of the United States, or

(D) a corporation organized under the laws of the United States or of any State.

An individual who is a citizen of the Commonwealth of Puerto Rico or the Virgin Islands (but not otherwise a citizen of the United States) shall be considered, for purposes of this

section, as a citizen of the United States.

(k) Agricultural labor

For purposes of this chapter, the term "agricultural labor" has the meaning assigned to such term by subsection (g) of section 3121, except that for purposes of this chapter subparagraph (B) of paragraph (4) of such subsection (g) shall be treated as reading:

"(B) in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in subparagraph (A), but only if such operators produced more than one-half of the commodity with respect to which such service is performed;".

[(l) Repealed. Sept. 1, 1954, ch. 1212, § 4(c), 68 Stat. 1135]

(m) American vessel and aircraft

For purposes of this chapter, the term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State; and the term "American aircraft" means an aircraft registered under the laws of the United States.

(n) Vessels operated by general agents of United States

Notwithstanding the provisions of subsection (c)(6), service performed by officers and members of the crew of a vessel which would otherwise be included as employment under subsection (c) shall not be excluded by reason of the fact that it is performed on or in connection with an American vessel—

(1) owned by or bareboat chartered to the United States and

(2) whose business is conducted by a general agent of the Secretary of Commerce.

For purposes of this chapter, each such general agent shall be considered a legal entity in his capacity as such general agent, separate and distinct from his identity as a person employing individuals on his own account, and the officers and members of the crew of such an American vessel whose business is conducted by a general agent of the Secretary of Commerce shall be deemed to be performing services for such general agent rather than the United States. Each such general agent who in his capacity as such is an employer within the meaning of subsection (a) shall be subject to all the requirements imposed upon an employer under this chapter with respect to service which constitutes employment by reason of this subsection.

(o) Special rule in case of certain agricultural workers

(1) Crew leaders who are registered or provide specialized agricultural labor

For purposes of this chapter, any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person shall be treated as an employee of such crew leader—

(A) if—

(i) such crew leader holds a valid certificate of registration under the Migrant and Seasonal Agricultural Worker Protection Act; or

(ii) substantially all the members of such crew operate or maintain tractors, mechanized harvesting or crop-dusting equipment, or any other mechanized equipment, which is provided by such crew leader; and

(B) if such individual is not an employee of such other person within the meaning of subsection (i).

(2) Other crew leaders

For purposes of this chapter, in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other person and who is not treated as an employee of such crew leader under paragraph (1)—

(A) such other person and not the crew leader shall be

treated as the employer of such individual; and

(B) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader (either on his behalf or on behalf of such other person) for the agricultural labor performed for such other person.

(3) Crew leader

For purposes of this subsection, the term "crew leader" means an individual who—

(A) furnishes individuals to perform agricultural labor for any other person,

(B) pays (either on his behalf or on behalf of such other person) the individuals so furnished by him for the agricultural labor performed by them, and

(C) has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person.

(p) Concurrent employment by two or more employers

For purposes of sections 3301, 3302, and 3306 (b)(1), if two or more related corporations concurrently employ the same individual and compensate such individual through a common paymaster which is one of such corporations, each such corporation shall be considered to have paid as remuneration to such individual only the amounts actually disbursed by it to such individual and shall not be considered to have paid as remuneration to such individual amounts actually disbursed to such individual by another of such corporations.

(q) Full time student

For purposes of subsection (c)(20), an individual shall be treated as a full time student for any period—

(1) during which the individual is enrolled as a full time student at an educational institution, or

(2) which is between academic years or terms if—

this chapter.

(C) Nonqualified deferred compensation plan

For purposes of this paragraph, the term "nonqualified deferred compensation plan" means any plan or other arrangement for deferral of compensation other than a plan described in subsection (b)(5).

(s) Tips treated as wages

For purposes of this chapter, the term "wages" includes tips which are—

(1) received while performing services which constitute employment, and

(2) included in a written statement furnished to the employer pursuant to section 6053 (a).

(t) Self-employment assistance program

For the purposes of this chapter, the term "self-employment assistance program" means a program under which—

(1) individuals who meet the requirements described in paragraph (3) are eligible to receive an allowance in lieu of regular unemployment compensation under the State law for the purpose of assisting such individuals in establishing a business and becoming self-employed;

(2) the allowance payable to individuals pursuant to paragraph (1) is payable in the same amount, at the same interval, on the same terms, and subject to the same conditions, as regular unemployment compensation under the State law, except that—

(A) State requirements relating to availability for work, active search for work, and refusal to accept work are not applicable to such individuals;

(B) State requirements relating to disqualifying income are not applicable to income earned from self-employment by such individuals; and

(C) such individuals are considered to be unemployed for the purposes of Federal and State laws applicable to

unemployment compensation,

as long as such individuals meet the requirements applicable under this subsection;

(3) individuals may receive the allowance described in paragraph (1) if such individuals—

(A) are eligible to receive regular unemployment compensation under the State law, or would be eligible to receive such compensation except for the requirements described in subparagraph (A) or (B) of paragraph (2);

(B) are identified pursuant to a State worker profiling system as individuals likely to exhaust regular unemployment compensation; and

(C) are participating in self-employment assistance activities which—

(i) include entrepreneurial training, business counseling, and technical assistance; and

(ii) are approved by the State agency; and

(D) are actively engaged on a full-time basis in activities (which may include training) relating to the establishment of a business and becoming self-employed;

(4) the aggregate number of individuals receiving the allowance under the program does not at any time exceed 5 percent of the number of individuals receiving regular unemployment compensation under the State law at such time;

(5) the program does not result in any cost to the Unemployment Trust Fund (established by section 904(a) of the Social Security Act) in excess of the cost that would be incurred by such State and charged to such Fund if the State had not participated in such program; and

(6) the program meets such other requirements as the Secretary of Labor determines to be appropriate.

(u) Indian tribe

For purposes of this chapter, the term "Indian tribe" has the meaning given to such term by section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b (e)), and includes any subdivision, subsidiary, or business enterprise wholly owned by such an Indian tribe.

---

[1] So in original. The semicolon probably should be a comma.

[2] So in original. The comma probably should be a semicolon.

[3] So in original. Probably should not be capitalized.

[4] So in original. The comma probably should be a semicolon.

[5] So in original. Two pars. (5) have been enacted.

U.S. Department of Labor

Employment and Training Administration
Region 6 San Francisco
90 7th Street, Suite 17300
San Francisco, CA 94103

FEB 0 3 2009

Mr. Clark Bishop
Commissioner
Alaska Department of Labor & Workforce Development
P.O. Box 21149
Juneau, AK 99802-1149

Dear Commissioner Bishop:

By letter dated February 12, 2008, Atkinson to Bishop, we advised you of the need for the State of Alaska to enact conforming legislation arising from the passage of the Consolidated Appropriations Act, 2001. This legislation amended the Federal Unemployment Tax Act (FUTA) to change the treatment of services performed for federally recognized "Indian tribes." We have enclosed a copy of this letter which provides a complete discussion of the issues and remedy.

On February 26, 2008, you wrote to inform us of your agency's desire to be in full compliance with Federal law and regulation, and that you would work diligently to resolve the issue. Now that Alaska's state legislature is in session, we are writing to advise this continues to be an issue and to encourage you to pursue conforming legislation.

As our earlier letter informed, failure to enact the necessary legislation could, after an opportunity for a hearing and appeal, result in the loss of the full FUTA credit (5.4%) for all employers in the state, as well as the loss of Federal UC administrative grants. Therefore it is extremely important to pass this conforming legislation as soon as possible.

Please inform us of your specific plans to obtain legislation to ensure that Alaska's law conforms to the requirements of Federal UC law. If you have any questions concerning this issue, please contact your Regional Office's UI legislation specialist, Pat O'Neal, at 415-625-7926 or oneal.pat@dol.gov.

Sincerely,

Richard C. Trigg
Regional Administrator

cc: Bill Kramer, Chief of Unemployment Insurance, via e-mail a bill.kramer@alaska.gov

Enclosure

Sarah Palin, Governor

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

OFFICE OF THE COMMISSIONER

P. O. Box 111149
Juneau, AK 99811-1149

PHONE: (907) 465-2700
FAX: (907) 465-2784

February 26, 2008

Ms. Cheryl Atkinson, Administrator
Office of Workforce Security
Employment and Training Administration
200 Constitution Avenue N.W.
Washington, D.C. 20210

Dear Ms. Atkinson:

I am in receipt of your letter dated February 12, 2008 and would like to take this opportunity to thank you for bringing to my attention the matter regarding unemployment compensation services for Alaska's Native entities.

Alaska's legislative session is limited to 90 days, January 15 through April 13, 2008. Since the deadline for personal legislation for the current session has passed, the Department will be pursuing the required statutory changes during the 2009 legislative session.

I would like to point out that Alaska is currently meeting some of the federal requirements.

- Alaska has always required that services performed for tribal entities be covered for unemployment insurance purposes
- Alaska Department of Labor and Workforce Development currently reports tribal delinquencies to the Internal Revenue Service on a quarterly basis.
- Alaska has not paid any extended benefits since 2005, and will work to ensure tribal entities are billed 100 percent of any future extended benefits.

Alaska law currently does not give tribes the option of choosing the reimbursable method of payment as our law limits the option to specific non-profit and government entities. The Department suspects, as was the case in 2002, tribal entities currently reporting may actually pay less in contributions than would be billed for reimbursement. The economic incentives will likely argue powerfully for tribes to remain as taxable employers.

It is the State of Alaska's desire to be in full compliance with Federal law and regulation, and we will work diligently to resolve this issue. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

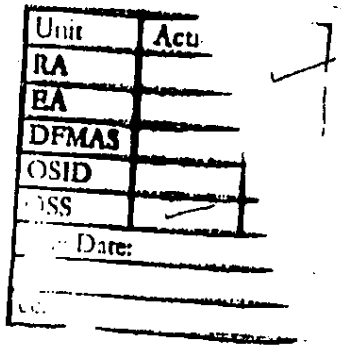
David A. Stone for:

Clark Bishop
Commissioner

cc: Pat O'Neil, Office of Systems Performance, Workforce Security
Region 6, Legislation and Appeals

U.S. Department of Labor

FEB 12 2008



Mr. Click Bishop
Commissioner
Alaska Department of Labor & Workforce Development
P.O. Box 21149
Juneau, AK 99802-1149

Dear Commissioner Bishop:

I am writing to remind you of the need for Alaska to amend its state unemployment compensation (UC) law to provide that services for Alaska's Native entities are covered under your state law and that these entities are offered the reimbursement option. A more detailed description of the issue follows.

The Consolidated Appropriations Act, 2001 (CAA, Public Law 106-544) amended the Federal Unemployment Tax Act (FUTA) to change the treatment of services performed for federally recognized "Indian tribes." For purposes of these amendments, "any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act . . . ." is included in the definition of "Indian Tribe." (See Section 3306(u), FUTA, as amended, which refers to the definition of "Indian tribe" in Section 4(e) of the Indian Self-Determination and Education Assistance Act.)

For purposes of your state's UC laws, these amendments mean that:

- Services performed in the employ of Alaska Native entities are, with specified exceptions, required to be covered under state UC laws; and
- Alaska Native entities must be offered the opportunity to reimburse the state unemployment fund for UC attributable under state law to such services in lieu of making contributions.

I also note that, although no change was required to state law, these amendments also resulted in states no longer being eligible for the Federal share of extended benefit payments based on services performed in the employ of Alaskan Native entities.

A complete explanation of these Federal law amendments is found in Unemployment Insurance Program Letter No. 14-01. (69 Fed. Reg. 16965, March 31, 2004.) In brief, Section 3304(a)(6)(A), FUTA, requires, as a condition for employers in a state to receive credit against the Federal unemployment tax, that state law provide that UC be payable on the basis of certain services. These services are described in Section 3309(a)(1), FUTA, which in turn references Section 3306(c)(7), FUTA, which now includes services

performed for federally recognized Indian tribes, including Alaska Native entities. Thus, UC must be payable based on these services.

Regarding reimbursements, Section 3304(a)(6)(B), FUTA, requires that state law provide for funding the benefit costs of UC based on these services through "payments (in lieu of contributions)," commonly called "reimbursements." As a result of the CAA amendments, Alaska Native entities must now be offered the reimbursement option. Please note that the reimbursement option may only be offered for services performed "in the employ of" an Alaskan Native entity. It does not apply to services performed for a private entity in native villages or for individuals or for private businesses owned by members of an Alaskan Native entity.

We had been holding these issues in abeyance as a result of Section 805 of Public Law 107-206 enacted in 2002. That section prohibited the Department from using appropriated funds to pursue the CAA amendments as they related to Alaska Native entities. Since that prohibition has expired, there is no longer a basis for holding this matter in abeyance. Failure to enact the necessary legislation could, after an opportunity for a hearing and appeal, result in the loss of the full FUTA credit (5.4%) for all employers in the state, as well as the loss of Federal UC administrative grants.

Please inform me of your plans to obtain legislation to ensure that Alaska's law conforms to the requirements of Federal UC law. Please provide a written response within thirty days of your receipt of this letter and provide a copy to your Regional Office. If you have any questions concerning this issue, please contact your Regional Office's legislative liaison, Pat O'Neal, at 415-625-7926 or oneal.pat@dol.gov.

Sincerely,

Cheryl Atkinson

Cheryl Atkinson
Administrator,
Office of Workforce Security

cc: Richard C. Trigg
Regional Administrator
San Francisco

[Federal Register: April 4, 2008 (Volume 73, Number 66)]
[Notices]
[Page 18553-18557]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr04ap08-87]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Entities Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice.

SUMMARY: This notice publishes the current list of 562 tribal entities recognized and eligible for funding and services from the Bureau of Indian Affairs by virtue of their status as Indian tribes. The list is updated from the notice published on March 22, 2007 (72 FR 13648).

FOR FURTHER INFORMATION CONTACT: Daisy West, Bureau of Indian Affairs, Division of Tribal Government Services, Mail Stop 4513-MIB, 1849 C Street, NW., Washington, DC 20240. Telephone number: (202) 513-7641.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to Section 104 of the Act of November 2, 1994 (Pub. L. 103-454; 108 Stat. 4791, 4792), and in exercise of authority delegated to the Assistant Secretary--Indian Affairs under 25 U.S.C. 2 and 9 and 209 DM 8.

Published below is a list of federally acknowledged tribes in the contiguous 48 states and in Alaska.

One tribe became recognized since the last publication. The Mashpee Wampanoag Tribe was acknowledged under 25 CFR part 83. The final determination for Federal acknowledgment became effective on May 23, 2007. The list also contains several tribal name changes and corrections. To aid in identifying tribal name changes, the tribe's former name is included with the new tribal name. To aid in identifying corrections, the tribe's previously listed name is included with the tribal name. We will continue to list the tribe's former or previously listed name for several years before dropping the former or previously listed name from the list.

The listed entities are acknowledged to have the immunities and privileges available to other federally acknowledged Indian tribes by virtue of their government-to-government relationship with the United States as well as the responsibilities, powers, limitations, and obligations of such tribes. We have continued the practice of listing the Alaska Native entities separately solely for the purpose of facilitating identification of them and reference to them given the large number of complex Native names.

Dated: March 25, 2008.
Carl J. Artman,
Assistant Secretary--Indian Affairs.

Indian Tribal Entities Within the Contiguous 48 States Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs

Absentee-Shawnee Tribe of Indians of Oklahoma
Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation, California
Ak Chin Indian Community of the Maricopa (Ak Chin) Indian Reservation, Arizona
Alabama-Coushatta Tribes of Texas
Alabama-Quassarte Tribal Town, Oklahoma
Alturas Indian Rancheria, California
Apache Tribe of Oklahoma
Arapahoe Tribe of the Wind River Reservation, Wyoming
Aroostook Band of Micmac Indians of Maine
Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana
Augustine Band of Cahuilla Indians, California (formerly the Augustine Band of Cahuilla Mission Indians of the Augustine Reservation)
Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, Wisconsin
Bay Mills Indian Community, Michigan
Bear River Band of the Rohnerville Rancheria, California
Berry Creek Rancheria of Maidu Indians of California
Big Lagoon Rancheria, California
Big Pine Band of Owens Valley Paiute Shoshone Indians of the Big Pine Reservation, California
Big Sandy Rancheria of Mono Indians of California
Big Valley Band of Pomo Indians of the Big Valley Rancheria, California
Blackfeet Tribe of the Blackfeet Indian Reservation of Montana
Blue Lake Rancheria, California
Bridgeport Paiute Indian Colony of California
Buena Vista Rancheria of Me-Wuk Indians of California
Burns Paiute Tribe of the Burns Paiute Indian Colony of Oregon
Cabazon Band of Mission Indians, California
Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria, California
Caddo Nation of Oklahoma
Cahuilla Band of Mission Indians of the Cahuilla Reservation, California
Cahto Indian Tribe of the Laytonville Rancheria, California
California Valley Miwok Tribe, California (formerly the Sheep Ranch Rancheria of Me-Wuk Indians of California)
Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California
Capitan Grande Band of Diegueno Mission Indians of California:
    Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation, California
    Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation, California
Catawba Indian Nation (aka Catawba Tribe of South Carolina)
Cayuga Nation of New York
Cedarville Rancheria, California
Chemehuevi Indian Tribe of the Chemehuevi Reservation, California
Cher-Ae Heights Indian Community of the Trinidad Rancheria, California
Cherokee Nation, Oklahoma
Cheyenne and Arapaho Tribes, Oklahoma (formerly the Cheyenne-Arapaho Tribes of Oklahoma)
Cheyenne River Sioux Tribe of the Cheyenne River Reservation, South Dakota

[[Page 18554]]

Chickasaw Nation, Oklahoma
Chicken Ranch Rancheria of Me-Wuk Indians of California
Chippewa-Cree Indians of the Rocky Boy's Reservation, Montana
Chitimacha Tribe of Louisiana
Choctaw Nation of Oklahoma
Citizen Potawatomi Nation, Oklahoma
Cloverdale Rancheria of Pomo Indians of California
Cocopah Tribe of Arizona
Coeur D'Alene Tribe of the Coeur D'Alene Reservation, Idaho
Cold Springs Rancheria of Mono Indians of California
Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California
Comanche Nation, Oklahoma
Confederated Salish & Kootenai Tribes of the Flathead Reservation, Montana
Confederated Tribes of the Chehalis Reservation, Washington
Confederated Tribes of the Colville Reservation, Washington
Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians of Oregon
Confederated Tribes of the Goshute Reservation, Nevada and Utah
Confederated Tribes of the Grand Ronde Community of Oregon
Confederated Tribes of the Siletz Reservation, Oregon
Confederated Tribes of the Umatilla Reservation, Oregon
Confederated Tribes of the Warm Springs Reservation of Oregon
Confederated Tribes and Bands of the Yakama Nation, Washington
Coquille Tribe of Oregon
Cortina Indian Rancheria of Wintun Indians of California
Coushatta Tribe of Louisiana
Cow Creek Band of Umpqua Indians of Oregon
Cowlitz Indian Tribe, Washington
Coyote Valley Band of Pomo Indians of California
Crow Tribe of Montana
Crow Creek Sioux Tribe of the Crow Creek Reservation, South Dakota
Death Valley Timbi-Sha Shoshone Band of California
Delaware Nation, Oklahoma
Dry Creek Rancheria of Pomo Indians of California
Duckwater Shoshone Tribe of the Duckwater Reservation, Nevada
Eastern Band of Cherokee Indians of North Carolina
Eastern Shawnee Tribe of Oklahoma
Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria, California
Elk Valley Rancheria, California
Ely Shoshone Tribe of Nevada
Enterprise Rancheria of Maidu Indians of California
Ewiiaapaayp Band of Kumeyaay Indians, California
Federated Indians of Graton Rancheria, California
Flandreau Santee Sioux Tribe of South Dakota
Forest County Potawatomi Community, Wisconsin
Fort Belknap Indian Community of the Fort Belknap Reservation of Montana
Fort Bidwell Indian Community of the Fort Bidwell Reservation of California
Fort Independence Indian Community of Paiute Indians of the Fort Independence Reservation, California
Fort McDermitt Paiute and Shoshone Tribes of the Fort McDermitt Indian Reservation, Nevada and Oregon
Fort McDowell Yavapai Nation, Arizona

Fort Mojave Indian Tribe of Arizona, California & Nevada
Fort Sill Apache Tribe of Oklahoma
Gila River Indian Community of the Gila River Indian Reservation, Arizona
Grand Traverse Band of Ottawa and Chippewa Indians, Michigan
Greenville Rancheria of Maidu Indians of California
Grindstone Indian Rancheria of Wintun-Wailaki Indians of California
Guidiville Rancheria of California
Habematolel Pomo of Upper Lake, California (formerly the Upper Lake Band of Pomo Indians of Upper Lake Rancheria of California)
Hannahville Indian Community, Michigan
Havasupai Tribe of the Havasupai Reservation, Arizona
Ho-Chunk Nation of Wisconsin
Hoh Indian Tribe of the Hoh Indian Reservation, Washington
Hoopa Valley Tribe, California
Hopi Tribe of Arizona
Hopland Band of Pomo Indians of the Hopland Rancheria, California
Houlton Band of Maliseet Indians of Maine
Hualapai Indian Tribe of the Hualapai Indian Reservation, Arizona
Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation, California
Ione Band of Miwok Indians of California
Iowa Tribe of Kansas and Nebraska
Iowa Tribe of Oklahoma
Jackson Rancheria of Me-Wuk Indians of California
Jamestown S'Klallam Tribe of Washington
Jamul Indian Village of California
Jena Band of Choctaw Indians, Louisiana
Jicarilla Apache Nation, New Mexico
Kaibab Band of Paiute Indians of the Kaibab Indian Reservation, Arizona
Kalispel Indian Community of the Kalispel Reservation, Washington
Karuk Tribe of California
Kashia Band of Pomo Indians of the Stewarts Point Rancheria, California
Kaw Nation, Oklahoma
Keweenaw Bay Indian Community, Michigan
Kialegee Tribal Town, Oklahoma
Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas
Kickapoo Tribe of Oklahoma
Kickapoo Traditional Tribe of Texas
Kiowa Indian Tribe of Oklahoma
Klamath Tribes, Oregon (formerly the Klamath Indian Tribe of Oregon)
Kootenai Tribe of Idaho
La Jolla Band of Luiseno Mission Indians of the La Jolla Reservation, California
La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation, California
Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin
Lac du Flambeau Band of Lake Superior Chippewa Indians of the Lac du Flambeau Reservation of Wisconsin
Lac Vieux Desert Band of Lake Superior Chippewa Indians, Michigan
Las Vegas Tribe of Paiute Indians of the Las Vegas Indian Colony, Nevada
Little River Band of Ottawa Indians, Michigan
Little Traverse Bay Bands of Odawa Indians, Michigan
Lower Lake Rancheria, California
Los Coyotes Band of Cahuilla & Cupeno Indians of the Los Coyotes Reservation, California
Lovelock Paiute Tribe of the Lovelock Indian Colony, Nevada
Lower Brule Sioux Tribe of the Lower Brule Reservation, South Dakota
Lower Elwha Tribal Community of the Lower Elwha Reservation, Washington

Lower Sioux Indian Community in the State of Minnesota
Lummi Tribe of the Lummi Reservation, Washington
Lytton Rancheria of California
Makah Indian Tribe of the Makah Indian Reservation, Washington
Manchester Band of Pomo Indians of the Manchester-Point Arena Rancheria, California
Manzanita Band of Diegueno Mission Indians of the Manzanita Reservation, California
Mashantucket Pequot Tribe of Connecticut
Mashpee Wampanoag Tribe, Massachusetts
Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan
Mechoopda Indian Tribe of Chico Rancheria, California

[[Page 18555]]

Menominee Indian Tribe of Wisconsin
Mesa Grande Band of Diegueno Mission Indians of the Mesa Grande Reservation, California
Mescalero Apache Tribe of the Mescalero Reservation, New Mexico
Miami Tribe of Oklahoma
Miccosukee Tribe of Indians of Florida
Middletown Rancheria of Pomo Indians of California
Minnesota Chippewa Tribe, Minnesota (Six component reservations: Bois Forte Band (Nett Lake); Fond du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band)
Mississippi Band of Choctaw Indians, Mississippi
Moapa Band of Paiute Indians of the Moapa River Indian Reservation, Nevada
Modoc Tribe of Oklahoma
Mohegan Indian Tribe of Connecticut
Mooretown Rancheria of Maidu Indians of California
Morongo Band of Cahuilla Mission Indians of the Morongo Reservation, California
Muckleshoot Indian Tribe of the Muckleshoot Reservation, Washington
Muscogee (Creek) Nation, Oklahoma
Narragansett Indian Tribe of Rhode Island
Navajo Nation, Arizona, New Mexico & Utah
Nez Perce Tribe, Idaho (previously listed as Nez Perce Tribe of Idaho)
Nisqually Indian Tribe of the Nisqually Reservation, Washington
Nooksack Indian Tribe of Washington
Northern Cheyenne Tribe of the Northern Cheyenne Indian Reservation, Montana
Northfork Rancheria of Mono Indians of California
Northwestern Band of Shoshoni Nation of Utah (Washakie)
Nottawaseppi Huron Band of the Potawatomi, Michigan (formerly the Huron Potawatomi, Inc.)
Oglala Sioux Tribe of the Pine Ridge Reservation, South Dakota
Ohkay Owingeh, New Mexico (formerly the Pueblo of San Juan)
Omaha Tribe of Nebraska
Oneida Nation of New York
Oneida Tribe of Indians of Wisconsin
Onondaga Nation of New York
Osage Nation, Oklahoma (formerly the Osage Tribe)
Ottawa Tribe of Oklahoma
Otoe-Missouria Tribe of Indians, Oklahoma
Paiute Indian Tribe of Utah (Cedar City Band of Paiutes, Kanosh Band of Paiutes, Koosharem Band of Paiutes, Indian Peaks Band of Paiutes, and Shivwits Band of Paiutes)
Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony, California

Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada
Paiute-Shoshone Indians of the Lone Pine Community of the Lone Pine Reservation, California
Pala Band of Luiseno Mission Indians of the Pala Reservation, California
Pascua Yaqui Tribe of Arizona
Paskenta Band of Nomlaki Indians of California
Passamaquoddy Tribe of Maine
Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation, California
Pawnee Nation of Oklahoma
Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California
Penobscot Tribe of Maine
Peoria Tribe of Indians of Oklahoma
Picayune Rancheria of Chukchansi Indians of California
Pinoleville Pomo Nation, California (formerly the Pinoleville Rancheria of Pomo Indians of California)
Pit River Tribe, California (includes XL Ranch, Big Bend, Likely, Lookout, Montgomery Creek and Roaring Creek Rancherias)
Poarch Band of Creek Indians of Alabama
Pokagon Band of Potawatomi Indians, Michigan and Indiana
Ponca Tribe of Indians of Oklahoma
Ponca Tribe of Nebraska
Port Gamble Indian Community of the Port Gamble Reservation, Washington
Potter Valley Tribe, California (formerly the Potter Valley Rancheria of Pomo Indians of California)
Prairie Band of Potawatomi Nation, Kansas
Prairie Island Indian Community in the State of Minnesota
Pueblo of Acoma, New Mexico
Pueblo of Cochiti, New Mexico
Pueblo of Jemez, New Mexico
Pueblo of Isleta, New Mexico
Pueblo of Laguna, New Mexico
Pueblo of Nambe, New Mexico
Pueblo of Picuris, New Mexico
Pueblo of Pojoaque, New Mexico
Pueblo of San Felipe, New Mexico
Pueblo of San Ildefonso, New Mexico
Pueblo of Sandia, New Mexico
Pueblo of Santa Ana, New Mexico
Pueblo of Santa Clara, New Mexico
Pueblo of Santo Domingo, New Mexico
Pueblo of Taos, New Mexico
Pueblo of Tesuque, New Mexico
Pueblo of Zia, New Mexico
Puyallup Tribe of the Puyallup Reservation, Washington
Pyramid Lake Paiute Tribe of the Pyramid Lake Reservation, Nevada
Quapaw Tribe of Indians, Oklahoma
Quartz Valley Indian Community of the Quartz Valley Reservation of California
Quechan Tribe of the Fort Yuma Indian Reservation, California & Arizona
Quileute Tribe of the Quileute Reservation, Washington
Quinault Tribe of the Quinault Reservation, Washington
Ramona Band or Village of Cahuilla Mission Indians of California
Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin
Red Lake Band of Chippewa Indians, Minnesota
Redding Rancheria, California
Redwood Valley Rancheria of Pomo Indians of California
Reno-Sparks Indian Colony, Nevada

Resighini Rancheria, California
Rincon Band of Luiseno Mission Indians of the Rincon Reservation, California
Robinson Rancheria of Pomo Indians of California
Rosebud Sioux Tribe of the Rosebud Indian Reservation, South Dakota
Round Valley Indian Tribes of the Round Valley Reservation, California
Rumsey Indian Rancheria of Wintun Indians of California
Sac & Fox Tribe of the Mississippi in Iowa
Sac & Fox Nation of Missouri in Kansas and Nebraska
Sac & Fox Nation, Oklahoma
Saginaw Chippewa Indian Tribe of Michigan
St. Croix Chippewa Indians of Wisconsin
Saint Regis Mohawk Tribe, New York (formerly the St. Regis Band of Mohawk Indians of New York)
Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona
Samish Indian Tribe, Washington
San Carlos Apache Tribe of the San Carlos Reservation, Arizona
San Juan Southern Paiute Tribe of Arizona
San Manual Band of Serrano Mission Indians of the San Manual Reservation, California
San Pasqual Band of Diegueno Mission Indians of California
Santa Rosa Indian Community of the Santa Rosa Rancheria, California
Santa Rosa Band of Cahuilla Indians, California (formerly the Santa Rosa Band of Cahuilla Mission Indians of the Santa Rosa Reservation)
Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation, California
Santa Ysabel Band of Diegueno Mission Indians of the Santa Ysabel Reservation, California

[[Page 18556]]

Santee Sioux Nation, Nebraska
Sauk-Suiattle Indian Tribe of Washington
Sault Ste. Marie Tribe of Chippewa Indians of Michigan
Scotts Valley Band of Pomo Indians of California
Seminole Nation of Oklahoma
Seminole Tribe of Florida (Dania, Big Cypress, Brighton, Hollywood & Tampa Reservations)
Seneca Nation of New York
Seneca-Cayuga Tribe of Oklahoma
Shakopee Mdewakanton Sioux Community of Minnesota
Shawnee Tribe, Oklahoma
Sherwood Valley Rancheria of Pomo Indians of California
Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria (Verona Tract), California
Shoalwater Bay Tribe of the Shoalwater Bay Indian Reservation, Washington
Shoshone Tribe of the Wind River Reservation, Wyoming
Shoshone-Bannock Tribes of the Fort Hall Reservation of Idaho
Shoshone-Paiute Tribes of the Duck Valley Reservation, Nevada
Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota
Skokomish Indian Tribe of the Skokomish Reservation, Washington
Skull Valley Band of Goshute Indians of Utah
Smith River Rancheria, California
Snoqualmie Tribe, Washington
Soboba Band of Luiseno Indians, California
Sokaogon Chippewa Community, Wisconsin
Southern Ute Indian Tribe of the Southern Ute Reservation, Colorado
Spirit Lake Tribe, North Dakota

Spokane Tribe of the Spokane Reservation, Washington
Squaxin Island Tribe of the Squaxin Island Reservation, Washington
Standing Rock Sioux Tribe of North & South Dakota
Stockbridge Munsee Community, Wisconsin
Stillaguamish Tribe of Washington
Summit Lake Paiute Tribe of Nevada
Suquamish Indian Tribe of the Port Madison Reservation, Washington
Susanville Indian Rancheria, California
Swinomish Indians of the Swinomish Reservation, Washington
Sycuan Band of the Kumeyaay Nation (formerly the Sycuan Band of Diegueno Mission Indians of California)
Table Mountain Rancheria of California
Te-Moak Tribe of Western Shoshone Indians of Nevada (Four constituent bands: Battle Mountain Band; Elko Band; South Fork Band and Wells Band)
Thlopthlocco Tribal Town, Oklahoma
Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota
Tohono O'odham Nation of Arizona
Tonawanda Band of Seneca Indians of New York
Tonkawa Tribe of Indians of Oklahoma
Tonto Apache Tribe of Arizona
Torres Martinez Desert Cahuilla Indians, California (formerly the Torres-Martinez Band of Cahuilla Mission Indians of California)
Tule River Indian Tribe of the Tule River Reservation, California
Tulalip Tribes of the Tulalip Reservation, Washington
Tunica-Biloxi Indian Tribe of Louisiana
Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California
Turtle Mountain Band of Chippewa Indians of North Dakota
Tuscarora Nation of New York
Twenty-Nine Palms Band of Mission Indians of California
United Auburn Indian Community of the Auburn Rancheria of California
United Keetoowah Band of Cherokee Indians in Oklahoma
Upper Sioux Community, Minnesota
Upper Skagit Indian Tribe of Washington
Ute Indian Tribe of the Uintah & Ouray Reservation, Utah
Ute Mountain Tribe of the Ute Mountain Reservation, Colorado, New Mexico & Utah
Utu Utu Gwaitu Paiute Tribe of the Benton Paiute Reservation, California
Walker River Paiute Tribe of the Walker River Reservation, Nevada
Wampanoag Tribe of Gay Head (Aquinnah) of Massachusetts
Washoe Tribe of Nevada & California (Carson Colony, Dresslerville Colony, Woodfords Community, Stewart Community, & Washoe Ranches)
White Mountain Apache Tribe of the Fort Apache Reservation, Arizona
Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma
Winnebago Tribe of Nebraska
Winnemucca Indian Colony of Nevada
Wiyot Tribe, California (formerly the Table Bluff Reservation--Wiyot Tribe)
Wyandotte Nation, Oklahoma
Yankton Sioux Tribe of South Dakota
Yavapai-Apache Nation of the Camp Verde Indian Reservation, Arizona
Yavapai-Prescott Tribe of the Yavapai Reservation, Arizona
Yerington Paiute Tribe of the Yerington Colony & Campbell Ranch, Nevada
Yomba Shoshone Tribe of the Yomba Reservation, Nevada
Ysleta Del Sur Pueblo of Texas
Yurok Tribe of the Yurok Reservation, California
Zuni Tribe of the Zuni Reservation, New Mexico

Native Entities Within the State of Alaska Recognized and Eligible To

Receive Services From the United States Bureau of Indian Affairs

Native Village of Afognak (formerly the Village of Afognak)
Agdaagux Tribe of King Cove
Native Village of Akhiok
Akiachak Native Community
Akiak Native Community
Native Village of Akutan
Village of Alakanuk
Alatna Village
Native Village of Aleknagik
Algaaciq Native Village (St. Mary's)
Allakaket Village
Native Village of Ambler
Village of Anaktuvuk Pass
Yupiit of Andreafski
Angoon Community Association
Village of Aniak
Anvik Village
Arctic Village (See Native Village of Venetie Tribal Government)
Asa'carsarmiut Tribe
Native Village of Atka
Village of Atmautluak
Atqasuk Village (Atkasook)
Native Village of Barrow Inupiat Traditional Government
Beaver Village
Native Village of Belkofski
Village of Bill Moore's Slough
Birch Creek Tribe
Native Village of Brevig Mission
Native Village of Buckland
Native Village of Cantwell
Native Village of Chenega (aka Chanega)
Chalkyitsik Village
Cheesh-Na Tribe (formerly the Native Village of Chistochina)
Village of Chefornak
Chevak Native Village
Chickaloon Native Village
Chignik Bay Tribal Council (formerly the Native Village of Chignik)
Native Village of Chignik Lagoon
Chignik Lake Village
Chilkat Indian Village (Klukwan)
Chilkoot Indian Association (Haines)
Chinik Eskimo Community (Golovin)
Native Village of Chitina
Native Village of Chuathbaluk (Russian Mission, Kuskokwim)
Chuloonawick Native Village
Circle Native Community
Village of Clarks Point
Native Village of Council
Craig Community Association
Village of Crooked Creek
Curyung Tribal Council

[[Page 18557]]

Native Village of Deering
Native Village of Diomede (aka Inalik)
Village of Dot Lake
Douglas Indian Association

Native Village of Eagle
Native Village of Eek
Egegik Village
Eklutna Native Village
Native Village of Ekuk
Ekwok Village
Native Village of Elim
Emmonak Village
Evansville Village (aka Bettles Field)
Native Village of Eyak (Cordova)
Native Village of False Pass
Native Village of Fort Yukon
Native Village of Gakona
Galena Village (aka Louden Village)
Native Village of Gambell
Native Village of Georgetown
Native Village of Goodnews Bay
Organized Village of Grayling (aka Holikachuk)
Gulkana Village
Native Village of Hamilton
Healy Lake Village
Holy Cross Village
Hoonah Indian Association
Native Village of Hooper Bay
Hughes Village
Huslia Village
Hydaburg Cooperative Association
Igiugig Village
Village of Iliamna
Inupiat Community of the Arctic Slope
Iqurmuit Traditional Council (formerly the Native Village of Russian Mission)
Ivanoff Bay Village
Kaguyak Village
Organized Village of Kake
Kaktovik Village (aka Barter Island)
Village of Kalskag
Village of Kaltag
Native Village of Kanatak
Native Village of Karluk
Organized Village of Kasaan
Kasigluk Traditional Elders Council (formerly the Native Village of Kasigluk)
Kenaitze Indian Tribe
Ketchikan Indian Corporation
Native Village of Kiana
King Island Native Community
King Salmon Tribe
Native Village of Kipnuk
Native Village of Kivalina
Klawock Cooperative Association
Native Village of Kluti Kaah (aka Copper Center)
Knik Tribe
Native Village of Kobuk
Kokhanok Village
Native Village of Kongiganak
Village of Kotlik
Native Village of Kotzebue
Native Village of Koyuk
Koyukuk Native Village

Organized Village of Kwethluk
Native Village of Kwigillingok
Native Village of Kwinhagak (aka Quinhagak)
Native Village of Larsen Bay
Levelock Village
Lesnoi Village (aka Woody Island)
Lime Village
Village of Lower Kalskag
Manley Hot Springs Village
Manokotak Village
Native Village of Marshall (aka Fortuna Ledge)
Native Village of Mary's Igloo
McGrath Native Village
Native Village of Mekoryuk
Mentasta Traditional Council
Metlakatla Indian Community, Annette Island Reserve
Native Village of Minto
Naknek Native Village
Native Village of Nanwalek (aka English Bay)
Native Village of Napaimute
Native Village of Napakiak
Native Village of Napaskiak
Native Village of Nelson Lagoon
Nenana Native Association
New Koliganek Village Council
New Stuyahok Village
Newhalen Village
Newtok Village
Native Village of Nightmute
Nikolai Village
Native Village of Nikolski
Ninilchik Village
Native Village of Noatak
Nome Eskimo Community
Nondalton Village
Noorvik Native Community
Northway Village
Native Village of Nuiqsut (aka Nooiksut)
Nulato Village
Nunakauyarmiut Tribe (formerly the Native Village of Toksook Bay)
Native Village of Nunam Iqua (formerly the Native Village of Sheldon's Point)
Native Village of Nunapitchuk
Village of Ohogamiut
Village of Old Harbor
Orutsararmuit Native Village (aka Bethel)
Oscarville Traditional Village
Native Village of Ouzinkie
Native Village of Paimiut
Pauloff Harbor Village
Pedro Bay Village
Native Village of Perryville
Petersburg Indian Association
Native Village of Pilot Point
Pilot Station Traditional Village
Native Village of Pitka's Point
Platinum Traditional Village
Native Village of Point Hope
Native Village of Point Lay
Native Village of Port Graham

Native Village of Port Heiden
Native Village of Port Lions
Portage Creek Village (aka Ohgsenakale)
Pribilof Islands Aleut Communities of St. Paul & St. George Islands
Qagan Tayagungin Tribe of Sand Point Village
Qawalangin Tribe of Unalaska
Rampart Village
Village of Red Devil
Native Village of Ruby
Saint George Island (See Pribilof Islands Aleut Communities of St. Paul & St. George Islands)
Native Village of Saint Michael
Saint Paul Island (See Pribilof Islands Aleut Communities of St. Paul & St. George Islands)
Village of Salamatoff
Native Village of Savoonga
Organized Village of Saxman
Native Village of Scammon Bay
Native Village of Selawik
Seldovia Village Tribe
Shageluk Native Village
Native Village of Shaktoolik
Native Village of Shishmaref
Native Village of Shungnak
Sitka Tribe of Alaska
Skagway Village
Village of Sleetmute
Village of Solomon
South Naknek Village
Stebbins Community Association
Native Village of Stevens
Village of Stony River
Sun'aq Tribe of Kodiak (formerly the Shoonaq' Tribe of Kodiak)
Takotna Village
Native Village of Tanacross
Native Village of Tanana
Native Village of Tatitlek
Native Village of Tazlina
Telida Village
Native Village of Teller
Native Village of Tetlin
Central Council of the Tlingit & Haida Indian Tribes
Traditional Village of Togiak
Tuluksak Native Community
Native Village of Tuntutuliak
Native Village of Tununak
Twin Hills Village
Native Village of Tyonek
Ugashik Village
Umkumiute Native Village
Native Village of Unalakleet
Native Village of Unga
Village of Venetie (See Native Village of Venetie Tribal Government)
Native Village of Venetie Tribal Government (Arctic Village and Village of Venetie)
Village of Wainwright
Native Village of Wales
Native Village of White Mountain
Wrangell Cooperative Association
Yakutat Tlingit Tribe

[FR Doc. E8-6968 Filed 4-3-08; 8:45 am]

BILLING CODE 4310-4J-P

Gov. Bobby Jindal may accept refused stimulus money for expanded unemployment benefits

by Robert Travis Scott, The Times-Picayune

Thursday March 19, 2009, 10:03 PM

BATON ROUGE -- Gov. Bobby Jindal's workforce commissioner said Thursday that the U.S. Labor Department's latest clarification of the federal stimulus act has opened the possibility that the administration could consider accepting a previously rejected $98.4 million package of extra jobless benefits, although important questions remain in what has become a high-profile issue.

Tim Barfield, the governor's appointee as head of the Louisiana Workforce Commission, said the federal agency has made "real progress" in allaying concerns about strings attached to the program.

State agency officials are seeking more answers and continuing to examine the consequences of accepting the money, Barfield said. He said it was not out of the question that he could recommend that the governor accept the package "if we can show it does not increase taxes on business and industry."

Jindal helped turn the stimulus act's jobless benefits program into a national debate last month when he announced his refusal to take the money just before his appearance at a national governors' conference and his nationally televised Republican Party response to the Democratic president's address to Congress.

Although he has accepted nearly all the state's share of the federal stimulus money, he has resisted a $98.4 million portion of the jobless benefits package, which would require a change in state law to expand the number of people eligible for unemployment compensation. One of the concerns is that businesses, which pay for jobless benefits, could end up with a larger financial burden even with the nearly $100 million in assistance.

Defining 'permanent'

A key sticking point for Jindal was that the federal stimulus act requires states to adopt "permanent" changes to accommodate the expanded system. Jindal's team and Sen. Mary Landrieu, D-La., have been asking what would happen if the state changed its law and repealed it later. Would the federal government try to get the money back?

The U.S. Department of Labor sent a letter to Landrieu on Wednesday stating that the stimulus act "does not prohibit the state's legislature from repealing these provisions in the future."

"As a result, if a state eventually decides to repeal or modify any of these provisions, it may do so, and it will not be required to return any incentive payment, " according to the letter, signed by Deputy Assistant Secretary Douglas Small.

The letter also stated that Congress "clearly intended" to encourage states to adopt the expanded eligibility requirements for jobless claims on a permanent basis and that Congress and the Labor Department "rely on states' good faith in adopting the eligibility criteria."

Landrieu said the department had "weighed in clearly" and put the issue to rest.

"I hope the Jindal administration and the Legislature can come to a consensus, as families struggle during this difficult economic time," Landrieu said.

Risk reduced

Barfield said the letter, while not providing a 100 percent legal guarantee, "carries a tremendous amount of weight and significantly reduces the risk we have of them coming back to get the money."

The state still wants to know more details, Barfield said. For example, would the stimulus money be sufficient to cover the added costs of the program until such time as the expanded system could be repealed?

Also, because businesses are assessed payments for unemployment insurance based on their history of layoffs, would the new expanded system put a long-lasting stain on their records?

Barfield said he hopes to get answers to these questions within 30 days, or before the legislative session begins April 27.

If the answers are that employers would not get an increase in their rates, then the governor and the Legislature could work together and seriously consider the program, he said.

Partisan debate

With veto power and control of the agency that would apply for the jobless benefits program, Jindal holds the keys to adopting the expanded benefits program. In the Legislature, the issue so far has been divided largely along party lines.

State Sen. Eric LaFleur, D-Ville Platte, a leader in the movement to adopt the stimulus package, said there is a good chance the state would not use all the federal jobless benefits money during a period of two years or so. With that in mind, the Legislature could change the law and revisit the program when the economy improves, he said.

In the meantime, the Labor Department letter proves that "permanency is not an issue. You can change the law, period," LaFleur said.

If Jindal keeps opposing the program at this point, "then it becomes something he's doing purely for political reasons . . . and not for the taxpayers of Louisiana," LeFleur said.

Business lobbyists have argued against adopting the expanded program because laws, once put in place, are difficult to repeal.

. . . . . .

Robert Travis Scott can be reached at rscott@timespicayune.com or 225.342.4197.

NFIB

The Voice of Small Business®

ALASKA

March 25, 2009

The Honorable Johnny Ellis
State Capitol Building
Juneau Alaska 99801-1182

RE: Senate Bill 170

Dear

On behalf of the National Federation of Independent Business/Alaska, I wish to express our appreciation and understanding of your introduction of Senate Bill 170. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

As you know, NFIB/AK had strong reservations about the state taking stimulus money for the Unemployment Insurance Program. We worked with you over the last two years to update our program and we had no desire to have the federal government dictate revisions to our program that were nor in the best interest of Alaskan businesses and their employees.

I am pleased to tell you that the Alaska Department of Labor and Workforce Development has done a great service to Alaska by fighting the US Department of Labor and winning! As a result of their efforts, Alaska will not need to change any of its statutes relative to eligibility or determinations of able and available for work. Because of this great victory for Alaska, NFIB/AK withdraws our opposition to accepting federal stimulus funds for the Unemployment Insurance Program.

NFIB/AK understands that we will need to amend our statutes relative to the base period for the calculation of eligibility. This is a relatively simple administrative change the cost of which will be born by stimulus funding. The larger benefit to Alaska will be the availability of funding that can be used for additional vocational training to assist unemployed Alaskans get back into the workforce more quickly. This is good for individual Alaskans, employers and Alaska's economy.

NFIB/AK is pleased to have been able to work with Governor Palin, the Alaska Department of Labor and Workforce Development and you, Senator Ellis, to find this

solution that allows Alaska to accept a portion of the stimulus funding without making any significant or inappropriate changes to our Unemployment Insurance Program.

Sincerely yours,

Dennis L. DeWitt
Alaska State Lobbyist

Cc: Senate Labor & Commerce Committee
Governor Sarah Palin
Karen Rehfeld, Office of Management & Budget
Commissioner Clark Bishop
Senator Bert Stedman
Senator Lyman Hoffman
Representative Mike Hawker
Representative Bill Stoltze

SB 171

<target><bill>SB 171</bill><subject>SB 171</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
716 West 4th Avenue
Anchorage, Alaska 99501-2133
Phone: (907) 269-0199
Fax (907) 269-0197
Senator_Kevin_Meyer@legis.state.ak.us

Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
Phone: (907) 465-4945
Fax: (907) 465-3476
Toll Free: (866) 465-4945

SENATOR KEVIN MEYER
SENATE DISTRICT O

SPONSOR STATEMENT FOR COMMITTEE SUBSTITUTE SENATE BILL 171

"An Act relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year; and providing for an effective date."

CSSB 171 grants eligible Alaskans their last Permanent Fund Dividend (PFD).

This legislation would provide for the issuance of a PFD check to a personal representative of an estate or successor claiming the personal property of the deceased should an individual die during the qualifying year.

The deceased individual would need to meet all of the eligibility requirements, have received a dividend for the year immediately before the qualifying year, and have been a resident for at least 180 days immediately before the date of death.

Currently, if an Alaskan dies during the PFD application process, a family member or their estate may apply on behalf of the deceased. However, if a lifetime Alaskan, who is eligible for a PFD, dies during the qualifying year, their family is ineligible to apply for their PFD.

Children born in Alaska on the last possible day of the eligibility year can receive a PFD. Alaskan students who spend the majority of their time outside the state attending college can receive a PFD. Alaskan residents who spend up to 180 days outside of the state can receive a PFD. But if a lifetime Alaskan dies during the qualifying year, their family can not apply for their loved one's PFD. This is a common sense bill that would close this loophole and provide eligible, deceased Alaskans through their estate or successors, their last PFD.

Passage of this bill will allow Alaskans to receive their final PFD.

26-LS0804\S

April 9, 2009

3869

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Senator Kevin Meyer
Senate District O

TO: Senator Kevin Meyer
FROM: Christine R. Marasigan, Legislative Aide
DATE: April 9, 2009
RE: CS for CSSB 171, explanation of change.

The drafted CS for CSSB 171 makes three changes.

1. Page 1, Line 12, "**received a dividend for the year immediately before the qualifying year and**" was inserted after the words, "If an individual who"

2. Page 1, Line 13, "**after having been a state resident for at least 180 days immediately before the date of death,**" was inserted after the words, "dies during the qualifying year"

3. Page 1, Line 14, " **and (a)(6)**" was inserted after the words, "notwithstanding (a)(1) - (3)"

Reason for change:
Immediately after the passage of CSSB 171 from the Senate State Affairs committee, Chris Poag from the Department of Law and Debbie Bitney from the Permanent Fund Dividend division noted a few technical issues that they thought should be fixed. The current CS satisfies their concerns.

1. A majority of letters and emails supporting this bill are from people whose loved one died in November or December, was a longtime Alaskan, and met all PFD eligibility requirements with the exception of their death. There was some concern about SB 171 opening up the PFD to deceased, first time applicants. By adding language requiring that the deceased received a dividend in the prior year will effectively close any loophole for new deceased applicants. This has precedent in other application requirements and eligibility for the PFD.

2. In order to make absolutely sure that the deceased that the estate or successor is applying for was truly a resident, the requirement of 180 days of residency has been added—this has precedent in other application requirements and eligibility for the PFD.

3. (a)(6) reads "at all times during the qualifying year, physically present in the state or, if absent, was absent only as allowed in AS 43.23.008" If the applicant is deceased, they can not be physically present in the state and so (a) (6) was exempted in the text of the bill. Physical presence is required in the 2nd change in the CS which requires residency 180 days prior to death. The intent is that all other eligibility and exemptions for absences -- with the exception for death, which this bill addresses – still apply.

JUNEAUEMPIRE.COM

State tells families deceased Alaskans not eligible for PFD

Rule requires residents to live in Alaska for entire year to qualify

Monday, February 09, 2009
By Mike Nesper | **Peninsula Clarion**

When Kasilof resident Carole Okamoto contacted the Alaska Permanent Fund dividend division with questions concerning the PFD application process on behalf of her late husband, she was asked a series of questions one would expect:

Did the applicant receive the 2008 dividend? Yes.

During 2008 was the applicant gone from Alaska more than 90 days total? No.

Did the applicant die during the period beginning January 1, 2009, and ending at midnight March 31, 2009?

Huh?

Why does this matter? Okamoto wondered.

What she discovered was that because her husband, Bob, died Nov. 8, 2008, he was not eligible to apply for a 2009 PFD check, which is paid to Alaska residents for the 2008 calendar year. But how could this be?

Okamoto's husband was a long-time Alaska resident, he was in state the necessary 180 days and wasn't a convicted felon. He should be entitled to his check, his wife thought.

"It negated his whole life that year," Okamoto said. "It just doesn't make sense. He deserves it."

Okamoto contacted Rep. Mike Chenault's office, looking for assistance and an explanation of the law. Chenault's office put Okamoto in contact with Deborah Bitney, the director of the permanent fund dividend division.

Chenault's office e-mailed Bitney explaining Okamoto's situation and asked if her husband qualified to receive a 2009 PFD check. Bitney responded with one line: "A person who dies during 2008 does not qualify for a 2009 dividend."

In an interview Friday, Bitney said in order to apply for the PFD Bob would have had to have been alive at some point during 2009. She said a person has to be a resident of Alaska the entire year of 2008 to qualify.

"The rule is you have to be a resident of the state the entire qualifying year," she said.

Bitney said if a person dies during the application process then a family member can apply for them on their behalf, but if a person dies during the qualifying year, 2008 in this case, they are not eligible to apply.

Bitney said the PFD division doesn't have the authority to change the laws surrounding the application process and that any changes would have to come from the Legislature.

Okamoto has attempted to call Chenault and Sen. Tom Wagoner but has not received any return calls. With the Legislature now in session, Okamoto wants to see this law changed.

"This is the time to address it," she said. "This is the time to correct it."

"We need to change the rules, this is not right," said Rose Renner, of Kasilof.

Renner's father died Nov. 14, 2008, and like Okamoto, the PFD office told Renner her father did not qualify to apply for the 2009 dividend.

Renner said if someone can live in Alaska for half of the year and Outside for the other six months and still receive a check, then her father, who lived in the state more than 10 months of 2008, should be eligible to receive the PFD.

"I am still going to file his PFD," Renner said. "There are a lot of people facing this same issue. I do not think that these laws are acceptable."

Click here to return to story:
http://www.juneauempire.com/stories/020909/sta_386176653.shtml

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 16, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/2/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 171(FIN)**

"An Act relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year; and providing for an effective date."

SB 171 PERMANENT FUND DIVIDEND FOR DECEASED

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CS SB 171 (FIN)
For Senate Bills with new title: [ ] Technical Title [X] New Title: HCR_____ **[ ] Same Title [X] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas		✓		
	Gara	✓			
Mike Doogan	DOOGAN			✓	
	Taylor	✓			
	AUSTERMAN			X	
	KELLY	✓			
	FOSTER	✓			
Anna L. Fairclough	FAIRCLOUGH	★			
Chair:	Stevens	X			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CS SB171(FIN)**
() Publish Date: 4/2/2010

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-04-02-10
Dept. Affected: Revenue
Title: Dividends for Deceased Applicants
RDU: Revenue Programs & Support
Component: Permanent Fund Dividend
Sponsor: Senator Meyer
Requester: House Rules Committee
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0
Travel							
Contractual	43.5		43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	64.0		64.0	64.0	64.0	64.0	64.0
1005 GF/Program Receipts	68.5		68.5	68.5	68.5	68.5	68.5
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming , hardware and software utilization has been recommended to diagnose and remedy issues affecting performace .

Cont'd on page 2

Prepared by: Deborah M. Bitney, Director — Phone 465-4785
Division: Permanent Fund Dividend — Date/Time 04-02-10; 3:30pm
Approved by: Ginger Blaisdell, Director — Date 04-02-10; 3:32pm
Administrative Services Division

ANALYSIS CONTINUATION

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately $40K in personal services time related to progamming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions.

Legal fees and appeals costs are estimated at $2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at $1.5K

I tis estimated that 274 organizations will choose to participate in the Pick.Click.Give program paying an application fee of $250 that should generate $68,500 to help offset the costs of managing the contribution program. The cost for continuing this program, in excess of the application fees generated is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings as the statute prohibits use of PFD funds.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 171(FIN)
(S) Publish Date: 4/14/09

Identifier (file name): CSSB171(STA)-DOR-PFD-04-09-09
Dept. Affected: 04
Title: PFD Dividends to Deceased Individuals
RDU: Taxation and Treasury
Component: Permanent Fund Dividend Division
Sponsor: Senator Meyer
Requester: Senate Finance Committee
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2
Travel							
Contractual	27.0		27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	86.7		86.7	86.7	86.7	86.7	86.7
TOTAL	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Historically, approx. 3,500 people die in Alaska each year. It is understood that all absence and eligibility rules will apply to deceased individuals, therefore, it is presumed that approx 1,750 people per year will qualify for this provision. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. The average time a technician can expect to put into an deceased individual's eligibility case is estimated at one hour. This includes public response time in answering the many questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 1,750 man hours translates to 50 weeks or one full time position.

Prepared by: Deborah M. Bitney
Phone 465-4785
Division: Permanent Fund Dividend
Date/Time 4/9/09 3:23 PM
Approved by: Ginger Blaisdell, Director
Date 4/9/2009
Administrative Services Division

FISCAL NOTE #2

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSSB 171(FIN)

ANALYSIS CONTINUATION

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH typically spends 15-20 hours at $135 hour per case. This is estimated to increase our costs of Formal hearings by as much as $27,000 annually. Supply cost is based solely on increased 1099 mailing.

1,750 additional complicated cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligiblity casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 8 months.

Adopted 4/2/10

26-LS0804\C.1
Cook
4/1/10

#2

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE THOMAS

TO: HCS CSSB 171(FIN), Draft Version "C"

Page 4, following line 31:

Insert a new bill section to read:

"* **Sec. 6.** AS 43.23.062(f) is amended to read:

(f) The department ~~may~~ shall **charge** [ESTABLISH] an application fee **of $250** [NOT TO EXCEED $50] for each educational organization, community foundation, or charitable organization that files an application under (d) of this section. The application fees shall be separately accounted for under AS 37.05.142. The annual estimated balance in the account maintained under AS 37.05.142 for application fees collected under this subsection may be appropriated for costs of administering this section."

Renumber the following bill sections accordingly.

Page 5, line 16:

Delete "Sections 1 - 7"

Insert "Sections 1 - 8"

26-LS0804\C.1
Cook
4/1/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE THOMAS

TO: HCS CSSB 171(FIN), Draft Version "C"

Page 4, following line 31:

Insert a new bill section to read:

"* **Sec. 6.** AS 43.23.062(f) is amended to read:

(f) The department may **charge** [ESTABLISH] an application fee **of $250** [NOT TO EXCEED $50] for each educational organization, community foundation, or charitable organization that files an application under (d) of this section. The application fees shall be separately accounted for under AS 37.05.142. The annual estimated balance in the account maintained under AS 37.05.142 for application fees collected under this subsection may be appropriated for costs of administering this section."

Renumber the following bill sections accordingly.

Page 5, line 16:

Delete "Sections 1 - 7"

Insert "Sections 1 - 8"

FISCAL NOTE

DRAFT

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 171(FIN)**
() Publish Date:

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-02-12-10
Title: Dividends for Deceased Applicants
Sponsor: Senator Meyer
Requester: House Finance Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Permanent Fund Dividend Division
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0
Travel							
Contractual	43.5		43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	113.7		113.7	113.7	113.7	113.7	113.7
1005 GF/Program Receipts	18.8		18.8	18.8	18.8	18.8	18.8
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**

Estimate of any current year (FY2010) cost: 64.

POSITIONS

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming, hardware and software utilization has been recommended to diagnose and remedy issues affecting performace.

This fiscal note assumes that all overhead costs for an employee and general program management would be absorbed by the division.

Prepared by: Deborah M. Bitney, Director — Phone 465-4785
Division: Permanent Fund Dividend Division — Date/Time 2-8-10; 2:41pm
Approved by: Ginger Blaisdell, Director — Date 2-12-10; 1:30pm
Administrative Services Division

(Revised 10/13/2009 OMB)

3880

FISCAL NOTE

DRAFT

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 171 (FIN)

ANALYSIS CONTINUATION

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately $40K in personal services time related to progamming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions, which is estimated at $40K in the first year.

Legal fees and appeals costs are estimated at $2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at $1.5K

The cost for continuing this program is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings. The $50 application fee to non-profits, at the current participation rate is not sufficient to fund the program's continuation. Fee income to the program has averaged $18.8K over the past two years. In the first year, 360 non-profits applied and 408 applied the second year.

FISCAL NOTE

DRAFT

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 171(FIN)**
() Publish Date:

Identifier (file name): HCS CSSB171(FIN)-REV-PFD-02-12-10
Dept. Affected: Revenue
Title: Dividends for Deceased Applicants
RDU: Taxation and Treasury
Component: Permanent Fund Dividend Division
Sponsor: Senator Meyer
Requester: House Finance Committee
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	84.0		84.0	84.0	84.0	84.0	84.0
Travel							
Contractual	43.5		43.5	43.5	43.5	43.5	43.5
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	113.7		113.7	113.7	113.7	113.7	113.7
1005 GF/Program Receipts	18.8		18.8	18.8	18.8	18.8	18.8
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**132.5**	**0.0**	**132.5**	**132.5**	**132.5**	**132.5**	**132.5**

68.5

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Adding the Pick.Click.Give online search function increased the complexity of the PFD online application. Bandwidth needs and design decisions contributed to the performance issues experienced this filing season. A wholistic approach to system optimization including design, programming, hardware and software utilization has been recommended to diagnose and remedy issues affecting performace.

This fiscal note assumes that all overhead costs for an employee and general program management would be absorbed by the division.

Prepared by: Deborah M. Bitney, Director — Phone 465-4785
Division: Permanent Fund Dividend Division — Date/Time 2-8-10; 2:41pm
Approved by: Ginger Blaisdell, Director — Date 2-12-10; 1:30pm
Administrative Services Division

(Revised 10/13/2009 OMB)

3882

FISCAL NOTE

DRAFT

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 171 (FIN)

ANALYSIS CONTINUATION

The PFD online application interfaces with programs such as MyAlaska, MyPFD Info, PFD Admin, DAIS (PFD's database) & Pick.Click.Give. Rasmuson Foundation reimbursed the division approximately $40K in personal services time related to progamming and management in addition to the cost for contractors in FY09. PFD Personal Services cost associated with PCG in FY10 is expected to exceed that paid in FY09. While the dollar value of the time spent has been reimbursed by Rasmuson Foundation, PFD programmer time focused on PCG, as opposed to division needs, has resulted in a backlog of projects identified by the division as necessary, thus a Programmer III position is requested.

United Way of Alaska was contracted to qualify the non-profit organizations. The Foraker Group handled marketing and provided support to the non-profits. The division will continue to contract those functions, which is estimated at $40K in the first year.

Legal fees and appeals costs are estimated at $2.0K annually. The bandwidth cost associated with this program is estimated to be 2% of the total FY09 cost at $1.5K

The cost for continuing this program is shown as a General Fund expenditure, as opposed to an expenditure from Permanent Fund earnings. The $50 application fee to non-profits, at the current participation rate is not sufficient to fund the program's continuation. Fee income to the program has averaged $18.8K over the past two years. In the first year, 360 non-profits applied and 408 applied the second year.

adopted 4/2/10

26-LS0804\C
Cook
2/5/10

HOUSE CS FOR CS FOR SENATE BILL NO. 171(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS MEYER, Thomas, Dyson, Paskvan, Stedman, Therriault, Bunde, Wagoner, Stevens, Hoffman

REPRESENTATIVE Kerttula

A BILL

FOR AN ACT ENTITLED

"An Act relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year, and relating to contributions from permanent fund dividends; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 43.23.005(h) is amended to read:

(h) If an individual who would otherwise have been eligible for a permanent fund dividend dies after applying for the dividend but before the dividend is paid, the department shall pay the dividend to a personal representative of the estate or to a successor claiming personal property under AS 13.16.680. If an individual who would otherwise have been eligible for a dividend and who did not apply for the dividend dies during the application period, a personal representative of the estate or a successor claiming personal property under AS 13.16.680 may apply for and receive the dividend. **If an individual who received a dividend for the year immediately before the qualifying year and who would otherwise have been eligible for a**

dividend dies during the qualifying year after having been a state resident for at least 180 days immediately before the date of death, notwithstanding (a)(1) - (3) and (a)(6) of this section, a personal representative of the estate or a successor claiming personal property under AS 13.16.680 may apply for and receive the dividend. Notwithstanding AS 43.23.011, **an** [THE] application for **a** [THE] dividend may be filed by the personal representative or the successor **under this subsection** at any time before the end of the application period for the next dividend year.

*** Sec. 2.** AS 43.23.062(a) is amended to read:

(a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska permanent fund dividend application to allow an applicant who files electronically to direct that money be subtracted from the dividend payment and contributed to one or more of the educational organizations, community foundations, or charitable organizations that appear on the contribution list contained in the application. A contribution to an organization may be $25, $50, $75, $100, or more, in increments of $50, up to the total amount of the permanent fund dividend that the applicant is entitled to receive. If the total amount of contributions elected by an applicant exceeds the amount of the permanent fund dividend that the applicant is entitled to receive, contributions shall be deducted from the dividend in the order of priority elected by the applicant on the application until the entire amount of the dividend that the applicant is entitled to receive is allocated for contribution. The electronic dividend application form must include notice that

[(1) CONTRIBUTION CHANGES MAY NOT BE MADE AFTER THE APPLICANT FILES THE ELECTRONIC PERMANENT FUND DIVIDEND APPLICATION; AND

(2)] no money contributed will be used for administrative costs incurred in implementing this section, and money from the dividend fund will not be used for that purpose.

*** Sec. 3.** AS 43.23.062(b) is amended to read:

(b) The department shall list each campus of the University of Alaska and shall list each other educational organization, community foundation, or charitable organization eligible under (c) and (d) of this section on the contribution list**. The**

department shall maintain an electronic database for the contribution list that is accessible to the public and that permits searches by organization name, geographic location, and type [BY GEOGRAPHIC REGION IN RANDOM ORDER, AND THE ORDER SHALL BE CHANGED EACH YEAR. ON THE CONTRIBUTION LIST, ORGANIZATIONS SHALL ALSO BE GROUPED BY TYPE WITHIN EACH GEOGRAPHIC REGION]. The department shall provide a statement of the contributions made by an individual that is suitable for federal income tax purposes to each individual who elects to contribute under (a) of this section.

*** Sec. 4.** AS 43.23.062(c) is amended to read:

(c) The department may not include a charitable organization, other than a community foundation, on the contribution list for a dividend year unless the purpose of the charitable organization is to provide **services** [PROGRAMS] for youth development, workforce development, arts and culture, aid and services to the elderly, low-income individuals, individuals in emergency situations, victims of crime, disabled individuals, individuals with mental illness, primary, vocational, and higher education, health and dental care, recreational facilities, child abuse and neglect, economic development, food assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos. The department may not include on the contribution list an educational organization, community foundation, or charitable organization that is the affiliate of a group. For purposes of this subsection,

(1) "affiliate" means an organization or foundation that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, a group;

(2) "group" has the meaning given in AS 15.13.400(8)(B).

*** Sec. 5.** AS 43.23.062(d) is amended to read:

(d) Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization

(1) before **March 31** [JUNE 15] of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;

(2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;

(3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;

(4) **unless exempted under federal law,** has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately **preceding** [PRECEEDING] year;

(5) is directed by a voluntary board of directors or local advisory board**, a majority of** whose members are residents of the state;

(6) **if a community foundation,** provided in the state aid **during the two calendar years that immediately precede the year the application is filed,** or**, if an education organization or charitable organization, provided in the state** services during the two calendar years that immediately precede the year the application is filed;

(7) receives at least $100,000 or five percent of its total annual receipts, whichever is less, from contributions;

(8) has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies**, or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current fiscal year**; this paragraph applies only to an organization with a total annual budget that exceeds $250,000 during the fiscal year to which the **audit** [INTERNAL REVENUE SERVICE FORM 990] required under [(4) OF] this **paragraph** [SUBSECTION] applies; and

(9) does not make grants or contributions to an organization that is exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

* **Sec. 6.** AS 43.23.062(i) is amended to read:

(i) The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the provisions of this section. **Notwithstanding this subsection and other provisions of law, a state agency, including the department, may not adopt regulations or otherwise impose requirements or procedures on organizations to implement, interpret, make specific, or otherwise carry out the provisions of this section unless required by the federal government.** If an organization disagrees with an action of the department under this section and requests an administrative hearing, the hearing shall be conducted by the office of administrative hearings (AS 44.64.010).

* **Sec. 7.** AS 43.23.062 is amended by adding a new subsection to read:

(l) A community foundation may not deposit contributions received under this section into a fund that would be included in the definition of a donor advised fund under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

* **Sec. 8.** Sections 4 and 6, ch. 41, SLA 2008, are repealed.

* **Sec. 9.** Sections 1 - 7 of this Act take effect January 1, 2011.

26-LS1498\A
Cook
2/12/10

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 171, relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of Senate Bill No. 171, relating to the permanent fund dividend of an otherwise qualified individual who dies during the qualifying year.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB 171**
() Publish Date:

Identifier (file name): CSSB171(FIN)-REV-PFD-02-09-10
Title: PFD Dividends to Deceased Individuals
Sponsor: Senator Meyer
Requester: (H) Finance Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Permanent Fund Dividend Division
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2
Travel							
Contractual	27.0		27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Permanent Fund Dividend	86.7		86.7	86.7	86.7	86.7	86.7
TOTAL	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Historically, approx. 3,500 people die in Alaska each year. It is understood that all absence and eligibility rules will apply to deceased individuals, therefore, it is presumed that approx 1,750 people per year will qualify for this provision. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. The average time a technician will spend in response to a deceased individual's case is estimated at one hour. This includes public response time in answering questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 1,750 man hours translates to 50 weeks or one full time position.

Prepared by: Deborah M. Bitney, Director — Phone 465-4785
Division: Permanent Fund Dividend Division — Date/Time 2-8-10; 2:41pm
Approved by: Ginger Blaisdell, Director — Date 2-9-10; 4:57pm
Administrative Services Division

(Revised 11/6/2009 OMB)

3890

ANALYSIS CONTINUATION

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH Costs are expected to increase as a result of this legislation by as much as $27,000 annually. Supply cost is based solely on increased mailings.

1,750 additional cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligiblity casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 4 months.

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/2/10

Amendment: #2
SB171

MEMBER	Favor	Oppose
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA	✓	pass
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON		
REP. THOMAS	✓	
REP. STOLTZE	✓	
REP. HAWKER		
	8	1

YEA

NAY

Adopted 2/12/10

26-LS0804\P.4
Cook
2/1/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE THOMAS

TO: CSSB 171(FIN)

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

Insert "**, relating to contributions from permanent fund dividends**"

Page 2, line 7:

Delete all material and insert:

"*** Sec. 2.** AS 43.23.062(a) is amended to read:

(a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska permanent fund dividend application to allow an applicant who files electronically to direct that money be subtracted from the dividend payment and contributed to one or more of the educational organizations, community foundations, or charitable organizations that appear on the contribution list contained in the application. A contribution to an organization may be $25, $50, $75, $100, or more, in increments of $50, up to the total amount of the permanent fund dividend that the applicant is entitled to receive. If the total amount of contributions elected by an applicant exceeds the amount of the permanent fund dividend that the applicant is entitled to receive, contributions shall be deducted from the dividend in the order of priority elected by the applicant on the application until the entire amount of the dividend that the applicant is entitled to receive is allocated for contribution. The electronic dividend application form must include notice that

[(1) CONTRIBUTION CHANGES MAY NOT BE MADE AFTER THE APPLICANT FILES THE ELECTRONIC PERMANENT FUND DIVIDEND APPLICATION; AND

(2)] no money contributed will be used for administrative costs

3893

incurred in implementing this section, and money from the dividend fund will not be used for that purpose.

*** Sec. 3.** AS 43.23.062(b) is amended to read:

(b) The department shall list each campus of the University of Alaska and shall list each other educational organization, community foundation, or charitable organization eligible under (c) and (d) of this section on the contribution list. **The department shall maintain an electronic database for the contribution list that is accessible to the public and that permits searches by organization name, geographic location, and type** [BY GEOGRAPHIC REGION IN RANDOM ORDER, AND THE ORDER SHALL BE CHANGED EACH YEAR. ON THE CONTRIBUTION LIST, ORGANIZATIONS SHALL ALSO BE GROUPED BY TYPE WITHIN EACH GEOGRAPHIC REGION]. The department shall provide a statement of the contributions made by an individual that is suitable for federal income tax purposes to each individual who elects to contribute under (a) of this section.

*** Sec. 4.** AS 43.23.062(c) is amended to read:

(c) The department may not include a charitable organization, other than a community foundation, on the contribution list for a dividend year unless the purpose of the charitable organization is to provide **services** [PROGRAMS] for youth development, workforce development, arts and culture, aid and services to the elderly, low-income individuals, individuals in emergency situations, victims of crime, disabled individuals, individuals with mental illness, primary, vocational, and higher education, health and dental care, recreational facilities, child abuse and neglect, economic development, food assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos. The department may not include on the contribution list an educational organization, community foundation, or charitable organization that is the affiliate of a group. For purposes of this subsection,

(1) "affiliate" means an organization or foundation that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, a group;

(2) "group" has the meaning given in AS 15.13.400(8)(B).

*** Sec. 5.** AS 43.23.062(d) is amended to read:

(d) Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization

(1) before **March 31** [JUNE 15] of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;

(2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;

(3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;

(4) **unless exempted under federal law,** has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately **preceding** [PRECEEDING] year;

(5) is directed by a voluntary board of directors or local advisory board**, a majority of** whose members are residents of the state;

(6) **if a community foundation,** provided in the state aid **during the two calendar years that immediately precede the year the application is filed,** or**, if an education organization or charitable organization, provided in the state** services during the two calendar years that immediately precede the year the application is filed;

(7) receives at least $100,000 or five percent of its total annual receipts, whichever is less, from contributions;

(8) has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies**, or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current**

fiscal year; this paragraph applies only to an organization with a total annual budget that exceeds $250,000 during the fiscal year to which the **audit** [INTERNAL REVENUE SERVICE FORM 990] required under [(4) OF] this **paragraph** [SUBSECTION] applies; and

(9) does not make grants or contributions to an organization that is exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

*** Sec. 6.** AS 43.23.062(i) is amended to read:

(i) The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the provisions of this section. **Notwithstanding this subsection and other provisions of law, a state agency, including the department, may not adopt regulations or otherwise impose requirements or procedures on organizations to implement, interpret, make specific, or otherwise carry out the provisions of this section unless required by the federal government.** If an organization disagrees with an action of the department under this section and requests an administrative hearing, the hearing shall be conducted by the office of administrative hearings (AS 44.64.010).

*** Sec. 7.** AS 43.23.062 is amended by adding a new subsection to read:

(l) A community foundation may not deposit contributions received under this section into a fund that would be included in the definition of a donor advised fund under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

*** Sec. 8.** Sections 4 and 6, ch. 41, SLA 2008 are repealed.

*** Sec. 9.** Sections 1 - 7 of this Act take effect January 1, 2011."

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB 171**
() Publish Date:

Identifier (file name): CSSB171(FIN)-REV-PFD-02-09-10
Dept. Affected: Revenue
Title: PFD Dividends to Deceased Individuals
RDU: Taxation and Treasury
Component: Permanent Fund Dividend Division
Sponsor: Senator Meyer
Requester: (H) Finance Committee
Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	57.2		57.2	57.2	57.2	57.2	57.2
Travel							
Contractual	27.0		27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Permanent Fund Dividend	86.7		86.7	86.7	86.7	86.7	86.7
TOTAL	**86.7**	**0.0**	**86.7**	**86.7**	**86.7**	**86.7**	**86.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Historically, approx. 3,500 people die in Alaska each year. It is understood that all absence and eligibility rules will apply to deceased individuals, therefore, it is presumed that approx 1,750 people per year will qualify for this provision. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. The average time a technician will spend in response to a deceased individual's case is estimated at one hour. This includes public response time in answering questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 1,750 man hours translates to 50 weeks or one full time position.

Prepared by: Deborah M. Bitney, Director — Phone 465-4785
Division: Permanent Fund Dividend Division — Date/Time 2-8-10; 2:41pm
Approved by: Ginger Blaisdell, Director — Date 2-9-10; 4:57pm
Administrative Services Division

(Revised 11/6/2009 OMB)

3897

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SB 171
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH Costs are expected to increase as a result of this legislation by as much as $27,000 annually. Supply cost is based solely on increased mailings.

1,750 additional cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligiblity casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 4 months.

HOUSE FINANCE COMMITTEE
SB 171-PERMANENT FUND DIVIDEND FOR DECEASED
SIGN-IN

NAME: Ginger Blaisdell Division Director
Dept./Company: DOR Dept of Revenue Title: ASD
Email: _____ Phone: _____
Do you wish to testify? ___Yes ___No X Respond To Questions

NAME: Debbie Bitney
Dept./Company: PFD Title: DIR.
Email: _____ Phone: _____
Do you wish to testify? ___Yes ___No X Respond To Questions

X NAME: Michele Kane
Dept./Company: DOL Title: AAG
Email: _____ Phone: _____
Do you wish to testify? ___Yes ___No X Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? ___Yes ___No ___Respond To Questions

NAME: _____
Dept./Company: _____ Title: _____
Email: _____ Phone: _____
Do you wish to testify? ___Yes ___No ___Respond To Questions

HFC-08

3899

adn.com
Anchorage Daily News

Print Page | Close Window

Letters to the editor (1/23/10)

(01/23/10 01:14:35)

Dead face extra PFD demand

My daughter, Melissa Jayne, passed away in October 1999. When it came time to file for her 1999 PFD in 2000, she wasn't eligible even though she had met the residency requirements. Deceased individuals had an additional requirement -- the deceased person had to have been alive during the filing period.

It was at this point that I realized the additional requirements were inequitable. For example, under the existing requirement: Two individuals have both met the residency requirements. One is pronounced dead at 11:59 p.m. on Dec. 31; the other is pronounced dead at 12:01 a.m. on Jan. 1. The individual dying on Dec. 31 (or their estate) does not get to apply for their PFD, whereas the individual dying on Jan. 1 (or their estate) does get to apply. That's just not right.

SB171 and HB205 correct this inequity by changing the requirement of having to be alive during the filing period. In a nutshell, if you've met the residency requirements for the year, regardless of when you pass away, you (or your estate) are eligible to apply for your last PFD.

I really appreciate Sen. Kevin Meyers for taking on the task of making this change. I encourage everyone to contact their representative in the House to encourage them to support what I refer to as "Melissa's Bill" (HB205), sponsored by Rep. Harry Crawford. Melissa's birthday is Feb. 24 -- I would really like to stand at her grave on that day and let her know that this has been fixed.

-- *Katy Westfall Neher*

Anchorage

[redacted]

From: [redacted] Mary Smith [redacted]
Sent: Monday, April 06, 2009 9:39 AM
To: [redacted]
Cc: [redacted]
Subject: SB 171 and HB 205 - Permanent Fund Eligibility

Ruling on Permanent Fund Dividend

My husband, Fred D. Smith, Ret. LTC, died November 24, 2008 - after residing in Alaska since 1966 (42 years). When I placed a call to the PFD office requesting assistance in filling out a form for him, I was informed that he was not eligible! All these years he remained a resident of Alaska hardly ever leaving the state for any reason.

Does the fact that he died November 24 negate the entire year of his residence? This just doesn't make sense. I think it is way past time that this law be changed. NOW is the time to address this issue and change the rules.

According to a newspaper article (ADN, Monday, February 9, 2008) both Senator Tom Wagoner and Representative Mike Chenault have already been contacted regarding this issue. Hopefully, other members have also been contacted.

I strongly recommend SB 171 and HB 205 be acted upon favorably that would enable the eligibility of my husband to receive the PFD for 2008. I'm sure there are others facing the same dilemma.

Thank you very much for considering this important issue.

Mary E. Smith
4120 Dorothy Drive
Anchorage, AK 99504
907-333-0092

[redacted]

[redacted]

Sent: Tuesday, April 07, 2009 9:58 AM

[redacted]

Subject: FW: Senate Bill #171

[redacted]

Sent: Tuesday, April 07, 2009 9:54 AM
To: Sen. Kevin Meyer
Subject: Senate Bill #171

Dear Senator Meyer,

I am writing today to voice my unqualified support for Senate Bill #171. I personally find it ludicrous that an otherwise qualified individual is ineligible for the PFD should he or she have the misfortune to die outside the specified time frame of January to March! Were these people (assuming Alaska residency and otherwise being eligible) somehow ***not*** Alaskans during the previous 9 months in the cycle? I commend you wholeheartedly for introducing this bill and I assure you that I will continue to support it during its travels through the legislative process.

God bless you!
Molly Palmer
Valdez, Alaska

Mary K. (Katy) Neher
1230 West 79th Ave. ~ Anchorage, AK 99518
Work Phone 265-6207 ~ Email K.Neher@conocophillips.com
Home Phone 344-3382 ~ Email mkneher@chugach.net

March 27, 2009

The Honorable Kevin Meyer
Alaska State Legislature
The State Senate
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senator Meyer,

Thank you for taking the time to meet with me when I was in Juneau with the ConocoPhillips Alaska CAP program.

As we discussed, I am very anxious to have the Permanent Fund Dividend eligibility for deceased Alaskans changed. Currently statue AS43.23.005 (h) states: ..."If an individual who would otherwise have been eligible for a dividend and who did not apply for the dividend *dies during the application period*, a personal representative of the estate or a successor claiming personal property under AS 13.16.680 may apply for and receive the dividend."...

I would like to see the simple words "*dies during the application period*" changed to "*dies during the dividend year*". I think this simple change would effect what is fair. Alaskans deserve to receive their final PFD. Although this change won't affect my daughter Melissa's last PFD or other Alaskans that have been denied their final PFD it will affect those in the future.

Accomplishing this change to the PFD eligibility is very important to me. It's the last task I have to do in memory of my daughter, Melissa. Please let me know if you need me to do anything to help with this change.

Once again, thank you for your help.

Thank you,

Mary K. (Katy) Neher

MKN:kn

Sen. Kevin Meyer

From: Bob and Carole at "A Hiada-way" [hiadaway@acsalaska.net]
Sent: Monday, April 13, 2009 10:46 AM
To: Sen. Kevin Meyer
Subject: Senate Bill #171

Dear Senator Meyer:

Thank you for introducing Senate Bill 171 regarding Permanent Fund Dividend Applications for Deceased Participants. Your support is so much appreciated. The passing of this bill reinforces what Alaska was built on... honor and respect of our deceased, elders and military. Please keep me informed on the progress of this bill.

May God Bless You.

Sincerely,

Carole Okamoto
P.O. Box 1226
Kasilof, AK 99610-1226
Phone: (907) 262-1997

7

My name is Lena Mason. I would like to thank you for giving me the opportunity to testify at this important hearing. I would like to thank Representative Harry Crawford for introducing bill # HB205 and Senator Kevin Meyer for introducing Bill #SB171. Special thanks to their staff for their support and research they rendered me in this important situation. It is very much appreciated.

My husband Robert and I have been residence of Alaska since 1969. Unfortunately he passed away suddenly on Nov 18, 2008. We have both received permanent fund checks since its inception.

I contacted the permanent fund office to inquire what the procedure was to file for my spouses dividend for 2008. We were advised he was not eligible. If he had passed away in Jan, Feb., or March of 2009 he would have been eligible for the 2008 permanent fund. They also advised that they had to implement a deadline for deceased residents and to be eligible they would have had have been to be a resident for one full year prior to death. I do know that prior to this new ruling deceased resident's received a check for the year they passed away.

If a child is born on Dec 31st they are eligible for a permanent fund check for the year they were born. Residents are allowed to be out of state for 180 days and still be eligible for the permanent fund. This new ruling for deceased residents does not make any sense.

My husband contributed to the state economy and was never out of state for for the maximum amount of time required to qualify to receive the fund.

How is it that the Permanent Fund Office is authorized to make changes for the distribution of the funds? It should be up to the legislature to make rulings regarding how State money is spent and distributed.

My situation is not unique judging by the letters I have read in the Anchorage Daily News.

I did submit an estate form to the PFD office with a copy of a death certificate. The estate form states it must be submitted by Mar 31st 2010., Whether they will honor our request remains to be seen.

I would like to request that you review this ruling and take it under advisement to rectify the guidelines for distribution of funds.

Please accept my most sincere Thanks for your consideration in this matter.
Sincerely,
Lena Mason
2926 Campbell Airstrip Rd.
Anchorage, Ak 99504
907-333-4166

[redacted]

From: [redacted]
Sent: Wednesday, March 25, 2009 8:04 AM
To: [redacted]
Subject: FW: Permanent Fund - Alan Kajikawa

[redacted]

-----Original Message-----
From: [redacted]
Sent: Wednesday, March 25, 2009 7:24 AM
To: Sen. Kevin Meyer
Subject: Permanent Fund - Alan Kajikawa

Good Morning Kevin,

This is Alan Kajikawa. I talked to you about the status of the permanent fund issue for deceased family members for 2008. You may know that I lost my wife Carol in December after 45 years together with 31 of those in Alaska. I found out like many others through the article in the newspaper that she wouldn't qualify for the permanent fund dividend for 2008 even though she was present in the state all year.
It seems a shame that any Alaskan who was here even through December 31 at 11:59pm of any year would be denied a benefit that was earned by their presence actually in the state vs. many who are not really here. Please let me know if you and your colleagues can correct this situation to benefit those who don't need another situation in their lives to compound the grief that we all will be facing for a long time to come.

On another note, the UAA women came from 12 points behind to win their first game and will play at 3pm Alaska time for their second game. It was a great effort on their part and a heart stopping one for all Alaska fans present at the game.

thank you for your consideration,
e malama pono,

Alan & Hanna Malia Kajikawa
[redacted]

Helen Phillips

From: Christine Marasigan

Sent: Wednesday, April 15, 2009 3:51 PM

To: House Finance Legislation

Subject: Request for hearing SB 171

Attachments: CSSB 171 Request for Hearing.pdf; CSSB 171 Sponsor Statement.pdf; CSSB 171 SB0171C.pdf; CSSB 171 SB0171B.pdf; CSSB 171 SB0171A.pdf; CSSB 171 Fiscal Note 2.pdf; CSSB 171 Fiscal Note 1.pdf; SB 171 Supt email Kajikawa.pdf; SB 171 Supt email Palmer.pdf; SB 171 Supt email Smith.pdf; SB 171 Supt Ltr Mason.pdf; SB 171 Supt Ltr Neher.pdf; SB 171 Supt Ltr Okamoto.pdf; SB 171 Support Article JNU Empire.pdf

This email serves as a hearing request to the House Finance Committee for SB 171, PFD for the deceased.

Attached to this message please find the following:

- ☐ Memo requesting a hearing
- ☐ Sponsor Statement
- ☐ Versions of SB 171
- ☐ Fiscal Notes
- ☐ Letters/emails of support
- ☐ Newsletter article
- ☐ Potential testimony/witnesses:
  - o Debbie Bitney, Director of PFD Division
  - o Chris Poag, Department of Law
  - o Mary "Katy" Neher, constituent

If you have any questions or concerns about this legislation, please contact me.

Thank you for your consideration.

Christine R. Marasigan
Staff to Senator Kevin Meyer
Capitol Building Room 101
Juneau, AK 99801
(907) 465-6876 phone
christine_marasigan@legis.state.ak.us

SB 172

<target><bill>SB 172</bill><subject>SB 172</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 508
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

SPONSOR STATEMENT

Senate Bill 172 Alaska Health Care Commission

Alaska is currently facing serious healthcare cost, access and quality issues. Between 1991 and 2005, health care expenditures in our state more than tripled from $1.6 billion to $5.3 billion. Costs are expected to double again by 2013 to over $10 billion. All levels of government – state, local, and federal – are affected, and Alaska's economy cannot sustain this inflationary growth. The purpose of SB 172 is to establish in statute the Alaska Health Care Commission to address the need for health care reform in our state. This issue is complex and broad in scope, and cannot be dealt with adequately unless we have a permanent body to plan and follow through for long range comprehensive health care reform.

The two most recent groups to work on the issue of health care reform in Alaska, the Alaska Health Care Roundtable (2005) and the Alaska Health Care Strategies Planning Council (2007) both recommended that a permanent body be established to address the problem of health care reform. The Roundtable (which met for 2 years) and the Planning Council (which met for 6 months) recognized that the problem is too great to be effectively addressed through a short-term, ad-hoc body.

The Alaska Health Care Commission would be established in the Department of Health and Social Services, and would consist of a thirteen member body including public officials and private citizens. Representatives from both the executive and legislative branches of state government are included, as well as citizens representing the private business sector, the health care community, and consumers. Three members are to be ex officio appointees from the legislature and the governor's office. The composition and small size would enable efficient and effective teamwork and decision-making, while bringing a balance of viewpoints and perspectives.

The commission would provide its recommendations and support the development of a statewide plan to address the quality, accessibility, and availability of health care for all citizens of the State. A plan for reform will be based on education, sustainability, management efficiency, health care effectiveness, private-public partnerships, research, personal responsibility and individual choice.

Alaska's need for healthcare reform is pressing and must be dealt with thoroughly and efficiently, with a long range view towards meaningful and lasting change. The Alaska Health Care Commission would play an important role in this process, and it is essential that we make it a permanent component of the Department of Health and Social Services, so that present as well as future issues with Alaska's healthcare systems can be better anticipated, understood and addressed.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 172(FIN) am**

"An Act establishing the Alaska Health Care Commission in the Department of Health and Social Services; and providing for an effective date."

SB 172-ALASKA HEALTH CARE COMMISSION

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CS SB 172 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [X] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DHS		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	DOOGAN	✓			
	Joule	✓			
	Gara	✓			
	Foster	✓			
	HUSTEDAN	X			
Anna Fairclough	FAIRCLOUGH	✓			
	Salmon	X			
	KELLY	X			
Chair:	STOLTZE	X			
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HCS CSSB172(HSS)
() Publish Date:

Identifier (file name): HCS CSSB172(HSS)-DHSS-CO-04-14-10
Dept. Affected: Health & Social Services

Title: Alaska Health Care Commission
RDU: Departmental Support Services
Component: Commissioner's Office

Sponsor: Olson

Requester: House FIN
Component Number: 317

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	192.7		192.7	192.7	192.7	192.7	192.7
Travel	40.0		40.0	40.0	40.0	40.0	40.0
Contractual	236.8		257.3	257.3	257.3	257.3	257.3
Supplies	30.5		10.0	10.0	10.0	10.0	10.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**500.0**	**0.0**	**500.0**	**500.0**	**500.0**	**500.0**	**500.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	165.0		165.0	165.0	165.0	165.0	165.0
1003 GF Match	335.0		335.0	335.0	335.0	335.0	335.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**500.0**	**0.0**	**500.0**	**500.0**	**500.0**	**500.0**	**500.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 172 establishes the Alaska Health Care Commission in DHSS to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility, and availability of health care for all citizens of the state. The commission would be composed of 13 members. Duties of the commission would include identification of strategies for improving the health of all Alaskans through encouraging personal responsibility for disease prevention and healthy living, reducing health care costs, eliminating health risks, developing a sustainable health care workforce, and increasing health insurance options.

(Continued on page 2)

Prepared by: Ward B. Hurlburt, MD, MPH, Chief Medical Office / Director
Phone 269-8126
Division: Public Health
Date/Time 4/14/10 3:58 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 4/14/2010
DHSS Finance & Management Services

ANALYSIS CONTINUATION

A number of recent ad hoc groups formed to address the issue of health care reform in Alaska, including the Alaska Health Care Roundtable (2005), the Alaska Health Care Strategies Planning Council (2007) and the Alaska Health Care Commission formed under Admin Order #246 (2009), all recommended that a permanent body be established to address the problem of health care cost, quality and access. The problem is too great in scope and too complex to be able to plan and follow-through in just one or two years time through a short-term body. Most recently, the new federal health care laws enacted this past month significantly change the structure within which state health systems operate, and a state planning body is required to help evaluate the impact on Alaskans and Alaska's businesses and health care industry, and to provide recommendations on state implementation.

$500.0 ($165.0 Fed/$335.0 GF Match) is required for operations of the health care commission. Federal funding authority requested is based on a review and determination of the level of Medicaid administrative and other federal funding that could appropriately be allocated to support the commission's work. Funds will be expended as follows:

71000 Personal Services: The commission would be staffed by an Executive Director, $134.5 (range 23, step F), and an Administrative Assistant I, $58.2 (range 12).

There is currently an Executive Director's position in the department established to support the work of the one-year 2009 commission created under Admin Order #246. This is a temporary, off-budget, fully-exempt position, and the full-time PCN requested in this fiscal note for this position is a technical fix required to establish this position in the department's budget. The department created this position and implemented the work of the 2009 commission while requesting funding through a fiscal note during the 2009 session, or through a budget increment included in the 2010 budget request. When neither funding vehicle was successful, the department limited the work of the commission and absorbed the associated costs for the one-year effort, but the part of the agency forced to absorb the costs has had to forgo other planned acitvity for this fiscal year.

An Administrative Assistant is required to provide logistical and administrative staff support for the commission. The scope of work that will be required of the commission became exponentially more complicated with the enactment of the new federal health care laws. The administrative support work required to handle the logistics of commission member travel; organizing commission meetings; planning and implementing public communication strategies; establishing consultant contracts; managing day-to-day office functions; and tracking and following-up on the work of commission members, consultants, and related department programs and initiatives is a full-time job.

72000 Travel: Travel and per diem for commission staff and for 10 voting commission members to conduct quarterly face-to-face public meetings at various locations around the state.

73000 Contractual: Professional services contracts are required to supplement staff research with specialized expertise not available among department staff. The department will coordinate with and leverage other departmental health care research and analysis work with the work of the commission and the commission's consultants to the greatest extent possible. Other contractual line expenses will include meeting expenses such as transcriptionist and audio services and meeting space; and core service RSAs to provide office space, telecommunications, network connectivity, printing, postage, and IT support.

74000 Supplies: FY 11 includes start-up costs such as computers, office furniture, reconfiguring lease space, wiring needs for connectivity, printers, fax, and photocopies. Ongoing costs are for basic office supplies and small equipment purchases. Start-up supply costs of $20.5 in the first budget year will be shifted to the contractual services line after the first year to cover ongoing contractual needs.

Adopted
4/15/10

CONCEPTUAL AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: HCS CS SB 172 (HSS)

Page 3

Add as a voting member of the board, specified in Sec. 18.09.020 (outlined on page 3, line 8, through page 4, line 5):

"One member who is involved in the federal veterans' healthcare industry"

Sectional analysis: Alaska Health Care Commission Bill

Section 1

AS 18.05.010(b)- Establishes the Alaska Health Care Commission in the Department of Health and Social Services that will work toward recommendations for a statewide health plan under AS 18.09.

Statewide Health Care
Section 2

Sec 18.09.010-This section is the basic language to establish the Commission and outline the commission's primary objectives.

Sec 18.09.020-Creates a 10 member Commission made up of Health Professionals and the public including three ex officio appointees from the legislature and the governors office.

Sec. 18.09.030- Members will serve three year staggered terms. Should an opening occur prior to the completion of the term the governor shall appoint a replacement.

Sec. 18.09.040- Creates the position of executive director as a partially exempt position appointed by the commission.

Sec. 18.09.050- Permits the Department to assign employees to work with the Commission as support staff.

Sec. 18.09.060- The commission shall submit internally by-laws for consideration by the full Commission. By laws will establish quorum requirements, time and locations for meetings, etc. The section also defines conflicts of interests when voting and annual reporting requirements

Sec. 18.09.070- This section defines the duties of the Commission, to include goals and language for input from the public through the public hearing process.

Sec. 18.09.080- Standard language that allows members to receive per diem and travel but no salary for serving on the commission.

Sec. 18.09.900- Authorizes the Department to promulgate the necessary regulations to maintain the commission

Sec 18.09.990- Defines the use of the words commission and department.

Section 3

AS 39.25.120 (c)(7)- adds the commissions executive director position to the list of existing executive directors serving other boards and commissions.

Section 4

AS 44.66.010 (a)- Sunset- the commission expires unless renewed by the legislature on June 30, 2014

Section 5

Uncodified language- Permits the department to begin the regulatory process which can not take effect until this bill is singed into law.

Section 6

Uncodified language- The members already serving on the commission shall continue in their positions based on the staggering of their terms.

Section 7

Effective date- Immediate effective date clause.

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

February 2, 2010

Senator Donald Olson
Alaska State Capitol, Room 514
Juneau, AK 99801-1182

Subject: Support for SB 172

Dear Senator Olson:

The Alaska Commission on Aging (ACoA) is pleased to offer our support of SB 172 authored by you to extend the life of the Alaska Health Care Commission in the Department of Health and Social Services until 2014 with responsibilities to plan and implement strategies related to health care reform for all Alaskans across the life span.

As you know, the Alaska Health Care Commission was first established by Governor Palin in December 2008 to develop a statewide health plan and provide recommendations to address the quality, accessibility, and availability of health care for all Alaskans. We agree with the Commission's findings that the high cost of health care and access to primary care present serious challenges for our state. ACoA supports establishment of a state commission to comprehensively examine the multitude of issues related to improving health care services including improving access to affordable primary care in addition to promoting strategies for preventative care and chronic disease management.

Older Alaskans represent one of the largest consumer groups of health care services of all age categories. Access to primary care is of utmost concern for many Alaska seniors insured by Medicare who are challenged to find a physician particularly if they live in Anchorage, Fairbanks or the Mat-Su Borough. Limited access to essential health care services for older individuals can put these persons at greater health risk who may postpone going to a provider for the care they need only when their medical conditions become serious. Workforce shortages of health care workers, particularly doctors and nurses, pose a serious problem that affects all Alaskans and has a critical impact on people 65 years and older. The ACoA is pleased that these issues were identified in the Alaska Health Care Commission Report (2009) and look forward to working with the Health Care Commission to implement the Commission's recommendations.

We support SB 172 to extend the Alaska Health Care Commission. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879) should you have questions or need additional information.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Principles, Elements and Specific Steps

Draft 8 August 29, 2007

Proposal by the Alaska Health Care Roundtable to help the Council achieve the goals it identified at its first meeting:

Health Care Strategies Planning Council Mission Statement (Approved at the June 11, 2007 meeting)

Develop strategies, including performance measures, to provide health care access for all Alaskans by 2014 with the goal of making Alaskans the healthiest population in the nation.

The definition of "access" includes: coverage, affordability, timely service, quality of care, prevention, managing chronic conditions, workforce issues and cost.

Roundtable recommendations are as follows:

Principles of reform — Guidelines for creating effective specific action steps

- Creating healthier people who consume less medical services is the only major sustainable strategy to slow growth of health care costs.

- Plans, programs and policies must encourage and support the principle of individual responsibility to maintain and protect each person's health.

- Dramatically improve value for every health care dollar.
    - Health services that effectively educate and motivate individuals underpin an effective, efficient health care system. Prevention and timely appropriate levels of care earn strong return on investment (ROI) for both employer and public programs. Examples are immunization programs, hypertension or HIV screening, promoting prenatal care, etc.
    - Organizational wellness programs, government or private, are starting to prove that improving employee health is a win/win for both employees and employers.

- Financially support carefully planned experimentation with different types of health delivery models and payment models. Alaska is a highly diverse state. The wide variety of community sizes, many in remote areas, with differing access to care and different prevailing payment systems argues towards creating a variety of solutions from which to choose. Employers are particularly concerned about quality.

3918

- All Alaskans need quality, affordable health care that provides:
  - Physical access
  - Financial access
  - Information access

- Facilitate universal participation in the most appropriate fashion for each individual. Forms of coverage or care include:
  - Employer-based
  - Individual-based
  - Federal programs
  - Military programs
  - Alaska Native programs

- Rely on and develop the private insurance market in sectors where it is currently working and other sectors where it can be logically employed. Avoid creating costly state bureaucracies that duplicate private sector capabilities.

- "Grow our own" health care practitioners at all levels as much as possible.
  - In-state education and clinical training increases the likelihood of keeping graduates in Alaska.
  - In-state education stems the flow of education dollars Outside and helps generate a sustainable economy.
  - Create specialized programs to meet the needs of rural Alaska.

- Collaboration and cooperation is essential. The problem is larger than any one part of the system can solve. Areas to address are financing and insurance, workforce development, facilities and citizen education. Private, state, federal and Native resources will need to be coordinated so all can contribute to the solution.

- Generate sufficient information and research, both in Alaska and from best practices Outside, to support sound fact-based decision making.

- Provide sufficient and appropriate facilities where necessary around the state. Emphasize regional planning, coordination, cooperation and efficiency.

- Develop a statewide electronic health record network that is secure and interoperable with existing systems to improve quality of care and reduce waste by providing necessary medical information to providers.

Elements of reform — Building blocks for a better system

- The problem is huge and complex. Businesses, individuals and governments all must contribute to managing and financing a new Alaskan health care system for it to be sustainable.

- We must stem erosion of employer-sponsored insurance. Keep what works and reshape or fill in as necessary. Reform plans should build on and improve existing parts of the system that work without harming those who are already well served.

- Information to evaluate costs and alternatives before and after treatment is an essential building block of individual financial responsibility. Information access and transparency seems like a basic need, but is elusive. Technology and disclosure requirements will help.

- Encourage adequate federal Medicare reimbursement of provider's costs, but cobble together work-arounds until that happens. This can include creative use of Medicare and Medicaid waivers. Keep track of the changing federal health care environment to uncover opportunities and influence needed change.

- Electronic health records are the cornerstone to modernizing Alaska's health care. Build on existing private and state-level initiatives.

- Develop navigation aids and fail-safe systems to help people gain access to and deal with complexities of the system. Navigation aids must take into account the human, as well as the technological networks, which build healthy lives.

- Alaska has information gaps that need to be filled to chart an optimum path to progress. Fundamental research will enable policy-makers to make sound decisions based on facts: 1. Quantify and identify the source of Alaska cost differentials vs. Outside. 2. Understand who is not covered or insufficiently covered. 3. Continue to define work force development challenges across the full job spectrum.

- Build on the many Alaskan programs that have proven effective or show promise in the areas of quality, access and cost control.

- Monitor and learn from other state's experience in coverage and cost control.

- Alaska will need an ongoing official state-wide group to monitor the ever-changing health care scene and find appropriate synergies.

Specific immediate steps to consider

- Establish an ongoing Alaska health care council/commission/board to coordinate public policy.
- Support and coordinate Alaska research and monitor national research and developments.
- Develop a variety of Alaska health care reform plans based on research to be able to compare and contrast their benefits, costs and impacts.
- Support the next step in development of Alaska electronic health records.
- Develop and monitor quantifiable health care goals for Alaska.
- Support workforce development capable of filling current and anticipated needs.
- Encourage primary care capability based on the "Medical Home" model which provides an ongoing health care point of contact. Examples are family physicians or community health centers.
- Monitor and improve liability and tort laws to help reduce malpractice insurance costs, encourage quality improvements and make Alaska a more attractive place to practice medicine.
- Encourage schools at all levels to foster healthy life styles and offer sports and exercise programs that build life long healthy habits.
- Work with the federal delegation and authorities to maximize federal support of Alaska projects and programs and to support national health care reform efforts that will benefit Alaskans.
    - E.g. Develop stand-alone Medicare clinics in major Alaska hubs via an open RFP process
- Identify pseudo-reform "myths"—things to avoid.

Pseudo-reform "myths" — Things to avoid

- Continued employer transfer of health care costs to employees.
- Assuming that "market forces" alone will make health care better and more efficient. Health Savings Accounts (HSAs) may be part of a total solution, but not the only solution. Even enlightened health care consumers do not have access to information they need to "shop around" for best value.
- Freezing or reducing state funding. The State of Alaska will need to make additional financial and programmatic investments as a full partner in a comprehensive solution.
- Reliance on the federal government to solve the problem. National solutions are necessary and hopefully will be forthcoming. However, in the interim, Alaska needs to do what it can to help itself.

- Assuming, hoping or praying that the problem will solve itself and go away. Effective, creative coordination of every tool available within Alaska is the only chance for success. An ongoing, adequately resourced council, commission or board will need to continue the work of the Alaska Health Care Strategies Planning Council.

Why we need to act now

- As a small state with significant resources, Alaska has the elements it needs to improve the health of its citizens in the long-term.
- Guiding principles will focus the creativity and coordination needed to achieve this lofty, but basic human goal.
- Unchecked, current health trends will create the first generation in 100 years that can expect a shorter life span than their parents.
- Insufficient federal reimbursements are transferring a huge financial burden to the private sector which in turn is passing costs on to employees.
- A mandatory rational system based on the strongest elements already in place can provide basic care for all Alaskans enabling a shift of emphasis towards prevention.
- Investing in prevention and individual responsibility offer high "bang for the buck." Healthy people feel better and place less financial demands on the system.
- The aging population will increase per capita costs of health. These increases can be mitigated by effective primary prevention and health promotion.
- Everyone and all parts of society need to be part of the solution—businesses, individuals and all levels of government.
- The health care system is not a goal in and of itself. The real goal is healthy Alaskans who know they will be properly cared for if they do get sick.

Background — An unsustainable deteriorating situation

- Many thanks to the Alaska Health Care Strategies Planning Council and key legislators for beginning a formal state dialogue.
- Businesses face annual double-digit increases in health care costs. This necessitates:
  - Cutting back coverage
  - Increasing employee financial contributions
  - Educating and empowering employees to develop healthier lifestyles
- The situation is bad and getting worse.
  - According to a July 2007 Commonwealth Fund report comparing states, Alaska ranks 26th overall, 36th for access and 49th in quality.
  - Medicare and Medicaid do not reimburse providers for their cost of doing business. This "pinch" is being passed on to businesses and insurers, creating an ever-escalating financial burden on them. Health care costs for businesses are a financial ball and chain not shared by international competitors.
  - Many Alaskans are without any health care coverage, or have inadequate coverage.
    - Over 90,000 Alaskans have no health care coverage—if living together, they would be the second largest city in Alaska.
    - Many more are under-insured.
  - Everyone has nominal access to some form of health care at the emergency room, but it is after-the-fact and expensive.
  - Many people in need do not know where to turn because of:
    - Lack of knowledge
    - Lack of money
    - Linguistic and cultural barriers
    - Crushing work and family schedules
  - Alaska is short 300 doctors today, with more needed to replace an aging work force. Similar shortages exist for nurses and other health practitioners.
  - Potential gas pipeline construction will further strain an already challenged Alaska health care system.

- The unhappy net result:
  - Alaska has the highest per capita state expenditures on health care in America ($8,000 per person).
  - America has the highest per capital health care expenditures in the world ($7,000 per person).
  - Alaska and America have poor health compared to other industrialized nations despite having greater expenditures on health care.
  - Alaskan and American businesses are becoming less competitive compared to international businesses in countries with public health care systems.

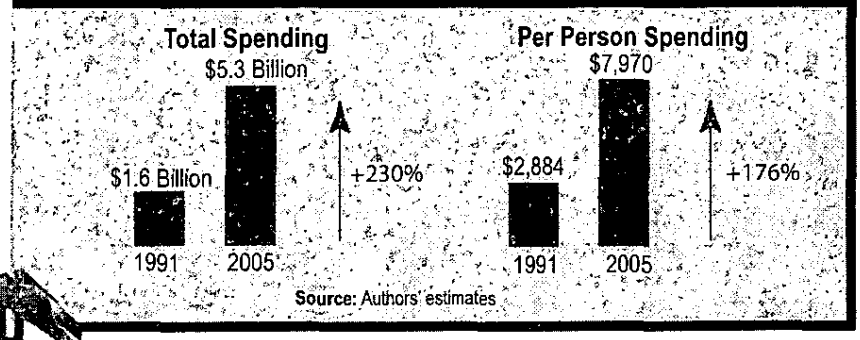
- A caring, humane and financially efficient society cannot continue this downward spiral. Serious national conversations and major state-level reform efforts are under way. Fortunately, Alaska has potential building blocks for a better system and guidelines to help use them.

Alaska's $5 Billion Health Care Bill—Who's Paying?

By Mark Foster and Scott Goldsmith

March 2006
UA Research Summary No. 6
Institute of Social and Economic Research • University of Alaska Anchorage

Figure 1. Growth in Alaska Health-Care Spending, 1991-2005



Spending for health care in Alaska topped $5 billion in 2005. Just how big is $5 billion? It is, for perspective, one-third the value of North Slope oil exports in 2005—a year of high oil prices. It's nearly one-sixth the value of everything Alaska's economy produced last year.

In 1991, health-care spending in Alaska was about $1.6 billion. Even after we take population growth into account, spending for health care increased 176% per Alaskan in 15 years. These soaring costs are taking a growing share of family and government budgets, increasing labor costs, and putting businesses at a competitive disadvantage.

The $5.3 billion in spending in 2005 was all for the 665,000 people who live in Alaska, but individuals didn't pay all the bills. They paid nearly 20% out of their pockets and through payroll deductions. Businesses (including non-profits) and governments paid about 80%. Of course, individual Alaskans and other Americans indirectly pay all these costs, because they buy goods and services, own businesses, and pay taxes.

What does health-care spending buy? Stays in the hospital, visits to doctors and dentists, prescription drugs, and more, as well as program administration and public health programs. Our estimates don't include capital expenditures.[1]

Who pays the bills, and how has that burden shifted as spending increased?

• *Private and government employers spent about $2 billion for employee health-care coverage in 2005.* For comparison, they paid $11.8 billion in wages in 2005. With rising costs, businesses and governments have become increasingly likely to pay health-care bills themselves—"self-insure"—rather than pay through insurance premiums.

• *Alaska households spent just over $1 billion for health care in 2005, up from $361 million in 1991.* That includes everything individual Alaskans spent—not only their out-of-pocket costs, but also what was deducted from their paychecks to help pay for health coverage through their employers.

• *Governments spent $2.2 billion for health care programs in 2005, up from $736 million in 1991.* Medicaid spending was almost $1 billion.

Health-care spending could double again by 2013, if current trends continue. Why are costs of medical care so high, and why are they increasing faster than everything else? Why have health-care costs in Alaska stayed higher than U.S. averages, even as other costs moved closer to national levels? Are we getting better care now? Who can't afford care?

We're starting to assemble data to help answer those questions. Alaskans face some hard choices about how to control costs but still have a health-care system that provides good care and is accessible to everyone. We hope to provide some useful insights.

This publication is the first step in ISER's research on the health-care industry. It starts with our new estimates of spending and of changes since 1991, when we last looked at health-care spending.[2] But cost alone is only one part of the complicated health-care story, and here we also begin looking at:

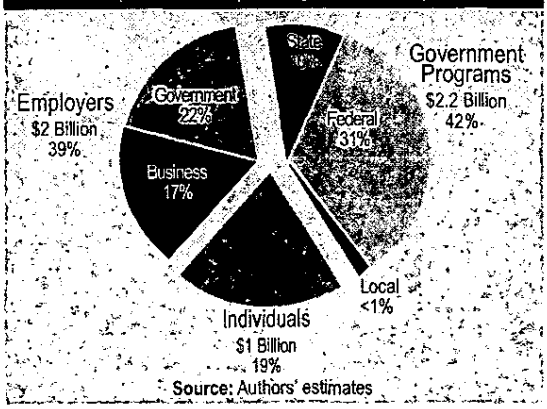
• Who are the most expensive patients? Our analysis of national data shows that the average "high-cost" patients aren't as expensive as you might think.

• Who is more likely to have health insurance provided through their jobs at a reasonable cost? Single people working for big companies.

• How does use of the health care system in the U.S. compare with use in other countries? Canadians and Australians seem to use their systems about as much.

• What is driving costs? Despite what many people think, there are no simple explanations: it's a puzzle with many pieces.

Figure 2. Who Pays The Bills?
(Total 2005 Spending: $5.3 Billion)



Understanding Alaska (UA) is a special series of ISER research studies examining Alaska economic development issues. The studies are paid for by the University of Alaska Foundation. UA reports are available from ISER's offices and at: **www.alaskaneconomy.uaa.alaska.edu**

Organization of Summary

We first describe what health-care dollars buy—what shares go to doctors, hospitals, drugs, and other expenses. Then we look in more detail at our estimates of health-care spending in 2005 and the changes since 1991. We think our estimates are a good effort to update our previous work. But the health-care industry is complex, and tracking all the spending is difficult.

After we talk about spending, we give readers a glimpse of related health-care issues. In some cases we have no Alaska data and rely on national figures, which are still useful in illustrating important issues.

Pages 4, 5, and 6 discuss access to, use of, and benefits from the health-care system: who is uninsured; who has health-care coverage and how that coverage is provided; which patients get the costliest care; how Americans' use of medical care compares with use by people in other industrialized countries; and whether we've gotten healthier in exchange for more spending.

Page 7 summarizes what we know about how medical costs in Alaska differ from the U.S. average, and page 8 concludes with a discussion about the many things that may be driving health-care costs.

Keep in mind that population growth and general inflation account for part of the increase in health-care spending since 1991. Alaska's population increased from about 570,000 in 1991 to 665,000 by 2005. Also, prices for everything Americans buy also went up, by about 43% nationwide and 39% in Anchorage. But prices of medical care nearly doubled (Figure 3).

What Are We Buying?

Figure 4 shows that as of 2000, more than 70% of Alaska's health-care spending was for hospital care and visits to doctors. Prescription drugs accounted for about 9% and dental care 7%. The "other" category includes medical products, health care provided on the job and in schools, and Medicaid payments for in-home care.

Nursing home and home health care made up only 2% of health-care spending in 2000, far short of the U.S. average of 11%—and that share actually dropped between 1990 and 2000, despite fast growth in the number of Alaskans over 65. There has been a shift in how long-term care is provided in Alaska. A change in Medicaid allowed payment for in-home and assisted-living care for people who would otherwise have been cared for in nursing homes.

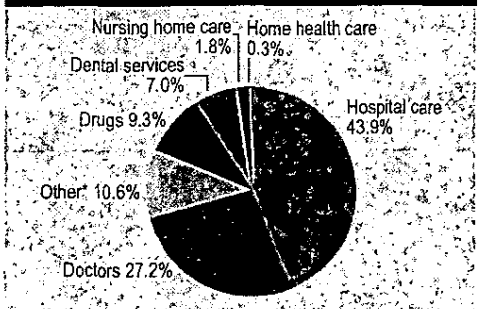
All types of health-care spending grew rapidly since 1990, but the fastest growth was in prescription drugs and the "other" category (described in the footnote to Figure 4).

How Has Spending Changed?

Table 1 details who paid for health-care in 2005. Figures 5 and 6 show changes in levels and shares of spending from 1991 to 2005.

• Growth in government spending wasn't uniform. The federal government's share of spending increased (Figure 5). Costs for Medicare and Medicaid more than quadrupled and costs for the Indian Health Service doubled.

Figure 4. What Are We Buying?
(Alaska Health Care Spending, 2000)



*Includes, among other things, durable and non-durable medical products, direct services employers provide employees, government expenditures in schools, and Medicaid payments that allow people to be cared for at home instead of in institutions.
Source: Center for Medicare and Medicaid Services

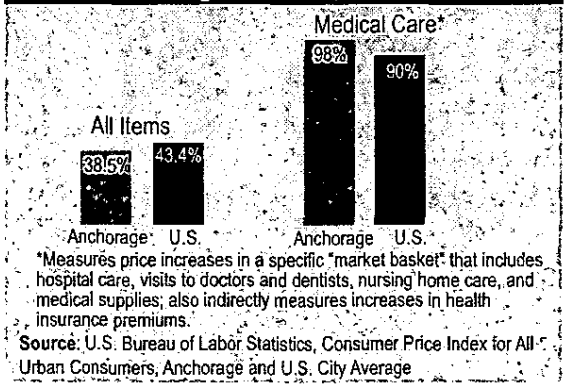
• State government's share dropped, partly because the federal government paid a bigger share of Medicaid costs in 2005 than in 1991.[3]

• Local government is the smallest government spender, but the local share of spending increased, mostly because of growing costs for employee health coverage.

• Employers saw the fastest growth. Combined spending by private and government employers increased about 290% (Figure 6).

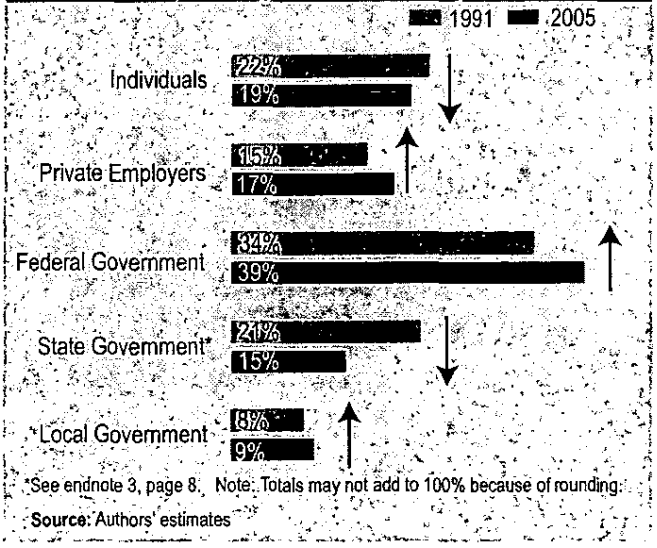
• Spending by individual Alaskans didn't go up as much—184%—but the $1 billion they spent in 2005 was still more than the $922 million businesses spent.

Figure 3. Increase in Consumer Price Index Anchorage and U.S., 1991-2005



*Measures price increases in a specific "market basket" that includes hospital care, visits to doctors and dentists, nursing home care, and medical supplies; also indirectly measures increases in health insurance premiums.
Source: U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, Anchorage and U.S. City Average

Figure 5. How Did Shares of Spending Change From 1991 to 2005, Among Those Who Buy Health Care?



See endnote 3, page 8. Note: Totals may not add to 100% because of rounding.
Source: Authors' estimates

3926

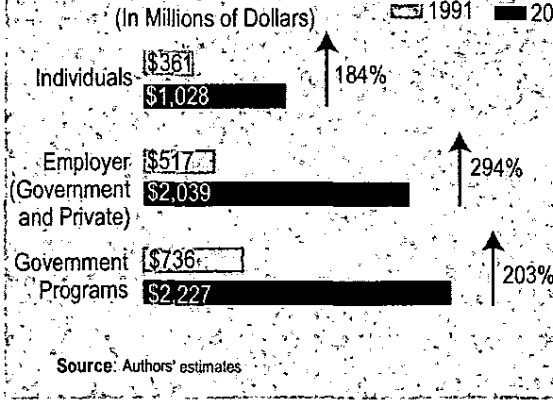
Table 1. Health-Care Spending in Alaska, Fiscal Year 2005
(Total Spending: $5.3 Billion)

Who Provides the Coverage?	Who Buys the Care? (In Million of Dollars)					
	Individuals	Businesses	Local Government	State Government	Federal Government	Total
Individuals	$1,028					$1,028
Out-of-pocket costs	$431					
Individual policies	$276					
Payments for employer-based insurance	$320					
Employers (Including retiree coverage)		$922	$454	$252	$411	$2,039
Insurance Premiums		$303	$103	$72	$75	
Self-Insured Costs[a]		$485	$352	$180	$115	
Military Medical Costs					$221	
Worker's Compensation (medical benefits)		$134				
Government Health Programs			$38	$535	$1,654	$2,227
Medicare					$419	
Medicaid				$303	$667	
Other Public Programs						
Federal						
Indian Health Service Contracts					$401	
Veterans' Affairs					$105	
Community Health Centers					$29	
State						
Grant to local governments, private groups				$116		
API, Pioneers' Homes				$55		
Other State-Administered				$31		
Elementary and Secondary Schools			$3	$8	$33	
WAMI Medical Education				$2		
Department of Corrections				$21		
Local						
Health and hospital spending			$35			
Total Spending	$1,028	$922	$492	$787	$1,950	$5,294

[a] Many organizations that self-insure—that is, they pay some of their bills themselves—also still carry some insurance to help cover extraordinary risks.

Source: Authors' estimates Note: Totals may not sum because of rounding.

Figure 6. How Did Spending Change From 1991 to 2005, Among Those Who Provide Coverage?



Source: Authors' estimates

Biggest Kinds of Changes

- Individual Alaskans have seen big increases not only in costs they notice most—how much they have to pay out of their own pockets—but also in less obvious costs: deductions from their paychecks to pay their share of employer-based insurance.
- Both private and government employers became much more likely to self-insure. Self-insurance costs made up about two-thirds of combined employer spending for insurance premiums and self-insurance in 2005, up from about one-third in 1991.
- Spending for Medicaid more than quadrupled (from $215 million to $970 million), so that in 2005 it alone made up nearly $1 in every $5 of health-care spending. Analysts attribute the fast growth of Medicaid nationwide to growing numbers of eligible Americans, including low-paid workers whose employers don't provide coverage and low-income seniors; to program expansion; to increasing prices of medical care; and to treatment of medical conditions at lower thresholds.

3927

Health-Care Coverage

Most Alaskans—an estimated 87%—have some form of health-care coverage, either through private insurance or government programs.[4] Some people have more than one kind of coverage, so the percentages in Figure 7 add to more than 100%.

Around 64% of Alaskans are covered by private insurance, 38% by government programs, and nearly 13% have no coverage. Nationwide, 68% of people are covered by private insurance, 30% by government programs, and close to 16% have no coverage.

Alaskans are more likely to have coverage through the military (reflecting the state's large number of active-duty and retired military); the Indian Health Service (because Alaska Natives make up 20% of the population); and Medicaid (the joint federal-state program mainly for low-income and disabled people). Fewer Alaskans are covered by Medicare, because fewer are over 65.

We don't know characteristics of the 13% of Alaskans with no health-care coverage, but we know that nationwide the uninsured are most likely to be young adults and to have annual incomes below $25,000 (Figure 8).

Children in Alaska are more likely to have coverage than both adults in Alaska and children nationwide. Figure 9 shows that about 8% of children in Alaska had no coverage in 2003, compared with the U.S. average of nearly 12%.[5] The smaller share of uninsured children in Alaska is probably due to the fact that Alaska Native children are eligible for care through the Indian Health Service, and also to the Denali KidCare program, an extension of Medicaid that provides coverage for low-income children without other coverage.

It's outside the scope of this summary to describe all the ways that families, communities, and governments are affected because millions of Americans lack health insurance. But a recent report by the National Academy of Sciences broadly summarized those effects. It found that the uninsured are in worse health; that uninsured children are more likely to have development delays; that the direct costs of caring for uninsured Americans fall heavily on local communities; and that governments pay hospitals large public subsidies to offset their costs for uncompensated care.[6]

The 64% of Alaskans with private insurance either pay for that coverage themselves (through individual policies) or are covered through their jobs and share the costs with their employers. Figures 10, 11, and 12 show how the rising costs of medical care have affected health-insurance coverage for Alaskans working for private industry.

• Health insurance in Alaska was already more expensive in the 1990s and still is. In 2003, insurance premiums for family coverage at private firms were about $10,500 in Alaska and $9,200 nationwide. By 2005, those premiums had jumped to an average of $11,268 nationally (Figure 10).

• Premiums are higher in Alaska, but workers here pay a smaller share, as Figure 11 shows. As of 2003, employees at private firms in Alaska paid 11% of the premiums for single-person coverage and 17% for family coverage, compared with 17% for single-person coverage and 25% for family coverage nationwide. But employers, especially at small firms, have been shifting more insurance costs to workers. The 2005 UBA-Ingenix Health Plan Survey found that employees of businesses nationwide paid 43% of the premiums for family coverage.

Figure 7. Health-Care Coverage, Alaska and U.S., 2004

	Private Insurance	Medicaid	Medicare	Military	IHS only*	None
Alaska	63.5%	15.3%	7.3%	11.6%	4.2%	12.8%
U.S.	68.1%	12.9%	13.7%	3.7%	N/A	15.7%

*Authors' adjustment. See endnote 4, page 8.

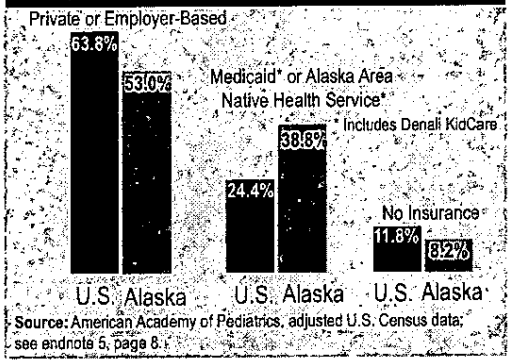
Note: Totals are more than 100% because some people have more than one coverage.
Source: U.S. Census Bureau, Current Population Survey, 2004

Figure 8. Who Is Most Likely To Be Uninsured in U.S.?

	Percent Uninsured
By Age	
18-24	31%
65+	1%
By Annual Income	
Less than $25,000	24%
$75,000+	8.4%

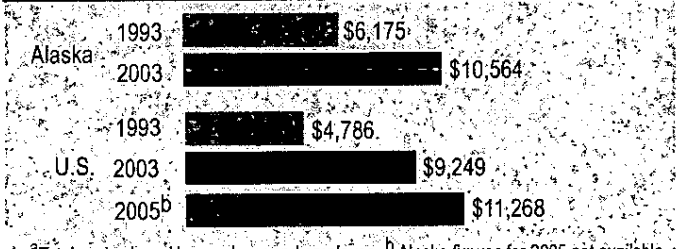
Source: U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the U.S.*, 2004

Figure 9. Health-Care Coverage for Children (18 and Under), Average 2001-2003



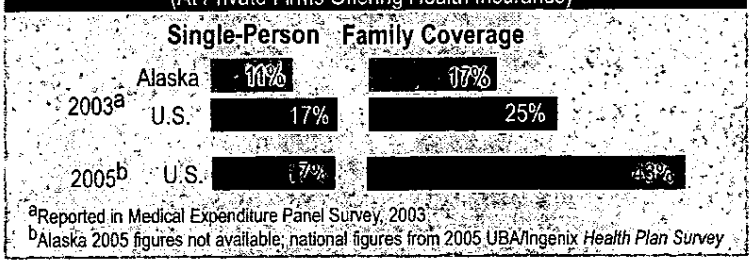
Source: American Academy of Pediatrics, adjusted U.S. Census data; see endnote 5, page 8.

Figure 10. Health Insurance Premiums For Family Coverage[a], Private Firms



[a]Total costs shared by employer and employee. [b]Alaska figures for 2005 not available.
Sources: Medical Expenditure Panel Survey, U.S. Agency For Health Care Research and Quality, 2003; 2005 UBA/Ingenix *Health Plan Survey*

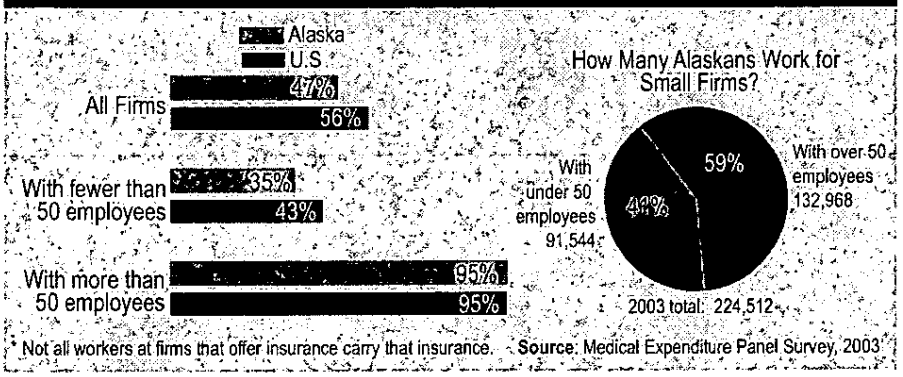
Figure 11. Share of Health Insurance Premiums Employees Pay
(At Private Firms Offering Health Insurance)



[a]Reported in Medical Expenditure Panel Survey, 2003.
[b]Alaska 2005 figures not available; national figures from 2005 UBA/Ingenix *Health Plan Survey*

3928

Figure 12. Private Firms Offering Health Insurance,* Alaska and U.S., 2003



*Not all workers at firms that offer insurance carry that insurance. **Source:** Medical Expenditure Panel Survey, 2003

• Small Alaska businesses are less likely to offer insurance coverage. Only about a third of those with fewer than 50 employees offer coverage, compared with 43% nationwide (Figure 12).

A lot of Alaskans work for small businesses. In 2003, about 91,500 of the state's 224,500 private-industry employees worked for businesses with fewer than 50 employees. That's more than 40% of all those with jobs in private industry.

Who Costs the Most and the Least?

We've talked about the costs of health care and of health-care coverage. Now we turn to the other side of the equation: who's getting the benefits of the spending?

Health-care spending in Alaska was close to $8,000 per person in 2005. But not everyone is average. The cost of care for a few is significantly higher than average, but for many it's only a few hundred dollars a year.

As a first step toward understanding who gets the benefits of health-care spending, ISER analyzed national data on the characteristics of high- and low-cost patients. That data is from a federal panel survey—that is, a survey that follows households over time.

As Figure 13 shows, just 5% of patients nationwide account for almost half of all health-care spending in any given year, while at the other extreme 50% of patients account for just 3% of spending in a year.

A lot of Americans tend to think that the most expensive patients are probably very old, or suffering from some catastrophic illness or injury, and are possibly uninsured.

The high-cost patients are older; health-care costs do go up as people age.[7] But their average age is 57, and fewer than 40% are over 65. The average bill for high-cost patients in 2002, under $20,000, doesn't reflect major illnesses or end-of-life care. Rather, it's for a few days in the hospital for surgery, several visits to doctors, and significant spending for prescription drugs. Few of the high-cost patients—2%—are uninsured.

The low-cost patients are mostly young, averaging 28 years old. They may see a doctor or a dentist once a year, and they pay almost half their modest medicals bills out of their pockets.

Many of the low-cost group—nearly 20%—are uninsured. The share of uninsured patients in this group tracks with what the National Academy of Sciences has reported: that the uninsured often don't have any medical costs at all in a year, and among those who do, their expenses are less than half the average for people under 65.[8]

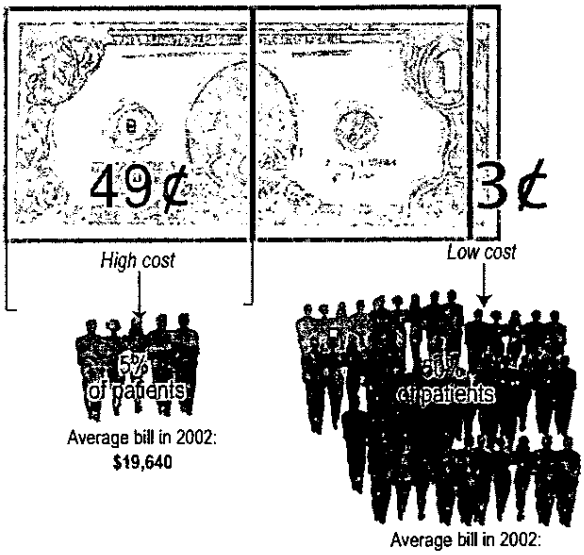
Keep in mind that it's easy to go from being a low-cost patient in one year to a much costlier one the next—a car accident, the sudden onset of an illness, or a hundred other unpredictable events can push anyone into the ranks of the high-cost patients.

Figure 13. Who Are the High-Cost and the Low-Cost Patients in the U.S.?

Distribution of Health-Care Spending on Patients, 2002

Who Are the High-Cost Patients?

- Mostly middle-aged people (average age 57), who are hospitalized for a few days, see doctors several times a year, and spend considerable money (average $3,000) on prescription drugs.
- About 40% are over 65
- They are from all income levels. A third have high incomes (family income over $80,000), and about a fifth are poor (family income under $18,000).
- Only 2% are uninsured. More than two-thirds have private insurance, and nearly a third are covered by government health programs, the most common being Medicare.
- They pay about 12% (average $2,400) of their bills out-of-pocket.



Who Are the Low-Cost Patients?

- Mostly young (average age 28), healthy people, who are likely to see a doctor and a dentist once a year and spend little (average $44) for prescription drugs.
- About 3% are over 65
- They are from all income levels, with almost the same breakdown as among high spenders: nearly a third have high incomes and about a fifth are poor.
- Nearly 20% are uninsured. About 17% are covered by government programs, most commonly Medicaid. The majority have private insurance.
- They pay about 40% (average $84) of their bills out-of-pocket.

Sources: *MEPS Statistical Brief No. 81, May 2005 and analysis of MEPS data by Stephanie Martin of ISER*

3929

Do We Use More Medical Care?

Americans spend more on health care than anybody else. Do Americans increase health-care costs by getting more medical care than people in other developed countries? Or conversely, do countries with national health-care systems hold down costs by rationing care?

Figure 14 compares Americans with the British, Canadians, New Zealanders, and Australians on use of, access to, and satisfaction with their health-care systems. The comparison countries all have some form of national health-care system.

Overall, the comparisons show that residents of all four countries are almost equally likely to see doctors and have diagnostic tests, and that Americans are slightly more likely to take prescription drugs.

Figure 14. Use of Medical Care, U.S. and Selected Countries, 2004
(Percent of Survey Respondents)

	U.S.	Great Britain	New Zealand	Canada	Australia
Saw at least one doctor in previous 2 years	97%	95%	97%	95%	98%
Regularly take prescription drugs	46%	44%	39%	43%	39%
Had blood tests, x-rays, or other diagnostic tests in past 2 years	84%	71%	82%	84%	83%
Able to get doctor's appointment same day when sick	33%	41%	60%	27%	54%
Skipped medical tests, treatment or follow-up because of cost	27%	2%	20%	8%	18%
Rate regular doctor's care excellent or very good	61%	64%	74%	68%	71%
Among those who used emergency room, share who rate emergency services fair or poor	34%	23%	27%	27%	23%

Source: Commonwealth Fund International Health Policy Survey, 2004

Americans are, however, more likely to skip medical tests because of cost and less likely to get appointments the same day they call. They also seem to be somewhat less satisfied with care they get from their doctors and in the emergency room.

Are We Healthier?

Another important aspect of the health-care story is what we're getting in return for the high spending. Are Alaskans healthier than in 1990?

The answer seems mixed. In 2005 the United Health Foundation ranked Alaska as among the most improved states in health outcomes since 1990. Despite that improvement, the foundation still ranks Alaska somewhere in the mid-range of states on health measures—because 15 years ago Alaska was ranked toward the bottom.[9] Figure 15 illustrates some of the improvements Alaska has made since 1990.

Rates of infectious disease (which include hepatitis, tuberculosis, and many more) went from far above the U.S. average in 1990 to significantly below by 2005. Infant mortality dropped in Alaska and throughout the country.

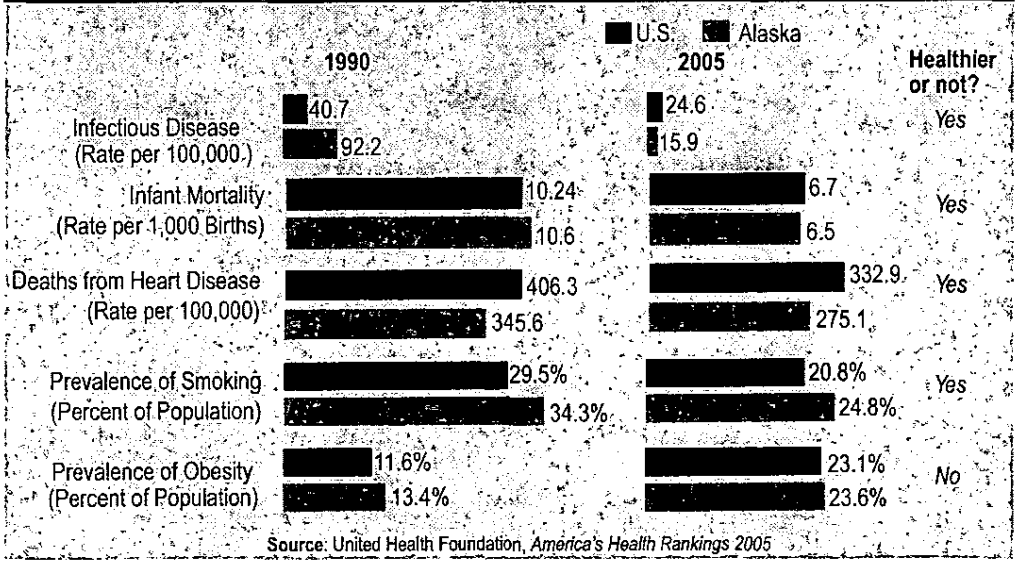
Declines in infectious disease and infant deaths in Alaska can be traced partly to public-health spending for immunizations, as well as for safe water and sewer systems, new housing, and better access to medical care in remote villages.[10] In Alaska and nationwide, advances in treatment and technology have also reduced infant deaths.

With improved treatments for heart disease, the rate of death from heart disease declined by 20% in Alaska since 1990, dropping slightly faster than the national rate.

Rates of smoking among Alaskans fell also, but Alaskans are still more likely to smoke than other Americans. Again, public-health campaigns to fight smoking likely contributed to the decline.

On the down side, Alaskans and other Americans are far more likely to be obese now than in 1990—and obese people are more likely to require treatment for diabetes and high blood pressure.

Figure 15. Are Alaskans Healthier Now Than in 1990?



Source: United Health Foundation, *America's Health Rankings 2005*

3930

Alaska and U.S. Costs

Years ago, everything cost more in Alaska, and costs still remain high in remote areas. But in Anchorage and other urban places, the historically high costs of many things have moved closer to U.S. averages in recent times, as the population grew, local markets got bigger, and infrastructure and transportation improved.

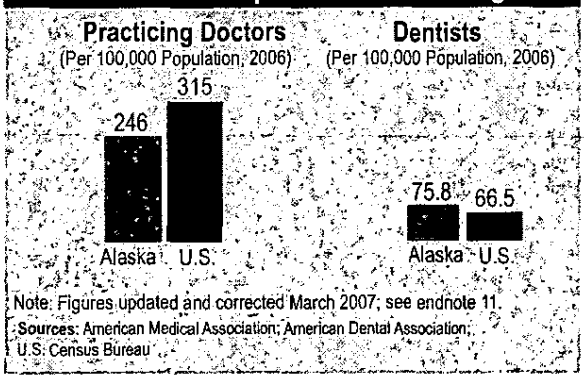
But costs of medical care haven't declined relative to U.S. averages. Overall medical costs are probably somewhere in the range of 25% higher in Alaska, but that cost difference varies quite a bit among services and procedures, and prices don't always reflect cost.

Alaska has fewer practicing doctors per capita than the nation as a whole, but somewhat more dentists—so how the supply of medical professionals may affect costs is not clear (Figure 16).

Figures 17 through 20 show some examples of cost differences, but it isn't a comprehensive picture.

- Overall costs of medical and surgical procedures in Alaska were about 18% above the U.S. average in 2001 and dental procedures 37% more (Figure 17).
- Average costs of a visit to a doctor's office were 30% higher in Alaska in 2001. But the average is a mix of private insurance and government payments. A private insurer in Anchorage and Fairbanks paid nearly twice as much as Medicare for an office visit in 2001, as Figure 18 shows.
- Alaskans don't use as many prescription drugs as other Americans—mostly because there are fewer Alaskans over 65—but we pay more. In 2003, the average price of retail prescriptions was 25% higher in Alaska.
- Costs of hospital care went up faster in Alaska than nationwide from 2000 to 2003—so in 2003 average expenses for a day in an Alaska hospital were 42% above the U.S. average, compared with 30% in 2000.

Figure 16. How Do Numbers of Alaska Doctors and Dentists Compare with U.S. Averages?



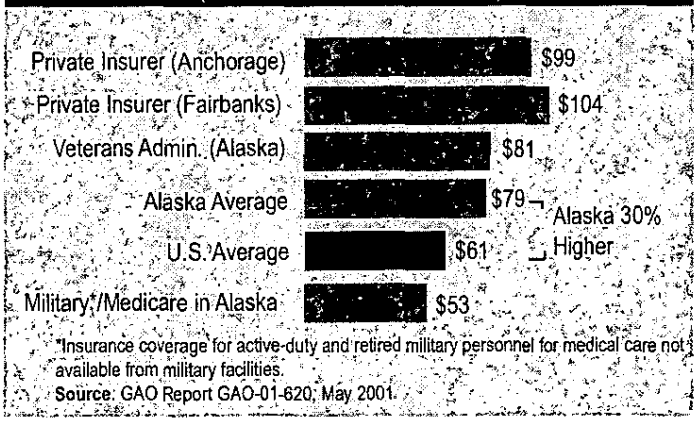
Note: Figures updated and corrected March 2007; see endnote 11.
Sources: American Medical Association; American Dental Association; U.S. Census Bureau

Figure 17. How Much Higher are Medical Costs in Alaska?
(Costs Paid by Private Insurer, 2000)

	Percent Above U.S. Average
Medical/Surgical Procedures	18.1%
Dental Procedures	37.7%

Source: Ingenix data base; cited in Alaska Division of Medical Assistance, HealthCare Cost Analysis, 2001

Figure 18. Costs of An Office Visit, Alaska and U.S., 2001
(Established Patient, 15 minutes)



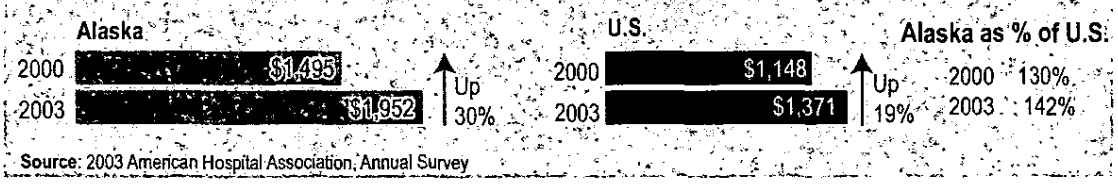
*Insurance coverage for active-duty and retired military personnel for medical care not available from military facilities.
Source: GAO Report GAO-01-620, May 2001

Figure 19. Prescription Use and Cost, Alaska and U.S., 2003

	Prescriptions Per Capita	Average Price of Retail Prescriptions	Average Cost Per Capita
United States	10.7	$52.97	$566.78
Alaska	6.3	$66.89	$421.41

Source: Kaiser Family Foundation, based on data from Verispan, LLC.; Special Data Request, 2004; and U.S. Census Bureau, State Population Datasets for six Race Groups

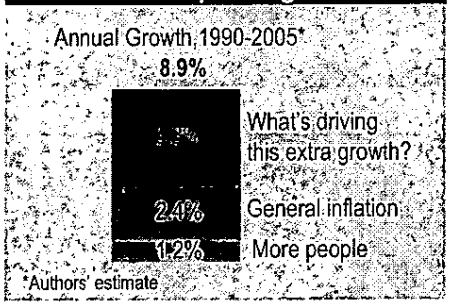
Figure 20. Hospital Costs, Alaska and U.S. , 2000 and 2003
(Expenses per In-Patient Day)



Source: 2003 American Hospital Association, Annual Survey

3931

Figure 21. What's Driving Health-Care Spending In Alaska?



What's Driving Costs? It's a Puzzle

Spending for health care in Alaska increased an average of nearly 9% a year from 1990 to 2005—and that figure doesn't reflect the big capital costs for building hospitals and clinics in the state since 1990.

More people and general inflation together account for only about 40% of that growth. So what's driving the rest?

Just about everybody has an opinion about what's pushing up medical costs, here and nationwide. Alaska has some special conditions—mostly small markets and high costs in rural areas—but other possible contributors to high costs are common to Alaska and the rest of the country.

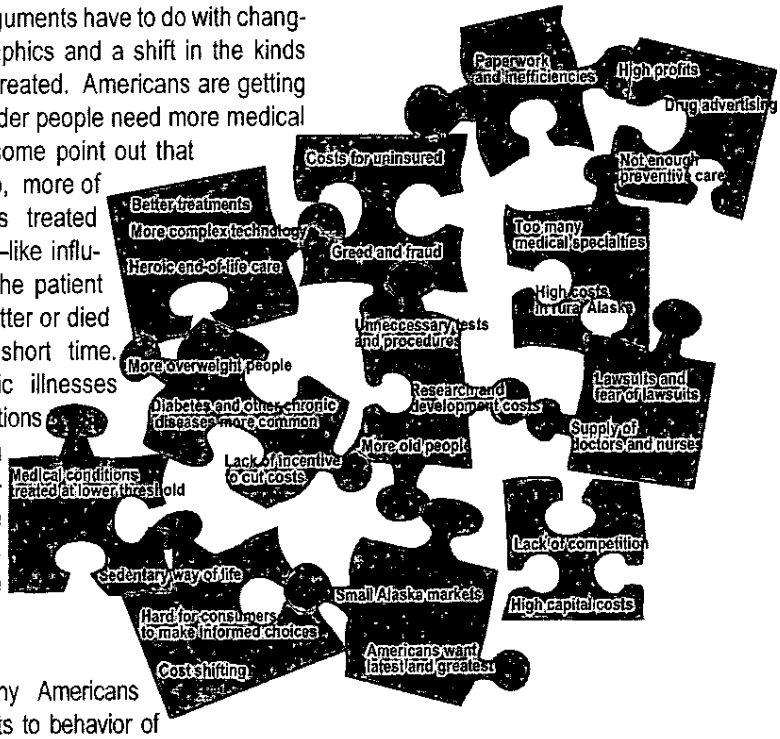
Some people think the big factors have to do with our system of delivering health care. Those include market forces—like lack of competition, for instance, and lack of incentives in many parts of the system to control costs—as well as inefficiencies created by the complexity of the U.S. system.

Other arguments related to the delivery system are that Americans get more medical care than they need, because most of the bills are still paid by health insurance. Others believe, by contrast, that costs of caring for uninsured people are responsible.

Others blame environmental factors, especially Americans eating too much and not exercising—leading to the spread of diabetes and other conditions requiring more care.

Still others say the growth has to do with changes in treatments and technology—treating conditions at lower thresholds (like the recent drop in the cholesterol level at which doctors recommend treatment); more effective but costlier treatments and prescription drugs; and more complex technology.

Other arguments have to do with changing demographics and a shift in the kinds of illnesses treated. Americans are getting older, and older people need more medical care. Also, some point out that decades ago, more of the illnesses treated were acute—like influenza—and the patient either got better or died in a fairly short time. Now, chronic illnesses and conditions—like high blood pressure—are common and require long-term treatment.



And many Americans link high costs to behavior of drug companies, the insurance industry, the medical and legal professions, and individual Americans. Such behavior would include, for instance, insurance and drug companies making high profits; doctors overbilling government programs; and patients filing lawsuits—causing doctors to practice "defensive medicine."

Probably there are other opinions we haven't discussed here. We're not endorsing any of them, but merely pointing out that many things could be contributing to rising costs—and it's a puzzle how all the pieces fit together. We will learn more as we study Alaska's health-care system. But for now, we want to emphasize that the answer to what is driving health-care costs is not simple, and finding solutions won't be simple either.

Endnotes

1. Our estimates are based on the Center for Medicare and Medicaid Services' definitions of personal health care spending. See http://www.cms.hhs.gov/NationalHealthExpendData/01_Overview.asp#TopOfPage. We have also included insurance costs, to capture the expenses paid by employers and employees.

2. ISER *Research Summary* No. 53, "The Cost of Health Care in Alaska," December 1992.

3. The decline in state share is expected to ameliorate somewhat beginning in FY 2006, due to a decision by the 9th District Appellate Court to disallow the Fair Share program that enabled tribal hospitals to receive a higher reimbursement than non-tribal hospitals for uncompensated care.

4. U.S. Census Bureau figures from the Current Population Survey classify Alaskans with coverage only through the Indian Health Service as "uninsured." We have adjusted those figures, separating those with IHS-only coverage from the uninsured. The adjustment is based on methods of the University of Minnesota's School of Medicine, State Health Access Data Center.

5. American Academy of Pediatrics figures for uninsured Alaska children are adjusted U.S. Census figures, separating children with IHS-coverage only from the "uninsured" category.

6. National Academy of Sciences, *Hidden Costs, Value Lost: Uninsurance in America*. Available at: http://www.nap.edu/catalog/10719.html Public subsidies for uncompensated care are illustrated in the State of Alaska's FY 2007 budget request, which includes $27 million to help Alaska hospitals pay for uncompensated care.

7. In 1999, for example, health-care spending for Americans 75 to 84 was seven times higher than for those 18 and under.

8. See note 6.

9. United Health Foundation, *America's Health Rankings*, 2005 edition.

10. See Chapter 3 in ISER report, *Status of Alaska Natives 2004*, May 2005.

11. Our original figure for number of dentists per 100,000 in Alaska was incorrect. We thank researchers at Health Planning and Systems Development in the Alaska Department of Social Services for helping us identify that error. A separate addendum, *Dentists in Alaska*, prepared in March 2007, provides more information about the source of the error and the correction. See: http://www.iser.uaa.alaska.edu/Publications/researchsumm/UA_RS6_addendum03_07.pdf

About the Authors: Mark Foster is a research consultant to ISER. Scott Goldsmith is a professor of economics at ISER. The authors thank their colleagues at ISER for their help—Rosyland Frazier, Virgene Hanna, Lexi Hill, Stephanie Martin, and Kerry Pride.

Editor—Linda Leask Graphic Artist—Clemencia Merrill

3932

This is the executive summary of the report by Commonwealth North. The entire 38 page report is posted on Basis in the bill Documents section. Finance committee staff can print out the entire report upon request.

COMMONWEALTH NORTH

Alaska Primary Health Care: *OPPORTUNITIES & CHALLENGES*

Approved by the Board of Directors on June 7, 2005
Updated July 31, 2005

Co-chairs:
Thomas Nighswander, M.D. and Marvin Swink

Editor: Duane Heyman
Hartig Fellow: Dan Kiley, D.D.S.

UNDERWRITERS:
Providence Health System
Alaska Regional Hospital
Dorsey & Whitney LLP
ConocoPhillips Alaska
Alaska Railroad Corporation
AARP
Qualis Health

www.commonwealthnorth.org

Commonwealth North
810 N Street, Suite 202
Anchorage, Alaska 99501
Phone: (907) 276-1414
Fax: (907) 276-6350

E-mail: exec@commonwealthnorth.org

3934

TABLE OF CONTENTS

Executive Summary 3

Introduction: The big picture 5

A significant issue for health care in Alaska 11
- Cost 15
- Quality of Alaska's health 18
- How is Alaska's health care being paid? 20
- Alaska health care providers 22

Specific Alaskan recommendations for improvement 24
- The Alaska Health Care Roundtable 25
- Summary table of recommendations 27
- The impact of lifestyle & prevention 29
- Access improvement recommendations 30
- Quality improvement recommendations 32
- Cost reduction recommendations 32

Success stories and promising programs 33

Appendix 35
- Key ideas in the 1994 CWN study 35
- Study Group Participants 35
- 2004-2005 CWN Officers and Board of Directors 36
- The Charge 37
- Resource People Interviewed 38

EXECUTIVE SUMMARY

Why Alaska health care issues must be addressed and solved

Health care is not a goal or end in itself. The ultimate goal of health care and of this study is health and wellness for Alaskans. Alaskans must identify and improve the aspects of health care that are under our control. Many health care issues are national, that Alaskans cannot affect. Therefore, it is even more important to address and solve issues we can do something about. Furthermore, the demographics of an aging population will put foreseeable pressure on all fronts.

ACCESS

- Approximately 110,000 Alaskans have no health insurance coverage.
- Many others have minimal or inadequate coverage.
- Thousands are turning to hospital emergency rooms as a source of primary health care, often without ability to pay.
- Adequate health care in remote areas is a significant logistical, financial and educational challenge.

QUALITY

- Based on the 2004 National Healthcare Quality Report, Alaska has low rankings in several key measures of cancer, heart disease, maternal and child health, respiratory diseases, and nursing and home health care.
- Many Alaskans are in high-risk health categories, many are not receiving adequate care.

COST

- Alaska health care costs are approximately 40% higher than Seattle (per Premera, corroborated by Providence and Alaska Regional)
- Medicaid costs to the State of Alaska are rising dramatically, to over $1 billion in 2005. It is placing a strain on the state budget.
- Health care insurance premiums are also rising dramatically, creating a significant burden on employers and employees.
- Alaska hospitals are losing tens of millions of dollars from uncollectable accounts arising from excessive emergency room use and they are unable to reduce the amount of emergency room care provided due to Federal law.

What can we do?

There are four major interrelated factors driving primary healthcare in Alaska today:

1. Health and wellness of the population
2. Availability of care and insurance
3. Affordability of care and insurance
4. Financial health of the stakeholders, such as employers, providers and individuals

3936

These drivers are currently interacting in a "cost spiral" that is creating a very serious situation nationally and in Alaska. The rate of increase in the cost of health care is unsustainable—if unchecked health care increases will price employers out of the market. Already industries such as automobiles are threatened. We need to avoid similar impacts in Alaska.

We believe that with focus and coordination Alaskans can impact this "cost spiral" positively through specific actions in the four areas mentioned above:

1. Lifestyle and prevention: Raise public awareness and increase personal responsibility for wellness
2. Access: Make services and insurance more widely available
3. Quality: Continue improving quality of care that is delivered
4. Costs: Reduce costs of service delivery and insurance to make them more affordable

There are many health care initiatives already underway in these areas by various governmental and non-governmental entities. Some have proven to be effective and cost-efficient. Others show significant promise. Health care reform is complex and controversial, with multiple players and competing interests. Inconsistent tracking and trending create significant factual disputes about healthcare systems. Any major reform has potential to create both winners and losers.

Given this environment, the Study Group came to three overarching conclusions:

1. The Study Group process itself has been enlightening, educational and productive.
2. Every aspect of health care is complex. Understanding the system and improving it is beyond the capacity of any one element within the system.
3. The Study Group recommends that an ongoing body be established to continue and deepen this Group's work.

The time to act is now. Involvement of Alaskans in the health care debate is vital. Reform of some sort is inevitable, and Alaskans should control it as much as possible to our own benefit. Since there is no single forum today where the disparate players can come together to agree on facts, share solutions and craft a win-win for our unique Alaskan conditions, this Study Group recommend formation of—

The Alaska Health Care Roundtable ("Roundtable")

The goals of the Roundtable are to continue communication and foster action among parties that have a long-term vested interest in health care reform. It must set a standard of credibility and create timely actionable ideas that can gather bipartisan support, get quick approval and become part of a long-term fiscal plan for Alaska. It would be a sounding board and facilitator for ideas and recommendations, with a focus on lifestyle and prevention, access, quality and cost.

The core membership in the Roundtable would be self-selecting, comprised of members with a long-term compelling interest in improving the Alaska health care system. Examples of core members would be major employers at risk, health care providers and local foundations. A wide variety of other potential members, resources and ad hoc participants could be included as needed. Funding would be by voluntary contributions by the participants and the community.

COMMONWEALTH
NORTH

Resolution 2009-3
In support of continuing the Alaska Health Care Commission as proposed in Senate Bill 172
April 14, 2009

This resolution is based on the 2005 Commonwealth North study entitled "Alaska Primary Health Care: Opportunities and Challenges."

Commonwealth North:

Encourages the Alaska State Legislator to extend the life of the Alaska Health Care Commission

Requests all state legislators to approve authorizing legislation in Senate Bill 172; and

Forwards this resolution to all members of the Alaska State Legislature, Governor Sarah Palin, and Alaska's congressional delegation.

Resolved for the following reasons:

1. A body needs to be vested in the long term interest in understanding and improving the system; consistent advocacy is necessary make needed fundamental changes

2. Through the quality of its participants, and the comprehensiveness and depth of its vision, the body will set a standard of credibility that will sustain its ongoing operations and facilitate implementation of its recommendations

Approved by the Commonwealth North Board of Directors
April 14, 2009

David Wight, President

MUNICIPALITY OF ANCHORAGE

Department of Health and Human Services 907-343-6718

Mayor Dan Sullivan

SENIOR CITIZEN ADVISORY COMMISSION

February 9, 2010

The Honorable Donald Olson
State Capitol Room 506
Juneau AK, 99801

Dear Senator Olson,

RE: Letter of Support for SB 172

The Municipality of Anchorage Senior Citizens Advisory Commission strongly supports the passage of SB 172, which would extend the Alaska Health Care Commission until the year 2014.

Health care reform is an issue at the forefront of our country's executive and legislative agenda. Regardless of what shape national health care reform ultimately takes, Alaska will still have to address health care issues in our own state.

The Alaska Health Care Commission will recommend a statewide plan for addressing the availability, accessibility, and quality of health care for all Alaskans. We need an expert team to plan for long-term health care solutions in our state that is supported by our Legislature.

As Alaskans grow older and live longer, it is imperative that quality health care be available and accessible. The Commission supports SB 172 and urges passage of this important legislation.

Respectfully,

Dawnia Clements, Chair
Senior Citizens Advisory Commission
6800 Louise Court
Anchorage, AK 99507

CC: Senator Bettye Davis, Chair, Health and Social Services Committee
Senator Joe Paskvan, Vice-Chair, Health and Social Services Committee

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 16, 2010

The Honorable Bettye Davis, Chair
Senate Health and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 172 (Olson)--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 172, authored by Senator Donald Olson.

As you know, Governor Palin appointed a Health Care Commission that took on this enormous responsibility in 2009. Senator Olson serves on that Commission.

SB 172 would basically extend the life of the Alaska Health Care Commission until 2014 and give it responsibility to develop, adopt and implement the recommendations the Commission comes up with.

Alaska and our entire country have entered a period during which many health issues are being and will continue to be considered. Not all decisions will be made in Washington. No matter what the White House and Congress do, it is evident that every state will have to make health care work for its citizens. Indeed, if Congress does not take significant action, Alaska and the other states will have even greater responsibility to determine how we will deal with our own future health care issues.

As we review the responsibilities of the Commission as outlined in SB 172, it is obvious to us that this will be one of the most important teams to address issues that touch every single Alaskan.

We believe that it is critical that SB 172 passes to allow the Commissioners to take on this responsibility, knowing that they will have the support of the Legislature for an extended period.

AARP requests an "AYE" vote on SB 172.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson
Senator Donald Olson

SB 174

<target><bill>SB 174</bill><subject>SB 174</subject><comm>HFIN26</comm></target>

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 12, 2010

SUBJECT: Sectional Summary (CSSB 174(FIN) (Work Order No. 26-LS0764\D))

TO: Senator Linda Menard
Attn: Michael Rovito

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Establishes in statute the Alaska scholars program to be administered by the Board of Regents of the University of Alaska for the purpose of providing scholarships to the University of Alaska to eligible students who attend a qualified high school in the state and who are academically ranked by the student's school in the top 15 percent of the student's graduating class. Award levels vary by ranking of student in five, 10, and 15 percent ranges. Establishes an account consisting of appropriations from the endowment trust fund and other sources. Requires an annual minimum contribution of 3.8 million dollars by the board of regents. Defines "qualified high school."

Section 2. Requires the postsecondary education commission to annually distribute not less than $10,000,000 or the full amount appropriated, whichever is greater, to the AlaskAdvantage Education Grant Program. Distribution of the grants is to be to the postsecondary institution to the extent feasible. Requires pro rata distribution if insufficient funds are available.

Section 3. Amends eligibility requirements for the AlaskAdvantage grant program to include approved career and technical school programs.

Section 4. Reorganizes existing law pertaining to a priority for an AlaskAdvantage program grant for postsecondary students enrolled or about to be enrolled in a program that prepares the student to work in an occupation or profession for which a severe shortage of trained individuals exists. Eliminates discretionary priority for high school

students who are in a program for successful preparation for postsecondary study in a shortage area. Defines "severe shortage" and "occupation or profession."

Section 5. Increases annual minimum and maximum AlaskAdvantage grant awards from $500 to $1,000 and from $2,000 to $5,000, respectively.

Section 6. Increases total maximum AlaskAdvantage grant award to $20,000.

Section 7. Makes conforming changes to the exemption from repayment conditions under the medical education program (WWAMI) for scholarships awarded under the Alaska scholars program established in sec. 1 of the bill, University of Alaska Scholarships for Natives under AS 14.43.050 - 14.43.075, free tuition under AS 14.43.085, and loans received under AS 14.43.091 - 14.43.160 or under 14.43.710 - 14.43.750.

Section 8. Changes the scholarship information date for reports of eligible students made by a qualified high school and adds birthdates and telephone numbers of students to the report.

Section 9. Cross references the definition of "qualified high school" for purposes of providing scholarship information.

Section 10. Adds a minimum number of dentistry, pharmacy, and optometry students funded under the existing professional student exchange program.

Section 11. Repeals existing law pertaining to University of Alaska scholarships for high school students.

Section 12. Provides that sec. 1 of the bill applies to students who were seniors in high school this and subsequent years.

Section 13. Renames art. 1 of AS 14.43 to "Alaska Scholars Program."

JMM:plm
10-228.plm

26-LS0764\D.2
Mischel
4/15/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE KELLY

TO: CSSB 174(FIN)

Page 2, lines 10 - 12:

Delete all material.

Renumber the following paragraph accordingly.

Page 2, lines 16 - 17:

Delete all material.

Renumber the following paragraphs accordingly.

Page 3, lines 10 - 11:

Delete "funding provided by the state"

Insert "available funding"

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 174(FIN)
(S) Publish Date: 4/12/10

Identifier (file name):
Title: An Act relating to scholarships . . .
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee

Dept. Affected: University
RDU: Statewide Programs and Services
Component: Statewide Services
Component Number: 730

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	7,732.2	7,732.2	5,537.8	6,468.8	7,369.6	8,202.4	9,256.7
Miscellaneous							
TOTAL OPERATING	**7,732.2**	**7,732.2**	**5,537.8**	**6,468.8**	**7,369.6**	**8,202.4**	**9,256.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	7,732.2	7,732.2	5,537.8	6,468.8	7,369.6	8,202.4	9,256.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**7,732.2**	**7,732.2**	**5,537.8**	**6,468.8**	**7,369.6**	**8,202.4**	**9,256.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time	0.0	0	0	0	0	0	0
Temporary	0.0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill creates Alaska scholars program based on the existing University of Alaska scholars program, increases the annual awards to students, and increases the number of students eligible for the program. The appropriations listed would be in addition to the existing $3,800.0 funded by the University of Alaska from the Land Grant Trust Fund and currently budgeted within the university's budget. Key assumptions: Tuition rates for FY11 and FY12 as approved by the Board of Regents; tuition rates for FY13-FY14 increasing by 10% each year and FY15-FY16 by 5% each year. Student numbers assume 3% annual growth in the number of students accepting the award, and that 60% of current recipients are in the top 5% of their class and 40% are in the next 5% of their class, and assume the number of new freshman in the third 5% of the class who accept the award will be half the number of the top 10%. As is the case with the current program, all four years of award are reserved in the year of award.

Prepared by:
Division
Phone
Date/Time
Approved by: Wendy Redman
Date 4/10/2010

(Revised 11/6/2009 OMB)

3946

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 174(EDC)**
(S) Publish Date: 4/8/09

Identifier (file name): SB174-EED-ACPE-04-03-09
Dept. Affected: Education
Title: An Act relating to professional student exchange program availability and conditions for loan forgiveness
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Senator Menard
Requester: (S)EDC
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	398.5		823.0	1,275.0	1,754.0	1,813.6	1,875.3
TOTAL OPERATING	**398.5**	**0.0**	**823.0**	**1,275.0**	**1,754.0**	**1,813.6**	**1,875.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	398.5		823.0	1,275.0	1,754.0	1,813.6	1,875.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**398.5**	**0.0**	**823.0**	**1,275.0**	**1,754.0**	**1,813.6**	**1,875.3**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation establishes an education loan for Alaska residents participating in certain professional programs of study through the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP). The terms of the loan include interest-free borrowing during the in-school period, fixes the interest rate at 7.5% during the repayment period, and entitles the borrower to forgiveness benefits under certain conditions. The bill sets a minimum number of students to be funded on an annual basis.

The PSE program operates as a multi-state student exchange program by which compact member states that have have institutions that offer certain professional programs of study agree to provide preferential consideration for admission to residents of member states that do not have institutions that offer those programs. WICHE facilitates

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 4/3/09 2:30 PM
Approved by: Diane Barrans, Executive Director — Date 4/3/2009
Alaska Commission on Postsecondary Education

(Revised 9/10/2008 OMB)

3947

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSSB 174(EDC)

ANALYSIS CONTINUATION

the collection of a per resident fee for each person accepted into a participating institution. The amount of the Support Fee varies according to the professional field of study and is arrived at through a negotiated process facilitated by WICHE staff and involves all of the receiving institutions.

The terms by which the Support Fee is provided as a loan to each Alaska participant are such that state general funds would need to be appropriated to fund the loans. The Alaska Student Loan Corporation would not be able to finance the proposed loans in the capital markets through the issuance of bonds.

Although there is no effective date included in the bill, the fiscal impact is shown as beginning with the first cohort of five students per specified field enrolling in Fall 2009. The cost steps up over a four year time frame as five additional students are enrolled in the successive years, from 30 students in year one to a total of 120 students in year four. Costs thereafter are projected to increase by 3.4% per year which is the average annual increase in Support fees.

Within five years of program implementation, there would be an income stream back to the general fund as program participants complete their programs and enter repayment. The standard repayment is a fifteen-year term.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 174(FIN)
(S) Publish Date: 4/12/10

Identifier (file name): SB174CS-EED-ACPE-04-12-10
Dept. Affected: Education
Title: An Act relating to the Alaska scholars program administered by the Board of Regents of the University of Alaska...
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Senator Menard
Requester: (S)FIN
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	11,700.1	11,700.1	13,100.0	14,024.0	15,001.0	16,050.0	17,223.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**11,700.1**	**11,700.1**	**13,100.0**	**14,024.0**	**15,001.0**	**16,050.0**	**17,223.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	11,700.1	11,700.1	13,100.0	14,024.0	15,001.0	16,050.0	17,223.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**11,700.1**	**11,700.1**	**13,100.0**	**14,024.0**	**15,001.0**	**16,050.0**	**17,223.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill amends the existing AlaskAdvantage Education Grant program by 1) proposing a minimum of $10 million in grants be distributed annually, 2) providing that the grants may be used at career and technical school programs approved and published by the Department of Labor and Workforce development, and 3) increasing the monetary range of annual grant awards to between $1,000 and $5,000 per recipient. The bill also modifies Alaska's participation in the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP) by setting an annual minimum number of supported Alaska participants in the pharmacy, dentistry, and optometry fields of study.

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 4/12/10 8:30 AM
Approved by: Diane Barrans, Executive Director — Date 4/12/2010
Alaska Commission on Postsecondary Education

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 174(FIN)

ANALYSIS CONTINUATION

Notwithstanding the proposed funding level contained in the bill, this fiscal note was prepared based on the historical pool of eligible AlaskAdvantage Education Grant applicants and using the last four-year average in the growth in that pool (7%) as a growth factor. Over the past four years there has been an average of 4,934 grant-eligible applicants. Using an average grant amount of $2,500, the costs in year one is estimated to be $12.3 million. ACPE has $620,000 remaining in GF appropriated in the FY09 capital budget for funding grants in FY11

There are no costs anticipated relative to the changes to the PSEP.

SB 177

<target><bill>SB 177</bill><subject>SB 177</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
716 West 4th Avenue
Anchorage, Alaska 99501-2133
Phone: (907) 269-0199
Fax (907) 269-0197
Senator_Kevin_Meyer@legis.state.ak.us

Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
Phone: (907) 465-4945
Fax: (907) 465-3476
Toll Free: (866) 465-4945

SENATOR KEVIN MEYER
SENATE DISTRICT O

SPONSOR STATEMENT FOR CSSB 177

"An Act relating to an exception for professional fishing guide services in the Kenai river Special management Area; relating to the licensing and regulation of sport fishing operators an sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

CSSB 177 will provide a waiver for a mid-season replacement of a fishing guide within the Kenai River Special Management Area and ensure the continuation of Alaska's sport fish guide licensing and reporting program for five years.

This waiver benefits sports fish operating guide businesses—particularly small guide operators who would have to turn away business if they had a sudden and unexpected loss of a guide mid-season because of injury, misconduct or some other unforeseen circumstance.

The licensing and reporting program has proven beneficial to both the sport fishing industry and resource managers. Legislation authorizing the program was passed in 2004 for a number of purposes. The Department of Fish & Game sought more comprehensive and credible information on guide numbers and guiding activities. The Department also wanted to create basic standards for sport fish business operators and guides, including minimum liability insurance coverage, first aid certification, and in some cases U.S. Coast Guard vessel licensing.

Passing SB 177 will provide relief for sport fish operating guides and permit the ADF&G to continue to foster high standards in Alaska's sport fishing industry by enabling the department to carry on collecting important data for management decisions to benefit both fisheries resources and their stakeholders.

26-LS0832\E

April 15, 2009

3952

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 16, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/09

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 177(FIN)**

"An Act relating to an exception for professional fishing guide services in the Kenai River Special Management Area; relating to the licensing and regulation of sport fishing operators and sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

SB 177 SPORT FISH GUIDE LICENSES/KENAI RIVER SMA

Recommends it be replaced with [4] **HCS** *or* [ ] **CS** *for* CS SB 177 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [4] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DFG		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			✓
	Hawker			✓	
B. Foster	Foster	X			
Harry J. Crawford Jr	CRAWFORD	X			
Anna J. Fairclough	FAIRCLOUGH	✓			
	KELLY			X	
	AUSTERMAN	X			
	Salmon		X		
	Joule			X	
Chair:	Hawker	☆			
Chair:	SCOTT			X	

HOUSE CS FOR CS FOR SENATE BILL NO. 177(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR MEYER

A BILL

FOR AN ACT ENTITLED

"An Act relating to an exception for professional fishing guide services in the Kenai River Special Management Area; relating to the licensing and regulation of sport fishing operators and sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PURPOSE. The purpose of sec. 2 of this Act is to allow employers of professional fishing guides in the Kenai River Special Management Area to hire a licensed guide who has not completed the course requirement listed in 11 AAC 20.885(c)(9) if the employer has lost the services of an employee because of unforeseen circumstances and is unable to hire an available replacement guide who has completed the course.

*** Sec. 2.** AS 41.21.506(b) is amended to read:

(b) The commissioner shall adopt regulations under AS 44.62 (Administrative

Procedure Act) that are necessary to achieve the purposes of AS 41.21.500 - 41.21.514 and to implement the plan adopted under (a) of this section. The regulations must

(1) designate incompatible uses and prohibit or restrict them, and

(2) establish a registration, licensing, or comparable procedure for professional fishing guides and such additional fishing guide controls as the commissioner considers necessary; **notwithstanding the requirements established by the commissioner to implement this paragraph, the commissioner shall establish a procedure by which the holder of a valid sport fishing operator license issued under AS 16.40.260 may petition for, and the director of the division of parks, or the director's designee, shall expeditiously issue, a waiver to allow the sport fishing operator license holder to use the services in the Kenai River Special Management Area of a guide licensed under AS 16.40.270 who has not completed the procedures and additional controls that are required by the department under this paragraph; the waiver authorized in this paragraph applies only for the duration of the sport fishing season during which the waiver application is submitted and only if the sport fishing operator license holder**

(A) employing the licensed guide has lost the services of a licensed guide because of unforeseen circumstances; and

(B) is unable to hire as a replacement an available licensed guide who has satisfied all the requirements of this paragraph, including those required by regulation.

*** Sec. 3.** Section 8, ch. 70, SLA 2004, is amended to read:

Sec. 8. AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, **2011** [2010].

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

Adopted

26-LS0832\S
Kane
4/16/09

HOUSE CS FOR CS FOR SENATE BILL NO. 177( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR MEYER

A BILL

FOR AN ACT ENTITLED

"An Act relating to an exception for professional fishing guide services in the Kenai River Special Management Area; relating to the licensing and regulation of sport fishing operators and sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PURPOSE. The purpose of sec. 2 of this Act is to allow employers of professional fishing guides in the Kenai River Special Management Area to hire a licensed guide who has not completed the course requirement listed in 11 AAC 20.885(c)(9) if the employer has lost the services of an employee because of unforeseen circumstances and is unable to hire an available replacement guide who has completed the course.

*** Sec. 2.** AS 41.21.506(b) is amended to read:

(b) The commissioner shall adopt regulations under AS 44.62 (Administrative

Procedure Act) that are necessary to achieve the purposes of AS 41.21.500 - 41.21.514 and to implement the plan adopted under (a) of this section. The regulations must

(1) designate incompatible uses and prohibit or restrict them, and

(2) establish a registration, licensing, or comparable procedure for professional fishing guides and such additional fishing guide controls as the commissioner considers necessary; **notwithstanding the requirements established by the commissioner to implement this paragraph, the commissioner shall establish a procedure by which the holder of a valid sport fishing operator license issued under AS 16.40.260 may petition for, and the director of the division of parks, or the director's designee, shall expeditiously issue, a waiver to allow the sport fishing operator license holder to use the services in the Kenai River Special Management Area of a guide licensed under AS 16.40.270 who has not completed the procedures and additional controls that are required by the department under this paragraph; the waiver authorized in this paragraph applies only for the duration of the sport fishing season during which the waiver application is submitted and only if the sport fishing operator license holder**

(A) employing the licensed guide has lost the services of a licensed guide because of unforeseen circumstances; and

(B) is unable to hire as a replacement an available licensed guide who has satisfied all the requirements of this paragraph, including those required by regulation.

*** Sec. 3.** Section 8, ch. 70, SLA 2004, is amended to read:

Sec. 8. AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, **2011** [2010].

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 177(RES)**
(S) Publish Date: 4/11/09

Identifier (file name): SB177-DFG-SFD-04-03-09
Dept. Affected: ADF&G
Title: An act repealing the termination of licensing & regulation of sport fishing operators and sport fishing guides.....
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Senator Meyer
Requester: Senate Resources
Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		344.5	344.5	344.5	344.5	344.5	344.5
Travel		10.0	10.0	10.0	10.0	10.0	10.0
Contractual		100.7	100.7	100.7	100.7	100.7	100.7
Supplies		7.0	7.0	7.0	7.0	7.0	7.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**462.2**	**462.2**	~~462.2~~	**462.2**	**462.2**	~~462.2~~
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1024 Fish/Game		462.2	462.2	462.2	462.2	462.2	462.2
TOTAL	**0.0**	**462.2**	**462.2**	**462.2**	**462.2**	**462.2**	**462.2**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The division has budgeted $462.2 in the FY10 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates estimated Fish & Game Fund revenues of $256.0, with the balance covered by other Fish & Game Funds.

New Note

Prepared by: Charles O. Swanton, Director — Phone 465-6184
Division: Sport Fisheries — Date/Time 4/3/09 10:13 AM
Approved by: Tom Lawson, Director — Date 4/3/2009
Administrative Services

(Revised 9/10/2008 OMB)

3958

Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

Committee on SB 177, dated 4/17/09
bill # / subject

I am in support of SB 177 even as amended.

(See attached Reasons)

Fees are a fact of life in any industry, and is certainly in one that caters to visitors to Alaska; and one that is now recognized as being responsible for $1.4 billion dollars in economic activity statewide! I encourage your support of SB 177.

Signed: Theresa Weiser
Testifier

Charter Lodge Owner for 20 years
Representing (optional)

P.O. Box 2300 Sitka, AK. 99835
Address

907-738-3879
Phone number

3959

Re: SB 177 4/17/09

From: Theresa Weiser
Lodge Owner for 20 years in Sitka & President of Sitka Charter Boat Operators Assoc.

I am in support of SB 177 even as amended. By supporting SB 177 the ADF&G will continue to collect fees to provide licensing & conduct the logbook program for the charter fishing industry.

This guide licensing program has created basic minimum standards for sport fish business operators & guides including minimum liability insurance coverage & first aid certification, as well as capable ADF&G to continue collection of important data via the logbook program. This logbook program is very important as a tool to manage & sustain sport fisheries & the only means the Dept. has to collect this data specific to the guided industry.

I am supportive of Dept efforts towards moving into an electronic reporting system which will help to simplify reporting requirements for guides on a daily and/or weekly basis.

The sport fishing businesses & recreational anglers accounted for $274 million in expenditures in SE Alaska alone in 2007. In Sitka this represents a huge stimulus to local economy. The program represented by this legislation is paramount to collecting data and information vital to our industry.

Brief for SB 177: NO REPEAL SPORT FISH GUIDE LICENSE (Reauthorization of Sport Fish-Guide Licensing Legislation) April 17, 2009

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas- Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Note: The Senate Resources Committee amended SB177 on April 10, 2009 by adding a sunset date of January 1, 2015.

Background:

- Original legislation passed in May, 2004; effective January 1, 2005.
- Proposed by the Department for three main reasons:
  - Information on guide numbers and their fishing activities was either not available or limited in many parts of the state;
  - Establish minimum standards to operate a business or contract as a guide (safety, liability insurance, US Coast Guard license, etc.) as a means to increase professionalism and reduce speculative entry; and
  - Provide comprehensive and credible data on guided sport fishing activities to regulatory agencies: Alaska Board of Fisheries (BOF), International Pacific Halibut Commission (IPHC), and North Pacific Fisheries Management Council (NPFMC).

Participation Statistics:

- An average of 1,670 sport fishing business licenses (including Owner/Operator combination) at a fee of $100 dollars have been sold annually **(90% of owners are Alaska residents).**
- An average of 1,960 sport fishing guide licenses with a fee of $50 dollars have been sold annually **(73% of guides are Alaska residents).**
- Over 1.8 million clients took 450,000 trips (2005-2008 combined) with 67% fishing in saltwater and 33% in fishing freshwater; **88% of all clients were nonresidents.**
- There were 2,061 vessels registered in freshwater and 1,628 in saltwater (2005-2008).

3961

Present Use Compared to Legislative intent

- A comprehensive list of all sport fishing guides working in salt water will allow Alaska to receive an exemption from participating in the National Saltwater Angler Registry (up to $25/saltwater angler in 2011).
    - Without this exemption an additional fee of $25 dollars would be required of all anglers fishing in salt water within the state.
- Guide and client statistics from this program were used for the 2007 Sport Fish Economic Impact study recently published: $1.4 billion dollars in sport fishing expenditures.
- The logbook data for saltwater anglers has been used extensively within the IPHC and NPFMC for rule making on Pacific Halibut.
- Both freshwater and saltwater logbook harvest data has been presented and utilized by the Alaska Board of Fisheries, International Pacific Halibut Commission and North Pacific Fisheries Management Council.
    - During 2007-2009 the Alaska Board of Fisheries Meetings used log book data to address approximately 70 proposals.
    - ADF&G Area Management Biologists routinely review logbook data inseason.
    - Logbook data has been used extensively for catch sharing plans, bag limit analyses and identifying businesses involved by the NPFMC.
    - Harvest estimate verification studies (2006-2008) are being conducted comparing logbook, statewide sport fish harvest survey, and dock side creel programs. Preliminary results are favorable regarding accuracy of the harvest information. (Final report available October 2009).
    - Sport Fishing Guide clients in 2007 and 2008 were contacted independently (surveyed) for obtaining harvest information as part of verification program (germane to NPFMC request).

Program Revenue and Costs:

Guide License Revenue & Expenditures

Fiscal Year	Status	Revenue	Expenditures	Shortage
FY05	Actual	$200.2	$179.3	$20.9
FY06	Actual	$256.6	$386.6	($130.0)

3962

FY07	Actual	$263.9	$454.1	($190.2)
FY08	Actual	$250.9	$443.2	($192.3)
FY09	**Projection**	$253.5	$450.2	($196.7)
FY10	**Projection**	$256.0	$462.2	($206.2)

- For FY08, approximately $37,000 (8% of total expenditures) was expended on the licensing portion of the program. Fish and Game fund (angler License receipts) subsidize the program shortfall.

Electronic logbook reporting is being worked on and will be in place by the 2011 season.

3963

26-LS0832\S
Kane
4/16/09

HOUSE CS FOR CS FOR SENATE BILL NO. 177( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR MEYER

A BILL

FOR AN ACT ENTITLED

"An Act relating to an exception for professional fishing guide services in the Kenai River Special Management Area; relating to the licensing and regulation of sport fishing operators and sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PURPOSE. The purpose of sec. 2 of this Act is to allow employers of professional fishing guides in the Kenai River Special Management Area to hire a licensed guide who has not completed the course requirement listed in 11 AAC 20.885(c)(9) if the employer has lost the services of an employee because of unforeseen circumstances and is unable to hire an available replacement guide who has completed the course.

*** Sec. 2.** AS 41.21.506(b) is amended to read:

(b) The commissioner shall adopt regulations under AS 44.62 (Administrative

Procedure Act) that are necessary to achieve the purposes of AS 41.21.500 - 41.21.514 and to implement the plan adopted under (a) of this section. The regulations must

(1) designate incompatible uses and prohibit or restrict them, and

(2) establish a registration, licensing, or comparable procedure for professional fishing guides and such additional fishing guide controls as the commissioner considers necessary; **notwithstanding the requirements established by the commissioner to implement this paragraph, the commissioner shall establish a procedure by which the holder of a valid sport fishing operator license issued under AS 16.40.260 may petition for, and the director of the division of parks, or the director's designee, shall expeditiously issue, a waiver to allow the sport fishing operator license holder to use the services in the Kenai River Special Management Area of a guide licensed under AS 16.40.270 who has not completed the procedures and additional controls that are required by the department under this paragraph; the waiver authorized in this paragraph applies only for the duration of the sport fishing season during which the waiver application is submitted and only if the sport fishing operator license holder**

(A) employing the licensed guide has lost the services of a licensed guide because of unforeseen circumstances; and

(B) is unable to hire as a replacement an available licensed guide who has satisfied all the requirements of this paragraph, including those required by regulation.

*** Sec. 3.** Section 8, ch. 70, SLA 2004, is amended to read:

Sec. 8. AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, **2011** [2010].

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

Resolution 2008-08 Kenai River Special Management Area Advisory Board

Presented 3-13-08

Provisions for Replacing a Guide In-season

This process addresses the in-season replacement of a fishing guide registered with Alaska State Parks to guide on the Kenai River in the current year and who has been issued a State Park Commercial Permit for the current year.

The justification for replacement can be either a major medical situation or an extenuating circumstance. The major medical option would be applicable in the case of incapacitating injury, extended illness or death of the fishing guide. The death of an immediate family member that necessitates the guide leaving the business may also be a valid reason to replace the guide. The extenuating circumstance requirement pertains to the termination of the guide's employment with the business owner.

ISSUE: The sudden and unexpected loss of a guide in-season could have serious effects on the business, as well as clients who have paid for these services. Current guide numbers are static and are expected to decline in future years. Due to this trend, it will become more difficult to find a qualified guide as an in-season replacement from among those who have graduated from the state required Kenai River Guide Academy.

The sport fishing business loss particularly among the small operators (t-3 fishing guides) could amount to a significant portion of their season's incomes. For the larger operator, the loss would be proportional to the total number of guides employed. The public would suffer as those who had booked and paid for a guided fishing trip, sometimes a year or more in advance, sometimes a once in a lifetime trip to Alaska and the Kenai Peninsula, would not be able to participate due to the loss of a guide due to one of the reasons cited above.

PROCESS: The person licensed by the State of Alaska as the Sport Fishing Business owner may apply for an in-season guide replacement. Said individual will petition the Kenai River Guide Advisory Board for a hearing. The designated application will be filled out and submitted to the KRSMA superintendent. The KRGAB chair will review the application and set a date for a meeting of the board. The chair can call a meeting at the earliest time a quorum can be present. The business owner applicant will be asked to attend.
The business owner applicant will need to explain the particulars circumstances relative to this petition and why it deserves consideration. The applicant can be asked questions by the board members.

The KRGAB will make a recommendation, in writing to the DNR Area Superintendent.

The following factors will impact the recommendation made by the KRGAB:

1. The business owner applicant will need to show that all options to secure a replacement guide have been exercised. This will include but is not limited to consideration of guides previously licensed with Parks as well as those students having completed the Guide Academy who have given permission to release their contact information. The first action is taken through Parks and the Kenai River Center. The second action is taken through the Kenai Peninsula College.

2. There can be no net gain in the number of guides the Sport Fishing Business has licensed. The replacement is for the remainder of the current year only.

3. The replacement guide will be required to meet all of the following requirements:
a. Must be 18 years of age.
b. Must be a United States citizen.
c. Have a current first aid certification.
d. Have a valid current United States Coast Guard license (when applicable).
e. Have a current Alaska sport fishing license.
f. Have a State of Alaska, ADF&G Sport Fish Guide License.
g. Have proof of current enrollment in an approved drug testing program.
h. Pay the Park Use Permit fee.
i. Sign the Alaska State Park Use Stipulations package.

4 The replacement guide will be required to complete the Orientation Course provided by the Alaska Department of Natural Resources at the Kenai River Center and pay any fees associated with this course. The guide must successfully pass the course; the course is offered on a pass/fail basis.

5 Should the replacement guide wish to guide in a subsequent, he/she will be required to graduate from the Kenai River Guide Academy, as well as meeting all local, state and federal Requirements.

Be it resolved that Resolution 2008-08 is approved and forwarded to the Commissioner of Natural Resources and the Director of the Division of Parks for Consideration for implementation in 2009.

Dave Carey
President

3/13/2008
Date

2009 Board Members

Richard Erkeneff
Board Chair
Owner – Kenai River Raven

Eldon Mulder
Vice Chair
President - The Mulder Company

Kevin Branson
Secretary and Treasurer
CPA - Thomas, Head & Greisen

Ron Rainey
Vice President
Ron's Alaska Lodge – Retired

Jim Golden
Vice President
Owner - The Sports Den

Ed Bryson
Vice President Field Operations
Alaska Communications Systems

Rik Bucy
General Manager
Tesoro Northstores – Retired

Bill Eckhardt
President
Alaska USA Federal Credit Union

Ben Ellis
Managing Director
Institute of the North

Mark Hamilton
President
University of Alaska

Reuben Hanke
Owner
Harry Gaines Kenai River Fishing

Bill MacKay
Senior Vice President
Alaska Airlines

Robert Penney
Owner
PENCO Properties

Darwin Peterson
Legislative Aide
Senator Stedman's Office

Karen Rey
Registered Nurse
ANS Territory Manager, Alaska

Gary Turner
Director
Kenai Peninsula College

KENAI RIVER SPORTFISHING
ASSOCIATION

April 3, 2009

Senator Kevin Meyer
Alaska State Capitol
Juneau, AK 99801

Re: SB 177

Dear Senator Kevin Meyer:

Kenai River Sportfishing Association (KRSA) is a 501(c) 3 charitable non-profit dedicated to fishery conservation on the Kenai River and in Alaska. Our programs focus on habitat conservation, fisheries management, research and education.

KRSA is in full support of SB 177, which would repeal the sunset of the sport fish guide licensing program through ADFG. We feel that the sport fish guide licensing program is an essential component of fisheries management that should continue without sunset. The program provides sport fish guides with minimum professional standards and gathers valuable information on the numbers of guides, clients, and harvest levels and patterns, which can be used in sound management of our recreational fisheries.

We support timely reporting requirements of log book information from guides, and the efforts of ADFG process such information into real-time data that then can be used in a timely manner by fisheries managers.

We would like to see implementation of an electronic based log book reporting system, which would remove the current bottleneck of having to enter the paper-based log book information into an electronic database management system. Access to and the ability to use data from the log books should mirror the timeframe of the weekly guide reporting requirements. Unfortunately at this time with the paper-based system that is not possible. This leaves fisheries managers in the position of having to use forecast or past trend data instead of real time data in their in-season decision making.

We support a fee structure that covers the full costs of the program, with the understanding that the goal of being able to provide real-time data from the

log books to fisheries managers is a priority for the department and gets implemented in a timely fashion.

In summary, KRSA supports the continuation of the sport fish guide licensing program as an essential component of responsible fisheries management. Thank you for the opportunity to provide comment on this issue.

Respectfully,

Dick Erkeneff, Board Chair
Kenai River Sportfishing Association

SB 183

<target><bill>SB 183</bill><subject>SB 183</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

SB 183
Sponsor Statement

"An Act authorizing the Department of Environmental Conservation to award grants for the control of air emissions or the development and administration of air quality control programs; and providing for an effective date."

SB 183 provides statutory authority for the Department of Environmental Conservation to grant funds for the control of air emissions or the development or administration of air quality control programs in the state. The authority is needed so that the Department of Environmental Conservation can distribute funds available through the Air Quality Grant – Diesel Emission Reduction program in the American Recovery and Reinvestment Act of 2009. This program would provide $2 million to grantees for energy efficiency upgrades such as new, more efficient power generation equipment and public transportation vehicles.

Fact Sheet – Department of Environmental Conservation
American Recovery and Reinvestment Act (ARRA)
Environmental Protection Agency - Diesel Emissions Reduction Act
Total Available ARRA Funding: $2,000.0

The Air Non-Point Mobile Source program within the Division of Air Quality in Department of Environmental Conservation (DEC) is responsible for mobile and area sources of air contaminants. As part of their responsibilities for mobile sources they were tasked with management of the grant funding being distributed by the Environmental Protection Agency (EPA) under the State Clean Diesel Grant program. FFY08 was the first year of this allocation funding to states through a formula outlined in the Energy Policy Act of 2005. EPA's program is designed with the idea that states will fund grants or loan programs for clean diesel projects, but other competitive processes are allowed.

To distribute this funding DEC can execute agreements with other governmental agencies or establish contracts or grants to municipalities and others throughout the state for projects such as:

- Purchasing and installing pollution controls on diesel engines for vehicle fleets such as bus or construction equipment fleets;
- Replacing older diesel generators in villages with newer, more efficient diesel engines;
- Repowering or replacing state, municipal or school bus fleets with cleaner, more efficient engines or vehicles;
- Providing plug-ins and other means to reduce the need to idle diesels in cold weather; and
- Converting vehicle fleets from diesel power to cleaner fuels such as natural gas or propane.

A variety of entities are eligible for this funding, they are:

- Regional, state, local, tribal or port agencies with jurisdiction over transportation or air quality;
- Nonprofit organizations or institutions that represent or provide pollution reduction or educational services to persons or organizations that operate diesel fleets;
- Entities whose principle purpose is the promotion of transportation or air quality

In FFY08 DEC received $295,320. To date projects identified as eligible for this funding include:

- Alaska Energy Authority to conduct a feasibility assessment of operating a small organic rankine cycle powered generator utilizing waste heat from the exhaust stack of a diesel engine.
- Alaska Department of Transportation diesel equipment retrofits.
- Alaska Railroad diesel equipment retrofits and assessment of anti-idling technologies.
- Contract to be issued for other diesel emission reduction projects throughout Alaska.

The funding available for the diesel emissions program through the American Recovery and Reinvestment Act of 2009 provides approximately $2.0 million to support the efforts of Alaska's State Clean Diesel Grant program.

DEC is requesting granting authority that would allow a distribution of funding to other entities beyond governmental agencies or contractors. The statutory language needed in order to allow this granting authority would be:

Section 1. AS46.14 is amended by adding a new section to read:

Sec 46.14.535. Grants. (a) Subject to appropriation, the department may award grants of federal or other funds received by the department for the control of air emissions or the development or administration of air quality control programs in this state.

(b) The department may adopt regulations under AS44.62 (Administrative Procedure Act) to carry out the purposes of this section.

adopted

New

26-LS0846\R.2
Bullard
4/15/09

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: HCS SB 183(FIN)

Page 1, line 1, following "**Act**":

Insert "**amending the qualifications of ocean rangers who monitor marine discharge and pollution requirements aboard large commercial passenger vessels and**"

Page 1, following line 4:

Insert new bill sections to read:

"* **Section 1.** AS 46.03.476 is amended to read:

Sec. 46.03.476. Ocean Rangers. (a) An owner or operator of a large commercial passenger vessel entering the marine waters of the state is required to have **an ocean ranger** [A MARINE ENGINEER LICENSED BY THE UNITED STATES COAST GUARD] hired or retained by the department on board the vessel to act as an independent observer for the purpose of monitoring state and federal requirements pertaining to marine discharge and pollution requirements and to insure that passengers, crew, and residents at ports are protected from improper sanitation, health, and safety practices.

(b) The **ocean ranger** [LICENSED MARINE ENGINEER] shall monitor, observe, and record data and information related to the engineering, sanitation, and health related operations of the vessel, including but not limited to registration, reporting, record-keeping, and discharge functions required by state and federal law.

(c) Any information recorded or gathered by the **ocean ranger** [LICENSED MARINE ENGINEER] shall be promptly conveyed to the Alaska Department of Environmental Conservation and the United States Coast Guard on a form or in a manner approved by the commissioner of environmental conservation. The

3974

commissioner may share information gathered with other state and federal agencies.

*** Sec. 2.** AS 46.03.476 is amended by adding a new section to read:

(d) In this section, "ocean ranger" means

(1) a marine engineer licensed by the United States Coast Guard; or

(2) a person who holds a degree in marine safety and environmental protection, or an equivalent course of study approved by the department, from an accredited maritime educational institution."

Page 1, line 5:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

adopted

26-LS0846\R
Bailey
4/14/09

HOUSE CS FOR SENATE BILL NO. 183(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act authorizing the Department of Environmental Conservation to award grants for the control of air emissions or the development and administration of air quality control programs; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 46.14 is amended by adding a new section to read:

Sec. 46.14.535. Grants. (a) Subject to appropriation, the department may award grants of federal or other funds received by the department for the control of air emissions or the development or administration of air quality control programs in the state.

(b) The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of this section.

*** Sec. 2.** AS 46.14.535 is repealed January 1, 2011.

*** Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 15, 2009 **FURTHER REFERRALS:**

Date of Committee Action: 4-15-09

The FINANCE Committee considered: **SENATE BILL NO. 183**

"An Act authorizing the Department of Environmental Conservation to award grants for the control of air emissions or the development and administration of air quality control programs; and providing for an effective date."

SB 183 GRANT AUTHORITY FOR AIR QUALITY

Recommends it be replaced with [✓] HCS *or* **[ ] CS** *for* SB 183 (FIN)
For Senate Bills with new title: [ ] Technical Title [X] New Title: HCR [ ] Same Title [X] New Title

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DEC	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara			✓	
Kerry J Crawford Jr	CRAWFORD			✓	
RFOSTER	RFOSTER			X	
	AUSTERMAN	X			
	KELLY	X			
	FAIRCLOUGH	✓			
	Salmon			X	
	Joule			X	
Chair:	Hawker	☆			
Chair:	SPOTZO	☆			

3977

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 183
(S) Publish Date: 4/11/09

Identifier (file name): SB183-DEC-AQ-4-6-09
Dept. Affected: Environmental Conservation
Title: Grant Authority for Air Quality
RDU: Division of Air Quality
Component: Air Quality
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee
Component Number: 2061

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no fiscal impact to DEC associated with this legislation.

Prepared by: Keri S. Hubbard, Administrative Officer II
Phone 907-269-3010
Division: Air Quality
Date/Time 4/6/09 6:24 PM
Approved by: Dan Easton
Date 4/7/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

3978

SB 199

<target><bill>SB 199</bill><subject>SB 199</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Rules Committee
•
Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees

While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529
•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 199

SB 199 – An Act relating to a two year funding cycle for medical assistance coverage for dentures.

SB 199 makes a simple change to the Adult Medicaid Dental program that would allow patients who are approved for dentures to receive both the uppers and lowers in a single fiscal year. The bill would let patients access two years of funding in a single year, thereby allowing them and their dentists to schedule treatment around the oral health of the patient, rather than the bureaucratic ease of the state fiscal year.

Current law places a limit on expenditures per eligible client at $1,150 per year. This number was designed to pay for ½ of a set of dentures, either uppers or lowers, in a single fiscal year. When the program was created, the idea was that a client who needed dentures could receive one set on June 30th, and the second on July 1st. Unfortunately, this has proven to be impractical. Dentists who are forced to pull teeth can't always do so on the state's fiscal calendar, and Alaskans shouldn't suffer needlessly because their medical emergency occurred in the fall rather than the summer.

Adult Medicaid Dental has been recognized across the political spectrum as a successful government health care program. Over the past three years, the state has saved substantial amounts of money – and poorer Alaskans have been saved immense pain and hardship – by allowing Medicaid to pay for exams, cleanings, fillings, root canals, and dentures before painful and expensive surgery became necessary. SB 199 will fix a small flaw in the cost-containment portion of the program and help protect this important state investment.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 199
(S) Publish Date: 1/27/10

Identifier (file name):SB199-DHSS-MAA-01-22-10
Dept. Affected: Health & Social Services

Title: Medicaid Coverage for Dentures
RDU: Health Care Services
Component: Medical Assistance Administration

Sponsor: Ellis

Requester: Senate HSS
Component Number: 242

Expenditures/Revenu (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDIT	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	157.0		157.0	157.0	157.0	157.0	157.0
Travel							
Contractual	9.6		9.6	9.6	9.6	9.6	9.6
Supplies	2.0		2.0	2.0	2.0	2.0	2.0
Equipment	15.2						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**183.8**	**0.0**	**168.6**	**168.6**	**168.6**	**168.6**	**168.6**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	91.9		84.3	84.3	84.3	84.3	84.3
1003 GF Match	91.9		84.3	84.3	84.3	84.3	84.3
1004 GF							
1005 GF/Program Receip							
1037 GF/Mental Health							
Other Interagency Receip							
TOTAL	**183.8**	**0.0**	**168.6**	**168.6**	**168.6**	**168.6**	**168.6**

Estimate of any current year (FY2010) c

POSITIONS

Full-time	**2.0**		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

SB199 is meant to address limitations of coverage for upper and lower dentures within a given state fiscal year under the $1,150 annual limit. The annual limit provides for expenditures that would typically cover only an upper or lower denture, thus requiring Medicaid recipients to wait until the subsequent fiscal year to obtain the opposing denture under the Medicaid program.

The bill would authorize the department to allow for provision of both an upper and lower denture within the same state fiscal year, however when these services are provided the adult recipient would not be eligible for additional services under Medicaid preventative and restorative dental for a two-year period.

Prepared by: William J. Streur, Deputy Commissioner
Division: DHSS Health Care Services
Phone: (907) 334-2520
Date/Time: 1/21/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Finance & Management Services
Date: 1/22/2010

(Revised 11/6/2009 OMB)

3981

ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 2 FTE's to fully track expenditures and to authorize procedures up to the limit of the proposed legislation.

Administrative Costs:

1 Medical Assistance Administrator II (Range 18), $84,510; 1 Medical Assistance Administrator I (Range 16), $72, 530. All personal services costs include benefits. Assumes $9.6 per FTE annually for office space, phones, and other contractual costs; $2.6 one time costs per FTE for computers and software; $5.0 one time costs per FTE for office equipment; $2.0 per FTE annually for supplies.

Medical Assistance Administrator I and II Duties

If legislation is passed and implemented to allow recipients the ability to utilize two fiscal year's annual cap for dentures (full sets and partials) during SFY2011, it will create a labor intensive process of tracking the service limits manually. Our current Medicaid Management Information System has the capability of applying service exceptions on an annual basis only. Combining two years limits will require a manual work-around for tracking the 11 denture and partial procedure codes being utilized by approximately 4,400 recipients, and follow-up to ensure limits are not exceeded nor services duplicated at any point in the two year period. To authorize payment of individual dental claims, staff will have to research, review, and evaluate the recipients' claims and treatment history for the two year period in question. The division estimates the need for two Medical Assistance Administrators to handle the increased workload.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/11/10

The FINANCE Committee considered: **SENATE BILL NO. 199**

"An Act providing for a two-year funding cycle for medical assistance coverage for dentures."
SB 199-MEDICAID COVERAGE FOR DENTURES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DHS		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DHS	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Ramos	✓			
	Coon	✓			
	Doogan	✓			
	Buche	—			
	Foster	X			
	FAIRCLOUGH	✓			
	Austermann	X			
	Salmon	X			
	KELLY	X			
Chair:	Stolte	X			
Chair:	Hawken	X			

3983

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB199**
() Publish Date:

Identifier (file name):SB199-DHSS-MAA-2-9-10
Dept. Affected: Health & Social Services

Title: Medicaid Coverage for Dentures
RDU: Health Care Services
Component: Medical Assistance Administration

Sponsor: Ellis

Requester: Senate Finance
Component Number: 242

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	84.5						
Travel							
Contractual	54.8						
Supplies	1.0						
Equipment	7.6						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**147.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	86.4		0.0	0.0	0.0	0.0	0.0
1003 GF Match	61.5		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receip							
1037 GF/Mental Health							
Other Interagency Receip							
TOTAL	**147.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time	1.0						
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece:*

SB199 is meant to address limitations of coverage for upper and lower dentures within a given state fiscal year under the $1,150 annual limit. The annual limit provides for expenditures that would typically cover only an upper or lower denture, thus requiring Medicaid recipients to wait until the subsequent fiscal year to obtain the opposing denture under the Medicaid program.

The bill would authorize the department to allow for provision of both an upper and lower denture within the same state fiscal year, however when these services are provided the adult recipient would not be eligible for additional services under Medicaid preventative and restorative dental for a two-year period.

Prepared by: William J. Streur, Deputy Commissioner
Phone (907) 334-2520
Division: DHSS Health Care Services
Date/Time 2/9/10 9:58 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/9/2010
Finance & Management Services

STATE OF ALASKA BILL NO. SB199

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 1 FTE to fully track expenditures and to authorize procedures up to the limit of the proposed legislation in the first year of the program, prior to modification of the claims payment system (MMIS) to permit automated tracking of expenditures.

Administrative Costs:

1 Medical Assistance Administrator II (Range 18), $84,510; All personal services costs include benefits. Assumes $9.6 per FTE annually for office space, phones, and other contractual costs; $2.6 one time costs per FTE for computers and software; $5.0 one time costs per FTE for office equipment; $2.0 per FTE annually for supplies. GF portion of these expenses is 50%.

Medical Assistance Administrator II Duties

If legislation is passed and implemented to allow recipients the ability to utilize two fiscal year's annual cap for dentures (full sets and partials) during SFY2011, it will create a labor intensive process of tracking the service limits manually. Our current Medicaid Management Information System has the capability of applying service exceptions on an annual basis only. Combining two years limits will inititally require a manual work-around for tracking the 11 denture and partial procedure codes being utilized by approximately 4,400 recipients, and follow-up to ensure limits are not exceeded nor services duplicated at any point in the two year period. To authorize payment of individual dental claims, staff will have to research, review, and evaluate the recipients' claims and treatment history for the two year period in question. The division estimates the need for a Medical Assistance Administrator II to handle the increased workload until modifications can be made to the MMIS.

Modification of MMIS

DHSS estimates that it will cost $50.0 in contractual to modify the present MMIS or enhance the new MMIS currently in development. Part of the development process involves ceasing all modifications to the current MMIS prior to conversion, to ensure that the new system can replicate the functionality of the present system. DHSS assumes that it will not be able to make the necessary modifications prior to the "freeze" of the current system, like to occur early in the summer of 2010. If DHSS is able to make the modifications before the freeze, it will not fill the position requested. GF portion of the system modification is 25%.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 199
(S) Publish Date: 1/27/10

Identifier (file name): SB199-DHSS-ADPMS-01-22-10
Dept. Affected: Health & Social Services

Title: Medicaid Coverage for Dentures
RDU: Health Care Services
Component: Adult Preventive Dental

Sponsor: Ellis

Requester: Senate HSS
Component Number: 2839

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	935.0		467.5	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	**935.0**	**0.0**	**467.5**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	626.5		266.5				
1003 GF Match	308.6		201.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**935.0**	**0.0**	**467.5**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

This bill addresses limitations of coverage for upper and lower dentures within a given state fiscal year with the current $1,150 annual limit. The annual limit provides for expenditures that would typically cover only an upper or lower denture, thus requiring Medicaid recipients to wait until the subsequent fiscal year to obtain the opposing denture under the Adult Preventive Dental (APD) program. The bill would authorize the department to allow for provision of both an upper and lower denture within the same state fiscal year, however when these services are provided the adult recipient would not be eligible for additional services under the APD program for a 2-year period.

In SFY 2009, the total cost of complete, partial and immediate denture claims was approximately $1,620.0. (continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Phone 269-7827
Division: Health Care Services
Date/Time 1/20/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 1/22/2010
Finance & Management Services

STATE OF ALASKA **BILL NO.** SB199

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

We estimate that the cost of denture services in the APD has grown at the same rate as all Health Care Services Medicaid Services costs (forecasted to be 6%) from FY 2009 to 2010. Medicaid growth for APD alone is forecasted to be 8.9% from FY 2010 to 2011 to reach a baseline cost of $1,868.0 for denture services in FY 2011 with no changes to the program.

With the changes proposed in this bill and an expected effective date of July 1, 2010, we estimate the baseline costs noted above for denture services in FY 2011 will increase by 50%, assuming half of denture services recipients would be completing the denture process from FY2010 and the other half would be getting both their upper and lower dentures in FY 2011 for a total cost of $2,803.0 (a difference of $935.0 from baseline). We would still expect some increased costs over baseline in FY2012 as the number of people getting denture services has been growing each year as adults continue to learn about the APD program and this bill allows for them to be paid in one year. For FY2012, we estimate the need for increased funds to be half of the amount needed in FY 2011.

For subsequent years, we would expect the cost of denture services to level out to approximately what we would expect without the changes in this bill, the shift being not in cost but in how many recipients are receiving services.

For FY2011, we estimate 67% of APD services to be federally reimbursable, assuming ARRA FMAP increases are valid through all 4 quarters of FY 2011. For FY2012 we expect a FMAP of 50%. As some ADP services are IHS and reimbursed at 100%, we expect 57% of ADP costs to be federally reimbursable.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 199
(S) Publish Date: 2/24/10

Identifier (file name):
Dept. Affected: Health and Social Serv.
Title: Medicaid Coverage for Dentures
RDU: Health Care Services
Component: Medical Assistance Administration
Sponsor: Ellis
Requester: Senate Finance Committee
Component Number: 242

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Senate Finance Committee
Co-Chair Bert Stedman/Co-Chair Lyman Hoffman
Phone 465-3873/465-4453
Date/Time

Approved by:
Date 2/22/2010

(Revised 11/6/2009 OMB)

3988

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

January 23, 2010

Senator Johnny Ellis
Senate Health and Social Services Committee
Alaska State Capitol, Room 103
Juneau, AK 99801-1182

Subject: Support Letter for SB 199

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) is pleased to offer support for SB 199, a bill to provide access to Medicaid patients who are approved for dentures using a two-year funding cycle for medical assistance benefits to cover the costs for complete and partial dentures in a single fiscal year. This legislation is authored by you and co-sponsored by Senators Bettye Davis, Dennis Egan, Hollis French, Linda Menard, Donald Olson, Joe Paskvan, Joe Thomas, and Bill Wielechowski.

The Commission believes SB 199 provides a common sense solution that allows patients and their dentists the flexibility to schedule treatment around the oral health needs of the patient, which will improve the quality of care for older Alaskans and other qualifying recipients. Moreover, this legislation enhances the cost-effectiveness of the current Medicaid Adult Dental program by reducing the number of oral surgery visits, medical procedures, and related travel costs required for individuals who need a complete set of dentures but are limited to half of a set of dentures per fiscal year under the existing program. Anecdotally, we have learned that some individuals may even refuse partial extractions in one arch knowing that they could be without teeth for a prolonged period waiting for Medicaid to cover the cost of the other complete denture in the next fiscal year.

Good nutrition is vital for health and wellness across the life span and depends on oral health. Dental pain and missing or decaying teeth can affect dietary choices for seniors that may impact overall health and wellness. Vulnerable older Alaskans are at risk of developing dental infections that have been associated with periodontal disease, diabetes, pneumonia, and other chronic diseases including cardiovascular disease. Restorative dental care can help to prevent the progression of serious dental disease and discomfort which can result in more costly emergency care.

Older Alaskans utilize the Medicaid Adult Dental program. According to data based on Medicaid claims information for persons age 60 years and older for the period April 1, 2007 thru December 31, 2009, there were a total of 3,104 (unduplicated) seniors served by the Medicaid Adult Dental Program. The average cost for partial dentures for seniors ranges between $1,085 (for a complete maxillary denture) to $1,125 (for a complete mandibular denture). The approximate cost for a complete set of dentures is $2,225. The current program cap is $1,150 per year.

As we move forward, the Commission respectfully asks for your consideration of our recommendations below to enhance SB 199 and the Adult Dental Medicaid program for qualifying older Alaskans and other Medicaid recipients:

- Allow eligible patients access to two years of total funding as determined by the cost cap of the Medicaid Adult Dental program to permit individuals receiving partial dentures through the program the ability to access remaining benefits under the cost cap should they need additional denture services during the two-year period.

- Pending approval of SB 199, begin work with the Department of Health and Social Services to expand the two-year access of services to phase in other preventative and restorative services allowed under the Medicaid Adult Dental program in FY 2012.

- Adjust the annual cost cap for dental services (currently in statute for the last three years) to address the rising costs of dental care and encourage more participation of Medicaid dental providers.

Please accept our sincere appreciation for your efforts to improve the Medicaid Adult Dental program by allowing patients who qualify for dentures under the program to receive their full set of dentures according to a treatment schedule determined by the patient with their dentist. We believe that SB 199 will help to improve health and wellness for many older Alaskans who need dentures and we support passage of this legislation. Please feel free to contact Denise Daniello, ACoA's executive director, by phone (465-4879) or email (denise.daniello@alaska.gov) should you have questions or require additional information. Thank you.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Cc: Senator Bettye Davis
Senator Dennis Egan
Senator Hollis French
Senator Linda Menard
Senator Donald Olson
Senator Joe Paskvan
Senator Joe Thomas
Senator Bill Wielechowski

SENIOR VOICE

Serving Older Alaskans and Their Families Since 1978

A publication of **Older Persons Action Group, Inc.** 325 E. Third Ave., Suite 300, Anchorage, Alaska 99501 Vol. 32 No. 11 November, 2009

Desperate senior prompts denture legislation

By SEN. JOHNNY ELLIS

I have worked with the Dept. of Health and Social Services to allow patients who qualify for dentures under the Medicaid Adult Dental program to receive their full set of dentures in one sitting.

Late last summer, an elderly man walked into my office and threatened to commit suicide. Needless to say, it was a very tense and upsetting situation for me and my staff. This gentleman had come from the Medicaid Adult Dental office, where he had been told that he had a choice – he could receive either the upper half or the lower half of the dentures that he needed, but not both, at least not in the same year. Of course, this set of options was really no choice at all, seeing as how he had no teeth at all. The state's wholly inadequate response to this constituent's unfortunate situation set my office in motion, and I am prepared to introduce legislation this session with bipartisan support that will provide a common-sense fix to an otherwise successful and needed program.

Medicaid Adult Dental was created three years ago. Until that time, Medicaid only covered emergency dental services for low income Alaskans. By expanding the program to cover preventative care – exams, cleanings, root canals, fillings and dentures – the state has saved millions of dollars and patients have avoided painful surgeries as the need for emergency care declines. In addition, good dental health is closely linked with decreased risk for diabetes, heart disease, cancer and other serious diseases. Last year, the legislature unanimously made this successful program permanent.

The program limits the care that can be paid for in a single year, which is intended as a cost-control measure, an important feature in these uncertain budgetary times. Unfortunately, these measures go beyond cost control and have impacted the function of the program by limiting patients to half of a set of dentures per year. In public testimony on these limits, it was suggested that a patient could receive the upper dentures on June 30, the final day of the state fiscal year, and the lower dentures on July 1. I don't believe that we should be punishing citizens who happen to require dental care in the fall or winter, and I don't believe that dentists should be forced to schedule the care their patients need to make things more convenient for bureaucrats. This is the kind of frustrating flaw in our system that drives people crazy and gives government a bad name.

That's why I have worked with the Department of Health and Social Services to develop a way to allow patients who qualify for dentures under the Medicaid Adult Dental program to receive their full set of dentures in one sitting, without destroying the cost-control mechanisms currently in place. The bill will be introduced when the legislature goes back into session in January, and I am pleased to have received bi-partisan support from my colleagues in the Senate.

In fact, as I have continued to work on this issue, I have heard more and more about how much sense this small change makes. A dentist in Juneau told me about the patients he sees from all around Southeast Alaska. The state pays for them to fly to Juneau, pays for their lodging, and pays for one half of their dentures. Then, a little while later, public money is spent to do it all over again for the other half. Allowing him and other dentists to consolidate the care they are giving into one session will make the program a more efficient use of public money and improve the quality of care received by patients.

State government can be a large and unwieldy bureaucracy, and change is hard to do and often happens slowly. Most of the attention goes to the big issues that attract press coverage or help generate campaign slogans. But sometimes, there are issues that require us to place people over politics and give a direct benefit to the neighbors and constituents we are privileged to serve. It's too late for the gentleman who threatened to kill himself in my office – we worked with him to get his dentures through the existing two-year process – but it's not too late for others in his situation. This may be a small bill, and it won't change the world, but it will improve the lives of a few senior citizens in need – and that's a job I'm glad to do.

Senator Johnny Ellis represents downtown and midtown Anchorage in the Alaska State Senate and serves as the Majority Leader of the Senate Bi-Partisan Working Group.

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

February 10, 2010

RECEIVED
FEB 10 2010

The Honorable Lyman Hoffman, Co-Chair
Senate Finance Committee
Alaska State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
Alaska State Capitol, Room 516
Juneau, AK 99801-1182

RE: SB 199 (Ellis)--Support

Dear Co-Chairs Hoffman and Stedman:

On behalf of the members of AARP in Alaska, we would like to urge your support for SB 199 to establish a two year funding cycle for the adult dental benefit in Medicaid. The bill is sponsored by your Committee colleague, Senator Johnny Ellis, and co-sponsored by twelve other Senators including your Committee members Senators Egan, Thomas, Olson and Huggins as well as Senators Davis, French, Menard, Paskvan, Wielechowski, Kookesh, Wagoner and McGuire.

SB 199 basically changes the benefit for dentures so that an adult Medicaid beneficiary would be able to use the funds available for two years to pay for dentures. This makes sense for both the client and the provider.

Older persons in need of dentures often have accompanying nutrition problems. These nutrition problems can cause other health issues and create an overall deterioration in health status. For those who need them, dentures are essential to quality health care. Two-year funding for dentures should be considered sensible prevention with the long term possibility of saving Medicaid funds that would not need to be spent on more serious health care problems resulting from poor oral health status.

AARP recommends an "AYE" vote on SB 199.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Senator Joe Thomas
Senator Charlie Huggins
Senator Dennis Egan
Senator Donald Olson
Senator Johnny Ellis

Alaska Dental Society
9170 Jewel Lake Road, Suite 203
Anchorage, Alaska 99502-5390
(907) 563-3003 • FAX: 563-3009
.info@akdental.org

SB199/HB265
Medicaid Adult Dental Coverage

The Alaska Dental Society urges passage of SB199/HB265.

SB199 and its companion bill HB265 remedy an unintended consequence of the adult dental supplemental Medicaid coverage. Currently, under the maximum allowable benefit, a Medicaid recipient may receive either an upper or lower denture. Unfortunately many Medicaid recipients need dentures for both the upper and lower jaws or dental arches. SB199/HB265 would allow a Medicaid recipient to combine two years worth of coverage so they could receive a full denture of both upper and lower dentures at the same time.

SB199/HB265 provides a benefit for everyone involved – the patient, the doctor and the Medicaid program:

- Medicaid recipients benefit from receiving both dentures at once, restoring their appearance, their ability to talk and chew, and most importantly their dignity.
- Providers benefit as they are no longer placed in the uncomfortable position of deciding which arch is in the worst condition. They can also work in a more efficient fashion constructing both sets of dentures simultaneously.
- The state benefits economically. The cost for both dentures, which would normally be borne over 2 years are now in one year but Medicaid recipients would still be limited to the same benefit total for 2 years. Denture patients frequently have to use travel benefits to reach a provider and for dentures this can be especially costly as dentures require multiple appointments. Providing both dentures at the same time would reduce the states travel expenses in half. Removing diseased and abscessed teeth would also save on costly ER and oral surgery visits.

LOGAN

DENTAL

November 10, 2009

Senator Ellis
716 W. 4th Ave. Suite 500
Anchorage AK, 99501-2133

Dear Senator Ellis:

Thank you for sponsoring a bill to allow Medicaid recipients to use two consecutive years of supplemental benefits in the same year to receive upper and lower dentures at the same time. This will greatly help recipients as a single denture when you have no teeth to oppose it is of limited value. I believe it will ultimately lower costs for the Medicaid division, also, when travel benefits are factored in for this multi step procedure that must be repeated twice under the current system.

A case I did earlier this year may illustrate the problem providers' face. Due to HIPAA concerns I am not using names for this story.

I have a dental office in Juneau. Unfortunately, for a variety or reasons, dental offices in other Southeast communities do not usually accept new Medicaid patients. This patient had to travel over from Sitka and needed dentures, both upper and lower. He currently did not have either upper and lowers having lost both sets. The supplemental system for adult Medicaid benefits would cover a single denture, either the upper or lower. The patient, 78 years old and on fixed income, was unable to afford the second set even at reduced Medicaid fees. I wrote a letter Medicaid division, enclosed, outlining the problem and pointing out that travel costs associated with constructing the second set at a later date (when the new year's benefits kicked in) would ultimately cost more than the Medicaid fee for a denture. I received a reply from the division basically saying their hands were tied given the current statutes in place.

In the case of this patient I did a full set of dentures for the patient and absorbed the cost of construction of the second set. As I write this letter I saw two patients today in the same situation, one who lives here in Juneau that we are constructing an upper denture alone although he has no lower teeth. Currently are plan is construct the lowers after July

2237 N. Jordan Avenue, Juneau, AK 99801
Phone: (907) 780-6066 Fax: (907) 780-4274 info@juneausmiles.com
www.juneausmiles.com

1, 2010. The second patient traveled here from Angoon and lost both his upper and lower dentures 2 weeks ago. His treatment will be further complicated as his old set was apparently ill fitting and led to a large tissue mass on the lower that will have to be removed prior to denture construction.

Sincerely,

David Logan, DDS

2237 N. Jordan Avenue, Juneau, AK 99801
Phone: (907) 780-6066 Fax: (907) 780-4274 info@juneausmiles.com
www.juneausmiles.com

L O G A N
D E N T A L

December 17, 2008

ACS
Preauthorizations
POB 240808
Anchorage, AK 99524-0808

Re: [redacted]
Medicaid #: [redacted]

Dear Sirs:

Mr. [redacted] is currently edentulous (without teeth) upper and lower. We have previously preauthorized Mr. [redacted] for a lower denture (preauth [redacted]) – working with a Sitka Clinic we had not previously seen Mr. [redacted].

Mr. [redacted] has been without teeth for 6 years. One denture, the maximum allowed under the MEDS system, will provide little improvement for him. Mr. [redacted] will be traveling to our office from Sitka for completion of the denture. The travel costs will ultimately cost more then the fee for the denture given the number of appointments required to properly construct a denture.

I am requesting preauthorization for upper and lower dentures (included) for Mr. [redacted]. This is a case where everyone will benefit: the state will have less overall costs then a second round of travel costs to construct the other denture after July 1, Mr. [redacted] will have opposing dentures to eat with, and my overall costs will be less then repeating the same appointments come July 1.

Sincerely,

[signature], DDS

David Logan, DDS

2237 N. Jordan Avenue, Juneau, AK 99801
Phone: (907) 780-6066 Fax: (907) 780-4274 info@juneausmiles.com
www.juneausmiles.com

ALASKA
PRIMARY CARE ASSOCIATION

The Honorable Senator Ellis
Alaska State Senate
State Capitol, Room 103
Juneau, Alaska 99801-1182

Re: Support for Medicaid Coverage for Dentures – SB 199

January 22, 2010

Dear Senator Ellis,

The Alaska Primary Care Association (APCA) represents 26 health care organizations and 142 non-profit Community Health Centers (CHCs), as well as other safety net providers throughout Alaska. In 2009, our sites provided primary healthcare to over 81,000 Alaskans from across the state. According to the Alaska Community Health Center Uniform Data System, Alaska's CHC provided dental services to 16,244 Alaskans and totaled 39,016 dental encounters in 2007.

The APCA supports providing a two-year funding cycle for Medicaid assistance coverage for dentures. The APCA knows that access to dental services improves health outcomes and reduces overall health care costs. Oral health is critical for overall health and adults in the Medicaid program receiving access to dental services reduces the likeliness that they will develop more expensive and acute dental problems.

We appreciate your hard work and service to Alaskans and support your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly
State Affairs Coordinator

Shelley S. Hughes
Government Affairs Director

Alaska Primary Care Association
903 W Northern Lights Blvd, Suite 200
Anchorage, AK 99503

ph. 907-929-2722
fx. 907-929-2734
www.alaskapca.org

November 6, 2009

Senator Johnny Ellis
Senate Majority Leader
Alaska State Legislature
716 W. 4th Ave
Anchorage, AK 99501
Fax: (907) 269-017

Dear Senator Ellis;

I am writing on behalf of the Alaska Public Health Association (ALPHA) to extend our support for and thank you for introducing a Bill that will allow Alaska's adult Medicaid recipients to receive a set of dentures within one fiscal year. This Act will meet the needs of patients and dental providers by providing two-years worth of dental benefits for dentures in a single year.

The ALPHA represents over 150 health professionals in Alaska; the primary mission of ALPHA is the enhancement of the public's health. In fulfilling our mission, we support systems that support patient-oriented health service delivery. ALPHA believes that the "Act providing for a two-year funding cycle for medical assistance coverage for dentures" establishes a system enabling patients to receive patient-oriented care.

Thank you for consulting ALPHA in developing this Bill. Please feel free to contact me if you have further questions.

Sincerely,

Karol Fink, MS, RD
ALPHA Health Policy Chair
Karolfink@yahoo.com
907.227.8178

The Trust
The Alaska Mental Health Trust Authority

Alaskan Seniors Living Longer Growing Stronger
from the Alaska Commission on Aging

brain injury network

Governor's Council on Disabilities and Special Education

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

Adjust Cap on Adult Dental Services Reimbursed by Medicaid

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, and Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority and the Alaska Brain Injury Network, jointly support the developing a solution that will allow for the adjustment of the current cap on adult dental services reimbursed by Medicaid.

- Currently, the annual cap for dental services – such as cleanings, exams, crowns, root canals and dentures – is $1,150 per individual. With the rising cost of dental care, this cap is proving not adequate yet the cap is set in statute and has not been increased in over three years.

- The American Dental Association recommends adult preventive and restorative dental services be included in all state Medicaid programs, and as former U.S. Surgeon General C. Everett Koop stated, "You're not healthy without good oral health."

- Trust beneficiaries continue to list dental services as a priority unmet health needs.

- The challenge this session is to find a current bill or to introduce a new bill that will create a method for adjusting the adult dental Medicaid cap on a regular basis or will at least increase the cap to cover the increase the cost of living increases over a 4 or five year period.

Therefore, we support a legislative solution that will allow for the adjustment of the current cap on adult dental services reimbursed by Medicaid.

11.18.09

4000

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

November 19, 2009

Honorable Johnny Ellis
Majority Leader
Alaska Senate
716 W. 4th Avenue
Anchorage, AK 99501

Dear Majority Leader Ellis:

On behalf of the 97,000 members of AARP in Alaska, we would like to pledge our support for your bill to establish a two year funding cycle for the adult dental benefit in Medicaid.

We understand you are particularly interested in changing the benefit for dentures so that an adult Medicaid beneficiary would be able to use the funds available for two years to pay for dentures. This makes sense for both the client and the provider.

Older persons in need of dentures often have accompanying nutrition problems. These nutrition problems can cause other health issues and create an overall deterioration in health status. For those who need them, dentures are essential to quality health care. Two-year funding for dentures should be considered sensible prevention with the long term possibility of saving Medicaid funds that would not need to be spent of more serious health care problems resulting from poor oral health status.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

SB 217

<target><bill>SB 217</bill><subject>SB 217</subject><comm>HFIN26</comm></target>

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

SB 217 AHFC Vets Bonds
Sponsor Statement

SB 217 will place a question on the ballot for the general election of 2010 asking voters to approve an additional $600 million of state guaranteed bonds to be issued by the Alaska Housing Finance Corporation for the purchase of mortgage loans made to qualifying veterans.
The Veterans Mortgage Loan Program allows the Alaska Housing Finance Corporation to sell tax-exempt bonds to fund the program. Because of this, the Veterans Mortgage Loan Program generally offers a lower interest rate than the conventional single family mortgage loan program. As of December 23, 2009, the Veterans program interest rate was 3/8 of a percent below the Corporation's conventional taxable mortgage loan program.

To qualify, veterans must apply to AHFC within 25 years of his/her date of discharge from "active duty service." (Active duty service is full-time duty, other than for training.) Active duty service in the US Armed Forces, US Armed Forces Reserves, Public Health Service, NOAA, or service as a cadet at the US Military, Air Force, Coast Guard or Naval Academy may meet requirements.

Qualified veterans may be retired or active duty personnel. If retired, discharged, or released from active duty, separation must have been under conditions other than dishonorable. Active duty personnel must have completed their initial military obligation.

The last time veterans bonds were on the general election ballot was 2002, when Alaskans approved the bonds by over seventy percent. As a result of recent passed legislation in Congress, Alaska along with the states of California, Oregon, Texas and Wisconsin have been able to offer more loans to veterans through the program than the previous years. Because of this, it is estimated that the Corporation could run out of bond authorization for the veterans loan program some time in 2011. This is the reason for the urgency of getting the issue to the ballot in 2010.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 31, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4|13|10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 217(FIN)**

"An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; authorizing the Alaska Housing Finance Corporation to acquire the building that it occupies for an amount that does not exceed $14,500,000; authorizing the Alaska Housing Finance Corporation to acquire a building or purchase an undesignated site for the relocation of its public housing client intake and assisted housing center for an amount that does not exceed $3,500,000; and providing for an effective date."

SB 217-AHFC: VET. BONDS/BLDG ACQUISITIONS

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	***FN#**	**Fiscal**	**Indet.**	**Zero**

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	**FN#**	**Fiscal**	**Indet.**	**Zero**
REV	3	✓		

Signing with recommendations	**Printed Last Name**	**DP**	**DNP**	**NR**	**AM**
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	Austerman	X			
	Foster	✓			
	KELLY	✓			
	Saltman	X			
	FAIRCLOUGH	✓			
Chair:	Stoltze	X			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 217(FIN)
(S) Publish Date: 3/29/10

Identifier (file name): CSSB217(FIN)-REV-AHFC-3-29-10
Dept. Affected: Revenue
Title: GUARANTEED REVENUE BONDS FOR VETERANS
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Senate Rules by Request of Governor
Requester: Senate Finance Committee
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	150.0		(1,235.6)	(1,246.8)	(1,258.0)	(1,269.3)	(1,280.7)
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous			1,275.6	1,292.1	1,129.1	1,141.2	1,153.7
TOTAL OPERATING	**150.0**	**0.0**	**40.0**	**45.3**	**(128.9)**	**(128.1)**	**(127.0)**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1103 AHFC Receipts	150.0		40.0	45.3	(128.9)	(128.1)	(127.0)
TOTAL	**150.0**	**0.0**	**40.0**	**45.3**	**(128.9)**	**(128.1)**	**(127.0)**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 217 authorizes a statewide public vote on $600 million in revenue bonds to finance the Veterans Mortgage Program. Alaska is one of five states in the nation that established this program under the federal tax code. AHFC administers the program on behalf of the State.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Anticipated costs related to voter information education and dissemination about the bonds and the program will be approximately $150,000. If approved by voters, bond issuances in the future will be done based on

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 03-28-10; 11:40pm
Approved by: Ginger Blaisdell, Director — Date 03-29-10; 7:45am
Administrative Services Division

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 217(FIN)

ANALYSIS CONTINUATION

The Senate Finance Committee draft of SB 217 includes language that authorizes AHFC to acquire the building they currently reside in at 4300 Boniface Parkway in Anchorage. The estimate is for a building cost of no more than $14.5 million, of which $5 million will be a land exchange with the Tatitlek Corporation and $9.5 million will be from the sale of 25 year bonds. The Corporation expects a savings of purchasing the building compared to continuing to lease of approximately $15.2 million in net present value cost.

The bill also authorizes AHFC to acquire or purchase a site for relocating its public housing client intake and assisted housing center in Anchorage for an amount not to exceed $3.5 million. AHFC already has federal and corporate funds in hand that would allow this transaction to occur without the need for a new appropriation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 217
(S) Publish Date: 2/5/10

Identifier (file name): 0879-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Veterans Housing Loan Bonds
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules Committee
Requester: Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	150.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
AHFC Receipts	150.0						
TOTAL	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes a statewide public vote on $600 million in revenue bonds to finance the Veterans Mortgage Program. Alaska is one of five states in the nation that established this program under the federal tax code. AHFC administers the program on behalf of the State.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Anticipated costs related to voter information education and dissemination about the bonds and the program will be approximately $150,000.

If approved by voters, bond issuances in the future will be done based on loan demand.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs
Phone: 330-8445
Division: Alaska Housing Finance Corporation
Date/Time: 2/4/10 12:00 AM
Approved by:
Date:

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 217
(S) Publish Date: 1/19/10

Identifier (file name): 0879-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Veterans Housing Loan Bonds
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	150.0	150.0					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
AHFC Receipts	150.0	150.0					
TOTAL	**150.0**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes a statewide public vote on $800 million in revenue bonds to finance the Veterans Mortgage Program. Alaska is one of five states in the nation that established this program under the federal tax code. AHFC administers the program on behalf of the State.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Anticipated costs related to voter information dissemination about the bonds and the program will be approximately $150,000.

If approved by voters, bond issuances in the future will be done based on loan demand.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 12/17/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 1:38pm
Administrative Services Division

(Revised 11/6/2009 OMB)

4008

Issue Brief
Alaska Housing Finance Corporation, Public Housing Division
Space Requirements for the Anchorage Intake Office

The Issue: The Anchorage intake office, also known as the Family Investment Center (FIC), no longer meets the needs of the low income families served by the AHFC Public Housing Division. Problems with the current site include: (1) inadequate access issues which are particularly severe for persons with disabilities, attributed to the building design and the lack of bus route to the building; (2) the absence of sufficient parking for both our customers and staff; (3) the need for substantial physical improvements to address Section 504 accessibility issues, and the potential for other expensive improvements resulting from code compliance issues; (4) the option of leased space is impractical – combined revenue from tenant paid rent and federal operating subsidy is insufficient to pay for a commercial space.

Recommendation: AHFC is seeking approval from the Alaska Legislature for either the purchase, or design/build of a new Anchorage intake office. The new facility would include all the Anchorage intake functions, the Housing Choice Voucher staff, and the AHFC computer learning center, under one roof. The estimated size of a new facility is about 10,000 square feet.

This authorization would not require any additional fiscal note. Instead, a combination of bond funds originally appropriated for the FIC renovation, funds previously appropriated for an Anchorage east side maintenance shop, and use of the federal Capital Fund Program would cover the cost. Staff estimates it could enter into a design/build arrangement or purchase an existing building for approximately $3 million.

Background:

1. The building was constructed in 1978 as an RV repair center. The FIC is a two story building located at 624 W. International Airport Road. The alley side of the building contains three bay-doors that access an AHFC records retention center. The intake office, serving the public housing and Housing Choice Voucher rental assistance program for the entire Anchorage area, is housed on the second floor. Public access is limited to one elevator or a single flight of stairs.

   Based upon a recent appraisal report, the property was rated in average condition; however, the authors noted the building design and layout were not conducive to its current usage, stating that past conversions to office space "...were not ideal and the design would not be replicated today. However, the building is functional for Class C office and warehouse space."

   Public access to the building and within it is difficult. Well over a third of the Public Housing Division clientele are people with disabilities. Persons who rely on public transportation must disembark from the People Mover bus on Arctic Street, north of International Airport Road. They must then cross the intersection and walk well over 100 yards to building entrance. Sidewalk snow removal is frequently lacking making wheel chair access a virtual impossibility from the bus stop. Once inside, clientele experience a lobby inadequate in size that frequently does afford sufficient seating for the 90 to 100 daily visitors.

4009

Because of the public access requirements, the building must comply with the Americans with Disabilities Act (ADA). Based upon a review by the U.S. Department of Housing & Urban Development, a number of Non-Housing Program areas could not be certified as being in compliance with the ADA. A subsequent "Voluntary Compliance Agreement" was executed in September 2008 between HUD and AHFC. It requires full compliance with the ADA within five years. Based upon prior engineering and architectural studies of the building, a substantial financial investment is needed to address various building upgrades including compliance with the Uniform Federal Accessibility Standards necessary to satisfy the ADA and the HUD agreement.

2. Parking is insufficient due to the loss of 50 leased spaces along the back alleyway. Only 40 spaces remain in the front of the building; serving approximately 30 staff and the public. In the winter, parking is further decreased by 4-5 spaces due to snow removal. Visitors that cannot find parking will either double park causing traffic jams, or park at the strip mall across the street, and then cross International Airport Road to get to the FIC. Because of inadequate parking, AHFC must conduct weekly briefing classes for new participants at the Loussac Manor property, about four miles from the FIC. In the summer of 2010, AHFC will lose that option with Loussac Manor scheduled for demolition – the first phase of redevelopment of that property.

3. A professional site assessment of the property and structure was completed by GDM Inc., Architects & Engineers, in August 1998. The assessment addressed the condition of the building with respect to a 30-year life expectancy of the structure, code compliance, energy efficiency, life safety, and accessibility. The cost estimate totaled $1,595,859 to make all the necessary repairs needed for the building to its intended uses. Using a conservative escalation factor to account for increases in material cost since 1998, new code requirements and cost to administer the construction, the estimated cost to repair the building now is approximately $3,500,000. A recent summary appraisal report of the FIC established a current value at $3,000,000.

4. Staff examined the alternative for renting commercial real estate. In making this assessment, it examined five properties offering the required size and access needed; the average cost per square foot was estimated at $2.50. The Public Housing Division must operate its public housing program in compliance with HUD asset management principles. Revenue available to the asset management properties is insufficient to support commercially available class B rental space.

Discount Rate			6.500%				
Inflation Rate			3.000%				
Net Present Value Cost			30,359,259		**Net Present Value Cost**		20,825,076
	57,800	sq. ft					
Lease					**Purchase**	***	12,500,000
Base	1,224,627	$ 1.76	per square ft.				
2017		$ 3.50	per square ft.		550,000	Operating Expenses	

Yr	Payment		Inflation	Total Lease	Yr	Maintenance		Total Cost
1	1,224,627		11,022	1,235,649	1	550,000		550,000
2	1,235,649		11,121	1,246,769	2	566,500		566,500
3	1,246,769		11,221	1,257,990	3	403,495	**	403,495
4	1,257,990		11,322	1,269,312	4	415,600		415,600
5	1,269,312		11,424	1,280,736	5	428,068		428,068
6	1,280,736		11,527	1,292,263	6	440,910		440,910
7	1,292,263		11,630	1,303,893	7	454,137		454,137
8	2,427,600	*	21,848	2,449,448	8	467,761		467,761
9	2,449,448		22,045	2,471,493	9	481,794		481,794
10	2,471,493		22,243	2,493,737	10	496,248		496,248
11	2,493,737		22,444	2,516,181	11	511,135		511,135
12	2,516,181		22,646	2,538,826	12	526,469		526,469
13	2,538,826		22,849	2,561,676	13	542,264		542,264
14	2,561,676		23,055	2,584,731	14	558,531		558,531
15	2,584,731		23,263	2,607,993	15	575,287		575,287
16	2,607,993		23,472	2,631,465	16	592,546		592,546
17	2,631,465		23,683	2,655,148	17	610,322		610,322
18	2,655,148		23,896	2,679,045	18	628,632		628,632
19	2,679,045		24,111	2,703,156	19	647,491		647,491
20	2,703,156		24,328	2,727,484	20	666,916		666,916
21	2,727,484		24,547	2,752,032	21	686,923		686,923
22	2,752,032		24,768	2,776,800	22	707,531		707,531
23	2,776,800		24,991	2,801,791	23	728,757		728,757
24	2,801,791		25,216	2,827,007	24	750,620		750,620
25	2,827,007		25,443	2,852,451	25	773,138		773,138
26	2,852,451		25,672	2,878,123	26	796,332		796,332
27	2,878,123		25,903	2,904,026	27	820,222		820,222
28	2,904,026		26,136	2,930,162	28	844,829		844,829
29	2,930,162		26,371	2,956,533	29	870,174		870,174
30	2,956,533		26,609	2,983,142	30	896,279		896,279
31	2,983,142		26,848	3,009,990	31	923,167		923,167
32	3,009,990		27,090	3,037,080	32	950,862		950,862
33	3,037,080		27,334	3,064,414	33	979,388		979,388
34	3,064,414		27,580	3,091,994	34	1,008,770		1,008,770
35	3,091,994		27,828	3,119,822	35	1,039,033		1,039,033
36	3,119,822		28,078	3,147,900	36	1,070,204		1,070,204
37	3,147,900		28,331	3,176,231	37	1,102,310		1,102,310
38	3,176,231		28,586	3,204,817	38	1,135,379		1,135,379
39	3,204,817		28,843	3,233,661	39	1,169,441		1,169,441
40	3,233,661		29,103	3,262,764	40	1,204,524		1,204,524

Assumptions:

* Lease at current rate plus increments for inflation. Rate increases to current market at the end of the lease in 2017.

** Purchase includes $550,000 per year in operating costs, reduced by anticipated $180,000 energy savings and in-house management from improvements to HVAC and lighting systems in year 3.

***The purchase price is a not to exceed amount.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

ALASKA HOUSING FINANCE CORPORATION
VETERANS MORTGAGE LOAN PROGRAM ACTIVITY
FISCAL YEAR 1994-2010

Fiscal Year	Number Of Loans	Loan Total
2010	54	$11,728,123
2009	168	$40,134,867
2008	230	$51,046,577
2007	270	$58,411,919
2006	44	$11,549,485
2005	57	$12,260,899
2004	125	$25,472,549
2003	187	$38,782,068
2002	315	$59,339,089
2001	430	$73,184,764
2000	496	$85,877,200
1999	540	$91,249,038
1998	597	$93,885,910
1997	340	$52,161,904
1996	246	$35,650,186
1995	482	$68,947,388
1994	177	$24,435,920
Total	**4758**	**$834,117,886**

On January 25, 2010, Standard and Poor's looked at the delinquency rates of the loan portfolios of 34 state Housing Finance Agency bond programs. Of those, the Alaska Housing Finance Corporation's Veterans Mortgage Loan program had the LOWEST delinquency rate of any other state program at 1.28 percent.

SB 219

<target><bill>SB 219</bill><subject>SB 219</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Sponsor Statement
CS for Senate Bill 219 (FIN)

The CS for Senate Bill 219 establishes a traumatic or acquired brain injury program and registry in the Department of Health and Social Services. Currently, Alaska has no specific program specifically to deal with brain injury and yet Alaska has one of the highest rates in the nation. Annually, there are about 800 Alaskans hospitalized with a traumatic brain injury resulting from falls, car crashes, domestic violence, All Terrain Vehicle crashes, and snow-machine crashes, among others. Furthermore, an approximately equal number of Alaskans are suffering from acquired brain injuries resulting from stroke, aneurism, or tumors.

Alaska urban and rural residents, including military are being discharged to their homes with little understanding of brain injury or access to in-state rehabilitation, severely impacting their families. Limited education about the injury, learning to cope with a person who has changed, overwhelming stress from insurance, bureaucracy, and financial burdens and change in family roles may render families dysfunctional.

With appropriate and available care, rehabilitation, community and family support, even the individual who is most severely injured can live at home, return to school or work, or engage in meaningful and productive lives.

Funding a Traumatic or Acquired Brain Injury (T/ABI) Program gives authority to the Department of Health and Social Services to collect data on the injured, positioning the state to access Medicaid funds for T/ABI. Medicaid services for T/ABI will be matched 50% by federal funds. The bill allows for streamlining department services and activities that are unique to T/ABI. This would better assist families and individuals with T/ABI in knowing how to access services and supports.

Early treatment may reduce future medical and social costs. Without appropriate services, some individuals with T/ABI may pose a threat to themselves or others. Without assistance, individuals with TBI often end up homeless, in jail or in nursing homes. Service coordination, rehabilitation, and appropriate supports can help to minimize these risks.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Sectional Analysis CS SB 219 FIN (26-LS1312\P)

Section 1. Adds longitudinal data on traumatic or acquired brain injury from the registry established under sec. 5 of the bill to the list of databases that the Department of Health and Social Services is authorized to collect, analyze, and maintain.

Section 2. Adds case management services for traumatic or acquired brain injury to the optional services provided to recipients of state medical assistance (Medicaid).

Section 3. Defines "case management services for traumatic or acquired brain injury" and designates that the definition of "traumatic or acquired brain injury" can be found in Section 5 of the bill.

Section 4. Requires the Department of Health and Social Services to provide medical assistance services under a waiver if approved by the federal government and if the legislature appropriates necessary funding for the services.

Section 5. Establishes a statewide traumatic or acquired brain injury program in the Department of Health and Social Services to evaluate the effectiveness and availability of information and services for the prevention and treatment of traumatic or acquired brain injury in the state. Requires consultation and collaboration with public and private entities to fulfill a list of programmatic requirements including development of a statewide service delivery plan and registry of information and evaluation of current laws and standards pertaining to traumatic or acquired brain injury.

(Compiled by Esther Cha based on previous Sectional Summary by Jean Mischel, LAA Legislative Counsel)

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 5, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/14/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 219(FIN)**

"An Act establishing a traumatic or acquired brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic or acquired brain injury services."

SB 219-TRAUMATIC BRAIN INJURY:PROGRAM/MEDICAID

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DHS	1			✓
DHS	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Selman	X			
Anna Fairclough	FAIRCLOUGH	✓			
	AUSTERMAN	X			
	KELLY			✓	
Gara	Gara	✓			
	Doogan	—			
	Joule	—			
	Foster	✓			
Chair:	Stoltze	X			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 219(HSS)**
(S) Publish Date: 2/18/10

Identifier (file name): SB219CS(HSS)-DHSS-SDSA-2-17-10
Dept. Affected: Health & Social Services

Title: Traumatic Brain Injury: Program/Medicaid
RDU: Senior and Disabilities Services
Component: Senior and Disabilities Services-Administration

Sponsor: McGuire

Requester: Senate HSS
Component Number: 2663

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will establish a Traumatic or Acquired Brain Injury (TABI) Registry; establish a TABI case management program within the Division of Senior and Disabilities Services; and add case management services for people with TABI to the list of optional Medicaid services available in Alaska.

Two positions will be tasked with implementing the proposed legislation: a TABI Program Manager who will supervise data collection and analysis, coordinate services to people with TABI, evaluate standards and laws related to TABI, assess the availability of and evaluate acute and long-term care community services, investigate model community services, and coordinate funding of TABI care; and a Research Analyst to develop procedures for the collection of TABI information statewide, design and present statistical data, construct and modify research procedures and instruct others in their proper use. Current resources within the Division of Senior and Disabilities Services are sufficient to meet program needs.

Prepared by: Rebecca Hilgendorf, Director
Phone 907-269-2083
Division: Division of Senior and Disabilities Services
Date/Time 2/17/10 12:11 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/17/2010
DHSS Finance & Management Services

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 219(HSS)
(S) Publish Date: 2/18/10

Identifier (file name): SB219CS(HSS)-DHSS-SDMS-2-12-10
Dept. Affected: Health & Social Services

Title: Traumatic Brain Injury: Program/Medicaid
RDU: Senior and Disability Services
Component: Senior and Disability Medicaid Services

Sponsor: McGuire

Requester: Senate HSS
Component Number: 2662

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	1,272.0		1,221.0	1,230.0	1,239.0	1,248.0	1,257.0
Miscellaneous							
TOTAL OPERATING	**1,272.0**	**0.0**	**1,221.0**	**1,230.0**	**1,239.0**	**1,248.0**	**1,257.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	777.4		610.5	615.0	619.5	624.0	628.5
1003 GF Match	494.6		610.5	615.0	619.5	624.0	628.5
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**1,272.0**	**0.0**	**1,221.0**	**1,230.0**	**1,239.0**	**1,248.0**	**1,257.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

SB 219 requires the Department of Health & Social Services (DHSS) to establish a traumatic or acquired brain injury (TABI) program and to provide Medicaid coverage for TBI services.

Section 2 amends the Medicaid statutes to include case management services for individuals with TABI to the list of optional Medicaid services. The provision adding TABI case management services to Alaska's optional Medicaid services has the potential to increase Medicaid utilization. This would necessitate an amendment to the state Medicaid Plan.

(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services
Phone: 269-7827
Date/Time: 2/3/10 1:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 2/12/2010

STATE OF ALASKA

2010 LEGISLATIVE SESSION

BILL NO. CSSB 219(HSS)

ANALYSIS CONTINUATION

Assumptions:
The Alaska Brain Injury network estimates approximately 1,300 new hospital discharges per year due to TABI. The department estimates approximately 20% of new TABI discharges would be on Medicaid, which is the same prevalence of Medicaid enrollees in the general population. Also the number of new TABI cases is expected to grow with the population at 1% per year.

1,300 * 0.20 = 260 new cases in FY11
260*1.01=262.6, rounded to 263 new cases in FY12, and so on

Case management services, based on an examination of similar services covered by Medicaid, is estimated to cost $250/month for new TABI cases.

New Case Cost for FY12: 263*(12*250)=789,000

In addition, there were approximately 9,200 hospital discharges due to TABI from 2001-2007 and it is estimated that 30% of these discharged individuals are still living with TABI related effects. It is estimated that 30% of people living with disabilities or effects from past TABI (existing cases) are currently on Medicaid. This estimate is somewhat higher than the general population due to a higher prevalence of disability, unemployment and lower income in this group.

9,200 past discharges * 0.30 living with effects from TABI = 2,760
2,760 * 0.30 on Medicaid = 828 existing TABI cases

It is expected that approximately half of those cases would continue services. For existing cases - Medicaid currently has about 100 persons on waiver due to TABI (see below).

828 - 100 on waiver = 728

This would mean approximately 360 existing cases using case management services in FY11. Although it is anticipated that in the first year there would be a higher demand for services that in following years meaning an additional 50 cases in FY11. Future years the demand would level at about 360 continuing cases each year.

It is estimated that these existing cases would use services , but at a lower level than new cases, so $100/month for 12 months.

Continuing Case Cost for FY12: 360*(12*100) = 432,000

Total FY12 Case Management Costs Estimate: 432,000+789,000 = 1,221,000

For 2011, Title XIX services are expected be reimbursed at 61.12%, in further years, the federal reimbursement rate is estimated at 50%.

The department will also be required to either develop a new TBI Medicaid waiver or modify an existing waiver to accommodate the needs of TABI survivors. Federal regulations require that in order for individuals to be eligible for home- and community-based waivers, they must meet the state's criteria as needing an institutional level of care. Currently, those individuals with TABI who meet this level of care are already being served under the current waiver program. As of February 1, 2010 that number is 102 individuals. An increase in the cost of waiver service is not expected with this bill.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **CSSB 219(HSS)**
(S) Publish Date: 2/18/10

Identifier (file name): SB219CS(HSS)-DHSS-SDSA-2-17-10
Dept. Affected: Health & Social Services

Title: Traumatic Brain Injury: Program/Medicaid
RDU: Senior and Disabilities Services
Component: Senior and Disabilities Services-Administration

Sponsor: McGuire

Requester: Senate HSS
Component Number: 2663

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will establish a Traumatic or Acquired Brain Injury (TABI) Registry; establish a TABI case management program within the Division of Senior and Disabilities Services; and add case management services for people with TABI to the list of optional Medicaid services available in Alaska.

Two positions will be tasked with implementing the proposed legislation: a TABI Program Manager who will supervise data collection and analysis, coordinate services to people with TABI, evaluate standards and laws related to TABI, assess the availability of and evaluate acute and long-term care community services, investigate model community services, and coordinate funding of TABI care; and a Research Analyst to develop procedures for the collection of TABI information statewide, design and present statistical data, construct and modify research procedures and instruct others in their proper use. Current resources within the Division of Senior and Disabilities Services are sufficient to meet program needs.

Prepared by: Rebecca Hilgendorf, Director
Phone 907-269-2083
Division: Division of Senior and Disabilities Services
Date/Time 2/17/10 12:11 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/17/2010
DHSS Finance & Management Services

4020

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: **CSSB 219(HSS)**
(S) Publish Date: 2/18/10

Identifier (file name): SB219CS(HSS)-DHSS-SDMS-2-12-10
Dept. Affected: Health & Social Services

Title: Traumatic Brain Injury: Program/Medicaid
RDU: Senior and Disability Services
Component: Senior and Disability Medicaid Services

Sponsor: McGuire

Requester: Senate HSS
Component Number: 2662

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	1,272.0		1,221.0	1,230.0	1,239.0	1,248.0	1,257.0
Miscellaneous							
TOTAL OPERATING	**1,272.0**	**0.0**	**1,221.0**	**1,230.0**	**1,239.0**	**1,248.0**	**1,257.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	777.4		610.5	615.0	619.5	624.0	628.5
1003 GF Match	494.6		610.5	615.0	619.5	624.0	628.5
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**1,272.0**	**0.0**	**1,221.0**	**1,230.0**	**1,239.0**	**1,248.0**	**1,257.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece:*

SB 219 requires the Department of Health & Social Services (DHSS) to establish a traumatic or acquired brain injury (TABI) program and to provide Medicaid coverage for TBI services.

Section 2 amends the Medicaid statutes to include case management services for individuals with TABI to the list of optional Medicaid services. The provision adding TABI case management services to Alaska's optional Medicaid services has the potential to increase Medicaid utilization. This would necessitate an amendment to the state Medicaid Plan.

(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services
Phone: 269-7827
Date/Time: 2/3/10 1:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 2/12/2010

STATE OF ALASKA **BILL NO.** CSSB 219(HSS)

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Assumptions:
The Alaska Brain Injury network estimates approximately 1,300 new hospital discharges per year due to TABI. The department estimates approximately 20% of new TABI discharges would be on Medicaid, which is the same prevalence of Medicaid enrollees in the general population. Also the number of new TABI cases is expected to grow with the population at 1% per year.

1,300 * 0.20 = 260 new cases in FY11
260*1.01=262.6, rounded to 263 new cases in FY12, and so on

Case management services, based on an examination of similar services covered by Medicaid, is estimated to cost $250/month for new TABI cases.

New Case Cost for FY12: 263*(12*250)=789,000

In addition, there were approximately 9,200 hospital discharges due to TABI from 2001-2007 and it is estimated that 30% of these discharged individuals are still living with TABI related effects. It is estimated that 30% of people living with disabilities or effects from past TABI (existing cases) are currently on Medicaid. This estimate is somewhat higher than the general population due to a higher prevalence of disability, unemployment and lower income in this group.

9,200 past discharges * 0.30 living with effects from TABI = 2,760
2,760 * 0.30 on Medicaid = 828 existing TABI cases

It is expected that approximately half of those cases would continue services. For existing cases - Medicaid currently has about 100 persons on waiver due to TABI (see below).

828 - 100 on waiver = 728

This would mean approximately 360 existing cases using case management services in FY11. Although it is anticipated that in the first year there would be a higher demand for services that in following years meaning an additional 50 cases in FY11. Future years the demand would level at about 360 continuing cases each year.

It is estimated that these existing cases would use services , but at a lower level than new cases, so $100/month for 12 months.

Continuing Case Cost for FY12: 360*(12*100) = 432,000

Total FY12 Case Management Costs Estimate: 432,000+789,000 = 1,221,000

For 2011, Title XIX services are expected be reimbursed at 61.12%, in further years, the federal reimbursement rate is estimated at 50%.

The department will also be required to either develop a new TBI Medicaid waiver or modify an existing waiver to accommodate the needs of TABI survivors. Federal regulations require that in order for individuals to be eligible for home- and community-based waivers, they must meet the state's criteria as needing an institutional level of care. Currently, those individuals with TABI who meet this level of care are already being served under the current waiver program. As of February 1, 2010 that number is 102 individuals. An increase in the cost of waiver service is not expected with this bill.

Supporting information for SB 219/HB 328

State of Alaska, Department of Health and Social Services
Alaska Waiver and Service Options for Alaskans with Congenital and Degenerative Brain Injury

According to state law (AS. 47.80.900 (7), the **term developmental disability (DD) means** a severe, chronic disability that: Is attributable to a mental or physical impairment or combination of mental and physical impairments; is manifested before the individual attains age 22; is likely to continue indefinitely;

- results in substantial functional limitations in **three or more** of the following areas of major life activity:
  - self care
  - receptive and expressive language;
  - learning;
  - mobility;
  - self direction; capacity for independent living;
  - economic self-sufficiency;
- and reflects the person's need for a combination and sequence of special, interdisciplinary, or generic assistance, supports or other services that are of lifelong or extended duration and are individually planned and coordinated.

Examples of types of developmental disabilities are mental retardation, cerebral palsy, autism, and seizure disorder. **Mental illness and Fetal Alcohol Syndrome may also be developmental disabilities. However, the disability must result in substantial functional limitations and meet the other criteria in the definition in order to qualify as a DD.**

FASD: FETAL ALCHOL SPECTRUM DISORDERS

88 possible slots: 10 currently on waiver, 8 in the works, 70 open slots

Definition: **Congenital** brain injury- the youth's mother consumed alcohol during pregnancy.

Eligibility: Youth must be:

- Under age 21 years
- Eligible for Medicaid
- Have an evaluation by a psychiatrist within 60 days of admission to the program, that identifies a need for the level and intensity of services provided in a Residential Psychiatric Treatment Center (RPTC)
- Have a diagnosis of Fetal Alcohol Spectrum Disorder. (If a youth is suspected of having an FASD, but has not yet received a diagnosis, the youth may receive an FASD diagnosis as part of the screening process)
- Want to receive services in community based services in Alaska instead of in an RPTC.

Waiver services include:

1. Mentoring Services
2. Daily and hourly respite
3. Residential habilitation
4. Day habilitation
5. Supported employment
6. Training and Consultative services

The Plan of care will be tailored to the specific needs of each individual program participant

ADRD: ALZEIMER'S DISEASE AND RELATED DISORDERS

Definition of Alzheimer 's disease: **Degenerative**

Because Alzheimer's disease and Related Disorders (ADRD) is so difficult to diagnose, the U.S. Department of Health and Social Services Advisory Panel on Alzheimer's disease recommends that ADRD be defined by **functional impairment and dependency rather than diagnosis or the causes of the disease.** The current working definition of ADRD used by Alaska Commission on Aging grantees, reviewed and refined at a grantee meeting in October 1996, reflects this recommendation.

For the purpose of this report an ADRD includes:
Alzheimer's, Dementia (any type), Parkinson's, Lewy Body, Creutzfeld-Jacob, Hungtington, Pick's, Wernicke-Karsakof, Cerebral degeneration.

AS of 2/24/2010 from Joann Gibbens,
Senior and Disabilities Services
Total number of OA, APD or PCA individuals with Alzheimer's or dementia in their most recent diagnosis

	with ADRD	TOTAL	non ADRD
Older Adults (OA)only	416	775	359
Adults with Physical Disabilities (APD) only	61	413	352
Personal Care Attendant (PCA) only	172	2271	2099
PCA with (OA or APD)	263	1697	1434
Unduplicated count (PCA, OA or APD)	912	5156	4244

	under 60	60-64	65-69	70-79	80-89	90-99	100+	TOTAL
APD, OA or PCA	69	40	52	237	373	136	5	912

Older Alaskans Waiver (OA)

Eligibility: Over 65 years of age and nursing home level of care.

OA Waiver Services:

1. Adult day services
2. Care Coordination
3. Respite
4. Chore
5. Environmental modifications
6. Meals
7. Residential Supported living
8. Specialized medical equipment and supplies
9. Specialized private nursing duties
10. Transportation

Alaskans With Physical Disabilities (APD)

Eligibility: Ages 21 -64, disabled meeting nursing level of care

APD Waiver Services:

1. Adult Day Services
2. Care Coordination
3. Day Habilitation
4. Residential Habilitation
5. Respite
6. Supported Employment
7. Chore
8. Environmental modifications
9. Intensive Active Treatment
10. Meals
11. Residential Supported Living
12. Specialize Medical Equipment
13. Specialized Private Nursing Duty
14. Transportation

Alaska Brain Injury Network

Alaska Scorecard and TBI Dashboard – (DRAFT)

DRAFT #1 – May 22, 2008

○ Getting worse ⟺ Not changing ● Improving

	5-year Trend	Current Data	Source
SCORECARD: A "scorecard" provides a snapshot of the status of TBI issues in the State of Alaska			
Traumatic Brain Injury Non-fatal Incidence Rates			
TBI rate per 100,000	●	98.6	1
Causes			
Falls	○	28.7	1
Motor Vehicle Transportation Occupant	●	24.7	1
Assault	●	12.2	1
ATV	○	6.5	1
Bicycle	●	4.5	1
Snowmachine	●	4.4	1
Pedestrian	●	3.6	1
Sports	●	1.8	1
Water Transport	⟺	1.3	1
Suicide Attempt	●	.8	1
Gender			
TBI percentage among males		65.4 %	1
TBI percentage among females	⟺	33.2 %	1
Ethnicity			
Percentage of TBI population that is Alaska Native		34%	1.a
Percentage of TBI population that is White		53%	1.a
Percentage of TBI population that is Other; unknown, Pacific Islander, Hispanic, Black, American Indian, Asian		22%	1.a
Those at highest risk for hospitalization due to TBI (rate per 100,000)			
Males age 80+		301.3	1
Females age 80+		217.2	1
Males age 70-79		215.7	1
Males age 15-19		200.9	1
Traumatic Brain Injury Numbers			
TBI hospitalizations/year		640	1.b
TBI deaths/year		150	1.b
Est. TBI-related Emergency Department Visits		2953	2

1 Alaska Trauma Registry 2001-2005 – Non-fatal TBI hospitalizations
1.a Alaska Trauma Registry 1996-2005 – Non-fatal TBI hospitalizations
1.b Alaska Trauma Registry 2006 – Non-fatal TBI hospitalizations
2 HRSA TBI Implementation Grant

Alaska Trauma Registry records those who are hospitalized for more than 24 hours. This does not include the number of people who visit the emergency department and are sent home in the same day. This does not include the number of returning service members with traumatic brain injury.

DASHBOARD: A "dashboard" provides a way to see how well an activity is working to affect the TBI population

O Getting worse ⟺ Not changing O Improving

	Spot look trend	Current Data	Source
Dashboard: Behavioral Health			
TBI and Mental Health			
Percentage BH clients screening positive for TBI	⟺	32%	3
TBI and Substance Use			
Alcohol-related TBI 100,000		33%	1
TBI and Suicide			
Percentage of suicide victims with history of TBI		32%	4
Dashboard: Education			
Special Education			
Number of children in Special Education statewide with TBI diagnosis (2007)	⟺	66	5
Dashboard: Justice			
Corrections			
Percent of incarcerated Alaskans (adults) who are Trust beneficiaries, including those with cognitive disabilities		42%	6
Dashboard: Employment			
Vocational Rehabilitation			
Number of TBI cases		167	7
Number of TBI cases closed employed		17	7
Number of TBI cases closed with plan for employment		11	7
Average wage at closure		$12.54	7
Dashboard: Providence			
ImPACT Program			
Number of baselines (ImPACT)		57	8
Number of student/athletes seen in program (ImPACT)		25	8
Emergency Department			
Patients given the diagnosis of "head injury" or "concussion in Emergency Department in 2006		547	8
% of TBI-related ED visits that led to hospitalizations		1%	8
% of ED visits that are Pediatric		15%	8
Dashboard: Alaska Brain Injury Network			
TBI Advisory Board			
Est. Board Member Volunteer hours/year	⟺	1054	9
Board Member Participation in Quarterly Board Meetings		83%	9
Ex-officio participation in quarterly board meetings		65-80%	9
% of survivors/family members on TBI board		55%	9
% Board Members who give a financial contribution		100%	9
TBI Resource Navigation			
Average new consumer contacts per month	⟺	30	9
Average unique visitors/month to ABIN website	⟺	750	9
Number of people on Alaska Brain Matters Listserve	⟺	100+	9

3 AKAIMS
4 Suicide Follow-back Study
5 http://www.eed.state.ak.us/stats/
6 Trust/DOC Study 07
7 Division of Vocational Rehabilitation (FY07)
8 Providence Neuroservices
9 Alaska Brain Injury Network

TBI in Alaska, 1995-2005 Hospitalization greater than 24 hours

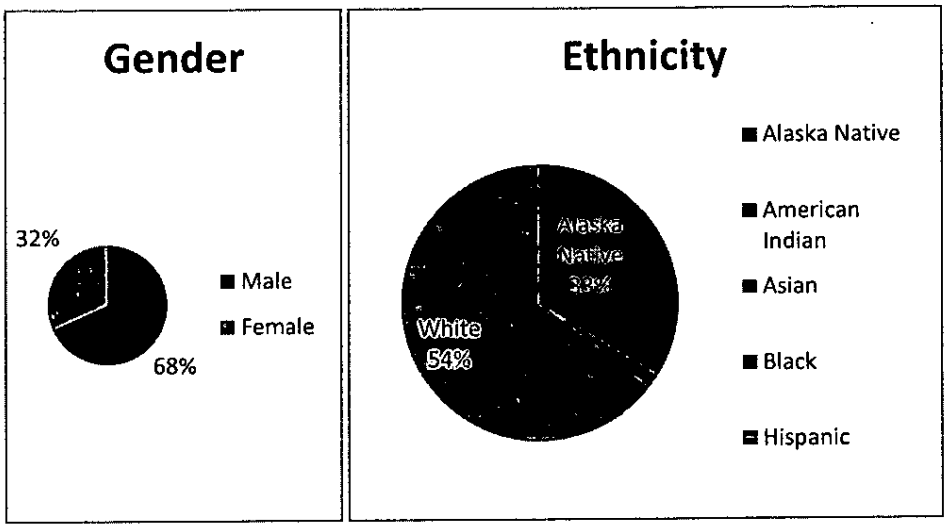


Figure 1: Males sustain TBI at twice the rate of females

Figure 2: TBI's are sustained primarily by White and Alaska Native populations

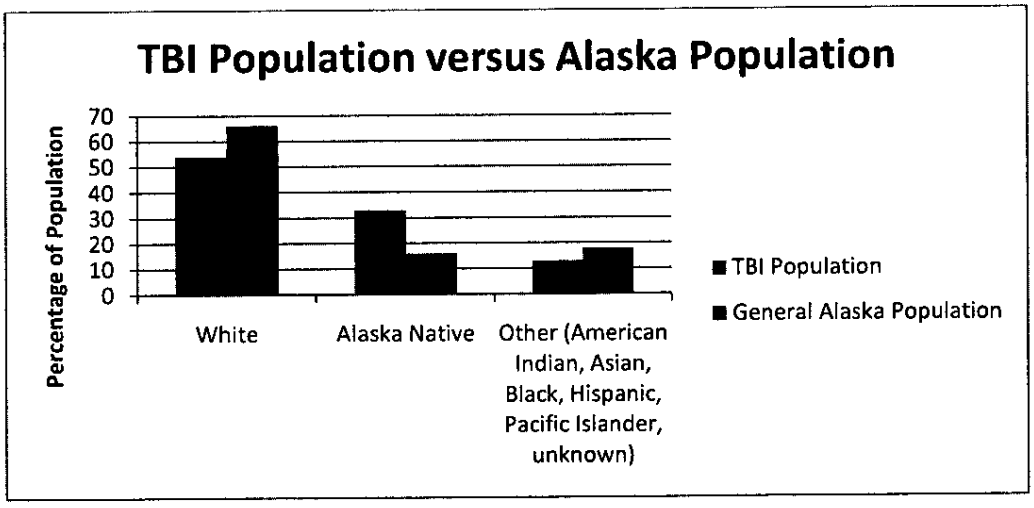


Figure 3: Alaskan Natives and rural residents sustain TBI at disproportionate rates compared to census data

4027 SUBMITTED BY SPONSOR OFFICE OF Sen. MCGUIRE

TBI in Alaska, 1995-2005 Hospitalization greater than 24 hours

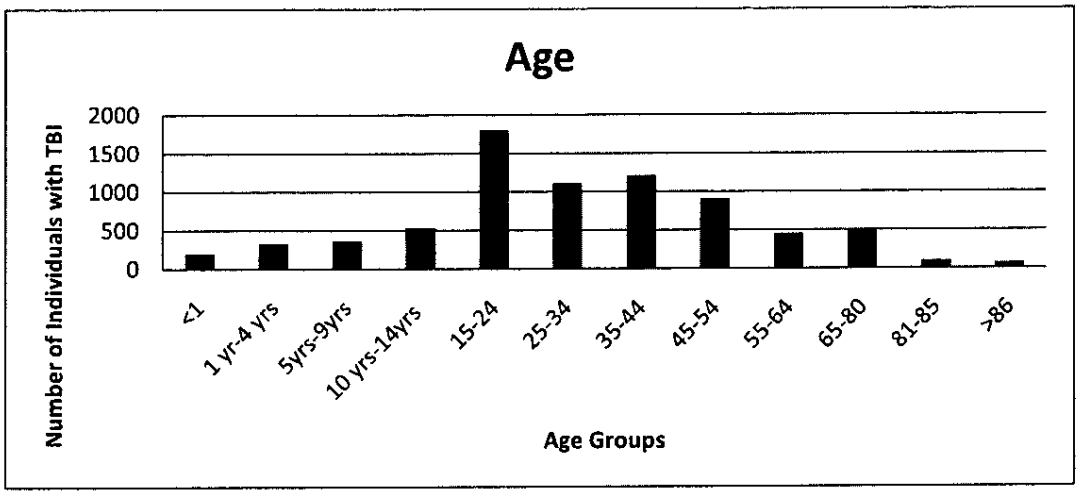


Figure 4: Highest incidence rates are among 15-24 year old males. The highest prevalence rates are among Elders who fall.

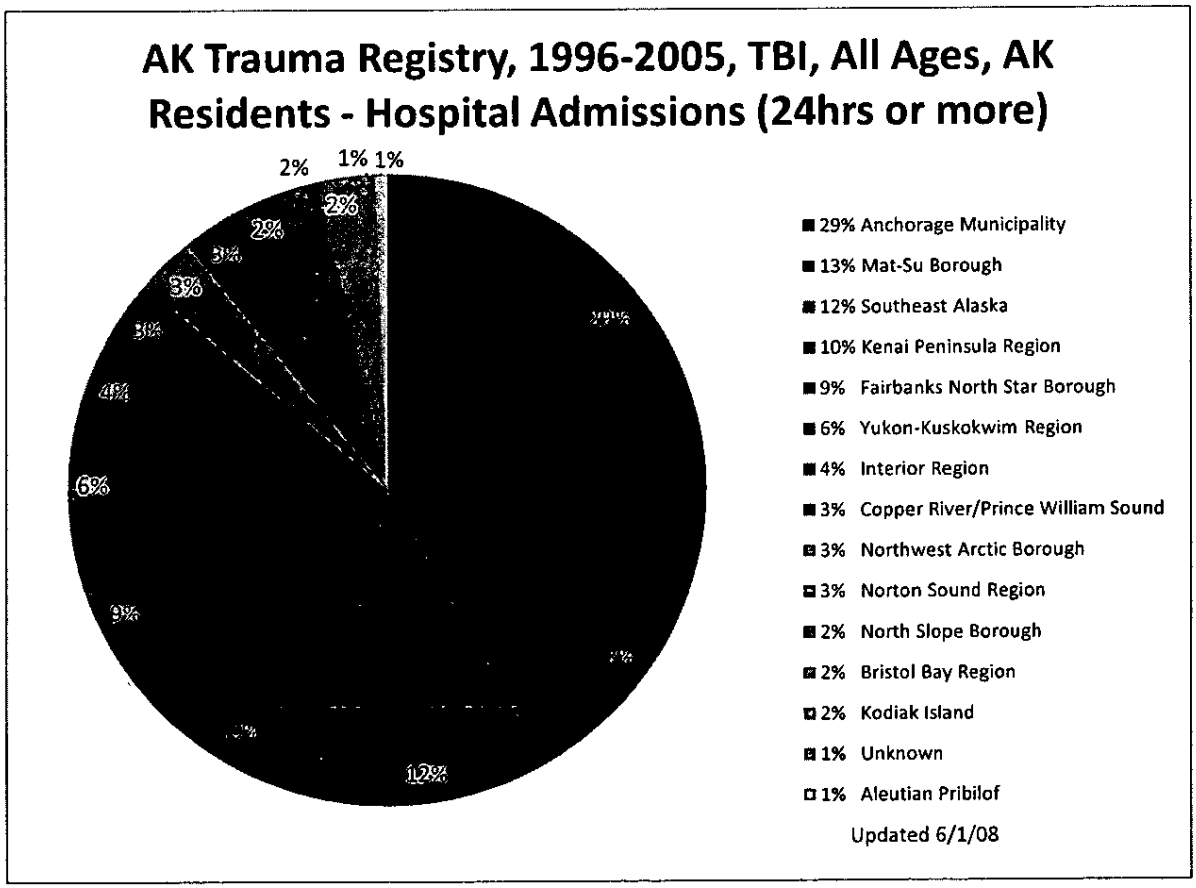


Figure 5: Highest incidence rates are among Anchorage, Mat-Su, and Southeast regions. The highest prevalence rates are in the Yukon-Kuskokwim Region.

TBI in Alaska, 1995-2005 Hospitalization greater than 24 hours

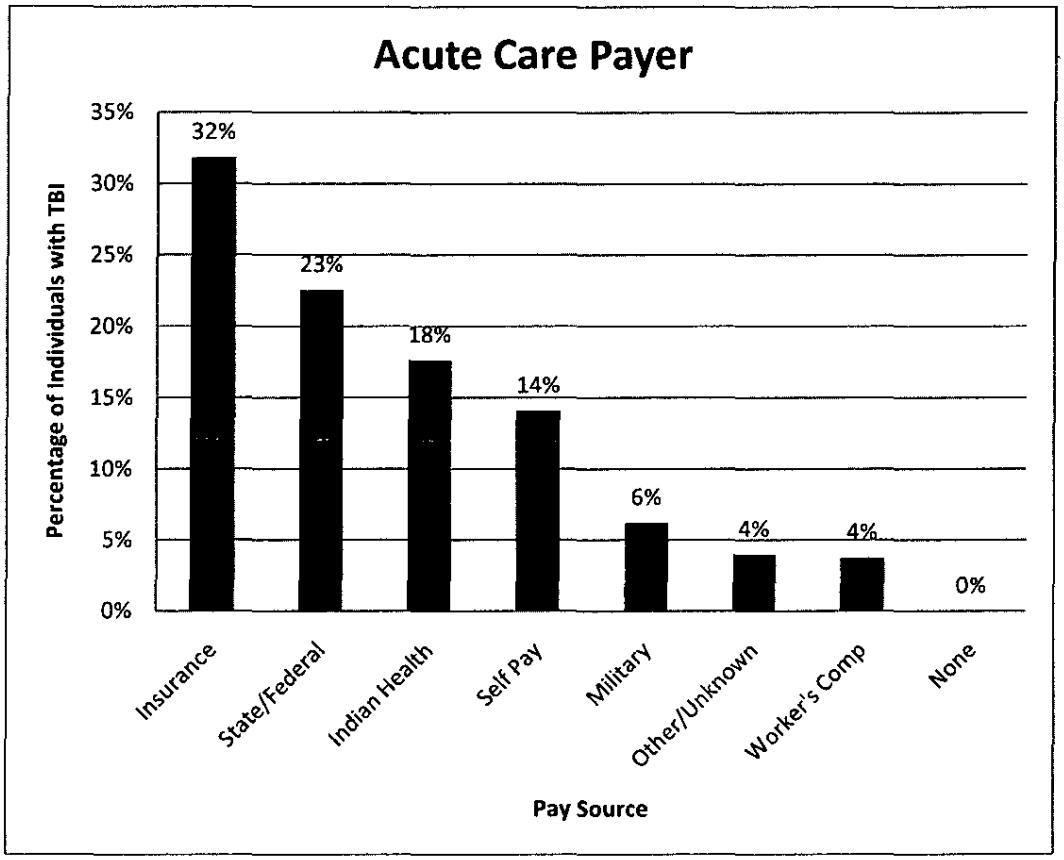


Figure 6: Acute care costs are paid by major payers. Inpatient and post-acute rehabilitation is limited. There is not a post-acute rehabilitation facility in-state.

TBI in Alaska, 1995-2005 Hospitalization greater than 24 hours

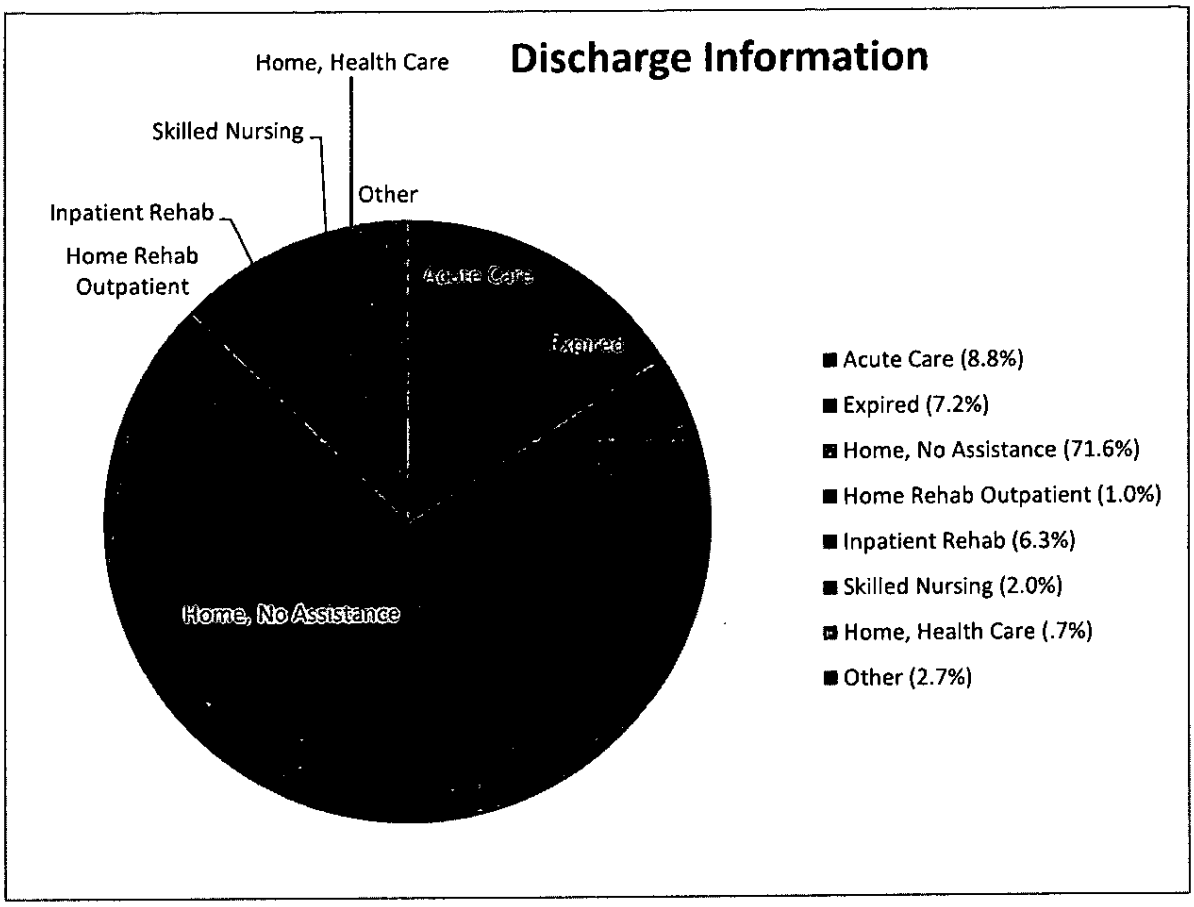


Figure 7: 72% of TBI survivors are sent home with no assistance. 1% of TBI survivors have access to rehab once they return home.

Acquired Brain Injury

Functional and cognitive deficits resulting from injuries to the main and associated structures that:

1) Are results from injury post partum
2) Are not a result of a congenital disorder
3) Are not a result of a deteriorating disorder related to age (i.e. dementia, picks, etc) a

And fall within in the broad categories:

a. Hypoxic or Anoxic events
b. Chemical induced except alcohol related
c. Medical accidents (i.e. stroke, aneurysm)
d. Viral, bacterial or parasitic attack
e. Radiation poisoning
f. Medication effects (prescribed)
g. Idiopathic causes

The deficits must be long-standing, significantly below baseline, impact productivity in the three areas, school, work, relationship, and affect the life trajectory of the individual

Rutgers Centers for State Health Policy, Issue Brief: A Survey of Medicaid Brain Injury Programs, March 2008

State	Waiver year ending	Number Serviced	Expenditures (GF and Federal match)	Annual Per Capita Costs	Average Length of Stay	Per Diem Costs
New York	2006	1953	$79,029,120	$40,465	310	$131
Minnesota	2006	1372	$68,965,299	$50,266	320	$157
Illinois	2006	3,601	$42,541,226	$11,814	264	$45
Connecticut	2006	344	$25,691,011	$74,683	305	$245
Wisconsin	2006	334	$20,095,110	$60,165	351	$171
New Jersey	2006	276	$18,374,797	$66,575	329	$202
South Carolina	2006	497	$12,247,128	$24,642	338	$73
New Hampshire	2006	140	$11,487,626	$82,054	332	$247
Iowa	2006	825	$10,883,459	$13,192	296	$45
Colorado	2006	293	$9,027,736	$30,811	247	$125
Pennsylvania	2005	152-324	$6,897,762	$45,380	285	$159
Kentucky	2005	98	$6,532,587	$66,659	285	$234
Kansas	2006	269	$6,289,071	$23,379	242	$97
Florida	2006	283	$5,903,410	$20,860	316	$66
Massachusetts	2006	90	$4,883,813	$54,265	315	$172
Wyoming	2006	137	$3,940,878	$28,766	297	$97
Indiana	2006	131	$3,390,758	$25,884	355	$73
Utah	2006	91	$2,079,141	$22,848	333	$69
Maryland	2006	23	$1,489,321	$64,753	255	$254
Idaho	2006	19	$1,133,542	$59,660	354	$169
North Dakota	2006	29	$797,371	$27,496	315	$29
Nebraska	2006	26	$733,247	$28,202	335	$84
Vermont	2006	68		$5,500/month	no data	

$150,000 FY10 MHTAAR for brain injury case management-DHSS SDS Administration

Blue states have been identified has Waiver programs that may meet Alaska's needs (more up to date funding levels needed)

Yellow areas are Waiver programs that have a rehabilitation focus and long-term care option

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

Division of Administrative Services

SEAN PARNELL, GOVERNOR

REPLY TO:
Behavioral Health Services
550 W. 7th Avenue, Suite 601
Anchorage, AK 99501
Mental Health Phone: (907) 269-7320
Mental Health Fax: (907) 269-7321

March 5, 2010

The Honorable Lesil McGuire
Alaska State Senate
Alaska State Capitol, Room 125
Juneau, Alaska 99801

Re: Letter of Support for SB 219

Dear Senator McGuire,

The Behavioral Health Department of the Alaska Department of Corrections is pleased to support SB 219, an act that will help ensure medical coverage for traumatic brain injuries (TBI) and also establish a statewide registry for related services within the Department of Health and Social Services.

Alaska DOC processes 38,000 bookings of over 22,000 unique individuals each year and has more than 5,600 inmates in custody on any given day. Over 42% of our population has a diagnosable mental health disorder and we typically have between 100 and 110 inmates on our caseload because of TBI.

Alaska DOC recognizes that there is a critical need to increase identification of and resources for people who have experienced traumatic brain injury. Release planning for this population has proven to be difficult as there currently are very few agencies and programs that serve people with TBI. In addition, access to those resources is often limited due to inadequate medical coverage.

We appreciate your work on behalf of this population. Please let us know if there is anything else we can do to further support you in your efforts.

Sincerely,

Laura M. Brooks, MS, LPA
Director of Behavioral Health
Alaska Department of Corrections

The TRUST

The Alaska Mental Health Trust Authority

February 10, 2010

The Honorable Lesil McGuire
Alaska State Senate
Alaska State Capitol, Room 125
Juneau, Alaska 99801

Re: **Letter of Support for SB 219**

Dear Senator McGuire,

The Alaska Mental Health Trust Authority (The Trust) is pleased to support SB 219, an act establishing a traumatic or acquired brain injury program and registry within the Department of Health and Social Services (DHSS); and relating to medical assistance coverage for traumatic or acquired brain injury services. This bill is a significant step forward and will bolster the existing statewide efforts of a diverse and active committee which has been focused on brain injury services for several years.

The Trust is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust managed on behalf of Trust beneficiaries who include individuals with mental illness, developmental disabilities, chronic alcoholism and those with dementia or other related disorders; many also have a co-occurring traumatic brain injury. Our goal is to partner with the Department of Health and Social Services as well as other state departments and branches of government, as a catalyst for change towards the improvement in Alaska's mental health continuum of care. The Trust has and will continue to partner with DHSS and the aforementioned statewide committee to ensure a system of care for Alaskans with brain injuries is developed.

It is an unfortunate reality that Alaska has one of the highest rates of TBI in the country. Upwards of 800 Alaskans are seriously injured or die from a TBI annually. It is estimated that at least 10,000 Alaskans are currently living with TBI in our communities, some with support services, most undoubtedly without. This bill will assure the development and implementation of services for Alaskans with brain injuries; specifically, it provides direction to the Department of Health and Social Services to assess prevalence, service gaps, and the development services in a targeted, effective, and fiscally responsible manner. Thereby, increasing and improving access to much needed services and supports for these Alaskans. Furthermore, this bill places the State of Alaska in position to access federal dollars for payment of these services through grants and Medicaid.

The Trust appreciates your leadership on this very important issue. Please let us know if there is anything we can do to further support your efforts and the successful passage of this bill.

Sincerely,

Jeff Jessee, CEO

3745 Community Park Loop, Suite 200 Anchorage, Alaska 99508 Tel: 907-269-7960 Fax: 907-269-7966 www.mhtrust.org

alaska brain injury network

3745 Community Park Loop, Ste. 140
Anchorage, Alaska 99508
office: (907) 274-2824 fax: (907) 274-2826
www.alaskabraininjury.net

The Honorable Lesil McGuire
Alaska Senate
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator McGuire,

Thank you for introducing SB219, the act which relates to medical assistance coverage for traumatic or acquired brain injury services and which will establish a traumatic or acquired brain injury program and registry within the Department of Health and Social Services.

The Alaska Brain Injury Network, Inc (ABIN) is a non-profit organization dedicated to Alaskans whose lives have been changed by brain injury. ABIN's eighteen member board represents all regions of Alaska and at least 50 percent are TBI survivors or family members.

The primary ABIN mission is to educate, plan, coordinate, and advocate for a comprehensive service delivery system for the survivors of traumatic brain injury and their families. ABIN also serves as a statewide resource navigation agency specializing in information and referral for brain injury services and supports available in Alaska. ABIN has heard from 600 Alaskans requesting brain injury services since 2007. In addition, ABIN has heard public testimony from hundreds of Alaskans from Anchorage, Juneau, Fairbanks, Kenai, Barrow, Nome, Kodiak, Dillingham, Bethel, Copper River Basin, Tok, Ketchikan, Sitka, and more.

In the past several years, ABIN has worked collaboratively with the State of Alaska, Alaska Mental Health Trust Authority, the Alaska Native Tribal Health Consortium, Alaska Federal Health Care Partnership, major hospital providers, community providers, and many more agencies to coordinate the development of brain injury services in Alaska. We have coordinated meetings with these agencies to identify:

1. the services we have available in the State,
2. the services we do not have available,
3. which providers have the capacity to develop different segments in the continuum of care,
4. barriers; and
5. solutions for the development of this care.

The agencies participating and the findings are depicted in a document titled "Demonstrating the Need for Community-Based Rehabilitation."

Barriers to treating brain injury include:

- Brain injury as a medical condition versus a long-term condition: Patient often enters an injury-based medical model to treat what may become a manageable, chronic condition.
- Post-acute/Treatment/Rehabilitation funding for those who are Medicaid eligible: Currently, Medicaid funding is available for acute care, but does not cover brain injury specialty residential and day programs, often resulting in a higher level of care (more expensive) than what is needed.
- Workforce capacity- Alaska is too small of a state, with a strong yet limited workforce, to support separate brain injury systems of care in each service sector: military, tribal, and civilian.

- Screening/assessment in all state programs and primary care clinics- appropriate identification begins with screening and then assessment. Behavioral Health is the only state program that includes brain injury screening questions.

SB219 provides many direct and indirect opportunities to resolve these barriers:

- Creates longitudinal data on persons with brain injury to identify demographics, cause of injury, severity, diagnosis, treatments, medical and social costs which will help determine future policy and budget recommendations.
- Increases access to case management for those who are Medicaid eligible.
- Evaluates the need for and scope of acute, post-acute, long-term, and community treatment, care, and supports.
- Positions the state to identify the best 'menu' of brain injury services to include under a Medicaid Waiver.
- Positions the state to access federal funding for TBI services and for targeted case management.
- Encourages a seamless transition from acute settings to transitional and community settings.
- Establishes standards and recommendations for improvement of prevention, assessment, treatment, and care.

Indirect Opportunities

- Many Alaskans with undiagnosed or unrecognized brain injury currently access State of Alaska services and supports. The T/ABI program encourages screening and identification, as well as development of and access to appropriate treatment.
- A T/ABI program may create cost savings in acute care costs and existing state programs budgets, including behavioral health, juvenile justice, corrections, homeless initiatives, and long-term care in institutional facilities.
- Research shows, Medicaid funding specifically for brain injury services supports the growth of community-based rehabilitation programs (residential and day programs).
- Provides framework for the Department of Defense (DoD), Alaska Veterans Affairs Health System, Alaska Tribal Health System, State of Alaska, and private/non-profit entities to coordinate planning and implementation of rehabilitation and community re-entry programs.
- Development of these programs increases access for all Alaskans with a variety of pay sources, including insurance, private pay, and federal health care.
- Research shows early treatment and access to appropriate brain injury services may reduce future medical and social costs.

The Alaska Brain Injury Network has worked diligently to create a 'framework' for successful development of a seamless system of care for Alaskans with brain injury, including the development of a comprehensive plan and the coordination of the many key providers that will build the system. The State of Alaska T/ABI program will be the 'foundation' that will allow the 'entire state system' to develop and grow. The State T/ABI Program, the 'foundation', is the first step to resolving the barriers, so providers can act, and Alaskans will have an opportunity for a more successful and positive life.

The Alaska Brain Injury Network appreciates your ongoing support of this important legislation.

Our organization is made up of many professionals, providers, and specialists. If you have any questions I would be happy to answer them or connect you to someone with that knowledge.

Sincerely,

Jill Hodges
Executive Director

brain injury network

Attachment: ABIN Letter of Support for SB 219/HB 328

Why brain injury begins as an emergency medical condition and often becomes a social catastrophe?

Several decades ago brain injury was viewed solely as a medical condition, more specifically a life or death injury. Because of the advances in emergency medical services and intensive/acute care, more people are surviving very severe brain injuries. These advances have created an entire new system of care, a brain injury continuum of care. This system of care is essential because of the long-term cognitive effects caused by the injury. After 30 years of state and federal government recognition, research, and longitudinal studies, it is now understood that 'brain injury begins as an emergency medical condition, and often becomes a social catastrophe.' Because of the potential for many different social challenges, it is essential that those who survive brain injuries receive timely, appropriate services and ongoing supports.

How did other states develop brain injury programs?

In addition to the local networking, ABIN is well connected to many state brain injury programs (public and private) outside of Alaska. Through conferences and ongoing dialogue, ABIN has learned the role legislation (in other states) has played in developing a seamless, comprehensive service system for after hospital care for brain injury. In 1980 the first appropriation for brain injury funding for case management was accomplished in Missouri. Legislation for a T/ABI program soon followed. 2005 data shows at least 44 states had a formal T/ABI program in their state government or funded brain injury specific programs.

The following is an example of the order in which legislation and funding has progressed in other states.

Step 1: Establish a T/ABI program in statute
Step 2: Approve general funds for case management, position state to access federal funds to expand this service to more people (targeted case management).
Step 3: Approve a Medicaid brain injury waiver (50% Federal match)
Step 4: Prevention and concussion management legislation.
Step 5: Screening and case management for military

HB 328/SB 219 gives Alaska the opportunity to not only 'catch up' developmentally with other States, but it also positions Alaska to become a national leader in providing brain injury case management and treatment to rural and remote citizens across service sectors (military, tribal, civilian).

How do other states fund and sustain a T/ABI Program?

States use a variety and combination of funding streams for planning, policy, prevention and research activities, and to serve individuals with brain injuries and their families who have no other access to needed care or supports. Medicaid, Home and Community-Based Services and Medicaid Waivers, and Federal Block Grant programs are used to serve individuals with disabilities and special health care needs including people with brain injury. At the State level, common non-Federal funding sources for TBI service delivery include trust funds, general

revenue and special revenue. Often when two or more sources exist, funds from one are used to leverage funds from the other.
There are 24 States that have a Brain Injury Medicaid Waiver (2006). There are 20 states that have General Revenue or Special Revenue specific to brain injury (NASHIA 2005).

Medicaid waivers targeted to individuals with brain injuries operate in half of the states and are small when compared to waivers targeting other groups. These waivers provide significant cost savings, on average $30,000 annually per person, when compared to institutional facility-based services (Rutgers 2008).

These waivers have been successful both programmatically and financially. In addition to cost savings, these waivers have provided other significant benefits. The existence of these waivers supports the growth of community non-profit brain injury agencies. There is clear evidence of the desirability of home and community-based services among those directly affected by brain injury: there has been growth of these waivers that has resulted in a doubling of the number of persons served over five years; in addition, there is a visible role played by advocates in encouraging states to develop these waivers. These waivers, over time, have contributed to states' efforts to create and grow an in-state service capacity to provide services to individuals with brain injuries.[1]

[1]Hendrickson, L. & Blume, R. (2008). Issue brief: A survey of Medicaid brain injury programs. *Rutgers Center for State Health Policy*

COOK INLET
TRIBAL
COUNCIL, INC.

3600 SAN JERONIMO DRIVE, ANCHORAGE, ALASKA 99508

PHONE: (907) 793-3600

FAX: (907) 793-3422

March 3, 2010

The Honorable Lesil McGuire
Alaska State Senate
State Capitol
Juneau, AK 99801-1182

Dear Senator McGuire,

Thank you for your sponsorship of Senate Bill 219, which would establish a registry and program for Traumatic or Acquired Brain Injury (TABI) and provides for the inclusion of case management services to the Alaska list of optional Medicaid services. The reporting and data collection of Alaskans with these injuries is long overdue and would be of great benefit.

Cook Inlet Tribal Council (CITC) is about People, Partnership, and Potential. We serve 13,000 participants annually, administering 85 grants and contracts funded by federal, state, and private agencies. Our programs address many of the social, economic, and educational challenges faced by Native people in Anchorage and in the Cook Inlet Region. One of our main departments is Recovery Services. CITC provides both outpatient services and also operates the Ernie Turner Center for residential care pertaining to alcohol and drug treatment.

CITC can attest to the high level of TABI cases in Alaska. Statistics from 2009 indicates that about 37% of our participants seeking intervention services (including brief treatment and outpatient recovery) report head trauma or have a history of TABI. From a sampling of 552 individuals seeking admission last year to the Ernie Turner Center (for detox or residential treatment), 46% of them had experienced some type of brain injury in their past.

If I can provide any further assistance with passage of this measure through the legislative process, please let me know. I would be willing to testify on the impact of TABI and the need for this bill to be enacted. On behalf of Cook Inlet Tribal Council and the many participants we serve, you have our full support for SB 219.

Sincerely,

Gloria O'Neill
President/CEO

Senator,
Please let me know if we can be of further assistance!

St. Elias
Specialty Hospital
a Providence Partner

January 29, 2010

The Honorable Lesil McGuire
Alaska State Capitol
Room 125
Juneau, Alaska 99801

Dear Senator McGuire,

Thank you for introducing Senate Bill 219, which establishes a traumatic or acquired brain injury program registry within the Department of Health and Human Services, and also relates to the medical assistance coverage for traumatic or acquired brain injury services.

At St. Elias Specialty Hospital, we treat and assist many patients who are affected by brain injury. Our patients' stories are personal to them and to us; but the outcomes of their injuries effect us all. Frequently, many patients who have suffered from a brain injury come to St. Elias on a ventilator and are unable to speak, eat, or walk. We have been fortunate to be able to watch many patients walk out of the hospital. Others have suffered injuries too significant and are not that lucky. We are very concerned about the resources available to our patients after they leave St. Elias.

We, at St. Elias, support SB219 because it would provide a mechanism for better tracking of the traumatic brain injury (TBI) patients in Alaska. We also feel that it would identify what services are lacking for patients post hospital discharge. This bill would create a more public awareness of the increasing numbers of Alaskans living with TBI, who may not be receiving the necessary help for their condition. Sadly, due to lack of rehabilitative services, many of our patients and families have been forced to leave the state for much needed long term rehabilitative services. We think Senate Bill 219 would combine all entities including profit, not for profit, military, and native to better serve all Alaskans. Possibly, the outcome would be an inpatient rehabilitation unit that would serve all Alaskans.

St. Elias Specialty Hospital is expanding its programs to better serve patients with traumatic and acquired brain injuries; however, we believe Senate Bill 219 could help us provide a better discharge plan for our patients with brain injury so they can continue their recovery and lead productive lives.

Senate Bill 219 would also help identify TBI patients who need early treatment. This in turn may reduce future medical and social costs and would help TBI patients integrate into the community positively as active and participating Alaskans.

Senator McGuire, thank you for your consideration and introduction of this bill. It is vital to the hospitals, our state, and most importantly, our patients.

Sincerely,

Sharon Kurz

Sharon Kurz, PhD
Chief Executive Officer
St. Elias Specialty Hospital

4800 Cordova Street Anchorage, AK 99503 • Phone: 907.561.3333 • Fax: 907.561.3332 • www.st-eliashospital.com

Providence Health & Services Alaska
Area Operations Administration
3760 Piper Street, Suite 3013
Anchorage, AK 99508
t: 907.212.3694
www.providence.org

PROVIDENCE
Health & Services
Alaska

March 9, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Room 125
Juneau, Alaska 99801-1182

Dear Senator McGuire:

Thank you for introducing SB 219.

As the Area Operations Administrator for Providence Health & Services Alaska, I have seen both an increase in the need for services to brain-injured Alaskans and an increase in services available to them. However, as you know, much more needs to be done. Your bill will provide for that work to be accomplished.

Alaska remains a young state and sometimes the need for services has to reach a critical mass before we can afford to address those needs. Long time Alaskans will recall that back in the 1960s, Alaskans experiencing mental illness were sent out of state to a facility in Oregon. Eventually, services were established in Alaska.

I believe we have reached the critical mass needed to address brain injury in a comprehensive manner in Alaska. Too many Alaskans with brain injuries receive limited services, uncoordinated services or have to leave the state for services.

I support this bill and applaud your efforts to help Alaskans with brain injury.

Sincerely,

Susan Humphrey-Barnett

Susan Humphrey-Barnett
Area Operations Administrator
Alaska Health & Services Alaska

cc: Laurie Herman
Jill Hodges

ALASKA STATEWIDE INDEPENDENT LIVING COUNCIL, INC.

1057 W. Fireweed Lane, Ste. 206
Anchorage, AK 99503

Toll Free 1 888 294 7452
Phone 907 263-2092, 2011
Fax 907 263-2012

February 1, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Room 125
Juneau, Alaska 99801

Dear Senator McGuire,

Thank you for introducing SB 219, the act which relates to medical assistance coverage for traumatic or acquired brain injury services and which will establish a traumatic or acquired brain injury program and registry within the Department of Health and Social Services.

The State Independent Living Council (SILC) is comprised of Alaskans, a majority of whom have disabilities, and who are appointed by the Governor to promote the philosophy of independent living, including a philosophy of consumer control, peer-support, self-help, self-determination, equal access, and individual and system advocacy in order to maximize opportunities for individuals with disabilities, and the integration and full inclusion of individuals with disabilities into the mainstream of society.

The program supports four Centers for Independent Living (CILs). These Centers provided a wide array of services in 2009 to 3,828 Alaskans with disabilities and seniors who seek to live independently in their communities. Many of those Alaskans have sustained traumatic or acquired brain injuries and are in desperate need for services to become available in Alaska that can be tailored to their individual circumstances.

The SILC is very supportive of SB 219, which will streamline services delivered by the State of Alaska by helping families with TBI better access services and supports. The bill directs the Department of Health and Social Services to assess both the needs of individuals with TBI and the state capacity for services based on data collected. This will ensure any planned services and supports are targeted to meet needs effectively and economically.

SB 219 facilitates and links services from hospital to home and community in order to ensure that individuals have resources necessary to live independently in their homes. It will allow for them to return to work, thus diverting them from more expensive alternatives.

SHB 219 will help people in the community access case management services, which will, in turn, promote better access to TBI services. Case managements helps to support families and individuals with TBI by bringing resources together and avoiding potential duplication of efforts across agencies.

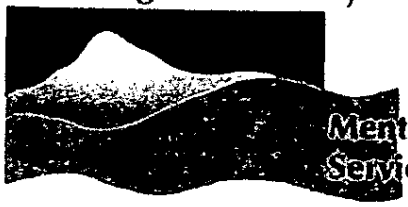
SB 219 provides many benefits to the State of Alaska. It positions the state to potentially access a federal funding stream for TBI services. The bill would give the Department of Health and Social Services the authority to access Medicaid funds for TBI, thus maximizing resources.

The Statewide Independent Living Council appreciates your ongoing support of this important legislation. Please let us know if there is anything we can do to promote swift passage of this bill.

Sincerely,

Andra Nations
Executive Director

Anchorage Community



4020 Folker Street • Anchorage, Alaska 99508 • 907-563-1000 • (Fax) 907-563-2045 • e-mail: acmhs@acmhs.com • website: www.acmhs.com

17 February 2010

The Honorable Lesil McGuire
Alaska State Capitol, Room 125
Juneau, Alaska 99801

Dear Senator Lesil McGuire:

First, thank you for your interest in traumatic or acquired brain injury. Second, thank you for supporting the development of specific services addressing traumatic or acquired brain injury.

Anchorage Community Mental Health Services serves a number of clients impacted by brain injury. Some have been impacted by stroke while others have injuries resulting from accidents. The long lasting impact of brain injury results in some of our clients having great difficulty in adapting to normal life. Issues include things like being able to maintain housing, being able to work and self care. Additional focus on developing community based brain injury rehabilitative services will be invaluable to this population and their families.

So, thank you for introducing Senate Bill 219. Let us know if we can be assistance in promoting passage.

Sincerely,

John Fugett, MA, LPC
Director, Adult Services

Jerry A. Jenkins, M.Ed., MAC
Executive Directors

Mat-Su Health Services, Inc.

February 25, 2010

The Honorable Lesil McGuire
120 4th St, State Capitol, Room 125
Juneau, AK 99801

Dear Senator McGuire:

I am writing in support of Senate Bill 219, an act concerning traumatic or acquired brain injuries. As a health care professional who administers an agency that provides both primary health care and behavioral health care I and my Agency are well acquainted with the devastating consequences of even a mild brain injury can have on individuals and their families. The bill you have sponsored, if passed, will enable the State to take important, concrete steps that are necessary in creating evidence based, coordinated and effective services to this group of citizens in need. The creation of an operational definition, the development and tracking of important incident data, the promotion of waiver services and the building of case management capacity are all important first steps.

Sincerely,

Kevin Munson
CEO

1363 West Spruce Ave, Wasilla, AK 99654 Ph: 907-376-2411 • Fax: 907-352-3363
Member Agency United Way

Esther Cha

From: Murphy, Sean [Sean.Murphy@asrcenergy.com]
Sent: Wednesday, February 03, 2010 2:04 PM
To: Esther Cha
Cc: jill@alaskabraininjury.net
Subject: SB 219
Attachments: TBI Accident.pdf

Sean & Dee Murphy
5745 Greece Dr.
Anchorage, AK 99516
Feb 3rd, 2010

The Honorable Lesil McGuire
Alaska State Capitol, RM 125
Juneau, Alaska, 99801

Dear Senator Lesil McGuire:

First, I would like to thank you for introducing SB 219: An Act establishing a traumatic or acquired brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic or acquired brain injury services.

My name is Sean Murphy and I am recovering from a traumatic brain injury from a skiing accident two years ago at Whistler/Blackcomb B.C. I hit a tree at nearly 30 MPH head first, thankfully I was wearing a helmet or the recovery process could have been much worse. I was air lifted down the mountain to the clinic at W/B where they kept me on life support until the second air medivac was available to transport me to Vancouver General Hospital. Three days later I awoke from my coma and my wife realized she would have to raise another child (husband) since I could not talk, walk or even feed myself.

SB 219 gives the Department of Health and Social Services many specifics to help address issues related to TBI which are all necessary here in Alaska. However, the main reason for writing you today is not for me or the treatment and support from my injury; but the needed support for family members dealing with TBI patients. TBI patients often have emotional issues that impact the entire family. It was extremely difficult to obtain any information, a single agency to assist in identifying resources, support groups, etc. would have been most beneficial for families in this situation.

As I found out weeks or understood months later, was the amount of stress that my wife had to endure. From first, being out of the country, then in Seattle and then again in Anchorage my wife had to continually start the processes over again to get me needed treatment. Again, having case management services to assist would have been extremely helpful in finding a neurologist, physical therapist, and the resources needed to aide in the recovery process. While researching these types of injuries, my wife and I noticed that the majority of states have facilities to assist people in obtaining the information and contacts needed. We could not find this in the state of Alaska. With the many outdoor activities and amount of highway accidents in Alaska we were surprised to find that this was the case.

Sincerely,

Sean Murphy

My husband Sean and I spent a week in Whistler/Blackcomb, BC. Sean was skiing expert terain all week. On the last day of the trip, he and his buddies stopped for a bowl of soup before heading home. After lunch, he got into his skis and picked a casual groomed ski trail to head down the mountain. He was the first one back in his skis as they started down the mountain. When his friends started down the trail, they saw him veer across the trail over an embankment into the tree line. To this day, having lunch is the last thing that he remembers. They both called down to see if he was ok, when he doesn't respond, one friend came down to check on him and found that he was not conscious. The second friend began stopping others for assistance. A doctor and nurse happened to ski near the accident and began CPR and a ski instructor stopped and contacted ski patrol. Ski patrol arrived within minutes and provided an open airway and artificial respiration while packaging Sean for transport to a helicopter arriving. We believe that due to preparation for the Olympics, the response time of the ski patrol and helicopter was extremely quick, within minutes, Sean was transported to the clinic at the base of the mountain, examined and prepped for another helicopter ride to Vancouver General Hospital.

Our friends and I packed and drove from Whistler to Vancouver only to discover that he had still not awaken and they might have to drill into his brain to release some of the pressure due to swelling caused from severe bruising and 8 sub dermal hematomas. The good news was that after a full body CAT scan to determine the extent of his injuries, other than the head injury, he had a broken finger. After three unconscious days in the ER Sean finally came out of a coma. The doctors asked if he knew what happened, he shook his head no, he asked if he knew who was next to him. All he could do was say wife, but that was more than enough considering we were told that his long term memory would probably be affected by the injury.

On the evening of the third day, Sean was transferred to the Neurological Intensive Care Unit. He was unable to speak coherently, sit up, walk, and other basic motor functions. The doctors informed me that the recovery process would more than likely take months and that we would need to stay in Vancouver until the pressure on his brain decreased considerably and he was able to walk with assistance. The Neurologist stated that if he hadn't been wearing a helmet he would not be here today. In fact, his helmet was used during several meetings to encourage the use of helmets with the staff at VGH.

Sean began the process of recovery, and I began the process of notifying employers and family of our situation. Luckily for me, two of the friends that were on vacation with us offered to stay in Vancouver for support. I was surprised to find out that Canada does not accept health insurance, so having to figure out how to pay for this care, and my stay in Vancouver and trying to keep our daughter from knowing how serious the injury was since she was alone in Anchorage was almost more than I could tolerate. To this day, I cannot thank our friends enough who stayed with us in Vancouver.

The days following consisted of me massaging his legs and arms, little stretches to keep him from stiffening up and numerous trips to the nurse's station trying to reach the Doctor for an update. I was told that he did not see patients during visiting hours because time was allotted for surgeries. The only care provide for the first two days in NICU were hourly vitals check by the nursing staff and my attempts to do stretches with him lying in bed. After 3 days in the NICU, and dozens of requests to see the doctor, he finally stopped in to provide an update. He stated that the bruising was improving, but had not decreased enough for air travel and that air travel could cause further damage to his brain. I asked about road travel so that we could get back to the US, he indicated that since he was barely able to feed himself, had not walked yet, and could not speak more than a word or two when responding to questions, that we needed to realize that long term hospital care and physical therapy was required. I asked when physical therapy would begin, and he indicated that the physical therapist would be by to see us that day.

I increased our efforts to get him to do more on his own. I asked that he feed himself; even though he wore more of the food then he ate. I got him to stand next to the bed with me and our friend on either side to see if he was able. He was not able to take a step or stand on his own, but it strengthened my resolve to get him walking again. Later that date, the PT examined Sean and gave us stretches that we could do to help him improve and that we could attempt to get him to stand periodically throughout the day. We followed the regiment for two days, than were given approval to see if he could walk. We began walking him to the restroom, which was only about 8-10 steps from the bed. The following day the Physical Therapist was surprised to see how much he had improved. Much less food on his clothes, able to speak short sentences and could walk with assistance to the restroom. She then gave us permission to walk the halls as long as our friend and I were with him at all times. We began this trek immediately after she left and continued every hour if he was awake. Day 8, he can walk two times around the NICU floor and we attempt the stairs without the PT's knowledge. He was able to take two steps. We continued to walk as often as possible so that he could build up his strength and improve his balance. The following day, I asked that he be examined again to see if the bleeding and swelling had gone down. It had, I then ask the PT if we can attempt the 5 steps so that we could travel to Washington by car. Sean climbed 5 stairs with Danny and me on either side. The PT consulted with the doctor and they gave us authorization to travel to Washington after resting at the hotel for 1-2 days to ensure that he is able to travel. I asked that they provide a CD of his cat scan and all medical records; they indicated that they would fax the reports to the doctor in Seattle and would provide the CD prior to checkout. So with a stop by accounting, I paid the bill by check and credit card. (I had contacted our credit card company earlier in the week and told them of the situation. They agreed to increase our limit enough to cover the hotel and hospital bill). Sean rested in the hotel and our friends from Seattle came to pick us up. I felt we were one step closer to getting home.

In Seattle, I made numerous calls to Neurologists, but none would take a new patient without a referral. After several calls to Vancouver General and little success in

getting help, our friend Jane said she had an appointment and we could go with her, so we did. We explained to her doctor why we were crashing Jane's appointment, and to our surprise, she examined Jane in 10 minutes and the remainder of the appointment was Sean's. She was astounded that this accident was less than two weeks prior and immediately contacted a Neurologist that she knew and had an appointment for Sean the following day. Again, we were told that it would be several weeks before we could travel and were surprised that we were given approval to leave Vancouver as there were still several areas still swollen and bleeding on the brain. Three times a week, Sean and I went to see the Neurologist. They worked motor skills and did brain teasers and each visit seemed to be better than the last. At the end of the third week, we were given the green light to travel home to Anchorage.

I thought the process would be much easier in Anchorage, only to find out we had to start the process all over again. Neurologists and Physical Therapists require a referral. We went to our family physician and were referred. My Dad agreed to come to Alaska to help care for Sean since he could not be left alone and I needed to get back to work since we had used all of our vacation time and all that could be done now FMLA, which is family medical leave without pay. Without both our incomes, this was not an option.

Sean could not be left alone, could not cook, could not take stairs on his own, etc. So I was so thankful that my Dad was with me to care for him because I needed to get back to work at least part time. As I finish this letter, I have a tough time keeping my composure, I reflect on the stress that I had to endure due to Sean's accident and the fact there wasn't someone I could talk to that understood what we were going through. The angry outburst from Sean which are typical of head injuries, the fact that he was basically having to develop mentally and physically, newborn through adult hood all over again.

After two years, there are still outburst, but they are less frequent, and his short term memory has been affected where he must keep more detailed notes. But on a positive note, the recovery was much quicker than anyone thought it would be and physically he is in the best shape of his life. He is running under 6 minute miles now and he continues to improve emotionally, mentally and physically.

Esther Cha

From: The Children's Lunchbox [thechildrenslunchbox@alaska.net]
Sent: Wednesday, February 17, 2010 8:48 AM
To: Esther Cha
Cc: 'Jill Hodges'; jennifer@alaskabraininjury.net
Subject: SB219 - Letter from constituent
Attachments: B Thompson TBI Advocacy Letter.doc

Thank you for accepting my letter in support of SB219. If you have any questions please feel free to call or email.

Sincerely,

Becky

Rebecca (Becky) Thompson
2328 E. 20th Ave
Anchorage, AK 99508
(907) 230-6382

P.S. I do have permission to send this from my work email as The Children's Lunchbox a Program of Bean's Café is aware of the TBI issue as well.

Rebecca (Becky) A. Thompson
2328 E. 20th Ave.
Anchorage, AK 99508
(907) 230-6382

February 16, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator Lesil McGuire:

Thank you for introducing Senate Bill 219: **An Act establishing a traumatic or acquired brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic or acquired brain injury services.**

Thank you for your interest in how Traumatic Brain Injuries affect our citizens and their families.

On March 31, 2005 I was rear-ended at a stop light. Unfortunately, my head and body was turned at such an angle to do an unusual amount of damage. My neck "popped", my cervical ligaments were damaged, etc., and I received what is thought to be a "shearing" Traumatic Brain Injury.

To keep a very long five years short; I was finally diagnosed in 2007 with the alar ligament issues, etc. and it was suggested I had a minor TBI and needed to be treated out of state. I did go out of state (California twice) and started being treated in Oak Park, IL in 2008 with continued success.

My injuries caused great suffering in my family. Being diagnosed so late, the cognitive issues such as short term memory loss, irrational irritability, loss of math skills, fatigue, etc. put a huge strain on our family. I truly believe that if the health professionals in our community were educated on TBI they would be able to better assist their patients.

Thank you again, Senator McGuire, for introducing this bill and your commitment to bringing more awareness to this topic.

Thank you,

Rebecca A. Thompson

Rebecca (Becky) A. Thompson

Christine A. DeCourtney
6920 Gemini Dr.
Anchorage AK, 99504
February 15, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator Lesil McGuire:

I am writing to request your support of Senate Bill 219: **An Act establishing a traumatic or acquired brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic or acquired brain injury services.** I wish to speak from two views:

1) I have worked in the healthcare field ever since I graduated from university

2) I have suffered two Traumatic Brain Injuries (TBI) and major surgery for a brain tumor in the last five years

I have worked in healthcare for many years, including ten years at the Bristol Bay Area Health Corporation in Dillingham and the past seven years at the Alaska Native Tribal Health Consortium. As such, I strongly believe that not only are there many people living in remote communities who have suffered a brain injury with no treatment available, I also believe that there are many people who have physical, mental and emotional problems as a result of an undiagnosed brain injury. The Trauma Registry only counts those that are hospitalized. It is critical that the people of Alaska have better access to brain injury prevention, treatment and rehabilitation services.

I suffered head and severe facial injuries from a bicycle fall in 2004. Though I spent many hours in the Emergency Room having many tests and 50 facial stitches, I received no information about head injuries. Eight months later, I was at a stop sign in downtown Anchorage and was hit in the driver's side by a van that came around the corner. This time I did not experience visible injuries. However, I suffered neck injuries and another TBI. It is not healthy to have another TBI so soon after the first one. It is also "easier" to have an injury that people can "see."

In spite of the fact that I am gainfully employed and insured, I have spent a great deal of out-of-pocket funds to try to "get better." While my insurer was quite willing to pay for physician visits and medications, which did not help me a great deal, they were not willing to pay for other therapies that have helped me. When I had out-of-state major neurosurgery two years ago, once again therapy modalities that helped me return to work and function at the level I am expected to by my employer, were denied.

My injuries and experiences are minor compared to some of the people in Alaska who now face a lifetime of problems so different from those that they had pre-TBI. The people of Alaska need to have prevention, treatment and rehabilitation services that can help increase awareness of preventing TBI's; treatment provided regardless of location or insurance availability and rehabilitation services that incorporate all programs and services that give the patient the best quality of life possible.

I never expected to be in a position of fighting to explain my difficulties as a result of a TBI or trying to find care that helped me get better. After all, being now defined as "average" should be ok. Right?

On behalf of myself and all the patients, families and providers who work to prevent TBI's, provide treatment and care for patients, I urge you to support SB 219.

Respectfully,

Christine A. DeCourtney

Esther Cha

From: Jill Hodges [jill@alaskabraininjury.net]
Sent: Wednesday, February 24, 2010 10:23 AM
To: Esther Cha; Jeanne Ostnes
Subject: FW: Fay's letter
Attachments: Fay letter.docx

Jennifer in our office had been working with Fay to finalize this letter.

Five days after finalizing this letter, Fay fell down the stairs, suffering a severe brain injury. She is currently in the hospital suffering from severe cognitive symptoms. She had given us permission to send this letter out before the fall occurred.

Jennifer Charvet, CBIS
Resource Navigator

Alaska Brain Injury Network, Inc.
3745 Community Park Loop, Suite 140
Anchorage, Alaska 99508

888-574-2824 or 907-274-2824
www.alaskabraininjury.net

GoodSearch for Alaska Brain Injury Network - Raise money for ABIN just by searching the Internet or shopping online with GoodSearch - www.goodsearch.com - powered by Yahoo!
ABIN has now earned $227.26 since December 2006!

February 11, 2010

To Whom It May Concern:

I worked for years as a Care Coordinator for people experiencing Alzheimer's and/or mental illness. As a professional in this field I helped many people find services and information. I didn't realize I'd be the one needing assistance so soon. For an unknown reason, I've lost my eyesight over the last couple of years. I'm in my 30's. While struggling to learn to live with a visual impairment, I lost my job. One of the dangers of living with a visual impairment that I had not anticipated was the numerous concussions I have experienced. The most serious of these was when my weed-whacker fell on my head causing a mild brain injury. It took me at least five to six months to feel "normal" again after that. I believe many people experiencing visual impairments are suffering brain injuries at a rather high rate.

Just as it is important for those with Alzheimer's to have access to services and information through a Care Coordinator, it is also important for those experiencing brain injury to have assistance. Accessing services is very difficult when your brain isn't functioning at its' best. Each person who has experienced a brain injury should be linked to a care coordinator so that they have help accessing services. It's hard enough for me to find the help with a visual impairment, it is even harder when I've suffered yet another concussion and can't remember who to call or don't know what services will help.

It's imperative that people with brain injuries have a good advocate. It can be very hard to access services even when they are available. Often times a person with a brain injury has difficulty remembering things, making phone calls, knowing how to ask the right questions to get an appointment, etc. Having strong advocates such as Alaska Brain Injury Network and a Care Coordinator is necessary for a good recovery.

I encourage you to please support Senate Bill 219 presented by Senator McGuire and House Bill 328 presented by Representative Johnson. Having a brain injury program as they describe would benefit many Alaskans currently struggling on their own. There is also $350,000 currently in the budget for brain injury. Please support the bill and leave the funding that is in the budget there. Thank you for your support. This is something that mattered to me as a provider and now it matters to me on a personal level.

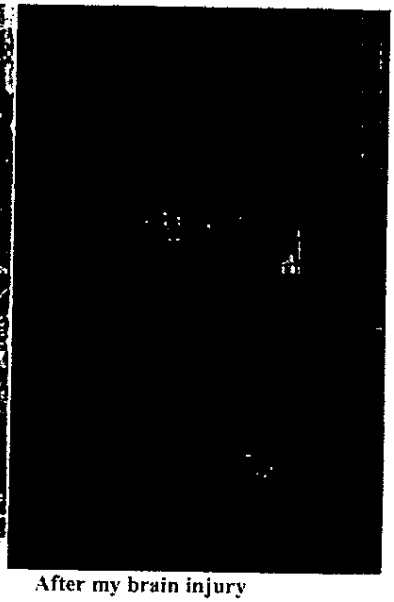
Sincerely,

Fay Nakamura
2746 W 42nd Place Apt #1
Anchorage, AK 99517

Note: I had assistance writing this letter.

To Whom It May Concern:

With my son - before the brain injury



After my brain injury

Apx 3years ago I was a Flight Attendant with Alaska Airlines. Now I dont swim, drive or do ANYTHING because overnight my life was CHANGED. Basically I had an ARYCHNOID CYCST which the Doctors watched, at Providence Hospital, since I was a teenager (although I was born with it) and suffered horrendous headaches. Noone ever told me that it could change my life so. In any case, I have two kids with Autism, 11 and 12 and a 15yr old with ADD so my life has been in shambles for quite sometime in any case. As for Providence, the commercials they put on TV are GREAT however noone ever tells you the BAD SIDE of things. I underwent surgery to no avail. There was NO PROBLEM until I came down with STAFF INFECTIONS that the doctors couldnt stop it. Needless to say, There was NOTHING in Alaska for me then and I was medivacked to Seattle after suffering Staff Infections but where the doctors only do ONE TYPE of surgery , basically up here it is OK if you have a broken arm or something but Brain Injury is nothing you want to MESS WITH. Needless to say I was put in OT, PT and SPEECH services and the only thing to come out of it all was that I had BRAIN INJURY! I couldnt, or still cannot, walk a straight line, I lost my job, what good is a F/A who cannot walk a straight line, I wear Prisms in my glasses now as well as DARK GLASSES, the sun hurts my eyes, I am in a Wheelchair and I was destined to live a life of NO DRIVING! Not even to the Grocery Store. Because I was married it was ASSUMED that my husband could work all day, do all the housework and watch the kids. I had three kids and he had Three kids and the BRADY BUNCH IT WASNT! In any case, my marriage has ended in divorce because of many different reasons however Brain Injury was NOT the least of the worries I had come to deal with! Only recently there is a hospital up here that deals with Brain Injury, at the Bases. It is HARD to find a doctor who knows ANYTHING about Brain Injury, much less a PCA (Personal Care Attendant) who knows anything about Brain Injury. I have had two PCA's quit on me and

am on my third, mainly because they are UNTRAINED in the needs of TBI. They were good as PCA's however NOT at Brain Injury and finding a doctor is a FIASCO because no doctors know about Brain Injury either. In any case, I was set to retire and "lost" my job and cannot get another one without alot of work and someone who knows about TBI. Brain Injury is EXPENSIVE to say the least and I am on Medicaid and Medicare due to all the tests I have to have done and all the medication I am on. For years I advocated for my kids with Autism however that was NOTHING COMPARED to what I go through now. I have managed to get around my house and take my own showers. Needless to say, even as a CONSUMER now there are certain things I will NOT, I am too proud, to let people do for me. Help me go to the bathroom is one of them but it is HARD and I rely on my BARS in the bathroom plus a toilet that is up a little higher. I am destined to be in a Wheelchair and flying, I am the Chair of the Governors Council now and need someone to go with me WHEREVER I GO! My life has CHANGED to say the least and I dont have the ability to be SELF SUFFICIENT in any case, I used to go to Prince Willian Sound Halibut fishing and owned a TimeShare in Puerto Vallarta where I cought a WORLD RENOWNED SailFish. THANK GOD FOR THOSE DAYS AND THOSE MEMORIES of which I have to look at pictures or have to be TOLD to remember, remember I have TBI so those dont come NATURALLY to me! Those times are all but over for me and even though I still love Fishing, I HATE THE WATER so fishing and I dont go together so well. In any case, I used to advocate for my kids and AUTISM, which I still do, but now I am a CONSUMER FOR BRAIN INJURY which has opened my eyes big time. I still go to Key Campaign and am on the BOD (Board of Directors) of the Key Coalition which deals with Legislatures on an ongoing basis and am a founding mother for LINKS in the Mat-Su. We are a Community PTI and work very closely with MATSU SCHOOL DISTRICT, and am past Chair of the EIC (Early Intervention Committee) of the Gov. Council, however that will not take away my problems and makes being involved very difficult for me. THANK GOD also for the Flight Attendants of Alaska Airlines because without them my kids wouldnt have had a Christmas! I can only say my life has taken a TURN and Brain Injury only takes a SECOND but can ruin your ENTIRE LIFE! This is something I will live with EVERY DAY and not something that will ever GO AWAY! In closing. I can say that life DOESNT END HERE! I have taken the "bull by the horns" so to speak and have become quite the advocate of Brain Injury on top of it all. I joke about Disabilities and it was my own mother who said she thinks I AM GETTING BETTER! When I asked WHY she said BECAUSE I CAN JOKE ABOUT IT NOW where before I could NOT.

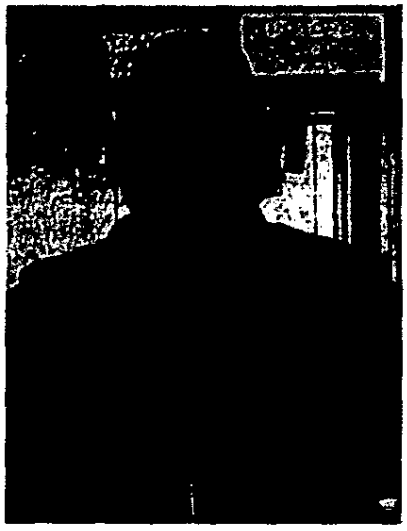
Please oh please take this to heart. It can happen in an instant and take your entire life away from you. PLEASE CONSIDER what you can do to help not only people with BRAIN INJURY but to also get the word out that this EFFECTS THE REST OF YOUR LIFE! It is EXPENSIVE MONETARILY and HARD ON FAMILIES and ON THE CONSUMER AS WELL. Thank you for your time.

Donna Swihart, MAT-SU, ABIN ADVOCATE AND CONSUMER
5450 N. Rhonda Drive
Palmer, AK 99645

Dave Eubank
9527 Victor Rd.
Anchorage, AK 99515

Good afternoon:

My name is Dave Eubank and I approve this message. A few long years ago I sustained an acquired brain injury, not to be confused with traumatic; it was pretty traumatic to me but acquired? I didn't ask for any of this but it seems as though it was required because I see life through a different set of eyes and have been blessed with a different set of values. I, as well as a host of many others, have had to work twice as hard to get back half of what I lost but I appreciate life more than twice as much so in a sense, ... doesn't that make me twice the person I once was?



Just for starters I have an awful lot of admiration for the people who are in the health care industry for the support, care, and understanding they provide to others who are less fortunate than you. The T.B.I. Resource Navigator allows access to monitor a wealth of information for this silent minority. The DHSS provides additional funding for thankful services to a thankful people. I am not thankless; I am thankful, I am thankful I do not require such needful things but I know. I know exactly what it's like to be on the inside looking out and I know exactly what it's like to have the ability to absorb the incoming information but not having the capability to process it and I know exactly how frustrating that can be and for some people there is no way out and I know that too.

****

You see, once upon a time, in a land far, far, away, I collapsed as the result of a life threatening, death defying, brain aneurysm; grade 5. You name it and I did not have it but in comparison to what I had lost, I have gained a whole lot more and what it was that I really lost, really was not even worth having and I am thankful for the things I have gained rather than being resentful over the things I have lost but it literally turned my life upside down yet here I am ... 10 years post, standing right side up and sitting right side down, still there are an awful lot of questions and *not* many answers; **however:**

Would a T.B.I. Care Coordinator have been helpful in my own recovery? Absolutely! We all have to crawl before we can walk and we seem to forget all about that but not me because in the bitter end of this past century I tried to walk before I could crawl and I fell flat on my face. But when I went down, I got up and when I got up, I woke up, and when I woke up, I got a grip and I can see much more clear this second time around but instead of taking my life, it gave me a-life *however;* I may have gotten it a whole lot quicker with a T.B.I. Care Coordinator.

Would the funding for T.B.I. Care Coordination and Case Management have been helpful in my situation? Absolutely! I as well as a host of many others often felt like beating my head up against a brick wall but soon discovered that there was nobody home but suddenly on one bright, sunny, and cheerful summer day, a light bulb went off, BING!!! And as I wondered my way through this maze of uncertainty, I realized that I could not change people. I could not change anything about them. The only thing I could change was *myself* and when I changed myself? Poof!!! It was magic because I would change the perception of how others perceived me. A T.B.I. survivor is scarred for life and even though it may not be the kiss of death, there is a distinction and it is *not* a real good one but, ... *By choosing the path of least resistance and combining the elements of good with that of the bad, you rise above the distinguished height of an unjust society and you still embrace it* (Martin Luther King).....and yet it works.

Do I have any regrets on how I've approached and sidestepped the obstacles that have obstructed my most difficult challenges? Absolutely not! Very few of us get out of here alive without being rudely slammed down by some sort of adversity but there's an old saying that adversity has a peculiar way of introducing you to yourself. Welcome to my world; we all make choices in life but I really don't know anyone who chose to walk a path which has no end and for some people there is no end but for others who wish to boldly go where many have gone before, with careful consideration of care coordination and case management there is. You probably think it's pretty easy for me to discuss this stuff; it's not easy, ... it's not easy at all. That's it, my work is done here.

Thank you

Mat-Su Health Services, Inc.

February 25, 2010

The Honorable Lesil McGuire
120 4th St, State Capitol, Room 125
Juneau, AK 99801

Dear Senator McGuire:

I am writing in support of Senate Bill 219, an act concerning traumatic or acquired brain injuries. As a health care professional who administers an agency that provides both primary health care and behavioral health care I and my Agency are well acquainted with the devastating consequences of even a mild brain injury can have on individuals and their families. The bill you have sponsored, if passed, will enable the State to take important, concrete steps that are necessary in creating evidence based, coordinated and effective services to this group of citizens in need. The creation of an operational definition, the development and tracking of important incident data, the promotion of waiver services and the building of case management capacity are all important first steps.

Sincerely,

Kevin Munson
CEO

1363 West Spruce Ave, Wasilla, AK 99654 Ph: 907-376-2411 • Fax: 907-352-3363
Member Agency United Way

Alaska State Legislature
Capitol Building
Juneau, AK 99801

My name is Jody Wade and I am the parent of an adult child with Traumatic Brain Injury (TBI). Shannon Cogswell (20 at the time), was injured in a vehicle accident during her first year in college, on March 18, 2002.

It has been (5) long years and she is still recovering. Shannon lost her short term memory, and has gained skills to get her through each day. Every day is difficult and mood swings are very apparent.

We as a family worked very hard to get her where she is now. She had to learn to walk, talk, feed herself and use the bathroom all over again @ 20. We were told she'd not amount to much as her brain pressure was up in the 70's. We did it even though the odds were against us, and Shannon was never left alone without a family member present during her recovery.

I often take time to write down all the problems we incurred and will eventually attempt to write a book. There is not much information on TBI out there and no one really knows how the brain works.

Shannon today is a Para-educator and works with special needs students. Everyday is a challenge and we manage to make it through it.

Do me a favor, blink your eyes, this is how fast your life can change. Ours did forever.

Jody Wade
"I am the proud parent of an adult child with TBI."
Juneau resident

1622 B Washington Drive
Fairbanks, Alaska 99709
March 18, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator McGuire,

My name is Cynthia L Polzin. I acquired a TBI 23 years ago from a car accident. My TBI has affected my life permanently, for I had three concussions; two on the left side of my head and one on the back part of my head. The testing I had showed that my reflexes had slowed me down and my memory to short term was damaged. This has affected me in my education; the test showed that I went from an 11th grade level of education to a 5th grade level.

So, over the years I had to learn all over again. It has been challenging due to my short term memory. I can't remember things from within a day unless I take lots of notes. This has caused me to lose my marriage from my first husband and several jobs that I tried to work at.

I am currently attending an online computer class to try and improve my career. But I don't qualify for a disability for they say my memory is too related to Alzheimer's or just plain age related memory loss.

With a TBI there is several affects to a person's ability to do things. For me it has affected my energy to where I can't work full time and I tire easily. I need services that would help me receive assistance in school to qualify as disabled due to various effects of head injury. For example, I need a tutor to help me, one-on-one, to go over material to help me with hands-on learning.

The other service that would help TBIs would be for employers to provide certain accommodations to help me be successful at my job. My self esteem is very low in getting a job, so another service would be to help me with employment services like finding a job, preparing for interviews and keeping a job.

I want to thank you for all of your efforts in getting this bill through the legislative process for I really do support it because it would help people like me who have TBI to be contributing members to our community.

Sincerely Yours

Cynthia L Polzin

Cynthia L Polzin

c/o 526 Gaffney Road
Fairbanks, Alaska 99701
March 18, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator McGuire,

My name is Mark Owen and I live in Fairbanks, Alaska. I acquired my brain injury 42 years ago in El Paso, Texas. As a result of the accident I experienced head swelling, blindness and was in a coma for 180 days in the Children's Hospital in El Paso. I lost some memory and have slowly adjusted.

Because of the accident I missed a year of school. My mother and sister helped me with my education during the year I was at home. My life has been severely impacted by my head injury and I need help and support to live independently in Fairbanks.

Thank you for all of your help in getting this bill passed. . Passage of this bill will open doors to needed services for Alaskans with Brain injuries and allow them to be contributing members in our community.

Mark Owen.

1841 Cheltom Lane
Fairbanks, Alaska 99709
March 25, 2010

The Honorable Lesil McGuire
Alaska State Capitol, Rm 125
Juneau, Alaska 99801

Dear Senator McGuire,

I strongly support SB 219, an act establishing a traumatic brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic brain injury services.

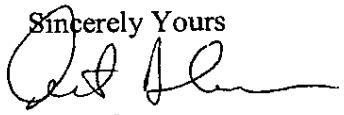
As a social worker I frequently encounter and assist Alaskans diagnosed with Brain Injuries. Some people with a brain injury have had extensive medical care and services, but many of them have not. Some are even unaware for years that they have a brain injury because they simply can't remember the incident in which they were injured. In order to help all people with brain injuries it is essential that a registry be created so we have data detailing injury information. This registry can provide information such as how many people have injuries, what care they have had and what services they may need.

People with brain injuries sometimes require services that enable them to live independently in our community. These services can range from intensive case management to periodic "quick fix" services like tax help or permanent fund applications. Case managers could access the needs of these individuals and connect with services that would help them reach and maintain independent living.

I am also a care provider for a person with several Traumatic Brain Injuries. She now is supported by family and friends but as she ages and possibly loses these supports, she will require some assistance. She can manage her daily self care, but her memory issues prevent her from being fully independent. If services were in place that she could connect with periodically, she could remain productive and independent instead of being relying completely on state assistance.

Thank you for all of your efforts in getting this bill through the legislative process. Passage of this bill will open doors to needed services for Alaskans with Brain injuries and allow them to be contributing members in our community.

Sincerely Yours



Art Delaune.

SB 220

<target><bill>SB 220</bill><subject>SB 220</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE
Senate Resources Committee

Senator Bill Wielechowski,
Co-Chair Senate Resources
State Capitol Building, Room 115
Juneau, Alaska 99801-1182
Phone (907) 465-2435
Fax (907) 465-6615
sen.bill.wielechowski@legis.state.ak.us

Senator Lesil McGuire, Co-Chair
Senate Resources
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592
sen.lesil.mcguire@legis.state.ak.us

SPONSOR STATEMENT

Senate Bill # 220: *Alaska Sustainable Energy Act*

During the summer and fall of 2010, the Senate Special Committee on Energy and Senate Resources Committee held hearings across the state on the energy challenges and opportunities facing Alaskans. Starting from the premise that Alaskans want to live and work where energy is available, reliable and affordable; we took testimony and learned firsthand about the impacts high energy costs have had on businesses, communities and families. The diverse range of ideas we received were integrated into a broad *Draft State Energy Policy and Program Recommendations* document that is available on the Alaska Senate Energy Policy Group's website: www.energy.aksenate.org

Working together as chairs of the Senate Resources Committee, we drafted the *Alaska Sustainable Energy Act* (SB 220) as an omnibus bill to address the challenges we heard from Alaskans. In addition to the omnibus energy bill, we also released a detailed list of funding recommendations that are available on the website. Where the *Alaska Sustainable Energy Act* breaks new ground, the funding recommendations are intended to build on previous efforts by the Legislature.

The *Alaska Sustainable Energy Act* starts by establishing a statewide energy policy that recognizes the importance of Alaska's fossil fuel resources but also identifies Alaska's vast renewable energy potential. With largely under-explored wind, wave and geothermal resources, Alaska can become a global leader in renewable energy. The policy also seeks to find ways to use energy more wisely and sets goals for energy efficiency. Finally, the policy states that cost-effective solutions need to be found for every community. Despite our vast distances and unique local challenges, energy is a basic need in Alaska and the foundation of our economy. Finding ways to meet the energy needs of our neighbors will make all of Alaska stronger. Therefore, we drafted the *Alaska Sustainable Energy Act* to provide the tools to move Alaska forward into a sustainable future.

Tools in the Toolbox

The *Alaska Sustainable Energy Act* includes a broad range of policy tools designed to attract investment in Alaska's energy sector and stimulate the economy. The programs in SB 220 fall into three basic categories: near-term, mid-term and long-term solutions.

Near Term Solutions: Plan and Assist

- **Energy Efficiency Revolving Loan Fund**: Senate Bill 220 creates a revolving loan program to fund energy efficiency improvements in public buildings. School districts, municipalities and state government will have access to the funds needed to upgrade their facilities. Based on what we have seen from the State's *Weatherization* and *Home Energy Rebate* programs, this fund will foster 1,500 to 2,000 jobs in the construction industry in Alaska. SB 220 authorizes the Alaska Housing Finance Corporation to issue $250 million in bonds to capitalize this critical new loan fund.

- **Help for Alaskan Families When Fuel Prices Soar**: SB 220 links benefits from the state's Heating Assistance Program to the price of oil, providing additional assistance to low-income families when fuel prices are high, Alaskans need help the most, and the state enjoys significant surpluses. This program is a supplement to the federal Low-Income Heating Assistance Program (LIHEAP).

- **Retrofit State Buildings:** Just like a person's home, state buildings can be made more energy efficient. Currently, the State of Alaska alone (not counting schools) spends roughly $55 million per year on heating and lighting its buildings. Energy efficiency improvements can save 20% in energy costs, which could translate to more than $10 million in savings per year. SB 220 requires the Department of Transportation and Public Facilities to prioritize which buildings to fix first and to construct any new buildings to high efficiency standards. It also mandates that renewable energy systems be considered when constructing new public works projects.

- **Energy Policy for Alaska**: SB 220 adopts an energy policy for Alaska, including the goal to increase energy efficiency by 15% and generate 50% of the state's electricity using renewable energy sources by 2020.

- **Statewide Fuel Cooperative**: Many rural communities struggle with crippling fuel costs. SB 220 directs the Alaska Energy Authority to work with interested communities to establish a fuel coop that will facilitate bulk purchases, lowering costs especially for small communities.

- **Coordinate and Consolidate State Energy Programs:** SB 220 asks the Governor to evaluate how best to coordinate the State's energy departments and programs in order to avoid duplication of efforts. The Governor is directed to provide a plan to the legislature by November of 2010.

- **Purchase Energy Efficient Vehicles and Equipment**: SB 220 mandates that the state consider long-term energy costs when purchasing vehicles for its fleet and equipment for its operations. It also requires the state to study the feasibility of using compressed natural gas to power vehicles in Alaska.

- **Public Education Campaign**: SB 220 tasks the Alaska Energy Authority and the Alaska Housing Finance Corporation (AHFC) with educating Alaskans about low-cost ways they can cut their energy consumption and costs. Using energy more efficiently helps not only individual households, but also assists the state in containing the cost of new power generation facilities. In addition, the bill directs the AHFC to provide technical assistance to municipalities interested in adopting local energy codes.

Medium Term Solutions: Incentivize Investment

- **Renewable Energy Tax Credit:** Several states have passed renewable energy tax credits to encourage investment in renewable energy resources. SB 220 provides a refundable tax credit to investors to encourage private sector investment in Alaska's renewable energy sector.

- **Loans to Businesses for Energy Conservation Improvements**: Alaska already provides loan programs to households for energy improvements. SB 220 includes loans of up to $50,000 for businesses to enable investments in energy efficiency. This program will help primarily small businesses get access to the capital they need to make investments that will save money and encourage economic development.

- **Nuclear Energy:** SB 220 levels the playing field for nuclear energy projects in Alaska, ensuring that as new technologies are developed, Alaska can consider them alongside other options. It also enables proponents of small-scale nuclear energy projects to apply for funding from the state's Power Project Fund.

- **Southeast Energy Fund**: SB 220 expands the purposes for which this fund may be used, providing an improved mechanism for constructing generation and transmission projects in Southeast Alaska. Many communities in the region are still powered by high-cost diesel systems, despite the region's enormous hydropower potential.

Long Term Solutions: Innovate

- **Emerging Energy Technology Fund (EETF)**: With the high cost of energy in many of our communities, Alaska provides a unique opportunity for innovation. The *Alaska Sustainable Energy Act* would create a fund that would provide grants for testing energy technologies in Alaska. The EETF would foster innovation and enable Alaskans to develop solutions to our energy challenges in Alaska; creating high-tech jobs and spurring investment in our economy.

ALASKA STATE LEGISLATURE

Senate Resources Committee

Senator Bill Wielechowski, Co-Chair
State Capitol Building, Room 115
Juneau, Alaska 99801-1182
Phone (907) 465-2435
Fax (907) 465-6615

Senator Lesil McGuire, Co-Chair
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Sectional Analysis: SB 220 (version Y)

Section 1 of the bill provides for the short title of the bill.

Section 2 allows a regional school board to apply for and use the proceeds of a loan from the Alaska energy efficiency revolving loan fund.

Section 3 of the bill allows the University of Alaska Board of Regents to apply for and use the proceeds of a loan from the Alaska energy efficiency revolving loan fund.

Section 4 of the bill amends AS 18.45.020 to include the phrases "special nuclear material facility" and "by-product material facility" in order to cover more projects or activities in this section for which a license or permit may be needed from the Nuclear Regulatory Commission.

Section 5 of the bill adds the phrase "nuclear utilization facility" to AS 18.45.025(a) in order to conform with definitions listed in AS 18.45.900.

Section 6 of the bill amends AS 18.45.025(b) to state that when the legislature designates by law the land in the state on which a nuclear utilization facility or utilization facility may be located, it must act only in the interest of regulating the economics of nuclear energy.

Section 7 of the bill deletes a line of AS 18.45.025(c) that states that a permit may not be issued unless approved by the governor, leaving only a requirement for approval by the Department of Environmental Conservation and a municipality.

Section 8 of the bill provides the Alaska Housing Finance Corporation with the power to provide technical assistance to municipalities regarding energy codes and efficiency standards.

Section 9 of the bill creates an energy efficiency revolving loan fund in the Alaska Housing Finance Corporation for providing loans to regional attendance areas, municipalities, or the state for the purpose of financing energy efficiency improvements to buildings.

Section 10 of the bill allows a municipality to exempt from taxation a residential renewable energy system.

Section 11 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data.

Section 12 of the bill stipulates that a state lease with an electric utility may not include a fee based on a percentage of gross revenue for renewable energy produced by the utility.

Section 13 of the bill repeals and reenacts the Southeast Energy Fund to expand the options for money going into the fund and expands the projects for which the fund may be used.

Section 14 of the bill creates the emerging energy technology fund.

Section 15 of the bill amends the definition of "power project" or "project" in AS 42.45.990(4) to delete the exclusion of nuclear energy from the definition in relation to statewide and rural energy programs.

Section 16 of the bill requires the Department of Transportation and Public Facilities to purchase energy efficient cars whenever practicable.

Section 17 of the bill amends the definition of "power project" or "project" in AS 44.83.990(6) to delete the exclusion of nuclear energy from the definition in relation to the Alaska Energy Authority.

Sections 18-25 of the bill amend the alternative energy revolving loan fund by amending the funding sources and having the fund used only for commercial buildings.

Section 26 of the bill amends the definition of "alternative energy system" in AS 46.11.900(1) to remove the exclusion of nuclear fuel as it relates to financing of energy efficient homes and buildings.

Sections 27 - 34 converts the Alaska heating assistance program into the Alaska affordable heating program and makes substantive and conforming changes to that program.

Section 35 repeals the emerging energy technology fund in 2015.

Section 36 of the bill repeals certain terms of the Alternative Energy Revolving Loan Fund.

Section 37 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data no later than January 31, 2011.

Section 38 of the bill requires the Office of the Governor to, not later than January 31, 2011, submit a report to the legislature regarding the structuring of state energy programs.

Section 39 of the bill requires the Department of Transportation and Public Facilities to study the feasibility of using compressed natural gas to power vehicles in the state and develop a proposal for a pilot program if warranted by the study.

Section 40 of the bill authorizes the Alaska Housing Finance Corporation to issue bonds to support making loans from the energy efficiency revolving loan fund established by AS 18.56.855.

Section 41 of the bill requires the Department of Revenue to submit a report to the legislature by January 31, 2011, regarding the feasibility of a municipal energy improvements financing program.

Section 42- 43 of the bill concern Department of Health and Social Service regulations for the Heating Assistance Program.

Section 44 of the bill directs the revisor of statutes to make two changes to article headings to conform with statutory changes.

Section 45 of the bill provides an immediate effective date for the transitional regulations in Section 42 (b).

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/16/10

Amendment: 4

MEMBER	Favor	Oppose
REP. THOMAS	✓	
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY		✓
REP. SALMON	✓	
REP. HAWKER		✓
REP. STOLTZE		✓

YEA 4

NAY 5

4070

26-LS1197\Y.4
Kane
4/14/10

Adopted 4/16/10

AMENDMENT #4

OFFERED IN THE HOUSE

TO: HCS CSSB 220(ENE)

Gara
Thomas

Page 15, following line 24:

Insert a new bill section to read:

"* **Sec. 17.** AS 44.42 is amended by adding a new section to read:

Sec. 44.42.067. Retrofits and new construction for energy efficiency; energy efficiency report. (a) Not later than January 1, 2020, the department shall work with other state agencies to retrofit at least 25 percent of all public facilities, starting with those it determines are the least energy efficient, if the department determines that retrofitting the public facilities will result in a net savings in energy costs to the state within 15 years after completion of the retrofits for a public facility and if funding for the retrofits is available.

(b) A retrofit or deferred maintenance of a public facility performed under this section, to the extent feasible, shall meet or exceed the most recently published edition of the ASHRAE/IESNA Standard 90.1, Energy Standard for Buildings Except for Low-Rise Residential Buildings, as published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

(c) New construction of a public facility under this section shall meet or exceed the most recently published edition of the ASHRAE/IESNA Standard 90.1, Energy Standard for Buildings Except for Low-Rise Residential Buildings, as published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

(d) Not later than January 1 of each year, the department, in consultation with the Department of Administration, shall submit a report to the legislature detailing the department's progress in meeting the requirements of this section to reduce state

energy consumption and costs and carrying out the duties listed in AS 44.42.020 as they relate to energy use. The department shall include in the report an analysis of the consumption and expense data recorded by the office of management and budget under AS 37.07.040, comparing energy consumption levels in each year with past years to determine if reductions are being achieved.

(e) In this section, "public facility" means a facility owned and controlled by the state for government or public use that is 10,000 square feet or more and is not a legislative building or court building."

Renumber the following bill sections accordingly.

Page 26, line 18:
Delete "secs. 27 - 34"
Insert "secs. 28 - 35"

Page 26, line 20:
Delete "secs. 27 - 34"
Insert "secs. 28 - 35"

Page 26, line 21:
Delete "secs. 27 - 34"
Insert "secs. 28 - 35"

Page 27, line 1:
Delete "secs. 27 - 34"
Insert "secs. 28 - 35"

Page 27, following line 1:
Insert a new bill section to read:

"* **Sec. 45.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. Not later than one year after the effective date of this section, the Department of Transportation and Public Facilities, in consultation with the Alaska Energy Authority, shall adopt and implement a systematic process for prioritizing the retrofitting of state facilities for a long-term increase in energy efficiency and reduction of energy costs."

Renumber the following bill sections accordingly.

Page 27, line 9:

Delete "Section 42(b)"

Insert "Section 43(b)"

Adopted
4/14/10

26-LS1197\Y.6
Kane
4/13/10

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE THOMAS

TO: HCS CSSB 220(ENE)

Page 11, line 11:

Delete ", or"

Insert "and 42.45.310,"

Page 11, line 12, following "AS 10.25,":

Insert "or another electric utility holding a certificate of public convenience and necessity under AS 42.05"

4074

Adopted
4/16/10

26-LS1197\Y.7
Kane
4/15/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE KELLY

TO: HCS CSSB 220(ENE)

Page 18, lines 15 - 16:

Delete "with a catalytic converter or a catalytic converter for a wood stove"

Insert "**that complies with the provisions of 40 C.F.R. 60.530** [WITH A CATALYTIC CONVERTER OR A CATALYTIC CONVERTER FOR A WOOD STOVE]"

Page 18, line 21:

Delete "wood, coal,"

Insert "**coal** [WOOD, COAL,]"

4075

Adopted 4/14/10

AMENDMENT #5 Thomas & Gara by Request #5

OFFERED IN HOUSE FINANCE BY REPRESENTATIVE

TO: HCS CSSB 220(ENE)

Page 15 following line 24:

Insert "***Sec. 17.** AS 44.83.080 is amended by adding a new paragraph to read:

(17) to promote energy conservation, energy efficiency, and alternative energy through training and public education."

Renumber the following bill sections accordingly.

Page 26, line 18, following "secs.":

Insert "28 - 35"

Delete "27 – 34"

Page 26, line 20, following "secs.":

Insert "28 - 35"

Delete "27 – 34"

Page 26, line 21, following "secs.":

Insert "28 - 35"

Delete "27 – 34"

Page 27, line 1, following "secs.":

Insert "28 - 35"

Delete "27 – 34"

Page 27, line 1, following "Section":

Insert "43(b)"

Delete "42(b)"

WITHDRAWN

26-LS1197\Y.3
Kane
4/13/10

AMENDMENT #3

Gara
Thomas

OFFERED IN THE HOUSE

TO: HCS CSSB 220(ENE)

Page 8, following line 30:

Insert a new bill section to read:

"* **Sec. 11.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.323. Consideration of energy efficient equipment. When the Department of Administration enters into contracts to purchase equipment that uses energy, it shall give consideration to the energy efficiency of the equipment where credible and objective information on efficiency levels is readily available."

Renumber the following bill sections accordingly.

Page 23, line 27:

Delete "sec. 14"

Insert "sec. 15"

Page 24, line 3:

Delete "sec. 11"

Insert "sec. 12"

Page 26, line 18:

Delete "secs. 27 - 34"

Insert "secs. 28 - 35"

Page 26, line 20:

Delete "secs. 27 - 34"

Insert "secs. 28 - 35"

Page 26, line 21:

Delete "secs. 27 - 34"

Insert "secs. 28 - 35"

Page 27, line 1:

Delete "secs. 27 - 34"

Insert "secs. 28 - 35"

Page 27, line 9:

Delete "Section 42(b)"

Insert "Section 43(b)"

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 220(FIN)**

"An Act relating to energy efficiency, energy conservation, and alternative energy, to an emerging energy technology fund, to the lease of state land to a public electric utility, to the Alaska heating assistance program, to state energy use data, to the Southeast energy fund, to nuclear energy production and facilities, to the definition of 'power project' or 'project' as it relates to rural and statewide energy programs and the Alaska Energy Authority, and to the definition of 'alternative energy system'; establishing an Alaska energy efficiency revolving loan fund; directing the Department of Transportation and Public Facilities to prepare a report on the feasibility of using compressed natural gas to power vehicles in the state, including vehicles owned or operated by the state, and including in that study, if warranted, a pilot program proposal for powering some vehicles owned or operated by the state with compressed natural gas; authorizing and relating to the issuance of bonds by the Alaska Housing Finance Corporation; relating to a report regarding a municipal energy improvements financing program and to an energy report by the Office of the Governor; and providing for an effective date."

SB 220-ENERGY EFFICIENCY/ ALTERNATIVE ENERGY

Recommends it be replaced with [X] HCS *or* [ ] CS *for* CSSB 220 (FIN)

For Senate Bills with new title: [ ] Technical Title [✓] New Title: HCR 28 **[ ] Same Title [ ] New Title**

[ ] attach amendments,
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV				✓
DOT		✓		

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DEC	3			✓
DHS	6		✓	
CED	7	✓		
CED	8	✓		
REV	9			✓
ADM	11			✓
DOT	12			

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna Fairclough	FAIRCLOUGH				✓
[signature]	Foster	✓			
[signature]	DOGGAN			✓	
[signature]	Joule	✓			
[signature]	[illegible]	✓			
[signature]	[illegible]	X			
[signature]	Gara	✓			
[signature]	KELLY	✓			
[signature]	Salmon	X			
Chair: [signature]	Stoltze	✓			
Chair: [signature]	Hawker	*			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 220(FIN)**
() Publish Date:

Identifier (file name): HCS CSSB220(FIN)-DOT-SPF-4-16-10
Dept. Affected: DOT&PF
Title: Omnibus Energy
RDU: Design, Engineering & Construction
Component: Statewide Public Facilities & Facilities Lease Component
Sponsor: Senate Resources
Requester: Senate Resources
Component Number: 2882, 2892

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	228.5		228.5	228.5	228.5	228.5	228.5
Travel	20.0		20.0	20.0	20.0	20.0	20.0
Contractual	135.7		48.2	48.2	48.2	48.2	48.2
Supplies	34.0		3.0	3.0	3.0	3.0	3.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**418.2**	**0.0**	**299.7**	**299.7**	**299.7**	**299.7**	**299.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	418.2		299.7	299.7	299.7	299.7	299.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**418.2**	**0.0**	**299.7**	**299.7**	**299.7**	**299.7**	**299.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**2.0**		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

DOT&PF will hire an Engineer/Architect II, and an Engineer/Architect I to oversee the retrofits of all public buildings and to manage the performance contracts under the revolving loan program. DOT&PF estimates that 4 public facilities, as defined in the bill, need to be retrofit annually to meet the goal of having 25% completed by 2020. The department will hire a consultant ($90.0 budgeted) to study the feasibility of using compressed natural gas to power state vehicles and develop a pilot project with estimated costs by the required due date of January 2011.

Supply costs in FY2011 include the cost of outfitting two positions with desks, computers, phones, fax, printers and general office supplies. The contractual costs include $33.7 for additional office space (component 2892) for the new positions. On going contractual costs include costs for copier, fax, phone, maintenance costs, core services costs and training and professional development.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 4/16/10 10:00pm
Approved by: Frank Richards, Deputy Commissioner — Date 4/16/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

4081

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 220(ENE)**
() Publish Date:

Identifier (file name): CSSB220(ENE)-REV-AHFC-4-12-10
Dept. Affected: Revenue
Title: ENERGY EFFICIENCY/ ALTERNATIVE ENERGY
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Senate Resources Committee
Requester: House Finance Committee
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS for Senate Bill 220(ENE) includes language that will set up an energy efficiency revolving loan fund and authorize the Alaska Housing Finance Corporation to sell up to $250 million in bonds to fund the program.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY11 and beyond.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 04-12-10; 7:45am
Approved by: Ginger Blaisdell, Director — Date 04-13-10; 4:10pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 220(RES)
(S) Publish Date: 3/10/10

Identifier (file name): SB220CS(RES)-DEC-CO-3-04-10
Title: Energy Efficiency / Alternative Energy
Sponsor: Senate Resources Committee
Requester: Senate Resources Committee

Dept. Affected: Environmental Conservation
RDU: Administration
Component: Office of the Commissioner
Component Number: 633

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

While section 6 and section 8 of the bill amends statutes which are to be implemented by the Department of Environmental Conservation, the amendments will have no additional fiscal impact. It should be noted, however, that there is currently no budget for implementing these statutes pertaining to permitting nuclear facility sites.

Prepared by: Marit Carlson-Van Dort — Phone 465-5871
Division: Office of the Commissioner — Date/Time 3/4/10 4:00 PM
Approved by: Larry Hartig — Date 3/4/2010
Commissioner

(Revised 11/6/2009 OMB)

4083

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSSB 220(RES)
(S) Publish Date: 3/10/10

Identifier (file name): SB220CS(RES)-DHSS-EA-03-05-10
Dept. Affected: Health & Social Services

Title: Energy Efficiency/Alternative Energy
RDU: Public Assistance
Component: Energy Assistance Program

Sponsor: Senate Resources

Requester: Senate Resources
Component Number: 226

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	*	*	*	*	*
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	*	*	*	*	*

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB220 changes the name of the Alaska heating assistance program (AKHAP) to the Alaska affordable heating program (AAHP) and allows for an income eligibility limit of up to 250% of the federal poverty guidelines (FPG) when the average price of a barrel of North Slope Crude (NSC) between February and September of the preceding year exceeds $150 per barrel. The bill also fixes the dollar value of a Community Heating Point (CHP). CHP is the key factor in determining the amount of heating assistance payments and, under this bill, the dollar value assigned to the CHP is linked to the average price of a barrel of NSC. This legislation allows payments for households receiving federal assistance from LIHEAP to be supplemented by AAHP funds to ensure payments to lowest income households is based on the same dollar per CHP value used to determine payments for the Alaska affordable heating program. It also establishes the Alaska affordable heating fund (AAHF) in the Department of Revenue (DOR) to be used by the Department of Health and Social Services (DHSS) to provide heating assistance payments to eligible households.

continued on next page

Prepared by: Ellie Fitzjarrald, Director
Division: Public Assistance
Phone: 465-5847
Date/Time: 3/3/10 10:51 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 3/5/2010

ANALYSIS CONTINUATION

Assumptions

The $5,000.0 in the governor's FY11 proposed budget for the Alaska heating assistance program is adequate to cover the initial benefit and administrative costs for the new Alaska affordable heating program. This would require an average price of a barrel of North Slope Crude oil (NSC) in the preceding year (Feb. - Sept. 2010) below $75, which triggers a CHP value of $130.

In general, AAHP will be administered and operated in the same manner as AKHAP.

A fair and equitable share of the appropriation for the Alaska affordable heating fund will be distributed to tribal organizations operating a regional affordable heating program.

Eligible households with incomes at or below 150% FPG may have their LIHEAP payment augmented with funds from the Alaska affordable heating fund.

For FY10, the state's share of the federal LIHEAP block grant only allows the state to provide awards based on a Community Heating Point (CHP) value of $115 per point to eligible households. It is assumed federal funding for FY11 and the per-point value assigned to a CHP will remain the same.

In FY11, it is estimated that the state and tribal affordable heating programs will serve 21,600 households. Approximately 19,000 will be recipient households of the LIHEAP program and 2,600 will only be beneficiaries of the affordable heating program. It is assumed that the average number of points for which a household below 150% FPG is eligible is 10. The average number of points for a household between 151% and 225% FPG is 5.

Benefit costs will increase in FY12 due to a projected caseload growth of 3%, with costs remaining relatively stable in out years if the average price of a barrel of NSC remains below $75. However, assessing program impacts is complicated by the uncertainty in estimating program participation. The cost of heating fuel for consumers increases as the value of NSC increases. Increased consumer costs are likely to increase demand for the program's services and benefits. This is expected to be most pronounced when the value of NSC exceeds $150 per barrel and the higher income limit is triggered. It is estimated that as many as 5,000 more households may be eligible when the income limit reaches 250% FPG.

Projections of Total Benefit Costs: The $5,000.0 currently in the governor's FY11 approved budget for the Alaska Heating Assistance Program will be used to cover benefit and administrative costs of the initial year of the Alaska Affordable Heating Program.
The total costs for benefits in FY11 are estimated to be $4,540.0 in state general funds as shown below.

LIHEAP (State and Tribal) households: $130-$115 = $15 x 10 CHP x 19,000 households =	$2,850.0
For AAHP (State and Tribal) households: $130 x 5 CHP x 2,600 households =	$1,690.0
	$4,540.0

Changing only the NSC sale price, the annual costs for benefits would be:
$6,570.0 when a barrel of NSC sells for $75 to $100 per barrel ($140 per CHP); and
$8,600.0 when a barrel of NSC sells for $100 to $150 per barrel ($150 per CHP).

When NSC exceeds $150 per barrel, the 250% income limit and the highest $/CHP value is triggered and as many as 5,000 additional households may become eligible for a total cost of $15,770.0 ($165 per CHP).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): SB220CS(FIN)-CED-AIDEA-4-9-10
Title: Omnibus Energy Bill
Sponsor: Senate Resources Committee
Requester: Senate Finance Committee

Dept. Affected: DCCED
RDU: AIDEA
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	276.5		276.5	276.5	276.5	276.5	276.5
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**276.5**	**0.0**	**276.5**	**276.5**	**276.5**	**276.5**	**276.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	276.5		276.5	276.5	276.5	276.5	276.5
TOTAL	**276.5**	**0.0**	**276.5**	**276.5**	**276.5**	**276.5**	**276.5**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	3.0		3	3	3	3	3
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 220, titled the "Alaska Sustainable Energy Act," impacts the Alaska Industrial Development and Export Authority by increasing needed positions for Alaska Energy Authority requirements.

Section 12 - establishing the "Emerging Energy Technology Fund" and requiring the authority to administer the fund by making grants to eligible applicants. Cost assumptions include:

Approximately $276,518 per year to cover contract for personal services with AIDEA
Positions required: 1 Range 22 for program/project management; 1 Range 15 for finance/grant administration; 1Range 12 for administrative support.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 4/9/10 12:00 AM
Approved by: Emil Notti, Commissioner
Commerce, Community and Economic Development
Date 4/9/2010

(Revised 11/6/2009 OMB)

4086

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 8
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): SB220CS(FIN)-CED-AEA-4-9-10
Title: Omnibus Energy Bill
Sponsor: Senate Resources Committee
Requester: Senate Finance Committee

Dept. Affected: DCCED
RDU: Alaska Energy Authority
Component: Statewide Project Development
Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	21.8		20.2	20.2	20.2	20.2	20.2
Contractual	358.5		276.5	276.5	276.5	276.5	276.5
Supplies							
Equipment	10.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**390.3**	**0.0**	**296.7**	**296.7**	**296.7**	**296.7**	**296.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	390.3		296.7	296.7	296.7	296.7	296.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**390.3**	**0.0**	**296.7**	**296.7**	**296.7**	**296.7**	**296.7**

Estimate of any current year (FY2010) cost:

POSITIONS (see AIDEA FN for details)

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 220, titled the "Alaska Sustainable Energy Act," impacts the Alaska Energy Authority by:

Section 11 - repealing and reenacting the purpose of the existing Southeast Energy Fund managed by the Alaska Energy Authority. From this fund AEA could award grants to a municipality, a joint action agency, or a utility cooperative for power projects, repayment of loans, and payments on bonds for hydroelectric projects and electrical transmission lines or interties serving Southeast Alaska that are entirely owned by the grantee.

(Continued)

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Phone 907-771-3012
Division: Alaska Energy Authority
Date/Time 4/9/10 12:00 AM
Approved by: Emil Notti, Commissioner
Commerce, Community and Economic Development
Date 4/9/2010

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 220(FIN)

ANALYSIS CONTINUATION

Currently the fund balance is zero. Depending on the capitalization, AEA would need to draft regulations and develop a process to administer grants including an allocation method for the various types of eligible projects which would bring additional expenses. Costs are unknown at this time.

Section 12 - establishing the "Emerging Energy Technology Fund" and requiring the authority to administer the fund by making grants to eligible applicants. Cost Assumptions:

Approximately **$82,000** in one-time start up costs to develop program ciriteria, RFA process, review process, grant agreements, etc. (Contractual)

Approximately **$21,840** per year to cover Advisory Committee expenses (travel - assume $660 airfare + 120 per diem x 7 members x 4 quarterly meetings)

Approximately **$276,518** per year to cover contract for personal services with AIDEA
Positions required: 1 Range 22 for program/project management; 1 Range 15 for finance/grant administration; 1Range 12 for administrative support.(Contractual)

Approximately **$10,000** (Equipment) for new staff

Section 13 - changing the definition of a power project relative to the power project fund to include nuclear production. AEA's costs are zero because there are currently no projects of this type. However, in the event viable nuclear projects are identified, annual operating costs would increase by $365,000 for each nuclear power project that has to be managed; $165,000 for a project manager with technical nuclear knowledge and $200,000 for contractual advisory service in the field.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 9
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB220(FIN)-REV-MBBA-04-09-10
Dept. Affected: Revenue
Title: ENERGY EFFICIENCY/ ALTERNATIVE ENERGY
RDU: AK Municipal Bond Bank Authority
Component: AMBBA Operations
Sponsor: Senate Resources Committee
Requester: Senate Finance Committee
Component Number: 108

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Reserve Fund							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
Charges for services							
Reserve Fund Earnings							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Seante Bill 220 requires that the Alaska Municipal Bond Bank Authority prepare a report annually. The AMBBA should be able to fulfill this requirement with no additional cost to operations.

Prepared by: Deven Mitchell, Debt Manager — Phone 465-3750
Division: Treasury — Date/Time 04-09-10; 6:52pm
Approved by: Ginger Blaisdell, Director — Date 04-09-10; 6:55pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 11
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): SB220CS(RES)-DOA-DGS-04-09-10
Title "An act declaring a state energy policy..."
Sponsor (S) RES
Requester (S) FIN

Dept. Affected: DOA
RDU Centralized Administrative Services
Component Purchasing
Component Number 81

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation will have no fiscal impact on the Department of Administration.

Prepared by: Vern Jones, Chief Procurement Officer
Division General Services
Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone 907-465-2250
Date/Time 4/9/10 5:00 PM
Date 4/9/2010

(Revised 11/6/2009 OMB)

4090

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 12
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier: CSSB220(FIN)-DOT-SPF-4-10-10
Title: Omnibus Energy
Sponsor: Senate Resources
Requester: Senate Finance

Dept. Affected: DOT&PF
RDU: Design, Engineering & Construction
Component: Statewide Public Facilities
Component Number: 2882

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	117.8		117.8	117.8	117.8	117.8	117.8
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Contractual	96.0		6.0	6.0	6.0	6.0	6.0
Supplies	9.5		1.5	1.5	1.5	1.5	1.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**233.3**	**0.0**	**135.3**	**135.3**	**135.3**	**135.3**	**135.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	233.3		135.3	135.3	135.3	135.3	135.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**233.3**	**0.0**	**135.3**	**135.3**	**135.3**	**135.3**	**135.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

DOT&PF will hire an Engineer/Architect II to oversee the retrofits of public buildings done through the revolving loan program. This position will be the state's expert on energy audits, retrofits and performance contracting and will work closely with the Alaska Housing Finance Corporation on the Alaska Energy Efficiency Revolving Loan Program providing assistance with the development and management of performance contracts, reviewing loan applications and setting standards. The position will standardize the collection of energy consumption data and expenses for those state facilities owned and operated by DOT&PF.

A consultant ($90.0 budgeted) will study the feasibility of using compressed natural gas to power state vehicles and develop a pilot project with estimated costs by the required due date of January 2011. Supply costs in FY2011 include the cost of outfitting the new position with desk, computer, phone, and general office supplies. On going contractual costs include costs for copier, fax, phone, maintenance costs, core services costs and training and professional development.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 4/10/10 10:00am
Approved by: Frank Richards, Deputy Commissioner — Date 4/10/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 10
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB220(FIN)-REV-AHFC-4-9-10
Dept. Affected: Revenue
Title: ENERGY EFFICIENCY/ ALTERNATIVE ENERGY
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Senate Resources Committee
Requester: Senate Finance Committee
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CS for Senate Bill 220(FIN) includes language that will set up an energy efficiency revolving loan fund and authorize the Alaska Housing Finance Corporation to sell up to $250 million in bonds to fund the program.

Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY11 and beyond.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 4/9/10 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 04-09-10; 6:42pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

4092

SB220

Alaska Division of Investments
Department of Commerce, Community, & Economic Development

Alternative Energy Revolving Loan Fund
Projected Operating Expenses

Position	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Accounting Technician I & Loan Officer I										
Pers Serv	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695	$ 130,695
Travel	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Contractual	$ 21,282	$ 19,422	$ 19,422	$ 19,422	$ 19,422	$ 19,422	$ 19,422	$ 19,422	$ 19,422	$ 19,422
Supplies	$ 1,025	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Equipment**	$ 4,800	$ 200	$ 200	$ 2,200	$ 200	$ 1,100	$ 200	$ 2,200	$ 200	$ 200
Total	$ 160,302	$ 153,817	$ 153,817	$ 155,817	$ 153,817	$ 154,717	$ 153,817	$ 155,817	$ 153,817	$ 153,817
Total	**$ 160,302**	**$ 153,817**	**$ 153,817**	**$ 155,817**	**$ 153,817**	**$ 154,717**	**$ 153,817**	**$ 155,817**	**$ 153,817**	**$ 153,817**

Contractual Services Annual per PCN:	$ 9,711	**Equipment:	Chair	$ 700	
Department of Law - Regs.	$ 1,260		Monitor	$ 450	Replace monitor every five years.
Regulations Newspapers	$ 600		Computer	$ 1,000	Replace computer every three years.
	$ 11,571		Printer	$ 250	
				$ 2,400	
Supplies Annual per PCN	$ 500				
Regulations Supplies	$ 25				
	$ 525				

KRY 3/26/2010

Alaska Division of Investments
Department of Commerce, Community, & Economic Development
Alternative Energy Revolving Loan Fund - Commercial Buildings
Earnings Projections - 10 Million Capitalization

Fiscal Year	Interest Repayments	Late Fees	Other Fees	Earnings Retained in Fund	Total Revenue/Earnings	Less Delinquency Loss on Loans	Change in Revenue Total Revenue Less Delinquency	Less Operating Expense	Net Gain
FY11	127,500	15,350	8,500	310,553	461,902	(7,675)	454,227	(160,302)	293,925
FY12	246,025	30,699	8,500	239,138	524,362	(15,350)	509,013	(153,817)	355,196
FY13	355,128	46,049	8,500	177,109	586,785	(23,024)	563,761	(153,817)	409,944
FY14	454,335	61,398	8,500	125,690	649,924	(30,699)	619,224	(155,817)	463,407
FY15	543,154	76,748	8,500	84,882	713,283	(38,374)	674,909	(153,817)	521,092
FY16	621,063	92,098	8,500	55,500	777,160	(46,049)	731,112	(154,717)	576,395
FY17	687,519	107,447	8,500	37,748	841,214	(53,724)	787,490	(153,817)	633,673
FY18	741,948	122,797	8,500	31,831	905,075	(61,398)	843,677	(155,817)	687,860
FY19	783,749	138,146	8,500	25,709	956,104	(69,073)	887,031	(153,817)	733,214
FY20	812,290	153,496	8,500	58,438	1,032,723	(76,748)	955,975	(153,817)	802,158
Totals	$ 5,372,710	$ 844,227	$ 85,000	$ 1,146,596	$ 7,448,533	$ (422,114)	$ 7,026,420	$ (1,549,555)	$ 5,476,865

AE Loan Program Cash Flow 10 mill commercial buildings 3-26-10.xlsx cj

Alaska Division of Investments
Department of Commerce, Community, & Economic Development
Alternative Energy Revolving Loan Fund - Commercial Buildings
Cash Flow Projections - 10 Million Capitalization

Fiscal Year	Beginning Fund Balance	Operating Expense	New Loan Demand	Loan Payments		Retained Earnings	Late Fees Estimated 5% of Debt Owed	$50 Origination Fee	$50 New Loan App Fee	Uncollectible Amount 2.5% of Delinquent Debt Due	Fund Balance
				Interest	Principal						
FY11	10,000,000	(160,302)	(2,550,000)	127,500	179,492	310,553	15,350	4,250	4,250	(7,675)	7,923,417
FY12	7,923,417	(153,817)	(2,550,000)	246,025	367,958	239,138	30,699	4,250	4,250	(15,350)	6,096,571
FY13	6,096,571	(153,817)	(2,550,000)	355,128	565,848	177,109	46,049	4,250	4,250	(23,024)	4,522,362
FY14	4,522,362	(155,817)	(2,550,000)	454,335	773,632	125,690	61,398	4,250	4,250	(30,699)	3,209,401
FY15	3,209,401	(153,817)	(2,550,000)	543,154	991,805	84,882	76,748	4,250	4,250	(38,374)	2,172,298
FY16	2,172,298	(154,717)	(2,550,000)	621,063	1,220,887	55,500	92,098	4,250	4,250	(46,049)	1,419,579
FY17	1,419,579	(153,817)	(2,550,000)	687,519	1,461,423	37,748	107,447	4,250	4,250	(53,724)	964,675
FY18	964,675	(155,817)	(2,550,000)	741,948	1,713,986	31,831	122,797	4,250	4,250	(61,398)	816,520
FY19	816,520	(153,817)	(2,550,000)	783,749	1,979,176	25,709	138,146	4,250	4,250	(69,073)	978,911
FY20	978,911	(153,817)	(2,550,000)	812,290	2,257,627	58,438	153,496	4,250	4,250	(76,748)	1,488,696
Totals		$ (1,549,555)	$ (25,500,000)	$ 5,372,710	$ 11,511,832	$ 1,146,596	$ 844,227	$ 42,500	$ 42,500	$ (422,114)	

FY11-20 $2,550,000 loan demand, 5% interest rate, 11 yr. term, 2.5% of delinquent debt may be uncollectible.

Average $30,000 per loan, 11 year term, $50 application fee, $50 origination fee, late fee is 5% of delinquent payment.

Fiscal Year	Loan Demand	Average Loan Amount (rounded)	Number of Loans Per Year
FY11	2,550,000	30,000	85
FY12	2,550,000	30,000	85
FY13	2,550,000	30,000	85
FY14	2,550,000	30,000	85
FY15	2,550,000	30,000	85
FY16	2,550,000	30,000	85
FY17	2,550,000	30,000	85
FY18	2,550,000	30,000	85
FY19	2,550,000	30,000	85
FY20	2,550,000	30,000	85
	$ 25,500,000		850

GeFonsi - Estimated earnings to remain in fund.
Average earnings for the past 5 years: 4%

FY11	Average Cash Balance	7,610,000
FY12	Average Cash Balance	5,860,000
FY13	Average Cash Balance	4,340,000
FY14	Average Cash Balance	3,080,000
FY15	Average Cash Balance	2,080,000
FY16	Average Cash Balance	1,360,000
FY17	Average Cash Balance	925,000
FY18	Average Cash Balance	780,000
FY19	Average Cash Balance	630,000
FY20	Average Cash Balance	1,432,000

AE Loan Program Cash Flow 10 mill commercial buildings 3-26-10.xlsx cj

Alaska Division of Investments
Department of Commerce, Community, & Economic Development
Alternative Energy Revolving Loan Fund - Commercial Buildings
Earnings Projections - 5 Million Capitalization

Fiscal Year	Interest Repayments	Late Fees	Other Fees	Earnings Retained in Fund	Total Revenue/Earnings	Less Delinquency-Loss on Loans	Change in Revenue Total Revenue Less Delinquency	Less Operating Expense	Net Gain
FY11	127,500	15,350	8,500	106,102	257,452	(7,675)	249,777	(160,302)	89,475
FY12	216,025	27,088	6,500	44,889	294,502	(13,544)	280,958	(153,817)	127,141
FY13	244,739	32,505	3,000	34,687	314,931	(16,253)	298,679	(153,817)	144,862
FY14	269,471	37,923	3,000	26,526	336,919	(18,961)	317,958	(155,817)	162,141
FY15	290,022	43,340	3,000	23,261	359,623	(21,670)	337,953	(153,817)	184,136
FY16	306,183	48,758	3,000	24,893	382,834	(24,379)	358,455	(154,717)	203,738
FY17	317,735	54,175	3,000	26,117	401,027	(27,088)	373,940	(153,817)	220,123
FY18	324,447	59,593	3,000	44,889	431,929	(29,796)	402,132	(155,817)	246,315
FY19	281,077	59,593	3,000	57,948	401,617	(29,796)	371,821	(153,817)	218,004
FY20	235,538	59,593	3,000	71,823	369,953	(29,796)	340,157	(153,817)	186,340
Totals	$ 2,612,737	$ 437,915	$ 39,000	$ 461,136	$ 3,550,788	$ (218,957)	$ 3,331,830	$ (1,549,555)	$ 1,782,275

AE Loan Program Cash Flow 5 mill commercial buildings 3-26-10.xlsx cj

Alaska Division of Investments
Department of Commerce, Community, & Economic Development
Alternative Energy Revolving Loan Fund - Commercial Buildings
Cash Flow Projections - 5 Million Capitalization

Fiscal Year	Beginning Fund Balance	Operating Expense	New Loan Demand	Loan Payments		Retained Earnings	Late Fees Estimated 5% of Debt Owed	$50 Origination Fee	$50 New Loan App Fee	Uncollectible Amount 2.5% of Delinquent Debt Due	Fund Balance
				Interest	Principal						
FY11	5,000,000	(160,302)	(2,550,000)	127,500	179,492	106,102	15,350	4,250	4,250	(7,675)	2,718,967
FY12	2,718,967	(153,817)	(1,950,000)	216,025	325,725	44,889	27,088	3,250	3,250	(13,544)	1,221,833
FY13	1,221,833	(153,817)	(900,000)	244,739	405,361	34,687	32,505	1,500	1,500	(16,253)	872,055
FY14	872,055	(155,817)	(900,000)	269,471	488,979	26,526	37,923	1,500	1,500	(18,961)	623,175
FY15	623,175	(153,817)	(900,000)	290,022	576,778	23,261	43,340	1,500	1,500	(21,670)	484,089
FY16	484,089	(154,717)	(900,000)	306,183	668,967	24,893	48,758	1,500	1,500	(24,379)	456,794
FY17	456,794	(153,817)	(900,000)	317,735	765,765	26,117	54,175	1,500	1,500	(27,088)	542,682
FY18	542,682	(155,817)	(900,000)	324,447	867,403	44,889	59,593	1,500	1,500	(29,796)	756,400
FY19	756,400	(153,817)	(900,000)	281,077	910,773	57,948	59,593	1,500	1,500	(29,796)	985,178
FY20	985,178	(153,817)	(900,000)	235,538	956,312	71,823	59,593	1,500	1,500	(29,796)	1,227,830
Totals		$(1,549,555)	$ (11,700,000)	$ 2,612,737	$ 6,145,554	$ 461,136	$ 437,915	$ 19,500	$ 19,500	$ (218,957)	

FY11 $2,550,000 loan demand, 5% interest rate, 11 yr. term, 2.5% of delinquent debt may be uncollectible.

FY12 $1,950,000 loan demand, 5% interest rate, 11 yr. term, 2.5% of delinquent debt may be uncollectible.

FY13-20 $900,000 loan demand, 5% interest rate, 11 yr. term, 2.5% of delinquent debt may be uncollectible.

Average $30,000 per loan, 11 year term, $50 application fee, $50 origination fee, late fee is 5% of delinquent payment.

Fiscal Year	Loan Demand	Average Loan Amount (rounded)	Number of Loans Per Year
FY11	2,550,000	30,000	85
FY12	1,950,000	30,000	65
FY13	900,000	30,000	30
FY14	900,000	30,000	30
FY15	900,000	30,000	30
FY16	900,000	30,000	30
FY17	900,000	30,000	30
FY18	900,000	30,000	30
FY19	900,000	30,000	30
FY20	900,000	30,000	30
	$ 11,700,000		390

GeFonsi - Estimated earnings to remain in fund.
Average earnings past 5 years: 4%.

FY11	Average Cash Balance	2,600,000
FY12	Average Cash Balance	1,100,000
FY13	Average Cash Balance	850,000
FY14	Average Cash Balance	650,000
FY15	Average Cash Balance	570,000
FY16	Average Cash Balance	610,000
FY17	Average Cash Balance	640,000
FY18	Average Cash Balance	1,100,000
FY19	Average Cash Balance	1,420,000
FY20	Average Cash Balance	1,760,000

Attachment A
State of Alaska ESPC Summary

Phase One

	Facility	Agency	Location	Square Footage	ESPC Contract Value	Payback Term	Guaranteed Year One Monetized Savings	Reported Year One Monetized Savings	Reported Year Two Monetized Savings	Reported Year Three Monetized Savings
1	State Office Building	DOA	Juneau	214426						
2	Alaska Office Building	DOA	Juneau	57652						
3	Court Plaza Building	DOA	Juneau	40128						
4	Douglass Island Building	DOA	Juneau	41974						
5	Dimond Courthouse	DOA	Juneau	79116						
6	Aviation Building	DOT&PF	Anchorage	63000						
7	Annex Building	DOT&PF	Anchorage	24000						
8	Public Safety Building	DOT&PF	Anchorage	43000						
	Summary				$ 4,030,116.00	12 years	$ 277,857.00	$ 365,991.00	$ 561,935.00	$ 570,797.00

Phase Two

	Facility									
9	Anchorage Correctional Center	DOC	Anchorage	296,089						
10	Spring Creek Correctional Facility	DOC	Seward	205,952						
11	Fairbanks CC	DOC	Fairbanks	93,700						
12	Wildwood CC	DOC	Kenai	174,153						
13	Lemon Creek CC	DOC	Juneau	83,368						
14	Hiland Mt/Meadow Creek CC	DOC	Eagle River	147,191						
15	Anvil Mt. CC	DOC	Nome	33,475						
16	Yukon-Kushokwim CC	DOC	Bethel	25,320						
	Summary				$ 9,010,700.00	15 years	$ 660,000.00	TBD		
17	Anchorage Pioneer Home	DH&SS	Anchorage	150,366						
18	Mclaughlin Youth Facility	DH&SS	Anchorage	145,113						
19	Sitka Pioneer Home	DH&SS	Sitka	83,121						
20	Palmer Pioneer Home	DH&SS	Palmer	70,066						
21	Fairbanks Pioneer Home	DH&SS	Fairbanks	59,361						
22	Fairbanks Youth Facility	DH&SS	Fairbanks	55,015						
23	Juneau Pioneer Home	DH&SS	Juneau	42,444						
24	Anchorage Public Health Lab	DH&SS	Anchorage	37,000						
	Summary				$ 128,500.00	N/A*				

*DHSS elected to end the ESPC contract after the energy audit was completed. They believed that they could implement the ECM's through traditional contracting methods for less than the ESCO's proposed cost.

Statewide Summary of Utilities Expenditures

(in thousands)

	Statewide Costs	
	FY09	FY10
Electricity	29,286.0	13,119.0
Water & Sewage	3,626.0	1,527.0
Disposal	2,418.0	1,165.0
Natural Gas/Propane	8,439.0	3,449.0
Heating Oil	11,998.0	5,317.0
Utilities Total Cost	**$ 55,767.0**	**$ 24,577.0**

	Electricity		Water & Sewage		Disposal		Natural Gas/Propane		Heating Oil		Total cost per year	
Agencies	**FY09**	**FY10**	**FY09**	**FY10**	**FY09**	**FY10**	**FY09**	**FY10**	**FY09**	**FY10**	**FY09**	**FY10**
Administration	1,670.0	847.0	78.0	58.0	137.0	67.0	25.0	11.0	789.0	456.0	2,699.0	1,439.0
Commerce, Community & Economic Development	14.0	-	-	-	1.0	1.0	-	-	-	-	15.0	1.0
Corrections	6,259.0	1,578.0	1,675.0	420.0	579.0	160.0	2,265.0	522.0	3,620.0	1,123.0	14,398.0	3,803.0
Education & Early Childhood Development	166.0	102.0	68.0	43.0	77.0	57.0	10.0	-	336.0	157.0	657.0	359.0
Environmental Conservation	135.0	57.0	13.0	5.0	14.0	5.0	154.0	74.0	3.0	2.0	319.0	143.0
Fish & Game	797.0	441.0	124.0	63.0	67.0	39.0	321.0	165.0	324.0	144.0	1,633.0	852.0
Governor	26.0	11.0	1.0	1.0	22.0	2.0	1.0	1.0	24.0	12.0	74.0	27.0
Health & Social Services	1,774.0	970.0	347.0	206.0	261.0	148.0	1,167.0	578.0	646.0	316.0	4,195.0	2,218.0
Labor & Workforce Development	399.0	203.0	43.0	25.0	43.0	23.0	12.0	5.0	264.0	159.0	761.0	415.0
Law	-	-	2.0	1.0	13.0	8.0	-	-	-	-	15.0	9.0
Military & Veterans Affairs	2,390.0	1,032.0	229.0	97.0	192.0	43.0	1,629.0	615.0	797.0	396.0	5,237.0	2,183.0
Natural Resources	374.0	220.0	108.0	115.0	162.0	115.0	182.0	83.0	117.0	56.0	943.0	589.0
Public Safety	820.0	366.0	88.0	42.0	52.0	28.0	72.0	26.0	469.0	212.0	1,501.0	674.0
Revenue	8.0	6.0	-		10.0	5.0	-	-	-	-	18.0	11.0
Transportation	13,652.0	6,872.0	795.0	429.0	741.0	444.0	2,324.0	1,213.0	4,433.0	2,200.0	21,945.0	11,158.0
Alaska Court System	664.0	356.0	36.0	13.0	13.0	5.0	275.0	155.0	0.0	0.0	988.0	529.0
Legislature	139.0	59.0	17.0	9.0	34.0	16.0	1.0	0.0	174.0	83.0	365.0	167.0
Total	29,287.0	13,120.0	3,624.0	1,527.0	2,418.0	1,166.0	8,438.0	3,448.0	11,996.0	5,316.0	55,763.0	24,577.0

Data as of 2/11/10

SIEMENS

The measured energy and water savings for the Facility Improvement Measures (FIM's) installed provide $576,956 in actual cost avoidance savings in the third annual year report.

The total guaranteed annual energy savings and the measured energy savings are summarized in Tables A & B below:

Table A

	Original Contract Guaranteed Annual Energy Savings	Reported Measured Savings (Year 3)
Electrical Consumption (kWh)	2,211,605	2,722,793
Electrical Demand (kW)	322	437
Natural Gas (Therms)	11,168	15,820
Fuel Oil (Gal)	70,216	93,453
Water (Gal)	2,409,000	2,923,000

The annual cost avoidance and operational savings from the water fixture replacements as defined in the original contract guarantee is reported in the table below:

Table B

	Original Annual Energy Savings (Cost Avoidance) *	Reported Cost Avoidance (Year 3)**
Energy & Utility Savings	$284,228	$563,922
Operational Savings	$13,034	$13,034
Total	$297,262	$576,956

**Cost Avoidance calculated using the escalated 2003-2005 base year utility rates*

***Reported Cost Avoidance calculated using the 2008-2009 3rd year utility performance period rates.*

Per the contract, the utility rate used for savings calculations was based on the utility rate currently in effect or the baseline utility rate escalated per the contract whichever is greater. An escalation rate of 3.5% per annual period was applied to the utility rates and an escalation rate of 2.0% per annual period was applied to the operational savings.

ALASKA'S CURRENT HEATING ASSITANCE PROGRAMS

LOW INCOME HEATING AND ENERGY ASSIATANCE PROGRAM (LIHEAP)

- Serves individuals to 150% of federal poverty level
- Eligibility limit is $41,355 for family of four
- Current Federal appropriation is $27.6 million

ALASKA HEATING ASSISTANCE PROGRAM (AkHAP)

- Serves individuals to 225% of federal poverty level
- Eligibility limit is $63,032 for a family of four
- Current State appropriation is $5 million

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Objective:

To make Alaska's heating assistance programs more responsive to a family's actual heating costs by increasing the amount of assistance.

To make changes to the administration of Alaska's heating programs to emphasize the focus on these individual's costs.

Principles

Statewide Approach

Use Existing Administrative Structure

Make the Program Responsive to Fuel Costs

Establish an incentive for weatherization

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Program Operations

Individuals apply each year

Applications contain information used to assign appropriate points to each applicant

Department estimates the cumulative number of points they will receive in a given year

Department divides the available appropriations by the total number of points to get a dollar value per point

This dollar value is used to determine initial level of assistance for each applicant

The assistance is credited to a vendor of the applicants choosing and the assistance is applied to the individual account.

Points

Based on the information provided in each application, the number of points is determined for each applicant

Points are based on the following variables:

- Household Income
- Heating Degree Days in the applicant location
- Type of and cost of fuel used for heat
- Type of house in which the applicant lives
- Size of house in which the applicant lives
- If children, elderly or people experiencing a disability are in the home

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Sample Point Calculation

Toksook Bay: Community and Fuel	21 points
2 bedroom house (no adjustment)	0 points
76% to 100% of poverty (.80 *21)	(4.2) POINTS
Household contains children	1 point
Total (Rounded up)	**18 Points**

Fairbanks: Community and Fuel	10 points
2 bedroom (no adjustment)	0 points
126% to 150% of poverty (.50*10)	(5) points
House hold includes elderly	1 point
Total (Rounded up)	**6 Points**

Current Assistance

$115 per point * 18 points =	$2070
$115 per point * 6 points	$690

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Current Heating Cost (Estimate)

600 gallons * $6.08	$3648
600 gallons * $3.07	$1842

Per Cent of Need

Toksook Bay	($2070/$3648)	58%
Fairbanks	($690/$1842)	37%

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Amendment Changes

Section 21. Changes the name of the Alaska Heating Assistance Program to the Alaska Affordable Heating Program.

Section 22. Establishes the Alaska affordable heating fund in the Department of Revenue. This section allows appropriations from the fund to be used to pay for the affordable heating program.

Section 23. Conforms existing law to name change.

Section 24. Links the eligibility for the program to the price of a barrel of crude oil. If the price of a barrel of crude oil exceeds $150 per barrel, the eligibility of the program increases from the current eligibility ceiling of 225 per cent of poverty to 250 percent of poverty. This recognizes the increased cost of fuel that will affect Alaska families at higher costs of oil.

>225% of poverty is $62,032 (family of four)

>250% of poverty is $68,925 (family of four)

Section 25.

(1) This section makes changes to the way in which benefits are determined. Currently, benefits are calculated by multiplying families' points by the dollar per point. Remember that the dollar per point is calculated by dividing the appropriation by the estimated number of points. This amendment changes that focus. First a families' assistance is determined from a prescribed level of need.

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Then, Federal appropriations are used to fill that need. If they are insufficient or can't be used (depending on a person's income) State funds are used.

(2) Also, this section links the assistance for a family to the price of oil. As the price of a barrel of crude oil increases, so does the dollar value of a point. So we more closely link the amount of assistance to the families heating cost. The relationship between the crude oil price and the dollar per point is:

>$130 /point when crude is less than $75/ barrel

>$140 /point when crude is more than $75 but not more than $100/ barrel

>$150 /point when crude is more than $100 but not more than $150/ barrel

>$165 /point when crude is more than $150/barrel

(3) Additionally, we move the starting value for a point from the current $115 to $130. This recognizes a family's higher assistance need.

(4) This section also provides a one point incentive to families that have applied to the weatherization program

(5) Finally, this section gives authority to the Department of Health and Social Services to pro-rate assistance payments if insufficient appropriations are not available to cover the full program cost.

Section 26, 27 and 28. Name changes to current statute.

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Result of Amendments

Toksook Bay:

Assistance at $130 / point *18	$2340
Heating cost (600 gal*6.08)	$3648
Per cent of actual cost ($2340/$3648)	64%
Assistance at $140 /point*18	$2520
Heating Cost (600*$6.50)	$3900
Per cent of actual cost ($2540/$3900)	65%

Fairbanks

Assistance at $130 / point *6	$780
Heating cost (600 gal*$3.07)	$1842
Per cent of actual cost ($780/$1842)	42%
Assistance at $140/point*6	$840
Heating cost (600 gal*$3.25)	$1950
Per cent of actual cost ($840/$1950)	43%

Prepared by Jay Livey;
from the Office of Senator Lyman Hoffman
updated 2/19/2010

Denali Commission Emerging Energy Technology Grant: Final Project Descriptions

Alaska Sealife Center: Seawater Heat Pump Demonstration Project

The Alaska SeaLife Center's overall goal for this project is to demonstrate a heat pump system that will "lift" latent heat from raw seawater and transfer the energy into building heat.

Cordova Electric Cooperative: Psychrophiles for Generating Heating Gas

This research and application project will deploy the use of psychrophiles (cold loving microbes) to improve efficiency in biogas digestors for generating cooking and heating gas for Alaskan households. The first phase will compare the efficiencies of mesophiles (conventional digestor microbes) and psychrophiles on common household and rural Alaska feedstock at various temperatures. The second phase will deploy digestor(s) in practical houseghold scale project(s) to operate appliance and an electrical generator to evaluate feasibility and sustainability in an applied setting for widespread use in Alaska.

Kotzebue Electric Association: Feasibility of Solar Hot Water Systems

Assess the feasibility of solar hot water heating systems on residential units in the NANA region.

Kotzebue Electric Association: Flow Battery Energy Storage Systems

Analyze and demonstrate flow battery systems and their potential for energy storage in rural wind systems.

Kotzebue Electric Association: Wales Diesel-Off High Penetration Wind System

Retrofit the Wales Wind-Diesel Hybrid Power System by adding remote web access monitoring and control systems, getting the two Entegrity turbines back online and allowing for increased data logging capabilities and developing long term operations and maintenance strategies for replicating diesel-off configurations in other communities. Kotzebue Electric Association's overall goal for this project is to demonstrate diesel-off configuration for a remote wind-diesel hybrid power system through the retrofit of existing equipment and controls.

Ocean Renewable Power Corporation: Nenana Hydrokinetic Turbine

Build, install and test the RivGenTM Power System, a hydrokinetic energy unit, at the Nenana hydrokinetic test bed, and analyze resource and technology results.

Sealaska Corporation: Commercial Scale Wood Pellet Fired Boiler

This project will convert Sealaska's corporate headquarters building from a diesel fired boiler to a wood pellet fired boiler. The overall goal of this project is to demonstrate that wood heat can be cost effective and feasible for larger commercial, industrial, and municipal buildings, and has the potential to effect demand for Southeast Alaska second growth wood fiber.

Tanana Chiefs Conference: Organic Rankine Cycle Heat Recovery System

Tanana Chiefs Conference's goal for this project is to demonstrate the potential improved fuel efficiency of the diesel power plant in a village in the TCC region through the use of an Organic Rankine Cycle (ORC) system for heat recovery from engine jacket water and exhaust.

University of Alaska Fairbanks, WiDAC: High Penetration Hybrid Power System

The Wind Diesel Application Center will analyze state of the art power electronics to assess options for wind-diesel hybrid power systems to operate in a diesel-off mode.

Emerging Energy Technology: A Global Opportunity for Alaska

Alaska has the opportunity to be a world leader in developing, optimizing and exporting renewable energy technology. The state is uniquely situated to capitalize on the growing market for new energy technologies, particularly clean energy technologies for the developing world. Because energy prices are so high in rural Alaska, we can *both* demonstrate technology *and* begin to save money for local residents immediately. Recognizing that Alaska can be a laboratory for testing new energy technology will lead to outside investments in our state and keep Alaska competitive in the increasingly competitive world economy.

More than 150 of Alaska's 350 communities are in remote rural areas without roads or grid-connected power, and suffer from high energy prices that handicap their economies.

Let's connect the dots

Nearly 1.6 billion people, about 25% of the world's population, live without access to electricity, and are looking for ways to energize their communities.

Investment in clean energy worldwide is currently about a $155 billion a year business that is projected to grow exponentially in the coming years. Alaska's high energy costs, abundant renewable energy resources, remote locations and challenging climate make it ideal for researching and developing emerging energy technologies that can help stabilize energy costs for Alaskans *and* be exported to communities in the developing world that lack electricity.

REAP Renewable Energy Alaska Project

4110

Emerging Technology for Alaska's Future

There is currently no state program dedicated to supporting emerging energy technologies. Alaska has the Renewable Energy Grant Fund, but it is directed at mature technologies. Emerging technologies such as tidal power and biomass gasification need more testing and development in order to become commercially available. Strategically investing in an Emerging Energy Technology Fund today will position Alaska to:

- Provide relief for communities in rural Alaska crippled by high energy prices
- Attract innovative technology companies to the state
- Create high-tech jobs
- Develop Alaska's university programs through private partnerships
- Give Alaska an advantage when competing with other states for federal funding programs for green industry and job development
- Capitalize on growing worldwide demand for energy, parcticularly clean energy which in 2008 was estimated at $155 billion/year business
- Become a leader in developing energy technologies, particularly small-scale technologies that can be exported to remote communities around the developing world

---

Legislation currently pending would establish an Emerging Energy Technology Fund to be administered by the Alaska Energy Authority. The fund would be financed by appropriations from the state legislature, federal appropriations, and contributions from other sources and would be available to utilities, independent power producers, local and tribal governments, Alaskan businesses, and non-profits. In order to receive grants from the fund, the benefiting project would need to be for the research, development, or demonstration of a new energy or conservation technology or for the improvement of an existing technology, with the reasonable expectation the technology would be commercially viable within 5 years.

Examples of Emerging Technology in Alaska

- Tidal power
- Wave power
- Biomass gasification
- High-penetration wind-diesel systems
- In-river hydrokinetics
- Next generation energy storage technology

Alaska Market for Emerging technology

In 2009, the Denali Commission solicited proposals for emerging energy technology projects. Fifty proposals totaling $29 million were submitted, from which nine were selected to receive $4 million in grants. The Commission's goal was to develop emerging energy technology that has the potential of widespread deployment in Alaska and has the long-term goal of reducing energy costs for Alaskans. The robust response to the Commission's request for proposals highlights the need for an emerging energy technology fund. The projects listed below were among those selected by the Commission and are examples of types of technology that could benefit Alaskans.

Alaska SeaLife Center: Seawater Heat Pump Demonstration Project

The Alaska SeaLife Center proposes to employ a heat pump system that will "lift" latent heat from raw seawater at temperatures ranging from 35F to 55F, and transfer this heat energy into building heat at a temperature of 120F. Sea water would first be pumped through a heat exchanger containing propylene glycol, an antifreeze commonly used in northern latitude commercial and residential heating systems. The glycol, warmed by the seawater, will boil a refrigerant that would go to an electric-powered compressor. In the compressor, the refrigerant vapor will be heated through pressurization. The refrigerant will then be condensed by giving up this heat to a second glycol loop that circulates to the building's heating system at 120F. While this technology has been successfully deployed in Norway and Sweden, this innovative process of removing latent heat from seawater and using it to heat buildings has not yet been tested in Alaska.

Cordova Electric Cooperative: Psychrophiles for Generating Heating Gas

This research and application project will deploy the use of psychrophiles (cold-loving microbes) to improve efficiency in biogas digestors for generating cooking and heating gas for Alaskan households. Biogas digestor technology is proven and in widespread implementation in India and China, with emerging efforts in Africa, California, and Europe. The technology is based on the biological production of methane by archeal microbes called methanogens, which naturally break down organic feedstock to produce methane. In Alaska, deployment of *cold-region* digestors could be used as a local, renewable energy source for home cooking and heating.

Kotzebue Electric Association (KEA): Flow Battery Energy Storage Systems

KEA's goal for this project is to analyze and demonstrate flow battery systems and their potential for energy storage in rural wind-diesel systems. Efficient storage remains a barrier to the optimal deployment of some renewable energy technology in remote areas. Large-scale batteries for wind-diesel systems that could provide village utility grid stabilization and load shifting are currently being developed by several suppliers. If these batteries become commercial products at the price points currently being anticipated, they would provide even more diesel fuel savings in communities with wind resources.

Ocean Renewable Power Company (ORPC): Nenana Hydrokinetic Turbine

ORPC proposes to build, install and test the RivGenTM Power System, a hydrokinetic energy unit, at the Nenana hydrokinetic test bed and then analyze the resource and technology results. Hydrokinetic devices are placed directly in a river, ocean or tidal current, and generate power from the kinetic energy of moving water. Alaska has significant potential for hydrokinetic development in both rivers and tidal basins. Indeed, most inland communities in Alaska are situated along navigable waterways like the Yukon and Kuskokwim rivers that could host hydrokinetic installations.

4112

WORLDWIDE MARKET

Examples of Emerging Energy Technology Worldwide

Salt Water Power (Osmotic Power): In November 2009, Norway opened the world's first osmotic power generator prototype. The protoype employs a semi-permeable membrane that uses the same principle of osmosis that governs how leaves absorb moisture. The membrane separates fresh water provided by a nearby river from saltwater from the sea. The saltwater molecules in the sea water pull the fresh water through the membrane, increasing the pressure on the sea water side to a level where it is high enough to drive a turbine to generate power. The Norwegian energy company, Statkraft, estimates global potential for osmotic power at more than 1,600 GWh per year. Alaska's freshwater streams and extensive coastline offer great potential for researching and developing osmotic power.

Storing Renewable Energy with Hydrogen: In 2009, Greenland's national energy company, Nukissiorfiit, announced a plan to establish a demonstration hydrogen and fuel cell plant for storing energy created by hydro and wind turbines. With numerous villages relying on diesel generators not connected to a main utility grid, Greenland is similar to Alaska in that in order to implement high-penetration renewable systems, advancement in energy storage technologies is needed.

Thermoelectric-Chalcogenide Based Chips (Heat to Electricity): As a direct result of Texas' Emerging Technology Fund, Texas State University is partnering with MicroPower Global to develop thermoelectric-chalcogenide based chips. The chips take heat from an engine and convert it directly to electricity. Ultimately, development of this technology will capture heat from jet engines and convert that waste heat into electricity. This technology could have widespread application in Alaska.

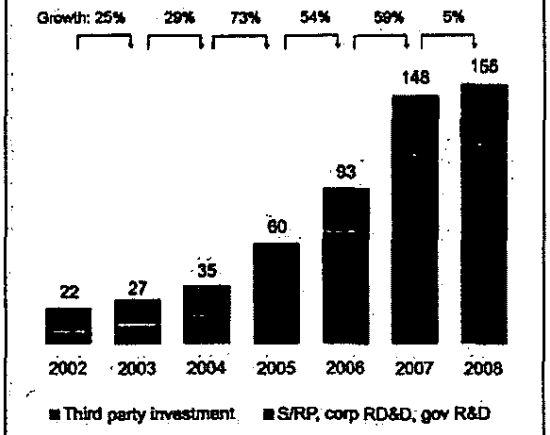
Snow Cooling Plant: Sweden's Sundsvall Regional Hospital was built in 2000 and now meets over 90% of its cooling needs by circulating melted snow. Snow is collected during the winter at Sundsvall, then covered and insulated. As the snow melts, the runoff water is filtered and pumped via a heat exchanger through pipes to hospital buildings where it provides cooling. The warmed water is then routed back to the snow bank to be chilled again. Japan is in the process of constructing a similar plant for the New Chitose Airport in Hokkaido and expects it to be operational by 2010.

Demand for Clean Energy

In 2008, about $155 billion was invested in clean energy companies and projects around the world. That money was spent on renewable energy projects that tapped wind, solar, micro-hydro, biomass, and geothermal resources. Countries and international banks around the world are making investments in clean energy industries. Some examples of investments made in clean energy in 2009 include:

- A $9 billion *a month* investment by China on the development of renewable energy.
- A $250 million award to the Philippines from the Clean Technology Fund (CTF) to invest in energy efficiency and renewable energy. The CTF is made up of the Asian Development Bank and the World Bank.
- A $72.2 million pledge by South Korea to spur renewable energy production. South Korean manufacturing companies are also expected to spend $3.4 billion in 2010 for clean tech, including research and development, and manufacturing facilities related to solar cells, wind power, and hydrogen fuel cells.
- $16.8 billion allocated to U.S. Department of Energy's office of Energy Efficiency and Renewable Energy.
- $350 million pledged by the United States to developing countries for clean energy.

Figure 1: New investment in Sustainable Energy, 2002-2008 $billion



S/RP = small/residential projects. New investment volume adjusts for re-invested equity. Total values include estimates for undisclosed deals

Existing Emerging Technology Funds

Emerging Technology Funds have helped other states, provinces, and countries attract private investment, create jobs, and develop cutting-edge renewable energy technologies. These funds serve as examples of how government investment in innovative research and development creates jobs, fosters entrepreneurship, and increases the quality of life for the community.

New York State Energy Research and Development Authority

The authority's aim is to help New York meet its energy goals: reducing energy consumption, promoting the use of renewable energy sources, and protecting the environment. A research and development program supports the development and commercialization of innovative energy and environmental products, technologies, and processes that improve the quality of life for New York's citizens and help New York businesses to compete and grow in the global economy.

California Energy Commission's Public Interest Energy Research (PIER) Program

This program supports public interest energy research, development, and demonstration, including in the areas of building efficiency, renewable energy technologies and advance grid technology. The program is funded through surcharges on electricity and natural gas rates and has invested a total of more than $587 million in innovative energy technologies since inception.

Texas Emerging Technology Fund

Created by legislation in 2005, the $200 million Texas Emerging Technology Fund (ETF) is designed to create high-tech jobs, and attract private businesses to Texas. The ETF has funded projects from cancer research to developing energy efficient and renewable energy technologies. In 2009, the Small Business and Entrepreneurial Council ranked Texas in the top three states for small business and entrepreneurship.

Michigan Emerging Technology Fund

The Michigan Emerging Technology Fund is designed to expand funding opportunities for Michigan-based technology companies in the innovation research and development arena.

Massachusetts Emerging Technology Fund

The Massachusetts Emerging Technology Fund offers loans to technology companies in the state to finance manufacturing facilities and equipment.

Sustainable Development Technology Canada's Tech Fund

Established by the government of Canada, this $550 million fund is one of two aimed at the development and demonstration of innovative technological solutions. It supports projects that address climate change, air quality, clean water and clean soil.

Ontario Emerging Technologies Fund

In 2009, the Canadian Province of Ontario committed $250 million to the development of an Emerging Technologies Fund for the development of green technologies.

World Bank Clean Technology Fund

The fund is one of two Climate Investment Funds that promote scaled-up financing for demonstration, deployment and transfer of low-carbon technologies, including renewable energy, with significant potential for long-term greenhouse gas emissions savings. As of January 2009, twelve countries including the United States had pledged $5.7 billion to the fund.

4114

LINKS

Senate Bill 150 http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=SB0150A&session=26
Senate Bill 220 http://www.legis.state.ak.us/basis/get_bill.asp?bill=SB%20220&session=26
House Bill 305 http://www.legis.state.ak.us/basis/get_bill.asp?bill=HB%20305&session=26

Existing Emerging Technology Funds
Texas - http://txed.convio.net/site/PageServer?pagename=tetf_homepage
Michigan - http://www.mietf.org/Default.aspx
Massachusetts - www.massdevelopment.com/financing/specialty-loan-programs/emerging-technology-fund/
Ontario - http://www.ocgc.gov.on.ca/site/en
Sustainable Development Technology Canada Tech Fund - http://www.sdtc.ca/en/SOIinfo.htm
Masdar Clean Technology Fund - http://www.masdarctf.com/default.htm
World Bank Clean Technology Fund - http://www.climateinvestmentfunds.org/cif/
Google.org - http://www.google.org/projects.html

Denali Commission Emerging Technology Grants
http://www.denali.gov/index.php?option=com_content&view=category&id=1:energy&layout=blog&Itemid=13

World Market for Renewables
General Trends:
http://sefi.unep.org/english/globaltrends2009.html
http://www1.eere.energy.gov/recovery/
http://energy.gov/news2009/8391.htm

China - http://www.csmonitor.com/Commentary/the-monitors-view/2009/1204/p08s01-comv.html
Philippines - http://businessmirror.com.ph/home/economy/19354-multilateral-lenders-endorse-p250m-for-clean-technology-fund-to-doe.html
South Korea - http://cleantech.com/news/4113/s-korea-plans-72m-renewable-energy

Examples of Emerging Technology Worldwide
Osmotic Power - http://news.bbc.co.uk/2/hi/europe/8377186.stm
Storing RE with Hydrogen - http://www.newenergy.is/newenergy/upload/files/naha/h2kt_info-sheet-eng.pdf
Thermo-Chalcogenide Based Chips - http://crc.mse.txstate.edu/newsrelease.html
Snow Cooling Plant -Sweden - http://advantage-environment.com/byggnader/stored-snow-for-summer-cooling/
Snow Cooling Plant - Japan - http://cleantechnica.com/2008/10/16/airport-will-use-snow-for-30-of-cooling-needs/

SB 221

<target><bill>SB 221</bill><subject>SB 221</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
305 Center Ave, Ste 1
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens
President of the Senate

SECTIONAL ANALYSIS
Senate Bill 221

SECTION 1:
Establishes an advisory task force on higher education for the purpose of compiling data and advising the legislature on matters pertaining to college readiness of students who graduate from public secondary schools in Alaska.

It's composed of 13 members representing the Governor, the Alaska Commission on Postsecondary Education, the University of Alaska, the Alaska School Board Association, the National Education Association, Alaskan private colleges or universities, other public (non-UA) postsecondary institutions in Alaska, relevant faculty from around the UA system, and the chairpersons of the respective House and Senate Education Committees.

The respective entity that each task force member represents is expected to pay for their share of the expenses of participating in the task force.

The staff of the legislative members of the task force shall serve as staff for the task force.

The members of the task force shall elect a chair from among its members.

The task force shall compile research and summarize data regarding remediation, retention, and graduation rates in the state. There shall be developed a definition of remediation. The task force shall identify contributing causes for lack of college readiness, and best practices to reduce the need for remediation, and prepare a report to the legislature outlining strategies and recommendations to reduce remediation, improve college readiness, and increase college graduation rates. The report is to be submitted by March 1, 2011.

SECTION 2:
Repeals the act and dissolves the task force on July 1, 2011.

SECTION 3:
Makes the act take effect the day after the governor signs it.

ALASKA STATE LEGISLATURE

SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
305 Center Ave, Ste 1
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens
President of the Senate

SECTIONAL ANALYSIS
HCS for Senate Bill 221(EDC) – Version T

SECTION 1:
Establishes an advisory task force on higher education and career readiness for the purpose of compiling data and advising the legislature on matters pertaining to college or career readiness of students who graduate from public secondary schools in Alaska.

It's composed of 20 members representing the Governor, the Alaska Commission on Postsecondary Education, the University of Alaska, the Alaska School Board Association, the superintendents, career and technical training centers, the Alaska Federation of Natives, the National Education Association, Alaskan private colleges or universities, other public (non-UA) postsecondary institutions in Alaska, relevant faculty from around the UA system, both secondary and post-secondary students, and the chairpersons of the respective House and Senate Education Committees, and two additional legislators one each from the House and Senate.

The respective entity that each task force member represents is expected to pay for their share of the expenses of participating in the task force.

The staff of the legislative members of the task force shall serve as staff for the task force.

The Education Committee chairs of the House and Senate shall serve as co-chairs of the task force.

The task force shall compile research and summarize data regarding remediation, retention, and graduation rates in the state. There shall be developed a definition of remediation. The task force shall identify contributing causes for lack of college readiness, and best practices to reduce the need for remediation, and prepare a report to the legislature outlining strategies and recommendations to reduce remediation, improve college readiness, and increase college and career-technical graduation rates. The report is to be submitted by April 1, 2011.

SECTION 2:
Repeals the act and dissolves the task force on July 1, 2011.

SECTION 3:
The Act has an immediate effective date.

OUSE COMMITTEE REPOI

(11)
Date Referred to Committee: March 29, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 221(EDC)**

"An Act establishing an advisory task force on higher education and career readiness in the legislative branch of government; and providing for an effective date."

SB 221-LEGIS. TASK FORCE ON HIGHER ED/CAREERS

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 221 (FIN)
For Senate Bills with new title: [ ] Technical Title [X] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
EDU		✓		
LEG		✓		
EDU		✓		

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
EDUCA	21			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas		✓		
Anne Fairclough	FAIRCLOUGH			✓	
	Gara				✓
	DOOGAN		✓		
	Towle			✓	
	AUSTERMAN			X	
	Salmon		X		
	KELLY			✓	
	Foster				✓
Chair:	Stutes			X	
Chair:	Hawker			X	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB 221 (EDU)
() Publish Date:

Identifier (file name):
Title
Sponsor
Requester House Finance

Dept. Affected: Education
RDU Teaching & Learning Support
Component School & Student Achievement
Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	87.3		87.3	87.3	87.3	87.3	87.3
Travel							
Contractual							
Supplies	12.7						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**100.0**	**0.0**	**87.3**	**87.3**	**87.3**	**87.3**	**87.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	100.0		87.3	87.3	87.3	87.3	87.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**100.0**	**0.0**	**87.3**	**87.3**	**87.3**	**87.3**	**87.3**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Teaching and Learning Support will need to hire one staff member to oversee the promulgation and implementation of the department's regulations along coordination between EED, the University of Alaska, Department of Labor and Workforce Development and the Alaska Commission on Postsecondary Education (ACPE).

Education Specialist I at $87,306 plus start-up office supplies (computer, etc.) at $12,694 = $100,000

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance and Facilities — Date/Time 4/16/10 12:00 AM
Approved by: Larry LeDoux — Date 4/16/2010
Commissioner

(Revised 10/13/2009 OMB)

4120

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: WD-LS1309-W CSSB224 (EDU)
() Publish Date:

Identifier (file name): WD26-LS1309\W-LEG-COU-4-16-10
Dept. Affected: Legislature
Title "An Act relating to the AlaskAdvantage education grant program; establishing the Alaska..."
RDU Legislative Council
Component Council and Subcommittees
Sponsor House Finance Committee
Requester House Finance Committee
Component Number 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	92.0						
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**92.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	92.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**92.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

WD26-LS1309\W, Sec.10 establishes n 15 member Jt Legislative Higher Education Task Force composed of 10 Legislators, 2 Executive Branch members and 3 public members. It is assumed the Task Force will meet six times with all meetings requiring travel. This fiscal note includes travel funding for the Legislators and public members in the amount of $75.0. Travel costs for Executive Branch members will be absorbed in Executive Branch Budgets. Sec. 11 establishes a 20 member Advisory Task Force on Higher Education and Career Readiness. Members of this Task Force will meet not less than every 3 months. Members of this Task Force serve without compensation but are entitled to per diem and travel expenses paid from the budget of the agency or institution the member represents. Travel for the 4 Legislators on this Task Force and their employees who staff this Task Force is included in this fiscal note in the amount of $ 17.0 for FY11. Costs to teleconference the meetings and to print reports will be absorbed within existing Legislative Budgets.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 4/16/10 9:09 AM
Approved by: Pamela Varni, Executive Director
Date 4/16/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

4121

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB221 (EDU)
() Publish Date:

Identifier (file name):
Title
Sponsor
Requester (H)FIN

Dept. Affected: Education
RDU ACPE
Component Program Administration and Operations
Component Number 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	250.0	250.0					
Supplies							
Equipment							
Land & Structures							
Grants & Claims	400.0	400.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**650.0**	**650.0**	**9,321.9**	**15,489.3**	**19,602.0**	**21,656.6**	**21,656.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	650.0	650.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**650.0**	**650.0**	**9,321.9**	**15,489.3**	**19,602.0**	**21,656.6**	**21,656.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Relative to ACPE this bill: 1) establishes an administrative role for the agency relative to managing the Alaska student achievement program, 2) amends the existing AlaskAdvantage Education Grant program by increasing the annual maximum grant award from $2,000 to $3,000 per recipient, and 3) modifies Alaska's participation in the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP) by setting an annual minimum number of loans to support Alaska participants in the pharmacy, dentistry, and optometry fields of study.

The contractual funds noted above represent the cost of implementation for scholarship management software.

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 4/16/10 11:15 AM
Approved by: Diane Barrans, Executive Director — Date 4/16/2010
Alaska Commission on Postsecondary Education

(Revised 10/13/2009 OMB)

4122

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

It is important to note the costs reflected in FY12 and subsequent years represent the administration's best estimate. However, given that the bill also establishes a Task Force, the recommendations of which could substantially alter related program costs, these estimates may be characterized as tentative pending the Task Force reports.

Assumptions:
1) Baseline count of high school graduates (8,008) based on 2009 data.
2) Referenced utilization rate of 28.8% for similarly structured program in WY. While Alaska has lower college-going rates historically than WY, in recent years a higher percentage of students continuing to postsecondary education have attended Alaska institutions.
3) Per student ASAP award amount is an average of all award levels.
4) Scholar attrition rate is 25% per year based upon UA five-year graduation rate data.
Participation numbers are assumed to be: Year 1=2,305; Year 2=4,034; Year 3=5,187; Year 4=5,763

In Wyoming, approximately 28.8% of graduates utilize the merit scholarship program.
At the same utilization rate, an estimated 2,305 AK high school grads will earn a scholarship.

Per Education Trust, the graduation rate after 5 years for UAF is 25% and UAA is 16.5%.
The four-year graduation rate is significantly lower.

Cohort: 2,305 students per year

	Participation rates	Number of Students	Average Scholarship	Est. annual cost	Year 1 Est. cost	Year 2 Est. cost	Year 3 Est. cost
Year 1	100%	2,305	$3,567	$ 8,221,935	$8,221.9		
Year 2	75%	1,729	$3,567	$ 6,167,343		$14,389.3	
Year 3	50%	1,153	$3,567	$ 4,112.751			$18,502.0
Year 4	25%	576	$3,567	$ 2,054,592			
Est. merit-based cost (full implementation)		5,763		$20,556,621			

As noted above, pending Task Force examination of the appropriate level of additional needs based aid, funding for the AlaskAdvantage Education Grant is requested at a continuation level relative to the annual average amounts paid out over the past four years--approximately $1.05 million. The FY11 grant funding in the amount of $400,000 will supplement the $620,000 remaining from the FY09 capital budget appropriation of $2.5 million. In FY12 and later years, $1.1 million for program funding is included in the program costs noted herein.

There are no costs anticipated relative to the changes to the PSEP loan program.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 221(EDC)
(S) Publish Date: 2/1/10

Identifier (file name): SB221-EED-ESS-1-22-10
Dept. Affected: Education & Early Development
Title: "An Act establishing an advisory task force on higher education in the legislative branch of government..."
RDU: Education Support Services
Component: Executive Administration
Sponsor: Senators Stevens & McGuire
Requester: Education, Finance
Component Number: 2736

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

There is no fiscal impact on the Department of Education and Early Development

Prepared by: Eddy Jeans
Phone 465-8679
Division: School Finance
Date/Time 1/22/10 12:00 AM
Approved by: Larry LeDoux
Date 1/22/2010
Commissioner

(Revised 10/13/2009 OMB)

4124

Adopted 4/16/10

26-LS1309\M
Mischel
4/16/10

HOUSE CS FOR CS FOR SENATE BILL NO. 221(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS STEVENS, McGuire, Davis, Kookesh, Meyer, Paskvan, Menard, Stedman, Thomas, Egan

A BILL

FOR AN ACT ENTITLED

"An Act relating to the AlaskAdvantage education grant program; relating to professional student exchange program availability; establishing the Alaska merit scholarship program and relating to the program; relating to student records; making conforming amendments; establishing a Joint Legislative Higher Education Scholarship Funding Task Force; establishing an advisory task force on higher education and career readiness in the legislative branch of government; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.113. District determination of scholarship eligibility. A school district shall determine whether a student who graduates from a high school in the district is eligible for an award of an Alaska merit scholarship program scholarship under AS 14.43.810 - 14.43.850. If a student is eligible, the district shall state in the student's permanent record the highest level of funding for which the student is

eligible. A district shall provide a student with an opportunity to request that the district correct an error in the eligibility determination.

*** Sec. 2.** AS 14.42.030(e) is amended to read:

(e) The commission may

(1) adopt regulations under AS 44.62 (Administrative Procedure Act) to

(A) carry out the purposes of

(i) **AS 14.43.091 - 14.43.850** [AS 14.43.091 - 14.43.750], 14.43.990, AS 14.44, and AS 14.48; and

(ii) AS 14.43.910 and 14.43.920 as they relate to the purposes of **AS 14.43.091 - 14.43.850** [AS 14.43.091 - 14.43.750], 14.43.990, AS 14.44, and AS 14.48;

(B) ensure compliance with the requirements imposed by state and federal statutes and regulations governing the guaranty, insurance, purchase, or other dealings in eligible loans by federal agencies, instrumentalities, or corporations; and

(C) establish standards for the

(i) administration of hearings conducted under AS 14.43.153; and

(ii) administrative enforcement of collection orders under AS 14.43.151 - 14.43.155;

(2) delegate to the executive director of the commission or a subcommittee of the commission any duty imposed on or power granted to the commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to adopt regulations and its duty to consider appeals under AS 14.43.100(b) and AS 14.48.120;

(3) establish task forces, committees, or subcommittees, not necessarily consisting of commission members, to advise and assist the commission in carrying out its functions;

(4) contract with or use existing institutions of postsecondary education or other individuals or organizations to make studies, conduct surveys,

submit recommendations, or otherwise contribute to the work of the commission;

(5) establish fees for the review of an out-of-state institution that

(A) requests approval for participation in the programs under AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44; and

(B) is not accredited by a national or regional accreditation association recognized by the Council for Higher Education Accreditation; and

(6) collect all fees and costs incurred in collection of the amount owed on a loan or repayment obligation if the loan or repayment obligation becomes delinquent or in default; in this paragraph, fees and costs include attorney fees, court costs, and collection fees charged by a collection agency.

*** Sec. 3.** AS 14.43.420(a) is amended to read:

(a) A grant made under AS 14.43.400 - 14.43.420 may not be in an amount less than $500 nor more than **$3,000** [$2,000] for each school year.

*** Sec. 4.** AS 14.43.420(c) is amended to read:

(c) A student may receive not more than a total of **$12,000** [$8,000] in grants awarded under AS 14.43.400 - 14.43.420.

*** Sec. 5.** AS 14.43 is amended by adding new sections to read:

Article 11A. Alaska Merit Scholarship Program.

Sec. 14.43.810. Alaska merit scholarship program established; regulations. (a) The Alaska merit scholarship program is established to provide scholarships for high school graduates who are Alaska residents to attend a qualified postsecondary institution in the state.

(b) The department shall, in consultation with the commission, adopt regulations necessary to implement the program. The commission shall administer the daily operations of the program and financing of the program, including the procedures for applying for the scholarships, establishing standards for and ensuring continuing compliance with programmatic standards, and requiring students to apply for other non loan financial aid, consistent with federal law.

Sec. 14.43.820. Alaska merit scholarship program; eligibility. (a) Subject to appropriation, the commission shall award an Alaska merit scholarship program scholarship to an applicant who

(1) is a resident of the state as defined in AS 01.10.055;

(2) graduated or will graduate within six months from a high school in the state;

(3) has completed a core academic curriculum in high school that includes

(A) four years of mathematics, four years of language arts, four years of science, and four years of social studies, one year of which may include a foreign language, an Alaska Native language, fine arts, or cultural heritage; or

(B) three years of mathematics, four years of language arts, three years of science, four years of social studies, and two years of a foreign language or an Alaska Native language;

(4) has a minimum grade-point average in high school of 2.5 or higher; the department shall set by regulation minimum requirements based on a substantially similar standard for districts that do not assign grades;

(5) has achieved a minimum score on a

(A) college entrance examination; or

(B) standardized examination designed to measure a student's level of preparedness to make the transition to work, as selected by the department; and

(6) is enrolled in good standing in a course of study at a qualified postsecondary institution in this state that is intended to result in the award of a certificate or degree.

(b) The commission shall establish in regulation standards for continuing and regaining eligibility for a scholarship.

Sec. 14.43.825. Maximum awards. (a) The maximum awards for the Alaska merit scholarship program scholarships are as follows:

(1) the first award level is $4,755 and requires a 3.5 grade-point average or above and a very high minimum score on a college entrance examination;

(2) the second award level is $3,566 and requires a 3.0 grade-point average or above and a high minimum score on a college entrance examination;

(3) the third award level is $2,378 and requires a 2.5 grade-point average or above and a moderately high minimum score on a college entrance examination.

(b) A student's eligibility for a scholarship terminates six years after the date the student graduated from high school unless the student qualifies for an extension of time allowed by the department by regulation.

(c) Except as provided in (b) of this section, a student receiving a scholarship may remain eligible for up to eight semesters of enrollment in good standing at a qualified university or college, which may include graduate courses.

(d) Scholarships may be awarded to a full-time student or, if a student is enrolled part time, prorated based on the number of credits. In this subsection, "full time" means enrollment in a course of study that is not less that 12 credits and "part time" means enrollment in a course of study that is not less than six credits but less than 12 credits.

(e) The amount of a scholarship award may not exceed the amount of the student's costs of attendance as certified by the postsecondary institution for the purposes of federal financial aid, less any other scholarships or non-loan financial aid awarded to the student.

(f) Payment of a scholarship is subject to appropriation. If insufficient funds are appropriated to pay all eligible scholarships, the commission shall pay existing awards on a pro rata basis.

Sec. 14.43.830. Qualified postsecondary institutions. (a) The following institutions are qualified postsecondary institutions for purposes of awarding an Alaska merit scholarship program scholarship:

(1) a university or college physically located in the state that is

(A) authorized to operate in the state under AS 14.48.020, or is exempt from authorization under AS 14.48.030(b)(1); and

(B) accredited by a regional accreditation association;

(2) a career and technical school program physically located in the state that has been included on a list of certified career and technical school programs received from the Department of Labor and Workforce Development; the commission

shall publish the list on or before June 30 of the year preceding enrollment.

(b) The Department of Labor and Workforce Development shall, in consultation with the Department of Education and Early Development, adopt regulations under AS 44.62 (Administrative Procedure Act) establishing criteria under which the Department of Labor and Workforce Development shall certify career and technical school programs in the state as eligible to participate in the Alaska merit scholarship program.

Sec. 14.43.840. Report to the legislature. (a) To the extent permitted under law, the department, the commission, the University of Alaska, and the Department of Labor and Workforce Development shall share data necessary to prepare public reports regarding the program.

(b) Not more than 10 days after the convening of each regular legislative session, the department, the commission, the University of Alaska, and the Department of Labor and Workforce Development shall present an annual report to the public, the governor, and the legislature containing information of public interest regarding the program, including

(1) the number of applicants and number and types of scholarships awarded;

(2) the dollar amount of scholarships awarded in past years and the dollar amounts expected to be awarded for the next year; and

(3) data and trends in the data regarding high school and postsecondary student performance, programmatic changes, and retention and graduation rates over time.

Sec. 14.43.850. Definitions. In AS 14.43.810 - 14.43.850, unless the context requires otherwise,

(1) "department" means the Department of Education and Early Development;

(2) "grade-point average" means the average of all grades on a four-point scale, or five-point scale for advanced placement classes, obtained by the student in high school;

(3) "high school" means a public or accredited secondary school in the

state and a home school program that is approved by the department;

(4) "program" means the Alaska merit scholarship program established under AS 14.43.810 - 14.43.850;

(5) "school district" means a borough school district, a city school district, a regional educational attendance area, and a state boarding school.

*** Sec. 6.** AS 14.44.025 is amended by adding a new subsection to read:

(b) Notwithstanding the funding priorities established under (a) of this section, the Alaska Commission on Postsecondary Education shall provide adequate funding for not fewer than five students to attend four-year programs in each of the following fields:

(1) dentistry;

(2) optometry; and

(3) pharmacy.

*** Sec. 7.** AS 14.45.130(a) is amended to read:

(a) A religious or other private school that elects to comply with AS 14.45.100 - 14.45.130 shall maintain permanent student records reflecting immunizations, physical examinations, standardized testing, academic achievement, [AND] courses taken at the school**, and level of eligibility for an Alaska merit scholarship program scholarship under AS 14.43.810 - 14.43.850**.

*** Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: PROGRAM STANDARDS AND IMPLEMENTATION FOR INITIAL SCHOOL YEARS. Notwithstanding any contrary provision of this Act, the Department of Education and Early Development and the Department of Labor and Workforce Development, after consultation with the Alaska Commission on Postsecondary Education, may adopt regulations under AS 44.62 (Administrative Procedure Act) to implement their respective duties under the Alaska merit scholarship program established in AS 14.43.810, enacted by sec. 5 of this Act, so that a student

(1) may be eligible for the program even though the student did not fully meet the required core academic curriculum for the school years beginning July 1, 2010, through June 30, 2014; and

(2) who graduated from high school in this state after January 1, 2011, and before July 1, 2011, and meets eligibility requirements for the program may apply for a scholarship on or after January 1, 2011, for enrollment in a program of study beginning on or after July 1, 2011.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Education and Early Development, the Department of Labor and Workforce Development, and the Alaska Commission on Postsecondary Education may proceed to adopt regulations necessary to implement changes made to their respective authorities by secs. 1, 2, 5, 7, and 8 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2011, except that regulations pertaining to applications for scholarships may take effect on or after January 1, 2011.

*** Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

JOINT LEGISLATIVE HIGHER EDUCATION SCHOLARSHIP FUNDING TASK FORCE. (a) The legislature finds that

(1) there is a growing problem of students entering degree programs at postsecondary institutions in Alaska but not completing the degree programs;

(2) at 22.4 percent, Alaska ranks last in the nation for first-time full-time bachelor degree-seeking students who complete their degrees within six years;

(3) it is estimated that, by 2025, 50 percent of all jobs in the United States will require a college-level degree;

(4) having an educated population is integral to economic development and promotion of lifetime success;

(5) the cost of attending postsecondary institutions continues to rise while financial aid for students fails to alleviate their unmet financial need so that they may attend college;

(6) improving financial aid opportunities for Alaska students would likely improve postsecondary graduation rates in the state; and

(7) establishing a state scholarship program to improve access to student

financial aid requires a more thorough examination by the legislature.

(b) The Joint Legislative Higher Education Scholarship Funding Task Force is established in the legislative branch for the purpose of examining higher education costs and identifying the best approach in providing financial aid to assist students in the state.

(c) The duties of the task force established under this section include

(1) evaluating how best to provide long-term and sustainable funding for state-provided financial aid for postsecondary institutions in the state, including scholarship opportunities;

(2) evaluating proposals that are based on available facts and conclusions pertaining to financial aid opportunities at postsecondary institutions in the state;

(3) recommending improvements or additions to the laws providing for financial aid at postsecondary institutions; and

(4) taking public comments on financial aid opportunities in the state.

(d) The task force consists of 15 members, as follows:

(1) five members of the senate appointed by the president of the senate;

(2) five members of the house of representatives appointed by the speaker of the house of representatives; and

(3) five members appointed by the governor as follows:

(A) the commissioner of education and early development or the commissioner's designee;

(B) the president of the University of Alaska or the president's designee;

(C) the director of the office of management and budget or the director's designee;

(D) a member of the state Board of Education and Early Development;

(E) the executive director of the Alaska Commission on Postsecondary Education.

(e) The president of the senate and the speaker of the house of representatives shall jointly appoint the chair and vice-chair of the task force.

(f) The task force shall meet during the interim between legislative sessions.

(g) The task force shall submit a report of its findings and proposed legislative

changes to the governor, the Alaska Commission on Postsecondary Education, the Department of Educational and Early Development, and the legislature by December 1, 2010, and may make any additional reports it considers advisable.

(h) The Joint Legislative Higher Education Scholarship Task Force is terminated on January 1, 2011.

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ESTABLISHMENT OF ADVISORY TASK FORCE ON HIGHER EDUCATION AND CAREER READINESS; COMPOSITION. (a) An advisory task force on higher education and career readiness is established in the legislative branch of state government for the purpose of compiling data and advising the legislature on matters pertaining to college and career readiness of students who graduate from public secondary schools in the state and students who are nontraditional students.

(b) The task force established under this section consists of 20 members, as follows:

(1) the governor or the governor's designee;

(2) the executive director of the Alaska Commission on Postsecondary Education or the executive director's designee;

(3) the commissioner of education and early development or the commissioner's designee;

(4) one member appointed by the governor who represents vocational, technical training, or apprenticeship programs in the state;

(5) a student representative appointed by the Board of Education and Early Development;

(6) the student member of the Board of Regents of the University of Alaska or the student's designee;

(7) the president of the University of Alaska or the president's designee;

(8) the executive director of the Association of Alaska School Boards or the executive director's designee;

(9) the executive director of the Alaska Association of School Administrators or the executive director's designee;

(10) the president of the National Education Association of Alaska or the

president's designee;

(11) the president of the Alaska Federation of Natives or the president's designee;

(12) two members of the house of representatives, appointed by the speaker of the house, one of whom shall be appointed co-chair;

(13) two members of the senate, appointed by the president of the senate, one of whom shall be appointed co-chair;

(14) one member appointed by the governor who represents private colleges or universities;

(15) one member appointed by the governor who represents public postsecondary institutions and who is not affiliated with the University of Alaska;

(16) three members appointed by the governor who have specialized knowledge, skill, or experience in education remediation and who are employed as faculty at postsecondary institutions located in separate major administrative units in the state, at least one of whom resides outside of Anchorage, Fairbanks, and Juneau.

(c) A majority of the members of the task force constitutes a quorum. A vacancy on the task force shall be filled in the same manner as the original selection or appointment.

(d) Members of the task force serve without compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180, except that per diem and travel expenses shall be paid from the budget of the agency or institution the member represents on the task force. The agency or institution may opt out of participating to avoid payment of per diem and travel expenses. The staff of the legislative members of the task force shall serve as staff for the task force.

(e) The task force shall meet at the call of the chair not less than once every three months. The co-chairs shall call the first meeting of the task force not later than 30 days after the effective date of this section. The members of the task force shall elect other officers as needed to conduct the business of the task force.

(f) The task force shall

(1) compile research conducted in the state and nationally on reducing remediation, improving retention, and increasing college and postsecondary vocational or technical program graduation rates;

(2) summarize data on

(A) types of testing used to determine college and career readiness;

(B) remediation rates;

(C) effectiveness of remediation for students entering college or postsecondary vocational or technical training programs with skill deficits;

(D) characteristics of programs that are most effective in addressing skill deficits;

(3) create a definition of remediation to ensure consistency in reporting of remediation rates by postsecondary institutions in the state;

(4) identify the contributing causes of a lack of college and career readiness of students who graduate from public secondary schools in the state and the course topics taken in college or postsecondary vocational or technical training programs for which students require remediation;

(5) identify best practices examples of school systems, colleges, and postsecondary vocational or technical training programs that are succeeding in reducing the need for remedial education;

(6) explore new approaches that may be effective in producing increased levels of college and career readiness;

(7) determine the availability of broadband and Internet capabilities and the effect of the use of electronic, Internet, and virtual instruction on student learning and success in schools;

(8) determine the role various types of postsecondary institutions may play in addressing the need for remediation;

(9) review graduation rates of colleges, universities, and postsecondary vocational or technical training programs located in the state for the six years preceding the effective date of this section;

(10) prepare for the legislature a set of written recommendations to improve remediation, retention, and graduation rates at colleges, universities, and postsecondary vocational or technical training programs in the state;

(11) review completion rates for career skill certificate programs, disaggregated by program and postsecondary campus.

(g) The task force shall submit the assessment and recommendations developed under (f) of this section in a report to the legislature not later than April 1, 2011.

*** Sec. 12.** Section 11 of this Act is repealed on July 1, 2011.

*** Sec. 13.** Sections 3, 4, 6, and 8 - 11 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2011.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: HCS CSSB 221(FIN)
(H) Publish Date: 4/17/10

Identifier (file name): (H)CS(S)CSSB221(FIN)-EED-ACPE-04-16-10
Dept. Affected: Education
Title: An Act relating to the AlaskAdvantage education grant program; relating to professional student exchange...
RDU: ACPE
Component: Program Administration and Operations
Sponsor: Senator Stevens
Requester: (H)FIN
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	250.0	250.0					
Supplies							
Equipment							
Land & Structures							
Grants & Claims	400.0	400.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**650.0**	**650.0**	**9,321.9**	**15,489.3**	**19,602.0**	**21,656.6**	**21,656.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	650.0	650.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**650.0**	**650.0**	**9,321.9**	**15,489.3**	**19,602.0**	**21,656.6**	**21,656.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Relative to ACPE this bill: 1) establishes an administrative role for the agency relative to managing the Alaska Merit Scholarship program, 2) amends the existing AlaskAdvantage Education Grant program by increasing the annual maximum grant award from $2,000 to $3,000 per recipient, and 3) modifies Alaska's participation in the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP) by setting an annual minimum number of loans to support Alaska participants in the pharmacy, dentistry, and optometry fields of study.

The contractual funds noted above represent the cost of implementation for scholarship management software.

Prepared by: Diane Barrans, Executive Director — Phone 465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 4/16/2010
Approved by: Diane Barrans, Executive Director — Date 4/16/2010
Alaska Commission on Postsecondary Education

(Revised 10/13/2009 OMB)

4138

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 221(FIN)

ANALYSIS CONTINUATION

It is important to note the costs reflected in FY12 and subsequent years represent the administration's best estimate. However, given that the bill also establishes a Task Force, the recommendations of which could substantially alter related program costs, these estimates may be characterized as tentative pending the Task Force reports.

Assumptions:
1) Baseline count of high school graduates (8,008) based on 2009 data.
2) Referenced utilization rate of 28.8% for similarly structured program in WY. While Alaska has lower college-going rates historically than WY, in recent years a higher percentage of students continuing to postsecondary education have attended Alaska institutions.
3) Per student Alaska Merit Scholarship award amount is an average of all award levels.
4) Scholar attrition rate is 25% per year based upon UA five-year graduation rate data.
Participation numbers are assumed to be: Year 1=2,305; Year 2=4,034; Year 3=5,187; Year 4=5,763

In Wyoming, approximately 28.8% of graduates utilize the merit scholarship program.
At the same utilization rate, an estimated 2,305 AK high school grads will earn a scholarship.

Per Education Trust, the graduation rate after 5 years for UAF is 25% and UAA is 16.5%.
The four-year graduation rate is significantly lower.

Cohort: 2,305 students per year

	Participation rates	Number of Students	Average Scholarship	Est. annual cost	Year 1 Est. cost	Year 2 Est. cost	Year 3 Est. cost
Year 1	100%	2,305	$3,567	$ 8,221,935	$8,221.9		
Year 2	75%	1,729	$3,567	$ 6,167,343		$14,389.3	
Year 3	50%	1,153	$3,567	$ 4,112.751			$18,502.0
Year 4	25%	576	$3,567	$ 2,054,592			
Est. merit-based cost (full implementation)		5,763		$20,556,621			

As noted above, pending Task Force examination of the appropriate level of additional needs based aid, funding for the AlaskAdvantage Education Grant is requested at a continuation level relative to the annual average amounts paid out over the past four years--approximately $1.05 million. The FY11 grant funding in the amount of $400,000 will supplement the $620,000 remaining from the FY09 capital budget appropriation of $2.5 million. In FY12 and later years, $1.1 million for program funding is included in the program costs noted herein.

There are no costs anticipated relative to the changes to the PSEP loan program.

Failed 4/16/10

26-LS1309\M.4
Mischel
4/16/10

AMENDMENT #4

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: HCS CSSB 221(FIN), Draft Version "M"

Page 3, line 13:

Delete "**$3,000**"

Insert "**$4,000**"

Page 3, following line 10:

Insert a new bill section to read:

"* **Sec. 3.** AS 14.43.415(b) is amended to read:

(b) The commission **may, if sufficient funding is available,** [SHALL] give an applicant eligible under (a) of this section priority for a grant award if that applicant is, or is about to be, enrolled in a program of study that is preparatory for employment in an occupation or profession for which the Department of Labor and Workforce Development, or another workforce data source selected as reliable by the commission, indicates there is a severe shortage of trained individuals in this state. Additionally, the commission may give an applicant priority for a grant award if that applicant has participated in a secondary education program of study that can be demonstrated to the commission to be a predictor for success at the postsecondary education level for a program of study described in this subsection. For purposes of this subsection,

(1) "occupation or profession" means a job for which specific postsecondary certification is a prerequisite for entry-level placement;

(2) "severe shortage" means a current or recurring job vacancy rate of 15 percent or greater, as determined by the Department of Labor and Workforce Development or by another workforce data source determined reliable by the

commission."

Renumber the following bill sections accordingly.

Page 7, line 28:

Delete "sec. 5"

Insert "sec. 6"

Page 8, line 10:

Delete "secs. 1, 2, 5, 7, and 8"

Insert "secs. 1, 2, 6, 8, and 9"

Page 13, line 3:

Delete "Section 11"

Insert "Section 12"

Page 13, line 4:

Delete "Sections 3, 4, 6, and 8 - 11"

Insert "Sections 4, 5, 7, and 9 - 12"

Page 13, line 6:

Delete "sec. 13"

Insert "sec. 14"

Adopted 4/16/10

26-LS1309\M.3
Mischel
4/16/10

#3

Hawker
Stoltze

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 221(FIN), Draft Version "M"

Page 4, line 26:

Delete "**Maximum awards.** (a) The maximum"

Insert "**Maximum annual awards.** (a) The maximum annual"

Page 7, line 9, following "students":

Insert "each year"

4142

26-LS1309\M.2
Mischel
4/16/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA

TO: HCS CSSB 221(FIN), Draft Version "M"

Page 4, following line 25:

Insert a new subsection to read:

"(c) Notwithstanding the requirements under (a)(3) and (4) of this section, the department shall adopt, in regulation, alternative standards to the curriculum and grade point average requirements that demonstrate preparedness for attendance at a qualified postsecondary institution for an otherwise eligible student. The standards may include minimum scores for a general education diploma and alternative curriculum standards for vocational or other courses relating to a postsecondary course of study."

Page 5, line 6, following "regulation.":

Insert "The regulations must allow for an extension of time for a student who meets alternative eligibility standards adopted under AS 14.43.820(c).

The Path to a Degree

A Legislator's Guide to College Access and Success

Engaging Students Academically and Socially: College Success Strategies

By Brenda Bautsch

November 2009

America is losing its lead as the country with the highest percentage of college-educated citizens. According to the Organisation for Economic Co-operation and Development (OECD), America and Germany are the only two OECD countries with a younger generation that is less educated than the older generation. While college access for underrepresented students is still a concern, overall, America ranks high in the world for the proportion of high school graduates that enroll in college. The problem is that too few of America's college students complete their degrees.

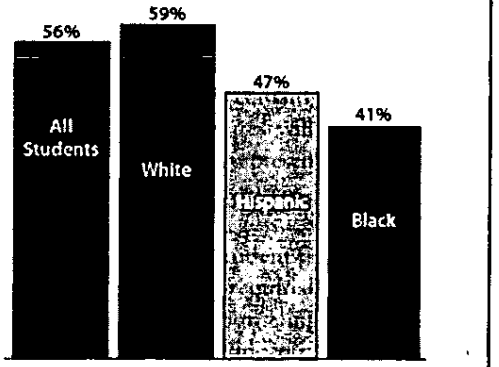
Just over half—56 percent—of students that enroll in a four-year institution earn a bachelor's degree within six years. Only 28 percent of associate degree-seeking students earn their degree within three years.[1] The statistics for students of color are even worse—just 41 percent of black and 47 percent of Hispanic college students attain their bachelor's degree in six years, compared to 59 percent of white students (Figure 1).[2] Just over one third of students who are both low-income and first-generation earn a bachelor's degree within six years at public four-year institutions, compared to 66 percent of their more advantaged peers.[3] These low graduation rates translate into missed economic opportunities for states and for the nation.

People with bachelor's degrees earn 61 percent more during their lifetime than those with only a high school diploma, and 42 percent more than those with some college but no degree.[4] Students who leave college without completing a degree lose money spent on tuition and fees and may incur loan debt. The gaps in completion across groups of students have implications that go beyond the individual. Federal and state governments incur losses when money spent on higher education appropriations and financial aid supports a student who does not complete college. Moreover, college graduates bolster state economies. Not only do college graduates pay more in taxes, they also save states money because they rely less on social programs such as welfare or Medicaid. College graduates participate in more civic activities, such as voting, and in charitable activities, such as donating blood. In addition, children of college graduates are more likely to achieve higher levels of education, so society continues to reap benefits generation after generation.[5]

College success programs are designed to help at-risk students graduate from postsecondary education. Given their vested interest in having as many college-going students as possible graduate, states will want to consider which programs and policies represent the soundest investment for their limited resources. Various programs that focus on improving college success differ with respect to structure, identified student population, and the amount of financial support required. College success programs include academic counseling and student support services administered in and out of the classroom. These programs are usually targeted to students who are most at-risk of dropping out of college—low-income, minority and first-generation students, and those students who score low on placement exams.

Consensus has emerged that students who are academically and socially engaged during college are more likely

Figure 1. Six-Year Graduation Rates for Four-Year Institutions, By Race



Sources: National Center for Higher Education Management Systems, 2009; National Center for Public Policy and Higher Education, 2008.

to graduate. A student is academically engaged when he or she interacts with faculty and finds learning meaningful. Social engagement refers to participation in campus activities and multiple connections with other students. Programs that increase academic and social engagement improve the degree attainment of underrepresented students.

Many postsecondary institutions design and implement college success programs, but state legislators can play an important role by providing incentives, funding and reporting requirements. Several states—such as Arkansas, Illinois and South Carolina—have created task forces to develop a state agenda on college success, set state goals, and provide recommendations for increasing degree attainment. Legislatures can require institutions of higher education to report student data on enrollment, retention and graduation so the legislature can track and monitor progress. In Massachusetts, for example, public two-year and four-year colleges are required by law to report annually to the governor and the legislature on a variety of higher education performance measures, including student success.

Successful state policies and programs recognize and address the factors that cause students to drop out of college.

This brief describes barriers to graduation for underrepresented students, highlights college success programs that researchers have found to have the most effect on increasing retention and graduation rates, and provides examples of legislative action that encourages and supports such programs.

Barriers to College Graduation

Several factors increase the likelihood that a student will drop out of college. For example, full-time employment, dependent children, weak academic preparation, off-campus residency and college affordability can negatively affect student retention and graduation. Low-income, minority and first-generation students likely face one or more of these factors. Low-income students are more likely to work full-time during college. This places them at a disadvantage, since research shows that working more than 20 hours per week hurts student academic performance.[6] Some estimates suggest that as few as 25 percent of low-income youth are academically well-prepared for college, compared to 60 percent of high-income youth.[7]

It is important to note that the issue of academic preparation can lead to discussion of inadequate high school preparation and remedial education. Those discussions are covered in the brief *Increasing College and Workforce Readiness.*

In particular, many community college students face barriers to graduation. The Community College Survey of Student Engagement found that 75 percent of students at public two-year colleges face at least one risk factor, compared to 14 percent of students at four-year universities. The survey also found that 25 percent of community college students had children living with them, 25 percent were not native English speakers, and 50 percent worked more than 20 hours per week.[8]

Successful state policies and programs recognize and address the multiple factors that cause students to drop out of college. Factors such as full-time employment, off-campus residency and family responsibilities keep students from having time to engage in campus activities or receive needed academic help. By not integrating with the larger campus community, students do not make the personal connections with peers or with faculty that often motivate them to stay in school. College success programs that work with a student's over-loaded schedule by using class time to promote academic engagement or that have flexible hours for support services can be helpful. Such programs can be most effective if they reach out to at-risk students during their first year of college.

First-Year Retention Strategies

Research indicates that students who return for their second year of college have a higher chance of graduating. Twenty-five percent of students who enroll at four-year colleges and one-half of those at two-year colleges do not continue to their second year on campus.[9] Six in 10 low-income and first-generation students who do not complete their college education drop out after their first year.[10] Because of this, many colleges focus success programs on retaining first-year students through bridge and orientation programs, first-year seminars and learning communities. These programs help underrepresented students engage academically and socially, increasing the chance that they will persist to graduation.[11]

Summer Bridge and Orientation Programs To help high school graduates prepare for their first year of college, summer bridge and orientation programs take place before classes convene. They vary in length; orientations usually last a day or two, and bridge programs unfold over a one- to

4145

eight-week period. The goal is to better equip students for their first year in college by helping them build the necessary academic and personal skills. Bridge and orientation programs administer remedial coursework, teach study skills, and provide opportunities to adjust to campus life and meet other students.

Many programs specifically target low-income, first-generation and minority students. Colorado State University's Bridge Scholars program, for example, hosts underrepresented students on campus for eight weeks. Students take classes, learn study skills, and become familiar with the campus and its support services. The Bridge Scholars program recognizes the special needs of underrepresented students and provides them with the opportunity to catch up or even get a head start for college.

Some research indicates that summer bridge and orientation programs can increase retention rates and student participation in campus activities. According to the Pell Institute, bridge programs at Georgia State University, the University of California-San Diego, the University of Maryland-College Park, and California State University contributed to retention gains from freshman to sophomore year. Other studies indicate that bridge and orientation programs increase the likelihood that community college students will become academically engaged. The Community College Survey of Student Engagement found that 40 percent of students have participated in an orientation program.[12]

First-Year Seminars Another retention strategy is first-year seminars, which are small classes, typically of 10 to 25 students, that usually are taught by a faculty member. Since most freshmen enroll in large introductory courses with a lecture format and little interaction with faculty members, the seminars give students an opportunity to connect with faculty and receive personal attention and frequent feedback. The small class setting encourages participation in group discussion and fosters development of critical thinking and collaborative learning skills. The relationships with faculty and other students increase the level of academic and social integration for students who participate.[13]

According to the National Resource Center's 2006 survey on first-year seminars, 43 percent of the responding institutions credited the first-year seminar with increasing student persistence to sophomore year. About one third of the institutions indicated that the seminars increased the students' satisfaction with the school and faculty, and reported higher levels of student participation in campus activities. Seminars also have been linked to better chances of graduation; some research suggests that students who complete freshman seminar courses are 5 percent to 15 percent more likely to earn their bachelor's degrees in four years.[14]

Other research, such as that conducted by the Policy Center on the First Year of College, makes the case that seminars are most effective if they are linked to one or more other courses, a practice commonly referred to as a learning community.

Learning Communities Like first-year seminars, the learning community concept is based on the notion that small class size promotes academic and social engagement.

Students take two or more classes together as a group, often with an overarching theme that connects the classes. By keeping the same group of students together for multiple classes, learning communities create more opportunities for social integration. Creating opportunities for social and academic engagement during class time when students are already on campus is an effective retention strategy for low-income and minority students.

There are various examples of the positive effects of learning communities. At the University of Southern Maine, a commuter school, the learning communities have had positive results for at-risk students. The students who participate in learning communities have higher persistence rates than students who participate in other retention programs. Similarly, students who participate in the Seattle Central Community College learning community exhibit higher rates of retention than do nonparticipants. The students in the Seattle Central learning communities also tend to express higher levels of social and academic satisfaction. The research organization MDRC conducted an experimental program at Kingsborough Community College in which some freshmen participated in a learning community that included remedial English. Students who participated in the learning community were more likely than nonparticipants to take and pass the English skills assessment tests necessary to enroll in college-level English.[15]

4146

In both first-year seminars and learning communities, a major focus is on giving the student personal attention, which translates into small class sizes. However, many required introductory courses are taught in lecture format to large numbers of students, a format in which students can easily feel lost. To ensure that students receive the attention and support they need to be successful in larger courses, many colleges and universities have redesigned their introductory classes.

Redesigning Courses for Success

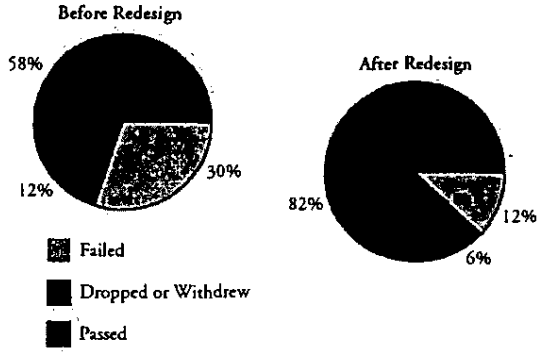
Not surprisingly, large and often impersonal introductory courses have high failure and dropout rates. About 25 introductory courses serve half the student population at community colleges and one third of the students at four-year colleges. These 25 courses have high drop, failure and withdrawal rates, and the rates can vary dramatically across institutions. At four-year institutions the drop, failure and withdrawal rates average from 22 percent to 45 percent, while at community colleges the rates average 40 to 50 percent, but can be much higher. Since these few courses affect such a large proportion of college students, restructuring them to improve student success can significantly affect retention and graduation rates.[16]

The National Center for Academic Transformation (NCAT) conducted research to redesign one introductory course at 30 postsecondary institutions. After evaluating the newly designed courses, the center found that 25 of the 30 colleges showed significant improvement in student performance in class, and all 30 cut costs by an average of 37 percent. According to the project report, "Collectively, the 30 redesigned courses affect more than 50,000 students nationwide and produce a savings of $3.1 million in operating expenses each year."[17] Half of the institutions were studied closely to evaluate the effect on low-income and minority students; of those, 90 percent demonstrated positive effects on student learning.

University of New Mexico At the University of New Mexico, 47 percent of students are minorities, most of whom commute to school and work more than 30 hours per week. The introductory psychology course, one of the largest classes, had one of the highest failure rates. This course is taken by more than 2,000 students each year; of those students, 30 percent failed and another 12 percent dropped out or withdrew. To increase student success, the University of New Mexico worked with the National Center for Academic Transformation to redesign the course.

The new psychology course employed the main NCAT strategies: reduced lecture time and increased time for activities and group work, frequent quizzes, and computer-based learning techniques. The results from the newly designed course were positive—the failure rate dropped 18 percentage points and the drop/withdrawal shrunk by half (Figure 2). At the same time, due to the weekly quizzes and in-class study time, students covered the material more thoroughly than before. Student grades rose, and the learning quality improved. Yet another positive result was the cost savings. The redesigned course cost almost 50 percent less, from $72 per student to $37 per student.

Figure 2. Redesigning the University of New Mexico's General Psychology Course: Student Success Rates



Source: The National Center for Academic Transformation, 2005.

The cost savings realized by the University of New Mexico—and the 29 other institutions that participated in the redesign project—demonstrate that improving student success need not cost more money, but can be accomplished by changing how courses are taught to be more relevant and more effective for today's generation of students. Further, by using technology, some tasks become more efficient. Quizzes and assignments can be administered and graded through automated computer programs, thus increasing feedback to students and freeing time for faculty and teaching assistants.[18]

Technology in Redesigned Math Courses Computer-based practices can be used to redesign a wide range of courses—from psychology and literature to statistics and math. *MyMathLab* is an example of a computer program used in math courses. The software allows students to do as many math problems as they need and receive instant feedback on their answers. The program also sends faculty detailed information on student progress. The University of Alabama uses *MyMathLab* in its redesigned intermediate algebra course. Students are required to spend time working on problems

4147

in the math computer center using the software. Faculty or graduate students staff the center to help students when needed.

Within four years, the University of Alabama saw a significant increase—from 44 percent to 80 percent—in the number of students who receive a C- or better in the class. In the redesigned algebra course, African Americans, who comprise 14 percent of the undergraduate population, scored significantly higher than their peers in the traditional course. As in the University of New Mexico example, the gains did not come at a higher cost; rather the cost-per-student dropped 33 percent, saving the university about $60,000 per year.[19]

First-year retention strategies such as redesigned courses, summer bridge and orientation programs, first-year seminars and learning communities are key to helping underrepresented students continue to their second year of college. Legislators can provide important support and incentives for institutions to implement such practices. Although the focus on first-year retention programs is crucial, it is not sufficient. An effective state strategy also requires that programs and activities be in place to move students from the second year of college to graduation.

Effective support services help students stay enrolled in college by targeting those in need before they drop out.

From Second Year to Graduation: Practices to Increase Degree Attainment

For college students to persist to graduation, they need to remain engaged academically and socially beyond their first year. Students who participate in activities such as internships, faculty-guided research, and service learning are more likely to remain engaged. If students receive the information and support they need when they need it, they have a greater chance of attaining a degree. Support services can provide students with needed help through academic advising, career counseling, mentoring, tutoring, and financial aid guidance. One program that includes all these services is the federally funded TRIO Student Support Services program.

Federal TRIO Program: Student Support Services The federal TRIO Student Support Services program helps low-income, first-generation and disabled students attain a college degree. Of the students participating in TRIO, two-thirds must be both low-income and first generation. Institutions of higher education can apply to the Student Support Services program for competitive grants to fund student support projects on campus.

Recognizing that students who are both first-generation and low-income are more at-risk of dropping out of college, Student Support Services program staff meet often with participating students to monitor their academic progress and track their use of available services. For many students, the Student Support Services office is a "home base" for them on campus—a place they can go at any time and receive needed help or guidance, whether for academic or personal reasons. For those in need of academic help, the program provides supplementary instruction through tutoring, workshops, group study sessions and computer-based exercises.

Research indicates that Student Support Services programs have had positive results on student retention and persistence. Overall, the 950 programs nationwide serve more than 200,000 students. According to the U.S. Department of Education's analysis of the program, those students are more likely to persist through college and attain a degree than other low-income and first-generation students. The more involved the students are—by spending more time in the program or using more services—the more likely they are to complete college.[20]

State Educational Opportunity Programs Legislators can encourage colleges to apply for federal Student Support Services grants or can provide state funding for institutions to provide similar services. California and New York, for example, have state-funded Educational Opportunity Programs to help low-income, academically disadvantaged youth succeed in college through financial aid and comprehensive student support. Implementation varies by college; while some require participants to enroll in summer bridge programs or orientations, others require a specific course load. Institutions provide Educational Opportunity Program students with individual attention and extensive academic and personal counseling. Nyack College in New York testifies that it has seen noticeable positive effects from the program. Many of its program students have become leaders on campus, have made the dean's list and have graduated with honors.[21]

Early Warning Systems Effective support services help students stay enrolled in college by proactively targeting those in need before they drop out. Many postsecondary institutions have early warning systems to identify students who are struggling academically and provide them with immediate help. At Hudson Valley Community College, for

4148

example, faculty use the early warning system to alert academic counselors of students who are struggling in class, are misbehaving or are frequently absent. Faculty members notify counselors early in the semester to give students ample time to improve. The early warning system provides training and support to help faculty identify at-risk students.

High-Impact Practices In addition to providing support services for students, colleges and universities can promote other practices that increase degree attainment. Student research, service-learning courses, and internships have proven to help students remain in college and graduate.

The Association of American Colleges and Universities considers research with faculty, service learning and internships "high-impact practices" because of their positive results. Students that participate in these activities not only have higher rates of persistence and graduation, but also gain more personally, intellectually and culturally from their education. These positive results apply to all students, but appear to be even more evident in minorities and low-income students. Compared to non-Hispanic students, Hispanic students that participated in "high-impact" activities had better grade point averages, and African American students had higher chances of persisting in college than whites.[22]

Research Experience Undergraduate research opportunities give students the chance to work closely with faculty. Research experience can motivate students to continue their education toward advanced degrees. According to the *High-Impact Educational Practices* report, "Students who do research with faculty also are more likely to persist, gain more intellectually and personally, and choose a research-related field as a career."[23] The report also indicates that students have positive and supportive relationships with the faculty.

Service Learning Service learning courses require that students apply what they are learning in class to a community service experience. For example, a public policy course on women as leaders could have its students mentor at-risk girls at local middle schools. The students then would reflect on their mentoring experiences in class. By connecting the classroom with the community, learning becomes more meaningful and engaging—the students integrate what they learn in school into their lives and careers. They also learn the importance of civic responsibility and giving back to their communities. Further, by having a service project that classmates work and reflect on together, service learning courses can increase the social connection among students.

Internships Internships embed students in a job in a career field of interest and enable them to see how their degree can help them. These experiences can lead to greater persistence because students see a tangible result of their educational efforts. Internships also allow students to encounter a work environment with which they may not be familiar, increasing student confidence that they can do the job. If the internship leads them to see that job is not something they want to do after college, students still have time to change their major.

Encouraging underrepresented students to participate in activities such as research with faculty, service learning and internships can be an effective strategy for increasing graduation rates and overall student success. Although most institutions develop and implement their own programs, legislators can offer funding or other incentives to promote high-impact activities. A state plan or agenda on higher education is a good place for legislators to encourage institutions to provide and promote high-impact practices.

Creating State Agendas that Promote College Success

State legislators can take leadership to improve college completion by letting institutions know that student retention and success are state priorities and that the institutions will be held accountable for results. A state agenda on college success can send that signal. These agendas identify priorities, set goals, and recommend policies and practices to improve college completion. Several legislatures have created task forces that bring together policymakers and higher education stakeholders to articulate state agendas.

Arkansas In 2007, the Arkansas General Assembly passed Act 570, creating the Legislative Task Force on Higher Education Remediation, Retention and Graduation Rates. The task force consisted of the governor, legislative leaders, college administrators, faculty and state education board members. The task force was charged with researching and analyzing Arkansas trends and data on student success, and creating a plan to decrease remedial education and increase student retention and graduation. The task force held 16 meetings, during which outside stakeholders presented members with comprehensive testimony and information.

4149

In 2008, the task force released a report of its findings with a set of recommendations, incorporating many of the practices highlighted in this brief.

For example, the task force suggests requiring colleges and universities to use an early warning system to identify students struggling academically. The report also encourages colleges to increase student support services and recommends appropriating $500,000 for the expanded services. Specifically, the task force mentions such strategies as learning communities, academic help measures and personal support services. Another recommendation is for colleges to take into special consideration the needs of underrepresented students and the fact that they are most likely to drop out during their first year. The task force suggests that colleges offer first-year experiences and evaluate how introductory courses could be redesigned to improve student success. Finally, the task force proposes an annual statewide conference where two- and four-year institutions could share strategies on retention and graduation. The conference could be valuable in continuing reform efforts and providing an opportunity for collaboration.[24]

Illinois In 2007, the Illinois General Assembly adopted House Joint Resolution 69, which created the Public Agenda Task Force and directed it to study higher education challenges and opportunities. As in Arkansas, the task force consisted of policymakers, state education leaders, and administrators and faculty from postsecondary institutions. The task force held six formal meetings and conducted regional forums and special briefings. The task force developed a state plan for higher education, taking into consideration input from a wide range of stakeholders. The final report, the *Public Agenda for College and Career Success*, lays out the state plan and serves as a guide for policymakers and higher education institutions as they consider policies, priorities and funding. It defines four main goals for Illinois: to increase access to postsecondary education; to make affordability a priority; to increase the number of degree holders in the state; and to use education, research and innovation to meet economic needs.

Legislators played an integral part in developing the public agenda, and also have a key role in implementing it and monitoring institutional progress. To facilitate institutional accountability to the legislature, the public agenda report advocates more robust state data systems that can accurately track retention and graduation rates.[25]

South Carolina In South Carolina, the Higher Education Study Committee was formed by the General Assembly to create a state agenda to improve the higher education system. To accomplish that task, the study committee developed a project plan involving participants from the education, business and government sectors. Subcommittees and additional task forces were formed to study specific issues in depth. The result, a comprehensive report titled *Leveraging Higher Education for a Stronger South Carolina*, includes detailed analysis and recommendations. The report provides information regarding cost, priority, timeline and responsibility for each recommendation.[26]

The report highlights the need for redesigning introductory courses that currently have high failure rates. Another recommendation urges institutions to develop early warning systems to provide students with immediate academic help, particularly during their first year. The report also advises continuing and expanding support for retention programs such as "academic support services, new student orientation, service learning, academic advisement, counseling, tutoring, cultural enrichment, 'freshman year' and 'sophomore year' programs."[27] Summer transition and bridge programs also are mentioned as useful to help students adapt to college.

Conclusion

To maximize a state's investment in higher education and reach state goals for higher college completion rates, state legislators will want to understand the array of college success programs and know which are effective. Students who are supported in their classes and involved on campus are more likely to graduate. Therefore, student success programs should aim to increase the academic and social engagement of the students beginning in the first year of college and continuing until graduation.

As policymakers work to improve college success for underrepresented students, some points to consider include the following.

- Recognize the common risk factors that underrepresented students face and consider them in developing success programs.
- Use funding or other incentives to encourage institutions to target programs to first-year students.
- Encourage institutions to promote first-year programs such as learning communities, bridge and orientation programs, and first-year seminars to help students remain in school.

4150

- Press institutions to measure the comparative effectiveness of the success programs.
- Support the redesign of introductory courses that have high failure rates to help students be more successful, and use technology to lower costs and improve efficiency.
- Consider funding or incentives to help institutions expand student support services that help students progress from first year to graduation.
- Fully leverage federal funding such as the TRIO programs, which award grants to institutions for student support.
- Recommend that institutions expand programs that keep students engaged academically and socially, such as research with faculty, service learning and internships.
- Create legislative task forces to bring together various stakeholders to develop a state agenda on student success. Institutions need clear signals from state legislatures that retention and success are priorities and that they will be held accountable for results.

Notes

1. National Center for Higher Education Management Systems, "Progress and Completion: Graduation Rates" (Boulder: NCHEMS, 2009); www.higheredinfo.org/dbrowser/index.php?measure=19; Statistics refer to first-time, full-time students.

2. Patrick Callan, *The 2008 National Report Card: Modest Improvements, Persistent Disparities, Eroding Global Competitiveness* (San Jose: National Center for Public Policy and Higher Education, 2008).

3. Jennifer Engle and Vincent Tinto, *Moving Beyond Access: College Success for Low- Income, First-Generation Students* (Washington, D.C.: The Pell Institute, 2008), 2.

4. Sandy Baum and Jennifer Ma, *Education Pays: The Benefits of Higher Education for Individuals and Society* (Washington, D.C.: The College Board, 2007), 10.

5. Baum and Ma, *Education Pays*, 2.

6. Engle and Tinto, *Moving Beyond Access*, 21

7. Vincent Tinto, *Student Retention and Graduation: Facing the Truth, Living with the Consequences* (Washington, D.C.: The Pell Institute, 2004), 6.

8. Engle and Tinto, *Moving Beyond Access*, 9; Joe Smydo, "First-year college students often fail as 'life intervenes,'" *Pittsburgh Post-Gazette*, Sept. 2, 2008; www.post-gazette.com/pg/08246/908705-298.stm.

9. Bill Schackner, "Colleges on 'early alert' to help frosh," *Pittsburgh Post-Gazette*, Sept. 3, 2008; www.post-gazette.com/pg/08247/908848-298.stm.

10. Engle and Tinto, *Moving Beyond Access*, 12.

11. Ibid., 25.

12. Lana Muraskin, John Lee, Abigail Wilner, and Watson Scott Swail, *Raising the Graduation Rates of Low-Income College Students* (Washington, D.C.: The Pell Institute, 2004), 18; Mary Beth Marklein, "Report: Community colleges must expect more," *USA Today*, Nov. 21, 2008; www.usatoday.com/news/education/2008-11-16-CCSSE_N.htm.

13. Engle and Tinto, *Moving Beyond Access*, 26.

14. Kathleen Goodman and Ernest T. Pascarella, "First-Year Seminars Increase Persistence and Retention: A Summary of the Evidence from *How College Affects Students*," *Peer Review* 8, no. 3 (Summer 2006): 27.

15. Muraskin, Lee, Wilner, and Swail, *Raising the Graduation Rates*, 21; Susan Scrivener, et al., *A Good Start: Two-Year Effects of a Freshman Learning Community Program at Kinsborough Community College* (New York: MDRC, 2008), ES-5 - ES-6.

16. Carol A. Twigg, *Increasing Success for Underserved Students: Redesigning Introductory Courses* (Saratoga Springs, N.Y.: The National Center for Academic Transformation, 2005), 2.

17. Ibid., 3.

18. Ibid., 5, 8, 30.

19. Ibid., 7-8, 28.

20. Engle and Tinto, *Moving beyond Access*, 7, 27.

21. Center for Student Opportunity, *College Access and Opportunity Guide* (Dubuque, Iowa: Kendall/Hunt Publishing Company, 2008), 199.

22. George D. Kuh, *High-Impact Educational Practices: What They Are, Who Has Access to Them, and Why They Matter* (Washington, D.C.: Association of American Colleges and Universities, 2008), 9, 11, 17-19, 25-27.

23. Ibid.,14.

24. Arkansas Task Force on Higher Education Remediation, Retention, and Graduation Rates, *Access to Success: Increasing Arkansas's College Graduates Promotes Economic Development* (Little Rock: Arkansas Association of Public Universities, 2008); arkapu.org/wp-content/uploads/2008/08/task-force-report.pdf, 8-9, 33.

25. Illinois Board of Higher Education and Public Agenda Task Force, *Public Agenda for College and Career Success* (Springfield: IBHE, 2008); www.ibhe.state.il.us/masterPlanning/materials/010909_PublicAgenda.pdf, 3-5, 7, 16.

26. Higher Education Study Committee, *Leveraging Higher Education for a Stronger South Carolina*, (Columbia: SCCHE, 2009); www.che.sc.gov/InfoCntr/HESC_Files/che_2169_Leverage_Report_web.pdf, 4, 19-20.

27. Ibid., 17.

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4151

The Path to a Degree

A Legislator's Guide to College Access and Success

Overview: The Path to a Degree

By Brenda Bautsch

November 2009

America is no longer the world leader in education. U.S. performance at the K-12 and postsecondary levels is falling behind other countries. According to the Organisation for Economic Co-operation and Development (OECD), America and Germany are the only two OECD countries where the younger generation is actually less educated than the older generation. In February 2009, President Obama declared the lack of educational attainment in the United States a "prescription for economic decline, because we know the countries that out-teach us today will out-compete us tomorrow," and he set a goal for the United States to reclaim its position as the leader in college graduates by 2020. To accomplish that, states need to set their own college completion goals; study and diagnose where and why students are dropping out of the education system; and target state policy to those problem areas. Effective state policy can help more students obtain college degrees, be successful in life and contribute to the economy.

According to the Bureau of Labor Statistics, 54 percent of all new jobs and 75 percent of the fastest-growing jobs require some form of postsecondary education. In addition, people with bachelor's degrees earn 60 percent more over their lifetime than those with only a high school diploma, which translates into higher tax revenues for states and the federal government. College graduates also live healthier and longer lives and rely less on social programs such as welfare or Medicaid, saving states a significant amount of money. College graduates participate more in civic activities, such as voting, and in charitable activities, such as donating blood. States that improve college access and success increase these individual, economic and societal benefits.

College enrollment and completion rates will not alter significantly unless policymakers focus on nontraditional students, particularly low-income, minority and first-generation students, who are underrepresented and underserved in the education system. These students are the fastest growing populations and the least likely to finish high school, enroll in college or earn a degree. The result is a significant and serious achievement gap that threatens states and the nation.

To meet President Obama's college completion goal and to preserve America's status as a world leader in education, state policy will need to focus on closing the achievement gap. State legislators have the power to design and implement policies that help prepare all students academically and financially for college and effectively support them to ensure they complete a degree.

The Path to a Degree: A Legislator's Guide to College Access and Success contains five briefs that provide an overview of key issues, discuss research findings, and offer examples of specific state action that can improve college access and success for underrepresented students.

Raising Awareness: College Planning Strategies focuses on early awareness and preparation as an essential component of college access. The brief discusses two strategies to increase early college planning among low-income, minority and first-generation students: information dissemination and student support services, both beginning no later than middle school.

Increasing College and Workforce Readiness discusses policies that can improve college and workforce readiness, such as aligning high school standards, adjusting graduation requirements, and using college-ready assessments. College readiness is a key component of both college access and success; students who take college preparatory courses in high school, for example, are more likely to enroll in and graduate from college.

Improving College Affordability for Underrepresented Students: Financial Aid Strategies discusses the three components of the higher education finance system: tuition, financial aid and state appropriations. The brief fo-

cuses on financial aid as a policy option to increase college affordability for low-income, minority and first-generation students and provides examples of effective financial aid programs.

Engaging Students Academically and Socially: College Success Strategies highlights evidence-based college success programs that help more students remain in college and graduate. Programs that increase student academic and social engagement have the greatest effect on completion rates. The brief provides examples of legislative action that encourages and supports college success programs.

What You Need to Know About Minority-Serving Institutions provides an overview of historically black colleges and universities, Hispanic-serving institutions, and tribal colleges and universities—known collectively as minority-serving institutions. The brief highlights why an increasing number of students choose to attend these institutions; their effect on the educational attainment of underrepresented students; and the challenges such institutions face.

Higher education can improve individual lives, bolster state economies, fill workforce needs, and sustain America's economic competitiveness. Now is the time for states to act to improve the path to a degree for all students.

Acknowledgments

This publication was made possible by generous funding from the Ford Foundation. NCSL is grateful to the foundation for the support of this project and for its strong commitment to improving higher education outcomes for all students.

This publication was written by Brenda Bautsch as a Policy Specialist in the NCSL Education Program. Brenda works on issues regarding college access and success.

The author wishes to thank the following people for taking the time to review briefs and provide valuable feedback: Rep. Maggie Jeffus, Rep. Betty Komp, Rep. Denise Merrill, Rep. Corey Mock, Deborah Santiago, Rita Barr, Paula Dominguez, Sara Fidler, David Harrell, Vincent Badolato, Lamar Bailey, Heather Chikoore, and Yilan Shen. Special thanks to Julie Davis Bell for her immeasurable guidance on the publication, and to Leann Stelzer for her work on editing and design.

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4153

withdrawn?

26-LS1309\M.1
Mischel
4/16/10

AMENDMENT #1

Cara

OFFERED IN THE HOUSE

TO: HCS CSSB 221(FIN), Draft Version "M"

Page 3, lines 11 - 16:

Delete all material and insert:

"* **Sec. 3.** AS 14.43.410 is amended by adding a new subsection to read:

(c) The commission shall annually distribute an amount that is not less than 30 percent of the aggregate amount appropriated for payment of scholarship awards under AS 14.43.825. If available funding from appropriations and other sources is less than that amount, the commission shall distribute the full amount available in grant awards on behalf of eligible students under AS 14.43.415. Payments shall be made directly to the postsecondary or lending institution if feasible. If available funds are insufficient to fully fund grants to eligible students, the commission shall distribute funds to eligible applicants on a pro rata basis.

* **Sec. 4.** AS 14.43.415(a) is amended to read:

(a) For an applicant to be eligible for a grant under AS 14.43.400 - 14.43.420, the applicant must be

(1) a resident of this state;

(2) enrolled or about to be enrolled

(A) at an institution [APPROVED TO PARTICIPATE IN FEDERAL FINANCIAL AID PROGRAMS UNDER 20 U.S.C. 1070 - 1099c-2, AS AMENDED,] located in this state **that**

(i) is approved to participate in federal financial aid programs under 20 U.S.C. 1070 - 1099c-2, as amended; or

(ii) has been included on a list of certified career and technical school programs approved and published by the

WOW?

Department of Labor and Workforce Development; and

(B) on at least a half-time basis; and

(3) able to demonstrate financial need in accordance with standards for determining financial need established by the commission under 20 U.S.C. 1070c-2, as amended.

*** Sec. 5.** AS 14.43.415(b) is repealed and reenacted to read:

(b) The commission shall give an applicant eligible under (a) of this section priority for a grant award if that applicant is, or is about to be, enrolled in a postsecondary education program that prepares the applicant for employment in an occupation or profession for which there is a severe shortage of trained individuals in the state. In this subsection,

(1) "occupation or profession" means a job for which specific postsecondary certification is a prerequisite for entry-level placement;

(2) "severe shortage" means a current or recurring job vacancy rate of 15 percent or greater, as determined by the Department of Labor and Workforce Development or by another workforce data source determined reliable by the commission.

*** Sec. 6.** AS 14.43.420(a) is amended to read:

(a) A grant made under AS 14.43.400 - 14.43.420 may not be in an amount less than **$1,000** [$500] nor more than **$5,000** [$2,000] for each school year.

*** Sec. 7.** AS 14.43.420(c) is amended to read:

(c) A student may receive not more than a total of **$20,000** [$8,000] in grants awarded under AS 14.43.400 - 14.43.420."

Renumber the following bill sections accordingly.

Page 7, line 28:

Delete "sec. 5"

Insert "sec. 8"

Page 8, line 10:

Delete "secs. 1, 2, 5, 7, and 8"

Insert "secs. 1, 2, 8, 10, and 11"

Page 13, line 3:

Delete "Section 11"

Insert "Section 14"

Page 13, line 4:

Delete "Sections 3, 4, 6, and 8 - 11"

Insert "Sections 6, 7, 9, and 11 - 14"

Page 13, line 6:

Delete "sec. 13"

Insert "sec. 16"

26-LS1701\A
Bullard
4/16/10

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 221, establishing an advisory task force on higher education and career readiness in the legislative branch of government.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of Senate Bill No. 221, establishing an advisory task force on higher education and career readiness in the legislative branch of government.

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/16/10

Amendment: 2

MEMBER	Favor	Oppose
REP. DOOGAN	X	
REP. FAIRCLOUGH		X
REP. FOSTER	X	
REP. GARA	X	
REP. JOULE		X
REP. KELLY		X
REP. SALMON	X	
REP. THOMAS		X
REP. AUSTERMAN		X
REP. HAWKER		X
REP. STOLTZE		X

YEA 4

NAY 7

2010 HOUSE FINANCE
VOTE CALL

Failed

DATE: 4/16/10

Amendment: A 4

MEMBER	Favor	Oppose
REP. AUSTERMAN		X
REP. DOOGAN	X	
REP. FAIRCLOUGH		X
REP. FOSTER	X	
REP. GARA	X	
REP. JOULE		X
REP. KELLY		X
REP. SALMON	X	
REP. THOMAS		X
REP. STOLTZE		X
REP. HAWKER		X

YEA 4

NAY 7

Helen Phillips

From: Sen. Gary Stevens
Sent: Tuesday, March 30, 2010 4:09 PM
To: House Finance Legislation
Cc: Ben Mulligan; Tim Lamkin
Subject: Hearing Request - SB 221

Representative Stoltze,

I respectfully request a hearing of SB 221 before the House Finance Committee. "An Act establishing an advisory task force on higher education and career readiness in the legislative branch of government; and providing for an effective date," SB 221 is informally known as the Higher-Ed Task Force bill.

All pertinent information regarding the bill can be found in electronic format at this link:
http://www.legis.state.ak.us/basis/get_documents.asp?session=26&bill=SB221

This includes the sponsor statement, a sectional analysis, (zero) fiscal notes, and background information.

With regard to changes in the latest CS, the most substantive changes are the Task Force composition. The House Education committee added two more legislative members, one each from the senate and house, with the intent of creating more legislative "buy-in." They established that chairs of the respective education committees in each body shall serve as the co-chairs of the Task Force. They established that if a Task Force Co-Chair at the time of appointment is subsequently no longer the Chair of the Education Committee, that that individual may retain their seat as Co-Chair of the Task Force. They also pushed the reporting deadline forward one month, to April 01, 2011.

As regards testifiers on the bill, we will have (offnet-Denver) Mrs. Brenda Bautsch (pronounced like "ouch" with a B), who is an education policy specialist from NSCL who can explain what other states are doing. Also, Wendy Redman from the University of Alaska, Mary Francis of the AK Association of School Administrators, Carl Rose from the AK Assoc. of School Boards, Barbara Angaiak from AK NEA, Eldon Davidson from SAVEC (Off-net, Naknek), Diane Barrons of the ACPE, Dr. Marilyn Barry, Academic Dean at APU, and Eddy Jeans from DEED. Most of these folks will not expect to testify, but simply be available to answer questions and/or express their willingness to participate in the Task Force.

Thank you for your consideration of this hearing request. Please contact myself, or my aide Tim Lamkin at extension 4925 with any questions or additional requirements you may have.

Respectfully,

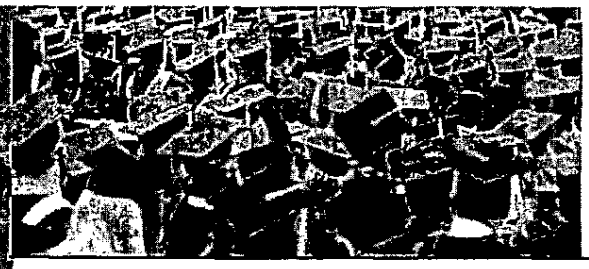
Senate Gary Stevens

Power Point in Documents

4160

The Path to a Degree

A Legislator's Guide to College Access and Success



The Path to a Degree

A Legislator's Guide to College Access and Success

Overview: The Path to a Degree

By Brenda Bautsch

November 2009

America is no longer the world leader in education. U.S. performance at the K-12 and postsecondary levels is falling behind other countries. According to the Organisation for Economic Co-operation and Development (OECD), America and Germany are the only two OECD countries where the younger generation is actually less educated than the older generation. In February 2009, President Obama declared the lack of educational attainment in the United States a "prescription for economic decline, because we know the countries that out-teach us today will out-compete us tomorrow," and he set a goal for the United States to reclaim its position as the leader in college graduates by 2020. To accomplish that, states need to set their own college completion goals; study and diagnose where and why students are dropping out of the education system; and target state policy to those problem areas. Effective state policy can help more students obtain college degrees, be successful in life and contribute to the economy.

According to the Bureau of Labor Statistics, 54 percent of all new jobs and 75 percent of the fastest-growing jobs require some form of postsecondary education. In addition, people with bachelor's degrees earn 60 percent more over their lifetime than those with only a high school diploma, which translates into higher tax revenues for states and the federal government. College graduates also live healthier and longer lives and rely less on social programs such as welfare or Medicaid, saving states a significant amount of money. College graduates participate more in civic activities, such as voting, and in charitable activities, such as donating blood. States that improve college access and success increase these individual, economic and societal benefits.

College enrollment and completion rates will not alter significantly unless policymakers focus on nontraditional students, particularly low-income, minority and first-generation students, who are underrepresented and underserved in the education system. These students are the fastest growing populations and the least likely to finish high school, enroll in college or earn a degree. The result is a significant and serious achievement gap that threatens states and the nation.

To meet President Obama's college completion goal and to preserve America's status as a world leader in education, state policy will need to focus on closing the achievement gap. State legislators have the power to design and implement policies that help prepare all students academically and financially for college and effectively support them to ensure they complete a degree.

The Path to a Degree: A Legislator's Guide to College Access and Success contains five briefs that provide an overview of key issues, discuss research findings, and offer examples of specific state action that can improve college access and success for underrepresented students.

Raising Awareness: College Planning Strategies focuses on early awareness and preparation as an essential component of college access. The brief discusses two strategies to increase early college planning among low-income, minority and first-generation students: information dissemination and student support services, both beginning no later than middle school.

Increasing College and Workforce Readiness discusses policies that can improve college and workforce readiness, such as aligning high school standards, adjusting graduation requirements, and using college-ready assessments. College readiness is a key component of both college access and success; students who take college preparatory courses in high school, for example, are more likely to enroll in and graduate from college.

Improving College Affordability for Underrepresented Students: Financial Aid Strategies discusses the three components of the higher education finance system: tuition, financial aid and state appropriations. The brief fo-

cuses on financial aid as a policy option to increase college affordability for low-income, minority and first-generation students and provides examples of effective financial aid programs.

Engaging Students Academically and Socially: College Success Strategies highlights evidence-based college success programs that help more students remain in college and graduate. Programs that increase student academic and social engagement have the greatest effect on completion rates. The brief provides examples of legislative action that encourages and supports college success programs.

What You Need to Know About Minority-Serving Institutions provides an overview of historically black colleges and universities, Hispanic-serving institutions, and tribal colleges and universities—known collectively as minority-serving institutions. The brief highlights why an increasing number of students choose to attend these institutions; their effect on the educational attainment of underrepresented students; and the challenges such institutions face.

Higher education can improve individual lives, bolster state economies, fill workforce needs, and sustain America's economic competitiveness. Now is the time for states to act to improve the path to a degree for all students.

Acknowledgments

This publication was made possible by generous funding from the Ford Foundation. NCSL is grateful to the foundation for the support of this project and for its strong commitment to improving higher education outcomes for all students.

This publication was written by Brenda Bautsch as a Policy Specialist in the NCSL Education Program. Brenda works on issues regarding college access and success.

The author wishes to thank the following people for taking the time to review briefs and provide valuable feedback: Rep. Maggie Jeffus, Rep. Betty Komp, Rep. Denise Merrill, Rep. Corey Mock, Deborah Santiago, Rita Barr, Paula Dominguez, Sara Fidler, David Harrell, Vincent Badolato, Lamar Bailey, Heather Chikoore, and Yilan Shen. Special thanks to Julie Davis Bell for her immeasurable guidance on the publication, and to Leann Stelzer for her work on editing and design.

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

The Path to a Degree

A Legislator's Guide to College Access and Success

Raising Awareness: College Planning Strategies

By Brenda Bautsch

November 2009

Nine of 10 parents expect their child to go to college, according to an Institute for Higher Education Policy survey of middle school parents. Parents recognize that a college degree leads to better job opportunities and higher wages. The same survey, however, found that 45 percent of those parents had not yet taken any steps to plan for college. As Figure 1 shows, they had not started saving money, had not looked at college admission requirements, had not visited campuses, and had not talked with a school counselor or teacher. Parents who did not have a college degree were most likely not to have begun planning, while three of four parents with a bachelor's degree had begun the process.[1]

The survey results are troubling because college planning ideally begins at the middle school level. The path to college involves many steps that are better started at an early age. College-bound students should begin in middle school to consider what classes they need to take for college. They should understand the importance of studying hard and getting good grades. They should start preparing for standardized testing. They should think about financial aid and scholarships, some of which are contingent upon high school grades, curriculum or extracurricular activities. Various actions need to be taken in college planning, and being aware of what those actions are early in the process is an important part of college access.

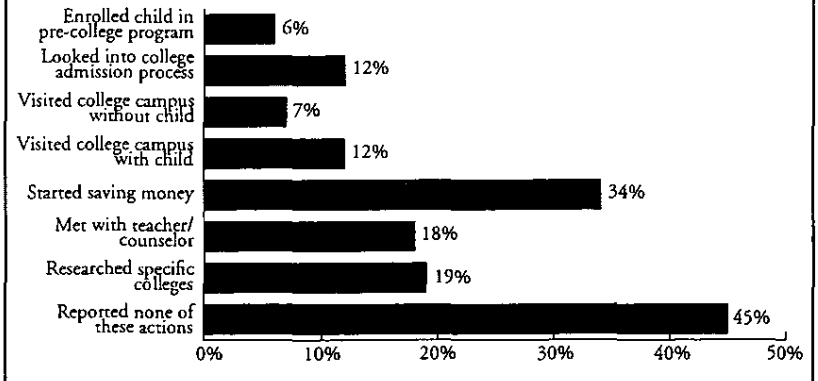
Unfortunately, college planning information is not reaching all families. Many disadvantaged school districts have limited college preparation resources and few guidance counselors who can help students navigate the college path. Many low-income, minority and first-generation students do not have a college-educated parent or role model to help guide them. Without information, students may be unaware that colleges require certain classes, or that scholarships require certain grade point averages. In fact, many of these students do not know financial aid and scholarships are available. Lack of information can lead to missed opportunities for getting more students into college.

This brief discusses two strategies that can be used to increase awareness of college planning among underrepresented students: 1) information dissemination to middle and high school students and parents, and 2) student support services throughout secondary school. Both strategies have an early outreach component that starts their college planning efforts at the middle school level. This brief examines the various tactics and methods of implementation involved in these two strategies and provides examples of current programs.

Information Dissemination

Low-income and minority students have less access to college planning information than other students. This is especially the case for first-generation students who may not be able to rely on their parents to direct them in the college preparation process. Families that are unaware of college options also typically do not know where to obtain information, and they have less access to school guidance counselors who could help them.[2]

Figure 1. What college planning steps have parents of middle school students taken?



Source: IHEP survey of middle school parents, 2007.

Information dissemination can be an inexpensive and effective way to communicate college planning information to families. Several states have conducted college information campaigns using various media outlets. Web-based campaigns can be effective because the Internet has become widely accessible and creating a website is inexpensive. Research indicates that minorities access the Internet at nearly the same rate as whites; 86 percent of white high school seniors have access to a broadband connection, compared to 85 percent of African Americans and 77 percent of Hispanics.[3]

Web Campaigns North Carolina has been hit hard by declines in skill-based industries such as manufacturing and agriculture. In efforts to develop a knowledge-based workforce, North Carolina's General Assembly created the College Foundation of North Carolina, a program focused on increasing college access for poor and minority students. The foundation is a collaboration of the K-12 and state college systems. Most of its college planning services are available on its website: www.cfnc.org. North Carolina conducted a publicity campaign to promote the website, and now 80 percent of middle and high school parents know about it.

The website allows students to track high school courses, grades and activities; search for financial aid; apply to North Carolina colleges; and apply for loans. The site provides free test preparation materials for the SAT and ACT. Applicants can electronically submit their high school transcript to colleges through the website. With such a wealth of information and resources in one place, students and parents from all backgrounds can easily educate themselves on the various aspects of college planning. As a result of the foundation's efforts, college enrollment rates for low-income students have been on the rise; in fact, North Carolina holds the record for the greatest increase—3.4 percent—from 1999 to 2006.[4]

A great benefit of web campaigns is that they can extend across state borders to reach an even larger audience. The Southern Regional Education Board, for example, has a website called "Electronic Campus" that provides information about the colleges and universities in the 16 states it represents. Students in all of those states can use the website to gather helpful information about campus tours, applications, academic programs and financial aid. A student in Arkansas could use the Electronic Campus website to easily obtain information about schools in Florida. Using the Internet to disseminate information can foster regional collaboration to efficiently reach out to students about higher education.

New Media Other methods of communication popular with students from all backgrounds are cell phone text messaging, online social networking and Internet videos, sometimes referred to as "new media." A survey of low-income and minority students in Boston found that most 11th and 12th graders own cell phones; of those, 88 percent use text messaging. The survey also indicates that the top Internet programs students use are YouTube, MySpace and AIM.[5] Taking advantage of these information pipelines can be a great way to reach out to students about college. Best of all, they are low-cost options. Text messages could be sent alerting students of upcoming college events. YouTube videos could be made to promote a college access campaign. AIM could be used by school counselors to inform students of pending deadlines.

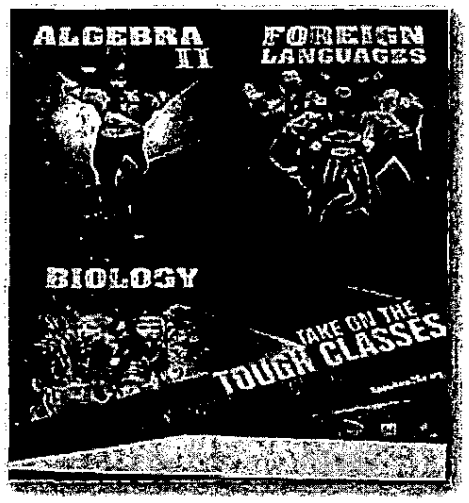
Delaware has used new media for disseminating college information. Its Department of Education created a MySpace profile to promote its "*Yes You Can*" campaign, which encourages college and career preparation for high school students. Creating a MySpace profile is free; it requires only staff time to set it up, invite students to be friends and monitor it. Using media forums that are popular with students can have to a greater effect on their knowledge and views about higher education.

Traditional Media In addition to the Internet and new media, marketing through traditional media outlets such as radio, TV and print also can be effective to disseminate college planning information. A national initiative, KnowHow2Go, reaches out to middle and high school students through TV commercials, billboards and magazine ads. Creatively targeted toward teens, the message is simple—kids must research college options and take challenging classes. Commercials depict comic-book-like villains representing algebra, biology and foreign languages and urge kids to take on these tough courses.

Although KnowHow2Go is a national initiative, several states have teamed with the program to personalize the campaign. Nebraska, for example, launched its KnowHow2Go campaign as a collaboration among the state Department of Education, the governor's office, the state P-16 initiative,

4165

the University of Nebraska system and others. KnowHow2Go can be a great resource for states that want to conduct a major college access marketing effort. KnowHow2Go can provide advertising advice and materials, help the state assemble partnerships, and help secure funding for the campaign.[6]



Financial Aid Workshops Another way to disseminate information is through specialized workshops. One college topic many students and families lack knowledge on is financial aid. College Goal Sunday, an annual workshop, was created to provide low-income and first-generation students with financial aid information and help them fill out the Free Application for Federal Student Aid (FAFSA) form. Started in Indiana in 1989, it has since expanded to serve 35 states and the District of Columbia with assistance and funding from the Lumina Foundation and the National Association of Student Financial Aid Administrators (NASFAA). Each state coordinates its College Goal Sunday event, which occurs on a Sunday afternoon in January through March, the peak financial aid time. The free College Goal Sunday program is run by volunteers. Financial aid experts, guidance counselors and others come to help students and families fill out the FAFSA and learn about financial aid opportunities.

College affordability is a significant barrier for many students, and the FAFSA is the first step toward receiving financial aid. The event has had a positive response from participants; in 2008, 83 percent of those who attended a College Goal Sunday said either they could not have filled out the FAFSA on their own, or could not have done it as well.[7]

College Goal Sunday is successful only if students and families are aware of the event and attend. Legislators can help promote the event by recording public service announcements on the radio, writing about it in their newsletters, and speaking about it at constituent forums. In 2008, for example, the Tennessee College Goal Sunday program created a script for a radio announcement, and 65 state legislators participated in the recording.

Another way legislators can promote the event is to write a resolution declaring one day in January through March to be College Goal Sunday, as Michigan and Arkansas did. Or, the resolution could declare one month a Financial Aid Awareness Month as the Kentucky House of Representatives did. Legislators also can use their political ties to urge other political figures, such as mayors or governors, to publicly endorse College Goal Sunday. Using their position as public leaders, legislators can be of great help in supporting College Goal Sunday without having to spend state money. [8]

By using the web, new and traditional media, and financial aid workshops, states can effectively spread information about college planning. Information dissemination is only one strategy to improve college access, however. Another important aspect is providing students with personal support.

Student Support Services

Research indicates that information alone is not enough. Students need an adult figure who believes in them and encourages them along the way.[9] If students do not have such a role model in their family or among teachers, counselors can fill that void. College guidance counselors help students handle the preparation steps needed to enroll in college. They can help students plan their course load, prepare for the SAT and ACT, and research college and career options. Counselors who are invested in the success of their students can be important mentors, providing encouragement and support.

It is important, however, that counselors have time to help each individual and are not assigned too many students or too many tasks unrelated to college counseling. Nationally, the average counselor-to-student ratio is one to 490, but at poor schools counselors are assigned an average of 1,056 students. Such schools serve mainly minority and low-income students who are most in need of college advice and support. Moreover, counselors at these schools typically focus on behavior problems, not college planning.[10]

Nationally, the average counselor-to-student ratio is 1 to 490, but at poor schools, counselors are assigned an average of 1,056 students.

4166

Increasing the number of counselors who are focused on college and career planning at low-income schools is a good way to increase college readiness for underrepresented students, but it can be costly. Where state funds are limited, one option is to leverage federal, private or foundation programs.

GEAR UP Gaining Early Awareness and Readiness of Undergraduate Programs (GEAR UP) is a federal grant program that works to increase college awareness and preparation among low-income and minority students. GEAR UP provides matching grants to state governments and partnerships that administer programs with an early outreach component focused on readying students for postsecondary education. The early outreach requirement refers to programs that start in middle school. Programs that increase staffing of counselors in low-income middle and high schools can apply for GEAR UP grants.

Washington's College Success Foundation, for example, used GEAR UP funds to increase school counselors, referred to as "College Prep Advisors." The advisors work with eighth, ninth and 10th graders to provide college information, course advice and encouragement. The advisors reach out to students through various formats such as after-school programs, brown-bag lunches and classroom visits.[11]

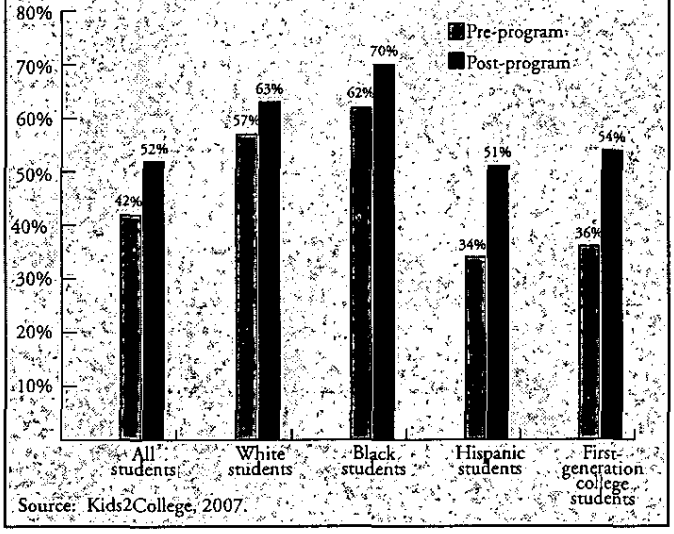
Louisiana uses GEAR UP grants to provide week-long summer learning camps held on college campuses for middle and high school students. Since low-income and first-generation students may never have been to a college campus and may have no one to describe college life, it is important to inspire a belief that they someday could be college students. College visits can expose students to the world of higher education and help them envision themselves as college students.

Along with the campus experience, Louisiana's GEAR UP summer camps provide valuable counseling. Camp themes vary and include tutoring, math and science enrichment, and leadership skills. Career-centered camps include topics such as engineering, sports medicine or culinary arts. Students also gain early awareness of how to plan for college both academically and financially. According to the Institute of Education Sciences, programs that incorporate college and career advising, college campus visits and financial aid planning increase rates of high school completion.[12]

Kids2College Another counseling program that incorporates college visits is Kids2College, a national program sponsored by the Sallie Mae Fund. The program, built on local partnerships, provides sixth graders at low-income schools with college planning sessions throughout the school year. The creative, hands-on sessions are used to expose the kids to the many opportunities available in postsecondary education. The program culminates with a campus visit to a local college or university.

When first-generation students were asked at the beginning of the Kids2College program whether they could envision themselves as a college student, 36 percent said yes. When asked the same question after the program, the number jumped to 54 percent. Figure 2 also shows increases in the percentage of white, black and Hispanic students who can envision themselves in college after participating in Kids2College.

Figure 2. Percentage of K2C Students Who Said They Can Definitely Imagine Themselves in College



Source: Kids2College, 2007.

Another positive effect of the Kids2Collge program is that more students know they should start taking college preparatory classes in eighth or ninth grade and that they should take four years of math in high school. Early awareness of which math classes to take is important; research indicates that minority and first-generation students who take upper-level math classes have higher college enrollment rates. After participating in Kids2College, students also are more likely to talk about college with friends and teachers and have a better understanding of career options.[13] A sixth-grade teacher in California whose students participated in Kids2College said:

> "I was very moved by some of the changes in attitude I have seen with some of my toughest students. Many students are now talking about want-

4167

ing to go to college, when a few weeks ago they would have insisted otherwise. The trip to [California State University, Fullerton] seemed to make the whole idea of "college" real and attainable for my students. Overall, students are doing more homework and taking their studies more seriously as they now know that college is not only possible, but that preparation starts early in the sixth grade."

Kentucky's Individual Graduation Plan A different strategy to increase school counseling is to make college and career preparation part of graduation requirements. In 2002, Kentucky's General Assembly created the Individual Graduation Plan and made it a requirement for high school graduation. The graduation plan is a comprehensive college and career counseling program aimed at helping students connect their high school classes and activities with their post-high school goals. The plan, administered by school staff, begins in eighth grade and runs through 12th grade.

The Individual Graduation Plan is used to assess each student's academic interests, skills and hobbies and suggests possible careers. The program then creates a four-year high school plan that is in line with the student's college and career goals. It is reviewed regularly throughout high school to track progress and any shifts in aspirations. The program promotes the idea that early planning gives students the opportunity to fully prepare for college and careers.[14]

Washington's Navigation 101 Another state-supported program is Navigation 101, a middle and high school counseling program funded by the Washington Legislature. Select schools administer the program, which matches each student within the school to an advisor—a teacher, counselor, principal or social worker. Advisors work closely with students from grade six through grade 12 on college and career planning. Having an assigned advisor ensures that each student has at least one adult at the school who knows them and cares about their future. The advisors follow a curriculum that was developed using academic and counseling standards. It covers topics such as setting personal and academic goals, improving class grades, planning for college, exploring careers, joining extracurricular activities and managing money. Early data shows that students who participate in the program are more likely to take Advanced Placement courses, graduate from high school and enroll in college.

The programs highlighted in this section have the ultimate goal of providing students with more guidance on college and careers, whether by increasing the counselor staff at schools, delivering information sessions to families, chaperoning college visits, or implementing state-supported college preparation programs. Whatever the method used, the key is to increase support services to all students, particularly those who are low-income, minority or first-generation, to help them prepare for life after high school.

Conclusion

Inadequate college planning can be a barrier to higher education for many students. Research indicates that middle school is the best time to start planning for higher education because it allows time for students to complete necessary courses, participate in extracurricular activities, study for college entrance exams, apply for financial aid, and apply for college. If students are not aware early on of specific college and program requirements, they could be at a disadvantage.

Almost all parents expect their child to attain some level of education beyond high school. However, almost half those parents have not taken any preparation steps by the time their child is in middle school. The two main strategies described in this brief—disseminating information about college planning, and increasing college counselor services for middle and high school students—can help change that trend.

The various programs highlighted demonstrate different ways to increase college planning awareness. Policymakers can consider the demographics, the current programs, and the specific needs of the schools and students in their community to decide which strategy would be best. As the examples in this brief demonstrate, partnerships can be an effective way to create or expand a program and share the costs and planning efforts. Partnerships could be forged with local nonprofits, university systems, federal grant programs, and state departments of education, among others.

As policymakers consider increasing college planning awareness among underrepresented students, these are some points to keep in mind.

- It is important to begin the college planning process in middle school to allow enough time for sufficient preparation.

4168

- Information dissemination can be an inexpensive and effective way to communicate college planning information.
- The Internet and "new media" (i.e., text messages, social networks and web videos), which are popular with teenagers of all backgrounds, can be a low-cost way to reach out to students.
- By partnering with a national initiative such as KnowHow2Go, states can create college access campaigns tailored to their constituency.
- College Goal Sunday is an example of a workshop focused on increasing awareness of financial aid options, a subject with which many students and families are unfamiliar.
- Support services such as school counseling can provide students with valuable college information, advice and support.
- Low-income school districts typically have fewer school counselors; increasing the counseling staff at those schools could improve the college readiness of disadvantaged students.
- College visits can help students, especially those who are first-generation, to envision themselves at college, thus encouraging them to aspire to attend.
- Incorporating a college preparation plan into high school graduation requirements can be a strategy to increase college awareness.
- State legislatures can provide financial support for college and career planning programs in public middle and high schools; Washington's Navigation 101 program is one example.

Notes

1. Alisa F. Cunningham, Wendy Erisman, and Shannon M. Looney, *From Aspiration to Action* (Washington, D.C.: Institute for Higher Education Policy, 2008), 4-5.
2. Pathways to College Network, *A Shared Agenda: A Leadership Challenge to Improve College Access and Success* (Boston: Pathways to College Network, 2004), 14.
3. Jessica Krywosa, Achieving College Access Goals: The Relevance of New Media in Reaching First-Generation and Low-Income Teens (Boston: The Education Resources Institute, Inc., 2008), 2.
4. Andy Guess, "Increasing Access, the Online Way," *Inside Higher Ed* (Oct. 30, 2008); www.insidehighered.com/news/2008/10/30/cfnc.
5. Krywosa, *College Access Goals*, 3-4. TERI, a Boston nonprofit, conducted a survey of 640 middle school and high school students who participated in their school's GEAR UP or TRIO program.
6. KnowHow2Go is organized and funded by the American Council on Education, the Ad Council and Lumina Foundation for Education (knowhow2go.org).
7. Massachusetts College Goal Sunday, "5th Annual College Goal Sunday to Help College-Bound Students Complete Financial Aid Form," (College Goal Sunday News, January 2009, press release); www.masscollegegoalsunday.org/docs/MCGS_2009_FINAL.pdf
8. National Association of Student Financial Aid Administrators, "State Leaders Encourage Families to Attend College Goal Sunday" (Washington, D.C.: NASFAA, February 2008, news release); www.nasfaa.org/publications/2008/awcgs020508.html.
9. Jennifer Ramsey, IHEP Issue Brief: *Creating a High School Culture of College-Going: The Case of Washington State Achievers* (Washington, D.C.: Institute for Higher Education Policy, 2008), 12.
10. Ibid., 8.
11. Ibid., 8-9.
12. Mark Dynarski, et al., *Dropout Prevention: A Practice Guide* (Washington, D.C.: National Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education, 2008), 36.
13. George L. Wimberly and Richard J. Noeth, *College Readiness Begins in Middle School: ACT Policy Report* (Iowa City: ACT, 2005), 4; Cunningham et al., Aspiration to Action, 29-31.
14. Achieve Inc., *Aligning High School Graduation Requirements with the Real World: A Road Map for States* (Washington, D.C.: Achieve Inc., 2007), 19.

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org
© 2009 by the National Conference of State Legislatures. All rights reserved.

4169

The Path to a Degree

A Legislator's Guide to College Access and Success

Increasing College and Workforce Readiness

By Brenda Bautsch

November 2009

Policymakers and their constituents have been shocked to learn about the low college graduation rates of America's students. Nearly half of students who enter a four-year college do not earn a bachelor's degree within six years. Two-thirds of associate degree-seeking students do not earn a degree within three years. Why do so many students fail to complete a degree?

Poor academic preparation is one significant reason why students drop out before graduation. Each year, 1 million high school graduates fail college placement tests, and 35 percent of all public college students enroll in at least one remedial course. It is clear that K-12 education is not preparing many students for college-level work. The consequences are costly—students must pay to take courses for which they receive no credit, and states must pay to teach students material they should have learned in middle and high school. Further, students who take remedial classes are much more likely to drop out of college.

Often, the high school curriculum is not properly aligned with college requirements. Too many students do not gain the knowledge and skills necessary to succeed in postsecondary education. Those who are most affected by inadequate college preparation are low-income, minority and first-generation students who attend schools that do not offer rigorous courses, college preparatory diplomas, or college guidance counseling.

Because an increasing number of jobs require some level of postsecondary education, high school graduates should be prepared for higher education. In response, states have begun to enact policies to graduate high school students "college and career ready." These policies:

- Align high school curriculum standards and graduation requirements with college and career requirements to better prepare students;
- Require all schools to offer a college- and career-ready diploma—a rigorous diploma aimed at preparing students to succeed in any level of postsecondary education, whether technical certification, a two-year degree or a four-year degree;
- Use college-readiness tests and end-of-course exams to identify students who are in need of extra preparation before college;
- Include college- and career-ready indicators, such as the number of students taking AP classes or a college preparatory diploma, into school accountability systems. Including these indicators can reward high schools that are focusing on graduating college-ready students.

What Does it Mean to Be College Ready?

College readiness simply means students are prepared for entry-level, credit-bearing college courses immediately after high school.

The simple definition of college readiness is being prepared for entry-level, credit-bearing college courses immediately after high school. More detailed definitions of college readiness specify high school course standards, course-taking requirements and minimum test scores. According to Education Week's Diplomas Count 2009 survey, 20 states have adopted formal definitions of college readiness, and 11 more currently are developing a definition.

In 14 states, the college-readiness definition identifies content standards for courses; in 13 states, the definition identifies specific courses students should take to be college ready. Seven states identify behavioral skills, such as time management and critical thinking, that students should possess.

Twenty-eight states have adopted a formal workforce-readiness definition, indicating courses, skills, content knowledge or test scores necessary to be prepared for a career. Only five states reported in the Diplomas Count survey that their definitions for college and workforce readiness differ. Several states define college and workforce readiness as the same. (See Figure 1 for an example.)

Figure 1. Excerpt from the Colorado Postsecondary and Workforce Readiness Definition

Postsecondary education and workforce readiness assumes that students are ready and able to demonstrate the following without the need for remediation.

I. Content Knowledge

Literacy

- Read fiction and non-fiction, understanding conclusions reached and points of view expressed
- Write clearly and coherently for a variety of purposes and audiences
- Use logic and rhetoric to analyze and critique ideas
- Access and use primary and secondary sources to explain questions being researched
- Use standard language properly: correct grammar, usage and spelling

Science

- Think scientifically and apply the scientific method to complex systems and phenomena
- Recognize conclusions are subject to interpretation and can be challenged
- Understand the core scientific concepts, principles, laws, and vocabulary, and how scientific knowledge is extended, refined, and revised over time

II. Learning and Life Skills

Critical Thinking and Problem-Solving

- Apply logical reasoning and analytical skills
- Evaluate the credibility and merit of information, ideas, and arguments
- Discern bias, pose questions, marshal evidence, and present solutions

Work Ethic

- Set priorities and manage time
- Take initiative, and follow through
- Learn from instruction and criticism
- Take responsibility for actions and work
- Act with maturity, civility, and politeness

Source: Colorado Department of Education and Department of Higher Education, June 2009.

Not all policymakers, scholars and educators agree that a college-readiness definition is necessary. Some believe that not all students should go to college and that there should be a stronger emphasis on career and technical education. Others argue that, even though not all students should or will go to college, all should be prepared for some form of postsecondary education, which can include vocational training and certification.

College readiness can provide all students with the option of higher learning, with the understanding that not every student must attend college. Proponents of this perspective point to studies indicating that similar skills and knowledge are desired by colleges and employers. Employers—including those in labor fields such as construction—want high school graduates who can read and write at a college freshman level.

Moreover, according to the Bureau of Labor Statistics, 54 percent of all new jobs and 75 percent of the fastest-growing jobs require some form of postsecondary education, ranging from a vocational certificate to a professional degree. Preparing all students for the option of higher education ensures that they can pursue their desired career field.

Why Students Are not College Ready

One reason students are not college ready is because high school course standards and graduation requirements are not aligned with college entrance requirements. Students are not learning what they need to be successful in credit-bearing college courses, and high school classes are not challenging enough for some students. In addition, some students do not learn study skills or time management, both of which are necessary for college.

In many instances, students are not aware that they are unprepared until they take college placement tests. Strong American Schools, an education policy organization, found that, in a survey of students in developmental courses, 80 percent said they had a 3.0 or higher high school grade point average. Many students said their high school classes were easy and noted they would have worked harder if expectations were higher. The Strong American Schools report, *Diploma to Nowhere*, notes that these survey results demonstrate a "severe disconnect between the knowledge and skills that students learn in high school and the knowledge and skills they need to succeed in college."[1] Fixing the academic disconnect between high school and college is a key step in the movement to increase college readiness, and thereby increase college graduation rates.

4171

High school and college alignment is particularly important for closing college attainment gaps between whites and minorities and wealthy and poor students. A significant number of students who are not prepared for college are minority, low-income and first-generation students. Schools are not equally able to prepare students for higher education, and underrepresented students are more likely to attend a school where few resources are devoted to college preparation. Schools in low-income neighborhoods are less likely than schools in wealthier areas to offer a rigorous college-preparatory curriculum or to have enough school counselors to provide college and career guidance.

First-generation students who take a rigorous curriculum that includes advanced math are twice as likely as their peers to enroll in a four-year college.

Lack of counseling is most detrimental to first-generation students. They often lack the parental guidance to take college preparation steps. One study found that only 33 percent of first-generation students graduated academically prepared for college, compared to 78 percent of students whose parents have a bachelor's degree.[2]

Statewide action on aligning high school standards with college requirements can have a positive effect for underrepresented students. Many of these students excel when given the opportunity to take more difficult classes. Research finds that first-generation students who take a rigorous curriculum that includes advanced math are twice as likely as their peers to enroll in a four-year college.[3] Ensuring that all students have access to a college preparatory curriculum and counseling can improve college readiness and close postsecondary attainment gaps.

Preparation for College Can Begin in Middle School

Closing the academic gap between high school and college is crucial. However, it is also important that middle schools prepare students for rigorous high school curriculums. Otherwise, students will not be prepared for high school's challenging courses and diplomas. One study by the University of Illinois found that middle school math is linked to academic achievement in high school, particularly for African American students in urban schools. Those who took advanced math in middle school were more likely to take higher-level math in high school and, all around, perform better academically. The study found the opposite to be true as well. African American students who took lower-level math in middle school were behind their peers in high school and had poor academic achievement.[4]

Florida's school accountability system considers how many students take advanced courses in high school, specifically Advanced Placement (AP) courses. One district increased the number of AP courses offered, but recognized that students might not be prepared for the classes if they took less difficult courses in middle school. That district is now working with the College Board to create a special "pre-AP" program to prepare middle school students for advanced courses in high school. (Refer to the *Raising Awareness: College Planning Strategies* brief for more ways to encourage early preparation.)

The Consequences of Unprepared Students

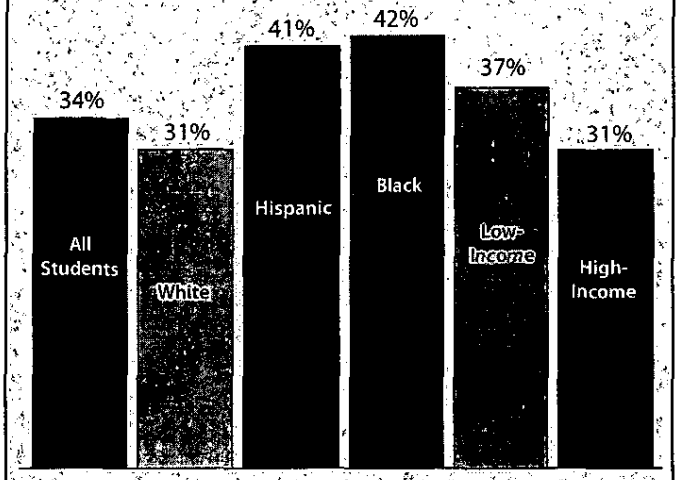
Focusing on college readiness in secondary school is important because students who fail college placement exams must enroll in remedial courses (also referred to as developmental courses). Data from the National Center for Education Statistics reveals that 34 percent of all undergraduates in public colleges in 2004 reported enrolling in at least one remedial course. At community colleges, the number was 43 percent; at four-year institutions, 29 percent of students needed remedial classes. Remediation rates fluctuate widely among institutions. At some community colleges, 60 percent to 80 percent of incoming freshmen need remediation. The fact that more than one third of students in all public institutions need to learn basic math and English skills that should have been acquired in high school is disheartening for policymakers, education leaders, students and families alike. The numbers do not even reveal the full extent of the problem because they do not include students in private schools or students who drop out. In 2004, 1.2 million students dropped out of college, many because they were not academically prepared.[5]

The fact that more than one third of students in all public institutions need to learn basic math and English skills that should have been acquired in high school is disheartening for policymakers, education leaders, students and families alike.

Underrepresented students are most in need of remediation because they are likely to be inadequately prepared. Thirty-seven percent of low-income students enroll in remedial

education, compared to 31 percent of the high-income students. Forty-two percent of African American and 41 percent of Hispanic college students were enrolled in remediation in 2004, compared to 31 percent of white students (Figure 2).[6]

Figure 2. Percentage of Students Who Need Remediation, by Race and Income



Source: Strong American Schools, *Diploma to Nowhere*, 2008.

These statistics come with a high cost. Strong American Schools estimates the costs of developmental education to states and students as $2.3 billion to $2.8 billion per year. Of that cost, students pay $706 million to $886 million per year in tuition, and schools pay $1.6 billion to $2.1 billion.[7] Not calculated in that figure is the loss of state revenue incurred when students drop out of college.

One study that followed a cohort of 1992 high school graduates found that, eight years later, 57 percent of students who had not taken a developmental class graduated with a bachelor's degree, while only 29 percent of students who took one or two developmental classes earned their degree. The need for remediation in reading is particularly hazardous for students—only 16 percent of those enrolled in developmental reading earned a bachelor's degree.[8]

Research indicates that students drop out during remediation. A study by the Community College Research Center found that 60 percent to 70 percent of community college students who required more than one remedial course did not complete the classes. Nearly half failed their first remedial course and did not return to finish college. However, research also indicates that students who complete remedial courses have nearly the same rate of success in credit-bearing courses as those who went directly into them.

To increase success rates in remedial courses, colleges are redesigning how the classes are delivered. In Tennessee, for example, six institutions are participating in redesign efforts guided by the Board of Regents and the National Center for Academic Transformation (NCAT). The NCAT project on redesigning introductory courses, described in *Engaging Students Academically and Socially: College Success Strategies*, is the basis for the Tennessee community college redesign of developmental courses.

State and institutional efforts to help students already in remedial classes advance to credit-bearing classes are important for increasing college completion, but states ultimately want to eliminate the need for remediation. The Alliance for Excellent Education estimates that reducing the need for remediation could generate an extra $3.7 billion annually from reduced spending for delivery of developmental education and increased tax revenue from students who graduate with a bachelor's degree.[9] Recognizing the urgency of the situation, states have taken a variety of actions to help high school students graduate ready for college.

State Standards, Graduation Requirements, Assessments and Accountability

Preparation of students for college and the workforce is the responsibility of both the K-12 and higher education systems. Postsecondary institutions need to define the skills and knowledge necessary to be successful in first-year, credit-bearing courses. K-12 systems need to consider those benchmarks and align curriculum standards and graduation requirements. Legislators can play an important role in this process by encouraging collaboration between K-12 and postsecondary institutions and by constructing policy on high school standards, graduation requirements, college readiness assessments and accountability systems. The following sections highlight legislative activity in these four areas.

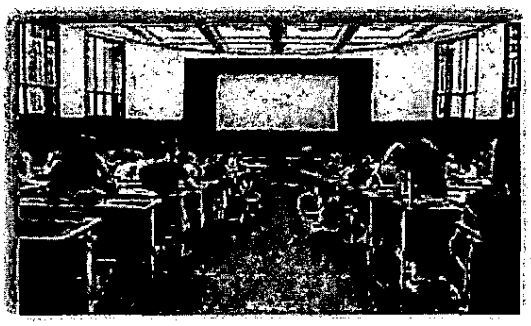
Standards

Aligning high school course standards with college and workplace requirements is an important step in ensuring that all students, particularly those who are underserved, receive an education that adequately prepares them for life after high school. According to the education organization Achieve, "Standards provide the underpinning for decisions on curriculum, instruction and assessment, and they communicate core knowledge and skills to teachers, parents and students."[10] Standards provide consistency in what students learn—naming a course "Algebra I" does not mean it covers

4173

all necessary aspects. Standards help clarify what should be included in a course curriculum.

American Diploma Project In 2004, Achieve's American Diploma Project (ADP) brought together business and higher education leaders to analyze the skills necessary to succeed in college and the workforce and to examine what current high school students are learning. The project reached two main conclusions: 1) both employers and colleges require the same basic knowledge and skill set; and 2) most students do not receive that knowledge and skill set in high school.[11] From the findings, the American Diploma Project created a list of recommended academic standards to fully prepare students for both the workplace and higher education. For example, project standards for English recommend four years that cover subjects such as writing, literature, oral and written communication, and logic and reasoning. The American Diploma Project also recommends four years of math, covering topics such as algebra, geometry, statistics, data analysis and problem solving.



Almost all states have considered reassessing their high school standards to better align with college and career requirements. The American Diploma Project reports that, as of 2009, ADP-recommended standards are in place in 23 states, and another 14 states plan to have college- and career-ready standards in place by 2010.[12]

Common Core State Standards Initiative Although some states have improved their standards, they have done so individually, with the result that each state has a different set of academic standards. This can be a problem for today's increasingly mobile students, who often cross state lines to attend college or find jobs. Students currently may be deemed proficient by one state's math standards, but may be considered less than proficient by another state's benchmarks. A new movement is under way to create a set of state-led, voluntary common standards in English and mathematics. The Common Core State Standards Initiative is led by the National Governors Association and the Council of Chief State School Officers. According to the initiative, "These standards will be research and evidence-based, internationally benchmarked, aligned with college and work expectations and include rigorous content and skills."

The two groups are developing the standards by building upon existing research on standards, such as that by the American Diploma Project. Content experts from Achieve, ACT and the College Board are writing the standards, which will undergo an extensive review and validation process. It is expected that 85 percent of the standards for English and math will be common, leaving 15 percent for states to develop at their discretion. Forty-eight states, the District of Columbia, Puerto Rico and the Virgin Islands have joined the Common Standards Initiative.

Texas In 2006, the Texas Legislature enacted the "Advancement of College Readiness in Curriculum" initiative, which required a realignment of high school standards to increase the number of Texas high school graduates ready for college. The legislation brought together the higher education and K-12 communities to investigate and determine what students must learn in K-12 in all subject areas to be ready for entry-level college courses. More than 800 postsecondary instructors participated in the alignment analysis. The resulting College and Career Readiness Standards, adopted in 2008, now are being integrated into the Texas public education curriculum. By working with both the higher education and K-12 communities, the Texas Legislature fostered a cohesive discussion on what is required of postsecondary institutions and how high schools can adjust to meet those prerequisites. Figure 2 on page 6 provides examples of the Texas standards on writing, numeric reasoning and algebraic reasoning.

Graduation Requirements

With standards for course content in place that meet the expectations of the higher education and business communities, states can consider which courses should be required for graduation. One discussion concerns the appropriate math requirements. Some groups recommend requiring four years of math, including Algebra II, for graduation, while others assert that three years are sufficient.

Many argue that the more math students take, the more prepared they will be for higher education. The *Diploma to Nowhere* report found that students who take four years of math are much less likely to need remediation than those who take only three years. In addition to the number of courses, the level of math attained also is important. Students who take a Calculus class, for example, are half as likely to need remediation than students who complete only Algebra II.[13] This is especially true for underrepresented stu-

4174

Figure 2: Excerpt from the Texas College and Career Readiness Standards

English Standards

I. Writing

A. Compose a variety of texts that demonstrate clear focus, the logical development of ideas in well-organized paragraphs, and the use of appropriate language that advances the author's purpose.

1. Determine effective approaches, forms, and rhetorical techniques that demonstrate understanding of the writer's purpose and audience.
2. Generate ideas and gather information relevant to the topic and purpose, keeping careful records of outside sources.
3. Evaluate relevance, quality, sufficiency, and depth of preliminary ideas and information, organize material generated, and formulate a thesis.
4. Recognize the importance of revision as the key to effective writing. Each draft should refine key ideas and organize them more logically and fluidly, use language more precisely and effectively, and draw the reader to the author's purpose.
5. Edit writing for proper voice, tense, and syntax, assuring that it conforms to standard English, when appropriate.

Mathematics Standards

I. Numeric Reasoning

A. Number representation

1. Compare real numbers.
2. Define and give examples of complex numbers.

B. Number operations

1. Perform computations with real and complex numbers.

C. Number sense and number concepts

1. Use estimation to check for errors and reasonableness of solutions.

II. Algebraic Reasoning

A. Expressions and equations

1. Explain and differentiate between expressions and equations using words such as "solve," "evaluate," and "simplify."

B. Manipulating expressions

1. Recognize and use algebraic (field) properties, concepts, procedures, and algorithms to combine, transform, and evaluate expressions (e.g., polynomials, radicals, rational expressions).

C. Solving equations, inequalities, and systems of equations

1. Recognize and use algebraic (field) properties, concepts, procedures, and algorithms to solve equations, inequalities, and systems of linear equations.
2. Explain the difference between the solution set of an equation and the solution set of an inequality.

D. Representations

1. Interpret multiple representations of equations and relationships.
2. Translate among multiple representations of equations and relationships.

Source: Texas Higher Education Coordinating Board and Texas Education Agency, 2008.

dents. Studies have shown that low-income, minority and first-generation students who take advanced math are much more likely to attend college and graduate. The degree attainment gap between whites and minorities drops by half when minorities take math through at least Algebra II.[14]

Others argue that advanced math is not necessary for high school graduation and that not all students are capable of passing higher level math classes. Students who are required to take advanced math and cannot pass the course may be more likely to drop out of school. Districts also may struggle to find qualified math teachers, so requiring four years for all students could be a burden on schools.[15]

States that require four years of math for graduation do so as part of a college- and career-ready diploma. In this curriculum, students take not only advanced math, but also rigorous science, English, and social studies classes. The curriculum is designed to prepare students for success in credit-bearing college courses and postsecondary training programs.

Twenty states and the District of Columbia currently offer a college- and career-ready diploma that schools require all students to take. Of those states, 14 allow students with parental approval to opt out of the advanced math course or the diploma as a whole, in which case they enroll in a less rigorous diploma track. In Delaware, the District of Columbia, Georgia, Kentucky, Minnesota, New York and Tennessee there is no alternative to the college- and career-ready diploma.[16]

National Advanced Placement Program

The Advanced Placement program consists of classes that give students the opportunity to learn college-level material while in high school. Many colleges award credit for AP classes, providing students the option to graduate early and potentially save money. Students who pass an AP course in high school are more likely to enroll in college, perform academically well and persist to graduation. AP classes give students the chance to experience college-level rigor and position them for college success.

Historically, minorities and low-income students have been underrepresented in AP courses. The College Board's 2009 *AP Report to the Nation* indicates that 18 states have closed the equity gap for Hispanic or Latino students, so that the percentage of Latinos passing an AP class is equal to or higher than their percentage of the student population. Statewide efforts to increase participation in AP classes occurred in California, Florida and Texas, which have large Latino populations. In Texas, for example, Hispanic or Latino students comprise 37.6 percent of the student population and 32 percent of students passing an AP course. Nationally, Hispanics comprised 15.4 percent of the 2008 public high school graduation class and 14.8 percent of students taking an AP course. Comparatively, whites represented 62.8 percent of the 2008 graduation class and 61 percent of AP students.

Although Hispanic students are taking AP classes at the same rate as white students, a large gap in enrollment still persists for African American students. They made up 14.4 percent of the 2008 graduation class but only 7.8 of the AP student population and only 3.5 percent passed the AP course. The *AP Report to the Nation* suggests that, for African Americans, classes taken during their middle and early high school years are not preparing them for Advanced Placement courses.

Some states reward schools for the number of students that take AP classes. In its school evaluation process, Florida considers how many students take at least one AP course. Including AP enrollment as an indicator of high school performance encourages schools to promote AP classes for all students. It is important, however, to ensure that all schools have the resources to offer AP classes at a similar level. A study of California public high schools indicated that schools with high numbers of low-income students offered fewer AP courses than schools with a wealthier populace. When enacting policies to encourage AP enrollment, states can verify that all schools are equitably offering AP classes.[18]

Many states supplement rigorous high school curriculum with college-level courses through programs such as the International Baccalaureate, Advanced Placement or dual enrollment. Exposing students to the challenges of college courses while they are in high school can increase their preparedness and ease the transition to college. Such programs also can help students build their confidence to succeed in college. In fact, studies suggest that taking college-level courses in high school can improve results for many struggling students and returning dropouts. State polices that support such programs can help to increase the college readiness and success of students.[17] (See box on the National Advanced Placement Program.)

Assessing College and Career Readiness

Many states are developing assessments to measure college readiness. Postsecondary institutions in these states use the assessment results to place freshmen into first-year courses.

ACT Five states use the ACT college admission and placement test to evaluate if a student is college and career ready. Colorado, Illinois, Kentucky, Michigan and Tennessee require all students to take the ACT during their junior year of high school, and the states cover the costs of the test. Illinois and Michigan supplement the ACT with WorkKeys, a test to measure workforce skills, and with state-developed tests. The ACT is administered during junior year of high school to allow students who score poorly an opportunity to take the needed classes their senior year, catch up academically, and decrease the chance that they will need remediation in college. Colleges use the ACT scores to place students who do well on the test into first-year courses.

In addition to assessing college readiness, the ACT can be used to encourage students to apply for college—students who score at a college-ready level may be more likely to apply to college. This is particularly the case for underrepresented students who may not sign up for the ACT. Colorado and Illinois—which have had the ACT as a requirement since 2001—have shown increased college enrollment and retention. An average of 15 percent of students who said at the time of test-taking that they did not plan to enroll in college later did so.[19]

4176

California The California Department of Education and the State Board of Education collaborated with the California State University (CSU) system to develop the Early Assessment Program in 2004. The goal of the program is to decrease the large number of students who need remediation in English and math at CSU campuses. To meet that goal, test questions were added to the required 11th grade state math and English tests. Answering the extra questions is optional, but students who take the test and meet CSU expectations need not take placement tests when they enroll at a CSU campus. Students who score poorly can take courses in 12th grade to prepare for college-level work.[20] A 2009 study of Sacramento State found that, in the five years since the program's implementation, remediation rates dropped by 6 percent for English and 4 percent for math.

A 2009 study of Sacramento State found that, in the five years since implementation of California's Early Assessment Program, remediation rates dropped by 6 percent for English and 4 percent for math.

Florida In 2008, the Florida Legislature required that high schools use the 10th grade Florida Comprehensive Assessment Test (FCAT) to evaluate college readiness. Students who score poorly on the FCAT are given the option to take college placement tests during their junior year. Students who pass the placement tests are guaranteed admission to a Florida community college with no requirement for remediation. Students who do not pass are offered a postsecondary readiness curriculum in their senior year to gain the needed competencies before they graduate.

The legislation specifies that high schools and postsecondary institutions should collaborate on developing the 12th grade readiness curriculum. High schools will base the readiness curriculum on community college remedial courses. As in California, Florida's goal for the early assessment is to decrease the need for remediation in college. In Florida, 55 percent of students who enter a public postsecondary institution need at least one remedial class in math, reading or writing.

End-of-Course Exams Another strategy states use to evaluate college readiness is to administer end-of-course exams in key subjects. These exams measure student proficiency in core subject matter and help to identify those who need extra support. The exams also reflect how rigorous the curriculum is and indicate if adjustments are needed to course standards. Sixteen states use end-of-course exams as a part of their statewide assessment system.[21]

Achieve's American Diploma Project is leading an effort with 15 states to develop and implement common end-of-course exams in core subjects. In 2009, 13 states participated for the second year in a pilot program to use a standardized Algebra II end-of-course exam. Eighty percent of students who took the exam scored below the standard that indicated readiness for entry-level college math. Although test results are poor, the movement has fostered discussion between states, high schools and postsecondary institutions about college readiness. Many view the multi-state collaboration to develop an exam as encouraging, including the U.S. Department of Education, which provides competitive funding for states that pool resources and develop effective shared assessments.

Accountability for College and Career Readiness

Many states are moving toward rigorous standards and college- and career-ready diplomas and assessments, but few factor those measures into school accountability systems. Accountability systems currently measure student proficiency on eighth and ninth grade content. Policymakers who want to stress the importance of graduating more high school students who are ready for success in higher education and the workplace can consider including college- and career-ready indicators in accountability systems.

The cohort graduation rate, which calculates how many students from a ninth grade class graduate on time, is being implemented by all states as a result of 2008 federal regulations. States can use the cohort graduation rate as an accountability indicator to promote a focus on graduating every student—especially underrepresented students who are at-risk of dropping out of high school. In conjunction with the focus on graduating all students, indicators can encourage the preparation of college-ready graduates by measuring the number who earn a college- and career-ready diploma, how many earn college or industry credits in high school, and how many pass college-ready assessments.

Eighteen states already monitor and publicly report college remediation rates, but only two states factor that rate into their accountability system. Using remediation rates as an accountability indicator can be another way for states to en-

4177

courage schools to focus on college preparation. Further, by incorporating college- and career-ready indicators into the accountability system, states can accurately see how their schools perform in those areas. States then can target incentives and resources to schools that are struggling to meet state standards and goals.[22]

Louisiana In Louisiana's accountability system, 30 percent of the high school performance score is based on a point system that measures how well schools are graduating students and preparing them for college and the workforce. Schools receive zero points for dropouts, 30 points for students who attend, and 120 points for students who graduate. Schools receive more points for students who earn college or industry credit while in high school and the most points—180—for students who graduate college-ready. In this system, schools receive more points for retaining students, even if they score low on statewide assessments. Schools are encouraged by this system to provide a rigorous curriculum and other opportunities such as dual enrollment and AP classes.[23]

Texas The 2009 Texas Legislature enacted a bill to revamp its school accountability system by including college readiness as an indicator of school performance. The legislation establishes two standards—a passing standard and a higher college readiness standard—for end-of-course exams in English III and Algebra II. To earn accreditation, school districts must have a certain number of students who meet the passing and college readiness standards. Students who meet the college readiness standard on the exams are guaranteed enrollment in credit-bearing courses in that subject at Texas postsecondary institutions. By holding schools accountable for their students' college readiness, Texas reinforces the importance of college access and success as a state goal.

Conclusion

Ensuring educational opportunities for all students is an increasing priority. Many students discover too late that they are not academically prepared to succeed in college. Others find that their high school diplomas do not equip them to succeed in a career after high school.

The high number of students who need remedial education indicates that academic preparation is inadequate in many high schools. Studies show that the knowledge and skills students acquire in high school do not match those required by the workforce and higher education.

To better prepare students for success after high school, states are realigning high school standards, adjusting graduation requirements, offering college-ready assessments, and refocusing accountability systems to measure college- and career- readiness. As legislators enact policy changes in these areas, some key points to consider include the following.

- More than one third of students in public institutions require at least one remedial education course.
- First-generation, low-income and minority students are more likely to need remediation in college.
- Studies indicate that higher education and the workforce require that high school graduates have the same knowledge and skill set.
- To graduate college- and career-ready students, high school standards must be aligned with college requirements.
- Legislators can facilitate discussion between higher education and K-12 leaders on aligning standards.
- Studies indicate that students, especially those who are underrepresented, who take a rigorous curriculum in high school and earn a college- and career-ready diploma are better prepared for college success.
- Administering assessments that measure the college readiness during the junior year of high school allows students to use their senior year to improve deficient skills so they can avoid remediation and be successful in college.
- Shifting state accountability systems to focus on college- and career-ready indicators (e.g., college credit earned in high school, remediation rates, and college- and career-ready diplomas) can encourage schools to focus on preparing graduates to be ready for the workforce and higher education.

4178

Notes

1. Strong American Schools, *Diploma to Nowhere* (Washington D.C.: Strong American Schools, 2008), 8.

2. Jennifer Engle, Adolfo Bermeo, and Colleen O'Brien, *Straight from the Source: What Works for First-Generation Students* (Washington, D.C.: The Pell Institute, 2006), 15, 27.

3. Ibid.

4. University of Illinois at Urbana-Champaign, "Middle-school Math Classes Are Key To Closing Racial Academic Achievement Gap," *ScienceDaily* 22 (April 2009); www.sciencedaily.com/releases/2009/04/090420121423.htm.

5. Strong American Schools, *Diploma to Nowhere*, 9.

6. Ibid., 12. "Low-income students" refers to the bottom socioeconomic quartile. "High-income students" refers to the top quartile.

7. Ibid., 13.

8. Ibid.

9. Alliance for Excellent Education, *Paying Double: Inadequate High Schools and Community College Remediation* (Washington, D.C.: Alliance for Excellent Education, 2006), 3-6.

10. Achieve Inc., *Closing the Expectations Gap: 2009* (Washington, D.C.: Achieve Inc., 2009), 8.

11. Achieve Inc., *Aligning High School Graduation Requirements with the Real World: A Road Map for States* (Washington, D.C.: Achieve Inc., 2007), 6; Achieve, *Closing the Expectations Gap*, 8.

12. Achieve, *Closing the Expectations Gap*, 8.

13. Strong American Schools, *Diploma to Nowhere*, 7.

14. George L. Wimberly and Richard J. Noeth, *College Readiness Begins in Middle School: ACT Policy Report* (Iowa City: ACT Inc., 2005), 4; Alisa F. Cunningham, Wendy Erisman, and Shannon M. Looney, *From Aspiration to Action* (Washington, D.C.: Institute for Higher Education Policy, 2008), 30.

15. Achieve, *Aligning High School Graduation Requirements*, 2.

16. Achieve, *Closing the Expectations Gap*, 13.

17. Adria Steinberg and Cheryl A. Almeida, *Raising Graduation Rates in an Era of High Standards: Five Commitments for State Action* (Boston: Jobs for the Future, 2008), 8.

18. College Board, *AP Report to the Nation 2009* (Washington, D.C.: College Board, 2009), 3, 7-9; Maria Estela Zarate and Harry P. Pachon, *Equity in Offering Advanced Placement Courses in California High Schools 1997- 2003* (Los Angeles: The Tomás Rivera Policy Institute, 2006), 2, 12; www.trpi.org/PDFs/ap_2006.pdf.

19. ACT Inc., *Statewide Administration of the ACT: A Key Component in Improving Student Access to College and Work* (Iowa City: ACT Inc., 2009), 8-9; www.act.org/research/policymakers/pdf/coil_benefits.pdf.

20. Achieve Inc., *California State University: Promoting System-Wide Alignment with K-12* (Washington, D.C.: Achieve Inc., 2008).

21. Steinberg and Almeida, *Raising Graduation Rates*, 6.

22. Achieve, *Closing the Expectations Gap*, 20-23; Steinberg and Almeida, *Raising Graduation Rates*, 16-19.

23. Steinberg and Almeida, *Raising Graduation Rates*, 17.

National Conference of State Legislatures
William T. Pound, Executive Director

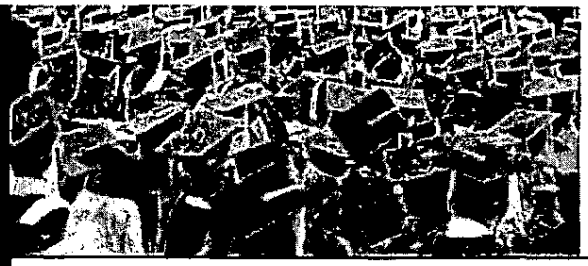
7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4179



Improving College Affordability for Underrepresented Students: Financial Aid Strategies

By Brenda Bautsch

November 2009

Access to higher education is not equal. Only 55 percent of the poorest high school graduates enroll in college the next fall, compared to 78 percent of the wealthiest students. Seventy percent of white high school graduates immediately enroll in college, compared to 56 percent of blacks and 61 percent of Hispanics.[1] Many low-income, minority and first-generation students do not enroll in college because they cannot afford the cost, and many are unaware of available financial aid. According to the Advisory Committee on Student Financial Assistance, during this decade financial barriers will prevent approximately 4.4 million low- to moderate-income high school graduates from attending a four-year college, and 2 million from attending college at all.[2]

Although low-income students are less likely to attend college than wealthier students in good economic times and bad, economic downturns hit low-income students disproportionately hard. The same economic problems facing state budgets also affect family incomes, but low-income students have fewer savings, loans and work options than their higher-income counterparts to help them endure the tough times. Further, policies and programs for these students often are an easy target for cuts. Payoffs for state investment in these programs can be significant, however. Low-income minorities are the fastest growing student population and traditionally are the least successful in the education system. Improving college affordability and access for low-income, minority and first-generation students—underrepresented students—not only improves their individual lives, but also improves state economies, increases per-capita income and fills workforce needs.

What Does Affordability Mean?

When addressing the issue of college affordability for underrepresented students, it is important for states to consider it as more than the tuition price tag. Rather, affordability can be considered the total price of an education—calculated by adding tuition, room and board expenses and subtracting financial aid—and, most important, how that cost affects particular families. Using the "family ability to pay" measurement, the poorest families spend 55 percent of their median family income on the total cost to attend a four-year public college, while the wealthiest families spend only 9 percent.[3] From this perspective, it is crucial to discuss tuition, room and board, and financial aid when examining affordability since all are factors in the amount families pay for college. State appropriations to higher education also are fundamental components of affordability because legislative funding directly affects tuition and financial aid.

Tuition, financial aid and state appropriations often are described as the three legs of the higher education finance stool. When one leg is changed, the other two also must be considered to keep the stool level and stable. These policies typically are not determined together, however, because the decision-making occurs in different places. For example, a higher education governing board may set tuition levels, while one committee in the legislature sets appropriations and another determines financial aid. This can lead to disjointed policymaking, with unintended consequences for students and institutions. Taking steps to ensure that tuition, appropriations, and financial aid policy are considered in a cohesive manner is important for an effective higher education finance system.[4]

Tuition Policy

Tuition is the most obvious indicator of affordability, and an issue that policymakers hear about often from constituents. Students and their families want to know why tuition costs are rising so fast and by so much. They want to know who decides tuition amounts and what is driving the higher prices.

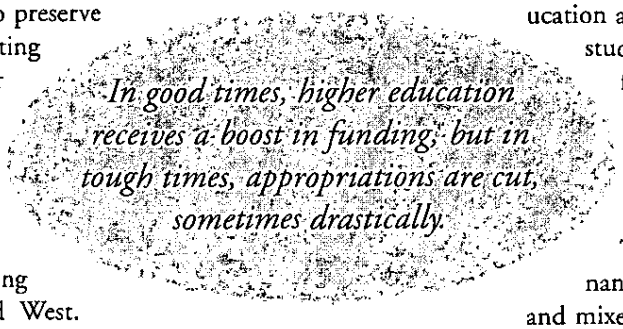
The responsibility for setting tuition varies widely among states. More than half have a decentralized policy where institutions or governing boards set tuition. The other half give tuition-setting authority to the legislature, the governor or statewide agencies. The philosophy that drives how tuition is set also varies among states. Most have a tuition-setting philosophy, whether official or informal, that takes into account both tuition and financial aid levels.

There are three categories of tuition-setting philosophy. The first, "high tuition, high aid," is largely represented in the Northeast and Midwest. States such as Ohio and Pennsylvania that employ this practice have higher than average tuition rates at their public institutions, but they provide high levels of financial aid to preserve access for all students. By allocating state funds to student aid rather than using them to subsidize the cost of college, these states say they are more directly increasing access for students. A second tuition-setting philosophy is "low tuition, low aid," which has strong representation in the South and West. States such as Arizona and Tennessee historically have kept tuition low at their postsecondary institutions, which they argue encourages more students to attend who otherwise might have turned away because of high sticker prices. States with that philosophy have fewer resources dedicated to financial aid. The third philosophy is "moderate tuition, moderate aid." Iowa and Oregon take this approach; they use national averages to set both tuition and financial aid levels. They argue that this model encourages more equal state and student contributions and preserves both quality and access.

Although tuition philosophies differ among states, the rise of tuition costs has been a national trend. Institutional spending—on items such as capital construction, faculty increases and technological upgrades—can affect tuition prices. The Delta Cost Project found that from 1998 to 2005, spending by public research institutions rose 3 percent.[5] During the same time, tuition and fees at public four-year institutions increased on average by 4 percent each year, accounting for inflation.[6] This suggests that spending increases account for only part of tuition increases.

State Higher Education Appropriations

Other data from the Delta Cost Project reveals a direct correlation between tuition prices and state appropriations—as appropriations decline, tuition increases. During the last decade there has been a significant decline in state appropriations to higher education. With decreased state funds, institutions have shifted the financial burden to students and their parents through higher tuition. At public four-year institutions in 1998, students paid for 35 percent of the cost of their education, and state appropriations subsidized the remaining 65 percent. By 2005, those figures had shifted so that students covered 47 percent of the cost and states 53 percent. Although these numbers show the long-term trend, appropriations vary more in the short-term depending on the fiscal climate. In good times, higher education receives a boost in funding, but in tough times, appropriations are cut, sometimes drastically. The unstable nature of higher education appropriations can negatively affect student access and success. However, financial aid can be a tool for states to maintain affordability.



Financial Aid

The three main approaches to financial aid are need-based, merit-based and mixed aid programs. Need-based aid is awarded to students based on a formula that considers family income, while merit-based aid is awarded to students who meet a predefined merit requirement such as grade point average. Recently, states also have implemented mixed aid programs that combine both need and merit requirements. These three approaches target different students. Effective policymakers will determine which financial aid strategy is best for their state by evaluating state needs and goals.

Need-Based Aid Traditionally, the federal government has been the main source of financial aid for low-income students. The Higher Education Act of 1965 created the Basic Educational Opportunity Grant Program, now called the Federal Pell Grant Program, to increase college access by providing low-income undergraduate students with need-based grants. Grant amounts depend on expected family contribution, cost of college attendance, and part-time or full time status.

Funding for the Federal Pell Grant Program has increased over the years but has not kept pace with increased tuition costs. The American Recovery and Reinvestment Act of 2009 supplemented the Federal Pell Grant Program with $17 billion in funding to close the previous funding shortfall and to increase the maximum award from $4,850 to

$5,350. According to the U.S. Department of Education, this additional funding will serve approximately 7 million low- and moderate-income students.

Another federal need-based aid program is the Federal Work-Study program. It provides postsecondary institutions with funding to employ low- and moderate-income students in part-time positions. A wide-range of jobs are available to eligible students, including community service positions and jobs related to the student's field of study. Research has linked the work-study program with increased student success. Most students are employed during college, but research shows that those who are employed in part-time work-study jobs have a better chance of graduating than students who hold full-time off-campus jobs.[7]

State need-based aid programs began evolving after creation of the Federal Pell Grant and Work-Study programs. The federal Leveraging Educational Assistance Partnership (LEAP) program created the largest incentive for states to develop need-based aid programs. LEAP provides matching grants to states that have financial aid programs targeted to low-income students. Many states created need-based programs to be eligible for federal LEAP funding.

States with a policy of high tuition and high aid, such as Ohio and Pennsylvania, developed larger need-based financial aid programs than other states. New York also developed a robust need-based aid program, the Tuition Assistance Program, which currently is the nation's largest. Considering the amount of need-based aid available per full-time equivalent undergraduate student, New York is at the top with $1,049; the national average is $440.[8]

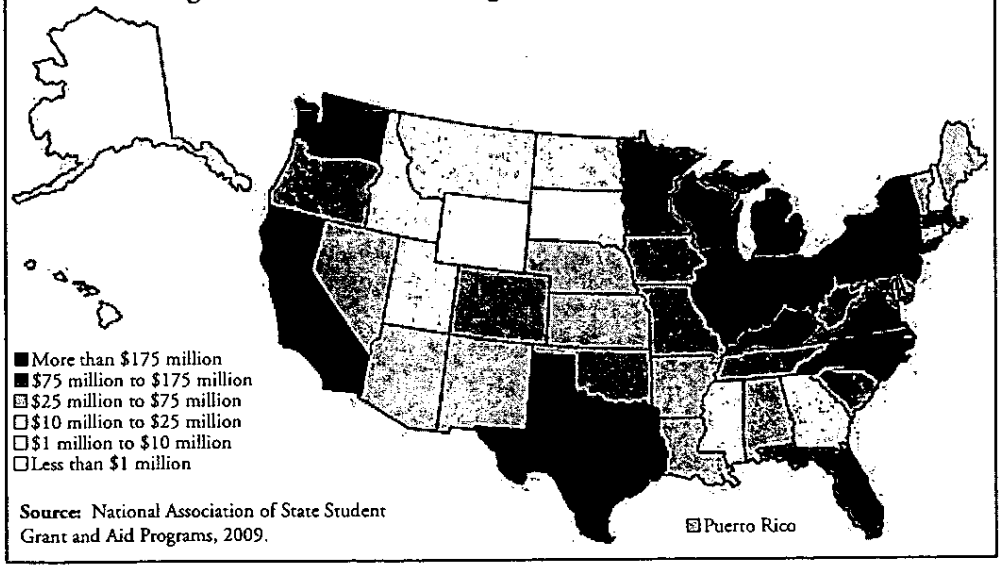
Depending on their level of need, students in New York can receive grants of up to $5,000. The program supplements Pell grants for low-income students and provides aid to middle-income students who are not eligible for Pell grants. In fiscal year 2006, New York awarded $862 million in Tuition Assistance Program grants to 323,290 students, about 15 percent of the total amount all states spent on need-based aid that year.[9] California, Illinois, Indiana, New Jersey, New York, North Carolina, Pennsylvania, Texas and Washington together account for almost 70 percent of all state need-based grant aid.[10] Figure 1 depicts need-based financial aid levels.

Merit-Based Aid Beginning with the Georgia Helping Outstanding Pupils Educationally (HOPE) scholarship program in 1993, merit-based financial aid programs emerged as a popular policy option. Financed by the Georgia lottery, HOPE scholarships reward academic achievement by covering tuition, fees and books at in-state public colleges or universities. Students must graduate from a state high school with a B average or higher to qualify, and they must maintain that average throughout college to renew the grant. The HOPE scholarship program has awarded more than $4.9 billion to more than 1.2 million students since its inception, and it continues to be the largest program of its kind.[11]

Georgia's goal for the HOPE scholarship was to increase enrollment at Georgia colleges and universities, particularly of the state's top students. Research indicates the program has met that goal. Overall, the HOPE scholarship program tends to benefit middle- and upper-income students and to influence where, not whether, these students attend college. When the program first began, only 23 percent of HOPE-eligible high school graduates enrolled in Georgia institutions. By 1999, that percentage had risen to 70 percent.[12] The HOPE scholarship seems to have had little effect on access—getting someone to go to college who was not planning to attend—but that was not the primary aim of the program.

States such as Arkansas, Florida, Kentucky, Louisiana, Mississippi, Nevada, New Mexico, South Carolina, South Dakota, Tennessee and West Virginia have replicated the HOPE program during the past decade by implementing

Figure 1. Need-Based Undergraduate Grant Aid, 2007-2008

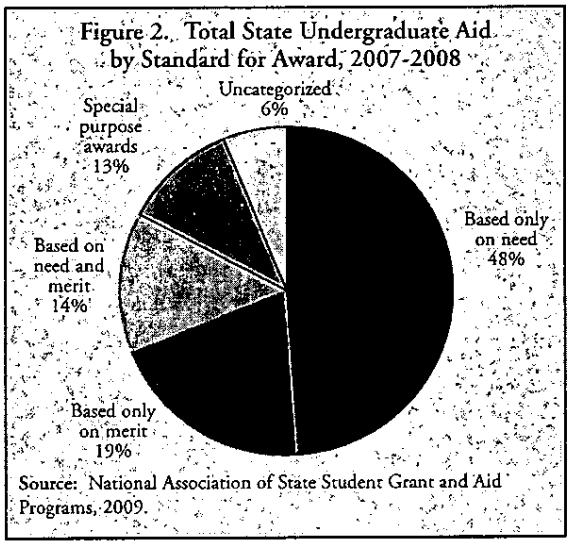


Source: National Association of State Student Grant and Aid Programs, 2009.

4182

merit-based aid programs. As a result, merit-based aid has grown proportionately faster than need-based aid, although need-based aid still receives more appropriations overall. In 1997-1998, states spent $2.79 billion on need-based aid and $603 million on non-need-based aid. During the next 10 years need-based aid grew by 110 percent, while non-need-based aid increased by 267 percent. In 2007-2008, states spent $5.8 billion on need-based aid and $2.2 billion on non-need-based aid.[13] As shown in Figure 2, almost half of total state grant aid spent in 2007-2008 was based only on need, 19 percent was based only on merit, and 14 percent was based on a combination of need and merit.

Figure 2. Total State Undergraduate Aid by Standard for Award, 2007-2008



Source: National Association of State Student Grant and Aid Programs, 2009.

As the HOPE scholarship example demonstrates, merit programs are useful in meeting state goals such as keeping the highest achieving students in state. In addition, many low-income and minority students meet the merit requirements and receive the HOPE scholarship. However, because research indicates that merit-based aid tends to disproportionately benefit upper-income students, it may not be the best policy option for increasing the enrollment of low-income students. Rather, need-based aid may be a more effective approach to improve college access for underrepresented students.[14]

Mixed Aid Many states are finding mixed financial aid programs to be effective and appealing because they can serve multiple state goals. Mixed financial aid programs reward merit but also recognize need. One example is the Cal Grant program. Students who meet both the income and high school grade point average requirements are guaranteed a Cal Grant that ranges from stipends for books to full tuition at a state college.

Indiana and Oklahoma also have incorporated merit and need requirements into their comprehensive early commitment programs (also referred to as promise scholarships). The programs require an early commitment from low-income students to take a rigorous high school curriculum and stay out of trouble. In exchange for the student's pledge, the state promises to provide four years of tuition and fees at an in-state college or university.

The theory behind early commitment programs is that, if students are guaranteed a free college education and made aware of the possibilities higher education offers, they will be more dedicated to working hard in class, staying out of trouble and graduating from high school. Some low-income students see a college education as unattainable because of its high costs and essentially give up in middle or high school. Early commitment programs aim to catch those students before they drop out and steer them toward college.

Indiana's Twenty-First Century Scholars Program

Indiana's Twenty-First Century Scholars program was created to increase college enrollment among low- to moderate-income families in order to improve individual economic circumstances and create a stronger Indiana economy. To be eligible for the program, students must live in a household at about 185 percent of the federal poverty level. (In 2008-2009 this translated into a maximum annual income for a family of four of $39,220.)

Eligible students sign up for the Twenty-First Century Scholars program during middle school and commit to taking Indiana's Core 40 curriculum, comprised of rigorous college preparatory classes. The students also agree to stay out of legal trouble and maintain at least a 2.0 GPA. Students who meet both the need and merit requirements are guaranteed four-year tuition at an in-state public school, or the equivalent amount toward an in-state private school.

To help students fulfill their commitment, the Twenty-First Century Scholars program provides ongoing support from sign up through high school graduation. The program offers tutoring and counseling and organizes college visits and planning activities for students and their parents.

Oklahoma's Promise Program

Oklahoma devised a similar plan to increase college degree attainment rates and bolster its economy. The Oklahoma

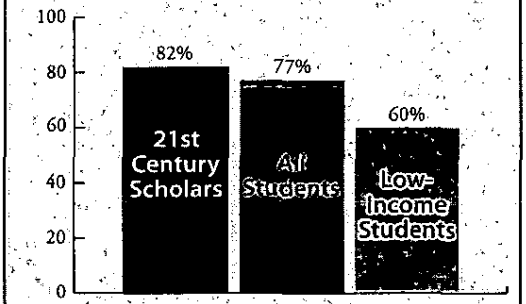
4183

Promise program began as the Oklahoma Higher Learning Access Program (OHLAP) in 1992. The program requires students to sign up before their sophomore year in high school and make a commitment to maintain a 2.5 GPA, complete rigorous college preparatory classes, and meet behavioral standards. In return for the student's commitment, Oklahoma promises to pay the student's tuition at an in-state public two-year or four-year school, or part of the tuition at an in-state private school.

In 2009, students' annual family income had to be below $50,000 when they applied for the scholarship in middle or high school. The family also must earn less than $100,000 when the student begins college. The Legislature is considering basing the formula for income eligibility on adjusted gross income minus personal and dependent exemptions.

Effectiveness of Indiana and Oklahoma Programs The Institute for Higher Education Policy conducted a rigorous evaluation of Indiana's Twenty-First Century Scholars program and found that it has improved high school graduation rates for low-income students. Scholars have higher graduation rates than Indiana students overall—82 percent of scholars in the class of 2006 graduated, compared to 77 percent of all Indiana students. Scholars also are more likely to graduate than their low-income peers who did not participate in the program—only 60 percent of low-income students graduated from high school in 2006 (see Figure 3).[15] The report also indicates that Scholars are more likely to enroll in college than their peers.

Figure 3. Percentage of Indiana High School Seniors Graduating from High School, 2006



Source: Institute for Higher Education Policy, 2008.

The report reveals that college graduation rates are not improving, however. The class of 1999 was tracked through college, and the report found that 50 percent of scholars received a bachelor's degree—the same rate as other low-income students in Indiana.[16] These results highlight the need for college retention and success programs, especially those geared toward low-income students. Programs such as Indiana's Twenty-First Century Scholars can improve access, but college programs such as tutoring, learning communities and mentoring also are needed to ensure success. (See the brief *Engaging Students Academically and Socially: College Success Strategies.)*

Students participating in the Oklahoma Promise program also have demonstrated improvement. The students have better high school GPAs and standardized test scores than their non-Promise peers, and they enroll in college at higher rates. Eighty-one percent of the 2007 Promise high school graduates enrolled in college the following fall, compared with 57 percent of all Oklahoma high school graduates.

In addition to increasing college access, the Oklahoma Promise program has improved student preparation. In 2007, 89 percent of Promise freshmen college students had at least a 2.0 GPA, compared to 70 percent of all Oklahoma freshmen. Promise students also have lower dropout rates during their first year of college compared to non-Promise students.[17]

As in Indiana, however, college degree completion rates are still low for Promise students. The six-year degree completion rate is 51 percent for Promise students and 43 percent for all Oklahoma students.[18] Although the figure for Promise program participants is higher, it still is low and lags behind national averages.

Alternative Financial Aid Options

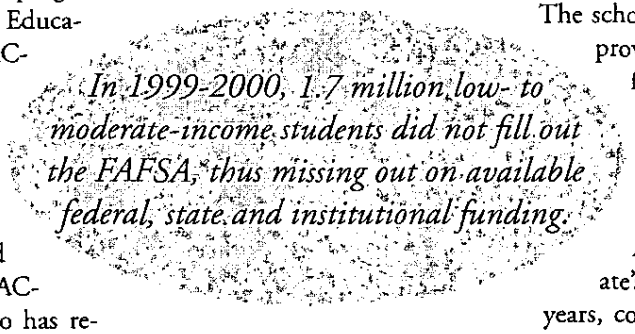
Statewide promise scholarships like those in Indiana and Oklahoma require significant coordination and outreach. Although the programs can influence many students, it also can mean state costs are higher. In 2007-2008, Oklahoma spent $43 million on the Promise program, awarding 16,920 scholarships.[19] Indiana appropriated $25.4 million to the Twenty-First Century Scholars program in 2006–2007, which provided 8,949 scholarships.[20]

To supplement state funding for financial aid programs for low-income students, legislatures can seek matching grant programs, such as those provided by private donors and foundations. These programs often provide other services in addition to awarding student financial aid. Programs in Colorado and Massachusetts, for example, offer scholarships and provide extensive financial aid counseling services to help low-income students find and apply for other aid. Partnering with such organizations can be an effective way for states to ensure college affordability for all students.

4184

Massachusetts: ACCESS

Historically, Massachusetts has not had a large state grant aid program for students. In response, private organizations have developed financial assistance programs. One example is the Action Center for Education Services and Scholarships (ACCESS), which provides financial aid counseling to low-income students in Boston and Springfield. An endowment created by the founders and supported by corporations, foundations and individuals provides funding for ACCESS. In the past, ACCESS also has received funding from the legislature.



ACCESS advisors help students and parents fill out state and federal financial aid forms and search and apply for scholarships and loans. ACCESS also provides financial aid through its Last Dollar Scholarship program. All Boston Public School students—most of which are low-income minorities—are eligible for the program. In the 2008-2009 school year, 72 percent of Boston Public School students were at or below the federal poverty level. The schools' populations are 39 percent African American, 37 percent Hispanic and 13 percent white.

Effectiveness ACCESS attempts to ensure that every student is aware of available funding and perceives college as affordable. Many families are unaware of the financial aid options available to them. A study by the American Council on Education found that, in 1999-2000, 1.7 million low- to moderate-income students did not fill out the Free Application for Federal Student Aid (FAFSA).[21] By not filling out the FAFSA, students miss out on available federal, state and institutional funding.

Reviews of ACCESS efforts indicate that the program does help students apply for and earn financial aid. In the 2007-2008 school year, ACCESS helped students acquire $34.2 million in financial aid. In the 2008-2009 school year, that figure increased to $45 million, which equaled a return on investment of $57 in aid for each $1 ACCESS spent on advising programs. The program is growing each year, improving its return on investment, and helping more students afford college.

ACCESS provides Last Dollar Scholarships to fill any remaining gaps in financial need. These scholarships go to high school seniors and current college students who are struggling to pay for the remainder of their education. The scholarship program exists to ensure that finances are not a barrier to graduation. In 2009, ACCESS provided $600,000 in Last Dollar Scholarships.

The scholarships and financial aid advising provided by ACCESS have a clear effect on college completion. A 2008 study found that 75 percent of Boston Public School students who received both advising and a Last Dollar Scholarship from ACCESS graduated with an associate's or bachelor's degree within seven years, compared to only 35 percent of all Boston Public School students.[22]

Colorado: Denver Scholarship Foundation

In 2006, private donors created the Denver Scholarship Foundation (DSF) to increase college access and affordability for low-income Denver students. DSF currently is raising funds for its endowment, which will be used to build a permanent source of postsecondary, need-based scholarships for Denver public school students. The DSF founders have agreed to match all endowment money raised, dollar for dollar, making it a good investment for donors and for state funding. In addition to need-based scholarships, the organization also provides college guidance counseling and college retention services.

The Denver Scholarship Foundation operates "Future Centers" in Denver public high schools that provide a wide range of college guidance counseling services. These college resource centers, open during and after school hours, are professionally staffed with a full-time DSF employee. The Future Center helps students with every aspect of postsecondary planning, ranging from assistance with financial aid forms to help with choosing a college.

Another component of the Denver Scholarship Foundation is its need-based scholarship, which is provided to eligible Denver public school graduates who enroll in any one of Colorado's 39 participating technical, community, or four-year colleges and universities. DSF scholarship awards range from $1,650 to $5,000 per year. The foundation requires that students apply for three other scholarships in order to qualify for the foundation scholarship. This requirement acts as a leveraging tool to help students acquire money from other sources and increase their ability to afford college.

4185

The Denver Scholarship Foundation recognizes the need to follow through with support for students who receive DSF scholarship money while they are in college. The foundation tracks and supports DSF scholarship recipients throughout their postsecondary education to ensure that they graduate. The foundation is developing relationships with Colorado postsecondary institutions to collaborate on support services for the scholarship students.

Effectiveness The Denver Scholarship Foundation helps students from a school district with a large population of low-income minorities. In the Denver Public School system, 55 percent of students are Hispanic, 23 percent are white and 18 percent are African American. About 66 percent of the students are eligible for free or reduced lunch, and 40 percent speak Spanish. During the 2008-2009 academic year, DSF awarded $2.6 million to help 712 of these students attend a Colorado postsecondary institution. By making college more affordable for these students, the Denver Scholarship Foundation is improving college-going rates. In fact, of the students receiving a DSF Scholarship in 2008-2009, 73 percent were the first in their families to attend a postsecondary institution.

The foundation also provides a valuable service through its Future Centers. The Denver Public School system has a high ratio of students to counselors, so some students may not receive the attention they need from school counselors. DSF has an official partnership with Denver Public Schools to ensure that students are reached most effectively and take full advantage of the services provided in Future Centers.

66	The percent of Denver Public School students eligible for free or reduced price lunch
40	The percent of Denver Public School students who speak Spanish
712	The number of students who received a DSF Scholarship in 2008-2009
510	The number of students who received a DSF Scholarship in 2008-2009 and were first in their families to attend college

Finally, the Denver Scholarship Foundation demonstrates the effects local programs can have. The University of Colorado system recently recognized the value of the foundation's efforts and announced it would provide additional grant money, up to $3,000, for recipients of the foundation's scholarship who attend any University of Colorado campus. Such partnerships between DSF and Colorado postsecondary institutions will help even more students afford college.[23]

Conclusion

Low-income, minority and first-generation students are much less likely to attend college than wealthier students—in part because they cannot afford the education. In tough economic times, college affordability is even more important for underrepresented students and families. As states work to preserve and improve access for those students, it is important to discuss affordability as the result of legislative policy choices on tuition, financial aid and appropriations. Because these policies are interconnected, a cohesive state higher education policy is crucial.

Many state higher education finance decisions are made without a focus on family ability to pay. Given that low-income families can spend more than half of their annual income on a college education, financial aid programs can make or break their ability to succeed. Programs that reach out to low-income, minority and first-generation students can be a powerful tool to preserve affordability and close the college attainment gap.

States have different options for financial aid programs, but those that are most significant for underrepresented students are need-based aid, mixed aid and early commitment programs. Early commitment programs guarantee students that they will be able to attend college if they want to, and if they complete the necessary work and preparation in high school. If such programs are to be effective, students need to be aware of them. State partnerships with private foundations and organizations can be an effective way to disseminate information about financial aid programs. Organizations such as ACCESS and the Denver Scholarship Foundation work closely with underrepresented students to help them find and apply for the necessary financial aid, and they also award scholarships. Investing in and encouraging such programs can be a good way for legislatures to supplement state funding for financial aid.

As policymakers address college affordability, some key points to consider include the following.

- Prioritizing and preserving college access for underrepresented students can improve the state's economy; increase per-capita income; improve individual lives; and fill workforce needs.

4186

- Need-based aid typically is more effective than merit-based aid to increase access for underrepresented students.
- Mixed aid programs such as California's Cal Grant are good options for states that want to incorporate both merit and need requirements into financial aid programs.
- Indiana's and Oklahoma's early commitment programs incorporate need and merit components and also provide incentives and support for middle and high school students to work hard and take challenging courses in preparation for college.
- As studies on the early commitment programs show, financial aid alone is not enough to guarantee success; students need additional support throughout college in order to improve completion rates.
- Matching grant programs, such as those provided by private donors and foundations, can help supplement state funding for financial aid programs for low-income students.
- Local programs also can provide financial aid counseling—helping students find and apply for existing financial aid—which can play a vital role in increasing college access.

Notes

1. Michael Planty et al., *The Condition of Education 2009 (NCES 2009-081)* (Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, 2009). For this statistic "the wealthiest students" refers to family incomes in the top 20 percent of all incomes. "The poorest students" refers to family incomes in the bottom 20 percent of all incomes.
2. Advisory Committee on Student Financial Assistance, *Empty Promises: The Myth of College Access in America* (Washington, D.C.: Advisory Committee, 2002), v.
3. The National Center for Public Policy and Higher Education, *Measuring Up 2008: The National Report Card on Education* (San Jose: NCPPHE, 2008), 8. College cost in this estimation is tuition, room and board minus financial aid.
4. Vincent Badolato, *Getting What You Pay For: Tuition Policy and Practice* (Denver: National Conference of State Legislatures, 2008), 1. Demaree Michelau, *Getting What You Pay For: Are You Getting What You Pay For? Understanding Higher Education Appropriations, Tuition and Financial Aid* (Boulder: WICHE, 2008), 1.
5. Badolato, *Tuition Policy*, 5.
6. Sandy Baum and Jennifer Ma, *Trends in College Pricing* (Washington, D.C.: The College Board, 2008), 2.
7. David Longanecker, *Getting What You Pay For: The States and Student Financial Aid: A Mixed Bag with Mixed Results* (Boulder: WICHE, 2008), 3.
8. Sandy Baum and Kathleen Payea, *Trends in Student Aid* (Washington, D.C.: The College Board, 2008), 15.
9. New York State Commission on Higher Education, *A Preliminary Report of Findings and Recommendations* (Albany: CHE, 2007), 34.
10. National Association of State Student Grant and Aid Programs, *39th Annual Survey Report on State Sponsored Student Financial Aid: 2007-08 Academic Year* (Washington, D.C.: 2009), 2.
11. Georgia Student Finance Commission, "Scholarship and Grant Award History: Disbursements of Georgia's HOPE Scholarships and Grants to Georgia's Educational Institutions (Sept. 1, 1993-Nov. 7, 2009)," www.gsfc.org/gsfcnew/sandg_facts.cfm?GUID=.
12. Christopher Cornwell and David Mustard, "Race and the Effects of Georgia's HOPE Scholarship," in *State Merit Scholarship Programs and Racial Inequality*, ed. Donald E. Heller and Patricia Marin (Los Angeles: The Civil Rights Project, 2001). 57-72.
13. NASSGAP. *39th Annual Survey Report*, 9-10.
14. Bridget Terry Long, *What Is Known About the Impact of Financial Aid? Implications for Policy* (New York: National Center for Postsecondary Research, 2008), 22; Cornwell and Mustard, "Race and the Effects of Georgia's HOPE Scholarship," 61.
15. Wendy Erisman and Melissa Del Rios, *Creating Change One Step At a Time: Efforts to Improve College Access and Success in Indiana* (Washington, D.C.: Institute for Higher Education Policy, 2008), 22.
16. Ibid.
17. Oklahoma State Regents for Higher Education, *Oklahoma's Promise Oklahoma Higher Learning Access Program: 2007-08 Year-End Report* (Oklahoma City: Oklahoma State Regents for Higher Education, 2008), 6-8.
18. Oklahoma State Regents for Higher Education, *Oklahoma's Promise Oklahoma Higher Learning Access Program: 2006-07 Year-End Report* (Oklahoma City: Oklahoma State Regents for Higher Education, 2007), 6.
19. Oklahoma State Regents, *2007-08 Year-End Report*, 1.
20. Erisman and Del Rios, *Creating Change One Step At a Time*, 21.
21. Jacqueline E. King, *Missed Opportunities: Students Who Do Not Apply for Financial Aid* (Washington, D.C.: American Council on Education, 2004), 1.
22. More information about ACCESS can be found at www.accessedu.org
23. Marcia Eisenstein, Denver Scholarship Foundation, telephone conversation with author, Feb. 10, 2009.

National Conference of State Legislatures
The Forum for America's Ideas

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4187

Engaging Students Academically and Socially: College Success Strategies

By Brenda Bautsch

November 2009

America is losing its lead as the country with the highest percentage of college-educated citizens. According to the Organisation for Economic Co-operation and Development (OECD), America and Germany are the only two OECD countries with a younger generation that is less educated than the older generation. While college access for underrepresented students is still a concern, overall, America ranks high in the world for the proportion of high school graduates that enroll in college. The problem is that too few of America's college students complete their degrees.

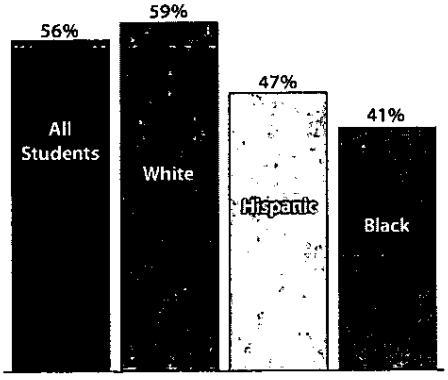
Just over half—56 percent—of students that enroll in a four-year institution earn a bachelor's degree within six years. Only 28 percent of associate degree-seeking students earn their degree within three years.[1] The statistics for students of color are even worse—just 41 percent of black and 47 percent of Hispanic college students attain their bachelor's degree in six years, compared to 59 percent of white students (Figure 1).[2] Just over one third of students who are both low-income and first-generation earn a bachelor's degree within six years at public four-year institutions, compared to 66 percent of their more advantaged peers.[3] These low graduation rates translate into missed economic opportunities for states and for the nation.

People with bachelor's degrees earn 61 percent more during their lifetime than those with only a high school diploma, and 42 percent more than those with some college but no degree.[4] Students who leave college without completing a degree lose money spent on tuition and fees and may incur loan debt. The gaps in completion across groups of students have implications that go beyond the individual. Federal and state governments incur losses when money spent on higher education appropriations and financial aid supports a student who does not complete college. Moreover, college graduates bolster state economies. Not only do college graduates pay more in taxes, they also save states money because they rely less on social programs such as welfare or Medicaid. College graduates participate in more civic activities, such as voting, and in charitable activities, such as donating blood. In addition, children of college graduates are more likely to achieve higher levels of education, so society continues to reap benefits generation after generation.[5]

College success programs are designed to help at-risk students graduate from postsecondary education. Given their vested interest in having as many college-going students as possible graduate, states will want to consider which programs and policies represent the soundest investment for their limited resources. Various programs that focus on improving college success differ with respect to structure, identified student population, and the amount of financial support required. College success programs include academic counseling and student support services administered in and out of the classroom. These programs are usually targeted to students who are most at-risk of dropping out of college—low-income, minority and first-generation students, and those students who score low on placement exams.

Consensus has emerged that students who are academically and socially engaged during college are more likely

Figure 1. Six-Year Graduation Rates for Four-Year Institutions, By Race



Sources: National Center for Higher Education Management Systems, 2009; National Center for Public Policy and Higher Education, 2008.

to graduate. A student is academically engaged when he or she interacts with faculty and finds learning meaningful. Social engagement refers to participation in campus activities and multiple connections with other students. Programs that increase academic and social engagement improve the degree attainment of underrepresented students.

Many postsecondary institutions design and implement college success programs, but state legislators can play an important role by providing incentives, funding and reporting requirements. Several states—such as Arkansas, Illinois and South Carolina—have created task forces to develop a state agenda on college success, set state goals, and provide recommendations for increasing degree attainment. Legislatures can require institutions of higher education to report student data on enrollment, retention and graduation so the legislature can track and monitor progress. In Massachusetts, for example, public two-year and four-year colleges are required by law to report annually to the governor and the legislature on a variety of higher education performance measures, including student success.

Successful state policies and programs recognize and address the factors that cause students to drop out of college.

This brief describes barriers to graduation for underrepresented students, highlights college success programs that researchers have found to have the most effect on increasing retention and graduation rates, and provides examples of legislative action that encourages and supports such programs.

Barriers to College Graduation

Several factors increase the likelihood that a student will drop out of college. For example, full-time employment, dependent children, weak academic preparation, off-campus residency and college affordability can negatively affect student retention and graduation. Low-income, minority and first-generation students likely face one or more of these factors. Low-income students are more likely to work full-time during college. This places them at a disadvantage, since research shows that working more than 20 hours per week hurts student academic performance.[6] Some estimates suggest that as few as 25 percent of low-income youth are academically well-prepared for college, compared to 60 percent of high-income youth.[7]

It is important to note that the issue of academic preparation can lead to discussion of inadequate high school preparation and remedial education. Those discussions are covered in the brief *Increasing College and Workforce Readiness.*

In particular, many community college students face barriers to graduation. The Community College Survey of Student Engagement found that 75 percent of students at public two-year colleges face at least one risk factor, compared to 14 percent of students at four-year universities. The survey also found that 25 percent of community college students had children living with them, 25 percent were not native English speakers, and 50 percent worked more than 20 hours per week.[8]

Successful state policies and programs recognize and address the multiple factors that cause students to drop out of college. Factors such as full-time employment, off-campus residency and family responsibilities keep students from having time to engage in campus activities or receive needed academic help. By not integrating with the larger campus community, students do not make the personal connections with peers or with faculty that often motivate them to stay in school. College success programs that work with a student's over-loaded schedule by using class time to promote academic engagement or that have flexible hours for support services can be helpful. Such programs can be most effective if they reach out to at-risk students during their first year of college.

First-Year Retention Strategies

Research indicates that students who return for their second year of college have a higher chance of graduating. Twenty-five percent of students who enroll at four-year colleges and one-half of those at two-year colleges do not continue to their second year on campus.[9] Six in 10 low-income and first-generation students who do not complete their college education drop out after their first year.[10] Because of this, many colleges focus success programs on retaining first-year students through bridge and orientation programs, first-year seminars and learning communities. These programs help underrepresented students engage academically and socially, increasing the chance that they will persist to graduation.[11]

Summer Bridge and Orientation Programs To help high school graduates prepare for their first year of college, summer bridge and orientation programs take place before classes convene. They vary in length; orientations usually last a day or two, and bridge programs unfold over a one- to

4189

eight-week period. The goal is to better equip students for their first year in college by helping them build the necessary academic and personal skills. Bridge and orientation programs administer remedial coursework, teach study skills, and provide opportunities to adjust to campus life and meet other students.

Many programs specifically target low-income, first-generation and minority students. Colorado State University's Bridge Scholars program, for example, hosts underrepresented students on campus for eight weeks. Students take classes, learn study skills, and become familiar with the campus and its support services. The Bridge Scholars program recognizes the special needs of underrepresented students and provides them with the opportunity to catch up or even get a head start for college.

Some research indicates that summer bridge and orientation programs can increase retention rates and student participation in campus activities. According to the Pell Institute, bridge programs at Georgia State University, the University of California-San Diego, the University of Maryland-College Park, and California State University contributed to retention gains from freshman to sophomore year. Other studies indicate that bridge and orientation programs increase the likelihood that community college students will become academically engaged. The Community College Survey of Student Engagement found that 40 percent of students have participated in an orientation program.[12]

First-Year Seminars Another retention strategy is first-year seminars, which are small classes, typically of 10 to 25 students, that usually are taught by a faculty member. Since most freshmen enroll in large introductory courses with a lecture format and little interaction with faculty members, the seminars give students an opportunity to connect with faculty and receive personal attention and frequent feedback. The small class setting encourages participation in group discussion and fosters development of critical thinking and collaborative learning skills. The relationships with faculty and other students increase the level of academic and social integration for students who participate.[13]

According to the National Resource Center's 2006 survey on first-year seminars, 43 percent of the responding institutions credited the first-year seminar with increasing student persistence to sophomore year. About one third of the institutions indicated that the seminars increased the students' satisfaction with the school and faculty, and reported higher levels of student participation in campus activities. Seminars also have been linked to better chances of graduation; some research suggests that students who complete freshman seminar courses are 5 percent to 15 percent more likely to earn their bachelor's degrees in four years.[14]

Other research, such as that conducted by the Policy Center on the First Year of College, makes the case that seminars are most effective if they are linked to one or more other courses, a practice commonly referred to as a learning community.

Learning Communities Like first-year seminars, the learning community concept is based on the notion that small class size promotes academic and social engagement. Students take two or more classes together as a group, often with an overarching theme that connects the classes. By keeping the same group of students together for multiple classes, learning communities create more opportunities for social integration. Creating opportunities for social and academic engagement during class time when students are already on campus is an effective retention strategy for low-income and minority students.

There are various examples of the positive effects of learning communities. At the University of Southern Maine, a commuter school, the learning communities have had positive results for at-risk students. The students who participate in learning communities have higher persistence rates than students who participate in other retention programs. Similarly, students who participate in the Seattle Central Community College learning community exhibit higher rates of retention than do nonparticipants. The students in the Seattle Central learning communities also tend to express higher levels of social and academic satisfaction. The research organization MDRC conducted an experimental program at Kingsborough Community College in which some freshmen participated in a learning community that included remedial English. Students who participated in the learning community were more likely than nonparticipants to take and pass the English skills assessment tests necessary to enroll in college-level English.[15]

4190

In both first-year seminars and learning communities, a major focus is on giving the student personal attention, which translates into small class sizes. However, many required introductory courses are taught in lecture format to large numbers of students, a format in which students can easily feel lost. To ensure that students receive the attention and support they need to be successful in larger courses, many colleges and universities have redesigned their introductory classes.

Redesigning Courses for Success

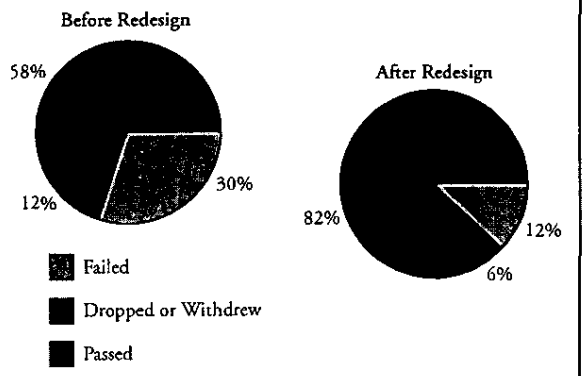
Not surprisingly, large and often impersonal introductory courses have high failure and dropout rates. About 25 introductory courses serve half the student population at community colleges and one third of the students at four-year colleges. These 25 courses have high drop, failure and withdrawal rates, and the rates can vary dramatically across institutions. At four-year institutions the drop, failure and withdrawal rates average from 22 percent to 45 percent, while at community colleges the rates average 40 to 50 percent, but can be much higher. Since these few courses affect such a large proportion of college students, restructuring them to improve student success can significantly affect retention and graduation rates.[16]

The National Center for Academic Transformation (NCAT) conducted research to redesign one introductory course at 30 postsecondary institutions. After evaluating the newly designed courses, the center found that 25 of the 30 colleges showed significant improvement in student performance in class, and all 30 cut costs by an average of 37 percent. According to the project report, "Collectively, the 30 redesigned courses affect more than 50,000 students nationwide and produce a savings of $3.1 million in operating expenses each year."[17] Half of the institutions were studied closely to evaluate the effect on low-income and minority students; of those, 90 percent demonstrated positive effects on student learning.

University of New Mexico At the University of New Mexico, 47 percent of students are minorities, most of whom commute to school and work more than 30 hours per week. The introductory psychology course, one of the largest classes, had one of the highest failure rates. This course is taken by more than 2,000 students each year; of those students, 30 percent failed and another 12 percent dropped out or withdrew. To increase student success, the University of New Mexico worked with the National Center for Academic Transformation to redesign the course.

The new psychology course employed the main NCAT strategies: reduced lecture time and increased time for activities and group work, frequent quizzes, and computer-based learning techniques. The results from the newly designed course were positive—the failure rate dropped 18 percentage points and the drop/withdrawal shrunk by half (Figure 2). At the same time, due to the weekly quizzes and in-class study time, students covered the material more thoroughly than before. Student grades rose, and the learning quality improved. Yet another positive result was the cost savings. The redesigned course cost almost 50 percent less, from $72 per student to $37 per student.

Figure 2. Redesigning the University of New Mexico's General Psychology Course: Student Success Rates



Source: The National Center for Academic Transformation, 2005.

The cost savings realized by the University of New Mexico—and the 29 other institutions that participated in the redesign project—demonstrate that improving student success need not cost more money, but can be accomplished by changing how courses are taught to be more relevant and more effective for today's generation of students. Further, by using technology, some tasks become more efficient. Quizzes and assignments can be administered and graded through automated computer programs, thus increasing feedback to students and freeing time for faculty and teaching assistants.[18]

Technology in Redesigned Math Courses Computer-based practices can be used to redesign a wide range of courses—from psychology and literature to statistics and math. *MyMathLab* is an example of a computer program used in math courses. The software allows students to do as many math problems as they need and receive instant feedback on their answers. The program also sends faculty detailed information on student progress. The University of Alabama uses *MyMathLab* in its redesigned intermediate algebra course. Students are required to spend time working on problems

4191

in the math computer center using the software. Faculty or graduate students staff the center to help students when needed.

Within four years, the University of Alabama saw a significant increase—from 44 percent to 80 percent—in the number of students who receive a C- or better in the class. In the redesigned algebra course, African Americans, who comprise 14 percent of the undergraduate population, scored significantly higher than their peers in the traditional course. As in the University of New Mexico example, the gains did not come at a higher cost; rather the cost-per-student dropped 33 percent, saving the university about $60,000 per year.[19]

Effective support services help students stay enrolled in college by targeting those in need before they drop out.

First-year retention strategies such as redesigned courses, summer bridge and orientation programs, first-year seminars and learning communities are key to helping underrepresented students continue to their second year of college. Legislators can provide important support and incentives for institutions to implement such practices. Although the focus on first-year retention programs is crucial, it is not sufficient. An effective state strategy also requires that programs and activities be in place to move students from the second year of college to graduation.

From Second Year to Graduation: Practices to Increase Degree Attainment

For college students to persist to graduation, they need to remain engaged academically and socially beyond their first year. Students who participate in activities such as internships, faculty-guided research, and service learning are more likely to remain engaged. If students receive the information and support they need when they need it, they have a greater chance of attaining a degree. Support services can provide students with needed help through academic advising, career counseling, mentoring, tutoring, and financial aid guidance. One program that includes all these services is the federally funded TRIO Student Support Services program.

Federal TRIO Program: Student Support Services The federal TRIO Student Support Services program helps low-income, first-generation and disabled students attain a college degree. Of the students participating in TRIO, two-thirds must be both low-income and first generation. Institutions of higher education can apply to the Student Support Services program for competitive grants to fund student support projects on campus.

Recognizing that students who are both first-generation and low-income are more at-risk of dropping out of college, Student Support Services program staff meet often with participating students to monitor their academic progress and track their use of available services. For many students, the Student Support Services office is a "home base" for them on campus—a place they can go at any time and receive needed help or guidance, whether for academic or personal reasons. For those in need of academic help, the program provides supplementary instruction through tutoring, workshops, group study sessions and computer-based exercises.

Research indicates that Student Support Services programs have had positive results on student retention and persistence. Overall, the 950 programs nationwide serve more than 200,000 students. According to the U.S. Department of Education's analysis of the program, those students are more likely to persist through college and attain a degree than other low-income and first-generation students. The more involved the students are—by spending more time in the program or using more services—the more likely they are to complete college.[20]

State Educational Opportunity Programs Legislators can encourage colleges to apply for federal Student Support Services grants or can provide state funding for institutions to provide similar services. California and New York, for example, have state-funded Educational Opportunity Programs to help low-income, academically disadvantaged youth succeed in college through financial aid and comprehensive student support. Implementation varies by college; while some require participants to enroll in summer bridge programs or orientations, others require a specific course load. Institutions provide Educational Opportunity Program students with individual attention and extensive academic and personal counseling. Nyack College in New York testifies that it has seen noticeable positive effects from the program. Many of its program students have become leaders on campus, have made the dean's list and have graduated with honors.[21]

Early Warning Systems Effective support services help students stay enrolled in college by proactively targeting those in need before they drop out. Many postsecondary institutions have early warning systems to identify students who are struggling academically and provide them with immediate help. At Hudson Valley Community College, for

4192

example, faculty use the early warning system to alert academic counselors of students who are struggling in class, are misbehaving or are frequently absent. Faculty members notify counselors early in the semester to give students ample time to improve. The early warning system provides training and support to help faculty identify at-risk students.

High-Impact Practices In addition to providing support services for students, colleges and universities can promote other practices that increase degree attainment. Student research, service-learning courses, and internships have proven to help students remain in college and graduate.

The Association of American Colleges and Universities considers research with faculty, service learning and internships "high-impact practices" because of their positive results. Students that participate in these activities not only have higher rates of persistence and graduation, but also gain more personally, intellectually and culturally from their education. These positive results apply to all students, but appear to be even more evident in minorities and low-income students. Compared to non-Hispanic students, Hispanic students that participated in "high-impact" activities had better grade point averages, and African American students had higher chances of persisting in college than whites.[22]

Research Experience Undergraduate research opportunities give students the chance to work closely with faculty. Research experience can motivate students to continue their education toward advanced degrees. According to the *High-Impact Educational Practices* report, "Students who do research with faculty also are more likely to persist, gain more intellectually and personally, and choose a research-related field as a career."[23] The report also indicates that students have positive and supportive relationships with the faculty.

Service Learning Service learning courses require that students apply what they are learning in class to a community service experience. For example, a public policy course on women as leaders could have its students mentor at-risk girls at local middle schools. The students then would reflect on their mentoring experiences in class. By connecting the classroom with the community, learning becomes more meaningful and engaging—the students integrate what they learn in school into their lives and careers. They also learn the importance of civic responsibility and giving back to their communities. Further, by having a service project that classmates work and reflect on together, service learning courses can increase the social connection among students.

Internships Internships embed students in a job in a career field of interest and enable them to see how their degree can help them. These experiences can lead to greater persistence because students see a tangible result of their educational efforts. Internships also allow students to encounter a work environment with which they may not be familiar, increasing student confidence that they can do the job. If the internship leads them to see that job is not something they want to do after college, students still have time to change their major.

Encouraging underrepresented students to participate in activities such as research with faculty, service learning and internships can be an effective strategy for increasing graduation rates and overall student success. Although most institutions develop and implement their own programs, legislators can offer funding or other incentives to promote high-impact activities. A state plan or agenda on higher education is a good place for legislators to encourage institutions to provide and promote high-impact practices.

Creating State Agendas that Promote College Success

State legislators can take leadership to improve college completion by letting institutions know that student retention and success are state priorities and that the institutions will be held accountable for results. A state agenda on college success can send that signal. These agendas identify priorities, set goals, and recommend policies and practices to improve college completion. Several legislatures have created task forces that bring together policymakers and higher education stakeholders to articulate state agendas.

Arkansas In 2007, the Arkansas General Assembly passed Act 570, creating the Legislative Task Force on Higher Education Remediation, Retention and Graduation Rates. The task force consisted of the governor, legislative leaders, college administrators, faculty and state education board members. The task force was charged with researching and analyzing Arkansas trends and data on student success, and creating a plan to decrease remedial education and increase student retention and graduation. The task force held 16 meetings, during which outside stakeholders presented members with comprehensive testimony and information.

4193

In 2008, the task force released a report of its findings with a set of recommendations, incorporating many of the practices highlighted in this brief.

For example, the task force suggests requiring colleges and universities to use an early warning system to identify students struggling academically. The report also encourages colleges to increase student support services and recommends appropriating $500,000 for the expanded services. Specifically, the task force mentions such strategies as learning communities, academic help measures and personal support services. Another recommendation is for colleges to take into special consideration the needs of underrepresented students and the fact that they are most likely to drop out during their first year. The task force suggests that colleges offer first-year experiences and evaluate how introductory courses could be redesigned to improve student success. Finally, the task force proposes an annual statewide conference where two- and four-year institutions could share strategies on retention and graduation. The conference could be valuable in continuing reform efforts and providing an opportunity for collaboration.[24]

Illinois In 2007, the Illinois General Assembly adopted House Joint Resolution 69, which created the Public Agenda Task Force and directed it to study higher education challenges and opportunities. As in Arkansas, the task force consisted of policymakers, state education leaders, and administrators and faculty from postsecondary institutions. The task force held six formal meetings and conducted regional forums and special briefings. The task force developed a state plan for higher education, taking into consideration input from a wide range of stakeholders. The final report, the *Public Agenda for College and Career Success*, lays out the state plan and serves as a guide for policymakers and higher education institutions as they consider policies, priorities and funding. It defines four main goals for Illinois: to increase access to postsecondary education; to make affordability a priority; to increase the number of degree holders in the state; and to use education, research and innovation to meet economic needs.

Legislators played an integral part in developing the public agenda, and also have a key role in implementing it and monitoring institutional progress. To facilitate institutional accountability to the legislature, the public agenda report advocates more robust state data systems that can accurately track retention and graduation rates.[25]

South Carolina In South Carolina, the Higher Education Study Committee was formed by the General Assembly to create a state agenda to improve the higher education system. To accomplish that task, the study committee developed a project plan involving participants from the education, business and government sectors. Subcommittees and additional task forces were formed to study specific issues in depth. The result, a comprehensive report titled *Leveraging Higher Education for a Stronger South Carolina*, includes detailed analysis and recommendations. The report provides information regarding cost, priority, timeline and responsibility for each recommendation.[26]

The report highlights the need for redesigning introductory courses that currently have high failure rates. Another recommendation urges institutions to develop early warning systems to provide students with immediate academic help, particularly during their first year. The report also advises continuing and expanding support for retention programs such as "academic support services, new student orientation, service learning, academic advisement, counseling, tutoring, cultural enrichment, 'freshman year' and 'sophomore year' programs."[27] Summer transition and bridge programs also are mentioned as useful to help students adapt to college.

Conclusion

To maximize a state's investment in higher education and reach state goals for higher college completion rates, state legislators will want to understand the array of college success programs and know which are effective. Students who are supported in their classes and involved on campus are more likely to graduate. Therefore, student success programs should aim to increase the academic and social engagement of the students beginning in the first year of college and continuing until graduation.

As policymakers work to improve college success for underrepresented students, some points to consider include the following.

- Recognize the common risk factors that underrepresented students face and consider them in developing success programs.
- Use funding or other incentives to encourage institutions to target programs to first-year students.
- Encourage institutions to promote first-year programs such as learning communities, bridge and orientation programs, and first-year seminars to help students remain in school.

4194

- Press institutions to measure the comparative effectiveness of the success programs.
- Support the redesign of introductory courses that have high failure rates to help students be more successful, and use technology to lower costs and improve efficiency.
- Consider funding or incentives to help institutions expand student support services that help students progress from first year to graduation.
- Fully leverage federal funding such as the TRIO programs, which award grants to institutions for student support.
- Recommend that institutions expand programs that keep students engaged academically and socially, such as research with faculty, service learning and internships.
- Create legislative task forces to bring together various stakeholders to develop a state agenda on student success. Institutions need clear signals from state legislatures that retention and success are priorities and that they will be held accountable for results.

Notes

1. National Center for Higher Education Management Systems, "Progress and Completion: Graduation Rates" (Boulder: NCHEMS, 2009); www.higheredinfo.org/dbrowser/index.php?measure=19; Statistics refer to first-time, full-time students.

2. Patrick Callan, *The 2008 National Report Card: Modest Improvements, Persistent Disparities, Eroding Global Competitiveness* (San Jose: National Center for Public Policy and Higher Education, 2008).

3. Jennifer Engle and Vincent Tinto, *Moving Beyond Access: College Success for Low- Income, First-Generation Students* (Washington, D.C.: The Pell Institute, 2008), 2.

4. Sandy Baum and Jennifer Ma, *Education Pays: The Benefits of Higher Education for Individuals and Society* (Washington, D.C.: The College Board, 2007), 10.

5. Baum and Ma, *Education Pays*, 2.

6. Engle and Tinto, *Moving Beyond Access*, 21

7. Vincent Tinto, *Student Retention and Graduation: Facing the Truth, Living with the Consequences* (Washington, D.C.: The Pell Institute, 2004), 6.

8. Engle and Tinto, *Moving Beyond Access*, 9; Joe Smydo, "First-year college students often fail as 'life intervenes,'" *Pittsburgh Post-Gazette*, Sept. 2, 2008; www.post-gazette.com/pg/08246/908705-298.stm.

9. Bill Schackner, "Colleges on 'early alert' to help frosh," *Pittsburgh Post-Gazette*, Sept. 3, 2008; www.post-gazette.com/pg/08247/908848-298.stm.

10. Engle and Tinto, *Moving Beyond Access*, 12.

11. Ibid., 25.

12. Lana Muraskin, John Lee, Abigail Wilner, and Watson Scott Swail, *Raising the Graduation Rates of Low-Income College Students* (Washington, D.C.: The Pell Institute, 2004), 18; Mary Beth Marklein, "Report: Community colleges must expect more," *USA Today*, Nov. 21, 2008; www.usatoday.com/news/education/2008-11-16-CCSSE_N.htm.

13. Engle and Tinto, *Moving Beyond Access*, 26.

14. Kathleen Goodman and Ernest T. Pascarella, "First-Year Seminars Increase Persistence and Retention: A Summary of the Evidence from *How College Affects Students*," *Peer Review* 8, no. 3 (Summer 2006): 27.

15. Muraskin, Lee, Wilner, and Swail, *Raising the Graduation Rates*, 21; Susan Scrivener, et al., *A Good Start: Two-Year Effects of a Freshman Learning Community Program at Kingsborough Community College* (New York: MDRC, 2008), ES-5 - ES-6.

16. Carol A. Twigg, *Increasing Success for Underserved Students: Redesigning Introductory Courses* (Saratoga Springs, N.Y.: The National Center for Academic Transformation, 2005), 2.

17. Ibid., 3.

18. Ibid., 5, 8, 30.

19. Ibid., 7-8, 28.

20. Engle and Tinto, *Moving beyond Access*, 7, 27.

21. Center for Student Opportunity, *College Access and Opportunity Guide* (Dubuque, Iowa: Kendall/Hunt Publishing Company, 2008), 199.

22. George D. Kuh, *High-Impact Educational Practices: What They Are, Who Has Access to Them, and Why They Matter* (Washington, D.C.: Association of American Colleges and Universities, 2008), 9, 11, 17-19, 25-27.

23. Ibid.,14.

24. Arkansas Task Force on Higher Education Remediation, Retention, and Graduation Rates, *Access to Success: Increasing Arkansas's College Graduates Promotes Economic Development* (Little Rock: Arkansas Association of Public Universities, 2008); arkapu.org/wp-content/uploads/2008/08/task-force-report.pdf, 8-9, 33.

25. Illinois Board of Higher Education and Public Agenda Task Force, *Public Agenda for College and Career Success* (Springfield: IBHE, 2008); www.ibhe.state.il.us/masterPlanning/materials/010909_PublicAgenda.pdf, 3-5, 7, 16.

26. Higher Education Study Committee, *Leveraging Higher Education for a Stronger South Carolina*, (Columbia: SCCHE, 2009); www.che.sc.gov/InfoCntr/HESC_Files/che_2169_Leverage_Report_web.pdf, 4, 19-20.

27. Ibid., 17.

National Conference of State Legislatures
The Forum for America's Ideas

National Conference of State Legislatures
William T. Pound, Executive Director

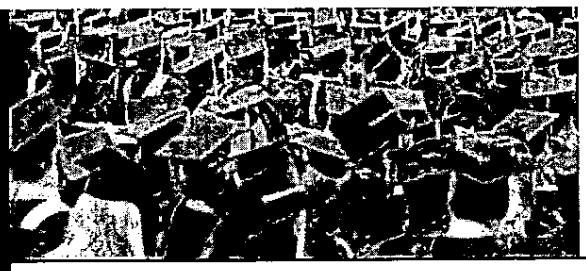
7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4195



What You Need to Know About Minority-Serving Institutions

By Brenda Bautsch

November 2009

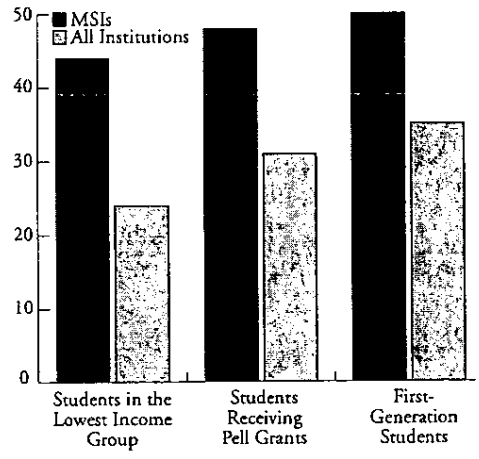
Minority-serving institutions (MSIs) are a group of colleges and universities that educate a large percentage of minority students. They traditionally include historically black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs) and tribal colleges and universities (TCUs). More recently, others such as predominantly black institutions and Asian-serving institutions have been included. This brief focuses on HBCUs, HSIs and TCUs, which collectively educate more than one-third—more than1.3 million—of students of color.

Whom Do MSIs Serve?

Minority-serving institutions play an important role in America's higher education system, educating a significant number of minority, low-income and first-generation students. At historically black colleges and universities, an average 85 percent of the total student enrollment is African American. At Hispanic-serving institutions, the average Hispanic enrollment constitutes 44 percent of the student body. Minorities other than Hispanics make up more than 20 percent of the student population at HSIs, bringing the total minority enrollment to around 64 percent.[1] Eighty-two percent of first-time students at tribal colleges and universities are American Indian.[2]

In 2004, 44 percent of students at minority-serving institutions were in the lowest income group, and almost half received Pell Grants. By comparison, 24 percent of students at all institutions were in the lowest income group, and 31 percent received Pell Grants. Almost 50 percent of students at MSIs are first-generation, compared to 35 percent of students at all institutions (see Figure 1).

Figure 1. Student Characteristics



Source: Institute for Higher Education Policy, 2009.

While African-American students at HBCUs are more likely to be low-income or first-generation, they do not display increased levels of other nontraditional characteristics (i.e., over age 24; single parents; delayed college entry; attending part-time; employed full-time; financially independent; no high school diploma). Hispanic students at HSIs are more likely to be of independent status and over age 24 than those at non-HSIs.[3] Most TCU students are traditional college age but are more likely that other undergraduates to be single parents and hold GEDs.[4]

Nearly all the 104 HBCUs are four-year public or private institutions. Most of the 35 TCUs are two-year institutions; only seven offer bachelor's degrees.[5] The 268 HSIs are split almost evenly—48 percent are public two-year institutions, and 47 percent are either private or public four-year institutions.[6]

Why Do Students Choose MSIs?

The type of minority-serving institution affects why students enroll at MSIs. Historically black colleges and universities are defined by their historical mission to serve African-American students. Their long presence in the educational system has earned a reputation for successfully meeting the needs of black students. HBCUs are known for employing diverse faculty to serve as role models for students of color, and faculty members frequently interact with students. Students at HBCUs have a supportive cultural environment that encourages learning, leadership and commu-

nity involvement. Many students choose to attend HBCUs because of their mission and reputation.

In contrast, Hispanic-serving institutions are defined by the percentage of enrolled students who are Hispanic, not by a mission to serve those students. Most HSIs began enrolling large numbers of Hispanic students as a result of demographic trends. As Hispanic communities grew in certain regions, the colleges and universities in those areas by default served those students. Today, HSIs use their high Hispanic enrollment to receive federal funding, but some do not include in their mission the charge to serve Hispanic students. Others have embraced the mission and make concerted efforts to support their Hispanic students' success. Nonetheless, the HSI label does not largely affect students' college choices. Many students at HSIs do not know that they attend a Hispanic-serving institution. A report by a Latino advocacy organization, *Excelencia* in Education, found the top reasons for enrollment at HSIs were low costs, proximity to home, and an approachable campus environment.[7]

Tribal colleges and universities attract students for the same reasons as both HBCUs and HSIs. Like HBCUs, TCUs have a specific mission to serve American Indian students. According to the American Indian Higher Education Consortium, TCUs "offer higher education that is uniquely tribal with culturally relevant curricula, extended family support, and community educational services." Like HSIs, TCUs appeal to students because of low costs and proximity to home; most are located on reservations. The specialized mission of tribal colleges receives positive reviews from TCU graduates. Eighty-eight percent say they were satisfied or very satisfied with their college experience.[8]

How Effective Are MSIs?

Minorities are less likely to be academically prepared for college than white students. Math and reading levels of African-American and Hispanic high school graduates are, on average, at that of an 8th grade white student. Accordingly, minorities have higher rates of remediation and are less likely to complete college. White students are twice as likely to earn a four-year degree by age 29 than African American students, and two-thirds more likely than Hispanic students.[9]

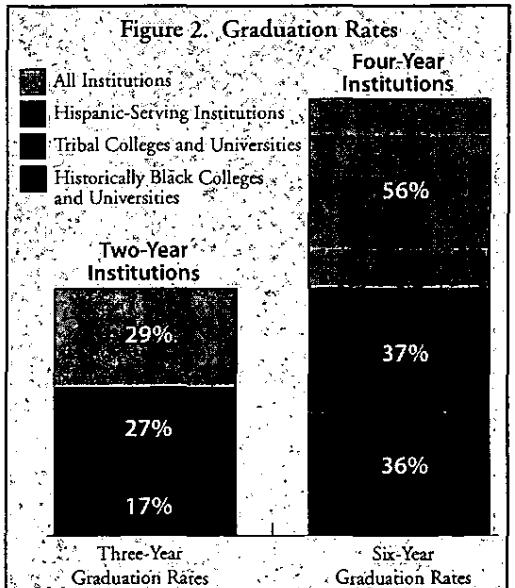
Since minority-serving institutions educate a large number of minorities, they are in a position to help close the achievement gap. Evaluating how successful MSIs are at closing the achievement gap is difficult, however. Some point to dismal graduation rates as a sign of failure (see Figure 2).

The latest data indicate that 17 percent of students at two-year tribal colleges and 27 percent of students at two-year Hispanic-serving institutions earn an associate's degree within three years.[10] The national average three-year graduation rate for all students at any two-year institution is 29 percent. At four-year historically black colleges and universities, 37 percent of students earn a bachelor's degree within six years. Four-year HSIs have a similar graduation rate—36 percent.[11] Nationally, 56 percent of all students at any four-year institution graduate within six years.

Others argue that graduation rates cannot be used to evaluate the success of MSIs because the institutions serve a unique and disadvantaged population, and they do so with fewer resources than majority institutions. MSIs receive less funding and tuition revenues than other institutions. Students at MSIs are more likely to come from low-income high schools that did not offer college preparatory curriculums or have counselors on staff. Many MSIs have an open admission policy; they accept all students regardless of their academic qualifications. In 2003-2004, 60 percent of Hispanic-serving institutions had an open admission policy, compared to 44 percent of all institutions.[12] As a result, MSIs spend more money on remedial education and student support services.

Despite the challenges MSIs face, there are several positive results. The institutions play an important role in graduating students with degrees in fields where minorities traditionally are underrepresented. Almost half of all Hispanic, African-American and Native American teachers, for example, graduate from minority-serving institutions. Minorities

Figure 2. Graduation Rates



Sources: National Center for Education Statistics, 2007; American Indian Higher Education Consortium, 2008.

4197

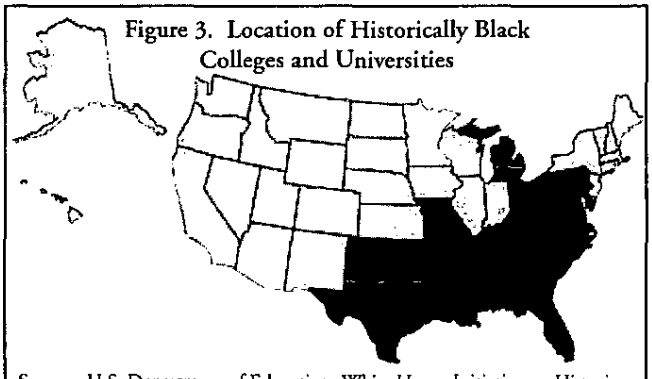
who major in science, technology, engineering and math (STEM) fields disproportionately attend MSIs. HBCUs also have a high number of students that continue their education at graduate and professional schools. Two HBCUs—Spelman and Bennett—graduate 50 percent of all African-American women in science graduate programs. Xavier University produces the most African-American graduates who attend medical school and pass board exams—about 100 graduates per year. Xavier also has low admission standards, so it accepts students with poor academic records and makes them successful.[13]

MSIs also try to tailor the educational experience to meet their students' needs. Knowing that their students are at-risk, many minority-serving institutions require students to participate in retention-increasing activities such as community service or service learning courses. MSI students receive more substantive faculty interaction, which has also been linked to increased student success.

Overview: Historically Black Colleges and Universities

Historically black colleges and universities are degree-granting institutions that were established before 1964 primarily to serve African Americans. HBCUs began forming in the 19th century to educate African Americans who were excluded from white colleges and universities. One hundred four HBCUs currently are located in 20 eastern and midwestern states and the District of Columbia (see Figure 3).

Figure 3. Location of Historically Black Colleges and Universities



Source: U.S. Department of Education, White House Initiative on Historically Black Colleges and Universities, 2009.

Constituting just 3 percent of all postsecondary institutions, HBCUs educate 13 percent of African Americans and award 30 percent of African-American bachelor's degrees.[14] Nearly 90 percent of students enrolled at an HBCU attend a four-year institution; the remaining 10 percent attend a two-year HBCU. The effect of historically black colleges and universities on bachelor's degree attainment is important because disparities between white and black students exist. Only 41 percent of African-American students earn a bachelor's degree, compared to 59 percent of white students.[15]

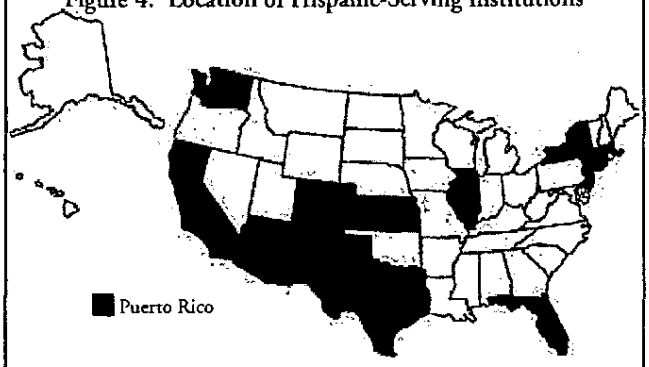
HBCUs also play an important role in educating African Americans in disciplines where they traditionally are underrepresented. Of the top 10 institutions that graduate African-American engineers, eight are HBCUs. Further, two-fifths of all African American students who major in a STEM field earn their degree from an HBCU, as do more than half of all African-American public school teachers and more than two-thirds of African-American dentists. Almost 85 percent of African-American doctors graduated from an HBCU.[16]

Overview: Hispanic-Serving Institutions

Federal and state policymakers began recognizing in the 1980s that Hispanic-serving institutions educated a large proportion of the Hispanic population and were inadequately funded. In 1992, Hispanic-serving institutions were formally recognized and defined in the Higher Education Act, which created a grant program to provide federal funding to qualifying institutions. In 1998, the definition of HSIs was changed to its current status—institutions where 25 percent of the undergraduate full-time equivalent (FTE) enrollment is Hispanic. In 1995, the first year of federal funding, $12 million was appropriated for HSIs. In 2009, $93.2 million of federal funding was appropriated to these institutions.[17]

In the 2005-2006 academic year, 51 percent of all Hispanic undergraduates were enrolled in one of the 268 Hispanic-serving institutions in the United States and Puerto Rico. As shown in Figure 4, these institutions are clustered in 13 states and Puerto Rico; California, New Mexico, Texas and Puerto Rico host the majority. Overall, Hispanic-serving

Figure 4. Location of Hispanic-Serving Institutions



Source: Hispanic Association of Colleges and Universities, 2008.

4198

institutions constitute 8 percent of all U.S. postsecondary institutions. More than half are two-year public or private colleges, 26 percent are private four-year, and 21 percent are public four-year institutions.[18]

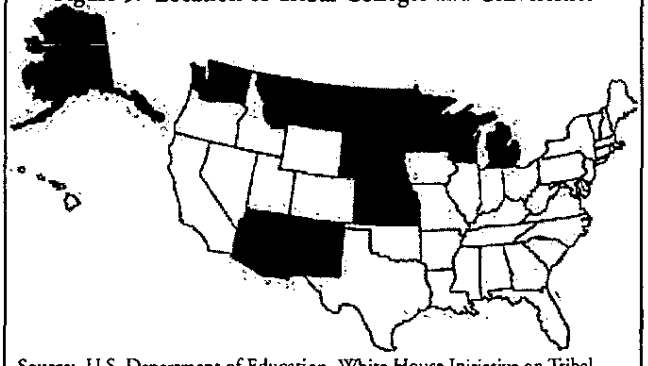
Hispanic-serving institutions award a high number of diplomas to Hispanic students. In 2003-2004, HSIs represented 5 percent of all two-year institutions but awarded 42 percent of all Hispanic associate degrees. In the same year, HSIs represented 2 percent of four-year institutions but awarded 40 percent of all Hispanic bachelor's degrees.[19]

In comparison to white students, Hispanics' participation and graduation rates overall remain low. According to the U.S. Census Bureau, 58 percent of Hispanic high school graduates in 2006 enrolled in college the next fall, compared to 69 percent of whites. Only 47 percent of Hispanic students who enroll in a four-year institution graduate with a bachelor's degree within six years, compared to 59 percent of white students.[20] In 2008, 19 percent of Hispanic adults over age 25 held at least an associate's degree, compared to 39 percent of white adults.[21] Given the low college attainment of the Hispanic population and the fact that currently half of all Hispanic students are enrolled at HSIs, it is important to support these institutions and improve student completion rates.

Overview: Tribal Colleges and Universities

The first tribal colleges and universities emerged in 1968 to promote higher education among American Indians living on reservations. A decade later, President Jimmy Carter signed the Tribally Controlled Community College Assistance Act of 1978, providing tribal colleges with stable federal funding. To be considered a tribal college, an institution's student population must be more than 50 percent American Indian. Most tribal colleges are chartered by an American Indian tribe and are located on a remote reservation. They are fully accredited institutions, held to the same standards as all other colleges. The 35 federally recognized tribal colleges and universities all began as two-year colleges. Now, seven are four-year universities that offer bachelor's degrees, and two offer master's degrees. The TCUs, located in 12 western and midwestern states, serve approximately 30,000 students (see Figure 5).

Figure 5. Location of Tribal Colleges and Universities



Source: U.S. Department of Education, White House Initiative on Tribal Colleges and Universities, 2009.

Tribal colleges and universities play an important role in improving the poor economic conditions of their students and communities. Poverty is a major factor for American Indian students—more than 85 percent of students enrolled at a TCU live at or below the poverty level. TCUs serve many students who would not be able to go to college if a tribal college were not located nearby. The integration of Indian culture with academics makes the TCUs appealing to tribal members and increases participation. According to the American Indian College Fund, 64 percent of TCU graduates say they want to use their knowledge and skills to benefit their tribes and better their communities.

During the last 30 years, the number of American Indians with postsecondary degrees has more than doubled, and TCUs have contributed to this increase.[22] Although they educate only 6 percent of American Indians, TCUs award 17 percent of associate degrees earned by this group.[23] Further, 56 percent of students who graduate from a two-year tribal college enroll at a four-year institution, which is a high percentage compared to the overall community college transfer rate.[24]

Trends and Challenges for MSIs

Enrollment Growth In the last two decades, Hispanic, African-American and American Indian populations have been growing at a faster pace than whites, and they are expected to continue to do so. In the 1990s, the Hispanic population grew by 58 percent, the African-American population by 16 percent, and the American Indian population by 132 percent, compared to a 6 percent growth in the white population. In 1995, whites comprised 73.6 percent of the population, and Hispanics made up 10.2 percent. It is projected that, by 2050, the Hispanic population share will have more than doubled and will make up 24.5 percent of Americans. The white population share, on the other hand, will decrease and will comprise 52.8 percent in 2050.[25]

As minority populations grow, more minority students are participating in higher education. Enrollment at tribal colleges and universities grew by 32 percent between 1997 and 2002, while enrollment at postsecondary institutions overall increased by 16 percent.[26] Hispanic college enrollment also is on the rise, re-

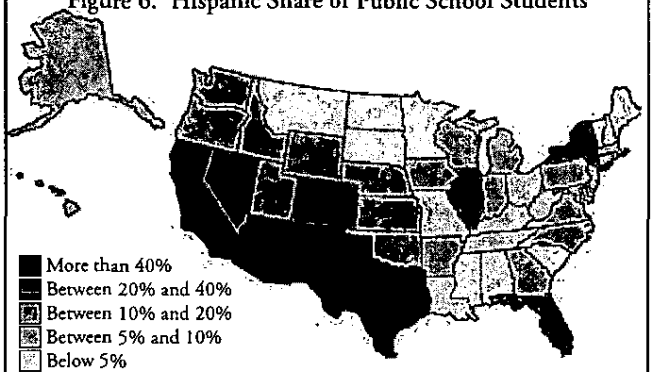
4199

sulting in an increase of approximately 100 Hispanic-serving institutions between 1995 and 2006.[27]

Enrollment growth at minority-serving institutions is expected to continue because of the large number of minorities currently in the K-12 system. According to the U.S. Census, 42 percent of elementary and secondary students in 2007 were minorities. That figure is expected to exceed 50 percent by 2023, making minority children the majority.

Currently, one in five students in the nation's K-12 public schools is Hispanic. Figure 6 depicts the percentage of Hispanic students in public schools by state. In Arizona, California, New Mexico and Texas, two in five public school students are Hispanic. The U.S. Census Bureau predicts that the Hispanic school-age population will increase by as much as 166 percent in the next 30 years, compared to a 4 percent growth for all non-Hispanic school-age populations.[28] As the number of minorities in elementary and secondary schools increases, more of those students will apply to and enroll in college, likely resulting in an increased enrollment at MSIs.

Figure 6. Hispanic Share of Public School Students



Source: Pew Hispanic Center, 2008.

Financial Woes Minority-serving institutions receive special funding from the federal government, but their financial resources often are limited compared to other institutions. Average MSI revenues are 36 percent lower than the average revenues at all institutions, partly due to lower tuition levels at MSIs. Because minority-serving institutions serve more low-income students, they strive to keep tuition and fees below national averages to help students afford college.

In the 2003-2004 academic year, tuition and fees for full-time undergraduates at all postsecondary institutions averaged $6,814, while the average was $3,986 at HBCUs and HSIs and $1,951 at TCUs. According to an Institute for Higher Education Policy report on minority-serving institutions, "Low tuition and fees, along with other limited resources, constrain the revenue an institution has available for faculty salaries, infrastructure expenses, and technology updates."[29] Recognizing the financial struggles many MSIs face, the federal government provides supplemental funding through the Higher Education Act. For many institutions, however, this does not significantly close the funding gap between MSIs and predominantly white institutions.

Hispanic-serving institutions compete for designated federal funding, but they are not distinguished from other institutions for state-level funding. State funding for public HSIs is the same as for other public institutions. Many HSIs struggle financially to support a student body composed of low-income, minority students who require more resources. Leaders at Hispanic-serving institutions commit significant time and effort to raise funds to help finance student support services.[30]

Tribal colleges and universities are considered federal trust territories; as a result, most TCU funding comes from the federal government, and they receive little or no state or local funding. TCU federal funding is distributed mainly through the Tribally Controlled College or University Assistance Act of 1978. TCUs also receive some funding through the minority-serving institution provision of Title III of the Higher Education Act and through 1994 federal legislation that classified TCUs as land-grant institutions.

Funds distributed under the Tribal College Act have never met authorized levels. Under Title I of the act, for example, TCUs receive funding based on enrollment. The act authorizes $6,000 per Indian student, but in FY 2008, TCU appropriations were $5,304 per student. Accounting for inflation, that amount is actually $1,400 less per student than the first appropriation under the act in 1981 of $2,831 per student. Many TCUs find that federal funding is insufficient—especially with recent and continuing growth in enrollment. With limited resources, tribal colleges offer students little institutional aid. Most TCU students rely on federal and state financial aid, increasing the importance of those programs. (For more information about financial aid, see the brief *Improving College Affordability for Underrepresented Students: Financial Aid Strategies.*)

Historically black colleges and universities receive federal and state funding, but state funding often is less than that for other state institutions. For example, a study found that, in 2007, the University of North Carolina-Chapel Hill received $15,700 per student in state appropriations, while

two North Carolina HBCUs—Fayetteville State University and North Carolina A&T—received $7,800 per student.[31] In North Carolina, a budget process that includes input from administrators and leaders in the University of North Carolina system and the Board of Governors determines funding for public universities. The General Assembly reviews the budget request and determines final appropriations.

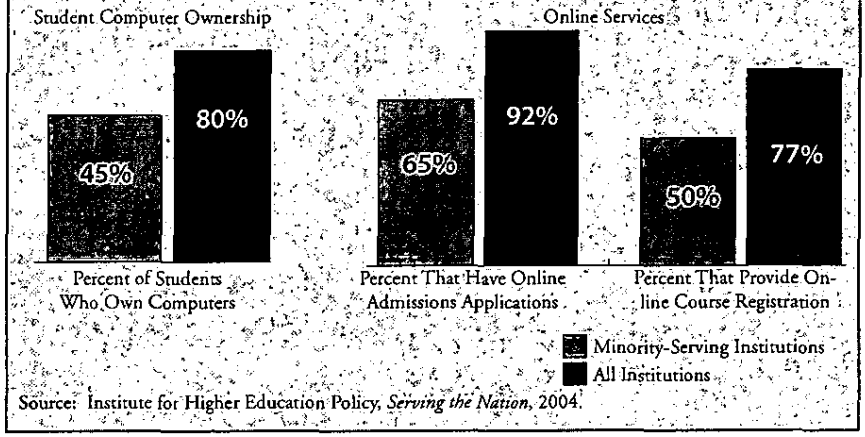
Other states have different budget processes or use funding formulas to calculate budget allocations. Regardless of the budget process, however, research indicates that institutions with larger enrollments and a greater variety of academic programs and degree opportunities receive significantly more money.

Larger schools tend to receive more money than smaller schools because they serve more students. As exemplified by North Carolina, however, per-student funding reveals discrepancies between majority and minority institutions. Further, some argue that, although some HBCUs are small, they serve a needy, disadvantaged population and so require more resources than other small institutions. Limited funding, coupled with a predominantly low-income student body, has created financial challenges for many HBCUs. According to researcher Dr. James T. Minor, "Current appropriation processes essentially ignore institutions most capable of educating those least likely to receive postsecondary degrees. There are few instances where state appropriations are directly used to narrow gaps in degree attainment by investing in institutions most capable of serving underrepresented populations."[32]

The North Carolina legislature recently passed an initiative to fund capacity-building projects at seven four-year public institutions that have growth potential. All five North Carolina HBCUs were included in the initiative. Many HBCUs nationwide have similar growth possibilities that could be developed if resources are available. Taking advantage of capacity-building opportunities at HBCUs could improve their ability to graduate African Americans.

Digital Divide Due to limited resources, minority-serving institutions face challenges in equipping their campuses and students with modern digital infrastructure. According to the Institute of Higher Education Policy, MSIs are behind other institutions in faculty use of technology, student computer ownership and provision of online student services, such as admissions applications, financial services and class registration. Figure 7 highlights these differences.

Figure 7. Digital Divide



Source: Institute for Higher Education Policy, *Serving the Nation*, 2004.

Some MSIs have developed programs to increase student computer access and use. Most campuses have computer labs, but many have a limited number of computers. Further, staying on campus to use a school computer may not be an option for students with long commutes, jobs or family responsibilities. As a response, tribal colleges such as Northwest Indian College and Diné College created laptop loan programs that allow students to check out laptops at no cost. In addition, TCUs, HBCUs and HSIs have joined under the Alliance for Equity in Higher Education to support federal legislation that appropriates funding to eligible MSIs for digital and wireless technology improvements. This legislation was incorporated into the reauthorized Higher Education Act in 2008 and provides program funding for FY 2009 through FY 2012.

Recruiting and Retaining Faculty Average faculty salaries at minority-serving institutions are 10 percent lower than salaries at other institutions, which can be a deterrent for recruiting and retaining excellent faculty.[33] Tribal colleges and universities in particular struggle with recruiting and retaining faculty and staff members because many TCUs are located in remote areas. Because there are few American Indian professors, TCUs must recruit non-Indian faculty, and the location and low-pay often are disincentives. One recruiting strategy TCUs employ is to encourage students who pursue academic professions to remain on campus to teach after they graduate.

Buildings and Facilities Maintaining old buildings and constructing new ones can be a challenge for MSIs. Minority-serving institutions with limited resources often cannot spend money on buildings and facilities, even if the project is a priority. TCUs report that they need classrooms, science and math labs, and libraries. Several tribal colleges have received private or government grants to fund new construction. Bay Mills Community College, for example, received grants in 2005 and 2006 from the U.S. Department of Education and the U.S. Department of Housing and Urban Development to build a large facility for classrooms, computer labs and dorm rooms. HSIs and HBCUs also actively seek federal and private grants for infrastructure projects.

Partnerships Partnerships with majority institutions can effectively supplement limited MSI resources. Such partnerships allow MSIs to take advantage of the research and program resources of majority institutions and allow majority institutions to gain diverse perspectives from MSI students and faculty. In a partnership dating back to 1964 between Tougaloo College, an HBCU, and Brown University, the two institutions conduct student and faculty exchanges and collaborate on research initiatives. Advisory boards at each school oversee the partnership and conduct an annual evaluation to ensure that both institutions benefit from the partnership. Similar partnerships exist between majority institutions and TCUs and HSIs. The University of Texas, El Paso, a Hispanic-serving institution, partners with the University of Texas, Austin; and Diné College, a tribal college, partners with the University of California, Los Angeles. [34]

Conclusion

Focusing on the educational attainment of fast-growing minority populations is essential for America's continued economic prosperity. Minority-serving institutions are in a unique position to educate these students. MSIs vary by mission, type of institution and geographic region, but they share the common trait of serving a large number of minority students. Historically black colleges and universities and tribal colleges and universities have focused missions to successfully educate African-American and American Indian students, respectively. Since their inception, these institutions have provided students with academic and cultural support, preparing them for the workforce or for graduate education. Hispanic-serving institutions are defined by the number of enrolled Hispanic students rather than a specific mission, but many are dedicated to promoting Hispanic students' educational success.

MSIs face numerous challenges, from limited resources to serving students who are at high risk of dropping out. Despite these challenges, promising results exist. MSIs educate one-third of all students of color, but educate half of all minority teachers. A high number of MSI graduates continue to medical school or graduate school in STEM fields. Above all, enrollment at minority-serving institutions is growing. For that reason, it is important to assess how to best support minority-serving institutions so they can fully serve their students.

As policymakers consider this issue, some action steps to take include the following.

- Get to know the minority-serving institutions in your state. Where are they? Who are they? Whom do they serve? How many students are enrolled? What are their retention and graduation rates?
- Study how minority-serving institutions are funded and consider if there are gaps in legislative policy that need to be addressed.
- Identify minority-serving institutions that have growth potential and support them in capacity-building projects.
- Encourage minority-serving institutions to partner with majority institutions to supplement their resources.
- Consider how to leverage state, federal and private-

sector resources for minority-serving institutions' technology and infrastructure improvements and student financial aid.

Notes

1. Xiaojie Li, *Characteristics of Minority Serving Institutions and Minority Undergraduates Enrolled in These Institutions* (Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, 2007), 37-39.

2. American Indian Higher Education Consortium (AIHEC) and Systemic Research Inc., *Sustaining Tribal Colleges and Universities and The Tribal College Movement: Highlights and Profiles* (Norwood, Mass: Systemic Research Inc., 2008), 12.

3. Li, *Characteristics of Minority Serving Institutions*, 46-66.

4. AIHEC, *Sustaining Tribal Colleges*, 12.

5. Li, *Characteristics of Minority Serving Institutions*, 20; AIHEC, *Sustaining Tribal Colleges*, 8.

6. Hispanic Association of Colleges and Universities (HACU), *Fact Sheet Hispanic Higher Education and HSIs* (Washington, D.C.: HACU, 2008); www.hacu.net/hacu/HSI_Fact_Sheet_EN.asp?SnID=399408611.

7. Deborah A. Santiago, *Choosing Hispanic Serving Institutions (HSIs): A Closer Look at Latino Students' College Choices* (Washington, D.C.: Excelencia in Education, 2007).

8. Michelle Asha Cooper, "Minority-Serving Institutions: An Overview" (presentation at the National Conference of State Legislature's National Education Seminar, Scottsdale, Ariz., March 2009).

9. The Campaign for Educational Equity, *Equity Facts and Figures* (New York: The Campaign for Educational Equity, Teachers College, Columbia University, 2005).

10. AIHEC, *Sustaining Tribal Colleges*, 11; Li, *Characteristics of Minority Serving Institutions*, 27. Data for Tribal Colleges calculated from following the entering class of 2003 (first-time, full-time students) and measuring graduation rates three years later in 2006. Data for HSIs calculated from the entering class of 2001, measured three years later in 2004.

11. Li, *Characteristics of Minority Serving Institutions*, 27. Data calculated from following the entering class of 1998 (first-time, full-time students) and measuring graduation rates six years later in 2004.

12. Deborah A. Santiago, *Inventing Hispanic Serving Institutions (HSIs): The Basics* (Washington, D.C.: Excelencia in Education, 2006), 11.

13. Marybeth Gasman, "What can Penn Learn from our Nation's Historically Black Colleges and Universities (HBCUs)?" *Almanac* (University of Pennsylvania) 52, no. 11 (Nov. 8, 2005).

14. The National Association for Equal Opportunity in Higher education (NAFEO), *2006-2007 Annual Report* (Washington, D.C.: NAFEO, 2008), 4; Cooper "Minority-Serving Institutions."

15. Li, *Characteristics of Minority Serving Institutions*, 22; Patrick Callan, *The 2008 National Report Card: Modest Improvements, Persistent Disparities, Eroding Global Competitiveness* (San Jose: National Center for Public Policy and Higher Education, 2008).

16. NAFEO, *Annual Report*; James T. Minor, *Contemporary HBCUs: Considering Institutional Capacity and State Priorities* (East Lansing, Mich.: Michigan State University, College of Education, 2008), 8.

17. Santiago, *Inventing Hispanic Serving Institutions*, 6-7.

18. HACU, *Fact Sheet Hispanic*; 268 HSIs meet the federal definition.

19. Santiago, *Inventing Hispanic Serving Institutions*, 12.

20. Callan, *The 2008 National Report Card.*

21. Santiago, *Choosing Hispanic Serving Institutions*, 5.

22. Jill Fleury DeVoe and Kristen E. Darling-Churchill, *Status and Trends in the Education of American Indians and Alaska Natives: 2008* (Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, 2008), 134.

23. Cooper, "Minority-Serving Institutions;"

24. American Indian College Fund, "Did you Know?" (Denver: American Indian College Fund, 2009); www.collegefund.org/about/didyouknow.html.

25. James Johnson, "People on the Move: Implications for K-20 Education" (presentation at the National Conference of State Legislature's National Education Seminar, Scottsdale, Ariz., Feb. 2009).

26. American Indian College Fund, "Did you Know?"

27. HACU, *Fact Sheet Hispanic.*

28. Richard Fry and Felisa Gonzales, *One in Five and Growing Fast: A Profile of Hispanic Public School Students* (Washington, D.C.: Pew Hispanic Center, 2008) i.

29. Melissa Del Rios and Lacey Leeg Water, *Increasing Student Success at Minority-Serving Institutions: Findings from the Beams Project* (Washington, D.C.: IHEP, 2008) 12.

30. Deborah A. Santiago, *Leading in a Changing America Presidential Perspectives from Hispanic Serving Institutions (HSIs)* (Washington, D.C.: Excelencia in Education, 2009), 3.

31. Minor, *Contemporary HBCUs*, 23.

32. Ibid.

33. Cooper, "Minority-Serving Institutions."

National Conference of State Legislatures
William T. Pound, Executive Director

7700 East First Place
Denver, Colorado 80230
(303) 364-7700

444 North Capitol Street, N.W., #515
Washington, D.C. 20001
(202) 624-5400

www.ncsl.org

© 2009 by the National Conference of State Legislatures. All rights reserved.

4203

The Path to a Degree

A Legislator's Guide to College Access and Success

This guide provides an overview of key issues, discusses research findings, and offers examples of specific state action that can improve college access and success for low-income, minority and first-generation students. *The Path to a Degree* contains six briefs.

- Overview: The Path to a Degree
- Raising Awareness: College Planning Strategies
- Increasing College and Workforce Readiness
- Improving College Affordability for Underrepresented Students: Financial Aid Strategies
- Engaging Students Academically and Socially: College Success Strategies
- What You Need to Know About Minority-Serving Institutions

SB 222

<target><bill>SB 222</bill><subject>SB 222</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 11, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/2010

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 222(JUD)**

"An Act relating to the crimes of harassment, distribution and possession of child pornography, failure to register as a sex offender or child kidnapper, and distribution of indecent material to a minor; relating to suspending imposition of sentence and conditions of probation or parole for human trafficking or for certain sex offenses; relating to aggravating factors in sentencing; relating to reporting of crimes; relating to administrative subpoenas for certain records involving exploitation of children; amending Rule 16, Alaska Rules of Criminal Procedure; and providing for an effective date."

SB 222-SEX OFFENSES; OFFENDER REGIS.; SENTENCING

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM			✓	
ADM			✓	

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
COR	2	✓		
LAW	4			✓
CRT	5			✓
DPS	7	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Doogan	✓			
	Austerman	X			
	Joule	✓			
	KELLY	✓			
Anna Fairclough	FAIRCLOUGH	✓			
	FOSTER	✓			
	Salmon	X			
Chair:		✓			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 222**
() Publish Date:

Identifier (file name): CSSB22(JUD)-DOA-PDA-04-12-10
Title: An Act relating to the crimes of harassment, ...
Sponsor: SRLS
Requester: HFIN

Dept. Affected: Administration
RDU: Legal and Advocacy Services
Component: Public Defender Agency
Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See attached page

Prepared by: Quinlan Steiner, Director — Phone 907 334-4414
Division: Public Defender Agency — Date/Time 04/12/2010, 12:30PM
Approved by: Rachael Petro, Deputy Commissioner — Date 4/12/2010
Department of Administration

(Revised 11/16/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 222

ANALYSIS CONTINUATION

The bill will create a new misdemeanor crime of harassment for touching another person without consent. Additionally, the bill will eliminate the mens rea element associated with circumstances under which someone fails to register as a sex offender.

This bill will also change the procedures for defense access to evidence in child pornography cases. Under the proposed change to Criminal Rule 16, the evidence that forms the basis of such charges must remain in the custody and control of a law enforcement agency and the prosecuting attorney, and no copies can be made. This will result in additional costs associated with the logistics of reviewing and evaluating evidence.

The agency currently does not have a reliable estimate of the number of cases that will be impacted by the discovery rule change. It is aniticpated that the agency will bear an additional $20.0-$30.0 for each case impacted by the rule change. Accordingly, the agency submits an indeterminate fiscal note.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB 222
() Publish Date:

Identifier (file name): CSSB222(JUD)-DOA-OPA-04-12-10
Dept. Affected: DOA
Title: An Act relating to the crimes of harassment, possession of child pornography and . . .
RDU: Legal and Advocacy Services
Component: Office of Public Advocacy
Sponsor: SRLS by Request
Requester: HFIN
Component Number: 43

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill makes additions and changes to a number of criminal statutes and discovery procedures associated with sex offenses and child pornography prosecutions. Some of these changes will have a fiscal impact on the agency although it is not possible to determine the precise amount at this time. Therefore, the agency has submitted an indeterminate fiscal note.

Analysis continued on the second page.

Prepared by: Rachel Levitt, Director — Phone 907 269-3504
Division: Office of Public Advocacy — Date/Time 04/12/10, 9:30 AM
Approved by: Rachael Petro, Deputy Commissioner — Date 4/12/2010
Department of Administration

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 222

ANALYSIS CONTINUATION

The bill will create a new misdemeanor crime of harassment for touching another person without consent. Additionally, the bill will eliminate the mens rea element associated with circumstances under which someone fails to register as a sex offender.

This bill will also change the procedures for defense access to evidence in child pornography cases. Under the proposed change to Criminal Rule 16, the evidence that forms the basis of such charges must remain in the custody and control of a law enforcement agency and the prosecuting attorney, and no copies can be made. This will result in additional costs associated with the logistics of the defense reviewing and evaluating evidence.

The agency does not have a reliable way of estimating the number of cases that will be impacted by the discovery rule change. It is anticipated that the agency may bear an addtional $20.0 - $30.0 for each case affected. Accordingly, the agency submits an indeterminate fiscal note.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 222
(S) Publish Date: 1/19/10

Identifier (file name): "Act relating to crimes of sexual assault, possession
Title of child pornography, and distribution of indecent material to a minor...."
Sponsor Rules Committee
Requester Governor

Dept. Affected: DOC
RDU Adminstration & Support
Component Office of the Commissioner
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	77.1	103.0	128.9	154.8	180.7
Travel	0.0	0.0	1.5	2.0	2.5	3.0	3.5
Contractual	0.0	0.0	50.4	67.3	84.2	101.2	118.1
Supplies	0.0	0.0	7.9	10.6	13.3	15.9	18.6
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**136.9**	**182.9**	**228.9**	**274.9**	**320.9**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time	0.0	0	0	0	0	0	0
Temporary	0.0	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This bill will have the effect of increasing the number of prisoners the Department of Corrections (DOC) will have to house beginning in Fiscal Year 2012. These approximate costs are based on the average number of new convictions or remands per year and the average estimated sentences associated with each change in the draft legislation. DOC will track the impact and could potentially request additional funding based on actual impacts.

Continued on page 2

Prepared by: Leslie Houston, Director — Phone (907) 465-3339
Division Administration and Support — Date/Time 1/7/10 8:30 AM
Approved by: Dwayne Peeples, Deputy Commissioner — Date 1/7/2010
Department of Corrections

(Revised 11/6/2009 OMB)

4211

FISCAL NOTE # 2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 222

ANALYSIS CONTINUATION

This bill specifically adds a number of new crimes, expands existing crimes, and enhances sentences for existing crimes:

- Sections 1 and 2 remove parolees from the statute. This change should have little to no fiscal impact.

- Section 3 changes the elements for failure to register as a Sex Offender or child kidnapper in the second degree. It is estimated this will generate 3 new convictions per year carrying an average 2 month sentence.

- Section 4 raises a form of harassment in the second degree to harassment in the first degree if the offensive physical contact is by the offender touching the other person's genitals, anus, or female breast. The change from a Class B misdemeanor to a Class A misdemeanor is estimated to generate 18 convictions per year that carry an average 30 day sentence.

- Sections 5, 6, and 7 address a problem with current Alaska law prohibiting possession of child pornography. This amendment prohibits possession of child pornography, and also prohibits a person from knowingly accessing child pornography on a computer with the intent to view. We anticipate a relatively low number of new convictions and a possible increase in remands. Convictions would generate an estimated average 4 year sentence. The actual impact will be closely tracked by DOC.

- Section 8, 9, and 10 changes the elements of distribution of indecent material to minors to include any distribution in addition to electronic distribution. Because most of these cases are by computer, the impact on DOC is small and is included in Sections 5-6-7.

- Section 11 prohibits the suspension of sentences for human trafficking and possession of child pornography. DOC will track the actual impact.

- Section 12 adds discretionary probation conditions for Sex Offenders providing available electronic mail addresses and prohibiting internet use, communication with children, and possession or use of a computer. DOC believes this will have minimal impact above the number of remands that occur each year for such violations, however, we will track any impact this change to the bill may have.

- Section 13 adds as a sentencing aggravator adding the incapacity of a victim by alcohol or drugs. Due to a lack of data, the DOC is unable to assess an impact. The impact will be closely tracked.

- Section 14 adds two sentencing aggravators in a sex offense: first, to increase a sentence for a crime against a person committed against a person that the defendant was dating or with whom the defendant has engaged a sexual relationship; second, the sentence is increased if the defendant is 18 or over and is convicted of sexual abuse of a minor in the second degree under AS 11.41.436(a). Due to a lack of data, the DOC is unable to assess an impact. The impact will be closely tracked.

- Section 15 expands the definition of sex offense for sex offender registration to include sex offenses committed in other states where a person must register as a Sex Offender or child kidnapper. There are too many factors involved to determine a fiscal impact. DOC will track the actual impact.

- Section 16 amends criminal discovery restriction regarding child pornography. This represents no fiscal impact for DOC.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: SB 222
(S) Publish Date: 1/19/10

Identifier (file name): 0859 -Law-Crim-12-30-09
Dept. Affected: Law
Title: An Act relating to the crimes of sexual assault, possession of child pornography and distribution of indecent material to a minor.
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Rules
Requester: Governor
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill adopts a class A misdemeanor for offensive touching that does not arise to sexual assault in the first, second or third degree. The bill adopts a class C felony for a person who knowingly accesses child pornography on a computer. The bill extends the prohibition of distributing indecent material to a minor to all forms of distribution. The bill provides that a person convicted of human trafficking or possession or distribution of child pornography may not be given a suspended imposition of sentence, and imposes certain restrictions on defendants.

Prepared by: Eileen Donahue, Division Operations Manager
Phone (907)465-5427
Division: Administrative Services
Date/Time 12/30/09 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 12/30/2009

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSSB 222(JUD)
(S) Publish Date: 4/7/10

Identifier (file name):
Dept. Affected:

Title: Sex Offenses; Offender Registration; Sentencing
RDU: Alaska Court System
Component: Trial Courts

Sponsor: Senate Rules
Requester: Governor
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The court system does not anticipate any fiscal impact from the passage of SB 222.

Prepared by: Doug Wooliver, Administrative Attorney
Phone 907-463-4750
Division: Alaska Court System
Date/Time 01-22-10 @ 8:30 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director
Date 1/22/2010
Alaska Court System

(Revised 10/13/2009 OMB)

4214

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: CSSB 222(JUD)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB222(JUD)-DPS-R&I-04-07-10
Dept. Affected: Public Safety
Title "An Act relating to the crimes of harassment, distribution, and possession of child pornography, and distribution of indecent materials..."
RDU Statewide Support
Component Records & Identification
Sponsor Rules Committee
Requester Senate Finance Committee
Component Number 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	83.8		83.8	83.8	83.8	83.8	83.8
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Contractual	25.8		5.8	5.8	5.8	5.8	5.8
Supplies	1.0		1.0	1.0	1.0	1.0	1.0
Equipment	2.9						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**123.5**	**0.0**	**100.6**	**100.6**	**100.6**	**100.6**	**100.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	123.5		100.6	100.6	100.6	100.6	100.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**123.5**	**0.0**	**100.6**	**100.6**	**100.6**	**100.6**	**100.6**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This proposed legislation amends AS 12.62.130 to require law enforcement agencies to report to the department data regarding each type of felony sex offense committed within that agency's jurisdiction.

Enactment of this legislation would necessitate the development of an enhanced reporting mechanism and data system to collect and track felony sex offenses so that the department can provide timely, accurate and meaningful statistics specific to those felony sex offenses defined under AS 12.63.100(6).

Because the mechanism currently being used to report uniform crime report information to the department does not include the data this legislation requires, an enhanced reporting mechanism that captures the data elements (cont.)

Prepared by: David Schade
Phone (907) 269-0202
Division Statewide Services
Date/Time 4/7/10 3:28 PM
Approved by: Joe Masters
Commissioner
Date 4/7/2010

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 222(JUD)

ANALYSIS CONTINUATION

(cont.) specific to felony sex offenses will be needed. To meet this requirement, the department proposes to create a secure electronic form for reporting felony sex offense data as well as a separate database to collect, store and report the information. Law enforcement agencies would complete the form online and submit it electronically to DPS through a secure Internet connection. Reports would be assigned and identified by a unique identifier which would be used to track felony sex offenses. It is envisioned that the electronic form would interface with the database and auto-populate the data. As an alternative, hardcopy forms would be completed by law enforcement and manually entered into the database by DPS personnel.

The one-time costs associated with development of the form, electronic interface and database are estimated to be $20,000.

The department anticipates these additional data collection and analysis efforts will require one new full-time Criminal Justice Specialist position. This position would be responsible to:
* Train, functionally test, and affirm the proficiency of state and local law enforcement agency personnel responsible for reporting data regarding each type of felony sex offense reported within that agency's jurisdiction;
* Provide continuing training and technical assistance to law enforcement agencies across the state as needed;
* Review, audit and validate the data reported for agency adherence to prescribed reporting standards including completeness, timeliness and accuracy;
* Enter hardcopy reports into the database;
* Track, or assist in tracking, each type of felony sex offense reported;
* Identify data reporting and collection issues and determine appropriate action;
* Ensure law enforcement agency compliance with reporting requirements;
* Compile and distribute statistical information and reports to authorized/interested parties;
* Assist in the compilation of an annual report concerning the number, nature and outcomes of felony sex offenses reported in the state.

CS FOR SENATE BILL NO. 222(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/7/10
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the crimes of harassment, distribution and possession of child pornography, failure to register as a sex offender or child kidnapper, and distribution of indecent material to a minor; relating to suspending imposition of sentence and conditions of probation or parole for human trafficking or for certain sex offenses; relating to aggravating factors in sentencing; relating to reporting of crimes; relating to administrative subpoenas for certain records involving exploitation of children; amending Rule 16, Alaska Rules of Criminal Procedure; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 11.56.759(a) is amended to read:

(a) A person commits the crime of violation by sex offender of condition of probation [OR PAROLE] if the person

(1) is on probation [OR PAROLE] for conviction of a sex offense;

(2) has served the entire term of incarceration imposed for conviction of the sex offense; and

(3) [EITHER

(A)] violates a condition of probation imposed under AS 12.55.100(a)(5), (a)(6), or (e), 12.55.101(a)(1), or any other condition imposed by the court that the court finds to be specifically related to the defendant's offense [; OR

(B) VIOLATES A CONDITION OF PAROLE IMPOSED UNDER AS 33.16.150(a)(3), (a)(4), (a)(6), (a)(13), (b)(4), (b)(11), OR (f)].

* **Sec. 2.** AS 11.56.759(c) is amended to read:

(c) Violation by sex offender of condition of probation [OR PAROLE] is a class A misdemeanor.

* **Sec. 3.** AS 11.56.840 is repealed and reenacted to read:

Sec. 11.56.840. Failure to register as a sex offender or child kidnapper in the second degree. (a) A person commits the crime of failure to register as a sex offender or child kidnapper in the second degree if the person

(1) is required to register under AS 12.63.010;

(2) knows that the person is required to register under AS 12.63.010; and

(3) fails to

(A) register;

(B) file written notice of

(i) change of residence;

(ii) change of mailing address;

(iii) establishment of an electronic or messaging address or any change to an electronic or messaging address; or

(iv) establishment of an Internet communication identifier or any change to an Internet communication identifier;

(C) file the annual or quarterly written verification; or

(D) supply accurate and complete information required to be

submitted under this paragraph.

(b) In a prosecution for failure to register as a sex offender in the second degree under (a) of this section, it is an affirmative defense that

(1) unforeseeable circumstances, outside the control of the person, prevented the person from registering under (a)(3)(A) of this section or filing or supplying the written notices, verification, and other information required under (a)(3)(B) - (D) of this section; and

(2) the person contacted the Department of Public Safety orally and in writing immediately upon being able to perform the requirements described in this section.

(c) Failure to register as a sex offender or child kidnapper in the second degree is a class A misdemeanor.

*** Sec. 4.** AS 11.61.118(a) is amended to read:

(a) A person commits the crime of harassment in the first degree if

(1) the person violates AS 11.61.120(a)(5) and the offensive physical contact is contact with human or animal blood, mucus, saliva, semen, urine, vomitus, or feces**; or**

(2) under circumstances not proscribed under AS 11.41.434 - 11.41.440, the person violates AS 11.61.120(a)(5) and the offensive physical contact is contact by the person touching through clothing another person's genitals, buttocks, or female breast.

*** Sec. 5.** AS 11.61.125(a) is amended to read:

(a) A person commits the crime of distribution of child pornography if the person **distributes in this state or advertises, promotes, solicits, or offers to distribute in this state** [BRINGS OR CAUSES TO BE BROUGHT INTO THE STATE FOR DISTRIBUTION, OR IN THE STATE DISTRIBUTES, OR IN THE STATE POSSESSES, PREPARES, PUBLISHES, OR PRINTS WITH INTENT TO DISTRIBUTE,] any material that **is proscribed under AS 11.61.127** [VISUALLY OR AURALLY DEPICTS CONDUCT DESCRIBED IN AS 11.41.455(a), KNOWING THAT THE PRODUCTION OF THE MATERIAL INVOLVED THE USE OF A CHILD UNDER 18 YEARS OF AGE WHO ENGAGED IN THE

CONDUCT].

* **Sec. 6.** AS 11.61.127(a) is amended to read:

(a) A person commits the crime of possession of child pornography if the person knowingly possesses **or knowingly accesses on a computer with intent to view** any material that visually [OR AURALLY] depicts conduct described in AS 11.41.455(a) knowing that the production of the material involved the use of a child under 18 years of age who engaged in the conduct **or a depiction of a part of an actual child under 18 years of age who, by manipulation, creation, or modification, appears to be engaged in the conduct**.

* **Sec. 7.** AS 11.61.127(c) is amended to read:

(c) Each film, audio, video, electronic, or electromagnetic recording, photograph, negative, slide, book, newspaper, magazine, or other material that visually or aurally depicts conduct described in AS 11.41.455(a) that is possessed **or accessed in violation of (a) of this section** [BY A PERSON KNOWING THAT THE PRODUCTION OF THE MATERIAL INVOLVED THE USE OF A CHILD UNDER 18 YEARS OF AGE THAT ENGAGED IN THE CONDUCT] is a separate violation of this section.

* **Sec. 8.** AS 11.61.127 is amended by adding new subsections to read:

(e) In a prosecution under (a) of this section, it is an affirmative defense that the person

(1) possessed or accessed fewer than three depictions described in (a) of this section; and

(2) without allowing any person other than a law enforcement agency to view the depictions, either took reasonable steps to destroy the depictions, or reported the matter to a law enforcement agency and allowed the agency access to the depictions.

(f) In this section, "computer" has the meaning given in AS 11.46.990.

(g) In a prosecution under (a) of this section, the prosecution is not required to prove the identity of a minor depicted or that the defendant knew the identity of a minor depicted.

* **Sec. 9.** AS 11.61.128(a) is amended to read:

(a) A person commits the crime of [ELECTRONIC] distribution of indecent material to minors if

(1) the person, being 18 years of age or older, knowingly distributes to another person [BY COMPUTER] any material that depicts the following actual or simulated conduct:

(A) sexual penetration;

(B) the lewd touching of a person's genitals, anus, or female breast;

(C) masturbation;

(D) bestiality;

(E) the lewd exhibition of a person's genitals, anus, or female breast; or

(F) sexual masochism or sadism; [AND]

(2) **the material is harmful to minors; and**

(3) either

(A) the other person is a child under 16 years of age; or

(B) the person believes that the other person is a child under 16 years of age.

* **Sec. 10.** AS 11.61.128(c) is amended to read:

(c) Except as provided in (d) of this section, [ELECTRONIC] distribution of indecent material to minors is a class C felony.

* **Sec. 11.** AS 11.61.128(d) is amended to read:

(d) **Distribution** [ELECTRONIC DISTRIBUTION] of indecent material to minors is a class B felony if the defendant was, at the time of the offense, required to register as a sex offender or child kidnapper under AS 12.63 or a similar law of another jurisdiction.

* **Sec. 12.** AS 11.61.128 is amended by adding a new subsection to read:

(e) In this section, "harmful to minors" means

(1) the average individual, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest in sex for persons under 16 years of age;

(2) a reasonable person would find that the material, taken as a whole, lacks serious literary, artistic, educational, political, or scientific value for persons under 16 years of age; and

(3) the material depicts actual or simulated conduct in a way that is patently offensive to the prevailing standards in the adult community as a whole with respect to what is suitable for persons under 16 years of age.

*** Sec. 13.** AS 12.55.085(f) is amended to read:

(f) The court may not suspend the imposition of sentence of a person who

(1) is convicted of a violation of AS 11.41.100 - 11.41.220, 11.41.260 - 11.41.320, **11.41.360 - 11.41.370,** 11.41.410 - 11.41.530, [OR] AS 11.46.400**, or AS 11.61.125 - 11.61.128**;

(2) uses a firearm in the commission of the offense for which the person is convicted; or

(3) is convicted of a violation of AS 11.41.230 - 11.41.250 or a felony and the person has one or more prior convictions for a misdemeanor violation of AS 11.41 or for a felony or for a violation of a law in this or another jurisdiction having [SUBSTANTIALLY] similar elements to an offense defined as a misdemeanor in AS 11.41 or as a felony in this state; for the purposes of this paragraph, a person shall be considered to have a prior conviction even if that conviction has been set aside under (e) of this section or under the equivalent provision of the laws of another jurisdiction.

*** Sec. 14.** AS 12.55.100(e) is repealed and reenacted to read:

(e) In addition to other conditions imposed on the defendant, while on probation and as a condition of probation

(1) for a sex offense, as described in AS 12.63.100, the defendant

(A) shall be required to submit to regular periodic polygraph examinations;

(B) may be required to provide each electronic mail address, instant messaging address, and other Internet communication identifier that the defendant uses to the defendant's probation officer; the probation officer shall forward those addresses and identifiers to the Alaska state troopers and to the

local law enforcement agency;

(2) if the defendant was convicted of a violation of AS 11.41.434 - 11.41.455, AS 11.61.125 - 11.61.128, or a similar offense in another jurisdiction, the defendant may be required to refrain from

(A) using or creating an Internet site;

(B) communicating with children under 16 years of age; or

(C) possessing or using a computer.

*** Sec. 15.** AS 12.55.155(c)(5) is amended to read:

(5) the defendant knew or reasonably should have known that the victim of the offense was particularly vulnerable or incapable of resistance due to advanced age, disability, ill health, homelessness, **consumption of alcohol or drugs,** or extreme youth or was for any other reason substantially incapable of exercising normal physical or mental powers of resistance;

*** Sec. 16.** AS 12.55.155(c)(18) is amended to read:

(18) the offense was a felony

(A) specified in AS 11.41 and was committed against a spouse, a former spouse, or a member of the social unit made up of those living together in the same dwelling as the defendant;

(B) specified in AS 11.41.410 - 11.41.458 and the defendant has engaged in the same or other conduct prohibited by a provision of AS 11.41.410 - 11.41.460 involving the same or another victim; [OR]

(C) specified in AS 11.41 that is a crime involving domestic violence and was committed in the physical presence or hearing of a child under 16 years of age who was, at the time of the offense, living within the residence of the victim, the residence of the perpetrator, or the residence where the crime involving domestic violence occurred;

(D) specified in AS 11.41 and was committed against a person with whom the defendant has a dating relationship or with whom the defendant has engaged in a sexual relationship; or

(E) specified in AS 11.41.434 - 11.41.458 or AS 11.61.128 and the defendant was 10 or more years older than the victim;

* **Sec. 17.** AS 12.63.100(6) is amended to read:

(6) "sex offense" means

(A) a crime under AS 11.41.100(a)(3), or a similar law of another jurisdiction, in which the person committed or attempted to commit a sexual offense, or a similar offense under the laws of the other jurisdiction; in this subparagraph, "sexual offense" has the meaning given in AS 11.41.100(a)(3);

(B) a crime under AS 11.41.110(a)(3), or a similar law of another jurisdiction, in which the person committed or attempted to commit one of the following crimes, or a similar law of another jurisdiction:

(i) sexual assault in the first degree;

(ii) sexual assault in the second degree;

(iii) sexual abuse of a minor in the first degree; or

(iv) sexual abuse of a minor in the second degree; **or**

(C) a crime, or an attempt, solicitation, or conspiracy to commit a crime, under the following statutes or a similar law of another jurisdiction:

(i) AS 11.41.410 - 11.41.438;

(ii) AS 11.41.440(a)(2);

(iii) AS 11.41.450 - 11.41.458;

(iv) AS 11.41.460 if the indecent exposure is before a person under 16 years of age and the offender has a previous conviction for that offense;

(v) AS 11.61.125 - 11.61.128;

(vi) AS 11.66.110 or 11.66.130(a)(2) if the person who was induced or caused to engage in prostitution was 16 or 17 years of age at the time of the offense; [OR]

(vii) former AS 11.15.120, former 11.15.134, or assault with the intent to commit rape under former AS 11.15.160, former AS 11.40.110, or former 11.40.200; **or**

(viii) AS 11.61.118(a)(2) if the offender has a previous conviction for that offense;

* **Sec. 18.** AS 12.62.130 is amended to read:

Sec. 12.62.130. Reporting of uniform crime information. A criminal justice agency shall submit to the department, at the time, in the manner, and in the form specified by the department, data regarding crimes committed within that agency's jurisdiction. **At a minimum, the department shall require a criminal justice agency to report each felony sex offense committed in the agency's jurisdiction. The department may withhold grant funding to a criminal justice agency that fails to report data as required by this section.** The department shall compile, and provide to the governor and the attorney general, an annual report concerning the number and nature of criminal offenses committed, the disposition of the offenses, and any other data the commissioner finds appropriate relating to the method, frequency, cause, and prevention of crime. **In this section, "sex offense" has the meaning given in AS 12.63.100.**

* **Sec. 19.** AS 44.23 is amended by adding a new section to read:

Sec. 44.23.080. Subpoena power of attorney general in cases involving use of an Internet service account in the exploitation of children. (a) In an investigation of an offense under AS 11.41.452, 11.41.455, or AS 11.61.125 - 11.61.128 and on reasonable cause to believe that an Internet service account has been used in the exploitation or attempted exploitation of children, the attorney general may issue in writing and cause to be served a subpoena requiring the production and testimony described in (b) of this section.

(b) A person receiving a subpoena under (a) of this section shall disclose, for the account that is the subject of the subpoena,

(1) the name of the person holding the account;

(2) the address and physical location associated with the account; and

(3) length of service, including service start date, and types of service used by the account.

(c) At any time before the return date specified on the subpoena, the subpoenaed person may petition a court of competent jurisdiction for the judicial district in which the person resides or does business for an order modifying or setting aside the subpoena or for an order sealing the court record.

(d) A subpoena under this section must describe the objects required to be

produced and must prescribe a return date with a reasonable period of time within which the objects must be assembled and produced.

(e) If no case or proceeding arises from the production of records or other documents under this section within a reasonable time after those records or documents are produced, the attorney general shall either destroy the records and documents or return them to the person who produced them.

(f) A subpoena issued under this section may be served as provided for service of subpoenas under Rule 45, Alaska Rules of Civil Procedure, or for service of process under Rule 4, Alaska Rules of Civil Procedure.

(g) Except as provided in this section, any information, records, or data reported or obtained under a subpoena under this section shall remain confidential and may not be disclosed unless the disclosure occurs in connection with a criminal case related to the subpoenaed materials.

*** Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 16(b), Alaska Rules of Criminal Procedure, is amended by adding a new paragraph to read:

(9) Restriction on Availability of Certain Material or Property. Notwithstanding (b)(1)(A)(iv) of this rule, the court shall deny any request by the defendant to copy, photograph, duplicate, or otherwise reproduce any property or material that may be illegal or prohibited under AS 11.41.455(a) or defined as "child pornography" under 18 U.S.C. 2256, provided the prosecution makes the property or material reasonably available to the defendant. Property or material shall be deemed to be made reasonably available to the defendant if the prosecution provides, at a prosecution or law enforcement facility, ample opportunity for inspection, viewing, and examination of the property or material by the defendant, the defendant's attorney, and any individual the defendant may seek to qualify to furnish expert testimony at trial.

*** Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE STATEMENT CONCERNING CULPABLE MENTAL STATE. In AS 11.56.840(a), as repealed and reenacted by sec. 3 of this Act, the only culpable mental

state required to be proven by the prosecution is the "knowing" requirement in paragraph (2) of that subsection. No other culpable mental state needs to be proven for the other elements of that offense.

*** Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to read:

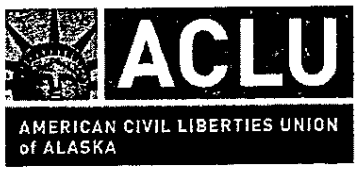
APPLICABILITY. (a) Sections 1 - 17 of this Act apply to offenses committed on or after the effective date of this Act.

(b) Sections 19 and 20 of this Act apply to offenses committed before, on, or after the effective date of this Act.

*** Sec. 23.** This Act takes effect July 1, 2010.

House Finance Committee
Monday, April 12, 2010
1:30PM

SB 222 – SEX OFFENSES; OFFENDER REGIS.; SENTENCING
New Fiscal Notes
ADM 0 (replaces published #1)
ADM * (replaces published #3)



April 12, 2010

The Honorable Mike Hawker
The Honorable Bill Stoltze
Co-Chairs, House Finance Committee
Alaska State House of Representatives
State Capitol
Juneau, AK 99801

Re: Senate Bill 222
Constitutional Issues

Chairs Hawker & Stolze:

Thank you for the opportunity to submit written testimony regarding Senate Bill 222 (CS JUD).

The American Civil Liberties Union of Alaska represents thousands of members and activists throughout the State of Alaska who seek to preserve and expand individual freedoms and civil liberties guaranteed under the United States and Alaska Constitutions. From that perspective, we have several significant concerns with the proposed legislation.

Section Nineteen – Unnecessary Invitation to Governmental Abuse of Alaskan's Internet Records

Section 19 proposes that the Attorney General may issue administrative subpoenas to obtain an internet user's name, address, and service history.

The general rule in criminal investigations has been that a warrant issues from a judge or other judicial authority. In some contexts, administrative warrants have been issued by various administrative agencies – to assist the IRS, for instance, in recovering owed taxes, or the SEC in identifying violations of securities regulations. Permitting a criminal enforcement agency to issue its own subpoenas for the purpose of prosecution inevitably leads to abuse.

a. U.S. Department of Justice Reports on Abuse of Federal Administrative Subpoenas

In January of this year, the U.S. Department of Justice, Office of the Inspector General issued a report on the FBI's use of non-judicially approved

AMERICAN CIVIL LIBERTIES UNION OF ALASKA
1057 W. Fireweed, Suite 207
Anchorage, AK 99503
(907) 258-0044
(907) 258-0288 (fax)
WWW.AKCLU.ORG

OFFICERS AND DIRECTORS
SUSAN WINGROVE, Anchorage
PRESIDENT

RICH CURTNER, Anchorage
VICE PRESIDENT

LLOYD EGGAN, Anchorage
TREASURER

TONY STRONG, Juneau
SECRETARY

WILLIE ANDERSON, Juneau
AFFIRMATIVE ACTION OFFICER

KIRSTEN BEY, Nome
PAUL GRANT, Juneau
SCOTT HENDERSON, Anchorage
KATIE HURLEY, Wasilla
MICHAEL KING, Anchorage
CONNIE OZER, Anchorage
JOHN NEVILLE, Anchorage
GALEN PAINE, Sitka
STEPHANIE PAWLOWSKI, Anchorage
JUNE PINNELL-STEPHENS, Fairbanks
JIM WHITAKER, Fairbanks
NADINE WINTERS, Fairbanks

ZACH FICK, Anchorage
NOELANI KAMAHELE, Anchorage
STUDENT ADVISORS

requests for telephone records. See, http://www.justice.gov/oig/special/s1001r.pdf.

As the OIG noted: "Our investigation also uncovered abuses in the FBI's use of administrative subpoenas." (pg.129) There, as proposed in this bill, the authorization was intended "in connection with the investigation of . . . offenses involving the sexual abuse or exploitation of children . . . ." (pg 130)

The New York Times summarized the report as follows:

> The Federal Bureau of Investigation improperly obtained calling records for more than 3,500 telephone accounts from 2003 to 2006 without following any legal procedures, according to a newly disclosed report by the Justice Department's inspector general.
>
> Instead, according to the 289-page report, F.B.I. agents informally requested the records from employees of three unidentified telephone companies who were stationed inside a bureau communications office.
>
> Based on nothing more than e-mail messages or scribbled requests on Post-it notes, the phone employees turned over customer calling records, the report said.
>
> On some occasions, the phone employees allowed the F.B.I. to upload call records to government databases. On others, they allowed agents to view records on their computer screens, a practice that became known as "sneak peeks."
>
> Moreover, the report found that the F.B.I. improperly uploaded into its databases large numbers of calling records without determining whether they were relevant to an investigation.
>
> On four occasions, the bureau made inaccurate statements to a court that authorizes national security wiretaps about how it had obtained calling records, the report said.
>
> And agents twice improperly gained access to reporters' calling records as part of leak investigations.

http://www.nytimes.com/2010/01/21/us/21fbi.html

The OIG's March, 2008 Report on abuse of NSL's documents similar abuses. See, http://www.justice.gov/oig/special/s0803b/final.pdf. And the Washington Post, in a lengthy report, analyzed the issue. That report quotes former Republican Congressman Bob Barr:

> Barr, the former congressman, said that "the abuse is in the power itself."

> "As a conservative," he said, "I really resent an administration that calls itself conservative taking the position that the burden is on the citizen to show the government has abused power, and otherwise shut up and comply."

http://www.washingtonpost.com/wp-dyn/content/article/2005/11/05/AR2005110501366.html.

b. Administrative Subpoena Powers are Unnecessary

Recent testimony to the Alaska Legislature to the effect that such sweeping authority should be removed from the hands of a judge – who traditionally affords constitutional protections as a neutral party – has indicated that the judicial process is too cumbersome or takes too much time. However, the submission of a warrant to a judge is the same procedure by which the phones of those accused of drug dealing are tapped, by which the homes of those accused of murder are searched, and by which those accused of rape are arrested. While the "affidavit" portion of a warrant request can be lengthy, much of it is boilerplate. The ACLU can provide the Committee with an exemplar affidavit showing that the original language necessary to complete the affidavit is rather minimal.

Testimony that it would be easier for the head of the state's law enforcement and litigation agency to read an application for an administrative subpoena than for any of the many state court judges to do so is similarly unpersuasive. Regardless of who will finally sign a warrant or subpoena, the same steps must be completed. The statement of probable cause must be drafted, the statement of what materials are to be seized must be prepared, and the application must be submitted for signature. Whether the application is faxed to a judge's chambers or carried upstairs does not add significantly to the time needed to complete the application.

One could imagine that the Attorney General would have less time to fully review the application than judges around the state. If the intention of the bill is that the Attorney General will designate representatives to sign these warrants in his name, such a practice invites different concerns. Devolving subpoena power to numerous subordinates whose actions would be difficult to track even within the Department of Law, opens even more avenues for abuse.

The context of the subpoena – internet usage – should prompt more scrutiny from the courts, since access to the internet is part of the freedom of speech. Allowing the government to discover who makes negative comments about political figures on websites, to find out whether a state employee is visiting a website about whistleblower law, and who is supporting rival political campaigns threatens the privacy and the free speech rights of citizens. *Doe v. Alaska Superior Court*, 721 P.2d 617, 629 (Alaska 1986) (privacy clause protects "sensitive personal information"). It is no answer to say that the statute is supposedly about child exploitation when the subpoenas are not subject to independent scrutiny. The only entity able to challenge the subpoena would be the internet service provider, which has no particular interest in the freedom of speech or privacy of citizens.

Allowing a law enforcement agency to issue its own subpoenas without review by a neutral party has led in the past and will lead again to serious abuse by government officials.

c. Recommendation for Annual Review of Administrative Subpoena Use

While it would be preferable for the Finance Committee to delete this provision from the Bill, should it pass, it is strongly recommended that the Bill be amended to include a requirement for an annual report to the Legislature on the use of Administrative Subpoenas. In that way, as at the federal level, abuses could be uncovered and determination made if the problem is with the existence of non-judicially reviewed warrants or internal Alaska Department of Law processes.

Absent such a review process, the risk is too great that Alaskans who have no connection to internet pornography of any kind could have their names, accounts, and service histories captured.

Section 20 Proposed Amendments to
Rule 16 of the Rules of Criminal Procedure

Section Twenty of the Bill proposes changes to the rules of criminal procedure that violate the state and federal constitutional rights to a fair trial and to effective representation, and would result in lengthy and costly litigation. The Section proposes that relevant evidence should be revealed to defendants, defense attorneys, and defense experts only at a state facility, under the control of a law enforcement agency. While protecting the privacy of the victims of certain crimes is an important interest, the proposed changes to the Rules of Criminal Procedure unnecessarily restrict the rights of the accused.

In some cases, the use of a technological expert is invaluable. Defendants are entitled to establish, for example, that images at issue in a trial are not illegal material, were placed on the drive by another party, or were altered in some way. The computer source files would require review at length by an expert witness. Being forced to conduct the review at a local police department or District Attorney's office would make the work of these experts essentially impossible. Moreover, the analysis of hard drives and other media would likely require unique analysis programs which would necessitate examining the images on the expert's own computers. The proposed Rule Amendment would effectively deprive defendants of the effective use of expert testimony, which would be a key defense resource in these cases.

Even where the use of an expert is unnecessary, the defense attorney may need to review the files at length, to establish the exact nature of images or files, or to determine whether some of them are duplicates. Requiring defense attorneys to do their work at times and places convenient to the state is unnecessarily and unconstitutionally restrictive.

A case from Washington State perfectly illustrates why the proposed rule would result in lengthy and expensive litigation which would ultimately result in the overturning of the statute. In *State v. Boyd*, for example, the prosecution in a child pornography case sought and obtained a protective order from the court which only permitted the defense to view the evidence at a state facility. 158 P.3d 54 (Wash. 2007). The Supreme Court of Washington ruled that the Rules of Evidence, the Fifth Amendment right to a fair trial, and the Sixth Amendment right to effective representation by counsel all required that the protective order be struck down and the defendant

be granted a new trial, because the defendant could not be adequately represented nor fairly tried under the order.

The important privacy needs of victims can be protected without the measures laid out in Section 20. For example, the *Boyd* court upheld an order requiring the defense to keep "mirror image" hard drives of evidence under lock and key, to use firewall software on any computer viewing images that was connected to the internet, making the attorney personally and professionally responsible for any unauthorized release of the images, and allowing state experts to verify the complete eradication of the images after the conclusion of the case.

The power of a court to issue a protective order in a particular case already exists and needs no augmentation by the legislature. An order issued after consideration of the unique facts of an individual case is far more likely to survive appellate review than a blanket rule set down by the legislature.

Section 20 of S.B. 222 violates the state and federal constitutional rights to a fair trial and to effective representation. We recommend the Bill be revised so that the courts would be permitted to manage the disclosure of evidence on a case-by-case basis, rather than by instituting a blanket rule that would invite litigation.

Sections Three and Twenty-One – Eliminating the Mental State Requirement of the Failure to Register Statute

Section 21 of the Bill eliminates any mental state requirement, or *mens rea*, for the offense of failure to register, set forth in Section 3. This means that a person who accidentally or in good faith neglects to complete the registration requirement could still be found guilty of the offense.

Generally, the criminal law requires "not only the doing of some act by the person to be held liable, but also the existence of a guilty mind during the commission of the act." *Speidel v. State*, 460 P.2d 77, 80 (Alaska 1969). The Alaska courts have held that, for major felonies, a mental state requirement is mandatory, while some minor offenses, such as hunting or public health related offenses, may be strict liability offenses without a mental state requirement. *Speidel*, 460 P.2d 77 (holding that the statute declaring the failure to return a car to be a crime, regardless of mental state, violated due process); *see, also, State v. Guest*, 583 P.2d 836 (Alaska 1978); *State v. Fremgen*, 914 P.2d 1244 (Alaska 1996).

In some cases, the courts have avoided declaring a statute unconstitutional by creating a mental state requirement where a statute has no provision for mental state but no language stating that no mental state requirement exists. *Kimoktoak v. State*, 584 P.2d 25 (Alaska 1978); *Alex v. State*, 484 P.2d 677 (Alaska 1971). With an explicit statement that no mental state is required, the courts will not be able to avoid the constitutional conflict and may rule the statute unconstitutional.

Of note, as well, are the unique conditions here in Alaska. Many registered sex offenders live off the road system and in remote villages in which mail service gets interrupted, travel and telecommunications are irregular, and weather could keep an offender from being able to

comply. Placing the burden on the defendant to prove his innocence reverses our legal tradition and the traditional balance of powers between the defense and the prosecution. The elimination of the mental state requirement and the substitution of a restrictive affirmative defense make Sections Three and Twenty-One subject to attack under the Alaska constitution.

Sections Six and Seven: First Amendment Issues

Sections 6 and 7 present First Amendment issues. By inclusion of non-obscene material, these proposed amendments run afoul of the U.S. Supreme Court's ruling in *Ashcroft v. Free Speech Coalition*, 535 U.S. 234 (2002), (child pornography cannot be banned if it is both (1) not constitutionally obscene and (2) not a depiction of real children).

As currently drafted, one could imagine a work of art, for instance, placing a photo of the head of a minor Britney Spears, on drawing intended as commentary on media depictions of youth and sexuality unconstitutionally qualifying as "criminal material." Absent, for example, language tracking the *Miller* standard (*Miller v. California*, (1973) 413 U.S. 15) these provisions are subject to facial challenge.

Conclusion

The ACLU takes seriously the need to address sexual assault in Alaska. But the sections cited invite constitutional challenge and will likely entangle the state in lengthy and costly litigation, and lead to unnecessary uncertainty in criminal verdicts

We hope that the Finance Committee will note these constitutional infirmities and consider amending them or eliminating them from the Bill to avoid these concerns.

Thank you again for the opportunity to share our concerns. Please feel free to contact the undersigned should you require any additional information.
Thank you again for the opportunity to share our concerns. And please feel free to contact the undersigned should you require any additional information.

Sincerely,

Jeffrey Mittman
Executive Director
ACLU of Alaska

cc: Representative Bill Thomas, Vice-Chair
Representative Anna Fairclough
Representative Mike Kelly
Representative Neal Foster
Representative Woodie Salmon
Representative Alan Austerman
Representative Reggie Joule
Representative Mike Doogan
Representative Les Gara
Representative Mike Chenault

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

January 15, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that provides Alaska law enforcement and other agencies the resources needed to prevent sexual assault and domestic violence crimes in Alaska. Sexual assault and domestic violence crimes destroy individuals and families, eroding the foundation of a just society. Alaska's challenge is to stop child pornography, sexual assault, and sexual abuse of minors in addition to ending the cycle of domestic violence.

Alaska's criminal laws concerning domestic violence, sexual assault, sexual abuse of a minor, and child pornography are strong. However, a few changes would improve prosecution of these offenses. The bill will adopt a class A misdemeanor for offensive touching that does not arise to sexual assault in the first, second, or third degree. It will also adopt a class C felony, the offense of knowingly accessing child pornography on a computer, and extend the prohibition of distributing indecent material to a minor to all forms of distribution.

The bill provides that a person convicted of human trafficking, possession, or distribution of child pornography may not be given a suspended imposition of sentence. It will specify conditions of probation for child predators that allow a court to forbid the defendant from using a computer or internet site, and prohibit contact with children.

The bill will give the courts more discretion in sentencing defendants. Specifically, it will allow a court to increase a person's sentence above the usual sentencing range if the defendant knew that the victim was particularly vulnerable as a result of having consumed alcohol or drugs. It will also allow an increased sentence if the crime is a felony and is committed against a person whom the offender is in a relationship of trust, such as dating or sexual relationship, or the offense involves a defendant who is 18 years of age or older and has sexual contact with a minor under 13 years of age.

Sex offenders and child kidnappers required to register elsewhere should not be able to move to Alaska and avoid registration. The bill will make it mandatory for a registered sex offender or child kidnapper from another state to register in Alaska when the intention is to live in Alaska. This would apply even when Alaska does not have a substantive law that is similar to the crime the person committed.

COMMITTEE COPY

Finally, the bill protects victims of child pornography from being victimized or traumatized by the pre-trial discovery process in a criminal prosecution. While it allows the pornographic material to be inspected by the defendant, defense counsel, and experts the defense may use, copying the material would be prohibited and required to remain in the possession of law enforcement.

I urge your prompt and favorable consideration of this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION CENTRAL OFFICE

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Physical: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

26-GS2859\S

SENATE BILL 222
SEXUAL ASSAULT AND DOMESTIC VIOLENCE
Sectional Analysis

Sections 1 and 2 correct an error made in 2007 when the legislature enacted AS 11.56.759, that adopted a class A misdemeanor if a sex offender violates specific conditions of probation or parole. One of the requirements of the crime is that the person have served the entire period of incarceration imposed for the crime. This is effective for probationers, but not for parolees, because a person is never on parole if he or she has served the entire period of incarceration. A member of the Parole Board brought this issue to our attention, because the statute has caused problems for the board in dealing with parolees. These sections remove parolees from the statute.

Section 3 rewrites AS 11.56.840, failure to register as a sex offender in the second degree. Although the proposal is similar to current law, it removes the requirement that the state prove a culpable mental state for the conduct of not registering or otherwise filing the required notices and information. The state would still be required to prove that the person knew he or she was required to register and failed to do so. The section also adopts an affirmative defense that unforeseeable circumstances outside the control of the person prevented him or her from registering, and that the person contacted the Department of Public Safety immediately upon being able to do so.

Section 4 would raise a form of harassment in the second degree (that is, with intent to harass or annoy another person, the person subjects the other person to offensive physical contact) to harassment in first degree if the offensive physical contact is by the offender touching the other person's genitals, anus, or female breast. Harassment in the first degree is a class A misdemeanor; the second degree offense is a class B misdemeanor. There have been prosecutions recently involving offensive touchings that occurred so quickly that the court concluded that the victim did not have time to convey lack of consent to the offender. The court reduced these charges from sexual assault to harassment in the second degree. This conduct is more serious that a class B misdemeanor; the bill would raise it to a class A misdemeanor.

Section 5 amends the definition of the crime of distribution of child pornography so that the crime of distribution is more clearly linked to the definition of child pornography in AS 11.61.127.

4237

Sections 6, 7 and 8 address a problem with Alaska law prohibiting possession of child pornography that was raised by a recent decision of the Alaska Court of Appeals, *Worden v. State*, 213 P.3d 144 (Alaska App. 2009). *Worden* held that our current statute does not prohibit a person from viewing child pornography on a computer; rather, the statute requires that the person must also save it on the computer to be considered to possess it. In response to this decision, the bill adopts the federal approach. It prohibits possession of child pornography, and it also prohibits a person from knowingly accessing child pornography on a computer with the intent to view it. The bill also proposes an affirmative defense that is similar to federal law. The affirmative defense would address a situation where a person finds child pornography on their computer, and did not obtain it themselves. The defense requires that there are three or less depictions, and the person, without showing the material to another person except law enforcement, destroys the depictions or contacts law enforcement and turns it over to them.

Sections 9 and 10 amend the crime that prohibits the electronic distribution of indecent material to minors by expanding the offense to prohibit any distribution of indecent material to minors. The section adds an element requiring proof that the indecent material is harmful to minors.

Section 11 increases the penalty for distribution of indecent materials to minors to a class B felony if the offender was required to register as a sex offender at the time of the offense.

Section 12 defines the meaning of "harmful to minors". The definition reflects the contemporary law pertaining to the type of pornography which a state may regulate.

Section 13 adds the crimes of human trafficking in the first and second degrees, distribution of child pornography, possession of child pornography, and distribution of indecent materials to minors to the crimes that are not eligible for a suspended imposition of sentence.

Section 13 also includes an amendment that removes "substantially" when describing a crime in another jurisdiction that may be a predicate conviction that would disallow the use of a suspended imposition of sentence for other offenses. This conforms with other statutes that require that a predicate offense in another jurisdiction be only similar to an offense in Alaska. Examples include AS 12.55.145(a) (presumptive sentencing), AS 11.41.320(a)(5) (third degree assault), and AS 11.41.110(a)(5) (murder in the second degree).

Section 14 adds to the conditions of probation that may be imposed on a person convicted of a sex offense. It gives the court discretion to order the person to submit e-mail addresses and other networking addresses to his or her probation officer, who would be required to give this information to the Troopers and to the local law enforcement agency. If the person was convicted of sexual abuse of a minor or an offense related to child pornography, it gives the court discretion to prohibit the person from using an Internet site, communicating with children under 16 years of age, or possessing or using a computer.

Section 15 amends the aggravating factor at sentencing that allows the court to increase a sentence above the sentencing range if the defendant knew that the victim was particularly vulnerable. It does this by adding the consumption of alcohol or drugs as factors that might make a victim particularly vulnerable.

Section 16 adds two new aggravating factors to the sentencing law. First, it allows the court to increase a sentence above the sentencing range for a crime against a person (AS 11.41) committed against a person that the defendant was dating or with whom the defendant has engaged in a sexual relationship. Second, it allows the court to increase the sentence if the defendant is convicted of sexual abuse of a minor in the second degree under AS 11.41.436(a)(2) (a person 16 years of age or older having sexual contact with a child under 13 years old), if the defendant is 18 years old or older.

Section 17 amends the definition of sex offenses under AS 12.63.100 to include individuals who are convicted of harassment under AS 11.61.118(a)(2) and have previously convicted of that offense.

Section 18 amends AS 12.62.130, which requires criminal justice agencies to report crime data to the department of public safety to include the mandatory requirement that at a minimum the agencies must report data pertaining to sex offenses, or face possible loss of funding the agencies receive from the department.

Section 19 grants the Attorney General the power to issue subpoenas in connection with investigations of crimes relating to the exploitation or attempted exploitation of children. Upon a showing of reasonable cause to believe that an Internet service account was used in these crimes, the Attorney General would be authorized to issue a subpoena requiring the Internet service provider to disclose the name and address of the account holder and the length of service used by the account.

Section 20 amends Rule 16(b)(1)(A) by prohibiting the copying of child pornography as part of the discovery process in a criminal prosecution. It would allow defense counsel, the defendant, and defense experts to examine the material, but it must be kept in the custody and control of a law enforcement agency or the prosecuting authority. Federal law has a similar provision. 18 U.S.C.A. § 3509(m).

Section 21 adds a new section to the uncodified law of the State of Alaska, providing a statement of legislative intent regarding the applicable culpable mental state for the crime of failure to register as a sex offender.

Sections 22 and 23 include the applicability and effective date provisions.

STATE OF ALASKA

DEPARTMENT OF LAW
CRIMINAL DIVISION CENTRAL OFFICE

SEAN PARNELL, GOVERNOR

Mailing: PO Box 110300
Juneau, AK 99811-0300
Physical: 123 4th Street, Ste 717
Juneau, AK 99801
Phone: (907) 465-3428
Fax: (907) 465-4043

26-GS2859\S

SENATE BILL 222
SEXUAL ASSAULT AND DOMESTIC VIOLENCE
Sectional Analysis

Sections 1 and 2 correct an error made in 2007 when the legislature enacted AS 11.56.759, that adopted a class A misdemeanor if a sex offender violates specific conditions of probation or parole. One of the requirements of the crime is that the person have served the entire period of incarceration imposed for the crime. This is effective for probationers, but not for parolees, because a person is never on parole if he or she has served the entire period of incarceration. A member of the Parole Board brought this issue to our attention, because the statute has caused problems for the board in dealing with parolees. These sections remove parolees from the statute.

Section 3 rewrites AS 11.56.840, failure to register as a sex offender in the second degree. Although the proposal is similar to current law, it removes the requirement that the state prove a culpable mental state for the conduct of not registering or otherwise filing the required notices and information. The state would still be required to prove that the person knew he or she was required to register and failed to do so. The section also adopts an affirmative defense that unforeseeable circumstances outside the control of the person prevented him or her from registering, and that the person contacted the Department of Public Safety immediately upon being able to do so.

Section 4 would raise a form of harassment in the second degree (that is, with intent to harass or annoy another person, the person subjects the other person to offensive physical contact) to harassment in first degree if the offensive physical contact is by the offender touching the other person's genitals, anus, or female breast. Harassment in the first degree is a class A misdemeanor; the second degree offense is a class B misdemeanor. There have been prosecutions recently involving offensive touchings that occurred so quickly that the court concluded that the victim did not have time to convey lack of consent to the offender. The court reduced these charges from sexual assault to harassment in the second degree. This conduct is more serious that a class B misdemeanor; the bill would raise it to a class A misdemeanor.

Section 5 amends the definition of the crime of distribution of child pornography so that the crime of distribution is more clearly linked to the definition of child pornography in AS 11.61.127.

4240

Sections 6, 7 and 8 address a problem with Alaska law prohibiting possession of child pornography that was raised by a recent decision of the Alaska Court of Appeals, *Worden v. State*, 213 P.3d 144 (Alaska App. 2009). *Worden* held that our current statute does not prohibit a person from viewing child pornography on a computer; rather, the statute requires that the person must also save it on the computer to be considered to possess it. In response to this decision, the bill adopts the federal approach. It prohibits possession of child pornography, and it also prohibits a person from knowingly accessing child pornography on a computer with the intent to view it. The bill also proposes an affirmative defense that is similar to federal law. The affirmative defense would address a situation where a person finds child pornography on their computer, and did not obtain it themselves. The defense requires that there are three or less depictions, and the person, without showing the material to another person except law enforcement, destroys the depictions or contacts law enforcement and turns it over to them.

Sections 9 and 10 amend the crime that prohibits the electronic distribution of indecent material to minors by expanding the offense to prohibit any distribution of indecent material to minors. The section adds an element requiring proof that the indecent material is harmful to minors.

Section 11 increases the penalty for distribution of indecent materials to minors to a class B felony if the offender was required to register as a sex offender at the time of the offense.

Section 12 defines the meaning of "harmful to minors". The definition reflects the contemporary law pertaining to the type of pornography which a state may regulate.

Section 13 adds the crimes of human trafficking in the first and second degrees, distribution of child pornography, possession of child pornography, and distribution of indecent materials to minors to the crimes that are not eligible for a suspended imposition of sentence.

Section 13 also includes an amendment that removes "substantially" when describing a crime in another jurisdiction that may be a predicate conviction that would disallow the use of a suspended imposition of sentence for other offenses. This conforms with other statutes that require that a predicate offense in another jurisdiction be only similar to an offense in Alaska. Examples include AS 12.55.145(a) (presumptive sentencing), AS 11.41.320(a)(5) (third degree assault), and AS 11.41.110(a)(5) (murder in the second degree).

Section 14 adds to the conditions of probation that may be imposed on a person convicted of a sex offense. It gives the court discretion to order the person to submit e-mail addresses and other networking addresses to his or her probation officer, who would be required to give this information to the Troopers and to the local law enforcement agency. If the person was convicted of sexual abuse of a minor or an offense related to child pornography, it gives the court discretion to prohibit the person from using an Internet site, communicating with children under 16 years of age, or possessing or using a computer.

Section 15 amends the aggravating factor at sentencing that allows the court to increase a sentence above the sentencing range if the defendant knew that the victim was particularly vulnerable. It does this by adding the consumption of alcohol or drugs as factors that might make a victim particularly vulnerable.

Section 16 adds two new aggravating factors to the sentencing law. First, it allows the court to increase a sentence above the sentencing range for a crime against a person (AS 11.41) committed against a person that the defendant was dating or with whom the defendant has engaged in a sexual relationship. Second, it allows the court to increase the sentence if the defendant is convicted of sexual abuse of a minor in the second degree under AS 11.41.436(a)(2) (a person 16 years of age or older having sexual contact with a child under 13 years old), if the defendant is 18 years old or older.

Section 17 amends the definition of sex offenses under AS 12.63.100 to include individuals who are convicted of harassment under AS 11.61.118(a)(2) and have previously convicted of that offense.

Section 18 amends AS 12.62.130, which requires criminal justice agencies to report crime data to the department of public safety to include the mandatory requirement that at a minimum the agencies must report data pertaining to sex offenses, or face possible loss of funding the agencies receive from the department.

Section 19 grants the Attorney General the power to issue subpoenas in connection with investigations of crimes relating to the exploitation or attempted exploitation of children. Upon a showing of reasonable cause to believe that an Internet service account was used in these crimes, the Attorney General would be authorized to issue a subpoena requiring the Internet service provider to disclose the name and address of the account holder and the length of service used by the account.

Section 20 amends Rule 16(b)(1)(A) by prohibiting the copying of child pornography as part of the discovery process in a criminal prosecution. It would allow defense counsel, the defendant, and defense experts to examine the material, but it must be kept in the custody and control of a law enforcement agency or the prosecuting authority. Federal law has a similar provision. 18 U.S.C.A. § 3509(m).

Section 21 adds a new section to the uncodified law of the State of Alaska, providing a statement of legislative intent regarding the applicable culpable mental state for the crime of failure to register as a sex offender.

Sections 22 and 23 include the applicability and effective date provisions.

THE MEDIA COALITION INC

275 SEVENTH AVENUE • 15TH FLOOR • NEW YORK, NEW YORK 10001
PHONE: 212-587-4025 • FAX: 212-587-2436 • WWW.MEDIACOALITION.ORG

DAVID HOROWITZ
Executive Director

American Booksellers Foundation for Free Expression

Association of American Publishers, Inc.

Comic Book Legal Defense Fund

Entertainment Consumers Association

Entertainment Merchants Association

Entertainment Software Association

Freedom to Read Foundation

Independent Book Publishers Association

Motion Picture Association of America, Inc.

National Association of Recording Merchandisers

Recording Industry Association of America, Inc.

Chair
Chris Finan
American Booksellers Foundation for Free Expression

Immediate Past Chair
Sean Devlin Bersell
Entertainment Merchants Association

Treasurer
Sally Jefferson
Entertainment Software Association

General Counsel
Michael A. Bamberger
Sonnenschein Nath & Rosenthal LLP

April 12, 2010

The Honorable Mike Hawker
The Honorable Bill Stoltze
Co-Chairs, House Finance Committee
Alaska State House of Representatives
Juneau, AK 99801

Delivered by email

Re: Constitutional concerns regarding Section 8 of Senate Bill 222

Dear Representatives Hawker and Stoltze,

The members of Media Coalition believe that S.B. 222 is a substantial improvement on AS 11.61.128(a), which Section 8 would amend, and goes a long way toward curing the constitutional problems in the existing law. However, we still believe that Section 8's application to the Internet must be narrowed or it will violate the First Amendment rights of producers and retailers and their customers. The trade associations and other organizations who comprise Media Coalition have many members throughout the country, including Alaska: publishers, booksellers and librarians as well as manufacturers and retailers of recordings, films, videos and video games and their consumers.

Section 8 of S.B. 222 would narrow AS 11.61.128(a) to only criminalize the distribution of material "harmful to minors" by an adult to anyone under 16 years old or someone the adult believes is under 16 years old, but it broadens the existing law to apply to non-electronic distribution. Presently, 11.61.128(a) applies only to electronic distribution but to a much broader range of sexually explicit content. "Harmful to minors" is defined in Section 11 as a three-prong test that adheres to Supreme Court decisions in this area.

Limiting the material subject to prosecution in 128(a) to speech "harmful to minors" is an essential change to 11.61.128(a). In *Ginsberg v. New York,* 390 U.S. 629 (1968) (as subsequently modified by *Miller v. California*, 413 U.S. 15 (1973)), the Supreme Court established a three-part test for determining whether material is "harmful to minors" and may therefore be banned for sale to minors. Material that does not meet that test is legal for minors and the government cannot ban it as to them.

The Media Coalition is a trade association that defends the First Amendment rights of publishers, booksellers, librarians, recording, motion picture and video games producers, and recording, video, and video game retailers and consumers in the United States.

Even if 128(a) is limited to material "harmful to minors," the application of the restriction to material generally available on the Internet and on listserves that allow open subscriptions is almost certainly unconstitutional. Imposing this restriction to speech generally available on the Internet treats this material as if there were no difference between a web site or blog and a book, video, or video game store. Cyberspace is not like a brick and mortar retailer. There is no way to know whether the person receiving the "harmful" material is a minor or an adult. As a result, the effect of banning the computer dissemination of material "harmful to minors" is to force a content provider, whether a publisher or an on-line carrier, to risk prosecution or deny or restrict access to both minors and adults, depriving adults of their First Amendment rights.

There is a substantial body of case law that establishes this principle. A very similar federal law and seven state laws have been found unconstitutional. *See Mukasey v. ACLU*, 534 F.2d 181 (3d Cir. 2008), cert. den. 129 Sup. Ct. 1032 (2009); *PSINet v. Chapman*, 63 F.3d 227 (4th Cir. 2004); *ABFFE v. Dean*, 342 F.3d 96 (2d Cir. 2003); *Cyberspace Communications, Inc. v. Engler*, 238 F.3d 420 (6th Cir. 2000); *ACLU v. Johnson,* 194 F.3d 1149 (10th Cir. 1999); *Southeast Booksellers v. McMasters* 282 F. Supp 2d 1180 (D.S.C. 2003); *American Libraries Ass'n v. Pataki* 969 F. Supp. 160 (S.D. 1997); *ACLU v. Goddard*, Civ No. 00-0505 TUC AM (D. Ariz. 2002). At issue in *Mukasey* was a federal law that barred dissemination to minors of material harmful to minors by commercial sites on the World Wide Web. The second time the case was before the Supreme Court (then *Ashcroft v. ACLU*), Justice Kennedy, writing for the majority, sent the case back to the U.S. District Court to determine if there were less restrictive means to protect minors from such material than a broad law that restricts the rights of adults. The district court ruled that the law was overbroad and that there are less restrictive and more effective means to protect minors from sexual content without infringing on adults. The Third Circuit upheld that ruling and the Supreme Court declined to hear the case a third time. We are happy to provide the opinions in these cases if they would be helpful.

We believe that small changes to the bill would cure the constitutional problems in Section 8 while still providing law enforcement with the means to protect minors from adults looking to prey on them. The present version of Section 8 can be amended to avoid these constitutional weaknesses by limiting the law to speech by an adult communicated directly to a specific person either known or believed to be a minor.

The present version of Section 8 (1) could be amended to read (changes are in bold):

> (1) the person, being 18 years of age or older, **knowing the character and content of the material**, knowingly **and intentionally** distributes to **a specific other** person any material that depicts the following actual or simulated conduct:

The first change tracks settled case law that a retailer or web site owner cannot be convicted if they are not aware of the nature of the content distributed to a minor. This is a concern both for a web site owner who may not be aware of everything on a site if others can post to the site and brick and mortar bookstore owners who stock hundred or thousands of new books each week and cannot peruse each book for potentially illegal contents. The content of some books is obvious,

but for many it is not. The second change protects web sites that intend to communicate with adults but are aware that minors can access the site because there is no way to keep them out. The third change limits the law to speech sent to a specific minor rather than speech posted generally on web sites, to an open listserve or a site like Twitter that is a hybrid of the two. Again, without these changes, Section 8 likely violates the First Amendment as overbroad.

Passage of this bill could prove costly. If a court declares it unconstitutional, there is a good possibility that the state will be ordered to pay the plaintiffs' attorneys' fees. In the successful challenges to other such state laws plaintiffs have received as much as $450,000 in legal fees.

We appreciate the opportunity to share our concerns with the Finance Committee. If you would like to discuss further our position on this bill, please contact me at 212-587-4025 #11 or at horowitz@mediacoalition.org. We welcome the opportunity to work with the Committee to amend Section 8.

Respectfully submitted,

/s/ David Horowitz

David Horowitz
Executive Director
Media Coalition, Inc.

cc: Representative Thomas, Vice-Chair
Representative Austerman
Representative Cheneault
Representative Crawford
Representative Fairclough
Representative Gara
Representative Joule
Representative Kelly
Representative Salmon

SB 230

<target><bill>SB 230</bill><subject>SB 230</subject><comm>HFIN26</comm></target>

'OUSE COMMITTEE REPOF

(11)
Date Referred to Committee: April 13, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 230(FIN)**

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."
SB 230-BUDGET: CAPITAL, SUPP. & OTHER APPROPS

Recommends it be replaced with [ ] HCS *or* **[ ] CS** *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara			✓	
	DOOGAN		✓		
	Joule	✓			
	Foster	✓			
	KELLY	X			
	Salmon	X			
	FAIRCLOUGH	✓			
	Austerman	X			
Chair:	Stoltze	X			
Chair:	Hawker	X			

'OUSE COMMITTEE REPOF

(11)
Date Referred to Committee: April 13, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 230(FIN)**

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."
SB 230-BUDGET: CAPITAL, SUPP. & OTHER APPROPS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara			✓	
	DOOGAN		✓		
	Joule	✓			
	Foster	✓			
	KELLY	X			
	Salmon	X			
	FAIRCLOUGH	✓			
	Austerman	X			
Chair:	Stoltze	X			
Chair:	Hawker	X			

SB 230

Adopted 4/17/10 Amendment #7 by Austerman

Page 173 Line 31

Delete: for a

Adopted 4/17/10

AMENDMENT #6

OFFERED IN THE HOUSE By: Kelly, Hawker, Stoltze

TO: HCS CSSB 230(FIN), Draft Version "~~T~~" M

tech clean 161 12

Page ~~158~~, following line ~~24~~:

Insert a new subsection to read:

"(c) The sum of $2,000,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Alaska Travel Industry Association to finance a national television campaign to promote Alaska and increase the number of visitors to Alaska for the fiscal year ending June 30, 2011."

Adopted 4/17/10

CAPITAL BUDGET AMENDMENT #5 Conceptual

OFFERED IN: The House Finance Committee

TO: HCS CSSB 230(FIN)

OFFERED BY: Representative Mike Kelly

Page 166, Line 28 following "project"

Insert: "**and the Fairbanks North Star Borough Library Fiber Optic project**"

Adopted 4/17/10

AMENDMENT #4

Offered in: House Finance

By: Representative Stoltze

To: HCS CSSB 230 (FIN)

On Page 131
Insert after lines 28-30

It is the intent of the legislature that operational information will be shared with other Railbelt utilities in an effort to better understand the impacts of non-firm, renewable sources of energy on the Railbelt grid.

Adopted 4/17/10

26-LS8005\A.69
Kane
4/17/10

AMENDMENT #3

OFFERED IN THE HOUSE BY REPRESENTATIVE STOLTZE

TO: Capital Appropriation Bill

* **Sec. A.** FUND TRANSFER. The proceeds from the sale of loans by the Alaska Energy Authority to the Alaska Industrial Development Authority under a memorandum of understanding dated February 17, 2010, estimated to be $20,600,000, are appropriated to the power project fund (AS 42.45.010).

* **Sec. B.** CONTINGENCY. The appropriation made in sec. A of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a version of SB 301.

* **Sec. C.** LAPSE. The appropriation made in sec. A of this Act is for the capitalization of a fund and does not lapse.

Adopted 4/17/10

26-LS8005\A.70
Kane
4/17/10

AMENDMENT #29

OFFERED IN THE SENATE BY REPRESENTATIVE STOLTZE

TO: Capital Appropriation Bill

* **Sec. A.** DEPARTMENT OF LAW. (a) The amount necessary for the purpose, not to exceed $12,443,959, is appropriated from the general fund to the Department of Law to pay the principal of the award of damages entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court).

(b) The amount necessary for the purpose, not to exceed $7,029, is appropriated from the general fund to the Department of Law to pay the costs entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court).

(c) The amount necessary for the purpose, not to exceed $7,482,569.73, is appropriated from the general fund to the Department of Law, to pay the award of attorney fees entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court).

(d) The amount necessary for the purpose, not to exceed $62,356,738, is appropriated from the general fund to the Department of Law, to pay the interest on the principal of the award of damages entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court).

(e) If the amount available for appropriation from the general fund is insufficient to fully fund the appropriations made in (a) - (d) of this section, the amount necessary to fully fund any of the appropriations made in (a) - (d) of this section is appropriated from the budget reserve fund (AS 37.05.540) to the Department of Law for the purpose specified.

(f) It is the intent of the legislature that the Department of Law administer the appropriations made in this section in a manner that minimizes their expenditure.

* **Sec. B.** LAPSE. The appropriations made in sec. A of this Act lapse June 30, 2014.

* **Sec. C.** Section A of this Act takes effect immediately under AS 01.10.070(c).

not offered

26-LS8005\A.67
Kane
4/16/10

AMENDMENT #1

OFFERED IN THE HOUSE

TO: Capital Appropriation Bill

*** Sec. A.** DEPARTMENT OF PUBLIC SAFETY. The sum of $75,750,000 is appropriated from the proceeds of certificates of participation issued for the project to the Department of Public Safety for the construction, acquisition, and equipping of the Alaska Scientific Crime Detection Laboratory in Anchorage.

*** Sec. B.** The appropriation made in sec. A of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a version of HB 426.

*** Sec. C.** The appropriation made in sec. A of this Act is for a capital project and lapses under AS 37.25.020.

*** Sec. D.** This Act takes effect July 1, 2010.

not offered

26-LS8005\A.68
Kane
4/17/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE STOLTZE

TO: Capital Appropriation Bill

*** Sec. A.** DEPARTMENT OF LAW. (a) The amount necessary for the purpose, not to exceed $12,443,959, is appropriated from the general fund to the Department of Law to pay the principal of the award of damages entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court), for the fiscal year ending June 30, 2010.

(b) The amount necessary for the purpose, not to exceed $7,029, is appropriated from the general fund to the Department of Law to pay the costs entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court), for the fiscal year ending June 30, 2010.

(c) The amount necessary for the purpose, not to exceed $7,482,569.73, is appropriated from the general fund to the Department of Law, to pay the award of attorney fees entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court), for the fiscal year ending June 30, 2010.

(d) The amount necessary for the purpose, not to exceed $62,356,738, is appropriated from the general fund to the Department of Law, to pay the interest on the principal of the award of damages entered against the state in Donald H. Carlson, et al. v. State, Commercial Fisheries Entry Commission, 3AN-84-5790 Civil (Anchorage Superior Court), for the fiscal year ending June 30, 2010.

(e) If the amount available for appropriation from the general fund is insufficient to fully fund the appropriations made in (a) - (d) of this section, the amount necessary to fully fund any of the appropriations made in (a) - (d) of this

section is appropriated from the budget reserve fund (AS 37.05.540) to the Department of Law for the purpose specified.

(f) It is the intent of the legislature that the Department of Law administer the appropriations made in this section in a manner that minimizes their expenditure.

* **Sec. B.** Section A of this Act takes effect immediately under AS 01.10.070(c).

CAPITAL BUDGET AMENDMENT

#5

OFFERED IN: The House Finance Committee

TO: HCS CSSB 230(FIN)

OFFERED BY: Representative Mike Kelly

Page 166, Line 28 following "project"

Insert: "**and the Fairbanks North Star Borough Library Fiber Optic project**"

From Hawker:

Add For Bill

Motion:

I move to authorize that Legislative Finance and Legislative Legal can make any necessary technical and conforming changes to House CS for CS for SB ~~230~~ 230 (FIN) version M.

Adopted 4/17/10

26-GS2824\M
Kane
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 230(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriations are for supplemental capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Broadband Internet Planning and Oversight (HD 1-40)		500,000		500,000
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)		350,000	350,000	
Fairbanks Correctional Center Heating System Replacement (HD 7-11)		2,500,000	2,500,000	
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Medicaid Management Information System Completion (HD 1-40)		14,990,300	6,208,000	8,782,300
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Sale and Replacement of		2,600,000	2,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tactical Firefighting Aircraft (HD 1-40)				
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
New Tax Revenue Management Information System Plan (HD 1-40)		300,000	300,000	
*****			*****	
***** **Department of Transportation and Public Facilities** *****				
*****			*****	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		4,000,000	4,000,000	
Chignik Lagoon - Airport Safety Improvements (HD 37)		1,800,000	1,800,000	
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Retroactive Asphalt Material Price Adjustment	151,500			

	Allocations	Appropriation Items	General Funds	Other Funds
- Glenn/Bragaw Interchange (HD 17-32)				
Skagway Land Purchase (HD 5)	407,000			
Southeast Region Headquarters – Elevator Installation (HD 3-4)	450,000			
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)	800,000			
Airport Improvement Program		**18,957,500**		**18,957,500**
Alaska International Airports System - Debt Defeasance (HD 1-40)	15,000,000			
Gustavus - Airport Runway Safety Area (HD 5)	500,000			
King Cove - Airport Fencing (HD 37)	1,400,000			
Nulato - Airport Improvements (HD 6)	827,500			
Unalaska - Chemical	1,230,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Storage Building (HD 37)				
Emergency Repairs		**7,356,023**	**7,356,023**	
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Kodiak Flood Emergency Repairs (HD 36)	500,000			
Petersville Road Emergency Repairs (HD 13-16)	113,700			
Salmon River Road Emergency Repairs (HD 5)	425,262			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$500,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Natural Resources	
1004 Unrestricted General Fund Receipts	600,000
1005 General Fund/Program Receipts	2,000,000
*** Total Agency Funding ***	$2,600,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***	$300,000
Department of Transportation and Public Facilities	
1002 Federal Receipts	3,957,500
1004 Unrestricted General Fund Receipts	17,877,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,834,623
* * * * * Total Budget * * * * *	$58,074,923

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	6,208,000
1004 Unrestricted General Fund Receipts	21,627,123
Total Unrestricted General Funds	$27,835,123
Designated General Funds	
1005 General Fund/Program Receipts	2,000,000
Total Designated General Funds	$2,000,000
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	15,000,000
1108 Statutory Designated Program Receipts	500,000
Total Other Non-Duplicated Funds	$15,500,000
Federal Funds	
1002 Federal Receipts	12,739,800
Total Federal Funds	$12,739,800
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for deferred maintenance capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Governor's House Deferred Maintenance (HD 3-4)		1,000,000	1,000,000	
Statewide Deferred Maintenance Projects		**9,250,000**	**6,250,000**	**3,000,000**
Non-Public Building Fund Facilities Deferred Maintenance (HD 1-40)	450,000			
Public Building Fund Facilities Deferred Maintenance (HD 1-40)	5,800,000			
State of Alaska Telecommunication System Deferred Maintenance (HD 1-40)	3,000,000			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance (HD 1-40)		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316) - Deferred Maintenance and Upgrade to Hatchery Facilities Statewide				
Cook Inlet Aquaculture Association (CIAA) (HD 12-35)		1,000,000	1,000,000	
Douglas Island Pink and Chum, Inc. (DIPAC) (HD 3-4)		500,000	500,000	
Kodiak Regional Aquaculture Association (KRAA) (HD 36)		500,000	500,000	
Northern Southeast Regional Aquaculture Association (NSRAA) (HD 1-5)		700,000	700,000	
Prince William Sound Aquaculture Corporation (PWSAC) (HD 12-35)		2,300,000	2,300,000	
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		6,500,000	6,500,000	
Lemon Creek Correctional Center - Prison Laundry Facility Deferred Maintenance (HD 3-4)		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Education and Early Development *****				
*****			*****	
Mt Edgecumbe High School Cafeteria Improvements (HD 2)		150,000	150,000	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,700,000	1,700,000	
*****			*****	
***** Department of Environmental Conservation *****				
*****			*****	
Environmental Health Lab Deferred Maintenance (HD 17-32)		200,000	200,000	
*****			*****	
***** Department of Fish and Game *****				
*****			*****	
Statewide Facility Deferred Maintenance Projects		**2,000,000**	**2,000,000**	
Kodiak Warehouse/Compound Upgrades (HD 36)	650,000			
Fairbanks Regional Office Repairs/Upgrades (HD 7-11)	450,000			
Yakutat Compound Electrical Repairs and Upgrades (HD 5)	100,000			
Statewide Boiler and Heating Systems Upgrades (HD 1-40)	275,000			
Statewide Access, Parking,	275,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Drainage Repairs and Upgrades (HD 1-40)				
Statewide Bunkhouse Repairs/Upgrades (HD 1-40)	250,000			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		3,020,000	3,000,000	20,000
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		4,000,000	4,000,000	
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Deferred Maintenance (HD 33-35)		1,000,000	1,000,000	
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**10,300,000**	**4,000,000**	**6,300,000**
Armory Facilities Deferred Maintenance (HD 1-40)	8,408,000			
Army Guard Facilities Projects Match Funding (HD 1-40)	892,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)	1,000,000			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
State Parks Deferred Maintenance - House of Wickersham R & R (HD 3-4)		250,000	250,000	
Deferred Maintenance, Equipment Replacement, and Emergency Repairs		**4,000,000**	**4,000,000**	
Plant Material Center Deferred Maintenance (HD 13-16)	520,000			
State Parks Deferred Maintenance and Equipment Replacement (HD 1-40)	3,480,000			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		1,350,000	1,350,000	
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**25,000,000**	**25,000,000**	
Airport Deferred	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 1-40)				
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)	3,000,000			
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)	1,000,000			
Harbor Deferred Maintenance (HD 1-40)	2,500,000			
Highway Deferred Maintenance (HD 1-40)	15,000,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		37,500,000	37,500,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		2,500,000	2,500,000	

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	7,250,000
1147 Public Building Fund	3,000,000
*** Total Agency Funding ***	$10,250,000
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	5,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
*** Total Agency Funding ***	$7,000,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	8,200,000
*** Total Agency Funding ***	$8,200,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	1,850,000
*** Total Agency Funding ***	$1,850,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	200,000
*** Total Agency Funding ***	$200,000
Department of Fish and Game	
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,000,000
Department of Health and Social Services	
1002 Federal Receipts	20,000
1003 General Fund Match	100,000
1004 Unrestricted General Fund Receipts	6,900,000
*** Total Agency Funding ***	$7,020,000
Department of Labor and Workforce Development	
1004 Unrestricted General Fund Receipts	1,000,000
*** Total Agency Funding ***	$1,000,000

Department of Military and Veterans Affairs		
1002	Federal Receipts	6,300,000
1003	General Fund Match	3,000,000
1004	Unrestricted General Fund Receipts	1,000,000
***	Total Agency Funding ***	$10,300,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	4,250,000
***	Total Agency Funding ***	$4,250,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,350,000
***	Total Agency Funding ***	$1,350,000
Department of Transportation and Public Facilities		
1004	Unrestricted General Fund Receipts	25,000,000
***	Total Agency Funding ***	$25,000,000
University of Alaska		
1004	Unrestricted General Fund Receipts	37,500,000
***	Total Agency Funding ***	$37,500,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	2,500,000
***	Total Agency Funding ***	$2,500,000
* * * * *	Total Budget * * * * *	$118,420,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	3,100,000
1004	Unrestricted General Fund Receipts	104,077,000
1140	Alaska Industrial Development and Export Authority Dividend	1,923,000
Total Unrestricted General Funds		$109,100,000
Designated General Funds		
Total Designated General Funds		$0
Other Non-Duplicated Funds		
Total Other Non-Duplicated Funds		$0
Federal Funds		
1002	Federal Receipts	6,320,000
Total Federal Funds		$6,320,000
Duplicated Funds		
1147	Public Building Fund	3,000,000
Total Duplicated Funds		$3,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 7.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Department of Administration** * * * * *			
	* * * * *	* * * * *		
Alaska License and Vehicle Information System (HD 1-40)		8,500,000	8,500,000	
Alaska Public Offices Commission Electronic Filing System (HD 1-40)		600,000	600,000	
Alaska Rural Communications Service Digital Conversion Planning (HD 1-40)		50,000	50,000	
Anchorage Data Center Design Support and Migration Planning (HD 17-32)		1,300,000		1,300,000
Combined Retirement System Upgrade (HD 1-40)		400,000		400,000
Enterprise Technology Services Infrastructure Upgrades and Support (HD 1-40)		3,700,000		3,700,000
Planning and Design of New State Office Building in Juneau (HD 3-4)		5,000,000	5,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits Document Management System (HD 1-40)		475,000		475,000
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Alaska Aerospace Corporation - Kodiak Launch Complex Sustainability (HD 36)		4,000,000	4,000,000	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting (HD 12-35)		10,000,000	10,000,000	
Alaska Energy Authority - Renewable Energy Round Three Grants (HD 1-40)		50,250,000	50,250,000	
Alaska Visitors Statistics Program (HD 1-40)		500,000	500,000	
Banking and Securities Imaging (HD 1-40)		609,000	609,000	
Community and Regional Affairs System Replacement and Consolidation (HD 1-40)		326,000	326,000	
Denali Commission Federal-State Partnership Grant (HD 1-40)		3,000,000	3,000,000	
Western Alaska Canned Chum		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
& Herring Demonstration Project (HD 36-38)				
Alaska Climate Change Impact Mitigation Program		**500,000**	**500,000**	
Community Planning Grant - Atmautluak (HD 38)	150,000			
Community Planning Grant - Kipnuk (HD 38)	150,000			
Hazard Impact Assessment Mini-Grant - Elim (HD 39)	50,000			
Hazard Impact Assessment Mini-Grant - Nelson Lagoon (HD 37)	50,000			
Hazard Impact Assessment Mini-Grant - Nightmute (HD 38)	50,000			
Hazard Impact Assessment Mini-Grant - Quinhagak (HD 38)	50,000			
Alaska Energy Authority		**24,500,000**	**8,500,000**	**16,000,000**
Energy Projects				
Alternative Energy and Energy Efficiency (HD 1-40)	8,000,000			
Bulk Fuel Upgrades (HD 1-40)	5,000,000			
Rural Power System Upgrades (HD 1-40)	9,000,000			
Southeast Integrated Resources Plan (HD 1-5)	500,000			
Statewide Energy Plan	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Development (HD 1-40)				
Community Block Grants Program		**5,970,000**	**70,000**	**5,900,000**
Community Development Block Grants (HD 1-40)	2,970,000			
Community Service Block Grants (RurAL CAP) (HD 1-40)	3,000,000			
Community Development and Assistance		**3,186,500**	**308,000**	**2,878,500**
Alaska Sustainable Salmon Fund Program (HD 1-40)	1,000,000			
Coastal Impact Assistance Program (CIAP) Administration (HD 1-40)	153,500			
Coastal Zone Management Program Grant Administration (HD 1-40)	1,120,000			
Community Mapping Program (HD 1-40)	438,000			
Cooperating Technical Partners (CTP) Program (HD 1-40)	75,000			
Floodplain & Erosion Management Program (HD 1-40)	400,000			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Anchorage Correctional Complex Renovation and		350,000	350,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Remodeling (HD 17-32)				
Community Jails Repairs, Renovations, and Equipment (HD 1-40)		200,000	200,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Statewide Library, Archives and Museum Facility - Design and Site Preparation of New Facility (HD 3-4)		1,500,000	1,500,000	
Stratton Library Acquisition (HD 1-40)		2,500,000	2,500,000	
Major Maintenance Grant Fund (AS 14.11.007)		**24,786,959**	**24,786,959**	
Nome Beltz Junior/Senior High School Fire Alarm System Replacement (HD 39)	96,386			
Nome Beltz Junior/Senior High School Emergency Generator Automatic Switching Replacement (HD 39)	34,066			
Metlakatla High School Renovation Alternates (HD 5)	1,202,914			
Whittier K-12 School Sprinkler Installation and Interior Renovations (HD 17-32)	1,762,541			

	Allocations	Appropriation Items	General Funds	Other Funds
Yup'ik Vocational Education Building Water Service and Boiler Replacement (HD 39)	123,701			
Yup'ik Vocational Education Building Roof Replacement (HD 39)	80,729			
Service High School Renovation (HD 17-32)	21,306,131			
Mosquito Lake Elementary Mechanical Upgrades (HD 5)	180,491			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Clean Water Capitalization Grant - Subsidy Funding (HD 1-40)		1,826,274		1,826,274
Drinking Water Capitalization Grant - Subsidy Funding (HD 1-40)		4,071,900		4,071,900
Environmental Monitoring and Assessment of Surface Waters (EMAP) (HD 40)		450,000		450,000
Statewide Contaminated Sites Cleanup (HD 1-40)		3,000,000	3,000,000	
Village Safe Water and Wastewater Infrastructure Projects		**48,500,000**	**9,500,000**	**39,000,000**
First Time Service Projects (HD 1-40)	29,100,000			
Expansion, Upgrade, Replacement of Existing	19,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Service (HD 1-40)				
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**42,921,576**	**42,921,576**	
Anchorage - Girdwood Wastewater Treatment Facility (HD 17-32)	4,100,000			
Dillingham - Continued Water System Improvements Phase 2 (HD 37)	3,090,000			
Fairbanks North Star Borough - Solid Waste Landfill Leachate Recirculation Project (HD 7-11)	900,450			
Haines - Lilly Lake Transmission Line (HD 5)	1,117,550			
Hoonah - Water Transmission Line Replacement, Phase 1 (HD 5)	1,065,020			
Ketchikan - Alaska Avenue Water & Sewer Main Replacement (HD 1)	1,773,660			
Ketchikan - Jackson/Monroe Street & 4th/7th Avenue Water and Sewer (HD 1)	3,459,375			
Ketchikan - Baranof Reservoir Replacement (HD 1)	1,968,330			
Kodiak - Aleutian Homes	2,781,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Water & Sewer Replacement Phase 3 (HD 36)				
Kodiak - UV Secondary Water Treatment Facility (HD 36)	3,988,275			
Matanuska Susitna Borough - Central Landfill Cell 2 Closure (HD 13-16)	546,480			
North Pole - Water and Sewer Improvements (HD 7-11)	2,731,869			
North Slope Borough - Wainwright Water and Sewer Upgrades (HD 40)	3,090,000			
Palmer - Wastewater Treatment Plant Improvements Phase 2 (HD 13-16)	1,442,000			
Palmer - Continued Southwest Utility Extension Phase 2 (HD 13-16)	1,802,500			
Palmer - Continued Steel Water Main Replacement, Phase 7 (HD 13-16)	2,523,500			
Petersburg - Water Treatment Upgrades, Phase 3 (HD 2)	253,697			
Sand Point - Wastewater Improvements (HD 37)	386,055			
Soldotna - Water System Improvements (HD 33-35)	590,985			

	Allocations	Appropriation Items	General Funds	Other Funds
Unalaska -WWTP Upgrade & Leachate Treatment Phase 3 (HD 37)	2,369,000			
Wasilla - Sewage Treatment Plant Improvements (HD 13-16)	2,271,150			
Wrangell - Landfill Closure (HD 2)	670,680			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Acid Leakage Study of the Tulsequah and Taku Rivers (HD 3-4)		35,000	35,000	
Assessment and Feasibility of Pilot Station Sonar (HD 39)		250,000	250,000	
Crew Member Fishery Participation Database Development (HD 1-40)		100,000	100,000	
Economic Contribution of Wildlife to Alaska (HD 1-40)		500,000		500,000
Endangered Species Act Listed Marine Mammals Research (HD 1-40)		600,000	150,000	450,000
Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades (HD 1-40)		700,000	700,000	
Genetic Marker Screening		750,000	750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
for Estimating the Stock Composition of Western Alaska Salmon Fisheries (HD 37)				
Kincaid Car Dump Cleanup (HD 17-32)		100,000	100,000	
Pacific Coastal Salmon Recovery Fund (HD 1-40)		9,000,000		9,000,000
Pacific Salmon Treaty Chinook Fishery Mitigation (HD 1-40)		7,500,000		7,500,000
Palmer Hay Flats Game Refuge - Cottonwood Creek Trailhead Restrooms (HD 13-16)		50,000	50,000	
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
State Contracted Hatchery Facilities Inspection (HD 1-40)		150,000	150,000	
Yukon River Chum Salmon Aerial Surveys (HD 6)		200,000	200,000	
*****		*****		
***** **Office of the Governor** *****				
*****		*****		
Division of Elections Technology Refresh (HD 1-40)		123,800	123,800	
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		1,425,000		1,425,000

	Allocations	Appropriation Items	General Funds	Other Funds
Voter Registration and Election Management System Replacement (HD 1-40)		1,550,000		1,550,000
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Johnson Youth Center Renovation and Remodel to Meet Safety and Security Needs - Phase 1 (HD 3-4)		9,880,000	9,880,000	
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Alternative Energy Training Facility Expansion (HD 33-35)		1,000,000	1,000,000	
AVTEC Culinary Academy Equipment (HD 33-35)		500,000		500,000
AVTEC Culinary Video Teleconferencing Equipment (HD 1-40)		412,695	100,000	312,695
AVTEC Medium & Heavy Duty Truck Training Equipment (HD 33-35)		1,000,000	500,000	500,000
Fairbanks Pipeline Training Center Construction, Utilities and Equipment		4,000,000	4,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
	* * * * *	* * * * *		
	* * * * * **Department of Law** * * * * *			
	* * * * *	* * * * *		
Fairbanks and Anchorage Key Card Office Access (HD 12-35)		150,000	150,000	
	* * * * *		* * * * *	
	* * * * * **Department of Military and Veterans Affairs** * * * * *			
	* * * * *		* * * * *	
Army Guard Facilities Projects (HD 1-40)		8,342,000	1,000,000	7,342,000
Cold Weather Generation Storage and Maintenance (HD 1-40)		50,000	50,000	
Compliance Site Clean Up at Seward and Anchorage (Tudor) (HD 17-32)		250,000	250,000	
Interior Alaska Veterans Cemetery Design and Planning (HD 7-11)		6,000,000	1,000,000	5,000,000
National Guard Counterdrug Support (HD 1-40)		100,000		100,000
State Homeland Security Grant Programs (HD 1-40)		9,500,000		9,500,000
	* * * * *		* * * * *	
	* * * * * **Department of Natural Resources** * * * * *			
	* * * * *		* * * * *	
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,575,000		3,575,000

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Alaska Land Mobile Radio Phase 3 of 4 (HD 1-40)		625,000	625,000	
Anchorage Soil & Water Conservation District (HD 17-32)		70,000	70,000	
Assessment of In-State Gas Energy Potential (HD 1-40)		500,000	500,000	
Chena River State Recreation Area - Multi-Use Shelter, Path Construction and ADA Improvements (HD 7-11)		34,000	34,000	
Cooperative Water Resource Program (HD 1-40)		805,000		805,000
Eagle Beach Public Use Cabins (HD 3-4)		100,000	100,000	
Federal and Local Government Funded Forest Resource and Fire Program Projects (HD 1-40)		1,800,000		1,800,000
Foothills Oil and Gas Development Infrastructure Investigations (HD 1-40)		370,000	370,000	
Forest Legacy Federal Grant Program (HD 13-16)		1,000,000		1,000,000
Gas Pipeline Corridor Geologic Hazards - Phase 4 of 5 (HD 1-40)		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Information Technology Infrastructure Upgrades - Phase 2 of 2 (HD 1-40)		130,000	130,000	
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sale Web Enhancement (HD 1-40)		68,000	68,000	
Land Sales - New Subdivision Development (HD 1-40)		3,600,000	3,600,000	
Matanuska Susitna Borough Hydrogeology Assessment Phase 2 of 3 (HD 13-16)		295,000	295,000	
National Coastal Wetland Grant - Campbell Creek Estuary (HD 17-32)		1,000,000		1,000,000
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		2,000,000		2,000,000
Reservoir Studies for North Slope and Cook Inlet (HD 1-40)		3,500,000	3,500,000	
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000	250,000	
Statewide Timber Inventories (HD 1-40)		215,000	215,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Unified Permitting Project Phase 5 of 7 (HD 1-40)		800,000	800,000	
Upper Chatanika and Chena River State Recreation Sites Facility Upgrade (HD 7-11)		5,000	5,000	
Wildland Fire Truck Replacement (HD 1-40)		800,000	800,000	
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		850,000	850,000	
Alaska Public Safety Information Network Redesign Phase 3 (HD 1-40)		1,000,000	1,000,000	
Alaska State Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Alaska State Trooper Mobile Data Computers - Phase 3 (HD 1-40)		250,000	250,000	
Alaska Wildlife Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Crime Laboratory Equipment Replacement (HD 17-32)		86,000	86,000	
Marine Fisheries Patrol Improvements (HD 1-40)		1,500,000		1,500,000
Public Safety Academy Dining Facility - Design &		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Construction (HD 1-40)				
Public Safety Academy Driver Training Facility - Land Acquisition & Construction (HD 1-40)		5,000,000	5,000,000	
Troopers on the Trail (HD 13-16)		20,000	20,000	
Video Judicial Conference Arraignment Study (HD 1-40)		100,000	100,000	
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Child Support Services Computer Replacement Project - Phase 1 (HD 1-40)		201,600	68,544	133,056
IBM Bladecenter (HD 1-40)		230,000	230,000	
NetApp Upgrade (HD 1-40)		231,000	231,000	
Permanent Fund Dividend Master Phone Queue (HD 1-40)		350,000	350,000	
Permanent Fund Portfolio Accounting System Upgrade (HD 1-40)		250,000		250,000
Alaska Housing Finance Corporation				
AHFC Building System Replacement Program (HD 1-40)		1,500,000	1,500,000	
AHFC Competitive Grants		1,100,000	350,000	750,000

	Allocations	Appropriation Items	General Funds	Other Funds
for Public Housing (HD 1-40)				
AHFC Denali Commission Projects (HD 1-40)		4,000,000		4,000,000
AHFC Energy Assurances/Smart Grid Resiliency Program (HD 1-40)		262,000		262,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000	1,000,000	
AHFC Federal and Other Competitive Grants (HD 1-40)		4,500,000	1,500,000	3,000,000
AHFC Fire Protection Systems - Phase 2 (HD 1-40)		2,200,000	2,200,000	
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,250,000	750,000	3,500,000
AHFC San Roberto Redevelopment (HD 17-32)		9,708,504	2,208,504	7,500,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		500,000	500,000	
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000	4,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
AHFC State Energy Program Special Projects (HD 1-40)		300,000	50,000	250,000
AHFC Statewide ADA Improvements (HD 1-40)		500,000	500,000	
AHFC Statewide Project Improvements (HD 1-40)		2,000,000	2,000,000	
AHFC Supplemental Housing Development Program (HD 1-40)		7,000,000	7,000,000	
AHFC Weatherization Program (HD 1-40)		4,000,000	1,000,000	3,000,000
AHFC Housing Loan Program		**6,000,000**	**6,000,000**	
Teacher, Health and Public Safety Professionals Housing (HD 1-40)	5,000,000			
Village Public Safety Officers Housing (HD 1-40)	1,000,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Alaska Aviation Safety Program (HD 1-40)		1,750,000	750,000	1,000,000
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		8,000,000	8,000,000	
Capital Improvement Program Equipment Replacement (HD 1-40)		1,500,000		1,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
Chena Small Tracts Road Multi-Use Path Design and Planning (HD 7-11)		150,000	150,000	
Church and Schrock Street Light (HD 13-16)		10,000	10,000	
Community Access Roads - Kake to Petersburg (HD 1-5)		4,500,000	4,500,000	
Corps of Engineers - Harbor Program - Saint Paul (HD 37)		700,000	700,000	
Dalton Highway Including Surfacing Materials (HD 1-40)		5,000,000	5,000,000	
Debarr Road School Zone (HD 17-32)		200,000	200,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - College Road Pavement Rehabilitation (HD 7-11)		9,000,000	9,000,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - Transportation Improvement Program (HD 7-11)		5,000,000	5,000,000	
Fairview Loop Road - Pedestrian Pathway (HD 13-16)		4,500,000	4,500,000	
Holt-Lamplight Road Repaving (HD 33-35)		8,000,000	8,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Municipal Harbor Facility Grant Fund (AS 29.60.800) (HD 1-40)		10,000,000	10,000,000	
Nome State Office Building Design and Construction (HD 40)		2,000,000	2,000,000	
Steele Creek Road Improvements (HD 7-11)		90,000	90,000	
Highways and Facilities		**22,022,000**	**7,022,000**	**15,000,000**
Americans with Disabilities Act Compliance Projects (HD 1-40)	500,000			
Central Region Signal Malfunction Management Units (HD 1-40)	22,000			
Highway Safety Corridors Near-Term Improvements (HD 1-40)	5,000,000			
Manley Hot Springs Shop/Snow Removal Equipment Building (SREB) (HD 6)	900,000			
Northern Region Bike Path Equipment (HD 1-40)	100,000			
Northern Region Maintenance Station Bunkhouse Improvements (HD 6)	350,000			
State Equipment Fleet Replacement (HD 1-40)	15,000,000			
Statewide Anti-icing Program (HD 1-40)	150,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Regulatory Compliance		**2,041,000**	**2,041,000**	
EPA MS 4 Requirements - Municipality of Anchorage Sand Storage Facilities (HD 17-32)	1,041,000			
Statewide - GIS Mapping of Storm Drainage Systems for EPA MS 4 (HD 17-32)	1,000,000			
Roads to Resources		**13,000,000**	**13,000,000**	
Ambler Mining District Access - Planning, Design and Engineering (HD 1-40)	4,000,000			
Foothills West Access - Planning, Design and Engineering (HD 40)	8,000,000			
Roads to Resources Western Access Project Phase 1 (HD 1-40)	1,000,000			
Statewide Federal Programs		**117,710,000**	**50,910,000**	**66,800,000**
Commercial Vehicle Enforcement Program (HD 1-40)	1,600,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	15,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Federal-Aid Aviation State Match (HD 1-40)	8,600,000			
Federal-Aid Highway State Match (HD 1-40)	41,100,000			
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,210,000			
Statewide Safety Program (HD 1-40)	12,200,000			
Airport Improvement Program		**267,940,500**		**267,940,500**
Bethel - Airport Master Plan Update (HD 38)	350,000			
Chefornak - Airport Relocation (HD 38)	6,400,000			
Cold Bay - Airport Improvements (HD 37)	6,000,000			
Cold Bay - Airport Rescue and Firefighting Building Expansion (HD 37)	600,000			
Deadhorse - Airport Master Plan (HD 40)	150,000			
Fairbanks International Airport - Environmental Assessment and Cleanup (HD 7-11)	300,000			
Fairbanks International Airport - Equipment (HD 7-11)	1,040,000			
Golovin - Runway and Apron	12,520,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 39)				
Haines - Airport Drainage Improvement and Taxiway, Runway and Apron Rehabilitation, and Fencing (HD 5)	7,400,000			
Kodiak - Airport Improvements (HD 36)	36,000,000			
Koliganek - Airport Reconstruction (HD 37)	8,700,000			
Kotzebue - Airport and Runway Safety Area Improvements (HD 40)	28,575,000			
Kotzebue - Airport Certification Compliance Improvements (HD 40)	1,420,000			
Lake Louise - Runway Rehabilitation (HD 12)	270,000			
Nome - Airport Master Plan (HD 39)	100,000			
Sitka - Rocky Gutierrez Airport Runway 11/29 Overlay (HD 2)	5,000,000			
Statewide - Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide - Aviation Systems Plan Update (HD 1-40)	3,700,000			
Statewide - Various Airports Aeronautical Surveys (HD 1-40)	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide - Various Airports Minor Surface Improvements (HD 1-40)	6,000,000			
Statewide - Various Airports Snow Removal and Safety Equipment (HD 1-40)	10,000,000			
Ted Stevens Anchorage International Airport - Advanced Project Design and Planning (HD 17-32)	1,500,000			
Ted Stevens Anchorage International Airport - Aircraft Rescue and Fire Fighting Vehicle (HD 17-32)	1,300,000			
Ted Stevens Anchorage International Airport - Badge Office Relocation (HD 17-32)	580,000			
Ted Stevens Anchorage International Airport - Deicing Mitigation (HD 17-32)	375,000			
Ted Stevens Anchorage International Airport - East Airpark Storm Drain (HD 17-32)	4,000,000			
Ted Stevens Anchorage International Airport - Emergency Operations Center / Airport	4,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Communication Center (HD 17-32)				
Ted Stevens Anchorage International Airport - Environmental Compliance (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport - Equipment (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport - Facility Improvements, Renovations and Upgrades (HD 17-32)	1,600,000			
Ted Stevens Anchorage International Airport - Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport - Lake Hood Strip Improvements (HD 17-32)	475,000			
Ted Stevens Anchorage International Airport - North Terminal Gate N7 (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport - Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	6,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Ted Stevens Anchorage International Airport - Postmark Emergency Storm Drain Replacement (HD 17-32)	3,300,000			
Ted Stevens Anchorage International Airport - Runway 7L Rehabilitation (HD 17-32)	28,125,000			
Ted Stevens Anchorage International Airport - Taxiway E and M Reconstruction (HD 17-32)	20,000,000			
Togiak - Snow Removal Equipment Building (HD 37)	850,000			
Tununak - Airport Relocation (HD 38)	24,400,000			
Whittier - Airport Master Plan (HD 17-32)	325,000			
Yakutat - Airport Runway Preservation and Drainage Improvements (HD 5)	5,000,000			
Surface Transportation Program		**537,350,240**		**537,350,240**
Alaska Marine Highway System - Ferry Vessel Refurbishment (HD 1-40)	20,000,000			
Alaska Marine Highway System - Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway	325,000			

	Allocations	Appropriation Items	General Funds	Other Funds
System - Terminal - Bellingham Sewage Line Installation (HD 1-40)				
Alaska Railroad - Milepost 407 and 409 Riprap Project (HD 6)	656,240			
Ambler - Sewage Lagoon Road (HD 40)	800,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Arterial Roadway Dust Control (HD 17-32)	200,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Huffman Road Reconstruction - Old Seward Highway to Pintail (HD 17-32)	15,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Muldoon Road Landscaping and Pedestrian Improvements (HD 17-32)	1,700,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Ridesharing and Transit Marketing (HD 17-32)	680,000			
Anchorage Metropolitan Area Transportation Solutions	1,780,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(AMATS) - Transit Fleet Expansion and Replacement (HD 17-32)				
Anchorage - Victor Road (HD 17-32)	4,700,000			
Bethel - Ridgecrest Drive Rehabilitation (HD 38)	1,100,000			
Central Region - Guardrail End Treatment Upgrade (HD 12-35)	14,000,000			
Central Region - Intelligent Transportation System (ITS) Signal Control Upgrades (HD 12-35)	2,000,000			
Central Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 12-35)	20,000,000			
Coffman Cove - Wander Around Town Trail (HD 1)	450,000			
Congestion Mitigation and Air Quality (CMAQ) - PM 2.5 Reductions (HD 7-11)	1,879,000			
Dalton Highway - Milepost 254 to 414 Delineators (HD 40)	2,000,000			
Dalton Highway - Milepost 274 to 289 Reconstruction (HD 40)	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Dillingham - Downtown Streets Reconstruction and Rehabilitation (HD 37)	400,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	3,820,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Noble Street Reconstruction (HD 7-11)	9,935,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Preventative Maintenance Program (HD 7-11)	2,000,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Safety and Signage Improvements (HD 7-11)	3,500,000			
Fairbanks North Star Borough - Airport Way (West) Improvements (HD 7-11)	1,000,000			
Fairbanks - College Road Rehabilitation and Intersection (HD 7-11)	8,630,000			
Fairbanks - Cripple Creek	950,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Road Upgrade (HD 7-11)				
Fairbanks - Curb Corner Upgrades (HD 7-11)	900,000			
Fairbanks - Potter Road Surfacing (HD 7-11)	400,000			
Fairbanks - South Cushman - Mitchell Expressway to Van Horn (HD 7-11)	1,710,000			
Galena - Campion Road Erosion Protection (HD 6)	850,000			
Geographic Information System (GIS) Development (IWAYS) (HD 1-40)	250,000			
Glenn Highway Corridor ITS Project (HD 13-16)	3,000,000			
Glenn Highway Lighting - Eklutna to Palmer Hay Flats (HD 13-16)	8,000,000			
Glenn Highway Lighting - South Birchwood to Palmer Hayflats (HD 13-16)	12,000,000			
Glenn Highway - Milepost 109 to 118 Resurfacing (HD 12)	10,000,000			
Glenn Highway - Milepost 34 to 42 Reconstruction - Parks to Old Glenn Highway (HD 13-16)	3,000,000			
Glenn Highway - Signage - Anchorage to Palmer (HD 12-35)	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Gustavus - Small Boat Float (HD 5)	950,000			
Haines Highway - Milepost 21 to 25.3 Reconstruction and Chilkat Bridge Replacement (HD 5)	1,000,000			
Hyder - Salmon River Road Rehabilitation (HD 5)	600,000			
Juneau - Egan Drive Resurfacing - Main Street to 10th Street (HD 3-4)	980,000			
Juneau - Glacier Highway - Fritz Cove to Auke Bay School - Intersection, Roadway and Pedestrian Improvements (HD 3-4)	1,100,000			
Juneau - Jordan Creek Bridge Replacement and Basin Road Trestle Rehabilitation (HD 3-4)	2,200,000			
Juneau - North Douglas Highway - Pavement Rehabilitation Milepost 5.9 to 12 (HD 3-4)	6,600,000			
Kake - Keku Road Rehabilitation (HD 5)	3,250,000			
King Cove to Cold Bay Corridor Road Extension (HD 37)	15,000,000			
Kodiak - Rezanof Drive Resurfacing (HD 36)	5,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Livengood - Livengood Creek Bridge Replacement (HD 6)	1,000,000			
Marshall - Airport Access Road Bridge (HD 6)	1,700,000			
Mat-Su - Off-System Bridges (HD 13-16)	6,000,000			
New Seward Highway - Rabbit Creek to 36th Avenue (HD 17-32)	23,000,000			
Nome - Nome-Council Road - Milepost 4 to 16 (HD 39)	7,000,000			
North Pole - Dennis Road Extension (HD 7-11)	2,740,000			
North Pole - Pavement Rehabilitation (HD 7-11)	456,000			
Northern Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	25,000,000			
Northern Region - Winter Trail Markings (HD 1-40)	200,000			
Parks Highway - Milepost 239 to 263 Reconstruction - Nenana Canyon to Bear Creek (HD 7-11)	7,500,000			
Parks Highway - Milepost 44 to 52.3 Reconstruction - Lucas Road to Big Lake Cutoff (HD 13-16)	7,000,000			
Safe Routes to Schools (HD	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
Sand Point - School Loop Road Rehabilitation (HD 37)	4,000,000			
Seward Highway - Anchorage to Girdwood ITS Project (HD 17-32)	750,000			
Seward Highway - Milepost 115 to 124 Resurfacing - Potter to Dowling Road (HD 17-32)	15,000,000			
Seward Highway - Milepost 18 to 25.5 Reconstruction - Snow River to Trail River (HD 33-35)	28,000,000			
Seward Highway - Milepost 99 to 104 - Bird and Indian Improvements (HD 17-32)	2,400,000			
Seward Highway - Ptarmigan Creek Bridge Replacement (HD 33-35)	5,000,000			
Seward Meridian Parkway - Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	9,000,000			
Sitka - Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets (HD 2)	800,000			
Sitka - Halibut Point Road Resurfacing, Drainage	14,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements and Bridge Replacement (HD 2)				
Sitka - Sawmill Creek Road Upgrade (HD 2)	4,000,000			
Southeast Region - Intelligent Transportation Systems (HD 1-5)	1,000,000			
Southeast Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	2,000,000			
Statewide - Bicycle/Pedestrian Facilities Rehabilitation and Improvements (HD 1-40)	2,500,000			
Statewide - Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide - Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide - Civil Rights Program (HD 1-40)	400,000			
Statewide - Comprehensive Highway Safety Plan (HD 1-40)	400,000			
Statewide - Congestion Mitigation and Air Quality	7,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(CMAQ) Projects (HD 1-40)				
Statewide - Highway Data Equipment Acquisition and Installation (HD 1-40)	2,000,000			
Statewide - Highway Data Initiatives (HD 1-40)	3,000,000			
Statewide - Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide - Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide - National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide - Paths, Sidewalks and Bike Trails Surface Rehabilitation and Safety (HD 1-40)	5,500,000			
Statewide - Planning Work Program (HD 1-40)	7,500,000			
Statewide - Research Program (HD 1-40)	1,500,000			
Statewide - Rumble Strips (HD 1-40)	6,000,000			
Statewide - Scenic Byways Grants (HD 1-40)	500,000			
Statewide - Seismic Retrofit - Bridges (HD 1-40)	2,000,000			
Statewide - Urban Planning	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 12-35)				
Statewide - Weigh-in-Motion Equipment (HD 1-40)	3,500,000			
Steese Highway - Milepost 62 to 81 Surfacing (HD 7-11)	15,459,000			
Sterling Highway - Milepost 45 to 60 Resurfacing (HD 33-35)	9,000,000			
Sterling Highway - Milepost 60 to 79 - Skilak Lake to Sterling Rehabilitation and Passing Lanes (HD 33-35)	13,000,000			
Sterling Highway - Milepost 83 to 90 Resurfacing (HD 33-35)	7,000,000			
Stevens Village - Sanitation Road (HD 6)	400,000			
Striping and Marking Performance Improvements (HD 1-40)	2,000,000			
Surface Transportation Preconstruction (HD 1-40)	50,000,000			
Tenakee Springs - Ferry Terminal Approach (HD 5)	450,000			
Whittier - Maintenance and Operations (HD 17-32)	2,100,000			
Wrangell - Local Roads Supplemental (HD 2)	1,000,000			
Congressional High Priority Community Projects				

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks North Star Borough - Road and Bridge Improvements (HD 7-11)		2,000,000	1,000,000	1,000,000
Ketchikan - Replacement and Rehabilitation of Municipal Bridges and Trestles (HD 1)		1,000,000	500,000	500,000
Mat-Su Borough - Arterial Road and Bridge Improvements (HD 13-16)		2,000,000	1,000,000	1,000,000
Sitka - Sawmill Cove Waterfront Development (HD 2)		974,000	487,000	487,000
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Feasibility Study for Community Campuses (HD 1-40)		1,400,000	1,400,000	
Kachemak Bay Campus - New Facility Completion (HD 33-35)		250,000	250,000	
Kenai Peninsula College Student Housing (HD 33-35)		180,000	180,000	
Southeast Campus - Mining Machinery Simulators Purchase (HD 3-4)		400,000	400,000	
UAA Engineering Facility Planning and Design (HD 17-32)		5,000,000	5,000,000	
UAF Engineering &		10,000,000	10,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Technology Project Design and Development (HD 7-11)				
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		20,600,000		20,600,000
University Receipt Authority (HD 1-40)		15,000,000	15,000,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Boney Courthouse Campus Renovation (HD 1-40)		18,000,000	18,000,000	
Court Information Technology Enhancements (HD 1-40)		1,900,000	1,900,000	
Nome Courthouse Deferred Maintenance and Remodel (HD 1-40)		2,700,000	2,700,000	

(SECTION 8 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Department of Administration		
1004	Unrestricted General Fund Receipts	5,650,000
1005	General Fund/Program Receipts	8,500,000
1017	Group Health and Life Benefits Fund	301,400
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1081	Information Services Fund	5,000,000
*** Total Agency Funding ***		$20,025,000
Department of Commerce, Community and Economic Development		
1002	Federal Receipts	22,625,000
1003	General Fund Match	378,000
1004	Unrestricted General Fund Receipts	8,956,400
1005	General Fund/Program Receipts	609,000
1007	Interagency Receipts	1,153,500
1061	Capital Improvement Project Receipts	1,000,000
1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
1210	Renewable Energy Grant Fund	50,250,000
*** Total Agency Funding ***		$103,471,900
Department of Corrections		
1004	Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***		$550,000
Department of Education and Early Development		
1004	Unrestricted General Fund Receipts	28,786,959
*** Total Agency Funding ***		$28,786,959
Department of Environmental Conservation		
1002	Federal Receipts	38,950,000

1003	General Fund Match	9,500,000
1004	Unrestricted General Fund Receipts	43,921,576
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1108	Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***		$100,769,750
Department of Fish and Game		
1002	Federal Receipts	19,650,000
1003	General Fund Match	150,000
1004	Unrestricted General Fund Receipts	1,085,000
1024	Fish and Game Fund	900,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
*** Total Agency Funding ***		$23,035,000
Office of the Governor		
1004	Unrestricted General Fund Receipts	123,800
1185	Election Fund	2,975,000
*** Total Agency Funding ***		$3,098,800
Department of Health and Social Services		
1003	General Fund Match	425,000
1004	Unrestricted General Fund Receipts	9,880,000
*** Total Agency Funding ***		$10,305,000
Department of Labor and Workforce Development		
1002	Federal Receipts	1,312,695
1003	General Fund Match	600,000
1004	Unrestricted General Fund Receipts	5,000,000
*** Total Agency Funding ***		$6,912,695
Department of Law		
1004	Unrestricted General Fund Receipts	150,000
*** Total Agency Funding ***		$150,000
Department of Military and Veterans Affairs		

1002	Federal Receipts	21,942,000
1003	General Fund Match	1,750,000
1004	Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***		$24,242,000
Department of Natural Resources		
1002	Federal Receipts	11,535,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	7,744,000
1108	Statutory Designated Program Receipts	1,605,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
*** Total Agency Funding ***		$25,002,000
Department of Public Safety		
1002	Federal Receipts	1,500,000
1004	Unrestricted General Fund Receipts	10,306,000
*** Total Agency Funding ***		$11,806,000
Department of Revenue		
1002	Federal Receipts	17,833,056
1003	General Fund Match	68,544
1004	Unrestricted General Fund Receipts	461,000
1050	Permanent Fund Dividend Fund	350,000
1105	Permanent Fund Gross Receipts	250,000
1113	Alaska Housing Finance Corporation Statewide Bonds	7,500,000
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1212	Federal Stimulus: ARRA 2009	262,000
*** Total Agency Funding ***		$57,783,104
Department of Transportation and Public Facilities		
1002	Federal Receipts	845,565,990
1003	General Fund Match	54,597,000
1004	Unrestricted General Fund Receipts	79,263,000
1026	Highways Equipment Working Capital Fund	15,000,000

1027	International Airports Revenue Fund	6,925,500
1061	Capital Improvement Project Receipts	1,900,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	8,986,250
1179	Passenger Facility Charges	2,200,000
*** Total Agency Funding ***		$1,026,437,740
University of Alaska		
1004	Unrestricted General Fund Receipts	17,230,000
1009	Revenue Bonds	20,600,000
1048	University of Alaska Restricted Receipts	15,000,000
*** Total Agency Funding ***		$52,830,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	22,600,000
*** Total Agency Funding ***		$22,600,000
* * * * * Total Budget * * * * *		$1,517,805,948

(SECTION 9 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source			Amount
Unrestricted General Funds			
	1003	General Fund Match	67,668,544
	1004	Unrestricted General Fund Receipts	242,257,735
	1139	Alaska Housing Finance Corporation Dividend	31,058,504
	1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
Total Unrestricted General Funds			$359,484,783
Designated General Funds			
	1005	General Fund/Program Receipts	9,109,000
	1048	University of Alaska Restricted Receipts	15,000,000
	1050	Permanent Fund Dividend Fund	350,000
	1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
	1153	State Land Disposal Income Fund	3,668,000
	1195	Special Vehicle Registration Receipts	250,000
	1201	Commercial Fisheries Entry Commission Receipts	1,250,000
	1210	Renewable Energy Grant Fund	50,250,000
Total Designated General Funds			$81,877,000
Other Non-Duplicated Funds			
	1017	Group Health and Life Benefits Fund	301,400
	1024	Fish and Game Fund	900,000
	1027	International Airports Revenue Fund	6,925,500
	1029	Public Employees Retirement Trust Fund	392,900
	1034	Teachers Retirement Trust Fund	164,000
	1042	Judicial Retirement System	4,000
	1045	National Guard Retirement System	12,700
	1105	Permanent Fund Gross Receipts	250,000

1108	Statutory Designated Program Receipts	14,105,000
1113	Alaska Housing Finance Corporation	7,500,000
	Statewide Bonds	
1179	Passenger Facility Charges	2,200,000
Total Other Non-Duplicated Funds		$32,755,500
Federal Funds		
1002	Federal Receipts	980,913,741
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1212	Federal Stimulus: ARRA 2009	262,000
Total Federal Funds		$987,073,915
Duplicated Funds		
1007	Interagency Receipts	1,153,500
1009	Revenue Bonds	20,600,000
1026	Highways Equipment Working Capital Fund	15,000,000
1061	Capital Improvement Project Receipts	2,900,000
1081	Information Services Fund	5,000,000
1112	International Airports Construction Fund	8,986,250
1185	Election Fund	2,975,000
Total Duplicated Funds		$56,614,750

(SECTION 10 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 10.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Municipalities (AS 37.05.315)				
Aleutians East Borough - Cold Bay Airport Apron and Taxiway Construction (HD 37)		700,000	700,000	
Anchorage - 100th Avenue Extension Phase II - Minnesota Drive to C Street (HD 17-32)		6,000,000	6,000,000	
Anchorage - 121st Avenue Storm Drain - Mary Drive to Ellen Avenue (HD 17-32)		600,000	600,000	
Anchorage - 13th Avenue Gateway Element Improvements (HD 17-32)		100,000	100,000	
Anchorage - 32nd Avenue Improvements - Muldoon Road to Brookridge Drive (HD 17-32)		3,000,000	3,000,000	
Anchorage - 35th Avenue Improvements - Wisconsin Street to Spenard Road (HD		6,000,000	6,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - 40th Avenue Extension - Piper Street to Dale Street (HD 17-32)		3,000,000	3,000,000	
Anchorage - 42nd Avenue Traffic & Safety Improvements (HD 17-32)		250,000	250,000	
Anchorage - 73rd and 74th Avenue Water Line Extension (HD 17-32)		1,200,000	1,200,000	
Anchorage - 75th Avenue/ Margaret Circle Area Drainage Improvements (HD 17-32)		450,000	450,000	
Anchorage - 88th Avenue Upgrade - Spruce Brook Street to Elmore Road (HD 17-32)		3,000,000	3,000,000	
Anchorage - Abbott Loop Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Abbott Loop Elementary School Projectors & Document Cameras (HD 17-32)		20,000	20,000	
Anchorage - Abbott Loop Traffic Calming Improvements (HD 17-32)		120,000	120,000	
Anchorage - Airport Heights Elementary School Technology (HD 17-32)		20,000	20,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Alexander Avenue Drainage Improvements (HD 17-32)		250,000	250,000	
Anchorage - Anchorage Golf Course Improvements (HD 17-32)		190,000	190,000	
Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding (HD 17-32)		24,292,000	24,292,000	
Anchorage - Anchorage Neighborhood Crime Watch - Community Action Policing (HD 17-32)		40,000	40,000	
Anchorage - Anchorage Senior Center Upgrades (HD 17-32)		770,000	770,000	
Anchorage - Aquarian Charter School Emergency Lighting (HD 17-32)		20,000	20,000	
Anchorage - Arctic Boulevard Chester Creek Flooding (HD 17-32)		150,000	150,000	
Anchorage - Autumn Lane/Valley Street/Ryoaks Place Area Road and Drainage Rehab (HD 17-32)		175,000	175,000	
Anchorage - Bancroft Subdivision Road and Drainage Rehabilitation		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Bartlett High School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Baxter Elementary School Classroom Technology Equipment (HD 17-32)		15,000	15,000	
Anchorage - Bayshore Elementary School Interactive Whiteboards (HD 17-32)		61,000	61,000	
Anchorage - Bayshore Elementary School Security Upgrade (HD 17-32)		100,000	100,000	
Anchorage - Bayshore LED Street Lighting Upgrades (HD 17-32)		150,000	150,000	
Anchorage - Bear Valley Elementary School Replace Televisions in Classrooms (HD 17-32)		9,500	9,500	
Anchorage - Begich Middle School Lighting for Track and Field (HD 17-32)		200,000	200,000	
Anchorage - Begich Middle School Science Program Supplies (HD 17-32)		2,700	2,700	
Anchorage - Begich Middle School Stream Gauge & Weather Shelter (HD 17-32)		1,500	1,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Ben Boeke Ice Arena Upgrades (HD 17-32)		300,000	300,000	
Anchorage - Birch Road Rut Repair - Abbott Road to O'Malley Road (HD 17-32)		100,000	100,000	
Anchorage - Blackberry Street/80th Avenue Area Local Road Surface Rehab (HD 17-32)		150,000	150,000	
Anchorage - Bluebell Drive at Golden View Drive Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Boniface Parkway Pedestrian & Bike Path Improvements - Debarr Road to 20th Avenue (HD 17-32)		100,000	100,000	
Anchorage - Briarwood Drive/ 74th Avenue Flooding and Glaciation Improvements (HD 17-32)		100,000	100,000	
Anchorage - Bus and Fleet Improvements (HD 17-32)		250,000	250,000	
Anchorage - Campbell Airstrip Road Upgrade - Mile 0.3 to 0.7 (Pedestrian/Bike Trail) (HD 17-32)		250,000	250,000	
Anchorage - Campbell Elementary School Computer		9,000	9,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Software (HD 17-32)				
Anchorage - Campbell Elementary School Mobile Computer Lab (HD 17-32)		40,000	40,000	
Anchorage - Campbell Elementary School Projectors & Document Cameras (HD 17-32)		32,000	32,000	
Anchorage - Centennial Park Upgrades, Repairs and Improvements (HD 17-32)		500,000	500,000	
Anchorage - Central Middle School Interactive Whiteboards (HD 17-32)		38,400	38,400	
Anchorage - Chester Valley Elementary School Equipment & Software (HD 17-32)		53,900	53,900	
Anchorage - Chinook Elementary School Construct Gym Storage Area (HD 17-32)		12,000	12,000	
Anchorage - Chinook Elementary School Entryway Improvements (HD 17-32)		20,000	20,000	
Anchorage - Chinook Elementary School Gym Floor Protective Cover (HD 17-32)		7,000	7,000	
Anchorage - Chinook Elementary School Physical		2,500	2,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Education Equipment (HD 17-32)				
Anchorage - Chinook Elementary School Wash Station & Drinking Fountain Replacement (HD 17-32)		6,000	6,000	
Anchorage - Chugach Elementary School Computers (HD 17-32)		44,000	44,000	
Anchorage - Chugiak Birchwood Eagle River Rural Road Service Area - Road and Drainage Rehabilitation (HD 17-32)		775,000	775,000	
Anchorage - Chugiak Eagle River Parks and Recreation - Chugiak High School Field ADA Improvements (HD 17-32)		300,000	300,000	
Anchorage - Chugiak Senior Center Electrical Upgrades (HD 17-32)		165,000	165,000	
Anchorage - Chugiak to Eagle River Road and Drainage Improvements (HD 17-32)		30,000	30,000	
Anchorage - College Gate Elementary School Playground Equipment (HD 17-32)		50,000	50,000	
Anchorage - Cordova Street		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Pedestrian and Bicycle Study - 3rd Avenue to 16th Avenue (HD 17-32)				
Anchorage - Creekside Park Elementary School Library Books (HD 17-32)		20,000	20,000	
Anchorage - Creekside Park Elementary Sidewalk Repairs (HD 17-32)		6,200	6,200	
Anchorage - Crime Scene Investigation Vehicle (HD 17-32)		410,000	410,000	
Anchorage - Dempsey Anderson Ice Arena Upgrades (HD 17-32)		250,000	250,000	
Anchorage - Denali Montessori School Computer Lab Equipment (HD 17-32)		10,300	10,300	
Anchorage - Dimond High School Advanced Placement Teacher Training (HD 17-32)		10,000	10,000	
Anchorage - Dimond High School Computers (HD 17-32)		42,000	42,000	
Anchorage - Duben Street Upgrade Study - Patterson Street to Muldoon Road (HD 17-32)		100,000	100,000	
Anchorage - East Anchorage Plan (HD 17-32)		80,000	80,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - East High School Computers Purchase (HD 17-32)		29,000	29,000	
Anchorage - East High School Library Resources (HD 17-32)		5,000	5,000	
Anchorage - Egavik Drive & Denali Street Reconstruction (HD 17-32)		1,500,000	1,500,000	
Anchorage - Emergency Medical & Fire Fighting Protective Equipment (HD 17-32)		150,000	150,000	
Anchorage - Fairview Elementary School Book and Technology Grant (HD 17-32)		30,000	30,000	
Anchorage - Fire Lake Elementary School Physical Education Program (HD 17-32)		10,000	10,000	
Anchorage - Fire Station #6 Replacement (HD 17-32)		6,000,000	6,000,000	
Anchorage - Fire Station #9 Remodel (HD 17-32)		5,000,000	5,000,000	
Anchorage - Flooding and Glaciation Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Girdwood K-8 School Purchase New Computers for Mobile		35,000	35,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Computer Lab (HD 17-32)				
Anchorage - Gladys Wood Elementary Purchase Multimedia Equipment (HD 17-32)		26,000	26,000	
Anchorage - Gladys Wood Elementary School Classroom Walls and Storage (HD 17-32)		48,000	48,000	
Anchorage - Gladys Wood Elementary School Lunchroom Tables (HD 17-32)		15,000	15,000	
Anchorage - Glenn Highway/Eagle Glen South Subdivision Drainage (HD 17-32)		2,600,000	2,600,000	
Anchorage - Golden View Drive Intersection and Safety Upgrade - Rabbit Creek Road to Romania Drive (HD 17-32)		8,000,000	8,000,000	
Anchorage - Goldenview Middle School Cabinet Installation (HD 17-32)		15,000	15,000	
Anchorage - Government Hill Elementary School After-School Program Equipment (HD 17-32)		13,000	13,000	
Anchorage - Government Hill Elementary School		3,600	3,600	

	Allocations	Appropriation Items	General Funds	Other Funds
Computer Software (HD 17-32)				
Anchorage - Hanshew Middle School Interactive Whiteboards (HD 17-32)		110,000	110,000	
Anchorage - Hightower Road Upgrade - Alyeska Highway to Community Center (HD 17-32)		800,000	800,000	
Anchorage - Huffman Road Subdrain Extension (HD 17-32)		50,000	50,000	
Anchorage - Independence Drive Upgrade & Extension (HD 17-32)		1,600,000	1,600,000	
Anchorage - Inlet View Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Inlet View Elementary School Outdoor Running Track (HD 17-32)		24,000	24,000	
Anchorage - Intergovernmental Data Center (HD 17-32)		4,000,000	4,000,000	
Anchorage - Intersection Safety and Congestion Relief Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Jewel Lake Road Pedestrian, Drainage and Other Rehabilitation -		2,400,000	2,400,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Raspberry Road to Dimond Boulevard (HD 17-32)				
Anchorage - Johns Road Reconstruction - Klatt Road to High View Drive (HD 17-32)		7,000,000	7,000,000	
Anchorage - Kasuun Elementary School Digital Projectors (HD 17-32)		20,000	20,000	
Anchorage - Kasuun Elementary School Laptop Computers (HD 17-32)		25,000	25,000	
Anchorage - Kincaid Elementary School Replacement Furniture (HD 17-32)		11,000	11,000	
Anchorage - Kincaid Elementary Technology Upgrades (HD 17-32)		20,000	20,000	
Anchorage - King Career Center Refrigeration and Freezer Replacements (HD 17-32)		50,000	50,000	
Anchorage - King Career Center Solar Panels Study (HD 17-32)		10,000	10,000	
Anchorage - Klatt Elementary School Cafeteria Tables (HD 17-32)		7,500	7,500	
Anchorage - Klatt		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Exterior Siding Repair (HD 17-32)				
Anchorage - Klatt Elementary School Sound System Purchase (HD 17-32)		30,000	30,000	
Anchorage - Klatt Road at C Street Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Klatt Road Pedestrian Facilities - C Street Trail to Via Appia Road (North side) (HD 17-32)		250,000	250,000	
Anchorage - Lake Hood Elementary School Book and Technology Grant (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Cameras & Projectors (HD 17-32)		13,000	13,000	
Anchorage - Lake Hood Elementary School Mobile Computer Lab (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Printers (HD 17-32)		1,000	1,000	
Anchorage - Lake Otis Elementary School Rock Climbing Wall (HD 17-32)		10,000	10,000	
Anchorage - Lake Otis		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Parkway at Abbott Loop Elementary School Flashing Lights (HD 17-32)				
Anchorage - Lake Otis Parkway Pedestrian Safety - 20th Avenue to Northern Lights Boulevard (HD 17-32)		250,000	250,000	
Anchorage - Latouche and Annapolis Pedestrian Safety (HD 17-32)		215,000	215,000	
Anchorage - Little Tree Drive Road and Drainage Rehabilitation (HD 17-32)		200,000	200,000	
Anchorage - Loussac Library (HD 17-32)		4,650,000	4,650,000	
Anchorage - McLaughlin Secondary School Science Lab Conversion (HD 17-32)		60,000	60,000	
Anchorage - Meadow Street to Petersburg Street Drainage (HD 17-32)		1,620,000	1,620,000	
Anchorage - Mears Middle School Computer Lab Completion (HD 17-32)		45,000	45,000	
Anchorage - Mears Middle School Locker Replacement (HD 17-32)		520,000	520,000	
Anchorage - Mears Middle School Water Heater Replacement (HD 17-32)		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Mirror Lake Elementary School Library and Technology Upgrades (HD 17-32)		7,500	7,500	
Anchorage - Mount Spurr Elementary School Classroom Space Renovations (HD 17-32)		35,000	35,000	
Anchorage - Mountain Park and Robin Hill Road and Drainage Improvements (HD 17-32)		145,200	145,200	
Anchorage - Mountain View and Russian Jack Park Vandalism Prevention Program (HD 17-32)		50,000	50,000	
Anchorage - Mountain View Drive Upgrade Study - Park Street to McCarrey Street (HD 17-32)		150,000	150,000	
Anchorage - Mountain View Elementary School Boiler Replacement and Repairs (HD 17-32)		75,000	75,000	
Anchorage - Mountain View Elementary School Cameras & Projectors (HD 17-32)		6,250	6,250	
Anchorage - Mountain View Elementary School Communication Closet Ventilation (Rm 38) (HD		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Mountain View Elementary School Lexia Reading Program Licenses (HD 17-32)		6,500	6,500	
Anchorage - Mountain View Public Library (HD 17-32)		6,000	6,000	
Anchorage - Muldoon Community Park (HD 17-32)		1,000,000	1,000,000	
Anchorage - Muldoon Elementary School Asphalt and Sidewalk Repairs (HD 17-32)		80,000	80,000	
Anchorage - Muldoon Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Muldoon Road at Duben Street Pedestrian Safety (HD 17-32)		150,000	150,000	
Anchorage - Newby Avenue Repair and Renovation (HD 17-32)		136,000	136,000	
Anchorage - North Star Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - North Star Elementary School Cameras & Projectors (HD 17-32)		7,000	7,000	
Anchorage - North Star Elementary School Mobile		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Computer Lab (HD 17-32)				
Anchorage - Northern Lights Boulevard Bike Pathway Rehabilitation - Lake Otis Parkway to Seward Highway (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Pedestrian Safety - Lois Drive West to Captain Cook Estates Circle (HD 17-32)		920,000	920,000	
Anchorage - Northern Lights Boulevard Sound Barrier Fence - Phase III (HD 17-32)		1,000,000	1,000,000	
Anchorage - Northwood Elementary School Audio Book Library (HD 17-32)		1,400	1,400	
Anchorage - Northwood Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Northwood Elementary School Sidewalk Repairs (HD 17-32)		11,000	11,000	
Anchorage - Northwood Elementary School Sign (HD 17-32)		9,000	9,000	
Anchorage - Nunaka Valley Elementary School Heat Exchanger (HD 17-32)		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Nunaka Valley Park Facility Improvement Plan (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Street and Pedestrian Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Ocean View Elementary School DVD/TV Compatible Equipment Purchase and Installation (HD 17-32)		32,000	32,000	
Anchorage - Ocean View Elementary School Sound System & Stage Improvements (HD 17-32)		15,000	15,000	
Anchorage - Old Eagle River Road Upgrade (RTP) - Monte Road to Baranoff Avenue (HD 17-32)		6,800,000	6,800,000	
Anchorage - Orion Elementary School Classroom Equipment Purchase (HD 17-32)		4,000	4,000	
Anchorage - Pavement Rehab Matching Program (HD 17-32)		5,340,500	5,340,500	
Anchorage - Pedestrian Safety and Rehabilitation Matching Program (HD 17-32)		1,000,000	1,000,000	
Anchorage - Pioneer Home		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Sidewalk Safety Replacement (HD 17-32)				
Anchorage - Polaris School Science Kits, Lab Equipment and Genetic Instruments (HD 17-32)		18,500	18,500	
Anchorage - Port of Anchorage Expansion (HD 17-32)		20,000,000	20,000,000	
Anchorage - Ptarmigan Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Rainbow Avenue Drainage - East of Gregory Road (HD 17-32)		50,000	50,000	
Anchorage - Recreation Facilities Upgrades (HD 17-32)		1,000,000	1,000,000	
Anchorage - Rogers Park Elementary School Computers & Training (HD 17-32)		40,000	40,000	
Anchorage - Rogers Park Elementary School Multipurpose Room Retrofit (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Book and Technology Grant (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Interactive		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Whiteboards (HD 17-32)				
Anchorage - Russian Jack Elementary School - Playground Equipment (HD 17-32)		10,000	10,000	
Anchorage - Russian Jack Springs Park (HD 17-32)		300,000	300,000	
Anchorage - Sand Lake Watershed Drinking Water Studies (HD 17-32)		250,000	250,000	
Anchorage - SAVE High School Multimedia Computer Lab (HD 17-32)		34,000	34,000	
Anchorage - Scenic Park Elementary School Cameras & Projectors (HD 17-32)		15,000	15,000	
Anchorage - School District Child in Transition Tutoring (HD 17-32)		25,000	25,000	
Anchorage - Service High School Athletic Equipment (HD 17-32)		112,700	112,700	
Anchorage - Service High School Classroom Technology Upgrades (HD 17-32)		40,000	40,000	
Anchorage - Service High School World Language Department Program (HD 17-32)		15,000	15,000	
Anchorage - Sitka Street		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Culvert Replacement (HD 17-32)				
Anchorage - South High School Athletic Fields Artificial Turf Improvements and Installation (HD 17-32)		1,354,000	1,354,000	
Anchorage - Spring Hill Elementary Technology Upgrades (HD 17-32)		50,000	50,000	
Anchorage - SRW Road and Drainage Phase II (HD 17-32)		250,000	250,000	
Anchorage - Steller Secondary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Steller Secondary School Computer Lab Wiring (HD 17-32)		20,000	20,000	
Anchorage - Steller Secondary School Library Chairs & Equipment (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Library Shelves & Furniture (HD 17-32)		4,000	4,000	
Anchorage - Steller Secondary School Mobile Computer Lab (HD 17-32)		38,000	38,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Steller Secondary School Replace Lighting Improvements (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Water Heater Replacement (HD 17-32)		12,000	12,000	
Anchorage - Street Light Energy Conservation Upgrades (HD 17-32)		500,000	500,000	
Anchorage - Sullivan Arena Facility Upgrades (HD 17-32)		1,600,000	1,600,000	
Anchorage - Susitna Elementary School Classroom Computer Tables (HD 17-32)		15,000	15,000	
Anchorage - Susitna Elementary School Interactive Whiteboards (HD 17-32)		8,000	8,000	
Anchorage - Susitna Elementary School Mobile Computer Lab (HD 17-32)		14,000	14,000	
Anchorage - Susitna Elementary School Multimedia (HD 17-32)		18,000	18,000	
Anchorage - Susitna Elementary School Purchase Wireless Clickers (HD		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Sylvan Drive Reconstruction (HD 17-32)		600,000	600,000	
Anchorage - Taku Elementary Wireless Internet Access (HD 17-32)		30,000	30,000	
Anchorage - Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)		2,500,000	2,500,000	
Anchorage - Totem Fields Phase II (HD 17-32)		350,000	350,000	
Anchorage - Traffic Calming and Pedestrian Safety (HD 17-32)		350,000	350,000	
Anchorage - Trailside Elementary School Computer Lab Software (HD 17-32)		10,000	10,000	
Anchorage - Trailside Elementary School Computers (HD 17-32)		30,000	30,000	
Anchorage - Tudor Elementary School Technology, Books, and Supplies Grant (HD 17-32)		31,800	31,800	
Anchorage - Turnagain Boulevard Area Flooding and Glaciation (HD 17-32)		150,000	150,000	
Anchorage - Turnagain Elementary School		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Interactive Whiteboards (HD 17-32)				
Anchorage - Turnagain Street/Boulevard Engineering Study - Northern Lights Boulevard to Spenard Road (HD 17-32)		200,000	200,000	
Anchorage - Tyson Elementary School Intercom/Bell /Clock System (HD 17-32)		123,000	123,000	
Anchorage - University Lake Park Bank Stabilization and Dog Amenities (HD 17-32)		75,000	75,000	
Anchorage - Wendler Middle School Electric Sign (HD 17-32)		27,000	27,000	
Anchorage - West High School Technology & Equipment (HD 17-32)		140,000	140,000	
Anchorage - Whaley Center Lifeskills Classroom Kitchen Upgrades (HD 17-32)		10,000	10,000	
Anchorage - William Tyson Elementary School Computers & Printers (HD 17-32)		25,000	25,000	
Anchorage - William Tyson Elementary School Purchase Classroom Televisions (HD		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Willow Crest Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Interactive Whiteboard (HD 17-32)		8,000	8,000	
Anchorage - Willow Crest Elementary School Library Books & Supplies (HD 17-32)		27,000	27,000	
Anchorage - Willow Crest Elementary School Playground Equipment Upgrades (HD 17-32)		40,000	40,000	
Anchorage - Wonder Park Elementary School Interactive Whiteboards (HD 17-32)		99,250	99,250	
Angoon - Barge Landing (HD 5)		150,000	150,000	
Angoon - Engineering Design and Renovation for Front Road (HD 5)		500,000	500,000	
Angoon - Fire Truck (HD 5)		200,000	200,000	
Atka - Public Safety and Fire Station Completion (HD 37)		250,000	250,000	
Bethel - Electrical Utility		175,000	175,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Acquisition Study (HD 38)				
Bethel - Fire Station Repairs/Upgrades (HD 38)		1,000,000	1,000,000	
Bethel - New Bethel Police Station (HD 38)		3,000,000	3,000,000	
Bristol Bay Borough - Bear Proof Fencing for Landfill (HD 37)		60,000	60,000	
Bristol Bay Borough - Port of Bristol Bay - Improvements Phase II (HD 37)		5,000,000	5,000,000	
Chevak - Dump Truck Purchase (HD 39)		35,000	35,000	
City of Houston - Hawk Lane Road Repair and Resurface (HD 13-16)		300,000	300,000	
Cordova - Cordova Center Completion (HD 5)		2,500,000	2,500,000	
Craig - Community Streets Improvements (HD 5)		300,000	300,000	
Delta Junction - EMS Rescue Squad Ambulance (HD 12)		175,000	175,000	
Delta Junction - School District Wood Chip Heating System Project (HD 12)		800,000	800,000	
Delta Junction - Solid Waste & Septage Cell (HD 12)		875,000	875,000	
Delta Junction - Street		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Paving and Road Improvements (HD 12)				
Delta Junction - Volunteer Fire Department Water Tender (HD 12)		190,000	190,000	
Denali Borough - Anderson School Lighting Improvements (HD 7-11)		15,000	15,000	
Denali Borough - Cantwell School Repairs and Upgrades (HD 7-11)		50,000	50,000	
Denali Borough - Landfill Equipment (HD 7-11)		68,000	68,000	
Denali Borough - McKinley Village Volunteer Fire Department Truck (HD 7-11)		23,000	23,000	
Denali Borough - Tri-Valley Fire Department Well (HD 7-11)		30,000	30,000	
Denali Borough - Tri-Valley School Electrical Upgrades (HD 7-11)		8,000	8,000	
Egegik - Design and Control for a New Class A Well (HD 37)		100,000	100,000	
Elim - VPSO Housing (HD 39)		100,000	100,000	
Fairbanks (City of) - Traffic Calming Demonstration Project (HD		280,000	280,000	

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Fairbanks - City of Fairbanks Street Reconstruction and Rehabilitation, Aurora Subdivision (HD 7-11)		7,000,000	7,000,000	
Fairbanks North Star Borough - After School Program (HD 7-11)		30,000	30,000	
Fairbanks North Star Borough - Badger Road Elementary School Classroom Chalkboard Replacement (HD 7-11)		29,000	29,000	
Fairbanks North Star Borough - Carlson Activity Center (CAC) Phase 2 Improvements (HD 7-11)		1,985,000	1,985,000	
Fairbanks North Star Borough - Community Social Service Agency Assistance (HD 7-11)		76,000	76,000	
Fairbanks North Star Borough - Hutchison High School Distance Learning System (HD 7-11)		81,000	81,000	
Fairbanks North Star Borough - North Pole Elementary School Classroom Furniture Replacement (HD 7-11)		18,000	18,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks North Star Borough - North Pole High School Physical Education/Athletic Equipment Replacement (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - North Pole Library Equipment Upgrades (HD 7-11)		25,000	25,000	
Fairbanks North Star Borough - North Pole Middle School Classroom Technology Equipment Upgrade (HD 7-11)		59,000	59,000	
Fairbanks North Star Borough - Pearl Creek Elementary School Classroom Upgrade (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - Road Service Area Improvements (HD 7-11)		10,000,000	10,000,000	
Fairbanks North Star Borough - Salcha Elementary School Exterior Envelope Replacement & Upgrade (HD 12)		1,140,000	1,140,000	
Fairbanks North Star Borough - Tanana River		40,000,000	40,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Bridge Access for Military Training Grounds, River Training (HD 7-11)				
Fairbanks North Star Borough - Ticasuk Brown Elementary School Septic System Replacement (HD 7-11)		430,000	430,000	
Fairbanks North Star Borough - Two Rivers Elementary School Classroom Improvements (HD 7-11)		18,000	18,000	
Fairbanks North Star Borough - University Park Elementary Mobile Computer Lab (HD 7-11)		45,000	45,000	
Fairbanks North Star Borough - Weller Elementary School Classroom Improvements (HD 7-11)		29,000	29,000	
Fairbanks North Star Borough - West Valley High School Distance Learning System (HD 7-11)		81,000	81,000	
Fort Yukon - Solid Waste Disposal Facility (HD 6)		363,000	363,000	
Galena - School District Central Steam Plant Up-Grade, Water Truck, and		990,000	990,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Generator Upgrade (HD 6)				
Gustavus - Improvements and Repairs to Fire Hall (HD 5)		101,500	101,500	
Gustavus - Remodel City Hall (HD 5)		93,000	93,000	
Gustavus - Replace Good River Road Culverts (HD 5)		80,000	80,000	
Homer - Anchor Point to Homer Natural Gas Pipeline (HD 33-35)		4,800,000	4,800,000	

It is the intent of the legislature that

(1) the consumer costs for providing natural gas from the state-funded pipeline not be less than the costs to other consumers in the Cook Inlet basin;

(2) before construction, a determination be made that inclusion of new customers into the Cook Inlet basin natural gas distribution system will not adversely affect existing consumers;

(3) state funds expended for the pipeline project be used to offset consumer rates for natural gas throughout the Cook Inlet basin; and

(4) the City of Homer develop a plan

(A) for a distribution system that identifies residential users, commercial users, public facility users, and industrial users within its municipal boundary;

(B) that provides access to the pipeline along the route of the pipeline for potential users who are outside the municipal boundary; and

(C) that provides extension of the pipeline beyond the municipal boundary.

Homer - Deep Water Dock Expansion, Phase 1 (HD 33-35)		1,000,000	1,000,000	
Homer - Karen Hornaday Park Improvements, Phase 1 (HD 33-35)		250,000	250,000	
Hoonah - Phase 3, Hoonah		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Marine Industrial Center (HD 5)				
Hooper Bay - Boat Harbor and Barge Landing Reconnaissance (HD 39)		230,000	230,000	
Houston - Firefighting & Protective Equipment (HD 13-16)		40,000	40,000	
Houston - Municipal Road Maintenance (HD 13-16)		60,000	60,000	
Houston - Self-Contained Breathing Apparatus Purchase (HD 13-16)		100,000	100,000	
Huslia - Electric Distribution System (HD 6)		490,000	490,000	
Hydaburg - Water System Upgrade (HD 5)		150,000	150,000	
Juneau - Arctic Winter Games Bid Planning and Submission (HD 3-4)		50,000	50,000	
Juneau - Capital Park Playground Equipment (HD 3-4)		25,000	25,000	
Juneau - Juneau Arts & Culture Center Electrical and Facility Upgrades (HD 3-4)		50,000	50,000	
Juneau - Melvin Park Playground Improvements (HD 3-4)		25,000	25,000	
Juneau - School District		116,000	116,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Safety Upgrades (HD 3-4)				
Juneau - School District Technology Infrastructure Upgrades (HD 3-4)		26,000	26,000	
Juneau - Sewage System Major Repairs & Expansion (HD 3-4)		3,000,000	3,000,000	
Kachemak - Bear Creek Drive Repavement - Preliminary design (HD 33-35)		50,000	50,000	
Kaltag - New Health Clinic Match Contribution (HD 6)		148,000	148,000	
Kenai - Kenai River Bluff Stabilization (HD 33-35)		250,000	250,000	
Kenai Peninsula Borough - Kenai Central High School Auditorium Equipment (HD 33-35)		25,000	25,000	
Kenai Peninsula Borough - Nikiski Fire Station #2 (HD 33-35)		1,500,000	1,500,000	
Kenai Peninsula Borough - Nikiski Senior Center Construction (HD 33-35)		1,000,000	1,000,000	
Kenai Peninsula Borough - Road Improvements (HD 33-35)		6,000,000	6,000,000	
Ketchikan - Bethe Substation Replacement (HD		5,000,000	5,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
1)				
Ketchikan - Fire Station No. 1 Replacement Project (HD 1)		5,000,000	5,000,000	
Ketchikan - Whitman Lake Hydro Project (HD 1)		16,680,000	16,680,000	
Ketchikan Gateway Borough - Children's Community Park (HD 1)		150,000	150,000	
Ketchikan Gateway Borough - Gateway Recreation Center Emergency Roof Replacement (HD 1)		920,000	920,000	
Ketchikan Gateway Borough - Ketchikan International Airport Facility Renovations and Reconstruction (HD 1)		1,500,000	1,500,000	
King Cove - Izembek Land Exchange EIS, Public Interest Finding & Road Permitting Project (HD 37)		300,000	300,000	
Klawock - Drive Down Ramp Phase II (HD 5)		480,000	480,000	
Klawock - School District Prince of Wales Vocational Education Center (HD 5)		200,000	200,000	
Kodiak - Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
Koyukuk - New Clinic Match		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Contribution (HD 6)				
Lake and Peninsula Borough - Chignik Small Boat Harbor (HD 37)		1,400,000	1,400,000	
Marshall - Public Safety Facility (HD 6)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Basic Sanitation Facilities for Knik River Public Use Area Parking Lot on Sullivan Road (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Big Lake Elementary PTA Playground Equipment (HD 13-16)		10,000	10,000	
Matanuska-Susitna Borough - Big Lake Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Big Lake Service Area Road Upgrades (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Buffalo Mine Road Street Light Installation (HD 13-16)		15,000	15,000	
Matanuska-Susitna Borough - Butte Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough -		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Butte Volunteer Fire Department Equipment (HD 13-16)				
Matanuska-Susitna Borough - Caswell Lakes Service Area Equipment (HD 13-16)		60,000	60,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Chickaloon Fire Service Fire station Upgrades and Equipment (HD 13-16)		73,500	73,500	
Matanuska-Susitna Borough - Fairview Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Goose Bay Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Greater Butte Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Horseshoe Lake Road Upgrade (HD 13-16)		700,000	700,000	
Matanuska-Susitna Borough - Houston High School Football Field Lights (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough -		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Houston High School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Houston Middle School Library & Technology Upgrade (HD 13-16)		17,500	17,500	
Matanuska-Susitna Borough - Knik Elementary School Gymnasium Curtain (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik Elementary School Library & Technology Upgrade (HD 13-16)		2,100,000	2,100,000	
Matanuska-Susitna Borough - Knik River Road Reconstruction (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Knik Road Service Area Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Lazy Mountain Service Area Roads Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Meadow Lakes Elementary School Library & Technology Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Meadow Lakes Service Area Roads Upgrade (HD 13-16)				

	Allocations	Appropriation Items	General Funds	Other Funds
Matanuska-Susitna Borough - Mid-Valley High School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Midnight Sun Family Learning Center Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - New Generator and Switchgear for Swanson Elementary School (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - North Nancy Lake Peninsula Road Rehabilitation Project (HD 13-16)		850,000	850,000	
Matanuska-Susitna Borough - Parks Highway Connector Improvements (HD 13-16)		2,000,000	2,000,000	
Matanuska-Susitna Borough - Port MacKenzie Expansion (HD 13-16)		750,000	750,000	
Matanuska-Susitna Borough - Rail Extension to Port MacKenzie from the Alaska Railroad Main Line (HD 13-16)		57,000,000	57,000,000	
Matanuska-Susitna Borough - Road Service Area		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
31Maintenance and Upgrades (HD 13-16)				
Matanuska-Susitna Borough - School District Library & Technology Upgrades as Specified in Appropriation Back-up (HD 13-16)		110,000	110,000	
Matanuska-Susitna Borough - School District Road Grader (HD 13-16)		290,000	290,000	
Matanuska-Susitna Borough - Snowshoe Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Su Valley School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Substandard Bridge and Road Repair and Maintenance (HD 13-16)		3,000,000	3,000,000	
Matanuska-Susitna Borough - Talkeetna Service Area Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Talkeetna Service Area Roads Upgrades (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Trapper Creek Elementary School Library & Technology		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Trapper Creek Elementary School Roof Replacement (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Trapper Creek Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Wasilla-Iditarod Elementary School Playground and Exercise Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Wasilla-Lakes FSA Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - West Lakes FSA Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Willow Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Willow Service Area Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Willow Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Wolverine Creek Dry		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Hydrant Project (HD 13-16)				
Mountain Village - Heavy Equipment Purchase (HD 39)		240,000	240,000	
Napakiak - Road Maintenance and Dust Control (HD 38)		275,000	275,000	
Nenana - Nenana City Public School - Nenana Student Learning Center Debt Retirement (HD 6)		1,500,000	1,500,000	
Nome - Museum Construction and Development (HD 39)		5,000,000	5,000,000	
Nome - Remodel Recreation Center for Emergency Shelter Services (HD 39)		500,000	500,000	
Nondalton - Replacement Parts for Heavy Equipment (HD 36)		50,000	50,000	
North Pole - Environmental Assessment for Railroad Realignment and Expansion (HD 7-11)		1,000,000	1,000,000	
North Pole - Fire Department Equipment Upgrades and Replacement (HD 7-11)		95,000	95,000	
North Pole - Senior Center Equipment Upgrades (HD 7-11)		50,000	50,000	
North Slope Borough - Fire Station Deferred Maintenance and Safety		342,500	342,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Equipment (HD 40)				
North Slope Borough - Healthy Communities Initiative (HD 40)		170,000	170,000	
North Slope Borough - Search and Rescue Public Safety Equipment (HD 40)		500,000	500,000	
Northwest Arctic Borough - Kiana Heavy Equipment (HD 40)		180,000	180,000	
Northwest Arctic Borough - Nikaitchuat Immersion School Supplies and Furniture (HD 40)		20,000	20,000	
Northwest Arctic Borough - Noatak Storage Shed (HD 40)		150,000	150,000	
Northwest Arctic Borough - Noorvik Heavy Equipment (HD 40)		200,000	200,000	
Northwest Arctic Borough - Northwest Magnet School and Kotzebue High School (HD 40)		12,000,000	12,000,000	
Northwest Arctic Borough - Shungnak Playground Equipment (HD 40)		65,000	65,000	
Old Harbor - City Dock Reconstruction (HD 36)		3,100,000	3,100,000	
Ouzinkie - Alternative Wind Energy Generation - Phase		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
I Data Collection (HD 36)				
Ouzinkie - Ouzinkie Replacement Dock/Economic Development Project and Water Main Replacement (HD 36)		5,100,000	5,100,000	
Palmer - Fire Department: Two Command Vehicles and Personal Protective Equipment (HD 13-16)		100,000	100,000	
Palmer - Lift Station & Sewer System Rehabilitation (HD 13-16)		750,000	750,000	
Pelican - Building Maintenance (HD 2)		25,000	25,000	
Pelican - Seaplane Ramp (HD 2)		50,000	50,000	
Pelican - Water and Sewer Improvements (HD 2)		200,000	200,000	
Petersburg - Clausen Memorial Museum Storage Upgrade (HD 2)		55,000	55,000	
Petersburg - Fire & EMS Facility Construction (HD 2)		6,700,000	6,700,000	
Petersburg - Petersburg Medical Center - Medical Equipment Replacement (HD 2)		50,000	50,000	
Pilot Point - Assess Safety & Structure Issues		55,000	55,000	

	Allocations	Appropriation Items	General Funds	Other Funds
of Old Cannery Buildings (HD 37)				
Pilot Station - New Public Safety Building (HD 39)		960,000	960,000	
Port Alexander - Bear Hall Rehab and Renovation (HD 2)		5,000	5,000	
Port Heiden - Heavy Equipment Purchase (HD 37)		250,000	250,000	
Port Lions - Port Lions City Dock and Ferry Terminal Repairs and Replacement (HD 36)		1,000,000	1,000,000	
Port Lions - Refurbishment of the Port Lions Causeway (HD 36)		75,000	75,000	
Quinhagak - Emergency Shelter Facility: Planning & Design Funds (HD 38)		50,000	50,000	
Saint George - Purchase Vacuum Sewage Pumper Truck (HD 37)		150,000	150,000	
Saint Mary's - Rock Crusher/Screening Plant (HD 39)		300,000	300,000	
Saint Michael - St. Michael Heavy Equipment Fleet (HD 39)		200,000	200,000	
Savoonga - D6N XL Tractor (HD 39)		275,000	275,000	
Savoonga - Steel Garage		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 39)				
Saxman - Backhoe Loader Purchase (HD 1)		75,000	75,000	
Scammon Bay - Heavy Equipment (HD 39)		150,000	150,000	
Seldovia - Water and Sewer Upgrades (HD 33-35)		100,000	100,000	
Seward - Mooring Dolphins and Dock Improvements at Seward Marine Center (HD 33-35)		1,500,000	1,500,000	
Shaktoolik - Heavy Equipment Purchase (HD 39)		194,800	194,800	
Sitka - Blue Lake Hydroelectric Expansion (HD 2)		15,000,000	15,000,000	
It is the intent of the legislature that the appropriation for Blue Lake Hydroelectric Expansion be matched 50/50 with local funds.				
Sitka - Moller Park Baseball Field Improvements (HD 2)		500,000	500,000	
Sitka - Sitka School District - Vocational Education Facility Construction (HD 2)		1,400,000	1,400,000	
Soldotna - Funny River Road Relocation (HD 33-35)		38,900	38,900	
Soldotna - Lighting Energy Conservation Project (HD 33-35)		389,200	389,200	
Soldotna - Reconstruct		544,000	544,000	

	Allocations	Appropriation Items	General Funds	Other Funds
North Binkley Street (HD 33-35)				
Soldotna - Soldotna Creek Park Development (HD 33-35)		75,000	75,000	
Tanana - Fire Truck and Fire Equipment Purchase (HD 6)		270,000	270,000	
Tanana - Washeteria Equipment & Sanitation Improvements (HD 6)		233,000	233,000	
Teller - Heavy Equipment Purchase (HD 39)		228,300	228,300	
Tenakee Springs - Rescue Boat Shelter (HD 5)		125,000	125,000	
Thorne Bay - Community Roads Repair and Resurface (HD 1)		150,000	150,000	
Togiak - Repair Storm Damage to Seawall (HD 37)		85,000	85,000	
Toksook Bay - Toksook Bay Dumpsite Improvement (HD 38)		225,000	225,000	
Unalakleet - Erosion Control (HD 39)		1,741,000	1,741,000	
Unalaska - Unalaska Powerhouse Expansion Project (HD 37)		5,000,000	5,000,000	
Valdez - Flood Mitigation and Dike Upgrades for Subdivision at 10 Mile		800,000	800,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Richardson Hwy (HD 12)				
Valdez - Valdez School District School Maintenance and Sprinkler Upgrades (HD 12)		1,000,000	1,000,000	
Wasilla - Lake Lucille Improvements (HD 13-16)		125,000	125,000	
Wasilla - Swanson Avenue & Nelson Avenue Improvements (HD 13-16)		500,000	500,000	
White Mountain - Public Safety Building (HD 39)		857,000	857,000	
Whittier - Shotgun Cove Road Phase II (HD 17-32)		4,000,000	4,000,000	
Wrangell - Electrical System Upgrade (HD 2)		85,000	85,000	
Wrangell - Hospital and Nursing Home Replacement Project (HD 2)		3,000,000	3,000,000	
Wrangell - School District Replacement Wrestling Mats (HD 2)		40,000	40,000	
Yakutat - ANB Hall Renovation (HD 5)		75,000	75,000	
Yakutat - Renovation of Court House Building and City Hall (HD 5)		300,000	300,000	
Grants to Municipalities (AS 37.05.315) - Public Library Construction				

It is the intent of the legislature that the following Grants to Municipalities (AS 37.05.315)

	Allocations	Appropriation Items	General Funds	Other Funds
satisfy FY2011 capital funding for those public library construction projects identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development until such time as the first round of the Public Library Construction and Major Expansion Matching Grant program (AS 14.56.355) is completed.				
Cordova - Cordova Center and Library (HD 5)		2,000,000	2,000,000	
Kenai - Community Library Expansion (HD 33-35)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Sutton Community Library & Resource Center (HD 13-16)		1,700,000	1,700,000	
North Slope Borough - Tuzzy Library Expansion Project (HD 40)		350,000	350,000	
Petersburg - Public Library (HD 2)		3,300,000	3,300,000	
Seward - Community Library (HD 33-35)		4,700,000	4,700,000	
Grants to Unincorporated Communities (AS 37.05.317)				
Alatna - Tribal Hall Construction (HD 6)		150,000	150,000	
Anchor Point - Senior Center Improvements (HD 33-35)		65,000	65,000	
Arctic Village - Multi-Purpose Health Center Project (HD 6)		150,000	150,000	
Chalkyitsik - Electrical Metering Program (HD 6)		38,000	38,000	
Chalkyitsik - Energy		26,000	26,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Efficient Diesel Generator Installation (HD 6)				
Chenega Bay - Backhoe Loader (HD 5)		125,000	125,000	
Circle - New Clinic Match Contribution (HD 6)		150,000	150,000	
Cooper Landing - Senior Housing Garage & Workshop (HD 33-35)		95,000	95,000	
Evansville - New Health Clinic Match Contribution (HD 6)		150,000	150,000	
Hollis - Emergency Services Facility Construction (HD 1)		400,000	400,000	
Hope - Social Hall Improvements (HD 17-32)		30,000	30,000	
Igiugig - Fuel Delivery Truck (HD 36)		12,000	12,000	
Igiugig - Rural Power Systems Upgrade (HD 36)		110,000	110,000	
Iliamna - Village Community Hall Renovations (HD 36)		72,000	72,000	
Klukwan - Garbage Truck Purchase (HD 5)		32,900	32,900	
Kokhanok - Design & Feasibility Study of a Multi-purpose Building (HD 36)		30,000	30,000	
Levelock - Heavy Equipment		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Purchase (HD 36)				
Manley Hot Springs - Fire/Rescue/Public Safety Building (HD 6)		150,000	150,000	
Manley Hot Springs - New Health Clinic Project (HD 6)		150,000	150,000	
Mentasta Lake - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Minto - Multi-Purpose Community Center (HD 6)		150,000	150,000	
Nikolaevsk - Natural Gas Line Reduction Unit (HD 33-35)		250,000	250,000	
Ninilchik - Senior Center Preservation (HD 33-35)		385,000	385,000	
Northway Village - Community Center Addition (HD 6)		125,000	125,000	
Pedro Bay - Pedro Bay Hydroelectric Feasibility and Planning (HD 36)		75,000	75,000	
Port Alsworth - Port Alsworth Motor Grader (HD 36)		200,000	200,000	
Sterling - Health / Safety & Community Multi-Use Facility (HD 33-35)		200,000	200,000	
Stevens Village - New Clinic Match Contribution		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 6)				
Tanacross - Subregional Community Health Center Project (HD 6)		500,000	500,000	
Tetlin - Community Improvements (HD 6)		35,000	35,000	

(SECTION 11 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	466,293,300
*** Total Agency Funding ***	$466,293,300
* * * * * Total Budget * * * * *	$466,293,300

(SECTION 12 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	466,293,300
Total Unrestricted General Funds	$466,293,300
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 13 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 13.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 14 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
A.J. Dimond High School Alumni Association - Sports Field Improvements (HD 17-32)		250,000	250,000	
Abused Women's Aid In Crisis, Inc. - Security System Upgrades & Ventilation Repair (HD 17-32)		180,000	180,000	
Advocates for Victims of Violence, Inc. - Computer Purchase (HD 12)		10,000	10,000	
Aiding Women in Abuse & Rape Emergencies, Inc. - Extended Stay Shelter and Supportive Services (HD 3-4)		1,000,000	1,000,000	
Alaska Air Show Association - 2010 Arctic Thunder Air Show (HD 17-32)		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Association of Conservation Districts - Land Development and Project Management (HD 1-40)		300,000	300,000	
Alaska Brain Injury Network, Inc. - Resource Navigation Activities (HD 1-40)		50,000	50,000	
Alaska Community Foundation - Jesse Lee Home Restoration (HD 33-35)		1,500,000	1,500,000	
Alaska Disabled Veterans Sports Program, Inc. - State Participation Grant (HD 1-40)		100,000	100,000	
Alaska Fire Chiefs Association, Inc. - Alaska Fire Conference 2011: "Where Alaskan Professionals Come to Train" (HD 1-5)		28,000	28,000	
Alaska Fire Chiefs Association, Inc. - Alaska Marine Firefighter Training for Land-Based Firefighters (HD 1-40)		150,000	150,000	
Alaska Humanities Forum - AK History & Culture (HD 1-40)		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Manufacturing Extension Partnership, Inc. - State Matching Support (HD 1-40)		800,000	800,000	
Alaska Medicare Clinic, Inc. - Medicare Clinic Funding (HD 17-32)		1,000,000	1,000,000	
It is the intent of the legislature that the appropriation to the Alaska Medicare Clinic, Inc. be used to fund the startup and operations of a not-for-profit Medicare only clinic in Southcentral Alaska.				
Alaska Moving Image Preservation Association - State Participation Grant (HD 1-40)		303,000	303,000	
Alaska Optometric Association - Rural Vision Outreach Equipment Acquisition (HD 1-40)		135,000	135,000	
Alaska Partnership for Economic Development - Alaska Forward Initiative (HD 1-40)		100,000	100,000	
Alaska Public Telecommunications, Inc. - Design/Evaluation Phase for Alaska Public Media Merger (HD 17-32)		50,000	50,000	
Alaska Sealife Center - Seawater Intake Pipelines Biofouling Remediation (HD 33-35)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Search and Rescue Association - Training and Equipment for Search and Rescue Organizations Statewide (HD 1-40)		200,000	200,000	
Alaska Special Olympics, Inc. - Training Center and Campus Expansion & Development (HD 17-32)		5,000,000	5,000,000	
Alaska Zoo - Polar Bear Expansion Project & Signage (HD 17-32)		500,000	500,000	
Aleutian Peninsula Broadcasting, Inc. - King Cove FM Radio Translator, Ground System, Studio Renovation, & Vehicle (HD 37)		50,000	50,000	
Allakaket Traditional Council - New Clinic and Head Start Facility (HD 6)		150,000	150,000	
Alutiiq Pride Shellfish Hatchery - Repairs and Upgrade (HD 33-35)		150,000	150,000	
Alyeska Vocational Services - Deaf Center Planning & Development (HD 1-40)		50,000	50,000	
American Bald Eagle Foundation - Raptor Center Completion (HD 5)		269,800	269,800	
American Legion Chappie		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
James Post 34 - American Legion Facility Renovation (HD 17-32)				
American Legion of Alaska - Youth Sports Fields (HD 1-40)		750,000	750,000	
American Red Cross of Alaska - Armed Services Outreach (HD 1-40)		127,300	127,300	
Anchor Arms, Inc. - Deferred Maintenance, Upgrades and ADA Compliance (HD 17-32)		50,000	50,000	
Anchorage Community Land Trust - Mountain View Blighted Property Improvements (HD 17-32)		1,500,000	1,500,000	
Anchorage Economic Development Corporation - Anchorage Economic Development Grant (HD 17-32)		100,000	100,000	
Anchorage Economic Development Corporation - Girdwood Economic Development Grant (HD 17-32)		8,500,000	8,500,000	
Anchorage Hospice, Inc. dba Hospice of Anchorage - Safety and Comfort Renovations to Hospice		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Center (HD 17-32)				
Anchorage Neighborhood Health Center, Inc. - Facility Relocation and Construction (HD 17-32)		9,000,000	9,000,000	
Anchorage Park Foundation - Al Miller Park Safety and Maintenance Project (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Anchorage Senior Center Trail Connection (HD 17-32)		25,000	25,000	
Anchorage Park Foundation - Carlson Park Repairs (HD 17-32)		60,700	60,700	
Anchorage Park Foundation - Cheney Lake Park Improvements (HD 17-32)		24,700	24,700	
Anchorage Park Foundation - Cope Street Park Improvements (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Creekside Park Improvements (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Cuddy Family Midtown Park Playground (HD 17-32)		75,000	75,000	
Anchorage Park Foundation - Davis Park Trail Connection (HD 17-32)		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Park Foundation - Harvard Park Safety and Maintenance Upgrades (HD 17-32)		68,700	68,700	
Anchorage Park Foundation - Ira Walker Park Improvements (HD 17-32)		108,000	108,000	
Anchorage Park Foundation - Little Dipper Park Fix-Its (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Martin Luther King Jr. Memorial Restoration (HD 17-32)		150,000	150,000	
Anchorage Park Foundation - Nichols Park Improvements (HD 17-32)		35,000	35,000	
Anchorage Park Foundation - Scenic Foothills Community Parks Webcam & Motion Detector Lights (HD 17-32)		56,000	56,000	
Anchorage Park Foundation - William B. Lyons Park Improvements (HD 17-32)		193,200	193,200	
Anchorage Park Foundation - Woodland Park Improvements (HD 17-32)		40,200	40,200	
Anchorage Urban League - Alaska Seeds of Change Transitional Youth Program (HD 17-32)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Arc of Anchorage, Inc. - Crisis Housing and Training Center (HD 17-32)		800,000	800,000	
Arctic Power - ANWR Program (HD 1-40)		160,000	160,000	
Arctic Winter Games Team Alaska - State Participation Grant (HD 1-40)		250,000	250,000	
Association of Silver Springs Area Residents, Inc. - Road Upgrade & Dust Abatement (HD 12)		55,000	55,000	
Association of Village Council Presidents - AVCP Yupiit Piciryarait Museum Equipment (HD 38)		100,000	100,000	
Association of Village Council Presidents - Regional Airframe & Power Plant Training School (HD 38)		1,520,000	1,520,000	
Association of Village Council Presidents - Wood Heating Demonstration Project (HD 38)		610,000	610,000	
Bear Valley Community Association - Bear Valley Park and Trail Improvements (HD 17-32)		1,500	1,500	
Bering Sea Fishermen's		1,125,000	1,125,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Association - Arctic Yukon-Kuskokwim Sustainable Salmon Initiative (HD 38)				
Bethel Broadcasting Inc. - KYUK Energy Conservation and Facilities Upgrades (HD 38)		110,800	110,800	
Blood Bank of Alaska - Fairbanks Branch Emergency Backup Equipment (HD 7-11)		50,000	50,000	
Blood Bank of Alaska - New Building Land Purchase, Planning and Construction (HD 17-32)		13,400,000	13,400,000	
Boys & Girls Clubs of Southcentral Alaska - Mountain View Boys and Girls Club - Community Center Maintenance and Upgrades (HD 17-32)		10,000	10,000	
Boys & Girls Clubs of the Kenai Peninsula - Youth Technology and Internet Safety Outreach (HD 33-35)		35,000	35,000	
Bridge Builders of Anchorage - Education Program (HD 17-32)		148,500	148,500	
Brotherhood, Inc. - Home Based After School Program (HD 17-32)		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Calypso Farm And Ecology Center - Schoolyard Garden Initiative (HD 7-11)		25,000	25,000	
Camp Fire USA Alaska Council - Camp Kushtaka Rebuild (HD 33-35)		700,000	700,000	
Capital Community Broadcasting, Inc. - Gavel to Gavel Video on Demand Project (HD 3-4)		97,000	97,000	
Catholic Community Service, Inc. - Angoon Senior Center Equipment (HD 5)		8,000	8,000	
Catholic Community Service, Inc. - Bring the Kids Home Program Site Acquisition and Building Design (HD 3-4)		125,000	125,000	
Catholic Community Service, Inc. - Hoonah Senior Center Kitchen Equipment (HD 5)		18,000	18,000	
Catholic Community Service, Inc. - Kake Senior Center Kitchen Equipment (HD 5)		5,500	5,500	
Catholic Community Service, Inc. - Swan Lake Senior Center Waste Heat Energy Capture Project (HD		13,000	13,000	

	Allocations	Appropriation Items	General Funds	Other Funds
2)				
Catholic Community Service, Inc. - Wrangell Senior Center Furnace, Heating Ducts and Building Insulation Replacement and Repair (HD 2)		20,000	20,000	
Catholic Community Service, Inc. - Yakutat Senior Center Internet Access Infrastructure & Equipment (HD 5)		5,000	5,000	
CCS Early Learning - Adult and Youth Day Care (HD 13-16)		15,000	15,000	
Central Council of Tlingit and Haida Indian Tribes of Alaska - Juneau Alaska Native Youth Suicide Prevention Coalition (HD 3-4)		150,000	150,000	
Chalkyitsik Traditional Council - New Clinic Match Contribution (HD 6)		103,000	103,000	
Chief Shakes Tribal House - Chief Shakes Tribal House Reconstruction/Carving SHED (HD 2)		110,000	110,000	
Chugiak Volunteer Fire and Rescue Company, Inc. -		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Site Improvements (HD 13-16)				
Communities in Schools of Alaska, Inc. - North Star Imagination Library (HD 7-11)		40,000	40,000	
Community of Elfin Cove Non-Profit Corporation - Boardwalk Repairs (HD 2)		70,000	70,000	
Community of Elfin Cove Non-Profit Corporation - Sanitation Facility Planning (HD 2)		75,000	75,000	
Community Sports, Inc. - Development & Implementation Project (HD 13-16)		100,000	100,000	
Cook Inlet Housing Authority - Workforce Development Housing Project (HD 17-32)		5,000,000	5,000,000	
Cook Inlet Regional Citizens Advisory Council - Cook Inlet Ice Forecasting Network (HD 33-35)		60,000	60,000	
Cook Inlet Tribal Council - Dena'ina House Demonstration Education Project (HD 17-32)		3,000,000	3,000,000	
Copper Basin Senior Citizens, Inc. - Deferred		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance of Senior Center (HD 12)				
Copper River Native Association - Multi-Disciplinary Combined Health Facility (HD 12)		1,000,000	1,000,000	
Copper River Native Association, Inc. - Vehicle Acquisition (HD 6)		44,000	44,000	
Copper Valley Electric Association - Glennallen Diesel Plant Circuit (HD 12)		500,000	500,000	
Copper Valley Electric Association - Wind Resource Evaluation (HD 12)		100,000	100,000	
Copper Valley Electric Association, Inc. - Electrical Transmission Avalanche Mitigation (HD 12)		500,000	500,000	
Copper Valley Electric Association, Inc. - Silver Lake Pre-Feasibility Study (HD 12)		125,000	125,000	
Covenant House Alaska - Facility Construction (HD 17-32)		3,000,000	3,000,000	
Dare To Care - Equipment Acquisition (HD 13-16)		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Deltana Community Corporation - Souhrada Road Improvements (HD 6)		200,000	200,000	
Downtown Soup Kitchen - New Facility Project (HD 17-32)		500,000	500,000	
Fairbanks Community Food Bank Services, Inc. - Utility Upgrades and Vehicle and Equipment purchases (HD 7-11)		85,000	85,000	
Fairbanks Dog Park, Inc. - Improvements, Fence and Access for Fairbanks Dog Park (HD 7-11)		25,000	25,000	
Fairbanks Rescue Mission - Security Equipment Upgrades (HD 7-11)		36,000	36,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	
Fairbanks Soil & Water Conservation District - Invasive Weeds Project (HD 7-11)		5,000	5,000	
Family Centered Services of Alaska, Inc. - Facility Expansion & Program Enhancement Project (HD 7-11)		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Federation of Community Councils, Inc - Mountain View Community Council Spring Cleanup (HD 17-32)		10,000	10,000	
Federation of Community Councils, Inc. - Campbell Park Community Council - Lake Otis and Waldron Safety Lighting (HD 17-32)		5,000	5,000	
Federation of Community Councils, Inc. - Chugiak & Eagle River Land Use Consortium Project (HD 17-32)		100,000	100,000	
Federation of Community Councils, Inc. - Mountain View Community Patrol (HD 17-32)		12,000	12,000	
Federation of Community Councils, Inc. - Neighborhoods USA 2011 Conference (HD 17-32)		70,000	70,000	
Federation of Community Councils, Inc. - North East Community Patrol (HD 17-32)		2,500	2,500	
Federation of Community Councils, Inc. - Nunaka Valley Community Patrol (HD 17-32)		7,500	7,500	
Federation of Community		20,000	20,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Councils, Inc. - Portage Valley Comprehensive Planning Project (HD 17-32)				
Federation of Community Councils, Inc. - Russian Jack Community Patrol (HD 17-32)		2,500	2,500	
Filipino Community, Inc. - Filipino Community Historic Building Repair and Maintenance (HD 3-4)		50,000	50,000	
Food Bank of Alaska - Latino Lions Club Food Distribution (HD 17-32)		10,000	10,000	
Food Bank of Alaska - Mother Lawrence Foundation Food Distribution (HD 17-32)		10,000	10,000	
Fraternal Order of Alaska State Troopers - CSI Forensic Youth Summer Camp (HD 17-32)		30,000	30,000	
Gakona Volunteer Fire Department of Gakona Alaska - Construction and Equipment and Facility Upgrades (HD 6)		250,000	250,000	
Gakona Volunteer Fire Department of Gakona Alaska - Fit Five Project		8,800	8,800	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 6)				
Gakona Volunteer Fire Department of Gakona Alaska - Viable 911 Dispatch (HD 6)		14,400	14,400	
Gastineau Human Services Corporation - Safety and Security Systems Upgrades (HD 3-4)		39,500	39,500	
Girl Scouts Susitna Council, Togowoods Camp - Science and Technology Grant (HD 13-16)		15,000	15,000	
Grayling IRA Council - Multi-Purpose Community Center Match Contribution (HD 6)		150,000	150,000	
Greater Copper Valley Communications, Inc - Backup Generator & Communication Link (HD 6)		91,000	91,000	
Greater Fairbanks Community Hospital Foundation - Porter Heart Center (HD 7-11)		200,000	200,000	
Gwichyaa Zhee Gwich'in Tribal Council - Multi-Purpose Community Services Center (HD 6)		300,000	300,000	
Haines Assisted Living, Inc. - Retaining Wall,		325,000	325,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Drainage and Pavement Construction (HD 5)				
Haines Senior Citizen's Center, Inc. - Senior Center Roof Maintenance & Replacement (HD 5)		50,000	50,000	
Haines Senior Citizen's Center, Inc. - Vehicle & Wheelchair Lift Purchase (HD 5)		13,100	13,100	
Hatcher Pass Search & Rescue - Rescue Equipment and Improvements (HD 13-16)		25,000	25,000	
Historic Ketchikan, Inc. - Historic Clover Pass School Project (HD 1)		31,100	31,100	
Holy Assumption Orthodox Church - Stabilization of Holy Assumption Orthodox Church, National Historic Landmark (HD 33-35)		76,900	76,900	
Holy Cross Tribal Council - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Homer Electric Association - Wind Generation Project (HD 33-35)		7,000,000	7,000,000	
Homer Foundation - Community Education and Activity Programming (HD		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
33-35)				
Homer Society of Natural History, dba Pratt Museum - Schematic Design, Museum Expansion (HD 33-35)		100,000	100,000	
Hope Community Resources, Inc. - Statewide Assisted Living Facilities Rehabilitation and Refurbishment (HD 12-35)		600,000	600,000	
Ilisagvik College - Ilisagvik Heavy Equipment (HD 40)		250,000	250,000	
Institute of The North - Emerging Leaders Program (HD 1-40)		150,000	150,000	
Inter-Island Ferry Authority - Development Assistance (HD 1-5)		750,000	750,000	
Interior Alaska Center for Non-Violent Living - Video and Audio Conferencing System Purchase (HD 7-11)		18,000	18,000	
Island Trails Network - Construction of Trail along Perenosa Drive Right-Of-Way (HD 36)		7,000	7,000	
Island Trails Network - Rotary Park Trail Phase II (HD 36)		8,000	8,000	
Joel's Place - ADA		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Compliance Remodel (HD 7-11)				
John Trigg Ester Library - Library Design and Construction (HD 7-11)		50,000	50,000	
Juneau Cooperative Christian Ministries - Glory Hole Shelter Roof Replacement (HD 3-4)		65,000	65,000	
Juneau Housing Trust, Inc. - 20th Century Theater Affordable Housing Project (HD 3-4)		55,000	55,000	
Kawerak Native Corporation - Shishmaref Heavy Equipment (HD 40)		245,000	245,000	
Kenai Peninsula Food Bank, Inc. - Facility Improvements and Expansion (HD 33-35)		250,000	250,000	
Kenai Watershed Forum - Revitalization of Historic Alaska Road Commission Building in Soldotna Creek Park (HD 33-35)		20,400	20,400	
Ketchikan Area Arts & Humanities Council, Inc. - Completion of Renovation of Main Street Gallery (Debt Retirement) (HD 1)		130,000	130,000	
Ketchikan Indian Community		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
- Southern Southeast Alaska Vocational Training School (HD 1)				
Ketchikan Senior Services, Inc. - Access Road To Senior Housing-Pioneer Heights (HD 1)		250,000	250,000	
Kincaid Project Group, Inc. - Recreation & Cultural Enhancements (HD 17-32)		2,000,000	2,000,000	
No portion of this appropriation may be used for environmental remediation-related costs at the old biathlon shooting range at Kincaid Park.				
Kodiak Historical Society - Phase III Refurbishment of the Baranof Museum Historical Building (HD 36)		72,000	72,000	
Kodiak Island Sportsman's Association - Indoor Shooting Range Upgrade (HD 36)		91,000	91,000	
Kodiak Women's Resource and Crisis Center - Security Fence Replacement (HD 36)		13,000	13,000	
Ma'o Tosi Alaska PRIDE - After-School and Summer Programs (HD 17-32)		80,000	80,000	
Maniilaq Association - Elder Care Facility (HD		10,200,000	10,200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
40)				
McGrath Native Village Council - McGrath Multi-Purpose Community Services Center (HD 6)		500,000	500,000	
Meadow Lakes Community Council, Inc. - Community Campus Sports Fields (HD 13-16)		195,000	195,000	
Metlakatla Indian Community - Metlakatla Ketchikan Intertie (HD 1-5)		2,000,000	2,000,000	
Metlakatla Indian Community - Waldon Point Road Paving Project (HD 5)		1,000,000	1,000,000	
Mid Valley Senior Center - Youth Summer Meals Program (HD 13-16)		15,000	15,000	
Mid-Valley Seniors, Inc. - Mid-Valley Senior Center Roof Replacement (HD 13-16)		35,000	35,000	
Morris Thompson Cultural and Visitors Center - Gateway Exhibit Completion (HD 7-11)		500,000	500,000	
Mount Sanford Tribal Consortium - Chistochina Clinic and Multi-Use Facility (HD 6)		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Naknek Electric Association, Inc. - Southwest Alaska Regional Geothermal Energy Project - Phase III (HD 37)		2,000,000	2,000,000	
Narrows Broadcasting Corporation - KFSK Public Radio Building Rehab and ADA Compliance (HD 2)		60,000	60,000	
Native Village of Unalakleet (Unalakleet IRA) - Southern Sub Regional Assisted Living Facility (HD 39)		300,000	300,000	
Newhalen Tribal Council - Fire Truck Purchase (HD 36)		50,000	50,000	
Newtok Traditional Council - Landfill Design Matching Funds (HD 38)		75,000	75,000	
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road (HD 38)		4,000,000	4,000,000	
Nikolai Edzeno Native Village Council - Nikolai Electrical Metering Project (HD 6)		60,000	60,000	
Nine Star Enterprises, Inc. - Dropout Recovery Program (HD 17-32)		50,000	50,000	
Ninilchik Native		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Descendants - Historical Cabin Restoration (HD 33-35)				
North Pole Economic Development Corporation - Public Matching fund (HD 7-11)		50,000	50,000	
North Star Volunteer Fire Department, Inc. - Fire Engine (HD 7-11)		245,000	245,000	
Orutsararmiut Native Council (ONC) - Repair and Provide Energy Efficiency for Senior Center (HD 38)		480,000	480,000	
Palmer Senior Citizens Center, Inc. - Palmer Senior Citizens Center (HD 13-16)		6,000,000	6,000,000	
Peninsula Community Health Services of Alaska, Inc. - Cottonwood Health Center Equipment (HD 33-35)		100,000	100,000	
Perseverance Theatre, Inc. - Facility Upgrades (HD 3-4)		45,000	45,000	
Rainbird Community Broadcasting Corporation - KRBD FM Digital Equipment Upgrade (HD 1)		70,000	70,000	
REACH, Inc. - Asbestos Abatement (HD 3-4)		25,500	25,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement Community of Fairbanks - Raven Landing Senior Community Center (HD 7-11)		876,000	876,000	
Ruby Tribal Council - Water Truck Acquisition (HD 6)		80,000	80,000	
Rural Alaska Community Action Program, Inc. - Toksook Bay Early Learning Center (HD 38)		800,000	800,000	
Rural Deltana Volunteer Fire Department - Big D Station Deferred Maintenance (HD 6)		295,000	295,000	
Rural Deltana Volunteer Fire Department, Inc. - Energy Efficiency Upgrades (HD 6)		567,050	567,050	
Salcha Fair Association - Community Water Well (HD 12)		20,000	20,000	
Salcha's Neighborly Organization - Facility and Computer Network Upgrades (HD 12)		7,000	7,000	
Sealaska Heritage Institute - Southeast Alaska Native Cultural and Visitor Center (HD 3-4)		4,000,000	4,000,000	
Senior Citizens of Kodiak,		118,200	118,200	

	Allocations	Appropriation Items	General Funds	Other Funds
Inc. - Fire Sprinkler System Replacement (HD 36)				
Shageluk IRA Council - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Shiloh Community Housing, Inc. - Transitional Housing Project (HD 17-32)		50,000	50,000	
Sitka Community Hospital Foundation, Inc. - Medical Equipment Replacement (HD 2)		50,000	50,000	
Sitka Kaagwaantaan, Inc. - Alaska Native Brotherhood Hall Renovations (HD 2)		150,000	150,000	
Skagway Traditional Council - Completion of Public Utility Building (HD 5)		200,000	200,000	
Snomads, Inc. - Willard Road Improvements (HD 33-35)		50,000	50,000	
Soldotna Little League - Capital Improvements to Bring City Water into Complex and Build Proper Bathrooms (HD 33-35)		32,700	32,700	
Sons of Norway Hall - Lodge No. 23 Hall Renovation and Repair (HD 2)		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Soteria-Alaska, Inc. - Facility Repairs (HD 17-32)		178,000	178,000	
South Anchorage Baseball Booster Club - Taylar Young Memorial Ballpark Improvements (HD 17-32)		200,000	200,000	
Southcentral Foundation - Wellness Warriors Renovation and Expansion (HD 12-35)		650,000	650,000	
Southeast Alaska Guidance Association - Eagle Valley Training Center Repair and Maintenance (HD 3-4)		57,000	57,000	
Southeast Alaska Independent Living, Inc. - Lift-Equipped Vehicles (HD 3-4)		9,700	9,700	
Southeast Alaska Solid Waste Authority - SEASWA Start-up Funding (HD 1-5)		125,000	125,000	
Southeast Conference - Energy Program Coordination (HD 1-5)		255,500	255,500	
Southeast Regional Resource Center, Inc. - Technology Upgrade (HD 3-4)		63,700	63,700	
Southern Southeast Emergency Training Center, Inc. - Facility		750,000	750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Construction (HD 1)				
Steese Volunteer Fire Department - Steese Fire Service Area Station #2 Repair And Upgrade (HD 7-11)		100,000	100,000	
Sunshine Community Health Center, Inc. - Construction of New Community Health Clinic (HD 13-16)		423,000	423,000	
Sunshine Community Health Center, Inc. - Talkeetna Clinic Senior Transportation Van (HD 13-16)		35,000	35,000	
Sunshine Community Health Clinic, Inc. - Willow Clinic Senior Transportation Van (HD 13-16)		35,000	35,000	
Swim Like A Fish Foundation - Drowning Prevention Public Education Program (HD 1-40)		125,000	125,000	
Tanana Valley Sportsmen's Foundation - Installation of an Air Handling System (HD 7-11)		100,000	100,000	
Tatitlek IRA Council - Power Generators Repairs and Replacement (HD 5)		26,600	26,600	

	Allocations	Appropriation Items	General Funds	Other Funds
Territorial Sportsmen, Inc. - Public Use Cabin Construction (HD 3-4)		60,000	60,000	
The Alaska Zoo - Defibrillators & Equipment (HD 17-32)		4,800	4,800	
The First Tee of Alaska - Youth Program (HD 17-32)		50,000	50,000	
The LeeShore Center - Sewer Pipe Excavation and Window Replacement (HD 33-35)		60,000	60,000	
Tolsona Fire Department - Firefighter's Safety Equipment and Apparatus Repair (HD 6)		100,000	100,000	
Tundra Women's Coalition - Construction of Children's Advocacy Center (HD 38)		600,000	600,000	
United Human Services of Southeast Alaska, Inc. - Non-profit Center (HD 3-4)		120,000	120,000	
United Way of Anchorage - Weed & Seed Program Support (HD 17-32)		50,000	50,000	
United Way of Anchorage - Weed and Seed East Anchorage - Russian Jack Advocacy (HD 17-32)		25,000	25,000	
United Way of Anchorage - Weed and Seed East		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Tax Assistance Computers (HD 17-32)				
Upper Susitna Shooters Association - Range Improvements (HD 13-16)		5,000	5,000	
Upper Susitna Valley Seniors Center - Seniors Meals on Wheels Program (HD 13-16)		15,000	15,000	
Valdez Senior Citizen Center - Carport Improvements (HD 12)		90,000	90,000	
VSA Arts of Alaska - Boiler Replacement (HD 17-32)		30,000	30,000	
World Trade Center Alaska - International Trade Partnership Project (HD 1-40)		450,000	450,000	
Yukon-Kuskokwim Health Corporation - Long Term Care Facility (HD 38)		8,328,000	8,328,000	
Yukon-Kuskokwim Health Corporation - Sobering Center (HD 38)		475,000	475,000	
Yuut Elitnaurviat People's Learning Center - TESS Kitchen Expansion (HD 38)		150,000	150,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316)				
Alaska Gateway School District - Dot Lake School Playground Equipment (HD 6)		30,000	30,000	
Alaska Gateway School District - Tok School Biomass Energy System (HD 6)		325,000	325,000	
Chatham School District - Angoon Elementary School Playground (HD 5)		65,000	65,000	
Copper River School District - Copper River Connects (HD 12)		300,000	300,000	
Southeast Island School District - Port Alexander Generator Replacement (HD 2)		12,000	12,000	
Southeast Island School District - Port Alexander Teacher Housing Remodel & Renovation (HD 2)		23,000	23,000	
Yukon Koyukuk School District - Emergency School Renovations and Equipment Upgrades (HD 6)		40,000	40,000	
Yukon Koyukuk School District - Jimmy Huntington High School		140,000	140,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Mold Remediation (HD 6)				
Yukon Koyukuk School District - Ruby School Playground Equipment (HD 6)		60,000	60,000	

(SECTION 14 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 14.** The following sets out the funding by agency for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	134,952,750
*** Total Agency Funding ***	$134,952,750
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	995,000
*** Total Agency Funding ***	$995,000
* * * * * Total Budget * * * * *	$135,947,750

(SECTION 15 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 15.** The following sets out the statewide funding for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	135,947,750
Total Unrestricted General Funds	$135,947,750
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 16 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 16.** The following appropriation items are for capital project grants to upgrade commercial passenger vessel services and infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 17 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Native Heritage Center - Parking Expansion Project 2011 (HD 17-32)		420,000		420,000
Anchorage Museum at Rasmuson Center - Major Maintenance Project (HD 17-32)		2,000,000		2,000,000
Marine Exchange of Alaska - Alaska Vessel Tracking System Upgrades and Expansion (HD 1-40)		600,000		600,000
Southeast Alaska State Fair Inc. - Harriet Hall ADA Upgrades for Commercial Passenger Vessel Visitors (HD 5)		270,000		270,000
Grants to Municipalities (AS 37.05.315)				
Haines - Port Chilkoot		2,910,000		2,910,000

	Allocations	Appropriation Items	General Funds	Other Funds
Cruise Ship Dock Upgrade (HD 5)				
Hoonah - Harbor Improvements (HD 5)		1,000,000		1,000,000
Juneau - Centennial Hall Emergency Relief Center Improvements (HD 3-4)		1,200,000		1,200,000
Juneau - Cruise Ship Dock Improvements (HD 3-4)		9,000,000		9,000,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Replace Cruise Ship Berths I and II (HD 1)		10,000,000		10,000,000
Petersburg - Design and Construction of Commercial Dock with Vehicle Drive Down (HD 2)		1,250,000		1,250,000
Seward - Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation (HD 33-35)		300,000		300,000
Seward - Security and Fire Protection for Commercial Passenger Vessels (HD 33-35)		2,000,000		2,000,000
Sitka - Commercial Passenger Vessel Facilities and Visitor Improvements		4,500,000		4,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 2)				
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Commercial Passenger Vessel Lightering and Harbor Improvements (HD 5)		4,000,000		4,000,000
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Impacts (HD 5)		800,000		800,000
Wrangell - Commercial Passenger Vessel Facility (HD 2)		3,250,000		3,250,000
Wrangell - Waterfront Master Plan (HD 2)		75,000		75,000
Grants to Unincorporated Communities (AS 37.05.317)				
Klukwan - Purchase of Chilkat Portage Cove Dock and M/V Chilkat Express for Cruise Ship Passenger Access (HD 5)		2,000,000		2,000,000

(SECTION 17 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 17.** The following sets out the funding by agency for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	16,115,000
*** Total Agency Funding ***	$49,525,000
* * * * * Total Budget * * * * *	$49,525,000

(SECTION 18 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 18.** The following sets out the statewide funding for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	16,115,000
Total Other Non-Duplicated Funds	$49,525,000
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 19 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 19.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 20 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	Allocations	General	Other
	Items		Funds	Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Municipalities				
(AS 37.05.315)				
Klawock - Prince of Wales Island Vocational Education Center (HD 5)	3,200,000			3,200,000
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Alaska State Library, Archives and Museum Facility Construction (HD 3-4)	18,500,000			18,500,000
Mt Edgecumbe High School Aquatic Facility (HD 1-40)	20,000,000			20,000,000
School Construction Grant Fund (AS 14.11.005)	**128,500,000**			**128,500,000**
Lower Yukon - Alakanuk K-12 School Replacement (HD 39)		46,500,000		
Lower Kuskokwim - Kipnuk K-12 School Renovation/ Addition (HD 38)		49,900,000		
Lower Kuskokwim -		32,100,000		

	Allocations	Appropriation Items	General Funds	Other Funds
Kwigillingok K-12 School Renovation/ Addition (HD 38)				
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Near Island Research Facility (HD 36)		20,000,000		20,000,000
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Kenai Campus - Career and Technical Education Center (HD 33-35)		14,500,000		14,500,000
Kenai Campus - Student Housing (HD 33-35)		16,000,000		16,000,000
Mat-Su Campus - Valley Center for Art & Learning (HD 13-16)		23,500,000		23,500,000
Prince William Sound Community College - Campus Renovation and Renewal (HD 12)		5,000,000		5,000,000
UAA Sports Arena (HD 17-32)		60,000,000		60,000,000
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		88,000,000		88,000,000

(SECTION 20 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 20.** The following sets out the funding by agency for the appropriations made in sec. 19 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1008 General Obligation Bonds	3,200,000
*** Total Agency Funding ***	$3,200,000
Department of Education and Early Development	
1008 General Obligation Bonds	167,000,000
*** Total Agency Funding ***	$167,000,000
Department of Fish and Game	
1008 General Obligation Bonds	20,000,000
*** Total Agency Funding ***	$20,000,000
University of Alaska	
1008 General Obligation Bonds	207,000,000
*** Total Agency Funding ***	$207,000,000
* * * * * Total Budget * * * * *	$397,200,000

(SECTION 21 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 21.** The following sets out the statewide funding for the appropriations made in sec. 19 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
1008 General Obligation Bonds	397,200,000
Total Duplicated Funds	$397,200,000

(SECTION 22 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 22.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 23.** FUND CAPITALIZATION. (a) The sum of $140,000,000 is appropriated from the general fund to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(b) The following amounts are appropriated to the election fund required by the federal Help America Vote Act:

(1) interest earned on amounts in the election fund required by the federal Help America Vote Act;

(2) the sum of $1,425,000 from federal receipts;

(3) the sum of $1,550,000 from the general fund.

(c) The sum of $2,400,000 is appropriated from the general fund to the emerging energy technology fund (AS 42.45.375).

(d) The sum of $2,500,000 is appropriated from the general fund to the trauma care fund (AS 18.08.085).

* **Sec. 24.** FUND TRANSFERS. (a) The income earned during fiscal year 2011 on revenue

from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The sum of $50,250,000 is appropriated from the general fund to the renewable energy grant fund (AS 42.45.045(a)).

(c) The sum of $10,000,000 is appropriated from the general fund to the power project fund (AS 42.45.010).

*** Sec. 25.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 26.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $4,847,165 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) City of Nuiqsut	Local government operations and maintenance	$ 545,737
(2) North Slope Borough	School counselor grant application	251,243
(3) City of Atqasuk	Local government operations and youth program	403,474
(4) City of Nuiqsut	Youth center operations and maintenance	289,000
(5) North Slope Borough	Internship two-year program	391,000
(6) City of Wainwright	Wainwright youth program	327,935
(7) North Slope Borough	Mayor's job program	333,000
(8) City of Wainwright	Wainwright local government	455,776

	operations	
(9) City of Barrow	Local government operations and maintenance	1,600,000
(10) North Slope Borough	North Slope Borough volunteer search and rescue	250,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is less than the sum of the allocations made in (a) of this section, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the sum of the allocations made in (a) of this section to equal the amount received.

(c) The sum of $14,634,516 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program relating to impact from oil and gas development under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508.

*** Sec. 27.** ALASKA CHILDREN'S TRUST. The sum of $3,000,000 is appropriated from the Alaska Children's Trust (AS 37.14.200) as a grant to the Alaska Community Foundation for the Friends of the Alaska Children's Trust to aid in the prevention of child abuse and neglect for the fiscal year ending June 30, 2011.

*** Sec. 28.** ALASKA ENERGY AUTHORITY. The interest earnings on the renewable energy grant fund (AS 42.45.045), estimated to be $2,000,000, are appropriated to the Alaska Energy Authority for administration of the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2011.

*** Sec. 29.** ALASKA HOUSING FINANCE CORPORATION. (a) The unexpended and unobligated balances, estimated to be a total of $1,371,893, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 83, lines 12 - 13 (AHFC maintenance workshop - $500,000), sec. 1, ch. 3, FSSLA 2005, page 64, lines 29 - 30 (AHFC Birch Park window replacement - $1,323,000), and sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 16 - 18 (AHFC Anchorage Family Investment Center (AFIC) renovation - $2,100,000)

are reappropriated to the Alaska Housing Finance Corporation to build or acquire an undesignated site for relocation of the Alaska Housing Finance Corporation, Anchorage Public Housing Division, Family Investment Center, client intake, and assisted housing office.

(b) The unexpended and unobligated balances, estimated to be a total of $2,963,474, of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 14 - 15 (AHFC Alpine Terrace renovation - $6,450,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 25 - 26 (AHFC Pacific Terrace replacement - $11,426,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 27 - 28 (AHFC Ptarmigan Park renovation - $1,784,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 29 - 30 (AHFC Sea View Terrace renovation - $3,508,000), and sec. 13, ch. 29, SLA 2008, page 156, lines 23 - 24 (AHFC Etolin Heights roofing replacement - $500,000) are reappropriated to the Alaska Housing Finance Corporation to demolish and reconstruct units of public housing of the San Roberto redevelopment project in Anchorage.

(c) The sum of $1,700,000 is appropriated from the general fund to the Alaska Housing Finance Corporation for the development of an in-state natural gas pipeline for the fiscal year ending June 30, 2010.

* **Sec. 30.** ALASKA MUNICIPAL BOND BANK AUTHORITY. (a) The sum of $2,450,000 is appropriated from the general fund to the Alaska Municipal Bond Bank Authority to issue a 15-year one percent interest loan to the City of Galena for the following purposes in the amounts stated:

PURPOSE	AMOUNT
(1) to make urgent utility and energy efficiency improvements	$ 350,000
(2) to retire existing debt obligations incurred primarily as a result of the closure of the United States Air Force Base in Galena	2,100,000

(b) It is the intent of the legislature that loan repayments made for the loan described in (a) of this section be paid into the general fund in accordance with the provisions of AS 44.85.270(h).

* **Sec. 31.** DEPARTMENT OF ADMINISTRATION. The sum of $315,000 is appropriated

from the general fund to the Department of Administration, office of public advocacy, for legal and advocacy services for the fiscal year ending June 30, 2010.

*** Sec. 32.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $35,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program prescribed in AS 13.50.150 for the fiscal year ending June 30, 2011.

(b) The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 33.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and unobligated balance, not to exceed $5,500,000, of the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, as amended by sec. 8(b), ch. 14, SLA 2009 (Department of Health and Social Services, MH Southcentral Foundation Residential Psychiatric Treatment Center, match for Bring the Kids Home - $7,000,000) is reappropriated to the Department of Health and Social Services for planning and design of the Alaska Center for Treatment.

*** Sec. 34.** DEPARTMENT OF NATURAL RESOURCES. Section 10, ch. 29, SLA 2008, page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

*** Sec. 35.** DEPARTMENT OF REVENUE. The amount necessary for the purpose, estimated to be $4,766,400, is appropriated from the general fund to the Department of Revenue, State Bond Committee, to pay expenses incident to the sale and issuance of general obligation bonds for library, education, and educational research facilities for the fiscal year

ending June 30, 2011.

*** Sec. 36.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The sum of $60,000,000 is appropriated from the Alaska marine highway vessel replacement fund (AS 37.05.550) to the Department of Transportation and Public Facilities for construction of an Alaska marine highway Alaska class ferry.

(b) It is the intent of the legislature that the new Alaska class ferry be constructed at a shipyard facility located in the state unless the commissioner of transportation and public facilities

(1) determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the work required; or

(2) after evaluating the costs and benefits of constructing the vessel in the state, taking into consideration the Alaska bidder preference set out in AS 36.30.170, the interport differential, and the cost implications of foregoing federal aid, determines that construction at a shipyard facility located in the state is not in the best interest of the state.

(c) Section 58(c), ch. 3, FSSLA 2005, as amended by sec. 20(p), ch. 30, SLA 2007, is amended to read:

(c) Subject to sec. 62, ch. 3, FSSLA 2005, the sum of $40,300,000 is appropriated from the Alaska capital income fund to the Department of Transportation and Public Facilities for the following projects in the amounts stated, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	AMOUNT
Alaska marine highway **facility in Ward Cove** [ALL-TIDE LAY-UP FACILITY]	$5,000,000
DeLong Mountain, port expansion EIS completion	500,000
Denali Borough, Stampede Road Improvements	200,000
Industrial roads	3,300,000
King Cove Road	2,000,000
McCarthy Road, major maintenance	2,000,000
Nome warm storage building construction	1,000,000

North Slope, Foothills West Road EIS	3,000,000
North Slope, Bullen Point EIS	4,500,000
Dalton Highway, surfacing upgrades	6,000,000
Dalton Highway, Washington Creek Bridge	3,500,000
Parks Highway reconstruction	1,800,000
Richardson Highway, highway passing lanes, Milepost 265 - 341	5,000,000
Richardson Highway, Shaw Creek Bridge	2,500,000

(d) Section 1, ch. 159, SLA 2004, page 40, lines 30 - 32, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #3] (ED 1-5)	25,000,000

(e) Section 1, ch. 159, SLA 2004, page 40, line 33, through page 41, line 4, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #4] (ED 1-5)	43,000,000

*** Sec. 37.** OFFICE OF THE GOVERNOR. (a) The sum of $1,700,000 is appropriated from the general fund to the Office of the Governor for the development of an in-state natural gas pipeline for the fiscal year ending June 30, 2010.

(b) The sum of $6,500,000 is appropriated from the general fund to the Office of the Governor for the development of an in-state natural gas pipeline for the fiscal year ending June 30, 2011.

*** Sec. 38.** HOUSE DISTRICT 2. Section 16, ch. 29, SLA 2008, page 181, lines 22 - 24, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Petersburg - Commercial Passenger Vessel Berthing, **Power, Uplands, and Aesthetic Improvements** [AND POWER UPGRADES] (HD 2)	1,250,000	1,250,000

*** Sec. 39.** HOUSE DISTRICTS 3 - 4. The unexpended and unobligated balance, estimated to be $48,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 6, lines 14 - 16 (Boys and Girls Club of Southeast Alaska, capital needs - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Juneau Youth Services for residential facility maintenance and repairs.

*** Sec. 40.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balances, estimated to be a total of $1,500,000, of the appropriations made in sec. 16, ch. 29, SLA 2008, page 180, lines 26 - 28 (Hoonah, cruise ship mooring buoy system - $500,000) and sec. 4, ch. 15, SLA 2009, page 44, lines 24 - 26 (Hoonah, cruise ship mooring buoy system - $1,000,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hoonah for cruise ship passenger walkway construction and upgrades.

(b) The unexpended and unobligated balance, not to exceed $200,000, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, lines 14 - 16 (Craig, Prince of Wales health care facility - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for fish processing capacity and community cold storage.

(c) The unexpended and unobligated balance, estimated to be $150,000, of the appropriation made in sec. 1, ch. 30, SLA 2007, page 63, lines 17 - 18 (Klawock, water and sewer improvements - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Klawock for community projects and improvements.

(d) The unexpended and unobligated balance, not to exceed $150,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 82, lines 28 - 30 (Yakutat, water and

sewer facility upgrade and improvements - $750,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for an electrical system conduit and power generation planning, design, and construction.

(e) The unexpended and unobligated balance, estimated to be $12,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 11, lines 17 - 18 (Chatham School District, Angoon van - $40,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for equipment purchases and upgrades.

(f) The unexpended and unobligated balances, estimated to be a total of $7,500, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 28 - 30 (Whale Pass Community Association, fire hall roof replacement - $15,000) and sec. 1, ch. 3, FSSLA 2005, page 12, lines 31 - 33 (Whale Pass Community Association, library roof replacement - $5,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Whale Pass Community Association for community projects and improvements.

(g) The unexpended and unobligated balance, estimated to be $11,800, of the appropriation made in sec. 37(a), ch. 159, SLA 2004 (Angoon, matching funds for fisheries economic development grants) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects, equipment, and improvements.

(h) The unexpended and unobligated balance, estimated to be $37,500, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 92, lines 11 - 13 (Angoon Community Association, Road grader - $300,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for projects, equipment, and improvements for Angoon schools.

(i) The unexpended and unobligated balances, estimated to be a total of $11,000, of the appropriations made in sec. 34(a), ch. 30, SLA 2007 (Angoon Community Association, emergency medical equipment for Angoon EMS), sec. 34(e), ch. 30, SLA 2007 (Angoon Community Association, fire truck), and sec. 34(f), ch. 30, SLA 2007 (Angoon Community Association, building renovation) are reappropriated to the Department of Commerce,

Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for projects, equipment, and improvements for the Angoon head start program.

*** Sec. 41.** HOUSE DISTRICT 6. (a) The unexpended and unobligated balance, estimated to be $80,000, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 62, lines 23 - 26 (Chalkyitsik, overhead electrical distribution system wiring renovation - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Chalkyitsik for community projects and improvements.

(b) The unexpended and unobligated balance, estimated to be $53,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 16, lines 15 - 19 (Galena, expert legal and technical analysis for proposed mini-nuclear power plant - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Galena for community projects and improvements.

(c) The unexpended and unobligated balances, estimated to be a total of $90,000, of the appropriations made in sec. 1, ch. 30, SLA 2007, page 77, lines 16 - 17 (Tyonek, new emergency fire truck - $45,000) and sec. 10, ch. 29, SLA 2008, page 63, lines 11 - 12 (Tyonek, fire truck acquisition - $45,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Tyonek for community projects, equipment, and improvements.

*** Sec. 42.** HOUSE DISTRICTS 7 - 11. (a) The unexpended and unobligated balances, estimated to be a total of $61,000, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 23, lines 22 - 27 (Fairbanks North Star Borough, North Star Volunteer Fire Department facility exhaust and ventilation improvements - $200,000) and sec. 1, ch. 3, FSSLA 2005, page 23, lines 28 - 31 (Fairbanks North Star Borough, Two Rivers Elementary School gym floor replacement - $70,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for the Birch Hill Disaster Communications project.

(b) The unexpended and unobligated balance, estimated to be $1,792,900, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 16, lines 17 - 18 (Ice Alaska, ice park facilities, event - $2,000,000) is reappropriated to the Department of Commerce, Community,

and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for tourism and community development and an ice park.

*** Sec. 43.** HOUSE DISTRICT 12. The unexpended and unobligated balance, estimated to be $22,200, of the appropriation made in sec. 41(a)(7), ch. 3, FSSLA 2005 (Glacier View Community Council, purchase fire-fighting equipment and training - $43,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Glacier View Community Council for purchasing fire-fighting equipment, training, and drilling a well to be used as a water source for fire-fighting.

*** Sec. 44.** HOUSE DISTRICTS 13 - 16. The unexpended and unobligated balances, estimated to be a total of $264,500, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 43, lines 14 - 16 (Matanuska-Susitna Borough, Fish Hook Fire Station on Turner Drive - $100,000) and sec. 1, ch. 3, FSSLA 2005, page 27, line 32, through page 30, line 3 (Matanuska-Susitna Borough, Colony High School running track - $172,502) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for a new fire engine for the Greater Palmer Fire Service Area.

*** Sec. 45.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance, estimated to be $8,400, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 5, lines 29 - 32 (Areawide Council, Veteran's Memorial, new panels and landscaping beautification - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Areawide Council for new panels and landscaping beautification for the Veteran's Memorial.

(b) The unexpended and unobligated balance, estimated to be $76,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 20 - 21 (The Children's Place, expansion - $90,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to The Children's Place for expansion.

(c) The unexpended and unobligated balance, estimated to be $1,980,000, of the appropriation made in sec. 52(*l*), ch. 3, FSSLA 2005 (Wasilla, Wasilla to Big Lake trail - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic

Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Wasilla to Big Lake trail.

(d) The unexpended and unobligated balance, estimated to be $31,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 22, lines 19 - 22 (Wasilla, sports complex emergency generators and kitchen - $600,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for emergency generators and a kitchen for the sports complex.

(e) The unexpended and unobligated balance, estimated to be $5,000, of the appropriation made in sec. 42(i), ch. 3, FSSLA 2005 (Wasilla, Old Knik landfill/Smith Ball Fields ground water investigation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Old Knik landfill/Smith Ball Fields ground water investigation.

(f) The unexpended and unobligated balances, estimated to be a total of $851,900, of the appropriations made in sec. 52(j), ch. 3, FSSLA 2005 (Wasilla, design of an extension of East Susitna Avenue - $125,000) and sec. 13, ch. 29, SLA 2008, page 133, lines 18 - 19 (Wasilla, East Susitna Avenue extension - $750,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for improvements to Swanson Avenue and Nelson Avenue.

(g) The unexpended and unobligated balance, estimated to be $116,600, of the appropriation made in sec. 52(i), ch. 3, FSSLA 2005 (Wasilla, Mission Hills water line extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for a new downtown water station.

*** Sec. 46.** HOUSE DISTRICT 15. The unexpended and unobligated balance, estimated to be $17,500, of the appropriation made in sec. 7, ch. 29, SLA 2008, page 13, lines 3 - 6 (Big Lake Chamber of Commerce, community information center - $17,500) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Big Lake Lions Club for a community information center.

*** Sec. 47.** HOUSE DISTRICTS 17 - 32. (a) Section 7, ch. 29, SLA 2008, page 22, lines 30 -

32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Service High School Football Field Turf Design **and Construction** (HD 17-32)	500,000	500,000

(b) Section 10, ch. 29, SLA 2008, page 50, lines 21 - 23, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - South High School Artificial Turf Field Design **and Construction** (HD 17-32)	500,000	500,000

(c) Section 13, ch. 29, SLA 2008, page 105, lines 9 - 11, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Central Middle School Stage Floor Refinishing **and Projector Screen, Sound System, and Curtains Replacement and Installation** (HD 17-32)	20,000	20,000

(d) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the Anchorage Scenic Park Subdivision area curb replacement project.

(e) The unexpended and unobligated balance, not to exceed $13,500, of the

appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Scenic Foothills Community Council to fund reinstatement of the Scenic Foothills community patrol for the fiscal year ending June 30, 2011.

(f) If the amount available for appropriation in (d) and (e) of this section is less than $88,500, the reappropriations made in (d) and (e) of this section shall be reduced in proportion to the amount of the shortfall.

(g) The unexpended and unobligated balance, estimated to be $4,480, of the appropriation made in sec. 1, ch. 82, SLA 2003, page 13, lines 23 - 26 (Chugiak/Eagle River Chamber of Commerce, town center revitalization project - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for library book acquisition for the Chugiak-Eagle River Branch Library.

*** Sec. 48.** HOUSE DISTRICT 26. The unexpended and unobligated balance, estimated to be $121,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 41, lines 30 - 33 (Anchorage, West Northern Lights sound barrier wall construction - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Anchorage Parks Foundation for Margaret Eagan Sullivan Park improvements.

*** Sec. 49.** HOUSE DISTRICTS 33 - 34. (a) The unexpended and unobligated balance, not to exceed $99,500, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 4, lines 12 - 15 (Agrium U.S., Inc., Phase II development of the Kenai coal gasification project - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kenai Peninsula Economic Development District for Cook Inlet tidal power analysis.

(b) The unexpended and unobligated balance, not to exceed $20,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the North Peninsula

Recreation Service Area for replacement of the shower at the Nikiski Pool.

(c) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kasilof Regional Historical Association for protection of the dunes at the mouth of the Kasilof River.

(d) The unexpended and unobligated balance, not to exceed $50,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Central Emergency Services for the off-highway rescue project.

(e) The unexpended and unobligated balance, not to exceed $73,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Nikiski Fire Service Area for the purchase of a new ambulance.

(f) If the amount available for appropriation in (b) - (e) of this section is less than $203,000, the reappropriations made in (b) - (e) of this section shall be reduced in proportion to the amount of the shortfall.

* **Sec. 50.** HOUSE DISTRICT 34. (a) The unexpended and unobligated balance, not to exceed $55,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Ninilchik Fair Association for fairground improvements.

(b) The unexpended and unobligated balance, not to exceed $45,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency

Services for vehicle purchase and improvements and equipment purchase and improvements.

(c) If the amount available for appropriation in (a) and (b) of this section is less than $100,000, the appropriations made in (a) and (b) of this section shall be reduced in proportion to the amount of the shortfall.

(d) The unexpended and unobligated balances, estimated to be a total of $41,500, of the appropriations made in sec. 41(d), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center building expansion project) and sec. 41(e), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center sanitary facility) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikiski Senior Citizens, Inc., for Nikiski Senior Center improvements.

*** Sec. 51.** HOUSE DISTRICT 35. The unexpended and unobligated balance, estimated to be $1,457,700, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 118, lines 26 - 27 (Homer, Homer City Hall - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Homer for renovation of and additions to Homer City Hall.

*** Sec. 52.** HOUSE DISTRICT 37. The unexpended and unobligated balance, estimated to be $6,300, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 20, lines 18 - 21 (Saint George, harbor planning, engineer, FEMA disaster reconstruct - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Saint George for community facilities and equipment upgrades.

*** Sec. 53.** HOUSE DISTRICT 38. Section 34(c), ch. 15, SLA 2009, is amended to read:

(c) The unexpended and unobligated balances**, estimated to be a total of $462,500,** of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital

projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, **2011** [2010].

* **Sec. 54.** HOUSE DISTRICT 39. The unexpended and unobligated balance, estimated to be $35,800, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, line 7 (City of Chevak, loader - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Chevak for purchase of a city vehicle.

* **Sec. 55.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances, estimated to be a total of $2,200,000, of the appropriations made in sec. 1, ch. 12, SLA 2009, page 45, line 4 (Legislative Council - $34,930,800) and sec. 1, ch. 12, SLA 2009, page 45, line 13 (legislative operating budget - $11,637,400) are reappropriated to the Legislative Council for repair and renovation of legislative buildings and facilities.

(b) The unexpended and unobligated balance, not to exceed $750,000, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the Legislative Council to conduct for the legislature an independent third-party scientific and multidisciplinary study of the potential for a large mine development in the Bristol Bay drainage for the fiscal year ending June 30,

2011.

(c) The unexpended and unobligated balance, not to exceed $800,000 and after the appropriation made in (b) of this section, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the Legislative Budget and Audit Committee for an electrical power procurement practices study and design for the fiscal year ending June 30, 2011.

(d) The unexpended and unobligated balance, after the appropriations made in (b) and (c) of this section, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the budget reserve fund (AS 37.05.540).

(e) The unexpended and unobligated balances of the appropriations made in sec. 37(a)(3), ch. 15, SLA 2009 (Legislative Council, addressing the effects of climate and environmental change on the state - $750,000) and sec. 37(e), ch. 15, SLA 2009 (Legislative Council - Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings and for addressing the effects of climate and environmental change on the state) are reappropriated to the Department of Commerce, Community, and Economic Development, office of the commissioner, for addressing the effects of climate and environmental change on the state for the fiscal years ending June 30, 2010, and June 30, 2011.

* **Sec. 56.** CONTINGENCY. (a) The appropriation made in sec. 23(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a bill creating an emerging energy technology fund at AS 42.45.375.

(b) The appropriation made in sec. 23(d) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a bill creating a trauma care fund at AS 18.08.085.

(c) The appropriation made in sec. 29(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a version of HB 369.

(d) The appropriations made in sec. 37 of this Act are contingent on the failure of a version of HB 369 to be passed by the Twenty-Sixth Alaska State Legislature and enacted into law.

(e) If a bill decreasing the tax rate under AS 43.52.210 to an amount less than $46 is

passed by the Twenty-Sixth Alaska State Legislature and enacted into law, then the appropriations made in sec. 18 of this Act are reduced in proportion to the amount of a shortfall that is due to a decrease in the tax rate.

(f) The appropriation made in sec. 35 of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a version of HB 424 relating to general obligation bonds for library, education, educational research facilities.

(g) The appropriation made in sec. 30(a) of this Act is contingent on an agreement being reached between the Alaska Municipal Bond Bank Authority and the City of Galena that the loan is secured by the city and is subject to the state aid intercept provisions of AS 44.85.170(b).

* **Sec. 57.** LAPSE. (a) The appropriations made in secs. 23, 24, 25(1), and 55(d) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made in secs. 26, 29, 33, 36(a), 39, 40(e), 40(f), 40(h), 41(a), 41(c), 43, 45(a), 45(b), 46, 47(e), 48, 49(a) - (e), 50(a), 50(b), 50(d), and 55(a) of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project, unless specifically identified in this Act as an operating grant, and lapses under AS 37.25.020 unless otherwise stated or designated for a fiscal year.

* **Sec. 58.** RETROACTIVITY. Sections 29(c) and 37(a) of this Act are retroactive to March 1, 2010.

* **Sec. 59.** Sections 1, 4, 10, 31, 32(b), and 36 of this Act take effect April 19, 2010.

* **Sec. 60.** Sections 29(a), 29(b), 33, and 38 - 55 of this Act take effect June 30, 2010.

* **Sec. 61.** Sections 29(c), 37(a), 56, and 58 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 62.** Except as provided in secs. 59 - 61 of this Act, this Act takes effect July 1, 2010.

2010 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences

		[1] HFINCS1	[2] HFINCS2	[2] - [1] HFINCS1 to HFINCS2	
Department of Commerce, Community and Economic Development					
AP	**Alaska Energy Authority - Renewable Energy Round Three Grants**	50,250,000	50,250,000	0	
	1004 Gen Fund (UGF)	250,000	0	-250,000	-100.0 %
	1210 Ren Energy (DGF)	50,000,000	50,250,000	250,000	0.5 %
Grants to Named Recipients (AS 37.05.316)					
AP	**Alaska Association of Conservation Districts - Land Development and Project Management**	0	300,000	300,000	>999 %
	1004 Gen Fund (UGF)	0	300,000	300,000	>999 %
AP	**Alaska Humanities Forum - AK History & Culture**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Alaska Public Telecommunications, Inc. - Design/Evaluation Phase for Alaska Public Media Merger**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Bering Sea Fishermen's Association - Arctic Yukon-Kuskokwim Sustainable Salmon Initiative**	1,000,000	1,125,000	125,000	12.5 %
	1004 Gen Fund (UGF)	1,000,000	1,125,000	125,000	12.5 %
AP	**Ketchikan Indian Community - Southern Southeast Alaska Vocational Training School**	0	500,000	500,000	>999 %
	1004 Gen Fund (UGF)	0	500,000	500,000	>999 %
AP	**Naknek Electric Association, Inc. - Southwest Alaska Regional Geothermal Energy Project - Phase III**	0	2,000,000	2,000,000	>999 %
	1004 Gen Fund (UGF)	0	2,000,000	2,000,000	>999 %
AP	**North Star Volunteer Fire Department, Inc. - Fire Engine**	145,000	245,000	100,000	69.0 %
	1004 Gen Fund (UGF)	145,000	245,000	100,000	69.0 %
Grants to Municipalities (AS 37.05.315)					
AP	**Anchorage - Abbott Loop Traffic Calming Improvements**	60,000	120,000	60,000	100.0 %
	1004 Gen Fund (UGF)	60,000	120,000	60,000	100.0 %
AP	**Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding**	25,092,000	24,292,000	-800,000	-3.2 %
	1004 Gen Fund (UGF)	25,092,000	24,292,000	-800,000	-3.2 %
AP	**Anchorage - Local Road Rehabilitation (50/50 Local Match)**	300,000	0	-300,000	-100.0 %
	1004 Gen Fund (UGF)	300,000	0	-300,000	-100.0 %
AP	**Anchorage - Pavement Rehab Matching Program**	5,040,500	5,340,500	300,000	6.0 %
	1004 Gen Fund (UGF)	5,040,500	5,340,500	300,000	6.0 %
AP	**Bethel - Electrical Utility Acquisition Study**	150,000	175,000	25,000	16.7 %
	1004 Gen Fund (UGF)	150,000	175,000	25,000	16.7 %
AP	**Craig - Community Streets Improvements**	0	300,000	300,000	>999 %
	1004 Gen Fund (UGF)	0	300,000	300,000	>999 %
AP	**Craig - Public Works Heavy Equipment Purchase and Replacement**	300,000	0	-300,000	-100.0 %
	1004 Gen Fund (UGF)	300,000	0	-300,000	-100.0 %

2010 Legislature - Capital Budget
Project Compare by Agency - House Structure

Numbers and Language Differences

		[1] HFINCS1	[2] HFINCS2	[2] - [1] HFINCS1 to HFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Hooper Bay - Boat Harbor and Barge Landing Reconnaissance**	0	230,000	230,000	>999 %
	1004 Gen Fund (UGF)	0	230,000	230,000	>999 %
AP	**Matanuska-Susitna Borough - Horseshoe Lake Road Upgrade**	1,000,000	700,000	-300,000	-30.0 %
	1004 Gen Fund (UGF)	1,000,000	700,000	-300,000	-30.0 %
AP	**Matanuska-Susitna Borough - New Generator and Switchgear for Swanson Elementary School**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Matanuska-Susitna Borough - Trapper Creek FSA**	50,000	0	-50,000	-100.0 %
	1004 Gen Fund (UGF)	50,000	0	-50,000	-100.0 %
AP	**Northwest Arctic Borough - Northwest Magnet School and Kotzebue High School**	0	12,000,000	12,000,000	>999 %
	1004 Gen Fund (UGF)	0	12,000,000	12,000,000	>999 %
Grants to Unincorporated Communities (AS 37.05.317)					
AP	**Nunilchik - Senior Center Preservation**	300,000	385,000	85,000	28.3 %
	1004 Gen Fund (UGF)	300,000	385,000	85,000	28.3 %
*** Agency Totals **********		83,687,500	98,102,500	14,415,000	17.2 %
Department of Transportation and Public Facilities					
AP	**Nome State Office Building Design and Construction**	0	2,000,000	2,000,000	>999 %
	1004 Gen Fund (UGF)	0	2,000,000	2,000,000	>999 %
*** Agency Totals **********		0	2,000,000	2,000,000	>999 %
Alaska Court System					
AP	**Nome Courthouse Deferred Maintenance and Remodel**	4,700,000	2,700,000	-2,000,000	-42.6 %
	1004 Gen Fund (UGF)	4,700,000	2,700,000	-2,000,000	-42.6 %
*** Agency Totals **********		4,700,000	2,700,000	-2,000,000	-42.6 %
All Agencies					
*** All Agencies Totals **********		88,387,500	102,802,500	14,415,000	16.3 %

2010 HOUSE FINANCE
VOTE CALL

DATE: 4/17/10

Amendment: #6

MEMBER	Favor	Oppose
REP. JOULE	✓	
REP. KELLY	✓	
REP. SALMON	✓	
REP. THOMAS	✓	
REP. AUSTERMAN	✓	
REP. DOOGAN		✓
REP. FAIRCLOUGH	✓	
REP. FOSTER	✓	
REP. GARA		✓
REP. HAWKER	✓	
REP. STOLTZE	✓	

YEA 9

NAY 2

Multi-year Agency Summary

Numbers and Language

Agency	ID=> Budget=> Year=> Column=>	[1] Capital FY2011 GovTotal	[2] Capital FY2011 Senate	[3] Capital FY2011 HFINCS2	[3] - [1] Capital FY2011 GovTotal to HFINCS2		[3] - [2] Capital FY2011 Senate to HFINCS2		[6] Operating FY2011 Op inCap	[7] Bill Total
Agency Budgets										
Administration		25,275.0	33,275.0	30,275.0	5,000.0	19.8 %	-3,000.0	-9.0 %	0.0	30,275.0
Community & Economic Dev		92,788.6	632,840.5	787,709.6	694,921.1	748.9 %	154,869.1	24.5 %	2,000.0	789,709.6
Corrections		9,800.0	11,600.0	11,600.0	1,800.0	18.4 %	0.0		0.0	11,600.0
Education & Early Dev		26,470.7	198,278.7	198,632.0	172,161.3	650.4 %	353.3	0.2 %	0.0	198,632.0
Environmental Conservation		81,237.6	100,969.8	100,969.8	19,732.2	24.3 %	0.0		0.0	100,969.8
Fish and Game		31,305.0	44,850.0	45,035.0	13,730.0	43.9 %	185.0	0.4 %	0.0	45,035.0
Governor		3,098.8	3,098.8	3,098.8	0.0		0.0		0.0	3,098.8
Health & Social Services		34,365.3	32,315.3	32,315.3	-2,050.0	-6.0 %	0.0		0.0	32,315.3
Labor & Workforce Dev		6,051.7	7,912.7	7,912.7	1,861.0	30.8 %	0.0		0.0	7,912.7
Law		150.0	150.0	150.0	0.0		0.0		0.0	150.0
Military & Veterans Affairs		34,542.0	34,542.0	34,542.0	0.0		0.0		0.0	34,542.0
Natural Resources		31,848.0	31,732.0	31,852.0	4.0		120.0	0.4 %	0.0	31,852.0
Public Safety		81,886.0	13,136.0	13,156.0	-68,730.0	-83.9 %	20.0	0.2 %	0.0	13,156.0
Revenue		70,733.1	58,083.1	59,783.1	-10,950.0	-15.5 %	1,700.0	2.9 %	7,216.4	66,999.5
Transportation & Public Fac		1,098,885.4	1,127,622.4	1,148,272.4	49,387.0	4.5 %	20,650.0	1.8 %	0.0	1,148,272.4
University of Alaska		162,500.0	271,000.0	297,330.0	134,830.0	83.0 %	26,330.0	9.7 %	0.0	297,330.0
Alaska Court System		2,500.0	27,100.0	25,100.0	22,600.0	904.0 %	-2,000.0	-7.4 %	0.0	25,100.0
Legislature		0.0	2,200.0	2,200.0	2,200.0	>999 %	0.0		1,550.0	3,750.0
Total		**1,793,437.0**	**2,630,706.2**	**2,829,933.6**	**1,036,496.6**	**57.8 %**	**199,227.4**	**7.6 %**	**10,766.4**	**2,840,700.0**
Statewide Items										
Fund Capitalization		142,975.0	142,975.0	147,875.0	4,900.0	3.4 %	4,900.0	3.4 %	0.0	147,875.0
Total		**142,975.0**	**142,975.0**	**147,875.0**	**4,900.0**	**3.4 %**	**4,900.0**	**3.4 %**	**0.0**	**147,875.0**
Statewide Total		**1,936,412.0**	**2,773,681.2**	**2,977,808.6**	**1,041,396.6**	**53.8 %**	**204,127.4**	**7.4 %**	**10,766.4**	**2,988,575.0**
Funding Summary										
General Funds (GF)		620,025.9	1,228,300.0	1,396,173.0	776,147.0	125.2 %	167,872.9	13.7 %	10,766.4	1,406,939.4
Other State Funds (Other)		296,480.2	532,975.2	554,595.2	258,115.0	87.1 %	21,620.0	4.1 %	0.0	554,595.2
Federal Receipts (Fed)		1,019,905.9	1,012,405.9	1,027,040.4	7,134.5	0.7 %	14,634.5	1.4 %	0.0	1,027,040.4

Computed Column Definitions: [7]=[3]+[6]

Multi-year Agency Summary

Numbers and Language

Agency	ID=> Budget=> Year=> Column=>	[1] Capital FY2011 GovTotal	[2] Capital FY2011 Senate	[3] Capital FY2011 HFINCS2	[3] - [1] Capital FY2011 GovTotal to HFINCS2		[3] - [2] Capital FY2011 Senate to HFINCS2		[6] Operating FY2011 Op inCap	[7] Bill Total
Non-Additive Items										
Fund Transfers		35,000.0	13,000.0	13,000.0	-22,000.0	-62.9 %	0.0		0.0	13,000.0
Total		**35,000.0**	**13,000.0**	**13,000.0**	**-22,000.0**	**-62.9 %**	**0.0**		**0.0**	**13,000.0**

Computed Column Definitions: [7]=[3]+[6]

Numbers and Language
District by Impact

Multi-year House District Summary

Supp D.M. Gov. Grants Mun. Grants Unincorp C.S. G.O.

House District	ID=> [1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Budget=>	Capital	Capital	Capital	Capital	Capital	Capital	Capital		Operating	
Year=>	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011	FY2011		FY2011	
Column=>	HCS2Sc1	HCS2Sc4	HCS2Sc7	HCS2Sc10	HCS2Sc13	HCS2Sc16	HCS2Sc19	Capital Total	Op inCap	Bill Total
1 Ketchikan	900.0	0.0	8,651.4	29,875.0	1,731.1	11,300.0	0.0	52,457.5	0.0	52,457.5
2 Sitka/Petersburg/Wrangell	0.0	1,850.0	26,698.4	30,410.0	633.0	11,725.0	0.0	71,316.4	0.0	71,316.4
3-4 Juneau Areawide	450.0	3,450.0	27,795.0	3,292.0	5,962.4	10,200.0	18,500.0	69,649.4	0.0	69,649.4
5 Cordova/Southeast Islands	1,573.8	100.0	22,216.0	8,412.4	1,986.0	10,980.0	3,200.0	48,468.2	0.0	48,468.2
1-5 Southeast Region	60,000.0	700.0	8,000.0	0.0	3,158.5	0.0	0.0	71,858.5	0.0	71,858.5
6 Interior Villages	2,177.5	0.0	6,056.2	7,718.0	4,308.2	0.0	0.0	20,260.0	0.0	20,260.0
7-11 Fairbanks Areawide	3,050.0	450.0	122,730.3	61,613.0	2,865.0	0.0	88,000.0	278,708.3	0.0	278,708.3
12 Richardson/Glenn Highways	0.0	0.0	10,270.0	6,480.0	2,732.0	0.0	5,000.0	24,482.0	0.0	24,482.0
13-16 Mat-Su Areawide	113.7	520.0	64,460.6	71,898.5	6,978.0	0.0	23,500.0	167,470.8	0.0	167,470.8
17-32 Anchorage Areawide	3,267.0	1,200.0	196,749.7	166,779.7	57,110.2	2,420.0	60,000.0	487,526.6	0.0	487,526.6
33-35 Kenai Areawide	3,720.0	1,000.0	73,521.0	24,717.1	11,215.0	2,300.0	30,500.0	146,973.1	0.0	146,973.1
12-35 Southcentral Region	0.0	3,300.0	55,150.0	0.0	1,250.0	0.0	0.0	59,700.0	0.0	59,700.0
36 Kodiak	500.0	1,150.0	51,769.3	11,984.0	359.2	0.0	20,000.0	85,762.5	0.0	85,762.5
37 Bristol Bay/Aleutians	4,430.0	0.0	42,895.1	13,350.0	2,050.0	0.0	0.0	62,725.1	0.0	62,725.1
38 Bethel	0.0	0.0	32,650.0	4,725.0	18,373.8	0.0	82,000.0	137,748.8	0.0	137,748.8
36-38 Southwest Region	0.0	0.0	300.0	0.0	0.0	0.0	0.0	300.0	0.0	300.0
39 Bering Straits	0.0	0.0	20,254.9	11,061.1	300.0	0.0	46,500.0	78,116.0	0.0	78,116.0
40 Arctic	0.0	0.0	73,966.7	13,977.5	10,695.0	0.0	0.0	98,639.2	0.0	98,639.2
1-40 Statewide	42,042.9	104,700.0	841,028.2	0.0	7,275.3	600.0	20,000.0	1,015,646.4	10,766.4	1,026,412.8
Statewide Total	**122,224.9**	**118,420.0**	**1,685,162.6**	**466,293.3**	**138,982.8**	**49,525.0**	**397,200.0**	**2,977,808.6**	**10,766.4**	**2,988,575.0**
Funding Summary										
General Funds (GF)	93,985.1	109,100.0	587,811.8	466,293.3	138,982.8	0.0	0.0	1,396,173.0	10,766.4	1,406,939.4
Other State Funds (Other)	15,500.0	3,000.0	89,370.2	0.0	0.0	49,525.0	397,200.0	554,595.2	0.0	554,595.2
Federal Receipts (Fed)	12,739.8	6,320.0	1,007,980.6	0.0	0.0	0.0	0.0	1,027,040.4	0.0	1,027,040.4

Computed Column Definitions: [8]=[1]+[2]+[3]+[4]+[5]+[6]+[7], [10]=[8]+[9]

2010-04-17 14:29:41

Adopted 4/16/10

26-GS2824\T
Kane
4/16/10

HOUSE CS FOR CS FOR SENATE BILL NO. 230(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriations are for supplemental capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Broadband Internet Planning and Oversight (HD 1-40)		500,000		500,000
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)		350,000	350,000	
Fairbanks Correctional Center Heating System Replacement (HD 7-11)		2,500,000	2,500,000	
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Medicaid Management Information System Completion (HD 1-40)		14,990,300	6,208,000	8,782,300
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Sale and Replacement of		2,600,000	2,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tactical Firefighting Aircraft (HD 1-40)				
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
New Tax Revenue Management Information System Plan (HD 1-40)		300,000	300,000	
*****			*****	
***** **Department of Transportation and Public Facilities** *****				
*****			*****	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		4,000,000	4,000,000	
Chignik Lagoon - Airport Safety Improvements (HD 37)		1,800,000	1,800,000	
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Retroactive Asphalt Material Price Adjustment	151,500			

	Allocations	Appropriation Items	General Funds	Other Funds
- Glenn/Bragaw Interchange (HD 17-32)				
Skagway Land Purchase (HD 5)	407,000			
Southeast Region Headquarters – Elevator Installation (HD 3-4)	450,000			
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)	800,000			
Airport Improvement Program		**18,957,500**		**18,957,500**
Alaska International Airports System - Debt Defeasance (HD 1-40)	15,000,000			
Gustavus - Airport Runway Safety Area (HD 5)	500,000			
King Cove - Airport Fencing (HD 37)	1,400,000			
Nulato - Airport Improvements (HD 6)	827,500			
Unalaska - Chemical	1,230,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Storage Building (HD 37)				
Emergency Repairs		**7,356,023**	**7,356,023**	
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Kodiak Flood Emergency Repairs (HD 36)	500,000			
Petersville Road Emergency Repairs (HD 13-16)	113,700			
Salmon River Road Emergency Repairs (HD 5)	425,262			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$500,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Natural Resources	
1004 Unrestricted General Fund Receipts	600,000
1005 General Fund/Program Receipts	2,000,000
*** Total Agency Funding ***	$2,600,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***	$300,000
Department of Transportation and Public Facilities	
1002 Federal Receipts	3,957,500
1004 Unrestricted General Fund Receipts	17,877,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,834,623
* * * * * Total Budget * * * * *	$58,074,923

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	6,208,000
1004 Unrestricted General Fund Receipts	21,627,123
Total Unrestricted General Funds	$27,835,123
Designated General Funds	
1005 General Fund/Program Receipts	2,000,000
Total Designated General Funds	$2,000,000
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	15,000,000
1108 Statutory Designated Program Receipts	500,000
Total Other Non-Duplicated Funds	$15,500,000
Federal Funds	
1002 Federal Receipts	12,739,800
Total Federal Funds	$12,739,800
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for deferred maintenance capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Governor's House Deferred Maintenance (HD 3-4)		1,000,000	1,000,000	
Statewide Deferred Maintenance Projects		**9,250,000**	**6,250,000**	**3,000,000**
Non-Public Building Fund Facilities Deferred Maintenance (HD 1-40)	450,000			
Public Building Fund Facilities Deferred Maintenance (HD 1-40)	5,800,000			
State of Alaska Telecommunication System Deferred Maintenance (HD 1-40)	3,000,000			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance (HD 1-40)		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316) - Deferred Maintenance and Upgrade to Hatchery Facilities Statewide				
Cook Inlet Aquaculture Association (CIAA) (HD 12-35)		1,000,000	1,000,000	
Douglas Island Pink and Chum, Inc. (DIPAC) (HD 3-4)		500,000	500,000	
Kodiak Regional Aquaculture Association (KRAA) (HD 36)		500,000	500,000	
Northern Southeast Regional Aquaculture Association (NSRAA) (HD 1-5)		700,000	700,000	
Prince William Sound Aquaculture Corporation (PWSAC) (HD 12-35)		2,300,000	2,300,000	
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		6,500,000	6,500,000	
Lemon Creek Correctional Center - Prison Laundry Facility Deferred Maintenance (HD 3-4)		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Mt Edgecumbe High School Cafeteria Improvements (HD 2)		150,000	150,000	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,700,000	1,700,000	
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health Lab Deferred Maintenance (HD 17-32)		200,000	200,000	
* * * * *			* * * * *	
* * * * * **Department of Fish and Game** * * * * *				
* * * * *			* * * * *	
Statewide Facility Deferred Maintenance Projects		**2,000,000**	**2,000,000**	
Kodiak Warehouse/Compound Upgrades (HD 36)	650,000			
Fairbanks Regional Office Repairs/Upgrades (HD 7-11)	450,000			
Yakutat Compound Electrical Repairs and Upgrades (HD 5)	100,000			
Statewide Boiler and Heating Systems Upgrades (HD 1-40)	275,000			
Statewide Access, Parking,	275,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Drainage Repairs and Upgrades (HD 1-40)				
Statewide Bunkhouse Repairs/Upgrades (HD 1-40)	250,000			
*****			*****	
***** **Department of Health and Social Services** *****				
*****			*****	
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		3,020,000	3,000,000	20,000
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		4,000,000	4,000,000	
*****			*****	
***** **Department of Labor and Workforce Development** *****				
*****			*****	
AVTEC Deferred Maintenance (HD 33-35)		1,000,000	1,000,000	
*****			*****	
***** **Department of Military and Veterans Affairs** *****				
*****			*****	
Deferred Maintenance Projects		**10,300,000**	**4,000,000**	**6,300,000**
Armory Facilities Deferred Maintenance (HD 1-40)	8,408,000			
Army Guard Facilities Projects Match Funding (HD 1-40)	892,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)	1,000,000			
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
State Parks Deferred Maintenance - House of Wickersham R & R (HD 3-4)		250,000	250,000	
Deferred Maintenance, Equipment Replacement, and Emergency Repairs		**4,000,000**	**4,000,000**	
Plant Material Center Deferred Maintenance (HD 13-16)	520,000			
State Parks Deferred Maintenance and Equipment Replacement (HD 1-40)	3,480,000			
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		1,350,000	1,350,000	
*****			*****	
***** **Department of Transportation and Public Facilities** *****				
*****			*****	
Deferred Maintenance Projects		**25,000,000**	**25,000,000**	
Airport Deferred	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 1-40)				
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)	3,000,000			
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)	1,000,000			
Harbor Deferred Maintenance (HD 1-40)	2,500,000			
Highway Deferred Maintenance (HD 1-40)	15,000,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		37,500,000	37,500,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		2,500,000	2,500,000	

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	7,250,000
1147 Public Building Fund	3,000,000
*** Total Agency Funding ***	$10,250,000
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	5,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
*** Total Agency Funding ***	$7,000,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	8,200,000
*** Total Agency Funding ***	$8,200,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	1,850,000
*** Total Agency Funding ***	$1,850,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	200,000
*** Total Agency Funding ***	$200,000
Department of Fish and Game	
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,000,000
Department of Health and Social Services	
1002 Federal Receipts	20,000
1003 General Fund Match	100,000
1004 Unrestricted General Fund Receipts	6,900,000
*** Total Agency Funding ***	$7,020,000
Department of Labor and Workforce Development	
1004 Unrestricted General Fund Receipts	1,000,000
*** Total Agency Funding ***	$1,000,000

Department of Military and Veterans Affairs		
1002	Federal Receipts	6,300,000
1003	General Fund Match	3,000,000
1004	Unrestricted General Fund Receipts	1,000,000
***	Total Agency Funding ***	$10,300,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	4,250,000
***	Total Agency Funding ***	$4,250,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,350,000
***	Total Agency Funding ***	$1,350,000
Department of Transportation and Public Facilities		
1004	Unrestricted General Fund Receipts	25,000,000
***	Total Agency Funding ***	$25,000,000
University of Alaska		
1004	Unrestricted General Fund Receipts	37,500,000
***	Total Agency Funding ***	$37,500,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	2,500,000
***	Total Agency Funding ***	$2,500,000
* * * * *	Total Budget * * * * *	$118,420,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	3,100,000
1004 Unrestricted General Fund Receipts	104,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
Total Unrestricted General Funds	$109,100,000
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
1002 Federal Receipts	6,320,000
Total Federal Funds	$6,320,000
Duplicated Funds	
1147 Public Building Fund	3,000,000
Total Duplicated Funds	$3,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 7.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *	* * * * *		
* * * * * **Department of Administration** * * * * *			
* * * * *	* * * * *		
Alaska License and Vehicle Information System (HD 1-40)	8,500,000	8,500,000	
Alaska Public Offices Commission Electronic Filing System (HD 1-40)	600,000	600,000	
Alaska Rural Communications Service Digital Conversion Planning (HD 1-40)	50,000	50,000	
Anchorage Data Center Design Support and Migration Planning (HD 17-32)	1,300,000		1,300,000
Combined Retirement System Upgrade (HD 1-40)	400,000		400,000
Enterprise Technology Services Infrastructure Upgrades and Support (HD 1-40)	3,700,000		3,700,000
Planning and Design of New State Office Building in Juneau (HD 3-4)	5,000,000	5,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits Document Management System (HD 1-40)		475,000		475,000
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Alaska Aerospace Corporation - Kodiak Launch Complex Sustainability (HD 36)		4,000,000	4,000,000	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting (HD 12-35)		10,000,000	10,000,000	
Alaska Energy Authority - Renewable Energy Round Three Grants (HD 1-40)		50,250,000	50,250,000	
Alaska Visitors Statistics Program (HD 1-40)		500,000	500,000	
Banking and Securities Imaging (HD 1-40)		609,000	609,000	
Community and Regional Affairs System Replacement and Consolidation (HD 1-40)		326,000	326,000	
Denali Commission Federal-State Partnership Grant (HD 1-40)		3,000,000	3,000,000	
Western Alaska Canned Chum		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
& Herring Demonstration Project (HD 36-38)				
Alaska Climate Change Impact Mitigation Program		**500,000**	**500,000**	
Community Planning Grant - Atmautluak (HD 38)	150,000			
Community Planning Grant - Kipnuk (HD 38)	150,000			
Hazard Impact Assessment Mini-Grant - Elim (HD 39)	50,000			
Hazard Impact Assessment Mini-Grant - Nelson Lagoon (HD 37)	50,000			
Hazard Impact Assessment Mini-Grant - Nightmute (HD 38)	50,000			
Hazard Impact Assessment Mini-Grant - Quinhagak (HD 38)	50,000			
Alaska Energy Authority Energy Projects		**24,500,000**	**8,500,000**	**16,000,000**
Alternative Energy and Energy Efficiency (HD 1-40)	8,000,000			
Bulk Fuel Upgrades (HD 1-40)	5,000,000			
Rural Power System Upgrades (HD 1-40)	9,000,000			
Southeast Integrated Resources Plan (HD 1-5)	500,000			
Statewide Energy Plan	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Development (HD 1-40)				
Community Block Grants Program		**5,970,000**	**70,000**	**5,900,000**
Community Development Block Grants (HD 1-40)	2,970,000			
Community Service Block Grants (RurAL CAP) (HD 1-40)	3,000,000			
Community Development and Assistance		**3,186,500**	**308,000**	**2,878,500**
Alaska Sustainable Salmon Fund Program (HD 1-40)	1,000,000			
Coastal Impact Assistance Program (CIAP) Administration (HD 1-40)	153,500			
Coastal Zone Management Program Grant Administration (HD 1-40)	1,120,000			
Community Mapping Program (HD 1-40)	438,000			
Cooperating Technical Partners (CTP) Program (HD 1-40)	75,000			
Floodplain & Erosion Management Program (HD 1-40)	400,000			
* * * * *		* * * * *		
*** * * * * Department of Corrections * * * * ***				
* * * * *		* * * * *		
Anchorage Correctional Complex Renovation and		350,000	350,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Remodeling (HD 17-32)				
Community Jails Repairs, Renovations, and Equipment (HD 1-40)		200,000	200,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Statewide Library, Archives and Museum Facility - Design and Site Preparation of New Facility (HD 3-4)		1,500,000	1,500,000	
Stratton Library Acquisition (HD 1-40)		2,500,000	2,500,000	
Major Maintenance Grant Fund (AS 14.11.007)		**24,786,959**	**24,786,959**	
Nome Beltz Junior/Senior High School Fire Alarm System Replacement (HD 39)	96,386			
Nome Beltz Junior/Senior High School Emergency Generator Automatic Switching Replacement (HD 39)	34,066			
Metlakatla High School Renovation Alternates (HD 5)	1,202,914			
Whittier K-12 School Sprinkler Installation and Interior Renovations (HD 17-32)	1,762,541			

	Allocations	Appropriation Items	General Funds	Other Funds
Yup'ik Vocational Education Building Water Service and Boiler Replacement (HD 39)	123,701			
Yup'ik Vocational Education Building Roof Replacement (HD 39)	80,729			
Service High School Renovation (HD 17-32)	21,306,131			
Mosquito Lake Elementary Mechanical Upgrades (HD 5)	180,491			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Clean Water Capitalization Grant - Subsidy Funding (HD 1-40)		1,826,274		1,826,274
Drinking Water Capitalization Grant - Subsidy Funding (HD 1-40)		4,071,900		4,071,900
Environmental Monitoring and Assessment of Surface Waters (EMAP) (HD 40)		450,000		450,000
Statewide Contaminated Sites Cleanup (HD 1-40)		3,000,000	3,000,000	
Village Safe Water and Wastewater Infrastructure Projects		**48,500,000**	**9,500,000**	**39,000,000**
First Time Service Projects (HD 1-40)	29,100,000			
Expansion, Upgrade, Replacement of Existing	19,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Service (HD 1-40)				
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**42,921,576**	**42,921,576**	
Anchorage - Girdwood Wastewater Treatment Facility (HD 17-32)	4,100,000			
Dillingham - Continued Water System Improvements Phase 2 (HD 37)	3,090,000			
Fairbanks North Star Borough - Solid Waste Landfill Leachate Recirculation Project (HD 7-11)	900,450			
Haines - Lilly Lake Transmission Line (HD 5)	1,117,550			
Hoonah - Water Transmission Line Replacement, Phase 1 (HD 5)	1,065,020			
Ketchikan - Alaska Avenue Water & Sewer Main Replacement (HD 1)	1,773,660			
Ketchikan - Jackson/Monroe Street & 4th/7th Avenue Water and Sewer (HD 1)	3,459,375			
Ketchikan - Baranof Reservoir Replacement (HD 1)	1,968,330			
Kodiak - Aleutian Homes	2,781,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Water & Sewer Replacement Phase 3 (HD 36)				
Kodiak - UV Secondary Water Treatment Facility (HD 36)	3,988,275			
Matanuska Susitna Borough - Central Landfill Cell 2 Closure (HD 13-16)	546,480			
North Pole - Water and Sewer Improvements (HD 7-11)	2,731,869			
North Slope Borough - Wainwright Water and Sewer Upgrades (HD 40)	3,090,000			
Palmer - Wastewater Treatment Plant Improvements Phase 2 (HD 13-16)	1,442,000			
Palmer - Continued Southwest Utility Extension Phase 2 (HD 13-16)	1,802,500			
Palmer - Continued Steel Water Main Replacement, Phase 7 (HD 13-16)	2,523,500			
Petersburg - Water Treatment Upgrades, Phase 3 (HD 2)	253,697			
Sand Point - Wastewater Improvements (HD 37)	386,055			
Soldotna - Water System Improvements (HD 33-35)	590,985			

	Allocations	Appropriation Items	General Funds	Other Funds
Unalaska -WWTP Upgrade & Leachate Treatment Phase 3 (HD 37)	2,369,000			
Wasilla - Sewage Treatment Plant Improvements (HD 13-16)	2,271,150			
Wrangell - Landfill Closure (HD 2)	670,680			
*****		*****		
***** **Department of Fish and Game** *****				
*****		*****		
Acid-Leakage Study of the Tulsequah and Taku Rivers (HD 3-4)		35,000	35,000	
Assessment and Feasibility of Pilot Station Sonar (HD 39)		250,000	250,000	
Crew Member Fishery Participation Database Development (HD 1-40)		100,000	100,000	
Economic Contribution of Wildlife to Alaska (HD 1-40)		500,000		500,000
Endangered Species Act Listed Marine Mammals Research (HD 1-40)		600,000	150,000	450,000
Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades (HD 1-40)		700,000	700,000	
Genetic Marker Screening		750,000	750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
for Estimating the Stock Composition of Western Alaska Salmon Fisheries (HD 37)				
Kincaid Car Dump Cleanup (HD 17-32)		100,000	100,000	
Pacific Coastal Salmon Recovery Fund (HD 1-40)		9,000,000		9,000,000
Pacific Salmon Treaty Chinook Fishery Mitigation (HD 1-40)		7,500,000		7,500,000
Palmer Hay Flats Game Refuge - Cottonwood Creek Trailhead Restrooms (HD 13-16)		50,000	50,000	
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
State Contracted Hatchery Facilities Inspection (HD 1-40)		150,000	150,000	
Yukon River Chum Salmon Aerial Surveys (HD 6)		200,000	200,000	
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Division of Elections Technology Refresh (HD 1-40)		123,800	123,800	
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		1,425,000		1,425,000

	Allocations	Appropriation Items	General Funds	Other Funds
Voter Registration and Election Management System Replacement (HD 1-40)		1,550,000		1,550,000
*****			*****	
***** **Department of Health and Social Services** *****				
*****			*****	
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Johnson Youth Center Renovation and Remodel to Meet Safety and Security Needs - Phase 1 (HD 3-4)		9,880,000	9,880,000	
*****			*****	
***** **Department of Labor and Workforce Development** *****				
*****			*****	
AVTEC Alternative Energy Training Facility Expansion (HD 33-35)		1,000,000	1,000,000	
AVTEC Culinary Academy Equipment (HD 33-35)		500,000		500,000
AVTEC Culinary Video Teleconferencing Equipment (HD 1-40)		412,695	100,000	312,695
AVTEC Medium & Heavy Duty Truck Training Equipment (HD 33-35)		1,000,000	500,000	500,000
Fairbanks Pipeline Training Center Construction, Utilities and Equipment		4,000,000	4,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
	* * * * *	* * * * *		
	* * * * * Department of Law * * * * *			
	* * * * *	* * * * *		
Fairbanks and Anchorage Key Card Office Access (HD 12-35)		150,000	150,000	
	* * * * *		* * * * *	
	* * * * * Department of Military and Veterans Affairs * * * * *			
	* * * * *		* * * * *	
Army Guard Facilities Projects (HD 1-40)		8,342,000	1,000,000	7,342,000
Cold Weather Generation Storage and Maintenance (HD 1-40)		50,000	50,000	
Compliance Site Clean Up at Seward and Anchorage (Tudor) (HD 17-32)		250,000	250,000	
Interior Alaska Veterans Cemetery Design and Planning (HD 7-11)		6,000,000	1,000,000	5,000,000
National Guard Counterdrug Support (HD 1-40)		100,000		100,000
State Homeland Security Grant Programs (HD 1-40)		9,500,000		9,500,000
	* * * * *		* * * * *	
	* * * * * Department of Natural Resources * * * * *			
	* * * * *		* * * * *	
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,575,000		3,575,000

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Alaska Land Mobile Radio Phase 3 of 4 (HD 1-40)		625,000	625,000	
Anchorage Soil & Water Conservation District (HD 17-32)		70,000	70,000	
Assessment of In-State Gas Energy Potential (HD 1-40)		500,000	500,000	
Chena River State Recreation Area - Multi-Use Shelter, Path Construction and ADA Improvements (HD 7-11)		34,000	34,000	
Cooperative Water Resource Program (HD 1-40)		805,000		805,000
Eagle Beach Public Use Cabins (HD 3-4)		100,000	100,000	
Federal and Local Government Funded Forest Resource and Fire Program Projects (HD 1-40)		1,800,000		1,800,000
Foothills Oil and Gas Development Infrastructure Investigations (HD 1-40)		370,000	370,000	
Forest Legacy Federal Grant Program (HD 13-16)		1,000,000		1,000,000
Gas Pipeline Corridor Geologic Hazards - Phase 4 of 5 (HD 1-40)		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Information Technology Infrastructure Upgrades - Phase 2 of 2 (HD 1-40)		130,000	130,000	
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sale Web Enhancement (HD 1-40)		68,000	68,000	
Land Sales - New Subdivision Development (HD 1-40)		3,600,000	3,600,000	
Matanuska Susitna Borough Hydrogeology Assessment Phase 2 of 3 (HD 13-16)		295,000	295,000	
National Coastal Wetland Grant - Campbell Creek Estuary (HD 17-32)		1,000,000		1,000,000
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		2,000,000		2,000,000
Reservoir Studies for North Slope and Cook Inlet (HD 1-40)		3,500,000	3,500,000	
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000	250,000	
Statewide Timber Inventories (HD 1-40)		215,000	215,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Unified Permitting Project Phase 5 of 7 (HD 1-40)		800,000	800,000	
Upper Chatanika and Chena River State Recreation Sites Facility Upgrade (HD 7-11)		5,000	5,000	
Wildland Fire Truck Replacement (HD 1-40)		800,000	800,000	
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		850,000	850,000	
Alaska Public Safety Information Network Redesign Phase 3 (HD 1-40)		1,000,000	1,000,000	
Alaska State Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Alaska State Trooper Mobile Data Computers - Phase 3 (HD 1-40)		250,000	250,000	
Alaska Wildlife Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Crime Laboratory Equipment Replacement (HD 17-32)		86,000	86,000	
Marine Fisheries Patrol Improvements (HD 1-40)		1,500,000		1,500,000
Public Safety Academy Dining Facility - Design &		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Construction (HD 1-40)				
Public Safety Academy Driver Training Facility - Land Acquisition & Construction (HD 1-40)		5,000,000	5,000,000	
Troopers on the Trail (HD 13-16)		20,000	20,000	
Video Judicial Conference Arraignment Study (HD 1-40)		100,000	100,000	
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
Child Support Services Computer Replacement Project - Phase 1 (HD 1-40)		201,600	68,544	133,056
IBM Bladecenter (HD 1-40)		230,000	230,000	
NetApp Upgrade (HD 1-40)		231,000	231,000	
Permanent Fund Dividend Master Phone Queue (HD 1-40)		350,000	350,000	
Permanent Fund Portfolio Accounting System Upgrade (HD 1-40)		250,000		250,000
Alaska Housing Finance Corporation				
AHFC Building System Replacement Program (HD 1-40)		1,500,000	1,500,000	
AHFC Competitive Grants		1,100,000	350,000	750,000

	Allocations	Appropriation Items	General Funds	Other Funds
for Public Housing (HD 1-40)				
AHFC Denali Commission Projects (HD 1-40)		4,000,000		4,000,000
AHFC Energy Assurances/Smart Grid Resiliency Program (HD 1-40)		262,000		262,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000	1,000,000	
AHFC Federal and Other Competitive Grants (HD 1-40)		4,500,000	1,500,000	3,000,000
AHFC Fire Protection Systems - Phase 2 (HD 1-40)		2,200,000	2,200,000	
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,250,000	750,000	3,500,000
AHFC San Roberto Redevelopment (HD 17-32)		9,708,504	2,208,504	7,500,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		500,000	500,000	
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000	4,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
AHFC State Energy Program Special Projects (HD 1-40)		300,000	50,000	250,000
AHFC Statewide ADA Improvements (HD 1-40)		500,000	500,000	
AHFC Statewide Project Improvements (HD 1-40)		2,000,000	2,000,000	
AHFC Supplemental Housing Development Program (HD 1-40)		7,000,000	7,000,000	
AHFC Weatherization Program (HD 1-40)		4,000,000	1,000,000	3,000,000
AHFC Housing Loan Program		**6,000,000**	**6,000,000**	
Teacher, Health and Public Safety Professionals Housing (HD 1-40)	5,000,000			
Village Public Safety Officers Housing (HD 1-40)	1,000,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Alaska Aviation Safety Program (HD 1-40)		1,750,000	750,000	1,000,000
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		8,000,000	8,000,000	
Capital Improvement Program Equipment Replacement (HD 1-40)		1,500,000		1,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
Chena Small Tracts Road Multi-Use Path Design and Planning (HD 7-11)		150,000	150,000	
Church and Schrock Street Light (HD 13-16)		10,000	10,000	
Community Access Roads - Kake to Petersburg (HD 1-5)		4,500,000	4,500,000	
Corps of Engineers - Harbor Program - Saint Paul (HD 37)		700,000	700,000	
Dalton Highway Including Surfacing Materials (HD 1-40)		5,000,000	5,000,000	
Debarr Road School Zone (HD 17-32)		200,000	200,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - College Road Pavement Rehabilitation (HD 7-11)		9,000,000	9,000,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - Transportation Improvement Program (HD 7-11)		5,000,000	5,000,000	
Fairview Loop Road - Pedestrian Pathway (HD 13-16)		4,500,000	4,500,000	
Holt-Lamplight Road Repaving (HD 33-35)		8,000,000	8,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Municipal Harbor Facility Grant Fund (AS 29.60.800) (HD 1-40)		10,000,000	10,000,000	
Steele Creek Road Improvements (HD 7-11)		90,000	90,000	
Highways and Facilities		**22,022,000**	**7,022,000**	**15,000,000**
Americans with Disabilities Act Compliance Projects (HD 1-40)	500,000			
Central Region Signal Malfunction Management Units (HD 1-40)	22,000			
Highway Safety Corridors Near-Term Improvements (HD 1-40)	5,000,000			
Manley Hot Springs Shop/Snow Removal Equipment Building (SREB) (HD 6)	900,000			
Northern Region Bike Path Equipment (HD 1-40)	100,000			
Northern Region Maintenance Station Bunkhouse Improvements (HD 6)	350,000			
State Equipment Fleet Replacement (HD 1-40)	15,000,000			
Statewide Anti-icing Program (HD 1-40)	150,000			
Regulatory Compliance		**2,041,000**	**2,041,000**	
EPA MS 4 Requirements - Municipality of Anchorage	1,041,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Sand Storage Facilities (HD 17-32)				
Statewide - GIS Mapping of Storm Drainage Systems for EPA MS 4 (HD 17-32)	1,000,000			
Roads to Resources		**13,000,000**	**13,000,000**	
Ambler Mining District Access - Planning, Design and Engineering (HD 1-40)	4,000,000			
Foothills West Access - Planning, Design and Engineering (HD 40)	8,000,000			
Roads to Resources Western Access Project Phase 1 (HD 1-40)	1,000,000			
Statewide Federal Programs		**117,710,000**	**50,910,000**	**66,800,000**
Commercial Vehicle Enforcement Program (HD 1-40)	1,600,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	15,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			
Federal-Aid Aviation State Match (HD 1-40)	8,600,000			
Federal-Aid Highway State	41,100,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Match (HD 1-40)				
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,210,000			
Statewide Safety Program (HD 1-40)	12,200,000			
Airport Improvement Program		**267,940,500**		**267,940,500**
Bethel - Airport Master Plan Update (HD 38)	350,000			
Chefornak - Airport Relocation (HD 38)	6,400,000			
Cold Bay - Airport Improvements (HD 37)	6,000,000			
Cold Bay - Airport Rescue and Firefighting Building Expansion (HD 37)	600,000			
Deadhorse - Airport Master Plan (HD 40)	150,000			
Fairbanks International Airport - Environmental Assessment and Cleanup (HD 7-11)	300,000			
Fairbanks International Airport - Equipment (HD 7-11)	1,040,000			
Golovin - Runway and Apron Improvements (HD 39)	12,520,000			
Haines - Airport Drainage Improvement and Taxiway,	7,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Runway and Apron Rehabilitation, and Fencing (HD 5)				
Kodiak - Airport Improvements (HD 36)	36,000,000			
Koliganek - Airport Reconstruction (HD 37)	8,700,000			
Kotzebue - Airport and Runway Safety Area Improvements (HD 40)	28,575,000			
Kotzebue - Airport Certification Compliance Improvements (HD 40)	1,420,000			
Lake Louise - Runway Rehabilitation (HD 12)	270,000			
Nome - Airport Master Plan (HD 39)	100,000			
Sitka - Rocky Gutierrez Airport Runway 11/29 Overlay (HD 2)	5,000,000			
Statewide - Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide - Aviation Systems Plan Update (HD 1-40)	3,700,000			
Statewide - Various Airports Aeronautical Surveys (HD 1-40)	3,000,000			
Statewide - Various Airports Minor Surface Improvements (HD 1-40)	6,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide - Various Airports Snow Removal and Safety Equipment (HD 1-40)	10,000,000			
Ted Stevens Anchorage International Airport - Advanced Project Design and Planning (HD 17-32)	1,500,000			
Ted Stevens Anchorage International Airport - Aircraft Rescue and Fire Fighting Vehicle (HD 17-32)	1,300,000			
Ted Stevens Anchorage International Airport - Badge Office Relocation (HD 17-32)	580,000			
Ted Stevens Anchorage International Airport - Deicing Mitigation (HD 17-32)	375,000			
Ted Stevens Anchorage International Airport - East Airpark Storm Drain (HD 17-32)	4,000,000			
Ted Stevens Anchorage International Airport - Emergency Operations Center / Airport Communication Center (HD 17-32)	4,400,000			
Ted Stevens Anchorage	500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
International Airport - Environmental Compliance (HD 17-32)				
Ted Stevens Anchorage International Airport - Equipment (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport - Facility Improvements, Renovations and Upgrades (HD 17-32)	1,600,000			
Ted Stevens Anchorage International Airport - Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport - Lake Hood Strip Improvements (HD 17-32)	475,000			
Ted Stevens Anchorage International Airport - North Terminal Gate N7 (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport - Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	6,000,000			
Ted Stevens Anchorage International Airport - Postmark Emergency Storm	3,300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Drain Replacement (HD 17-32)				
Ted Stevens Anchorage International Airport - Runway 7L Rehabilitation (HD 17-32)	28,125,000			
Ted Stevens Anchorage International Airport - Taxiway E and M Reconstruction (HD 17-32)	20,000,000			
Togiak - Snow Removal Equipment Building (HD 37)	850,000			
Tununak - Airport Relocation (HD 38)	24,400,000			
Whittier - Airport Master Plan (HD 17-32)	325,000			
Yakutat - Airport Runway Preservation and Drainage Improvements (HD 5)	5,000,000			
Surface Transportation Program		**537,350,240**		**537,350,240**
Alaska Marine Highway System - Ferry Vessel Refurbishment (HD 1-40)	20,000,000			
Alaska Marine Highway System - Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway System - Terminal - Bellingham Sewage Line Installation (HD 1-40)	325,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Railroad - Milepost 407 and 409 Riprap Project (HD 6)	656,240			
Ambler - Sewage Lagoon Road (HD 40)	800,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Arterial Roadway Dust Control (HD 17-32)	200,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Huffman Road Reconstruction - Old Seward Highway to Pintail (HD 17-32)	15,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Muldoon Road Landscaping and Pedestrian Improvements (HD 17-32)	1,700,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Ridesharing and Transit Marketing (HD 17-32)	680,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Transit Fleet Expansion and Replacement (HD 17-32)	1,780,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Victor Road (HD 17-32)	4,700,000			
Bethel - Ridgecrest Drive Rehabilitation (HD 38)	1,100,000			
Central Region - Guardrail End Treatment Upgrade (HD 12-35)	14,000,000			
Central Region - Intelligent Transportation System (ITS) Signal Control Upgrades (HD 12-35)	2,000,000			
Central Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 12-35)	20,000,000			
Coffman Cove - Wander Around Town Trail (HD 1)	450,000			
Congestion Mitigation and Air Quality (CMAQ) - PM 2.5 Reductions (HD 7-11)	1,879,000			
Dalton Highway - Milepost 254 to 414 Delineators (HD 40)	2,000,000			
Dalton Highway - Milepost 274 to 289 Reconstruction (HD 40)	8,000,000			
Dillingham - Downtown Streets Reconstruction and Rehabilitation (HD 37)	400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks Metropolitan Area Transportation System (FMATS) - Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	3,820,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Noble Street Reconstruction (HD 7-11)	9,935,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Preventative Maintenance Program (HD 7-11)	2,000,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Safety and Signage Improvements (HD 7-11)	3,500,000			
Fairbanks North Star Borough - Airport Way (West) Improvements (HD 7-11)	1,000,000			
Fairbanks - College Road Rehabilitation and Intersection (HD 7-11)	8,630,000			
Fairbanks - Cripple Creek Road Upgrade (HD 7-11)	950,000			
Fairbanks - Curb Corner Upgrades (HD 7-11)	900,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks - Potter Road Surfacing (HD 7-11)	400,000			
Fairbanks - South Cushman - Mitchell Expressway to Van Horn (HD 7-11)	1,710,000			
Galena - Campion Road Erosion Protection (HD 6)	850,000			
Geographic Information System (GIS) Development (IWAYS) (HD 1-40)	250,000			
Glenn Highway Corridor ITS Project (HD 13-16)	3,000,000			
Glenn Highway Lighting - Eklutna to Palmer Hay Flats (HD 13-16)	8,000,000			
Glenn Highway Lighting - South Birchwood to Palmer Hayflats (HD 13-16)	12,000,000			
Glenn Highway - Milepost 109 to 118 Resurfacing (HD 12)	10,000,000			
Glenn Highway - Milepost 34 to 42 Reconstruction - Parks to Old Glenn Highway (HD 13-16)	3,000,000			
Glenn Highway - Signage - Anchorage to Palmer (HD 12-35)	8,000,000			
Gustavus - Small Boat Float (HD 5)	950,000			
Haines Highway - Milepost	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
21 to 25.3 Reconstruction and Chilkat Bridge Replacement (HD 5)				
Hyder - Salmon River Road Rehabilitation (HD 5)	600,000			
Juneau - Egan Drive Resurfacing - Main Street to 10th Street (HD 3-4)	980,000			
Juneau - Glacier Highway - Fritz Cove to Auke Bay School - Intersection, Roadway and Pedestrian Improvements (HD 3-4)	1,100,000			
Juneau - Jordan Creek Bridge Replacement and Basin Road Trestle Rehabilitation (HD 3-4)	2,200,000			
Juneau - North Douglas Highway - Pavement Rehabilitation Milepost 5.9 to 12 (HD 3-4)	6,600,000			
Kake - Keku Road Rehabilitation (HD 5)	3,250,000			
King Cove to Cold Bay Corridor Road Extension (HD 37)	15,000,000			
Kodiak - Rezanof Drive Resurfacing (HD 36)	5,000,000			
Livengood - Livengood Creek Bridge Replacement (HD 6)	1,000,000			
Marshall - Airport Access	1,700,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Road Bridge (HD 6)				
Mat-Su - Off-System Bridges (HD 13-16)	6,000,000			
New Seward Highway - Rabbit Creek to 36th Avenue (HD 17-32)	23,000,000			
Nome - Nome-Council Road - Milepost 4 to 16 (HD 39)	7,000,000			
North Pole - Dennis Road Extension (HD 7-11)	2,740,000			
North Pole - Pavement Rehabilitation (HD 7-11)	456,000			
Northern Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	25,000,000			
Northern Region - Winter Trail Markings (HD 1-40)	200,000			
Parks Highway - Milepost 239 to 263 Reconstruction - Nenana Canyon to Bear Creek (HD 7-11)	7,500,000			
Parks Highway - Milepost 44 to 52.3 Reconstruction - Lucas Road to Big Lake Cutoff (HD 13-16)	7,000,000			
Safe Routes to Schools (HD 1-40)	1,000,000			
Sand Point - School Loop Road Rehabilitation (HD	4,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
37)				
Seward Highway - Anchorage to Girdwood ITS Project (HD 17-32)	750,000			
Seward Highway - Milepost 115 to 124 Resurfacing - Potter to Dowling Road (HD 17-32)	15,000,000			
Seward Highway - Milepost 18 to 25.5 Reconstruction - Snow River to Trail River (HD 33-35)	28,000,000			
Seward Highway - Milepost 99 to 104 - Bird and Indian Improvements (HD 17-32)	2,400,000			
Seward Highway - Ptarmigan Creek Bridge Replacement (HD 33-35)	5,000,000			
Seward Meridian Parkway - Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	9,000,000			
Sitka - Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets (HD 2)	800,000			
Sitka - Halibut Point Road Resurfacing, Drainage Improvements and Bridge Replacement (HD 2)	14,000,000			
Sitka - Sawmill Creek Road	4,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrade (HD 2)				
Southeast Region - Intelligent Transportation Systems (HD 1-5)	1,000,000			
Southeast Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	2,000,000			
Statewide - Bicycle/Pedestrian Facilities Rehabilitation and Improvements (HD 1-40)	2,500,000			
Statewide - Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide - Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide - Civil Rights Program (HD 1-40)	400,000			
Statewide - Comprehensive Highway Safety Plan (HD 1-40)	400,000			
Statewide - Congestion Mitigation and Air Quality (CMAQ) Projects (HD 1-40)	7,500,000			
Statewide - Highway Data Equipment Acquisition and	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Installation (HD 1-40)				
Statewide - Highway Data Initiatives (HD 1-40)	3,000,000			
Statewide - Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide - Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide - National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide - Paths, Sidewalks and Bike Trails Surface Rehabilitation and Safety (HD 1-40)	5,500,000			
Statewide - Planning Work Program (HD 1-40)	7,500,000			
Statewide - Research Program (HD 1-40)	1,500,000			
Statewide - Rumble Strips (HD 1-40)	6,000,000			
Statewide - Scenic Byways Grants (HD 1-40)	500,000			
Statewide - Seismic Retrofit - Bridges (HD 1-40)	2,000,000			
Statewide - Urban Planning Program (HD 12-35)	1,000,000			
Statewide - Weigh-in-Motion Equipment (HD 1-40)	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Steese Highway - Milepost 62 to 81 Surfacing (HD 7-11)	15,459,000			
Sterling Highway - Milepost 45 to 60 Resurfacing (HD 33-35)	9,000,000			
Sterling Highway - Milepost 60 to 79 - Skilak Lake to Sterling Rehabilitation and Passing Lanes (HD 33-35)	13,000,000			
Sterling Highway - Milepost 83 to 90 Resurfacing (HD 33-35)	7,000,000			
Stevens Village - Sanitation Road (HD 6)	400,000			
Striping and Marking Performance Improvements (HD 1-40)	2,000,000			
Surface Transportation Preconstruction (HD 1-40)	50,000,000			
Tenakee Springs - Ferry Terminal Approach (HD 5)	450,000			
Whittier - Maintenance and Operations (HD 17-32)	2,100,000			
Wrangell - Local Roads Supplemental (HD 2)	1,000,000			
Congressional High Priority Community Projects				
Fairbanks North Star Borough - Road and Bridge Improvements (HD 7-11)		2,000,000	1,000,000	1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan - Replacement and Rehabilitation of Municipal Bridges and Trestles (HD 1)		1,000,000	500,000	500,000
Mat-Su Borough - Arterial Road and Bridge Improvements (HD 13-16)		2,000,000	1,000,000	1,000,000
Sitka - Sawmill Cove Waterfront Development (HD 2)		974,000	487,000	487,000
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Feasibility Study for Community Campuses (HD 1-40)		1,400,000	1,400,000	
Kenai Peninsula College Student Housing (HD 33-35)		180,000	180,000	
Southeast Campus - Mining Machinery Simulators Purchase (HD 3-4)		400,000	400,000	
UAA Engineering Facility Planning and Design (HD 17-32)		5,000,000	5,000,000	
UAF Engineering Building Design, Planning and Site Preparation (HD 7-11)		10,000,000	10,000,000	
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		20,600,000		20,600,000
University Receipt		15,000,000	15,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Authority (HD 1-40)				
	* * * * *	* * * * *		
	* * * * * **Alaska Court System** * * * * *			
	* * * * *	* * * * *		
Boney Courthouse Campus Renovation (HD 1-40)		18,000,000	18,000,000	
Court Information Technology Enhancements (HD 1-40)		1,900,000	1,900,000	
Nome Courthouse Deferred Maintenance and Remodel (HD 1-40)		4,700,000	4,700,000	

(SECTION 8 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	5,650,000
1005 General Fund/Program Receipts	8,500,000
1017 Group Health and Life Benefits Fund	301,400
1029 Public Employees Retirement Trust Fund	392,900
1034 Teachers Retirement Trust Fund	164,000
1042 Judicial Retirement System	4,000
1045 National Guard Retirement System	12,700
1081 Information Services Fund	5,000,000
*** Total Agency Funding ***	$20,025,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	22,625,000
1003 General Fund Match	378,000
1004 Unrestricted General Fund Receipts	9,206,400
1005 General Fund/Program Receipts	609,000
1007 Interagency Receipts	1,153,500
1061 Capital Improvement Project Receipts	1,000,000
1140 Alaska Industrial Development and Export Authority Dividend	18,500,000
1210 Renewable Energy Grant Fund	50,000,000
*** Total Agency Funding ***	$103,471,900
Department of Corrections	
1004 Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***	$550,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	28,786,959
*** Total Agency Funding ***	$28,786,959
Department of Environmental Conservation	
1002 Federal Receipts	38,950,000

1003	General Fund Match	9,500,000
1004	Unrestricted General Fund Receipts	43,921,576
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1108	Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***		$100,769,750
Department of Fish and Game		
1002	Federal Receipts	19,650,000
1003	General Fund Match	150,000
1004	Unrestricted General Fund Receipts	1,085,000
1024	Fish and Game Fund	900,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
*** Total Agency Funding ***		$23,035,000
Office of the Governor		
1004	Unrestricted General Fund Receipts	123,800
1185	Election Fund	2,975,000
*** Total Agency Funding ***		$3,098,800
Department of Health and Social Services		
1003	General Fund Match	425,000
1004	Unrestricted General Fund Receipts	9,880,000
*** Total Agency Funding ***		$10,305,000
Department of Labor and Workforce Development		
1002	Federal Receipts	1,312,695
1003	General Fund Match	600,000
1004	Unrestricted General Fund Receipts	5,000,000
*** Total Agency Funding ***		$6,912,695
Department of Law		
1004	Unrestricted General Fund Receipts	150,000
*** Total Agency Funding ***		$150,000
Department of Military and Veterans Affairs		

1002	Federal Receipts	21,942,000
1003	General Fund Match	1,750,000
1004	Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***		$24,242,000
Department of Natural Resources		
1002	Federal Receipts	11,535,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	7,744,000
1108	Statutory Designated Program Receipts	1,605,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
*** Total Agency Funding ***		$25,002,000
Department of Public Safety		
1002	Federal Receipts	1,500,000
1004	Unrestricted General Fund Receipts	10,306,000
*** Total Agency Funding ***		$11,806,000
Department of Revenue		
1002	Federal Receipts	17,833,056
1003	General Fund Match	68,544
1004	Unrestricted General Fund Receipts	461,000
1050	Permanent Fund Dividend Fund	350,000
1105	Permanent Fund Gross Receipts	250,000
1113	Alaska Housing Finance Corporation Statewide Bonds	7,500,000
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1212	Federal Stimulus: ARRA 2009	262,000
*** Total Agency Funding ***		$57,783,104
Department of Transportation and Public Facilities		
1002	Federal Receipts	845,565,990
1003	General Fund Match	54,597,000
1004	Unrestricted General Fund Receipts	77,263,000
1026	Highways Equipment Working Capital Fund	15,000,000

1027	International Airports Revenue Fund	6,925,500
1061	Capital Improvement Project Receipts	1,900,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	8,986,250
1179	Passenger Facility Charges	2,200,000
*** Total Agency Funding ***		$1,024,437,740
University of Alaska		
1004	Unrestricted General Fund Receipts	16,980,000
1009	Revenue Bonds	20,600,000
1048	University of Alaska Restricted Receipts	15,000,000
*** Total Agency Funding ***		$52,580,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	24,600,000
*** Total Agency Funding ***		$24,600,000
* * * * * Total Budget * * * * *		$1,517,555,948

(SECTION 9 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	67,668,544
1004	Unrestricted General Fund Receipts	242,257,735
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
Total Unrestricted General Funds		$359,484,783
Designated General Funds		
1005	General Fund/Program Receipts	9,109,000
1048	University of Alaska Restricted Receipts	15,000,000
1050	Permanent Fund Dividend Fund	350,000
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
1210	Renewable Energy Grant Fund	50,000,000
Total Designated General Funds		$81,627,000
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	301,400
1024	Fish and Game Fund	900,000
1027	International Airports Revenue Fund	6,925,500
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1105	Permanent Fund Gross Receipts	250,000

1108	Statutory Designated Program Receipts	14,105,000
1113	Alaska Housing Finance Corporation	7,500,000
	Statewide Bonds	
1179	Passenger Facility Charges	2,200,000
Total Other Non-Duplicated Funds		$32,755,500
Federal Funds		
1002	Federal Receipts	980,913,741
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1212	Federal Stimulus: ARRA 2009	262,000
Total Federal Funds		$987,073,915
Duplicated Funds		
1007	Interagency Receipts	1,153,500
1009	Revenue Bonds	20,600,000
1026	Highways Equipment Working Capital Fund	15,000,000
1061	Capital Improvement Project Receipts	2,900,000
1081	Information Services Fund	5,000,000
1112	International Airports Construction Fund	8,986,250
1185	Election Fund	2,975,000
Total Duplicated Funds		$56,614,750

(SECTION 10 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 10.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Municipalities (AS 37.05.315)				
Aleutians East Borough - Cold Bay Airport Apron and Taxiway Construction (HD 37)		700,000	700,000	
Anchorage - Anchorage Golf Course Improvements (HD 17-32)		190,000	190,000	
Anchorage - Birch Road Rut Repair - Abbott Road to O'Malley Road (HD 17-32)		100,000	100,000	
Anchorage - Bus and Fleet Improvements (HD 17-32)		250,000	250,000	
Anchorage - Chinook Elementary School Entryway Improvements (HD 17-32)		20,000	20,000	
Anchorage - Meadow Street to Petersburg Street Drainage (HD 17-32)		1,620,000	1,620,000	
Anchorage - Service High School Athletic and Band		112,700	112,700	

	Allocations	Appropriation Items	General Funds	Other Funds
Equipment (HD 17-32)				
Anchorage - 100th Avenue Extension Phase II - Minnesota Drive to C Street (HD 17-32)		6,000,000	6,000,000	
Anchorage - 121st Avenue Storm Drain - Mary Drive to Ellen Avenue (HD 17-32)		600,000	600,000	
Anchorage - 13th Avenue Gateway Element Improvements (HD 17-32)		100,000	100,000	
Anchorage - 32nd Avenue Improvements - Muldoon Road to Brookridge Drive (HD 17-32)		3,000,000	3,000,000	
Anchorage - 35th Avenue Improvements - Wisconsin Street to Spenard Road (HD 17-32)		6,000,000	6,000,000	
Anchorage - 40th Avenue Extension - Piper Street to Dale Street (HD 17-32)		3,000,000	3,000,000	
Anchorage - 42nd Avenue Traffic & Safety Improvements (HD 17-32)		250,000	250,000	
Anchorage - 73rd and 74th Avenue Water Line Extension (HD 17-32)		1,200,000	1,200,000	
Anchorage - 75th Avenue/ Margaret Circle Area Drainage Improvements (HD		450,000	450,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - 88th Avenue Upgrade - Spruce Brook Street to Elmore Road (HD 17-32)		3,000,000	3,000,000	
Anchorage - Abbott Loop Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Abbott Loop Elementary School Projectors & Document Cameras (HD 17-32)		20,000	20,000	
Anchorage - Abbott Loop Traffic Calming Improvements (HD 17-32)		60,000	60,000	
Anchorage - Airport Heights Elementary School Technology (HD 17-32)		20,000	20,000	
Anchorage - Alexander Avenue Drainage Improvements (HD 17-32)		250,000	250,000	
Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding (HD 17-32)		25,092,000	25,092,000	
Anchorage - Anchorage Neighborhood Crime Watch - Community Action Policing (HD 17-32)		40,000	40,000	
Anchorage - Anchorage		770,000	770,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Senior Center Upgrades (HD 17-32)				
Anchorage - Aquarian Charter School Emergency Lighting (HD 17-32)		20,000	20,000	
Anchorage - Arctic Boulevard Chester Creek Flooding (HD 17-32)		150,000	150,000	
Anchorage - Autumn Lane/Valley Street/Ryoaks Place Area Road and Drainage Rehab (HD 17-32)		175,000	175,000	
Anchorage - Bancroft Subdivision Road and Drainage Rehabilitation (HD 17-32)		250,000	250,000	
Anchorage - Bartlett High School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Baxter Elementary School Classroom Technology Equipment (HD 17-32)		15,000	15,000	
Anchorage - Bayshore Elementary School Interactive Whiteboards (HD 17-32)		61,000	61,000	
Anchorage - Bayshore Elementary School Security Upgrade (HD 17-32)		100,000	100,000	
Anchorage - Bayshore LED		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Street Lighting Upgrades (HD 17-32)				
Anchorage - Bear Valley Elementary School Replace Televisions in Classrooms (HD 17-32)		9,500	9,500	
Anchorage - Begich Middle School Lighting for Track and Field (HD 17-32)		200,000	200,000	
Anchorage - Begich Middle School Science Program Supplies (HD 17-32)		2,700	2,700	
Anchorage - Begich Middle School Stream Gauge & Weather Shelter (HD 17-32)		1,500	1,500	
Anchorage - Ben Boeke Ice Arena Upgrades (HD 17-32)		300,000	300,000	
Anchorage - Blackberry Street/80th Avenue Area Local Road Surface Rehab (HD 17-32)		150,000	150,000	
Anchorage - Bluebell Drive at Golden View Drive Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Boniface Parkway Pedestrian & Bike Path Improvements - Debarr Road to 20th Avenue (HD 17-32)		100,000	100,000	
Anchorage - Briarwood		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Drive/ 74th Avenue Flooding and Glaciation Improvements (HD 17-32)				
Anchorage - Campbell Airstrip Road Upgrade - Mile 0.3 to 0.7 (Pedestrian/Bike Trail) (HD 17-32)		250,000	250,000	
Anchorage - Campbell Elementary School Computer Software (HD 17-32)		9,000	9,000	
Anchorage - Campbell Elementary School Mobile Computer Lab (HD 17-32)		40,000	40,000	
Anchorage - Campbell Elementary School Projectors & Document Cameras (HD 17-32)		32,000	32,000	
Anchorage - Centennial Park Upgrades, Repairs and Improvements (HD 17-32)		500,000	500,000	
Anchorage - Central Middle School Interactive Whiteboard (HD 17-32)		38,400	38,400	
Anchorage - Chester Valley Elementary School Equipment & Software (HD 17-32)		53,900	53,900	
Anchorage - Chinook Elementary School Construct Gym Storage Area		12,000	12,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Chinook Elementary School Gym Floor Protective Cover (HD 17-32)		7,000	7,000	
Anchorage - Chinook Elementary School Physical Education Equipment (HD 17-32)		2,500	2,500	
Anchorage - Chinook Elementary School Wash Station & Drinking Fountain Replacement (HD 17-32)		6,000	6,000	
Anchorage - Chugach Elementary School Computers (HD 17-32)		44,000	44,000	
Anchorage - Chugiak Birchwood Eagle River Rural Road Service Area - Road and Drainage Rehabilitation (HD 17-32)		775,000	775,000	
Anchorage - Chugiak Eagle River Parks and Recreation - Chugiak High School Field ADA Improvements (HD 17-32)		300,000	300,000	
Anchorage - Chugiak Senior Center Electrical Upgrades (HD 17-32)		165,000	165,000	
Anchorage - Chugiak to Eagle River Road and		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Drainage Improvements (HD 17-32)				
Anchorage - College Gate Elementary School Playground Equipment (HD 17-32)		50,000	50,000	
Anchorage - Cordova Street Pedestrian and Bicycle Study - 3rd Avenue to 16th Avenue (HD 17-32)		60,000	60,000	
Anchorage - Creekside Park Elementary School Library Books (HD 17-32)		20,000	20,000	
Anchorage - Creekside Park Elementary Sidewalk Repairs (HD 17-32)		6,200	6,200	
Anchorage - Crime Scene Investigation Vehicle (HD 17-32)		410,000	410,000	
Anchorage - Dempsey Anderson Ice Arena Upgrades (HD 17-32)		250,000	250,000	
Anchorage - Denali Montessori School Computer Lab Equipment (HD 17-32)		10,300	10,300	
Anchorage - Dimond High School Advanced Placement Teacher Training (HD 17-32)		10,000	10,000	
Anchorage - Dimond High School Computers (HD		42,000	42,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - District 29 Road and Drainage Rehab (50/50 local match) (HD 17-32)		300,000	300,000	
Anchorage - Duben Street Upgrade Study - Patterson Street to Muldoon Road (HD 17-32)		100,000	100,000	
Anchorage - East Anchorage Plan (HD 17-32)		80,000	80,000	
Anchorage - East High School Computers Purchase (HD 17-32)		29,000	29,000	
Anchorage - East High School Library Resources (HD 17-32)		5,000	5,000	
Anchorage - Egavik Drive & Denali Street Reconstruction (HD 17-32)		1,500,000	1,500,000	
Anchorage - Emergency Medical & Fire Fighting Protective Equipment (HD 17-32)		150,000	150,000	
Anchorage - Fairview Elementary School Book and Technology Grant (HD 17-32)		30,000	30,000	
Anchorage - Fire Lake Elementary School Physical Education Program (HD		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Fire Station #6 Replacement (HD 17-32)		6,000,000	6,000,000	
Anchorage - Fire Station #9 Remodel (HD 17-32)		5,000,000	5,000,000	
Anchorage - Flooding and Glaciation Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Girdwood K-8 School Purchase New Computers for Mobile Computer Lab (HD 17-32)		35,000	35,000	
Anchorage - Gladys Wood Elementary Purchase Multimedia Equipment (HD 17-32)		26,000	26,000	
Anchorage - Gladys Wood Elementary School Classroom Walls and Storage (HD 17-32)		48,000	48,000	
Anchorage - Gladys Wood Elementary School Lunchroom Tables (HD 17-32)		15,000	15,000	
Anchorage - Glenn Highway/Eagle Glen South Subdivision Drainage (HD 17-32)		2,600,000	2,600,000	
Anchorage - Golden View Drive Intersection and Safety Upgrade - Rabbit		8,000,000	8,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Creek Road to Romania Drive (HD 17-32)				
Anchorage - Goldenview Middle School Cabinet Installation (HD 17-32)		15,000	15,000	
Anchorage - Government Hill Elementary School After-School Program Equipment (HD 17-32)		13,000	13,000	
Anchorage - Government Hill Elementary School Computer Software (HD 17-32)		3,600	3,600	
Anchorage - Hanshew Middle School Interactive Whiteboards (HD 17-32)		110,000	110,000	
Anchorage - Hightower Road Upgrade - Alyeska Highway to Community Center (HD 17-32)		800,000	800,000	
Anchorage - Huffman Road Subdrain Extension (HD 17-32)		50,000	50,000	
Anchorage - Independence Drive Upgrade & Extension (HD 17-32)		1,600,000	1,600,000	
Anchorage - Inlet View Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Inlet View Elementary School Outdoor		24,000	24,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Running Track (HD 17-32)				
Anchorage - Intergovernmental Data Center (HD 17-32)		4,000,000	4,000,000	
Anchorage - Intersection Safety and Congestion Relief Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Jewel Lake Road Pedestrian, Drainage and Other Rehabilitation - Raspberry Road to Dimond Boulevard (HD 17-32)		2,400,000	2,400,000	
Anchorage - Johns Road Reconstruction - Klatt Road to High View Drive (HD 17-32)		7,000,000	7,000,000	
Anchorage - Kasuun Elementary School Digital Projectors (HD 17-32)		20,000	20,000	
Anchorage - Kasuun Elementary School Laptop Computers (HD 17-32)		25,000	25,000	
Anchorage - Kincaid Elementary School Replacement Furniture (HD 17-32)		11,000	11,000	
Anchorage - Kincaid Elementary Technology Upgrades (HD 17-32)		20,000	20,000	
Anchorage - King Career		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Center Refrigeration and Freezer Replacements (HD 17-32)				
Anchorage - King Career Center Solar Panels Study (HD 17-32)		10,000	10,000	
Anchorage - Klatt Elementary School Cafeteria Tables (HD 17-32)		7,500	7,500	
Anchorage - Klatt Elementary School Exterior Siding Repair (HD 17-32)		15,000	15,000	
Anchorage - Klatt Elementary School Sound System (HD 17-32)		30,000	30,000	
Anchorage - Klatt Road at C Street Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Klatt Road Pedestrian Facilities - C Street Trail to Via Appia Road (North side) (HD 17-32)		250,000	250,000	
Anchorage - Lake Hood Elementary School Book and Technology Grant (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Cameras		13,000	13,000	

	Allocations	Appropriation Items	General Funds	Other Funds
& Projectors (HD 17-32)				
Anchorage - Lake Hood Elementary School Mobile Computer Lab (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Printers (HD 17-32)		1,000	1,000	
Anchorage - Lake Otis Elementary School Rock Climbing Wall (HD 17-32)		10,000	10,000	
Anchorage - Lake Otis Parkway at Abbott Loop Elementary School Flashing Lights (HD 17-32)		75,000	75,000	
Anchorage - Lake Otis Parkway Pedestrian Safety - 20th Avenue to Northern Lights Boulevard (HD 17-32)		250,000	250,000	
Anchorage - Latouche and Annapolis Pedestrian Safety (HD 17-32)		215,000	215,000	
Anchorage - Little Tree Drive Road and Drainage Rehabilitation (HD 17-32)		200,000	200,000	
Anchorage - Loussac Library (HD 17-32)		4,650,000	4,650,000	
Anchorage - McLaughlin Secondary School Science Lab Conversion (HD 17-32)		60,000	60,000	
Anchorage - Mears Middle		45,000	45,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Computer Lab (HD 17-32)				
Anchorage - Mears Middle School Locker Replacement (HD 17-32)		520,000	520,000	
Anchorage - Mears Middle School Water Heater Replacement (HD 17-32)		15,000	15,000	
Anchorage - Mirror Lake Elementary School Library and Technology Upgrades (HD 17-32)		7,500	7,500	
Anchorage - Mount Spurr Elementary School Classroom Space Renovations (HD 17-32)		35,000	35,000	
Anchorage - Mountain Park and Robin Hill Road and Drainage Improvements (HD 17-32)		145,200	145,200	
Anchorage - Mountain View and Russian Jack Park Vandalism Prevention Program (HD 17-32)		50,000	50,000	
Anchorage - Mountain View Drive Upgrade Study - Park Street to McCarrey Street (HD 17-32)		150,000	150,000	
Anchorage - Mountain View Elementary School Boiler Replacement and Repairs		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Mountain View Elementary School Cameras & Projectors (HD 17-32)		6,250	6,250	
Anchorage - Mountain View Elementary School Communication Closet Ventilation (Rm 38) (HD 17-32)		50,000	50,000	
Anchorage - Mountain View Elementary School Lexia Reading Program Licenses (HD 17-32)		6,500	6,500	
Anchorage - Mountain View Public Library (HD 17-32)		6,000	6,000	
Anchorage - Muldoon Community Park (HD 17-32)		1,000,000	1,000,000	
Anchorage - Muldoon Elementary School Asphalt and Sidewalk Repairs (HD 17-32)		80,000	80,000	
Anchorage - Muldoon Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Muldoon Road at Duben Street Pedestrian Safety (HD 17-32)		150,000	150,000	
Anchorage - Newby Avenue Repair and Renovation (HD 17-32)		136,000	136,000	
Anchorage - North Star		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Book and Technology Grant (HD 17-32)				
Anchorage - North Star Elementary School Cameras & Projectors (HD 17-32)		7,000	7,000	
Anchorage - North Star Elementary School Mobile Computer Lab (HD 17-32)		15,000	15,000	
Anchorage - Northern Lights Boulevard Bike Pathway Rehabilitation - Lake Otis Parkway to Seward Highway (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Pedestrian Safety - Lois Drive West to Captain Cook Estates Circle (HD 17-32)		920,000	920,000	
Anchorage - Northern Lights Boulevard Sound Barrier Fence - Phase III (HD 17-32)		1,000,000	1,000,000	
Anchorage - Northwood Elementary School Audio Book Library (HD 17-32)		1,400	1,400	
Anchorage - Northwood Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Northwood		11,000	11,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Sidewalk Repairs (HD 17-32)				
Anchorage - Northwood Elementary School Sign (HD 17-32)		9,000	9,000	
Anchorage - Nunaka Valley Elementary School Heat Exchanger (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Park Facility Improvement Plan (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Street and Pedestrian Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Ocean View Elementary School DVD/TV Equipment (HD 17-32)		32,000	32,000	
Anchorage - Ocean View Elementary School Sound System & Stage Improvements (HD 17-32)		15,000	15,000	
Anchorage - Old Eagle River Road Upgrade (RTP) - Monte Road to Baranoff Avenue (HD 17-32)		6,800,000	6,800,000	
Anchorage - Orion Elementary School Classroom Equipment Purchase (HD 17-32)		4,000	4,000	
Anchorage - Pavement Rehab Matching Program (HD		5,040,500	5,040,500	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Pedestrian Safety and Rehabilitation Matching Program (HD 17-32)		1,000,000	1,000,000	
Anchorage - Pioneer Home Sidewalk Safety Replacement (HD 17-32)		25,000	25,000	
Anchorage - Polaris School Science Kits, Lab Equipment and Genetic Instruments (HD 17-32)		18,500	18,500	
Anchorage - Port of Anchorage Expansion (HD 17-32)		20,000,000	20,000,000	
Anchorage - Ptarmigan Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Rainbow Avenue Drainage - East of Gregory Road (HD 17-32)		50,000	50,000	
Anchorage - Recreation Facilities Upgrades (HD 17-32)		1,000,000	1,000,000	
Anchorage - Road and Drainage Phase II (HD 17-32)		250,000	250,000	
Anchorage - Rogers Park Elementary School Computers & Training (HD 17-32)		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Rogers Park Elementary School Multipurpose Room Retrofit (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Book and Technology Grant (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Russian Jack Elementary School - Playground Equipment (HD 17-32)		10,000	10,000	
Anchorage - Russian Jack Springs Park (HD 17-32)		300,000	300,000	
Anchorage - Sand Lake Watershed Drinking Water Studies (HD 17-32)		250,000	250,000	
Anchorage - SAVE High School Multimedia Computer Lab (HD 17-32)		34,000	34,000	
Anchorage - Scenic Park Elementary School Cameras & Projectors (HD 17-32)		15,000	15,000	
Anchorage - School District Child in Transition Tutoring (HD 17-32)		25,000	25,000	
Anchorage - Service High School Classroom Technology Upgrades (HD		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Service High School World Language Department Program (HD 17-32)		15,000	15,000	
Anchorage - Sitka Street Culvert Replacement (HD 17-32)		60,000	60,000	
Anchorage - South High School Athletic Fields Artificial Turf (HD 17-32)		1,354,000	1,354,000	
Anchorage - Spring Hill Elementary Technology Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Steller Secondary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Steller Secondary School Computer Lab Wiring (HD 17-32)		20,000	20,000	
Anchorage - Steller Secondary School Library Chairs & Equipment (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Library Shelves & Furniture (HD 17-32)		4,000	4,000	
Anchorage - Steller Secondary School Mobile		38,000	38,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Computer Lab (HD 17-32)				
Anchorage - Steller Secondary School Replace Lighting Improvements (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Water Heater Replacement (HD 17-32)		12,000	12,000	
Anchorage - Street Light Energy Conservation Upgrades (HD 17-32)		500,000	500,000	
Anchorage - Sullivan Arena Facility Upgrades (HD 17-32)		1,600,000	1,600,000	
Anchorage - Susitna Elementary School Classroom Computer Tables (HD 17-32)		15,000	15,000	
Anchorage - Susitna Elementary School Interactive Whiteboards (HD 17-32)		8,000	8,000	
Anchorage - Susitna Elementary School Mobile Computer Lab (HD 17-32)		14,000	14,000	
Anchorage - Susitna Elementary School Multimedia (HD 17-32)		18,000	18,000	
Anchorage - Susitna Elementary School Purchase		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Wireless Clickers (HD 17-32)				
Anchorage - Sylvan Drive Reconstruction (HD 17-32)		600,000	600,000	
Anchorage - Taku Elementary Wireless Internet Access (HD 17-32)		30,000	30,000	
Anchorage - Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)		2,500,000	2,500,000	
Anchorage - Totem Fields Phase II (HD 17-32)		350,000	350,000	
Anchorage - Traffic Calming and Pedestrian Safety (HD 17-32)		350,000	350,000	
Anchorage - Trailside Elementary School Computer Lab Software (HD 17-32)		10,000	10,000	
Anchorage - Trailside Elementary School Computers (HD 17-32)		30,000	30,000	
Anchorage - Tudor Elementary School Technology, Books, and Supplies Grant (HD 17-32)		31,800	31,800	
Anchorage - Turnagain Boulevard Area Flooding and Glaciation (HD 17-32)		150,000	150,000	
Anchorage - Turnagain		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Interactive Whiteboards (HD 17-32)				
Anchorage - Turnagain Street/Boulevard Engineering Study - Northern Lights Boulevard to Spenard Road (HD 17-32)		200,000	200,000	
Anchorage - Tyson Elementary School Intercom/Bell /Clock System (HD 17-32)		123,000	123,000	
Anchorage - University Lake Park Bank Stabilization and Dog Amenities (HD 17-32)		75,000	75,000	
Anchorage - Wendler Middle School Electric Sign (HD 17-32)		27,000	27,000	
Anchorage - West High School Technology & Equipment (HD 17-32)		140,000	140,000	
Anchorage - Whaley Center Lifeskills Classroom Kitchen Upgrades (HD 17-32)		10,000	10,000	
Anchorage - William Tyson Elementary School Computers & Printers (HD 17-32)		25,000	25,000	
Anchorage - William Tyson Elementary School Purchase		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Classroom Televisions (HD 17-32)				
Anchorage - Willow Crest Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Interactive Whiteboard (HD 17-32)		8,000	8,000	
Anchorage - Willow Crest Elementary School Library Books & Supplies (HD 17-32)		27,000	27,000	
Anchorage - Willow Crest Elementary School Playground Equipment Upgrades (HD 17-32)		40,000	40,000	
Anchorage - Wonder Park Elementary School Interactive Whiteboards (HD 17-32)		99,250	99,250	
Angoon - Barge Landing (HD 5)		150,000	150,000	
Angoon - Engineering Design and Renovation for Front Road (HD 5)		500,000	500,000	
Angoon - Fire Truck (HD 5)		200,000	200,000	
Atka - Public Safety and Fire Station Completion (HD 37)		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Bethel - Electrical Utility Acquisition Study (HD 38)		150,000	150,000	
Bethel - Fire Station Repairs/Upgrades (HD 38)		1,000,000	1,000,000	
Bethel - New Bethel Police Station (HD 38)		3,000,000	3,000,000	
Bristol Bay Borough - Bear Proof Fencing for Landfill (HD 37)		60,000	60,000	
Bristol Bay Borough - Port of Bristol Bay - Improvements Phase II (HD 37)		5,000,000	5,000,000	
Chevak - Dump Truck Purchase (HD 39)		35,000	35,000	
City of Houston - Hawk Lane Road Repair and Resurface (HD 13-16)		300,000	300,000	
Craig - Public Works Heavy Equipment Purchase and Replacement (HD 5)		300,000	300,000	
Delta Junction - EMS Rescue Squad Ambulance (HD 12)		175,000	175,000	
Delta Junction - School District Wood Chip Heating System Project (HD 12)		800,000	800,000	
Delta Junction - Solid Waste & Septage Cell (HD 12)		875,000	875,000	
Delta Junction - Street		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Paving and Road Improvements (HD 12)				
Delta Junction - Volunteer Fire Department Water Tender (HD 12)		190,000	190,000	
Denali Borough - Anderson School Lighting Improvements (HD 7-11)		15,000	15,000	
Denali Borough - Cantwell School Repairs and Upgrades (HD 7-11)		50,000	50,000	
Denali Borough - Landfill Equipment (HD 7-11)		68,000	68,000	
Denali Borough - McKinley Village Volunteer Fire Department Truck (HD 7-11)		23,000	23,000	
Denali Borough - Tri-Valley Fire Department Well (HD 7-11)		30,000	30,000	
Denali Borough - Tri-Valley School Electrical Upgrades (HD 7-11)		8,000	8,000	
Egegik - Design and Control for a New Class A Well (HD 37)		100,000	100,000	
Elim - VPSO Housing (HD 39)		100,000	100,000	
Fairbanks (City of) - Traffic Calming Demonstration Project (HD		280,000	280,000	

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Fairbanks - City of Fairbanks Street Reconstruction and Rehabilitation, Aurora Subdivision (HD 7-11)		7,000,000	7,000,000	
Fairbanks North Star Borough - After School Program (HD 7-11)		30,000	30,000	
Fairbanks North Star Borough - North Pole Library Equipment Upgrades (HD 7-11)		25,000	25,000	
Fairbanks North Star Borough - Badger Road Elementary School Classroom Chalkboard Replacement (HD 7-11)		29,000	29,000	
Fairbanks North Star Borough - Carlson Activity Center (CAC) Phase 2 Improvements (HD 7-11)		1,985,000	1,985,000	
Fairbanks North Star Borough - Community Social Service Agency Assistance (HD 7-11)		76,000	76,000	
Fairbanks North Star Borough - Hutchison High School Distance Learning System (HD 7-11)		81,000	81,000	
Fairbanks North Star		18,000	18,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Borough - North Pole Elementary School Classroom Furniture Replacement (HD 7-11)				
Fairbanks North Star Borough - North Pole High School Physical Education/Athletic Equipment Replacement (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - North Pole Middle School Classroom Technology Equipment Upgrade (HD 7-11)		59,000	59,000	
Fairbanks North Star Borough - Pearl Creek Elementary School Classroom Upgrade (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - Road Service Area Improvements (HD 7-11)		10,000,000	10,000,000	
It is the intent of the legislature that the appropriation for the FNSB Road Service Area Improvements be used proportionally across the road service area on a per mile basis.				
Fairbanks North Star Borough - Salcha Elementary School Exterior Envelope Replacement & Upgrade (HD 12)		1,140,000	1,140,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks North Star Borough - Tanana River Bridge Access for Military Training Grounds, River Training (HD 7-11)		40,000,000	40,000,000	
Fairbanks North Star Borough - Ticasuk Brown Elementary School Septic System Replacement (HD 7-11)		430,000	430,000	
Fairbanks North Star Borough - Two Rivers Elementary School Classroom Improvements (HD 7-11)		18,000	18,000	
Fairbanks North Star Borough - University Park Elementary Mobile Computer Lab (HD 7-11)		45,000	45,000	
Fairbanks North Star Borough - Weller Elementary School Classroom Improvements (HD 7-11)		29,000	29,000	
Fairbanks North Star Borough - West Valley High School Distance Learning System (HD 7-11)		81,000	81,000	
Fort Yukon - Solid Waste Disposal Facility (HD 6)		363,000	363,000	
Galena - Galena City		990,000	990,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School District - Central Steam Plant Up-Grade (HD 6)				
Gustavus - Improvements and Repairs to Fire Hall (HD 5)		101,500	101,500	
Gustavus - Remodel City Hall (HD 5)		93,000	93,000	
Gustavus - Replace Good River Road Culverts (HD 5)		80,000	80,000	
Homer - Anchor Point to Homer Natural Gas Pipeline (HD 33-35)		4,800,000	4,800,000	

It is the intent of the legislature that (1) the consumer costs for providing natural gas from the state-funded pipeline not be less than the costs to other consumers in the Cook Inlet basin; (2) before construction, a determination be made that inclusion of new customers into the Cook Inlet basin natural gas distribution system will not adversely affect existing consumers; and (3) state funds expended for the pipeline project be used to offset consumer rates for natural gas throughout the Cook Inlet basin.

Homer - Deep Water Dock Expansion, Phase 1 (HD 33-35)		1,000,000	1,000,000	
Homer - Karen Hornaday Park Improvements, Phase 1 (HD 33-35)		250,000	250,000	
Hoonah - Phase 3, Hoonah Marine Industrial Center (HD 5)		1,000,000	1,000,000	
Houston - Firefighting & Protective Equipment (HD 13-16)		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Houston - Municipal Road Maintenance (HD 13-16)		60,000	60,000	
Houston - Self-Contained Breathing Apparatus Purchase (HD 13-16)		100,000	100,000	
Huslia - Electric Distribution System (HD 6)		490,000	490,000	
Hydaburg - Water System Upgrade (HD 5)		150,000	150,000	
Juneau - Capital Park Playground Equipment (HD 3-4)		25,000	25,000	
Juneau - Melvin Park Playground Improvements (HD 3-4)		25,000	25,000	
Juneau - Arctic Winter Games Bid Planning and Submission (HD 3-4)		50,000	50,000	
Juneau - Juneau Arts & Culture Center Electrical and Facility Upgrades (HD 3-4)		50,000	50,000	
Juneau - School District School Safety Upgrades (HD 3-4)		116,000	116,000	
Juneau - School District Technology Infrastructure Upgrades (HD 3-4)		26,000	26,000	
Juneau - Sewage System Major Repairs & Expansion (HD 3-4)		3,000,000	3,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Kachemak - Bear Creek Drive Repavement - Preliminary design (HD 33-35)		50,000	50,000	
Kaltag - New Health Clinic Match Contribution (HD 6)		148,000	148,000	
Kenai - Kenai River Bluff Stabilization (HD 33-35)		250,000	250,000	
Kenai Peninsula Borough - Nikiski Fire Station #2 (HD 33-35)		1,500,000	1,500,000	
Kenai Peninsula Borough - Nikiski Senior Center Construction (HD 33-35)		1,000,000	1,000,000	
Kenai Peninsula Borough - Road Improvements (HD 33-35)		6,000,000	6,000,000	
Kenai Peninsula Borough - Kenai Central High School Auditorium Equipment (HD 33-35)		25,000	25,000	
Ketchikan - Bethe Substation Replacement (HD 1)		5,000,000	5,000,000	
Ketchikan - Fire Station No. 1 Replacement Project (HD 1)		5,000,000	5,000,000	
Ketchikan - Whitman Lake Hydro Project (HD 1)		16,680,000	16,680,000	
Ketchikan Gateway Borough - Children's Community Park		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1)				
Ketchikan Gateway Borough - Gateway Recreation Center Emergency Roof Replacement (HD 1)		920,000	920,000	
Ketchikan Gateway Borough - Ketchikan International Airport Facility Renovations and Reconstruction (HD 1)		1,500,000	1,500,000	
King Cove - Izembek Land Exchange EIS, Public Interest Finding & Road Permitting Project (HD 37)		300,000	300,000	
Klawock - Drive Down Ramp Phase II (HD 5)		480,000	480,000	
Klawock - School District Prince of Wales Vocational Education Center (HD 5)		200,000	200,000	
Kodiak - Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
Koyukuk - New Clinic Match Contribution (HD 6)		150,000	150,000	
Lake and Peninsula Borough - Chignik Small Boat Harbor (HD 37)		1,400,000	1,400,000	
Marshall - Public Safety Facility (HD 6)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Basic Sanitation		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Facilities for Knik River Public Use Area Parking Lot on Sullivan Road (HD 13-16)				
Matanuska-Susitna Borough - Port MacKenzie Expansion (HD 13-16)		750,000	750,000	
Matanuska-Susitna Borough - Trapper Creek FSA (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Big Lake Elementary PTA Playground Equipment (HD 13-16)		10,000	10,000	
Matanuska-Susitna Borough - Big Lake Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Big Lake Service Area Road Upgrades (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Buffalo Mine Road Street Light Installation (HD 13-16)		15,000	15,000	
Matanuska-Susitna Borough - Butte Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Butte Volunteer Fire		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Department Equipment (HD 13-16)				
Matanuska-Susitna Borough - Caswell Lakes Service Area Equipment (HD 13-16)		60,000	60,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Chickaloon Fire Service Fire station Upgrades and Equipment (HD 13-16)		73,500	73,500	
Matanuska-Susitna Borough - Fairview Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Goose Bay Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Greater Butte Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Horseshoe Lake Road Upgrade (HD 13-16)		1,000,000	1,000,000	
Matanuska-Susitna Borough - Houston High School Football Field Lights (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Houston High School		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Library & Technology Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Houston Middle School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik Elementary School Gymnasium Curtain (HD 13-16)		17,500	17,500	
Matanuska-Susitna Borough - Knik Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik River Road Reconstruction (HD 13-16)		2,100,000	2,100,000	
Matanuska-Susitna Borough - Knik Road Service Area Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Lazy Mountain Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Meadow Lakes Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Meadow Lakes Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough -		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Mid-Valley High School Library & Technology Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Midnight Sun Family Learning Center Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - North Nancy Lake Peninsula Road Rehabilitation Project (HD 13-16)		850,000	850,000	
Matanuska-Susitna Borough - Parks Highway Connector Improvements (HD 13-16)		2,000,000	2,000,000	
Matanuska-Susitna Borough - Rail Extension to Port MacKenzie from the Alaska Railroad Main Line (HD 13-16)		57,000,000	57,000,000	
Matanuska-Susitna Borough - Road Service Area 31Maintenance and Upgrades (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - School District Library & Technology Upgrades as Specified in Appropriation Back-up (HD 13-16)		110,000	110,000	
Matanuska-Susitna Borough - School District Road		290,000	290,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grader (HD 13-16)				
Matanuska-Susitna Borough - Snowshoe Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Su Valley School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Substandard Bridge and Road Repair and Maintenance (HD 13-16)		3,000,000	3,000,000	
Matanuska-Susitna Borough - Talkeetna Service Area Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Talkeetna Service Area Roads Upgrades (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Trapper Creek Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Trapper Creek Elementary School Roof Replacement (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Trapper Creek Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough -		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Wasilla-Iditarod Elementary School Playground and Exercise Equipment (HD 13-16)				
Matanuska-Susitna Borough - Wasilla-Lakes FSA Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - West Lakes FSA Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Willow Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Willow Service Area Equipment (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Willow Service Area Roads Upgrade (HD 13-16)		50,000	50,000	
Matanuska-Susitna Borough - Wolverine Creek Dry Hydrant Project (HD 13-16)		50,000	50,000	
Mountain Village - Heavy Equipment Purchase (HD 39)		240,000	240,000	
Napakiak - Road Maintenance and Dust Control (HD 38)		275,000	275,000	
Nenana - Nenana City Public School - Nenana Student Learning Center Debt Retirement (HD 6)		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Nome - Museum Construction and Development (HD 39)		5,000,000	5,000,000	
Nome - Remodel Recreation Center for Emergency Shelter Services (HD 39)		500,000	500,000	
Nondalton - Replacement Parts for Heavy Equipment (HD 36)		50,000	50,000	
North Pole - Environmental Assessment for Railroad Realignment and Expansion (HD 7-11)		1,000,000	1,000,000	
North Pole - Equipment Upgrades and Replacement (HD 7-11)		95,000	95,000	
North Pole - Senior Center Equipment Upgrades (HD 7-11)		50,000	50,000	
North Slope Borough - Fire Station Deferred Maintenance and Safety Equipment (HD 40)		342,500	342,500	
North Slope Borough - Healthy Communities Initiative (HD 40)		170,000	170,000	
North Slope Borough - Search and Rescue Public Safety Equipment (HD 40)		500,000	500,000	
Northwest Arctic Borough - Kiana Heavy Equipment (HD 40)		180,000	180,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Northwest Arctic Borough - Nikaitchuat Immersion School Supplies and Furniture (HD 40)		20,000	20,000	
Northwest Arctic Borough - Noatak Storage Shed (HD 40)		150,000	150,000	
Northwest Arctic Borough - Noorvik Heavy Equipment (HD 40)		200,000	200,000	
Northwest Arctic Borough - Shungnak Playground Equipment (HD 40)		65,000	65,000	
Old Harbor - City Dock Reconstruction (HD 36)		3,100,000	3,100,000	
Ouzinkie - Alternative Wind Energy Generation - Phase I Data Collection (HD 36)		10,000	10,000	
Ouzinkie - Ouzinkie Replacement Dock/Economic Development Project and Water Main Replacement (HD 36)		5,100,000	5,100,000	
Palmer - Fire Department: Two Command Vehicles and Personal Protective Equipment (HD 13-16)		100,000	100,000	
Palmer - Lift Station & Sewer System Rehabilitation (HD 13-16)		750,000	750,000	
Pelican - Building		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 2)				
Pelican - Seaplane Ramp (HD 2)		50,000	50,000	
Pelican - Water and Sewer Improvements (HD 2)		200,000	200,000	
Petersburg - Clausen Memorial Museum Storage Upgrade (HD 2)		55,000	55,000	
Petersburg - Fire & EMS Facility Construction (HD 2)		6,700,000	6,700,000	
Petersburg - Petersburg Medical Center - Medical Equipment Replacement (HD 2)		50,000	50,000	
Pilot Point - Assess Safety & Structure Issues of Old Cannery Buildings (HD 37)		55,000	55,000	
Pilot Station - New Public Safety Building (HD 39)		960,000	960,000	
Port Alexander - Bear Hall Rehab and Renovation (HD 2)		5,000	5,000	
Port Heiden - Heavy Equipment Purchase (HD 37)		250,000	250,000	
Port Lions - Port Lions City Dock and Ferry Terminal Repairs and Replacement (HD 36)		1,000,000	1,000,000	
Port Lions - Refurbishment		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
of the Port Lions Causeway (HD 36)				
Quinhagak - Emergency Shelter Facility: Planning & Design Funds (HD 38)		50,000	50,000	
Saint George - Purchase Vacuum Sewage Pumper Truck (HD 37)		150,000	150,000	
Saint Mary's - Rock Crusher/Screening Plant (HD 39)		300,000	300,000	
Saint Michael - St. Michael Heavy Equipment Fleet (HD 39)		200,000	200,000	
Savoonga - D6N XL Tractor (HD 39)		275,000	275,000	
Savoonga - Steel Garage (HD 39)		50,000	50,000	
Saxman - Backhoe Loader Purchase (HD 1)		75,000	75,000	
Scammon Bay - Heavy Equipment (HD 39)		150,000	150,000	
Seldovia - Water and Sewer Upgrades (HD 33-35)		100,000	100,000	
Seward - Mooring Dolphins and Dock Improvements at Seward Marine Center (HD 33-35)		1,500,000	1,500,000	
Shaktoolik - Heavy Equipment Purchase (HD 39)		194,800	194,800	
Sitka - Blue Lake		15,000,000	15,000,000	

Allocations	Appropriation Items	General Funds	Other Funds
Hydroelectric Expansion (HD 2)			
It is the intent of the legislature that this appropriation be matched 50/50 with local funds.			
Sitka - Moller Park Baseball Field Improvements (HD 2)	500,000	500,000	
Sitka - Sitka School District - Vocational Education Facility Construction (HD 2)	1,400,000	1,400,000	
Soldotna - Funny River Road Relocation (HD 33-35)	38,900	38,900	
Soldotna - Lighting Energy Conservation Project (HD 33-35)	389,200	389,200	
Soldotna - Reconstruct North Binkley Street (HD 33-35)	544,000	544,000	
Soldotna - Soldotna Creek Park Development (HD 33-35)	75,000	75,000	
Tanana - Fire Truck and Fire Equipment Purchase (HD 6)	270,000	270,000	
Tanana - Washeteria Equipment & Sanitation Improvements (HD 6)	233,000	233,000	
Teller - Heavy Equipment Purchase (HD 39)	228,300	228,300	
Tenakee Springs - Rescue Boat Shelter (HD 5)	125,000	125,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Thorne Bay - Community Roads Repair and Resurface (HD 1)		150,000	150,000	
Togiak - Repair Storm Damage to Seawall (HD 37)		85,000	85,000	
Toksook Bay - Toksook Bay Dumpsite Improvement (HD 38)		225,000	225,000	
Unalakleet - Erosion Control (HD 39)		1,741,000	1,741,000	
Unalaska - Unalaska Powerhouse Expansion Project (HD 37)		5,000,000	5,000,000	
Valdez - Flood Mitigation and Dike Upgrades for Subdivision at 10 Mile Richardson Hwy (HD 12)		800,000	800,000	
Valdez - Valdez School District School Maintenance and Sprinkler Upgrades (HD 12)		1,000,000	1,000,000	
Wasilla - Lake Lucille Improvements (HD 13-16)		125,000	125,000	
Wasilla - Swanson Avenue & Nelson Avenue Improvements (HD 13-16)		500,000	500,000	
White Mountain - Public Safety Building (HD 39)		857,000	857,000	
Whittier - Shotgun Cove Road Phase II (HD 17-32)		4,000,000	4,000,000	
Wrangell - Electrical		85,000	85,000	

	Allocations	Appropriation Items	General Funds	Other Funds
System Upgrade (HD 2)				
Wrangell - Hospital and Nursing Home Replacement Project (HD 2)		3,000,000	3,000,000	
Wrangell - School District Replacement Wrestling Mats (HD 2)		40,000	40,000	
Yakutat - ANB Hall Renovation (HD 5)		75,000	75,000	
Yakutat - Renovation of Court House Building and City Hall (HD 5)		300,000	300,000	
Grants to Municipalities (AS 37.05.315) - Public Library Construction				
It is the intent of the legislature that the following Grants to Municipalities (AS 37.05.315) satisfy FY2011 capital funding for those public library construction projects identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development until such time as the first round of the Public Library Construction and Major Expansion Matching Grant program (AS 14.56.355) is completed.				
Cordova - Cordova Center and Library (HD 5)		4,500,000	4,500,000	
Kenai - Community Library Expansion (HD 33-35)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Sutton Community Library & Resource Center (HD 13-16)		1,700,000	1,700,000	
North Slope Borough - Tuzzy Library Expansion Project (HD 40)		350,000	350,000	
Petersburg - Public Library		3,300,000	3,300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 2)				
Seward - Community Library (HD 33-35)		4,700,000	4,700,000	
Grants to Unincorporated Communities (AS 37.05.317)				
Alatna - Tribal Hall Construction (HD 6)		150,000	150,000	
Anchor Point - Senior Center Improvements (HD 33-35)		65,000	65,000	
Arctic Village - Multi-Purpose Health Center Project (HD 6)		150,000	150,000	
Chalkyitsik - Electrical Metering Program (HD 6)		38,000	38,000	
Chalkyitsik - Energy Efficient Diesel Generator Installation (HD 6)		26,000	26,000	
Chenega Bay - Backhoe Loader (HD 5)		125,000	125,000	
Circle - New Clinic Match Contribution (HD 6)		150,000	150,000	
Cooper Landing - Senior Housing Garage & Workshop (HD 33-35)		95,000	95,000	
Ester - John Trigg Ester Library Design and Construction (HD 7-11)		50,000	50,000	
Evansville - New Health Clinic Match Contribution (HD 6)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Hollis - Emergency Services Facility Construction (HD 1)		400,000	400,000	
Hope - Social Hall Improvements (HD 17-32)		30,000	30,000	
Igiugig - Fuel Delivery Truck (HD 36)		12,000	12,000	
Igiugig - Rural Power Systems Upgrade (HD 36)		110,000	110,000	
Iliamna - Village Community Hall Renovations (HD 36)		72,000	72,000	
Klukwan - Garbage Truck Purchase (HD 5)		32,900	32,900	
Kokhanok - Design & Feasibility Study of a Multi-purpose Building (HD 36)		30,000	30,000	
Levelock - Heavy Equipment Purchase (HD 36)		50,000	50,000	
Manley Hot Springs - Fire/Rescue/Public Safety Building (HD 6)		150,000	150,000	
Manley Hot Springs - New Health Clinic Project (HD 6)		150,000	150,000	
Mentasta Lake - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Minto - Multi-Purpose Community Center (HD 6)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Nikolaevsk - Natural Gas Line Reduction Unit (HD 33-35)		250,000	250,000	
Ninilchik - Senior Center Preservation (HD 33-35)		300,000	300,000	
Northway Village - Community Center Addition (HD 6)		125,000	125,000	
Pedro Bay - Pedro Bay Hydroelectric Feasibility and Planning (HD 36)		75,000	75,000	
Port Alsworth - Port Alsworth Motor Grader (HD 36)		200,000	200,000	
Sterling - Health / Safety & Community Multi-Use Facility (HD 33-35)		200,000	200,000	
Stevens Village - New Clinic Match Contribution (HD 6)		150,000	150,000	
Tanacross - Subregional Community Health Center Project (HD 6)		500,000	500,000	
Tetlin - Community Improvements (HD 6)		35,000	35,000	

(SECTION 11 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	455,043,300
*** Total Agency Funding ***	$455,043,300
* * * * * Total Budget * * * * *	$455,043,300

(SECTION 12 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	455,043,300
Total Unrestricted General Funds	$455,043,300
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 13 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 13.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 14 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
A.J. Dimond High School Alumni Association - Sports Field Improvements (HD 17-32)		250,000	250,000	
Abused Women's Aid In Crisis, Inc. - Security System Upgrades & Ventilation Repair (HD 17-32)		180,000	180,000	
Advocates for Victims of Violence, Inc. - Computer Purchase (HD 12)		10,000	10,000	
Aiding Women in Abuse & Rape Emergencies, Inc. - Extended Stay Shelter and Supportive Services (HD 3-4)		1,000,000	1,000,000	
Alaska Air Show Association - 2010 Arctic Thunder Air Show (HD 17-32)		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Brain Injury Network, Inc. - Resource Navigation Activities (HD 1-40)		50,000	50,000	
Alaska Community Foundation - Jesse Lee Home Restoration (HD 33-35)		1,500,000	1,500,000	
Alaska Disabled Veterans Sports Program, Inc. - State Participation Grant (HD 1-40)		100,000	100,000	
Alaska Fire Chiefs Association - Alaska Fire Conference 2011: "Where Alaskan Professionals Come to Train" (HD 1-5)		28,000	28,000	
Alaska Fire Chiefs Association, Inc. - Alaska Marine Firefighter Training for Land-Based Firefighters (HD 1-40)		150,000	150,000	
Alaska Manufacturing Extension Partnership, Inc. - State Matching Support (HD 1-40)		800,000	800,000	
Alaska Medicare Clinic, Inc. - Medicare Clinic Funding (HD 17-32)		1,000,000	1,000,000	

It is the intent of the legislature that the appropriation to the Alaska Medicare Clinic, Inc. be used to fund the startup and operations of a not-for-profit Medicare only clinic in Southcentral

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska.				
Alaska Moving Image Preservation Association - State Participation Grant (HD 1-40)		303,000	303,000	
Alaska Optometric Association - Rural Vision Outreach Equipment Acquisition (HD 1-40)		135,000	135,000	
Alaska Partnership for Economic Development - Alaska Forward Initiative (HD 1-40)		100,000	100,000	
Alaska Sealife Center - Seawater Intake Pipelines Biofouling Remediation (HD 33-35)		1,000,000	1,000,000	
Alaska Search and Rescue Association - Training and Equipment for Search and Rescue Organizations Statewide (HD 1-40)		200,000	200,000	
Alaska Special Olympics, Inc. - Training Center and Campus Expansion & Development (HD 17-32)		5,000,000	5,000,000	
Alaska Zoo - Polar Bear Expansion Project & Signage (HD 17-32)		500,000	500,000	
Aleutian Peninsula Broadcasting, Inc. - King		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Cove FM Radio Translator, Ground System, Studio Renovation, & Vehicle (HD 37)				
Allakaket Traditional Council - New Clinic and Head Start Facility (HD 6)		150,000	150,000	
Alutiiq Pride Shellfish Hatchery - Repairs and Upgrade (HD 33-35)		150,000	150,000	
Alyeska Vocational Services - Deaf Center Planning & Development (HD 1-40)		50,000	50,000	
American Bald Eagle Foundation - Raptor Center Completion (HD 5)		269,800	269,800	
American Legion Chappie James Post 34 - American Legion Facility Renovation (HD 17-32)		10,000	10,000	
American Legion of Alaska - Youth Sports Fields (HD 1-40)		750,000	750,000	
American Red Cross of Alaska - Armed Services Outreach (HD 1-40)		127,300	127,300	
Anchor Arms, Inc. - Deferred Maintenance, Upgrades and ADA Compliance (HD 1-40)		50,000	50,000	
Anchorage Community Land		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Trust - Mountain View Blighted Property Improvements (HD 17-32)				
Anchorage Economic Development Corporation - Anchorage Economic Development Grant (HD 17-32)		100,000	100,000	
Anchorage Economic Development Corporation - Girdwood Economic Development Grant (HD 17-32)		8,500,000	8,500,000	
Anchorage Hospice, Inc. dba Hospice of Anchorage - Safety and Comfort Renovations to Hospice Center (HD 17-32)		25,000	25,000	
Anchorage Neighborhood Health Center, Inc. - Facility Relocation and Construction (HD 17-32)		9,000,000	9,000,000	
Anchorage Park Foundation - Al Miller Park Safety and Maintenance Project (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Anchorage Senior Center Trail Connection (HD 17-32)		25,000	25,000	
Anchorage Park Foundation -		60,700	60,700	

	Allocations	Appropriation Items	General Funds	Other Funds
Carlson Park Repairs (HD 17-32)				
Anchorage Park Foundation - Cheney Lake Park Improvements (HD 17-32)		24,700	24,700	
Anchorage Park Foundation - Cope Street Park Improvements (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Creekside Park Improvements (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Cuddy Family Midtown Park Playground (HD 17-32)		75,000	75,000	
Anchorage Park Foundation - Davis Park Trail Connection (HD 17-32)		25,000	25,000	
Anchorage Park Foundation - Harvard Park Safety and Maintenance Upgrades (HD 17-32)		68,700	68,700	
Anchorage Park Foundation - Ira Walker Park Improvements (HD 17-32)		108,000	108,000	
Anchorage Park Foundation - Little Dipper Park Fix-Its (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Martin Luther King Jr. Memorial Restoration (HD 17-32)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Park Foundation - Nichols Park Improvements (HD 17-32)		35,000	35,000	
Anchorage Park Foundation - Scenic Foothills Community Parks Webcam & Motion Detector Lights (HD 17-32)		56,000	56,000	
Anchorage Park Foundation - William B. Lyons Park Improvements (HD 17-32)		193,200	193,200	
Anchorage Park Foundation - Woodland Park Improvements (HD 17-32)		40,200	40,200	
Anchorage Urban League - Alaska Seeds of Change Transitional Youth Program (HD 17-32)		1,000,000	1,000,000	
Arc of Anchorage, Inc. - Crisis Housing and Training Center (HD 17-32)		800,000	800,000	
Arctic Power - ANWR Program (HD 1-40)		160,000	160,000	
Arctic Winter Games Team Alaska - State Participation Grant (HD 1-40)		250,000	250,000	
Association of Silver Springs Residents, Inc. - Road Upgrade & Dust Abatement (HD 12)		55,000	55,000	
Association of Village		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Council Presidents - AVCP Yupiit Piciryarait Museum Equipment (HD 38)				
Association of Village Council Presidents - Regional Airframe & Power Plant Training School (HD 38)		1,520,000	1,520,000	
Association of Village Council Presidents - Wood Heating Demonstration Project (HD 38)		610,000	610,000	
Bear Valley Community Council - Bear Valley Park and Trail Improvements (HD 17-32)		1,500	1,500	
Bering Sea Fishermen's Association - Arctic Yukon-Kuskokwim Sustainable Salmon Initiative (HD 38)		1,000,000	1,000,000	
Bethel Broadcasting Inc. - KYUK Energy Conservation and Facilities Upgrades (HD 38)		110,800	110,800	
Blood Bank of Alaska - Fairbanks Branch Emergency Backup Equipment (HD 7-11)		50,000	50,000	
Blood Bank of Alaska - New Building Land Purchase, Planning and Construction		13,400,000	13,400,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Boys & Girls Clubs of Southcentral Alaska - Mountain View Boys and Girls Club - Community Center Maintenance and Upgrades (HD 17-32)		10,000	10,000	
Boys & Girls Clubs of the Kenai Peninsula - Youth Technology and Internet Safety Outreach (HD 33-35)		35,000	35,000	
Bridge Builders of Anchorage - Education Program (HD 17-32)		148,500	148,500	
Brotherhood, Inc. - Home Based After School Program (HD 17-32)		30,000	30,000	
Calypso Farm And Ecology Center - Schoolyard Garden Initiative (HD 7-11)		25,000	25,000	
Camp Fire USA Alaska Council - Camp Kushtaka Rebuild (HD 33-35)		700,000	700,000	
Capital Community Broadcasting, Inc. - Gavel to Gavel Video on Demand Project (HD 3-4)		97,000	97,000	
Catholic Community Service, Inc. - Angoon Senior Center Equipment (HD 5)		8,000	8,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Catholic Community Service, Inc. - Bring the Kids Home Program Site Acquisition and Building Design (HD 3-4)		125,000	125,000	
Catholic Community Service, Inc. - Hoonah Senior Center Kitchen Equipment (HD 5)		18,000	18,000	
Catholic Community Service, Inc. - Kake Senior Center Kitchen Equipment (HD 5)		5,500	5,500	
Catholic Community Service, Inc. - Swan Lake Senior Center Waste Heat Energy Capture Project (HD 2)		13,000	13,000	
Catholic Community Service, Inc. - Wrangell Senior Center Furnace, Heating Ducts and Building Insulation Replacement and Repair (HD 2)		20,000	20,000	
Catholic Community Service, Inc. - Yakutat Senior Center Internet Access Infrastructure & Equipment (HD 5)		5,000	5,000	
Central Council of Tlingit and Haida - Juneau Alaska		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Native Youth Suicide Prevention Coalition (HD 3-4)				
Chalkyitsik Traditional Council - New Clinic Match Contribution (HD 6)		103,000	103,000	
Chief Shakes Tribal House - Chief Shakes Tribal House Reconstruction/Carving SHED (HD 2)		110,000	110,000	
CCS Early Learning - Adult and Youth Day Care (HD 13-16)		15,000	15,000	
Chugiak Volunteer Fire Department - Site Improvements (HD 13-16)		50,000	50,000	
Communities in Schools of Alaska, Inc. - North Star Imagination Library (HD 7-11)		40,000	40,000	
Community of Elfin Cove Non-Profit Corporation - Boardwalk Repairs (HD 2)		70,000	70,000	
Community of Elfin Cove Non-Profit Corporation - Sanitation Facility Planning (HD 2)		75,000	75,000	
Community Sports, Inc. - Development & Implementation Project		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 13-16)				
Cook Inlet Housing Authority - Workforce Development Housing Project (HD 17-32)		5,000,000	5,000,000	
Cook Inlet Regional Citizens Advisory Council - Cook Inlet Ice Forecasting Network (HD 33-35)		60,000	60,000	
Cook Inlet Tribal Council - Dena'ina House Demonstration Education Project (HD 17-32)		3,000,000	3,000,000	
Copper Basin Senior Citizens, Inc. - Deferred Maintenance of Senior Center (HD 12)		25,000	25,000	
Copper River Native Association - Multi-Disciplinary Combined Health Facility (HD 12)		1,000,000	1,000,000	
Copper River Native Association, Inc. - Vehicle Acquisition (HD 6)		44,000	44,000	
Copper Valley Electric Association - Glennallen Diesel Plant Circuit (HD 12)		500,000	500,000	
Copper Valley Electric Association - Wind Resource		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Evaluation (HD 12)				
Copper Valley Electric Association, Inc. - Electrical Transmission Avalanche Mitigation (HD 12)		500,000	500,000	
Copper Valley Electric Association, Inc. - Silver Lake Pre-Feasibility Study (HD 12)		125,000	125,000	
Covenant House Alaska - Facility Construction (HD 17-32)		3,000,000	3,000,000	
Dare To Care - Equipment Acquisition (HD 13-16)		15,000	15,000	
Deltana Community Corporation - Souhrada Road Improvements (HD 6)		200,000	200,000	
Downtown Soup Kitchen - New Facility Project (HD 17-32)		500,000	500,000	
Fairbanks Community Food Bank - Utility Upgrades and Vehicle and Equipment purchases (HD 7-11)		85,000	85,000	
Fairbanks Community Hospital Foundation - Porter Heart Center (HD 7-11)		200,000	200,000	
Fairbanks Dog Park, Inc. - Improvements, Fence and		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Access for Fairbanks Dog Park (HD 7-11)				
Fairbanks Rescue Mission - Security Equipment Upgrades (HD 7-11)		36,000	36,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	
Fairbanks Soil & Water Conservation District - Invasive Weeds Project (HD 7-11)		5,000	5,000	
Family Centered Services of Alaska, Inc. - Facility Expansion & Program Enhancement Project (HD 7-11)		300,000	300,000	
Federation of Community Councils - Campbell Park Community Council - Lake Otis and Waldron Safety Lighting (HD 17-32)		5,000	5,000	
Federation of Community Councils, Inc - Mountain View Community Council Spring Cleanup (HD 17-32)		10,000	10,000	
Federation of Community Councils, Inc. - Chugiak & Eagle River Land Use Consortium Project (HD		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Federation of Community Councils, Inc. - Mountain View Community Patrol (HD 17-32)		12,000	12,000	
Federation of Community Councils, Inc. - Neighborhoods USA 2011 Conference (HD 17-32)		70,000	70,000	
Federation of Community Councils, Inc. - North East Community Patrol (HD 17-32)		2,500	2,500	
Federation of Community Councils, Inc. - Nunaka Valley Community Patrol (HD 17-32)		7,500	7,500	
Federation of Community Councils, Inc. - Russian Jack Community Patrol (HD 17-32)		2,500	2,500	
Filipino Community, Inc. - Filipino Community Historic Building Repair and Maintenance (HD 3-4)		50,000	50,000	
Food Bank of Alaska - Latino Lions Club Food Distribution (HD 17-32)		10,000	10,000	
Food Bank of Alaska - Mother Lawrence Foundation Food Distribution (HD		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Fraternal Order of Alaska State Troopers - CSI Forensic Youth Summer Camp (HD 17-32)		30,000	30,000	
Gakona Volunteer Fire Department of Gakona Alaska - Construction and Equipment and Facility Upgrades (HD 6)		250,000	250,000	
Gakona Volunteer Fire Department of Gakona Alaska - Fit Five Project (HD 6)		8,800	8,800	
Gakona Volunteer Fire Department of Gakona Alaska - Viable 911 Dispatch (HD 6)		14,400	14,400	
Gastineau Human Services Corporation - Safety and Security Systems Upgrades (HD 3-4)		39,500	39,500	
Grayling IRA Council - Multi-Purpose Community Center Match Contribution (HD 6)		150,000	150,000	
Greater Copper Valley Communications, Inc - Backup Generator & Communication Link (HD 6)		91,000	91,000	
Gwichyaa Zhee Gwich'in		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tribal Council - Multi-Purpose Community Services Center (HD 6)				
Haines Assisted Living, Inc. - Retaining Wall, Drainage and Pavement Construction (HD 5)		325,000	325,000	
Haines Senior Citizen's Center, Inc. - Senior Center Roof Maintenance & Replacement (HD 5)		50,000	50,000	
Haines Senior Citizen's Center, Inc. - Vehicle & Wheelchair Lift Purchase (HD 5)		13,100	13,100	
Hatcher Pass Search & Rescue - Rescue Equipment and Improvements (HD 13-16)		25,000	25,000	
Historic Ketchikan, Inc. - Historic Clover Pass School Project (HD 1)		31,100	31,100	
Holy Assumption Orthodox Church - Stabilization of Holy Assumption Orthodox Church, National Historic Landmark (HD 33-35)		76,900	76,900	
Holy Cross Tribal Council - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Homer Electric Association		7,000,000	7,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
- Wind Generation Project (HD 33-35)				
Homer Foundation - Community Education and Activity Programming (HD 33-35)		30,000	30,000	
Homer Society of Natural History, dba Pratt Museum - Schematic Design, Museum Expansion (HD 33-35)		100,000	100,000	
Hope Community Resources, Inc. - Statewide Assisted Living Facilities Rehabilitation and Refurbishment (HD 12-35)		600,000	600,000	
Ilisagvik College - Ilisagvik Heavy Equipment (HD 40)		250,000	250,000	
Institute of The North - Emerging Leaders Program (HD 1-40)		150,000	150,000	
Inter-Island Ferry Authority - Development Assistance (HD 1-5)		750,000	750,000	
Interior Center for Non-Violent Living - Video and Audio Conferencing System Purchase (HD 7-11)		18,000	18,000	
Island Trails Network - Construction of Trail along Perenosa Drive		7,000	7,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Right-Of-Way (HD 36)				
Island Trails Network - Rotary Park Trail Phase II (HD 36)		8,000	8,000	
Joel's Place - ADA Compliance Remodel (HD 7-11)		10,000	10,000	
Juneau Cooperative Christian Ministries - Glory Hole Shelter Roof Replacement (HD 3-4)		65,000	65,000	
Juneau Housing Trust, Inc. - 20th Century Theater Affordable Housing Project (HD 3-4)		55,000	55,000	
Kawerak Native Corporation - Shishmaref Heavy Equipment (HD 40)		245,000	245,000	
Kenai Peninsula Food Bank, Inc. - Facility Improvements and Expansion (HD 33-35)		250,000	250,000	
Kenai Watershed Forum - Revitalization of Historic Alaska Road Commission Building in Soldotna Creek Park (HD 33-35)		20,400	20,400	
Ketchikan Area Arts & Humanities - Completion of Renovation of Main Street Gallery (Debt Retirement)		130,000	130,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1)				
Ketchikan Senior Services, Inc. - Access Road To Senior Housing-Pioneer Heights (HD 1)		250,000	250,000	
KFSK Public Radio - Building Rehab / ADA Compliance (HD 2)		60,000	60,000	
Kincaid Project Group, Inc. - Recreation & Cultural Enhancements (HD 17-32)		2,000,000	2,000,000	
No portion of this appropriation may be used for environmental remediation-related costs at the old biathlon shooting range at Kincaid Park.				
Kodiak Historical Society - Phase III Refurbishment of the Baranof Museum Historical Building (HD 36)		72,000	72,000	
Kodiak Island Sportsman's Association - Indoor Shooting Range Upgrade (HD 36)		91,000	91,000	
Kodiak Women's Resource and Crisis Center - Security Fence Replacement (HD 36)		13,000	13,000	
Ma'o Tosi Alaska PRIDE - After-School and Summer Programs (HD 17-32)		80,000	80,000	
Maniilaq Association -		10,200,000	10,200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elder Care Facility (HD 40)				
Mat-Su Valley Girl Scout Council, Togowoods Camp - Science and Technology Grant (HD 13-16)		15,000	15,000	
McGrath Native Village Council - McGrath Multi-Purpose Community Services Center (HD 6)		500,000	500,000	
Meadow Lakes Community Council, Inc. - Community Campus Sports Fields (HD 13-16)		195,000	195,000	
Metlakatla Indian Community - Metlakatla Ketchikan Intertie (HD 1-5)		2,000,000	2,000,000	
Metlakatla Indian Community - Waldon Point Road Paving Project (HD 5)		1,000,000	1,000,000	
Mid Valley Senior Center - Youth Summer Meals Program (HD 13-16)		15,000	15,000	
Mid-Valley Seniors, Inc. - Mid-Valley Senior Center Roof Replacement (HD 13-16)		35,000	35,000	
Morris Thompson Cultural and Visitors Center - Gateway Exhibit Completion		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
Mount Sanford Tribal Consortium - Chistochina Clinic and Multi-Use Facility (HD 6)		500,000	500,000	
Native Village of Unalakleet (Unalakleet IRA) - Southern Sub Regional Assisted Living Facility (HD 39)		300,000	300,000	
Newhalen Tribal Council - Fire Truck Purchase (HD 36)		50,000	50,000	
Newtok Traditional Council - Landfill Design Matching Funds (HD 38)		75,000	75,000	
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road (HD 38)		4,000,000	4,000,000	
Nikolai Edzeno Native Village Council - Nikolai Electrical Metering Project (HD 6)		60,000	60,000	
Nine Star Enterprises, Inc. - Dropout Recovery Program (HD 17-32)		50,000	50,000	
Ninilchik Native Descendants - Historical Cabin Restoration (HD 33-35)		50,000	50,000	
North Pole Economic		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Development Corporation - Public Matching fund (HD 7-11)				
North Star Volunteer Fire Department, Inc. - Fire Engine (HD 7-11)		145,000	145,000	
Orutsararmiut Native Council (ONC) - Repair and Provide Energy Efficiency for Senior Center (HD 38)		480,000	480,000	
Palmer Senior Citizens Center, Inc. - Palmer Senior Citizens Center (HD 13-16)		6,000,000	6,000,000	
Peninsula Community Health Services of Alaska, Inc. - Cottonwood Health Center Equipment (HD 33-35)		100,000	100,000	
Perseverance Theatre, Inc. - Facility Upgrades (HD 3-4)		45,000	45,000	
Portage Valley Community Council - Portage Valley Comprehensive Planning Project (HD 17-32)		20,000	20,000	
Rainbird Community Broadcasting Corporation - KRBD FM Digital Equipment Upgrade (HD 1)		70,000	70,000	
REACH, Inc. - Asbestos Abatement (HD 3-4)		25,500	25,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement Community of Fairbanks - Raven Landing Senior Community Center (HD 7-11)		876,000	876,000	
Ruby Tribal Council - Water Truck Acquisition (HD 6)		80,000	80,000	
Rural Alaska Community Action Program, Inc. - Toksook Bay Early Learning Center (HD 38)		800,000	800,000	
Rural Deltana Volunteer Fire Department - Big D Station Deferred Maintenance (HD 6)		295,000	295,000	
Rural Deltana Volunteer Fire Department, Inc. - Energy Efficiency Upgrades (HD 6)		567,050	567,050	
Salcha Fair Association - Community Water Well (HD 12)		20,000	20,000	
Salcha's Neighborly Organization - Facility and Computer Network Upgrades (HD 12)		7,000	7,000	
Sealaska Heritage Institute - Southeast Alaska Native Cultural and Visitor Center (HD 3-4)		4,000,000	4,000,000	
Senior Citizens of Kodiak,		118,200	118,200	

	Allocations	Appropriation Items	General Funds	Other Funds
Inc. - Fire Sprinkler System Replacement (HD 36)				
Shageluk IRA Council - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Shiloh Community Housing, Inc. - Transitional Housing Project (HD 17-32)		50,000	50,000	
Sitka Community Hospital Foundation, Inc. - Medical Equipment Replacement (HD 2)		50,000	50,000	
Sitka Kaagwaantaan, Inc. - Alaska Native Brotherhood Hall Renovations (HD 2)		150,000	150,000	
Skagway Traditional Council - Completion of Public Utility Building (HD 5)		200,000	200,000	
Snomads, Inc. - Willard Road Improvements (HD 33-35)		50,000	50,000	
Soldotna Little League - Capital Improvements to Bring City Water into Complex and Build Proper Bathrooms (HD 33-35)		32,700	32,700	
Sons of Norway Hall - Lodge No. 23 Hall Renovation and Repair (HD 2)		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Soteria-Alaska, Inc. - Facility Repairs (HD 17-32)		178,000	178,000	
South Anchorage Baseball Booster Club - Taylar Young Memorial Ballpark (HD 17-32)		200,000	200,000	
Southcentral Foundation - Wellness Warriors Renovation and Expansion (HD 1-40)		650,000	650,000	
Southeast Alaska Guidance Association - Eagle Valley Training Center Repair and Maintenance (HD 3-4)		57,000	57,000	
Southeast Alaska Independent Living, Inc. - Lift-Equipped Vehicles (HD 3-4)		9,700	9,700	
Southeast Alaska Solid Waste Authority - SEASWA Start-up Funding (HD 1-5)		125,000	125,000	
Southeast Conference - Energy Program Coordination (HD 1-5)		255,500	255,500	
Southeast Regional Resource Center, Inc. - Technology Upgrade (HD 3-4)		63,700	63,700	
Southern Southeast Emergency Training Center, Inc. - Facility		750,000	750,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Construction (HD 1)				
Steese Volunteer Fire Department - Steese Fire Service Area Station #2 Repair And Upgrade (HD 7-11)		100,000	100,000	
Sunshine Community Health Center, Inc. - Construction of New Community Health Clinic (HD 13-16)		423,000	423,000	
Swim Like A Fish Foundation - Drowning Prevention Public Education Program (HD 1-40)		125,000	125,000	
Talkeetna Sunshine Health Clinic - Senior Transportation Van (HD 13-16)		35,000	35,000	
Tanana Valley Sportsmen's Foundation - Installation of an Air Handling System (HD 7-11)		100,000	100,000	
Tatitlek IRA Council - Power Generators Repairs and Replacement (HD 5)		26,600	26,600	
Territorial Sportsmen, Inc. - Public Use Cabin Construction (HD 3-4)		60,000	60,000	
The Alaska Zoo - Defibrillators & Equipment (HD 17-32)		4,800	4,800	

	Allocations	Appropriation Items	General Funds	Other Funds
The First Tee, Inc. - Youth Program (HD 17-32)		50,000	50,000	
The LeeShore Center - Sewer Pipe Excavation and Window Replacement (HD 33-35)		60,000	60,000	
Tolsona Fire Department - Firefighter's Safety Equipment and Apparatus Repair (HD 6)		100,000	100,000	
Tundra Women's Coalition - Construction of Children's Advocacy Center (HD 38)		600,000	600,000	
United Human Services of Southeast Alaska, Inc. - Non-profit Center (HD 3-4)		120,000	120,000	
United Way of Anchorage - Weed & Seed Program Support (HD 17-32)		50,000	50,000	
United Way of Anchorage - Weed and Seed East Anchorage - Russian Jack Advocacy (HD 17-32)		25,000	25,000	
United Way of Anchorage - Weed and Seed East Anchorage - Tax Assistance Computers (HD 17-32)		10,000	10,000	
University of Alaska - Kachemak Bay Campus - Completion of New Facility and Bond Reimbursement (HD		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
33-35)				
Upper Susitna Shooters Association - Range Improvements (HD 13-16)		5,000	5,000	
Upper Susitna Valley Seniors Center - Seniors Meals on Wheels Program (HD 13-16)		15,000	15,000	
Valdez Senior Citizen Center - Carport Improvements (HD 12)		90,000	90,000	
VSA Arts of Alaska - Boiler Replacement (HD 17-32)		30,000	30,000	
Willow Sunshine Health Clinic - Senior Transportation Van (HD 13-16)		35,000	35,000	
World Trade Center Alaska - International Trade Partnership Project (HD 1-40)		450,000	450,000	
Yukon-Kuskokwim Health Corporation - Long Term Care Facility (HD 38)		8,328,000	8,328,000	
Yukon-Kuskokwim Health Corporation - Sobering Center (HD 38)		475,000	475,000	
Yuut Elitnaurviat - TESS Kitchen Expansion (HD 38)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *		* * * * *	
	* * * * * Department of Education and Early Development * * * * *			
	* * * * *		* * * * *	
	Grants to Named Recipients (AS 37.05.316)			
	Alaska Gateway School District - Dot Lake School Playground Equipment (HD 6)	30,000	30,000	
	Alaska Gateway School District - Tok School Biomass Energy System (HD 6)	325,000	325,000	
	Chatham School District - Angoon Elementary School Playground (HD 5)	65,000	65,000	
	Copper River School District - Copper River Connects (HD 12)	300,000	300,000	
	Southeast Island School District - Port Alexander Generator Replacement (HD 2)	12,000	12,000	
	Southeast Island School District - Port Alexander Teacher Housing Remodel & Renovation (HD 2)	23,000	23,000	
	Yukon Koyukuk School District - Emergency School Renovations and Equipment Upgrades (HD 6)	40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Yukon Koyukuk School District - Jimmy Huntington High School Mold Remediation (HD 6)		140,000	140,000	
Yukon Koyukuk School District - Ruby School Playground Equipment (HD 6)		60,000	60,000	

(SECTION 14 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 14.** The following sets out the funding by agency for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	132,037,750
*** Total Agency Funding ***	$132,037,750
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	995,000
*** Total Agency Funding ***	$995,000
* * * * * Total Budget * * * * *	$133,032,750

(SECTION 15 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 15.** The following sets out the statewide funding for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	133,032,750
Total Unrestricted General Funds	$133,032,750
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 16 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 16.** The following appropriation items are for capital project grants to upgrade commercial passenger vessel services and infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 17 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development**				* * * * *
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Native Heritage Center - Parking Expansion Project 2011 (HD 17-32)		420,000		420,000
Anchorage Museum at Rasmuson Center - Major Maintenance Project (HD 17-32)		2,000,000		2,000,000
Marine Exchange of Alaska - Alaska Vessel Tracking System Upgrades and Expansion (HD 1-40)		600,000		600,000
Southeast Alaska State Fair Inc. - Harriet Hall ADA Upgrades for Commercial Passenger Vessel Visitors (HD 5)		270,000		270,000
Grants to Municipalities (AS 37.05.315)				
Haines - Port Chilkoot		2,910,000		2,910,000

	Allocations	Appropriation Items	General Funds	Other Funds
Cruise Ship Dock Upgrade (HD 5)				
Hoonah - Harbor Improvements (HD 5)		1,000,000		1,000,000
Juneau - Centennial Hall Emergency Relief Center Improvements (HD 3-4)		1,200,000		1,200,000
Juneau - Cruise Ship Dock Replacement (HD 3-4)		9,000,000		9,000,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Replace Cruise Ship Berths I and II (HD 1)		10,000,000		10,000,000
Petersburg - Design and Construction of Commercial Dock with Vehicle Drive Down (HD 2)		1,250,000		1,250,000
Seward - Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation (HD 33-35)		300,000		300,000
Seward - Security and Fire Protection for Commercial Passenger Vessels (HD 33-35)		2,000,000		2,000,000
Sitka - Commercial Passenger Vessel Facilities and Visitor Improvements		4,500,000		4,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 2)				
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Commercial Passenger Vessel Lightering and Harbor Improvements (HD 5)		4,000,000		4,000,000
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Impacts (HD 5)		800,000		800,000
Wrangell - Commercial Passenger Vessel Facility (HD 2)		3,250,000		3,250,000
Wrangell - Waterfront Master Plan (HD 2)		75,000		75,000
Grants to Unincorporated Communities (AS 37.05.317)				
Klukwan - Purchase of Chilkat Portage Cove Dock and M/V Chilkat Express for Cruise Ship Passenger Access (HD 5)		2,000,000		2,000,000

(SECTION 17 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 17.** The following sets out the funding by agency for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	16,115,000
*** Total Agency Funding ***	$49,525,000
* * * * * Total Budget * * * * *	$49,525,000

(SECTION 18 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 18.** The following sets out the statewide funding for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	16,115,000
Total Other Non-Duplicated Funds	$49,525,000
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 19 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 19.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 20 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Municipalities (AS 37.05.315)				
Klawock - Prince of Wales Island Vocational Education Center (HD 5)		3,200,000		3,200,000
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Alaska State Library, Archives and Museum Facility Construction (HD 3-4)		18,500,000		18,500,000
Mt Edgecumbe High School Aquatic Facility (HD 1-40)		20,000,000		20,000,000
School Construction Grant Fund (AS 14.11.005)		**128,500,000**		**128,500,000**
Lower Yukon - Alakanuk K-12 School Replacement (HD 39)	46,500,000			
Lower Kuskokwim - Kipnuk K-12 School Renovation/ Addition (HD 38)	49,900,000			
Lower Kuskokwim -	32,100,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Kwigillingok K-12 School Renovation/ Addition (HD 38)				
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Near Island Research Facility (HD 36)		20,000,000		20,000,000
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Kenai Campus - Career and Technical Education Center (HD 33-35)		14,500,000		14,500,000
Kenai Campus - Student Housing (HD 33-35)		16,000,000		16,000,000
Mat-Su Campus - Valley Center for Art & Learning (HD 13-16)		23,500,000		23,500,000
Prince William Sound Community College - Campus Renovation and Renewal (HD 5)		5,000,000		5,000,000
UAA Sports Arena (HD 17-32)		60,000,000		60,000,000
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		88,000,000		88,000,000

(SECTION 20 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 20.** The following sets out the funding by agency for the appropriations made in sec. 19 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1008 General Obligation Bonds	3,200,000
*** Total Agency Funding ***	$3,200,000
Department of Education and Early Development	
1008 General Obligation Bonds	167,000,000
*** Total Agency Funding ***	$167,000,000
Department of Fish and Game	
1008 General Obligation Bonds	20,000,000
*** Total Agency Funding ***	$20,000,000
University of Alaska	
1008 General Obligation Bonds	207,000,000
*** Total Agency Funding ***	$207,000,000
* * * * * Total Budget * * * * *	$397,200,000

(SECTION 21 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 21.** The following sets out the statewide funding for the appropriations made in sec. 19 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
1008 General Obligation Bonds	397,200,000
Total Duplicated Funds	$397,200,000

(SECTION 22 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 22.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 23.** FUND CAPITALIZATION. (a) The sum of $140,000,000 is appropriated from the general fund to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(b) The following amounts are appropriated to the election fund required by the federal Help America Vote Act:

(1) interest earned on amounts in the election fund required by the federal Help America Vote Act;

(2) the sum of $1,425,000 from federal receipts;

(3) the sum of $1,550,000 from the general fund.

(c) The sum of $2,400,000 is appropriated from the general fund to the emerging energy technology fund (AS 42.45.375).

(d) The sum of $2,500,000 is appropriated from the general fund to the trauma care fund (AS 18.08.085).

*** Sec. 24.** FUND TRANSFERS. (a) The income earned during fiscal year 2011 on revenue

from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The sum of $50,250,000 is appropriated from the general fund to the renewable energy grant fund (AS 42.45.045(a)).

(c) The sum of $10,000,000 is appropriated from the general fund to the power project fund (AS 42.45.010).

*** Sec. 25.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 26.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $4,847,165 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) City of Nuiqsut	Local government operations and maintenance	$ 545,737
(2) North Slope Borough	School counselor grant application	251,243
(3) City of Atqasuk	Local government operations and youth program	403,474
(4) City of Nuiqsut	Youth center operations and maintenance	289,000
(5) North Slope Borough	Internship two-year program	391,000
(6) City of Wainwright	Wainwright youth program	327,935
(7) North Slope Borough	Mayor's job program	333,000
(8) City of Wainwright	Wainwright local government	455,776

	operations	
(9) City of Barrow	Local government operations and maintenance	1,600,000
(10) North Slope Borough	North Slope Borough volunteer search and rescue	250,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is less than the sum of the allocations made in (a) of this section, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the sum of the allocations made in (a) of this section to equal the amount received.

*** Sec. 27.** ALASKA CHILDREN'S TRUST. The sum of $3,000,000 is appropriated from the Alaska Children's Trust (AS 37.14.200) as a grant to the Alaska Community Foundation for the Friends of the Alaska Children's Trust to aid in the prevention of child abuse and neglect for the fiscal year ending June 30, 2011.

*** Sec. 28.** ALASKA ENERGY AUTHORITY. The interest earnings on the renewable energy grant fund (AS 42.45.045), estimated to be $2,000,000, are appropriated to the Alaska Energy Authority for administration of the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2011.

*** Sec. 29.** ALASKA HOUSING FINANCE CORPORATION. (a) The unexpended and unobligated balances, estimated to be a total of $1,371,893, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 83, lines 12 - 13 (AHFC maintenance workshop - $500,000), sec. 1, ch. 3, FSSLA 2005, page 64, lines 29 - 30 (AHFC Birch Park window replacement - $1,323,000), and sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 16 - 18 (AHFC Anchorage Family Investment Center (AFIC) renovation - $2,100,000) are reappropriated to the Alaska Housing Finance Corporation to build or acquire an undesignated site for relocation of the Alaska Housing Finance Corporation, Anchorage Public Housing Division, Family Investment Center, client intake, and assisted housing office.

(b) The unexpended and unobligated balances, estimated to be a total of $2,963,474, of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 14 - 15 (AHFC Alpine Terrace renovation - $6,450,000), sec. 1, ch. 1,

SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 25 - 26 (AHFC Pacific Terrace replacement - $11,426,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 27 - 28 (AHFC Ptarmigan Park renovation - $1,784,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 29 - 30 (AHFC Sea View Terrace renovation - $3,508,000), and sec. 13, ch. 29, SLA 2008, page 156, lines 23 - 24 (AHFC Etolin Heights roofing replacement - $500,000) are reappropriated to the Alaska Housing Finance Corporation to demolish and reconstruct units of public housing of the San Roberto redevelopment project in Anchorage.

(c) The sum of $1,700,000 is appropriated from the general fund to the Alaska Housing Finance Corporation for the development of an in-state natural gas pipeline for the fiscal year ending June 30, 2010.

* **Sec. 30.** DEPARTMENT OF ADMINISTRATION. The sum of $315,000 is appropriated from the general fund to the Department of Administration, office of public advocacy, for legal and advocacy services for the fiscal year ending June 30, 2010.

* **Sec. 31.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $35,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program prescribed in AS 13.50.150 for the fiscal year ending June 30, 2011.

(b) The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

* **Sec. 32.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and unobligated balance, not to exceed $5,500,000, of the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, as amended by sec. 8(b), ch. 14, SLA 2009 (Department of Health and Social Services, MH Southcentral Foundation Residential Psychiatric Treatment Center, match for Bring the Kids Home - $7,000,000) is reappropriated to the Department of Health and Social Services for planning and design of the Alaska Center for Treatment.

* **Sec. 33.** DEPARTMENT OF NATURAL RESOURCES. Section 10, ch. 29, SLA 2008,

page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

*** Sec. 34.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The sum of $60,000,000 is appropriated from the Alaska marine highway vessel replacement fund (AS 37.05.550) to the Department of Transportation and Public Facilities for construction of an Alaska marine highway Alaska class ferry.

(b) It is the intent of the legislature that the new Alaska class ferry be constructed at a shipyard facility located in the state unless the commissioner of transportation and public facilities

(1) determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the work required; or

(2) determines, after taking into consideration the Alaska bidder preference set out in AS 36.30.170 and the interport differential, that the proposed cost of the construction work is unreasonable.

(c) Section 58(c), ch. 3, FSSLA 2005, as amended by sec. 20(p), ch. 30, SLA 2007, is amended to read:

(c) Subject to sec. 62, ch. 3, FSSLA 2005, the sum of $40,300,000 is appropriated from the Alaska capital income fund to the Department of Transportation and Public Facilities for the following projects in the amounts stated, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	AMOUNT
Alaska marine highway **facility in Ward Cove** [ALL-TIDE LAY-UP FACILITY]	$5,000,000
DeLong Mountain, port expansion EIS	500,000

completion	
Denali Borough, Stampede Road Improvements	200,000
Industrial roads	3,300,000
King Cove Road	2,000,000
McCarthy Road, major maintenance	2,000,000
Nome warm storage building construction	1,000,000
North Slope, Foothills West Road EIS	3,000,000
North Slope, Bullen Point EIS	4,500,000
Dalton Highway, surfacing upgrades	6,000,000
Dalton Highway, Washington Creek Bridge	3,500,000
Parks Highway reconstruction	1,800,000
Richardson Highway, highway passing lanes, Milepost 265 - 341	5,000,000
Richardson Highway, Shaw Creek Bridge	2,500,000

(d) Section 1, ch. 159, SLA 2004, page 40, lines 30 - 32, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #3] (ED 1-5)	25,000,000

(e) Section 1, ch. 159, SLA 2004, page 40, line 33, through page 41, line 4, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #4] (ED 1-5)	43,000,000

* **Sec. 35.** HOUSE DISTRICT 2. Section 16, ch. 29, SLA 2008, page 181, lines 22 - 24, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Petersburg - Commercial Passenger Vessel Berthing, **Power, Uplands, and Aesthetic Improvements** [AND POWER UPGRADES] (HD 2)	1,250,000	1,250,000

*** Sec. 36.** HOUSE DISTRICTS 3 - 4. The unexpended and unobligated balance, estimated to be $48,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 6, lines 14 - 16 (Boys and Girls Club of Southeast Alaska, capital needs - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Juneau Youth Services for residential facility maintenance and repairs.

*** Sec. 37.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balances, estimated to be a total of $1,500,000, of the appropriations made in sec. 16, ch. 29, SLA 2008, page 180, lines 26 - 28 (Hoonah, cruise ship mooring buoy system - $500,000) and sec. 4, ch. 15, SLA 2009, page 44, lines 24 - 26 (Hoonah, cruise ship mooring buoy system - $1,000,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hoonah for cruise ship passenger walkway construction and upgrades.

(b) The unexpended and unobligated balance, not to exceed $200,000, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, lines 14 - 16 (Craig, Prince of Wales health care facility - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for fish processing capacity and community cold storage.

(c) The unexpended and unobligated balance, estimated to be $150,000, of the appropriation made in sec. 1, ch. 30, SLA 2007, page 63, lines 17 - 18 (Klawock, water and sewer improvements - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Klawock for community projects and improvements.

(d) The unexpended and unobligated balance, not to exceed $150,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 82, lines 28 - 30 (Yakutat, water and

sewer facility upgrade and improvements - $750,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for an electrical system conduit and power generation planning, design, and construction.

(e) The unexpended and unobligated balance, estimated to be $12,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 11, lines 17 - 18 (Chatham School District, Angoon van - $40,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for equipment purchases and upgrades.

(f) The unexpended and unobligated balances, estimated to be a total of $7,500, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 28 - 30 (Whale Pass Community Association, fire hall roof replacement - $15,000) and sec. 1, ch. 3, FSSLA 2005, page 12, lines 31 - 33 (Whale Pass Community Association, library roof replacement - $5,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Whale Pass Community Association for community projects and improvements.

(g) The unexpended and unobligated balance, estimated to be $11,800, of the appropriation made in sec. 37(a), ch. 159, SLA 2004 (Angoon, matching funds for fisheries economic development grants) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects, equipment, and improvements.

(h) The unexpended and unobligated balance, estimated to be $37,500, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 92, lines 11 - 13 (Angoon Community Association, Road grader - $300,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for projects, equipment, and improvements for Angoon schools.

(i) The unexpended and unobligated balances, estimated to be a total of $11,000, of the appropriations made in sec. 34(a), ch. 30, SLA 2007 (Angoon Community Association, emergency medical equipment for Angoon EMS), sec. 34(e), ch. 30, SLA 2007 (Angoon Community Association, fire truck), and sec. 34(f), ch. 30, SLA 2007 (Angoon Community Association, building renovation) are reappropriated to the Department of Commerce,

Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for projects, equipment, and improvements for the Angoon head start program.

*** Sec. 38.** HOUSE DISTRICT 6. (a) The unexpended and unobligated balance, estimated to be $80,000, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 62, lines 23 - 26 (Chalkyitsik, overhead electrical distribution system wiring renovation - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Chalkyitsik for community projects and improvements.

(b) The unexpended and unobligated balance, estimated to be $53,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 16, lines 15 - 19 (Galena, expert legal and technical analysis for proposed mini-nuclear power plant - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Galena for community projects and improvements.

(c) The unexpended and unobligated balances, estimated to be a total of $90,000, of the appropriations made in sec. 1, ch. 30, SLA 2007, page 77, lines 16 - 17 (Tyonek, new emergency fire truck - $45,000) and sec. 10, ch. 29, SLA 2008, page 63, lines 11 - 12 (Tyonek, fire truck acquisition - $45,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Tyonek for community projects, equipment, and improvements.

*** Sec. 39.** HOUSE DISTRICTS 7 - 11. (a) The unexpended and unobligated balances, estimated to be a total of $61,000, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 23, lines 22 - 27 (Fairbanks North Star Borough, North Star Volunteer Fire Department facility exhaust and ventilation improvements - $200,000) and sec. 1, ch. 3, FSSLA 2005, page 23, lines 28 - 31 (Fairbanks North Star Borough, Two Rivers Elementary School gym floor replacement - $70,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for the Birch Hill Disaster Communications project.

(b) The unexpended and unobligated balance, estimated to be $1,792,900, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 16, lines 17 - 18 (Ice Alaska, ice park facilities, event - $2,000,000) is reappropriated to the Department of Commerce, Community,

and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for tourism and community development and an ice park.

*** Sec. 40.** HOUSE DISTRICT 12. The unexpended and unobligated balance, estimated to be $22,200, of the appropriation made in sec. 41(a)(7), ch. 3, FSSLA 2005 (Glacier View Community Council, purchase fire-fighting equipment and training - $43,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Glacier View Community Council for purchasing fire-fighting equipment, training, and drilling a well to be used as a water source for fire-fighting.

*** Sec. 41.** HOUSE DISTRICTS 13 - 16. The unexpended and unobligated balances, estimated to be a total of $264,500, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 43, lines 14 - 16 (Matanuska-Susitna Borough, Fish Hook Fire Station on Turner Drive - $100,000) and sec. 1, ch. 3, FSSLA 2005, page 27, line 32, through page 30, line 3 (Matanuska-Susitna Borough, Colony High School running track - $172,502) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for a new fire engine for the Greater Palmer Fire Service Area.

*** Sec. 42.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance, estimated to be $8,400, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 5, lines 29 - 32 (Areawide Council, Veteran's Memorial, new panels and landscaping beautification - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Areawide Council for new panels and landscaping beautification for the Veteran's Memorial.

(b) The unexpended and unobligated balance, estimated to be $76,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 20 - 21 (The Children's Place, expansion - $90,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to The Children's Place for expansion.

(c) The unexpended and unobligated balance, estimated to be $1,980,000, of the appropriation made in sec. 52(*l*), ch. 3, FSSLA 2005 (Wasilla, Wasilla to Big Lake trail - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic

Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Wasilla to Big Lake trail.

(d) The unexpended and unobligated balance, estimated to be $31,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 22, lines 19 - 22 (Wasilla, sports complex emergency generators and kitchen - $600,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for emergency generators and a kitchen for the sports complex.

(e) The unexpended and unobligated balance, estimated to be $5,000, of the appropriation made in sec. 42(i), ch. 3, FSSLA 2005 (Wasilla, Old Knik landfill/Smith Ball Fields ground water investigation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Old Knik landfill/Smith Ball Fields ground water investigation.

(f) The unexpended and unobligated balances, estimated to be a total of $851,900, of the appropriations made in sec. 52(j), ch. 3, FSSLA 2005 (Wasilla, design of an extension of East Susitna Avenue - $125,000) and sec. 13, ch. 29, SLA 2008, page 133, lines 18 - 19 (Wasilla, East Susitna Avenue extension - $750,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for improvements to Swanson Avenue and Nelson Avenue.

(g) The unexpended and unobligated balance, estimated to be $116,600, of the appropriation made in sec. 52(i), ch. 3, FSSLA 2005 (Wasilla, Mission Hills water line extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for a new downtown water station.

* **Sec. 43.** HOUSE DISTRICT 15. The unexpended and unobligated balance, estimated to be $17,500, of the appropriation made in sec. 7, ch. 29, SLA 2008, page 13, lines 3 - 6 (Big Lake Chamber of Commerce, community information center - $17,500) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Big Lake Lions Club for a community information center.

* **Sec. 44.** HOUSE DISTRICTS 17 - 32. (a) Section 7, ch. 29, SLA 2008, page 22, lines 30 -

32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Service High School Football Field Turf Design **and Construction** (HD 17-32)	500,000	500,000

(b) Section 10, ch. 29, SLA 2008, page 50, lines 21 - 23, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - South High School Artificial Turf Field Design **and Construction** (HD 17-32)	500,000	500,000

(c) Section 13, ch. 29, SLA 2008, page 105, lines 9 - 11, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Central Middle School Stage Floor Refinishing **and Projector Screen, Sound System, and Curtains Replacement and Installation** (HD 17-32)	20,000	20,000

(d) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the Anchorage Scenic Park Subdivision area curb replacement project.

(e) The unexpended and unobligated balance, not to exceed $13,500, of the

appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Scenic Foothills Community Council to fund reinstatement of the Scenic Foothills community patrol for the fiscal year ending June 30, 2011.

(f) If the amount available for appropriation in (d) and (e) of this section is less than $88,500, the reappropriations made in (d) and (e) of this section shall be reduced in proportion to the amount of the shortfall.

(g) The unexpended and unobligated balance, estimated to be $4,480, of the appropriation made in sec. 1, ch. 82, SLA 2003, page 13, lines 23 - 26 (Chugiak/Eagle River Chamber of Commerce, town center revitalization project - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for library book acquisition for the Chugiak-Eagle River Branch Library.

*** Sec. 45.** HOUSE DISTRICT 26. The unexpended and unobligated balance, estimated to be $121,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 41, lines 30 - 33 (Anchorage, West Northern Lights sound barrier wall construction - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Anchorage Parks Foundation for Margaret Eagan Sullivan Park improvements.

*** Sec. 46.** HOUSE DISTRICTS 33 - 34. (a) The unexpended and unobligated balance, not to exceed $99,500, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 4, lines 12 - 15 (Agrium U.S., Inc., Phase II development of the Kenai coal gasification project - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kenai Peninsula Economic Development District for Cook Inlet tidal power analysis.

(b) The unexpended and unobligated balance, not to exceed $20,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the North Peninsula

Recreation Service Area for replacement of the shower at the Nikiski Pool.

(c) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kasilof Regional Historical Association for protection of the dunes at the mouth of the Kasilof River.

(d) The unexpended and unobligated balance, not to exceed $50,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Central Emergency Services for the off-highway rescue project.

(e) The unexpended and unobligated balance, not to exceed $73,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Nikiski Fire Service Area for the purchase of a new ambulance.

(f) If the amount available for appropriation in (b) - (e) of this section is less than $203,000, the reappropriations made in (b) - (e) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 47.** HOUSE DISTRICT 34. (a) The unexpended and unobligated balance, not to exceed $55,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Ninilchik Fair Association for fairground improvements.

(b) The unexpended and unobligated balance, not to exceed $45,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency

Services for vehicle purchase and improvements and equipment purchase and improvements.

(c) If the amount available for appropriation in (a) and (b) of this section is less than $100,000, the appropriations made in (a) and (b) of this section shall be reduced in proportion to the amount of the shortfall.

(d) The unexpended and unobligated balances, estimated to be a total of $41,500, of the appropriations made in sec. 41(d), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center building expansion project) and sec. 41(e), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center sanitary facility) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikiski Senior Citizens, Inc., for Nikiski Senior Center improvements.

*** Sec. 48.** HOUSE DISTRICT 35. The unexpended and unobligated balance, estimated to be $1,457,700, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 118, lines 26 - 27 (Homer, Homer City Hall - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Homer for renovation of and additions to Homer City Hall.

*** Sec. 49.** HOUSE DISTRICT 37. The unexpended and unobligated balance, estimated to be $6,300, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 20, lines 18 - 21 (Saint George, harbor planning, engineer, FEMA disaster reconstruct - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Saint George for community facilities and equipment upgrades.

*** Sec. 50.** HOUSE DISTRICT 38. Section 34(c), ch. 15, SLA 2009, is amended to read:

(c) The unexpended and unobligated balances**, estimated to be a total of $462,500,** of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital

projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, **2011** [2010].

* **Sec. 51.** HOUSE DISTRICT 39. The unexpended and unobligated balance, estimated to be $35,800, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, line 7 (City of Chevak, loader - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Chevak for purchase of a city vehicle.

* **Sec. 52.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances, estimated to be a total of $2,200,000, of the appropriations made in sec. 1, ch. 12, SLA 2009, page 45, line 4 (Legislative Council - $34,930,800) and sec. 1, ch. 12, SLA 2009, page 45, line 13 (legislative operating budget - $11,637,400) are reappropriated to the Legislative Council for repair and renovation of legislative buildings and facilities.

(b) The unexpended and unobligated balance, estimated to be $7,700,000, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the budget reserve fund (AS 37.05.540).

* **Sec. 53.** CONTINGENCY. (a) The appropriation made in sec. 23(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law

of a bill creating an emerging energy technology fund at AS 42.45.375.

(b) The appropriation made in sec. 23(d) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a bill creating a trauma care fund at AS 18.08.085.

(c) The appropriation made in sec. 29(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a version of HB 369.

(d) If a bill decreasing the tax rate under AS 43.52.210 to an amount less than $46 is passed by the Twenty-Sixth Alaska State Legislature and enacted into law, then the appropriations made in sec. 18 of this Act are reduced in proportion to the amount of a shortfall that is due to a decrease in the tax rate.

* **Sec. 54.** LAPSE. (a) The appropriations made in secs. 23, 24, 25(1), and 52(b) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made in secs. 26, 29, 32, 34(a), 36, 37(e), 37(f), 37(h), 38(a), 38(c), 40, 42(a), 42(b), 43, 44(e), 45, 46(a) - (e), 47(a), 47(b), 47(d), and 52(a) of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project, unless specifically identified in this Act as an operating grant, and lapses under AS 37.25.020 unless otherwise stated or designated for a fiscal year.

* **Sec. 55.** RETROACTIVITY. Section 29(c) of this Act is retroactive to March 1, 2010.

* **Sec. 56.** Sections 1, 4, 10, 30, 31(b), and 34 of this Act take effect April 19, 2010.

* **Sec. 57.** Sections 29(a), 29(b), 32, and 35 - 52 of this Act take effect June 30, 2010.

* **Sec. 58.** Sections 29(c), 53(c), and 55 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 59.** Except as provided in secs. 56 - 58 of this Act, this Act takes effect July 1, 2010.

SB 234

<target><bill>SB 234</bill><subject>SB 234</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Senator Kevin Meyer
Senate District O

HCS CSSB 234(L&C) SPONSOR STATEMENT

TITLE: "An Act relating to the voting procedures of the Alcoholic Beverage Control Board; allowing the Alcoholic Beverage Control Board to release information contained in the statewide database of alcohol purchases and shipments to the person who purchased the alcohol or to whom the alcohol was shipped; extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

AS 04.06.010 established the Alcoholic Beverage Control Board (ABC Board) and provided for the appointment of members by the governor. The ABC Board consists of five members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. Two members of the board shall be persons actively engaged in the alcoholic beverage industry; at least three members of the board shall represent the general public.

HCS CSSB 234, if enacted, would extend the ABC Board for one year to June 30, 2011.

In the opinion of Legislative Audit, the Alcoholic Beverage Control Board (ABC Board) should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the state's alcoholic beverage control laws and regulations.

During the review process of the sunset audit, there were questions raised about the decision of the Legislature to move the ABC Board from the Department of Revenue to the Department of Public Safety. These questions should be asked and the issue investigated in depth. This one year extension will give the Legislature time over the interim of 2010 to review the decision and move forward with legislation extending the Board to 2014 as recommended by the Division of Legislative Audit.

In House Labor & Commerce two changes were approved to the original sunset bill, (1) Removing the Executive Director's tie-breaking vote; and (2) Granting access to the statewide alcohol database to the subjects of that database.

26-LS1350\P

April 14, 2010

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 234(FIN)**

"An Act relating to the voting procedures of the Alcoholic Beverage Control Board; allowing the Alcoholic Beverage Control Board to release information contained in the statewide database of alcohol purchases and shipments to the person who purchased the alcohol or to whom the alcohol was shipped; relating to the access of persons under 21 to premises where alcoholic beverages are sold, served, or consumed; extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

SB 234-ALCOHOLIC BEVERAGE CONTROL BD

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 234 (L&C)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [✓] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DPS		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
Anna Fairclough	FAIRCLOUGH	✓			
	Taylor	✓			
	Salmon	X			
	Gara	✓			
	AUSTERMAN	X			
	KELLY	✓			
	DOOGAN	✓			
Chair:	Stoltze	X			
Chair:	Hawker	X			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SB234
() Publish Date:

Identifier (file name): SB234HCSCS(FIN)-DPS-ABCB-04-14-10
Dept. Affected: DPS
Title: EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD
RDU: Statewide Support (165)
Component: Alcoholic Beverage Control Board
Sponsor: Senator Meyer
Requester: House Labor & Commerce
Component Number: 2690

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		1,015.2					
Travel		85.9					
Contractual		285.1					
Supplies		29.6					
Equipment		16.3					
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1,432.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE				$0			
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts		1,314.6					
1037 GF/Mental Health							
1007 Interagency Receipts		117.5					
TOTAL	**0.0**	**1,432.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time		11.00					
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation extends the Alcoholic Beverage Control Board one year.

Amends AS 04.06.060 removing the director from casting a tie-breaking vote.

Prepared by: Shirley A. Gifford, Director — Phone 269-0351
Division: ABC Board — Date/Time 4/15/2010
Approved by: Joe Masters — Date 4/15/2010
Commissioner

(Revised 11/5/2009 CMB)

Summary of Changes to HCS CSSB 234 (L&C) – Version 26-LS1350\P

House Labor & Commerce approved two changes to the original sunset bill:

1. Section 1 – Removing the Executive Director's tie-breaking vote

2. Section 2 – Granting access to the statewide alcohol database to the subjects of that database

Division of Legislative Audit

Report Digest #12-20063-09

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review on the Department of Public Safety, Alcoholic Beverage Control Board,

August 14, 2009

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Alcoholic Beverage Control Board (ABC Board or the Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective and efficient manner. As required by AS 44.66.050 (a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the ABC Board should be reestablished. Currently, under AS 44.66.010(a)(1), the Board will terminate on June 30, 2010 and will have one year from that date to conclude its administrative operations.

The primary objective of this audit was to determine whether there is a public need for the Board and if its existence should be extended. The secondary objective was to determine if the ABC Board is serving the public interest in regards to licensing/permitting functions, administrative activities, board activities, and enforcement activities by reviewing these major functions for effectiveness and efficiency of operations.

REPORT CONCLUSIONS

In our opinion, the ABC Board should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the State's alcoholic beverage control laws and regulations.

With the exceptions noted in the Findings and Recommendations section of this report, the ABC Board is operating in the public interest. However, improvements are needed to improve the effectiveness and efficiencies of its operations.

This is the third audit performed in the last seven years in which we have recommended a stronger internal control environment be implemented to include written policies and operating procedures, as well as a strategic plan governing enforcement activities. Although the current director has taken immediate action to make improvements to the ABC Board, we are nonetheless concerned that certain issues in the last three audits have not yet been addressed. Therefore, we recommend that AS 44.66.010(a)(1) be amended to extend the termination date of the Alcoholic Beverage Control Board to June 30, 2014.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The ABC Board members and director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

There is no enforcement strategy to prioritize and apply resources in a cohesive fashion to enforce the alcoholic beverage laws. The agency does not know if inspecting and checking half the licenses is a good or bad outcome for their efforts, an effective or efficient use of their resources, or in the best interest of the public.

The ABC Board continues to be without a systematic strategy to ensure resources are used effectively and efficiently to enforce the alcoholic beverage laws. The ABC Board members and director should make it a priority to develop and implement goals for enforcement activities that have tangible metrics.

Recommendation No. 2

The ABC Board members and director should develop and enforce written policies and procedures to ensure the staff's compliance with state laws and decisions made by the board and director.

There are instances of non-compliance and non-enforcement with state laws, overpayments to municipalities, possible nonpayment of fees by license holders, and incomplete and inaccurate tracking of data. The ABC Board staff's lack oversight and accountability over their activities to ensure compliance with state laws and decisions made by the board and director.

The ABC Board members and director should ensure written policies and procedures are developed, and followed by staff to ensure compliance with state laws and directives from the board and director.

---

* Requires Acrobat Reader

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

August 14, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities and the attached report is submitted for your review.

DEPARTMENT OF PUBLIC SAFETY
ALCOHOLIC BEVERAGE CONTROL BOARD
SUNSET REVIEW
July 27, 2009

Audit Control Number
12-20063-09

This review examines the activities of the Alcoholic Beverage Control Board (ABC Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner. Alaska Statute 44.66.010 specifies that the ABC Board will terminate on June 30, 2010, and will have one year from that date to conclude its administrative operations. We recommend that the legislature extend the ABC Board's termination date until June 30, 2014.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	13
Appendices:	
A. Schedule of Revenues	23
B. Schedule of Expenditures	25
C. Licenses, Permits, and Fees	27
Agency Reponses:	
Alcoholic Beverage Control Board	29
Department of Public Safety	35

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Alcoholic Beverage Control Board (ABC Board or the Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the ABC Board should be re-established. Currently, under AS 44.66.010(a)(1), the Board will terminate on June 30, 2010 and will have one year from that date to conclude its administrative operations.

Objectives

The ABC Board was created to regulate the manufacture, sale, barter, and possession of alcoholic beverages in order to protect the public health, safety, and welfare of citizens in the State.

To this end, the primary objective of this audit was to determine whether there is public need for the Board and if its existence should be extended.

The secondary objective was to determine if the ABC Board is serving public interest in regards to licensing/permitting functions, administrative activities, board activities, and enforcement activities by reviewing these major functions for effectiveness and efficiency of operations.

Scope

Alaska Statute 44.66.050 outlines the factors to be considered in determining whether the Board has demonstrated public need for its continued existence. We reviewed the ABC Board's activities that occurred from FY 07 through FY 09. We also reviewed the board's proceedings to determine whether it complied with Alaska Statutes and regulations.

Methodology

In order to meet the various objectives of the audit, our fieldwork included:

- Review of Title IV; and Title 13, Chapter 104 of the Alaska Administrative Code to determine the ABC Board's compliance to its statutes and regulations.
- Attendance at the February and May 2009 ABC Board meetings. Examination of the ABC Board meeting records to identify board actions. We obtained notifications from the

Alaska Online Public Notice System, and used board meeting minutes to verify compliance with the public notice and board meeting requirements.

- Analysis of the ABC Board's enforcement records and the DPS information system, APSIN, case data for enforcement activities.

- We performed a reconciliation between the ABC Board's licensing database fees and the State Accounting System financial accounts. Using ALDER management reports and the ABC Board's licensing database information, we prepared a schedule of revenues, expenditures, and a list of licensing fees for FY 07 through FY 09.

- On a sample basis we selected 86 license files for examination of compliance with the ABC Board statutes, regulations, and procedures.

- We reviewed newspaper articles pertaining to liquor licensing in Alaska.

- We surveyed local governing bodies, law enforcement agencies, community groups (community councils and Mother's Against Drunk Driving) and active licensees for their opinions on the operations and decisions of the ABC Board.

  The survey questionnaires were sent to all the police departments, using information from the Alaska Peace Officer Association and to Village Public Safety Officers. All local governing bodies and community and village councils were surveyed. For the approximately 1800 active licensees, we selected a random and judgmental sample totaling 385 licensees.

Survey Group	Response Rate
Local Government	45%
Law Enforcement	48%
Active Licensees (Sample Basis)	48%
Community Groups	19%

- We tallied and analyzed responses from the survey for use in the analysis of public need section of the report

- We examined miscellaneous documents related to the board's operations as necessary for evaluating if the Board is operating in the public interest.

- We interviewed the ABC Board's staff, the director, the current board chair, and various individuals from other state agencies. We also contacted the Alaska Ombudsman; the Office of Victim's Rights Commission; Human Rights Commission; U.S. Equal Opportunity Office; Department of Administration, Division of Personnel; and Boards and Commissions regarding any complaints against the ABC Board.

ORGANIZATION AND FUNCTION

The Alcoholic Beverage Control Board (ABC Board or the Board) was established in 1959 by Title IV of the Alaska Statutes as a regulatory and quasi-judicial agency. For administrative purpose, the ABC Board is located within the Department of Public Safety (DPS). The Board controls the manufacture, barter, possession, and sale of alcoholic beverages in the State. The duties of the Board include overseeing the issuance, transfer, renewal, suspension, and revocation of licenses, and proposing and adopting regulations necessary to carry out the purposes of governing statutes in a manner that will protect the public health, safety, and welfare. In addition, the Board may grant peace officer powers to persons employed for the administration of Title IV. These powers are used as necessary for the enforcement of the criminally punishable provisions of the Title, regulations of the Board, and other criminally punishable laws and regulations including laws against prostitution and gambling. These powers are subject to the concurrence of the DPS commissioner.

The Board is composed of five members appointed by the governor and confirmed by the legislature. State law requires two board members be persons actively involved in the alcoholic beverage industry (excluding wholesale) and at least three members representing the general public. No three members of the Board may be engaged in the same business, occupation, or profession. Board members, including their immediate family, representing the general public, may not have any financial interest in the alcoholic beverage industry. Board members are appointed for overlapping three-year terms. A director, appointed by the governor, serves as the executive officer and is responsible for enforcing Title IV and the regulations adopted by the Board.

Exhibit 1

Alcoholic Beverage Control Board Members as of July 15, 2009

Robert Klein, Chairman
Anchorage, Industry Member
Term expires March 1, 2011

Ethan Billings
Juneau, Industry Member
Term expires March 1, 2012

Belen Cook
Cordova, Public Member
Term expires March 1, 2010

Joseph DelDonno
Anchorage, Public Member
Term expires March 1, 2011

Ellen Ganley
Fairbanks, Public Member
Term expires March 1, 2012

Title IV specifies the type of licenses, licensing fees and the activities allowed under each class of license issued by the Board. Title IV also establishes procedures for the issuance of new and renewal licenses.

ABC Board employees ensure that the approximately 1,800 licensees comply with Title IV. Employees provide three functions that involve licensing, enforcement, and administration activities. These services are briefly described as follows:

- Licensing

  The three-member licensing staff is responsible for processing license and permit applications, maintaining licensing records and files, collecting licensing fees, and

answering licensing questions asked by the public and licensees. The licensing supervisor is also responsible for preparing board meeting packets and for recording and transcribing the board meeting minutes.

- Enforcement

  The six-member enforcement staff currently consists of two Anchorage-based investigators, one Fairbanks-based investigator, one Juneau-based investigator, one Anchorage-based administrative clerk, and one Anchorage-based enforcement supervisor. Investigators perform various duties including inspecting licensed premises, investigating complaints of suspected licensing violations, conducting compliance checks, and responding to questions from licensees and the public. Investigators monitor server training courses and perform background checks on applicants. They also give lectures relating to alcoholic beverage control laws and regulations on behalf of the Board and provide Title IV training to law enforcement agencies on request. The administrative clerk maintains the statewide written order database which contains a monthly record of the alcohol purchased by, and shipped to a person who resides in a municipality or established village that has restricted the sale of alcohol beverages.

- Administration

  The ABC Board's director and an administrative assistant comprise the administrative staff. Administrative duties include preparation of budget documents, calculation and issuance of revenue sharing payments to local municipalities, issuing public notices, processing of vendor invoices, and the preparation of bank deposits. The director provides oversight, guidance and direction to staff, participates in public hearings and meetings, and addresses inquiries and requests from licensees, law enforcement agencies, and the general public.

The ABC Board's office is located in Anchorage. In FY 09, the Board has an operating budget of approximately $1.3 million for its ten staff positions and activities (excluding revenue sharing).

REPORT CONCLUSIONS

In our opinion, the Alcoholic Beverage Control Board (ABC Board) should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the state's alcoholic beverage control laws and regulations.

With the exceptions noted in the Findings and Recommendations section of this report, the ABC Board is operating in the public interest. However, improvements are needed to improve the effectiveness and efficiencies of its operations.

This is the third audit performed in the last seven years in which we have recommended a stronger internal control environment be implemented to include written policies and operating procedures as well as a strategic plan governing enforcement activities. The current director assumed these responsibilities in January 2009, and has made significant improvements in a matter of a few months. The current director has been proactive in improving daily operational functions and addressing outstanding and current audit issues. Although the current director has taken immediate action to make improvements to the ABC Board, we are nonetheless concerned that certain issues in the last three audits have not yet been addressed. Therefore, we recommend that AS 44.66.010(a)(1) be amended to extend the termination date of the Alcoholic Beverage Control Board to June 30, 2014.

FINDINGS AND RECOMMENDATIONS

A current status of the previous sunset audit[1] four recommendations are presented below.

Prior Audit Recommendation No. 1 – The Alaska Beverage Control Board's (ABC Board or the Board) members and director should strengthen the control environment over alcohol regulatory functions.

This recommendation has been partially resolved. However, continued improvements are needed to improve the licensing database data, procedures, and retention of documents. These issues are further addressed in the current Recommendation No. 2 of this report.

Prior Audit Recommendation No. 2 – The ABC Board members and director should develop and implement an overall plan of enforcement activities to ensure the effective allocation of their resources.

This recommendation has not been resolved. An overall strategy has not been implemented to ensure enforcement goals are met in an efficient and effective manner. The Board continues to lack a strategy for selecting licensed premise inspections and compliance checks. Some data is entered inconsistently or inaccurately into the enforcement database system. Improvements for enforcement are discussed at Recommendations No. 1 and No. 2.

Prior Audit Recommendation No. 3 – The ABC Board's director should ensure compliance with public notice requirements and establish procedures to ensure board meeting records are complete and accurate.

This recommendation has not been implemented. The ABC Board's staff is still not providing adequate public notification of its board meetings, and meeting records are still incomplete. (See current Recommendation No. 2 for further details.)

Prior Audit Recommendation No. 4 – The legislature should consider amending Title IV to remove the voting ability of the board's director.

The ABC Board's director periodically votes on issues decided in board meetings. AS 04.06.060 provides, "*If a majority of the board is present and voting, the director, with the consent of the members present, may cast a tie-breaking vote.*"

Allowing the director a vote removes an important check and balance of good government – a separation of the executive and quasi-judicial functions. To ensure an appropriate balance

[1]Department of Public Safety, Alcoholic Beverage Control Board, August 31, 2006, (Audit Control No. 12-20047-06).

4626

of government, we recommended that the legislature consider amending the statute to remove the director's voting ability.

The situation remains the same and there is no current legislation to address this issue. The board and the director have not reached a concurrence of opinion in developing a better methodology in solving this matter that occurs infrequently.

Current Recommendations

Recommendation No. 1

The ABC Board members and director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

There is no enforcement strategy to prioritize and apply resources in a cohesive fashion to enforce the alcoholic beverage laws. The ABC Board's enforcement investigators[2] are charged with enforcing alcoholic beverage laws and are currently given wide individual latitude in selecting licensees to inspect or check for compliance. However, without quantifiable and objective goals and a review process, the agency does not know if inspecting and checking half the licenses is a good or bad outcome for their efforts, an effective or efficient use of their resources, or in the best interest of the public.

Review of the enforcement database indicates that of the approximately 1800 current active licenses, 47% had premise inspections[3] and 50% had compliance checks[4] during the three-year period of FY 07 through FY 09. The remainder of the licenses were not inspected or checked for compliance during this period. It also appears many licenses were inspected multiple times, while many were not inspected at all. The ABC Board continues to be without a systematic strategy to ensure resources are used effectively and efficiently to enforce the alcoholic beverage laws.

The ABC Board members and director should make it a priority to develop and implement goals for enforcement activities that have tangible metrics. This plan should maximize their resources and provide direction to investigators to ensure they are performing their duties effectively and efficiently, and according to the direction of the board and director.

[2]The ABC Board's enforcement staff consists of four investigators, with one based in Juneau, one based in Fairbanks, two based in Anchorage, as well as an enforcement supervisor in Anchorage. One Anchorage inspector is specifically assigned to conducting compliance checks. Premise inspections are conducted by the three remaining investigators.

[3]A premise inspection involves an enforcement investigator inspecting a licensed premise for compliance to the alcohol beverage laws.

[4]Compliance checks specifically involve determining whether licensees or agents of the licensee are furnishing alcohol to persons under the drinking age limit of 21 years and over-serving to patrons.

Recommendation No. 2

The ABC Board members and director should develop and enforce written policies and procedures to ensure their staff's compliance with state laws and decisions made by the board and director.

There are instances of non-compliance and non-enforcement with state laws, overpayments to municipalities, possible nonpayment of fees by license holders, and incomplete and inaccurate tracking of data. The ABC Board's staff lacks oversight and accountability over their activities to ensure compliance with state laws and decisions made by the board and director. Specific issues include:

1. Records Retention. The ABC Board's staff is not consistently retaining documents in accordance with the State records retention laws and the ABC Board's statutes with respect to premise inspection reports, notice of violations, criminal history records, permit applications, and notification letters.

   Premise inspection reports document an investigator's inspection of a licensed premise. Notices of violations communicate to a licensee and to the ABC Board alcoholic beverage violations by the license holder or agents of the licensee. The Board uses the criminal history records for evaluating an applicant's qualification for issuance, transfer, or renewal of an alcohol license.[5] The data from these documents should be recorded in the enforcement database; however, not all documents are retained to confirm the completeness and accuracy of the data.

   Applications received for issuance of caterers, special events, and other permits are also not retained. These applications provide important information regarding the event and conditions of approvals (e.g. police department authorizations and the ABC Board's approval).

   Notification letters to local governing bodies and expired license notifications were missing from the license files. A written notice to the local governing body is to be given within ten days after receipt of an application so that the local governing body may protest the issuance, renewal, relocation, or transfer of a license.[6] Additionally, the director is to mail a notice of expiration to each licensee who has not renewed.[7]

   All these documents serve to provide important evidence of, and support for, the board and director's actions. The staff's failure to retain these documents as records supporting the ABC Board's activities may impede the organization's ability to operate effectively, efficiently, and serve the public interest.

[5]Alaska Statute 04.11.295. Criminal justice information and records.
[6]Alaska Statute 04.11.520. Notice to local governing body.
[7]Alaska Statute 04.11.550. Notice of expiration.

2. Licensing Revenues. Licensing fee revenues recorded in the ABC Board's database does not agree with nor is reconciled to the same revenue as it is recorded in the State accounting system. The failure to reconcile has resulted in overpayments to municipalities and missed payments by licensees. Timely, complete, and accurate reconciliation between the two systems would likely resolve these problems and provide information for the board and director to take immediate action regarding noncompliant licensees.

3. Licensing and Administrative Procedures. The ABC Board members and director are not providing appropriate guidance and oversight to staff to ensure compliance with state laws, and with its decisions.

   The ABC Board does not consistently adhere to the statutory requirement of notifying the local governing body within ten days of receipt of an application per AS 04.11.520. This important requirement allows time for the local government to review and possibly protest the issuance, renewal, relocation or transfer of a license.

   The ABC Board is also not enforcing the law requiring the return of caterers and special event permits within 48 hours. Other deficiencies in the ABC Board's licensing files, recordkeeping, database, and administrative processes include:

   - No current written policy and procedures to give guidance in situations where licensees are involved in bankruptcy proceedings.
   - Staff routinely failed to properly use existing checklists for verifying the completeness of licensing applications.
   - Instances where staff had not submitted local government protests in a timely manner to the board for review and action.
   - Significant occurrences of expired and/or unpaid licenses being incorrectly listed as active license holders.
   - Failure to detect instances where required wholesale affidavits had not been filed by wholesale licensees.
   - Municipalities being over or under paid for municipal license fee refunds.
   - The ABC Board's staff is not confirming and enforcing reports that should be filed by municipal law enforcement agencies prior to refunding municipal license fees.
   - The concerns of local governments that the ABC Board's policy and procedures do not include written notification to local governments regarding expired licenses.

   The above activities show that the ABC Board may not be operating effectively and efficiently and is not achieving its potential in furthering the public interest.

4. Enforcement Data Procedures. The ABC Board's investigators inconsistently or inaccurately entered case record information into the Alaska Public Safety Information

Network (APSIN) database. Enforcement staff is not adequately trained, and there are no written procedures to ensure the proper recording of enforcement activities into the database. The quality and completeness of information about enforcement activities entered into APSIN database is critical for analyzing, planning, and managing enforcement activities. Therefore, the lack of procedures governing quality and accuracy of data reported diminishes the ABC Board's ability to evaluate the performance of enforcement staff and the effectiveness of enforcement activities.

5. Statewide Database. The ABC Board's staff is not recording and verifying on a regular basis that all restricted alcohol purchasers[8] are included in the Statewide Database. The Statewide Database[9] is used to track written orders placed with alcohol package stores for shipment to communities with alcohol restrictions. One hundred thirty-four restricted purchasers were not included in the Statewide Database. Six restricted purchasers were listed as authorized purchasers in the database and three of these individuals purchased alcohol through the Statewide Database system since it went online in July 2008.

   Package (retail) stores are required to consult the Statewide Database first before shipping alcoholic beverages to municipalities or established villages that have restrictions on the sale of alcohol beverages. The Statewide Database tracks orders of alcohol purchased by, and shipped to, a person who resides in a municipality or established village throughout Alaska that has restricted the sale (volume) of alcoholic beverages in its community.

   Periodically verifying all restricted purchasers information in the database would help with the compliance and enforcement of the law by reducing the possibilities of package stores unknowingly selling alcohol to restricted purchasers.

6. Public Notice Requirements and Meeting Records. From FY 07 through FY 09, 11 of 16 board meetings were not adequately publicly notified per statute or board policy requirement. Four meetings were not advertised on the State's Online Public Notice system; seven meetings were not advertised in the local newspaper of the board meeting venue, and seven meetings were not advertised timely.

   A review of board meeting minutes showed over 50% of official board meeting records were incomplete and not adequately maintained. The board's agendas and meeting minutes did not adequately document public comment periods. The records also showed the board failed to document its purpose for executive sessions in almost all of their motions which is required under AS 44.62.310(b).

---

[8]A restricted alcohol purchaser is a person who has been convicted of alcohol violation(s) under Alaska Statute 04.11.010. The ABC Board maintains a list of restricted alcohol purchasers to provide to package stores who are then prohibited from selling alcoholic beverages through written orders to these restricted purchasers under 13 AAC 104.645(1).

[9]Alaska Statute 04.06.095. Statewide Database.

In summary, the ABC Board members and director should ensure written policies and procedures are developed, and followed by staff to ensure compliance with state laws and directives from the board and director. Specific guidance should provide for: (1) conformance with state and agency records retention laws, policies, and procedures; (2) timely reconciliation of licensing revenues and licenses; (3) proper execution and documentation of licensing, permitting, and administrative activities; (4) accurate and complete data entry about enforcement activities into ASPIN; (5) confirmation that all restricted purchases are included in the Statewide Database; and, (6) adequate and timely public notification of board meetings, and accurate recording and record retention regarding board actions.

ANALYSIS OF PUBLIC NEED

The following analyses of the Alcoholic Beverage Control Board's (ABC Board or the Board) activities address both positive and negative conditions related to the public need factors established in AS 44.66.050. These analyses are not intended to be all-inclusive, but rather address those areas we were able to examine within the scope of our review.

To help assess the impact of the Board's programs and procedures, we sent questionnaires to local governing bodies, law enforcement agencies, community councils/groups, and active licensees. The surveys covered a number of issues. Pertinent results are incorporated into applicable areas of this analysis.

Determine the extent to which the board, commission, or program has operated in the public interest.

The ABC Board is operating in the public's interest and protects the public's health, safety, and welfare. The ABC Board has made an effort to allow only qualified applicants to own and operate licensed premises. It conducts background checks to ensure that licenses are not initially granted to individuals with significant criminal records. On an ongoing basis, the Board receives, reviews, and takes action on notification of any reported criminal activity of licensees.

The ABC Board also controls the manufacture and sale of alcohol in designated areas by ensuring compliance and enforcing alcoholic beverage laws. The ABC Board's staff notifies the local governing body of new applications, renewals, transfers, denials, suspensions, and revocations. The board takes into consideration the local government's response or protest in the application review process. The board restricts the number of licenses within population sizes and around churches and schools according to state law. It also provides license regulation and enforcement, investigates complaints, and when warranted, revokes or suspends a license.

From FY 07 through FY 09, the board took individual actions approving 163 new license applications, 303 transfer requests, 101 license waivers, and 25 license resurrections. The board imposes fines and may suspend or revoke licenses or permits previously authorized if it is in the best interest of the public. The disciplinary actions taken by the board are summarized in Exhibit 2.

Exhibit 2

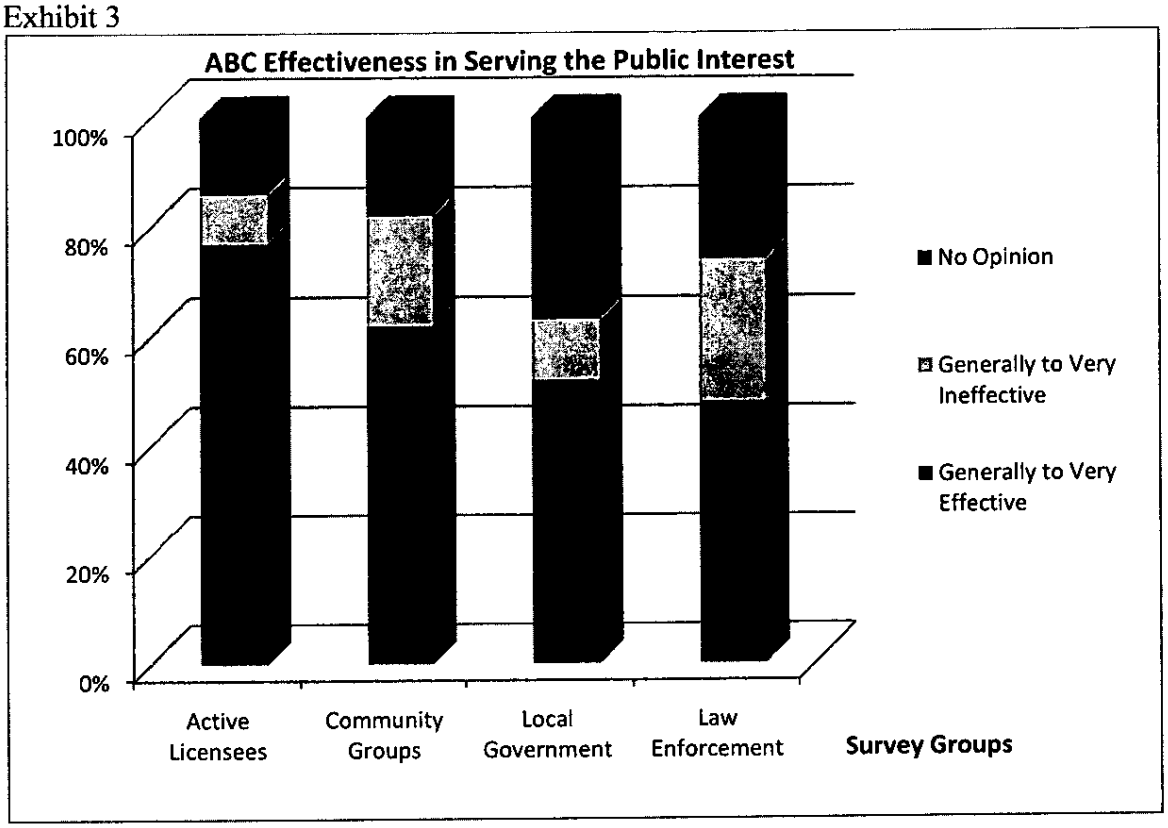
ABC Board Disciplinary Actions FY 07 to FY 09				
Actions	FY07	FY08	FY09	Total
Fines	12	5	8	25
Suspensions	17	7	12	36
License Denials	0	0	1	1
Renewals Denied	0	0	2	2
Transfers Denied	0	1	1	2
Waivers Denied	0	2	1	3
Revocations	0	0	0	0
Total	29	15	25	69

The lack of revocations is due to the board avoiding the process when possible. The board essentially revokes a license by either denying the renewal or allowing a licensee a set time period to transfer or sell the license. If the license is not transferred within the allotted time period, the license holder must "voluntarily" relinquish it. This is done through an informal settlement process. In the period reviewed, nine licenses were voluntarily relinquished to the board at a meeting.

The ABC Board's enforcement staff conducts premise inspections and compliance checks to ensure license holders are following the alcoholic beverage laws. However, we found the enforcement program lacked overarching goals and a plan to maximize their resources. (See Recommendation No.1)

In addition, the ABC Board's staff monitors the alcohol server training courses and answers questions from members of the public, licensees, law enforcement agencies, and local governments regarding alcoholic beverage controls statutes and regulations. We surveyed four groups (active licensees, law enforcement, local government, and community groups) to ask their overall opinion as to how effective or ineffective the ABC Board is in serving the public interest. The opinions were mixed as is shown in Exhibit 3.

Exhibit 3



Active licensees and community groups provided the most favorable rating. Alternatively, local government (at 11%) and law enforcement (at 26%) gave the least favorable rating regarding the ABC Board's effectiveness in serving the public interest.

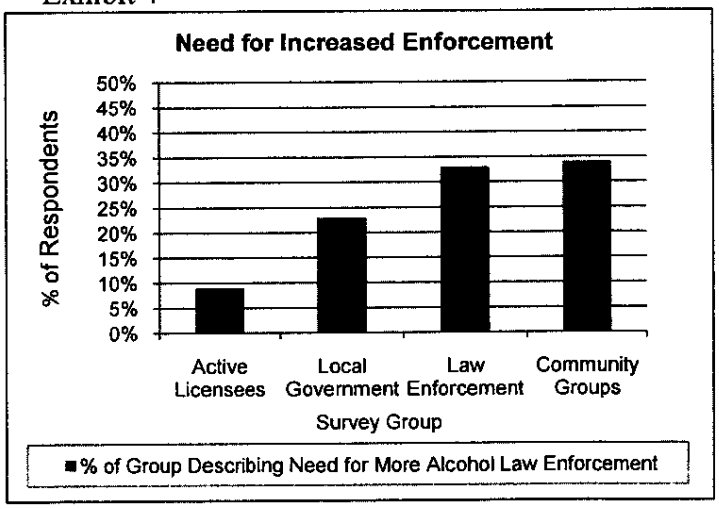
A few community group statements indicated unfamiliarity with the ABC Board. Active licensees reported having more interaction with the Board's staff than the other groups surveyed; mostly about license status, renewals, and clarification of laws. In general, active licensees indicated they found the ABC Board's staff knowledgeable, friendly, and helpful. The ABC Board provides trainings to local law enforcement regarding the enforcement of alcoholic beverage laws. Trainings may consist of conducting formal trainings at police academies, or inquires and requests from local enforcement agencies, licensees, and district attorneys. Forty-two percent of law enforcement respondents indicated they have no contact with the Board. Overall, it appears the ABC Board could do a better job working with and reaching out to educate and raise awareness of their efforts to the various groups through better communications, networking, and trainings.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The ABC Board's mission is to protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce. Community and licensee respondents indicated that enforcement regarding the following activities are moderately adequate to very adequate:

- Sale of alcohol sale to minors.
- Sale of alcohol to inebriates.
- Sale of alcohol outside regulated hours of operation.
- Sale of alcohol without an alcohol servers training card.
- Gambling or prostitution on a licensed premise.
- Alcohol purchase limits in communities with alcohol restrictions.

Exhibit 4



It is noteworthy that more than half of the local law enforcement respondents were unaware of the ABC Board's enforcement staff's efforts to prevent and regulate the above activities. Respondents identified their concerns and need for improved or increased enforcement as indicated in Exhibit 4.

The community and law enforcement groups identified drunk driving and bootlegging as their primary concern. It appears that the ABC Board's only established preventative program for combating bootlegging in communities with alcohol restrictions is the Statewide Database.

One-third of local law enforcement respondents in communities with established alcohol restrictions were unaware of the Statewide Database. Of those who were aware of the purpose of the database, only 40% felt it was effective in helping maintain purchasing limits in their jurisdiction. Some of the local governing body respondents were not aware of the purpose of the Statewide Database. We asked active licensee respondents their opinion regarding the effectiveness of the Statewide Database for limiting alcohol purchases in communities. Two-thirds of the respondents who used the database to process orders to

restricted communities thought that the database was effective in managing alcohol purchasing limits.

Approximately 45% of the licensee respondents reported that they had not been subjected to any inspections or compliance checks and 24% believe the ABC Board's enforcement is not active in their area. The majority of law enforcement respondents also believe the ABC Board's enforcement is not active in their jurisdiction. Some smaller enforcement communities reported their belief that due to their size the ABC Board does not appear to be interested in working with them. A significant number of licensee respondents believe the ABC Board does not enforce the laws equally due to difficulty in traveling to remote locations and to the Board prioritization of addressing public concerns or complaints.

Exhibit 5

Inspections and Compliance Checks Performed on Active Licenses FY 07-FY 09

Region	Active Licenses Per Region	Number of Licenses Inspected	Total Inspections Performed	Number of Licenses Checked	Total Compliance Checks Performed
Southcentral					
Anchorage	458	224 49%	974	341 74%	1,086
Other Areas	447	165 37%	229	219 49%	473
Interior					
Fairbanks	93	71 76%	374	59 63%	147
Other Areas	155	106 68%	373	67 43%	159
Far North					
Nome	17	1 6%	1	16 94%	56
Other Areas	2	0	0	0	0
Southeast					
Juneau	80	55 69%	146	59 74%	153
Other Areas	185	123 66%	266	66 36%	127
Southwest					
Kodiak	22	18 82%	35	19 86%	49
Other Areas	72	17 24%	27	17 24%	25

Note: Table does not include licenses listed as Alaska Waters, Alaska Railroad, Alaskan Skies, and other licenses not identified in a Region.

Source: Enforcement Database

4636

Exhibit 5 identifies the number and frequency of license inspections and compliance checks conducted by the ABC Board's enforcement officers on active licenses from FY 07 through FY 09. The information is presented by region with a breakdown by the primary urban area and other areas in that region. In total 50% of active license holders were inspected or checked for compliance. However, as seen in the exhibit, the highest rates for compliance checks and inspections are in the Interior and Southeast Region, with the Southwest Region having the lowest. Additionally, some licenses were inspected multiple times, while many were not inspected at all. While Exhibit 5 illustrates the enforcement activities, we found the ABC Board continues to be without a systematic strategy to ensure their enforcement resources are used effectively and efficiently. (See Recommendation No. 1.)

The ABC Board's total budget has remained relatively stable from FY 07 through FY 09. (See Appendixes A-C for revenue and expenditure information and for the current fee structure.)

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board did not recommend any statutory changes during FY 07 through FY 09. While numerous statutorily changes were made, the ABC Board only supported language modifications to the winery license type.

In June 2007, a new statute, AS 04.06.095, went into effect that involved the ABC Board creating and maintaining a Statewide Database containing a monthly record of alcohol purchased by, and shipped to, a person who resides in a municipality or established village that has restricted the sale of alcohol beverages. In addition, various restrictions were added to the local option laws. Legislative language was added to AS 04.11.499(b) to restrict the purchase from another person who has sent, transported, or brought alcohol into a municipality or established village that restricted the sale of alcohol. The package store license statute (AS 04.11.150) was also amended to address its responsibilities regarding shipments to restricted alcohol communities and for their use of the Statewide Database.

A destination resort license[10] was added to the licensing statues along with changes and clarifications to other license types. The possession of homebrew ingredients in restricted alcohol areas, AS 04.16.035, was added to prohibited acts. There were also modifications to other prohibited acts, penalties, and forfeitures (AS 04.16) during FY 07 through FY 09.

[10]Alaska Statute 04.11.255. Destination Resort License.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The board is required by statute to hold an annual meeting in each of the four judicial districts of the State in order to consider issues from both statewide and various local perspectives. It is also required to provide adequate public notice of these meetings. During FY 07 through FY 09, the board met in Anchorage, Fairbanks, Juneau, and Nome at least once per year; however, the ABC Board continues to have difficulty in providing adequate public notice for every meeting. (See Recommendation No. 2.)

A significant number of active licensee and community survey respondents are not aware they can participate in board meetings in person or by teleconference. This raises concern regarding the adequacy of the ABC Board's public notification and networking to encourage participation in its decision making process.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Survey responses and the lack of adequate public notices indicate that the ABC Board may not always encourage public participation in its decision making process.

As discussed in Recommendation No. 2, the ABC Board does not consistently provide adequate public notice of its meetings. Additionally, approximately 55% of licensee survey respondents reported sporadic or no receipt of timely notification of proposed regulations which would allow them to participate in board meetings. Those same respondents indicated they had not participated in the ABC Board's meetings in the past three years, and a majority did not know they could participate or attend by teleconference.

The majority of local government respondents did not know they could provide public comment on proposed changes to the ABC Board's regulations. These respondents also indicated they did not know they could recommend conditions be placed on specific alcohol licenses according to law. The ABC Board does not consistently adhere to the statutory requirement of notifying the local governing body within ten days of receipt of a license application per AS 04.11.520. This important requirement allows time for the local governing body to review and possibly protest the issuance, renewal, relocation or transfer of a license. Over half of the local government respondents indicated they have never, or only sometimes, received adequate notice of application for new licenses, transfers, relocations, or renewals of existing licenses. Twenty-one percent of these respondents reported they protested a new license or the renewal, relocation or transfer of an existing license. The majority of the protests were related to delinquent taxes and most of those protest respondents indicated they were not notified of when the board would consider their protest.

Additionally, 47% of the local government respondents were not aware they could recommend conditions be placed on license holders. (See Recommendation No. 2.)

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

For the period of FY 07 through April 2009, no complaints were filed with the Office of Victim Rights, Office of the Ombudsman, Boards and Commission, and Department of Public Safety. The current ABC Board director routinely responds to inquires, objections, and complaints about license and enforcement issues.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Overall, the board does an adequate job of regulating entry into the alcohol industry. The board acts on all new, renewal, and transfer applications through approval or denial. The board determines if applicants meet all required statutory qualifications. Some of the requirements include: proving the applicant advertised the location and type of license in a local newspaper; demonstrating the applicant posted the license application on the proposed licensed premises; proving right, title, or interest in the premises; and approval from the local governing body.

Our review of license files indicated appropriate action had been taken on applications made. However, we noted untimely reviews of local governing body protests and found several documentation and policies and procedures issues during this review. (See Recommendation No. 2.)

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that hiring practices or board appointments were contrary to state personnel practices. No complaints were filed with the Human Rights Commission, U.S. Equal Opportunity Office, or Boards and Commission about the ABC Board. The Department of Administration, Division of Personnel and the Department of Public Safety received no formal complaints; however, the agencies responded to informal complaints or accusations appropriately.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Recommendations for operational changes enabling the board to better serve the public interest are described in Recommendations Nos. 1 and 2.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The ABC Board is generally effective in its objective of regulating the manufacture, sale, barter, and possession of alcoholic beverages in Alaska. The board has protected the general public through the licensing process and administrative actions. It has proposed or supported statute changes to benefit the public, actively inspected licensees to ensure compliance with the alcoholic beverage laws, conduct underage checks, and provides other enforcement activities.

Improvements are still necessary to improve the ABC Board's operations to help provide for better effectiveness and efficiencies as described in Recommendation Nos. 1 and 2. Additionally, the active licensees, law enforcement, local government, and community groups surveyed indicate that the ABC Board is generally effective in serving the public interest. However, the ABC Board could do a better job communicating and networking with these survey groups about its mission and involving them in their decision making process.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

The ABC Board is the only entity in the State that issues licenses for selling alcohol. In this regard, there is no duplication of this activity by another governmental agency or the private sector.

The ABC Board's enforcement efforts include investigation of gambling and prostitution activity, which duplicates state trooper and local law enforcement efforts throughout Alaska; however, our review of the ABC Board's participation in these efforts was minimal. All law enforcement agencies in the State also contribute to the enforcement of alcohol laws; consequently, there is an overlap in jurisdiction. This duplication was the intent of the legislature in creating the ABC Board as a regulatory and quasi-judicial agency.

The perception among the active licensee and local enforcement survey respondents is that the ABC Board's enforcement staff's efforts complement, rather than duplicate their efforts. However, the majority of law enforcement respondents also indicated that the ABC Board's enforcement staff was not active in their jurisdiction.

(Intentionally left blank)

APPENDIX A
Department of Public Safety
Alcohol Beverage Control Board
Schedule of Revenues
FY 07 through FY 09
(unaudited)

Revenue *(rounded to nearest hundred)*	FY 07	FY 08	FY 09
License Application Fees	$ 171,900	$ 184,600	$ 179,500
Beverage Dispensary Licenses	750,400	808,500	755,200
Restaurant Licenses	93,900	107,100	98,700
Club Licenses	48,600	52,800	46,800
Brewery Licenses	5,000	3,500	7,000
Package Store Licenses (retail)	288,800	285,800	294,800
Wholesale Licenses	20,000	16,000	30,000
Malt Beverage and Wine Wholesale Licenses	2,400	400	2,800
Common Carrier Licenses	27,000	68,000	35,500
Winery License	2,000	3,000	1,500
Miscellaneous[1]			
Wholesale Annual Fees	150,500	157,800	154,500
Other License Types	14,100	24,900	20,300
Permits	72,000	61,700	55,400
Other	189,300	167,000	150,000
Federal Grant Funds (DHSS)	100,000	99,600	100,000
Total Revenues	$ 1,935,900	$ 2,040,700	$ 1,932,000

Source: Alaska State Accounting System, ABC Board

[1]Miscellaneous includes annual wholesale fees; low volume licenses such as Pub, Golf, and Lodge Licenses; fingerprint fees; waiver fees; as well as fines and penalties and other miscellaneous receipts.

4642

(Intentionally left blank)

APPENDIX B
Department of Public Safety
Alcoholic Beverage Control Board
Schedule of Expenditures
FY 07 through FY 09
(unaudited)

Expenditures *(rounded to nearest hundred)*	FY07	FY08	FY09
Personal Services	$ 782,500	$ 817,800	$ 924,000
Travel	44,000	80,900	85,400
Services	275,500	375,300	213,100
Commodities	9,500	39,500	41,700
Capital Outlay	-	-	26,400
Transfers to Municipalities[11]	785,600	889,600	813,400
Total Expenditures	$ 1,897,100	$ 2,203,100	$ 2,104,000

Source: Alaska State Accounting System

[11]In accordance with Alaska Statute 04.11.610, refunds of annual license fees, excluding annual wholesale license fees, collected within a municipality are to be given to the municipality semiannually. The total of these refunds is the "Transfers to Municipalities" amount. This activity is budgeted under the Department of Revenue as shared taxes.

4644

(Intentionally left blank)

APPENDIX C
Department of Public Safety
Alcoholic Beverage Control Board
Licenses, Permits, and Fees
FY 07 through FY 09

Type	Amount
Application Filing Fees – new, transfer, or relocation of premises	$100
Application Filing Fees – renewal	200
Beverage Dispensary License	2,500
Beverage Dispensary License – Duplicate	2,500
Beverage Dispensary License – Seasonal	1,250
Beverage Dispensary License – Tourism	2,500
Beverage Dispensary License – Tourism Seasonal	1,250
Beverage Dispensary License – Public Convenience	2,500
Brewery License	1,000
Brewery License – Seasonal	500
Brewpub License	500
Brewpub License – Seasonal	250
Club License	1,200
Club License – Seasonal	600
Common Carrier License	1,000
Common Carrier License – Seasonal	500
Common Carrier License – Multiple Destination	2,000
Common Carrier License – Multiple Destination Seasonal	1,000
Destination Resort License	1,250
Destination Resort License – Seasonal	625
Distillery License	1,000
Golf Course License	400
Lodge License	1,250
Lodge License – Seasonal	625
Package Store License	1,500
Package Store License – Community License	1,500
Package Store License – Seasonal	750
Pub License	800
Permit, Caterers	50
Permit, Club	100
Permit, Conditional Contractor's – Provisional	1,200
Permit, Special Events (per day)	50
Recreational Site License	800
Recreational Site License - Seasonal	400
Restaurant/Eating Place License	600
Restaurant/Eating Place License – Seasonal	300
Restaurant/Eating Place License – Tourism	600
Restaurant/Eating Place License – Exempt	600
Restaurant/Eating Place License – Public Convenience	600
Restaurant/Eating Place License – Public Convenience Seasonal	300
Theatre License	600
Wholesale License – General	2,000
Wholesale License – Malt Beverage and Wine	400
Winery License	500
Winery License – Seasonal	250

Source of Information: Alcohol Beverage Control Board

4646

State of Alaska
Department of Public Safety
Alcoholic Beverage Control Board

Sean Parnell, Governor
Joseph A. Masters, Commissioner

August 21, 2009

RECEIVED
AUG 27 2009
LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
PO Box 113300
Juneau, Alaska 99811-3300

RE: Response to Preliminary Report Department of Public Safety, Alcoholic Beverage Control Board, Sunset Audit

To the Committee:

I have reviewed your preliminary report regarding the sunset audit conducted over the past several months of the Alcoholic Beverage Control Board. I appreciate you and your staff taking the time to conduct such a thorough audit. The Board of Directors will use your findings as an excellent tool to refine our processes. I have met with ABC Board Director Shirley Gifford and she has shared with me the numbers of issues that were "fixed" during the time your auditors were gathering their findings. I feel assured that all other areas brought forward will be taken care of in the same manner, and with the same level of diligence and dedication.

Many of the issues raised are critically important to running the agency effectively and proficiently. Fortunately, most corrections can be made with a dedicated effort of the current staffing level. Others may only be corrected with an increase in staff. In any event capturing proper statistics and developing a strategic plan will help to utilize staff in the best way possible. The written order database was a monumental project implemented during this period of review and it appears as though some errors have occurred that will be minimized in the future with a system of verification as you have recommended.

Since Director Gifford was appointed January 5, 2009 she has made progress in some areas that had been neglected in the past. She has implemented a method for capturing the activities of licensing and enforcement staff and in addition to sharing the figures with the Board of Directors she will use the figures in developing the strategic plan. Other areas where she has brought improvement include the purchase and upgrade of equipment necessary for staff to adequately perform their duties; training and education from and for staff; many policies and procedures written for the enforcement unit, licensing, and ABC Board administration; and refinement in processes that include an inspection tracking form and the consolidation of three permit

applications into one. Director Gifford started the strategic plan a couple of months ago and now with the audit complete will focus on the plan. She has already identified the goals and objectives and will ensure the issues raised in past audits will be addressed. Prior audit recommendations 1, 2, and 3 are included within your current recommendations and will be addressed under those headings. Prior audit recommendation no. 4 was not included in the current recommendation; however, steps have been taken to rectify this recommendation entitled, "The legislature should consider amending Title IV to remove the voting ability of the board's director." Director Gifford and I have met and whereas a solution had not been found I believe the solution comes with a tie vote resulting in a vote taken later if a voting member is absent, or in the event a member is recused the issue under consideration may be taken to an administrative hearing officer and superior court. This allows for the process to remain in the quasi-judicial and judicial process with no overlap with the executive branch of government. Director Gifford has met with Commissioner Masters regarding this proposal.

I will respond to the specific issues under Recommendations No. 1 and No. 2 in your letter:

Recommendation No. 1

The members of the ABCB and executive director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

I agree with this recommendation. A strategic plan is being developed to capture specific, measurable, attainable, realistic, and timely (S.M.A.R.T.) goals. An inspection form has already been created and distributed to the investigators to ensure the best and most fair coverage for inspections. When a licensee fails an inspection we expect a follow-up inspection is conducted to ensure compliance; therefore, I expect more than one inspection of some premises within the year. When inspections over two in a single year occurred we found investigators were capturing "walk-throughs" in the database as inspections. As many walk-throughs that can be conducted are encouraged by the board of directors. Many areas are not easily accessible; however, the travel budget has been increased and many of these areas are now being inspected.

I appreciate your recognition that a plan will maximize the enforcement resources and expect direction will be given to the investigators "...to ensure they are performing their duties effectively and efficiently and according to the direction of the board and director."

Recommendation No. 2

The members of ABCB and executive director should develop and enforce written policies and procedures to ensure staff's compliance with state laws and decisions made by the board and director.

I agree with this recommendation. I fully expect the director will provide oversight and hold staff accountable for "their activities to ensure compliance with state laws and decisions made by the board and director." I appreciate you providing specific issues with which to address:

1. Records Retention. Records retention laws will be reviewed and written into the ABC Board Standard Operating Procedure (SOP)

a. Inspection reports and notices of violation will become part of the licensing file as opposed to keeping the documents in separate enforcement files. Criminal history records will be kept in a secure confidential file after the director has summarized the contents when necessary for the board to make decisions regarding the issuance, transfer, or renewal of a license.
b. The permit applications are now being copied onto the back of the permit with a copy kept in the permit file before presenting the permit to the licensee.
c. Notification letters will be sent to local governing bodies within 10 days after receipt of an application. This procedure will be written into the current procedures regarding notification. The director will also mail a notice of expiration to each licensee who has not renewed.

2. Licensing Revenues. Timely, complete, and accurate reconciliation between the two systems will be written into procedure and followed in an effort toward immediate action regarding noncompliant licensees.

3. Licensing and Administrative Procedures. The director takes full responsibility for not following this statutory requirement. The director believes taking care of this issue will assist local governing bodies to make timely decisions regarding licensees in their communities as well as improve the image of the ABC Board. Representatives of the local governing bodies generally take licensing seriously and count on the ABC Board staff to provide them with the information necessary to properly govern their areas. This procedure will be written and enforced. The licensing supervisor is responsible for this action and may have to delegate some of her other duties to ensure this is followed.

   A new procedure is being developed to deal with the return of caterers and special events permits. A spreadsheet will be created showing returns and notices. The director will be seeking direction from the board for a procedure as statute reads, "Failure to surrender the permit is cause, in the discretion of the board for denial of future permits."

   a. Other deficiencies to be addressed and resolved by staff:
      i. Bankruptcy proceedings
      ii. Licensing checklist applications
      iii. Local government protests to the board
      iv. Accuracy of active license holders
      v. Wholesale affidavits
      vi. Municipal revenue sharing
      vii. Notification to local governing bodies of expired licenses

4. Enforcement Data Procedures. I agree with the importance of these procedures and believe not only the incorporation of procedures to govern quality and accuracy but training to ensure all investigators understand the procedures and are uniformly entering data. Once the procedures and the training are complete the ability to evaluate performance will be enhanced.

   The APSIN database logs case numbers with their associated activity code. When investigators performed "walk throughs" of premises, they were obtaining case numbers

and activity codes for inspections, which would indicate some establishments had been inspected numerous times.

The only way to differentiate between an actual inspection and a walk through would be to hand count the APSIN activity entries and look for which inspections were checked IR (report generated) or IL (log only). If the activity was an IR, it meant an actual inspection was conducted and an inspection report generated. An IL would indicate a walk through; log only.

Procedures have been put in place and are being adhered to requiring inspection reports and NOV's be placed in the licensee file, along with an electronic inspection tracking form on our internal K drive to log inspections. An activity code for walk throughs in APSIN will be pursued. Procedures governing quality and accuracy of data will enhance the ability of the director to evaluate the performance of enforcement staff and the effectiveness of enforcement activities.

5. Statewide Database. Last year the enforcement staff hand entered all the names and information from the restricted purchaser list into the database software. Apparently, one entire section of the list did not get entered. Nevertheless, package stores were provided with an updated restricted purchaser list. The licensees who sold to restricted purchasers were in violation of Title IV. Since this has been revealed through the audit an investigation of the licensees is being conducted as licensees should have been in possession of the list of restricted purchasers. A periodic verification will be conducted to ensure the list is accurate.

6. Public Notice Requirements and Meeting Records. Policies and procedures were written by the previous director dated October 31, 2006 and were found included in the board of directors' packet for the meeting of November 29, 2006, along with the 2006 audit report. Unfortunately, these were not compiled in a book specifically labeled policies and procedures with no availability to staff as a quick reference. The policies and procedures dictate, "The date, time, location, and contact information will be noticed in at least one newspaper of general circulation within the municipality where the meeting is to be held at least 5 and no more than 14 days prior to the meeting." Director Gifford is developing with staff a "check list" of actions necessary before each board meeting. This item is on the check list and the director will go over the list with the employees responsible for specific parts of the organization of the meeting.

   Two meetings in 2006 and two meetings in 2007 were not advertised on the state's Online Public Notice system; however, the noticing on this system has been consistent since 2007. The current procedure dictates that, "At least 30 days prior to the next ABC Board meeting, the Administrative Assistant will forward to the appropriate person identified in the Commissioner's Office of the Department of Public Safety the meeting notice for publication on the Alaska Online Public Notice System. If this notice is transmitted by email, the Director is to be copied so that he may verify the timely forwarding of the notice." This procedure has recently been followed and will continue to be followed. The administrative assistant is now using Microsoft Outlook Calendar to set reminders for advertising requirements.

A frame has been installed in the lobby of the ABC Board office which will hold an inserted page showing the upcoming location, date, and time of the meeting as the meetings are set by the board of directors. The director has sent and will continue to send notice to staff of the next meetings in order that all employees are aware and can inform the public.

All of the board meeting minutes are now as complete as possible with an effort to create the files from existing files in offices other than the administrative assistant's, and will be adequately maintained. The files should include the sign-in sheet (the sheet was not signed in Juneau at the February 24, 2009 meeting), the minutes, a copy of the board packet, and the recording of the meeting.

Public testimony is allowed and encouraged in every board of directors meeting. Documentation of this will be provided in addition to what the recordings have provided. Public testimony was not specifically listed on the agenda but was listed for the July 14, 2009 meeting in Juneau and will continue to be listed for future meetings.

ANALYSIS OF PUBLIC NEED

Several issues identified through questionnaires provided to local governing bodies, law enforcement agencies, community councils/groups, and active licensees were addressed in the recommendations; therefore, I will address the findings that were not previously addressed. I am pleased that this audit shows that the ABC Board is operating in the public's interest and protects the public's health, safety, and welfare; that the ABC Board is controlling the manufacture and sale of alcohol in designated areas by ensuring compliance and enforcing alcoholic beverage laws; and that individual disciplinary actions are acceptable for licensees. Some issues that come before the board are complex and staff has provided the board with the information necessary to make good decisions on behalf of licensees, potential licensees, local governing bodies, and the communities affected. The statutes are difficult to reference and translate at times. Debate, conflict, and confrontation, although not every day occurrences are handled professionally and timely.

The ABC Board director and staff are making concerted efforts to provide education and training. Within the past six months the following presentations have been provided:

- Fire and Life Safety Building Inspectors Forum
- Anchorage International Airport Police
- Hoonah Police Department
- Tanana Valley Campus Police Academy
- Alaska Peace Officers Association Anchorage Chapter
- Alaska Association of Chiefs of Police semi-annual meeting
- Alaska Peace Officers Association Newsletter

The director is scheduled as a keynote speaker at the Alaska CHARR Convention in September as well as patrol briefings for the Anchorage Police Department. The effort to educate, improve communications, and network will continue throughout the state.

The mission of the ABC Board is to protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce. Although pleased that the

ABC Board is seen to be "generally" effective in its objective of regulating the manufacture, sale, barter, and possession of alcoholic beverage in Alaska and "generally" effective in serving the public interest with the adoption of the recommendations I look forward to increasing the level of effectiveness.

Director Gifford has shared with me your positive approach to a critical process and that she and the staff enjoyed working with you and your group of professionals. I also appreciated you taking the time to talk with me about the performance of the ABC Board. I appreciate you making allowances for the many issues that were resolved during the audit. Certainly, that was your prerogative and to focus on those issues left outstanding is appreciated by all involved.

Sincerely,

Robert Klein
Chair
Alcoholic Beverage Control Board

cc: Joseph A. Masters, Commissioner, DPS
Shirley A. Gifford, Director, ABC Board

State of Alaska
Department of Public Safety

Sean Parnell, Governor
Joseph A. Masters, Commissioner

September 4, 2009

Pat Davidson
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

RECEIVED
SEP 10 2009
LEGISLATIVE AUDIT

RE: Response to Preliminary Report on a Sunset Review on the Department of Public Safety, Alcoholic Beverage Control Board, August 14, 2009

Dear Ms. Davidson:

I have reviewed your preliminary report on the Alcoholic Beverage Control Board (ABCB), Sunset Audit and concur with the report's conclusion that the ABCB should continue.

Your audit made two recommendations and I agree with both.

Recommendation No. 1

The members of the ABCB and executive director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

Recommendation No. 2

The members of ABCB and executive director should develop and enforce written policies and procedures to ensure staff's compliance with state laws and decisions made by the board and director.

Your audit notes that both recommendations contain unresolved elements of prior audit recommendations. As you know, since your last audit the department has been actively involved with the ABCB and its staff in an attempt to improve business practices of the board. Those efforts met with limited success until recently.

The development and implementation of appropriate solutions are under the direct and immediate control of the Alcoholic Beverage Control Board and the Executive Director. As your audit notes, significant improvements have been made since the current executive director assumed her duties. I have every reason to believe this improvement will continue.

Office of the Commissioner
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

4653

I have reviewed the response to each of your recommendations by the ABCB Chair, Bob Klein. I agree that these responses are appropriate for the recommendations. The department will work with the ABCB and its staff to assist them in implementing corrective action.

Sincerely,

Joseph A. Masters
Commissioner

Cc: Bob Klein, Chair, Alcoholic Beverage Control Board
Shirley A. Gifford, Director, ABC Board

Office of the Commissioner
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

SB 235

<target><bill>SB 235</bill><subject>SB 235</subject><comm>HFIN26</comm></target>

SENATE EDUCATION COMMITTEE

CO-CHAIRMEN:
SENATOR KEVIN MEYER
SENATOR JOE THOMAS

MEMBERS:
SENATOR BETTYE DAVIS
SENATOR CHARLIE HUGGINS
SENATOR GARY STEVENS
SENATOR DONALD OLSON

Sponsor Statement
Senate Bill 235
"An Act relating to charter school approval and funding."

Senate Bill 235 amends existing state statute to allow the Department of Education & Early Development to compete on behalf of Alaska charter schools for facility maintenance & start-up grant funds nationally available through the U.S. Department of Education. Alaska and its charter schools are currently ineligible.

Senate Bill 235 addresses this inequity in two ways:

First, Senate Bill 235 removes the statutory cap which limits the number of charter schools, on a statewide basis to sixty. As the only authorizer of charter schools, local school boards thoroughly examine and evaluate charter applications prior to agreeing to accept a charter for their district. In this way, local school boards act as a check on charter school over-proliferation and growth - today, there are only 26 charter schools in existence across Alaska – making a state mandated cap unnecessary.

Second, Senate Bill 235 creates in statute the programmatically required state funding mechanism necessary to comply under the federal grant program. It amends current law to establish in Alaska the per-pupil facilities aid program required under the U.S. Department of Education's applicant eligibility requirements. Senate Bill 235 then seeds the in-state aid program with a nominal $1 dollar per pupil per year. However, it is communities and school districts which must arrange for themselves the means to provide the 10% local contribution necessary to achieve the initial 90% federal match and subsequent, escalating match proportions.

With minimal State involvement, but maximized local initiative & control, Senate Bill 235:

- Improves the State of Alaska's ability to secure the Federal Start Up Funds for Alaskan Charter Schools.
- Makes charter schools eligible to compete for federal grants for facilities.
- Is strongly supported statewide by school boards, school districts, and charter schools.
- Reduces a major barrier to the development of charter schools.
- Benefits Alaska's children.
- Will increase educational choices for parents & opportunities for students.

Jomo Stewart, Committee Aide
(907) 465 - 6874

Murray Richmond, Committee Aide
(907) 465 – 6443

Senate_Education@legis.state.ak.us

SENATE EDUCATION COMMITTEE

CO-CHAIRMEN:
SENATOR KEVIN MEYER
SENATOR JOE THOMAS

MEMBERS:
SENATOR BETTYE DAVIS
SENATOR CHARLIE HUGGINS
SENATOR GARY STEVENS
SENATOR DONALD OLSON

SECTIONAL ANALYSIS
Senate Bill 235

SECTION 1:
Deletes cap (60) on number of charter schools the State Board of Education may approve for operation within Alaska.

SECTION 2:
Creates new Article 2 under AS 14.11 - CONSTRUCTION, REHABILITATION, AND IMPROVEMENT OF SCHOOLS AND EDUCATION- RELATED FACILITIES

New sections include:

Sec. 14.11.121 - Supplemental charter school facilities construction, lease, and major maintenance grant program – creating, subject to legislative appropriation a five-year mechanism for state support in supplement of local contribution & federal aid, and describing administration of the program; and

Sec. 14.11.126 - State aid for costs of charter school construction, lease, and major maintenance – directing state to allocate not less than one dollar per charter school pupil per year to school districts or regional attendance areas receiving grants under the program.

SECTION 3:
Repeal of Sec. 14.11.121 and Sec. 14.11.126 on July 1, 2015.

26-LS1256\R 2/4/10

Jomo Stewart, Committee Aide
(907) 465 - 6874

Murray Richmond, Committee Aide
(907) 465 – 6443

Senate_Education@legis.state.ak.us

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/14/10

The FINANCE Committee considered: **SENATE BILL NO. 235**

"An Act relating to charter school approval and funding."

SB 235-CHARTER/ALTERNATIVE SCHOOL FUNDING

Recommends it be replaced with [X] HCS *or* [ ] CS *for* SB 235 (FIN)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFIN/EED				✓

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Mike Doogan	Doogan	✓			
Wes Gordon	Foster	✓			
Anna D. Fairclough	FAIRCLOUGH	✓			
Alan Austerman	Gara	✓			
	Austerman	X			
Lloyd Joule	Joule	✓			
Vic Kohring	Salmon	X			
	KELLY	✓			
Kurt Olson	Thomas	✓			
Chair: Bill Stoltze	Stoltze	✓			
Chair: Mike Hawker	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CS SB 235 (FIN)**
() Publish Date:

Identifier (file name): HCSCSSB235(FIN)-EED-ESS-04-15-10
Dept. Affected: DEED
Title: An Act relating to charter school approval and funding
RDU: Education Support Services
Component: School Finance & Facilities
Sponsor: Senate Education Committee
Requester: House Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/15/2010 12:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/15/2010

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 235**
(S) Publish Date: 2/8/10

Identifier (file name): SB235-EED-ESS-2-05-10
Title: An Act relating to charter school approval and funding
Sponsor: Senate Education Committee
Requester: Seneate Education Committee

Dept. Affected: Education and Early Development
RDU: Education Support Services
Component: School Finance & Facilities
Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	300.0		150.0	154.5	159.1	163.9	168.8
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**300.0**	**0.0**	**150.0**	**154.5**	**159.1**	**163.9**	**168.8**
CAPITAL EXPENDITURES	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	301.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**301.0**	**0.0**	**151.0**	**155.5**	**160.1**	**164.9**	**168.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1.0	1.0	1.0	1.0	1.0
Part-time	0.5		0.5	0.5	0.5	0.5	0.5
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated $150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill reqiures the legislature to appropriate at least a dollar for each pupil enrolled in the charter school recieving funding which amounts to approximately $1,000 per year.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's finanical reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E. , School Facilities Engineer — Phone (907) 465-6906
Division: School Finance/Facilities Section — Date/Time 2.5.2010
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

4660

FISCAL NOTE

Changing Fiscal Note!!

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 235
(S) Publish Date: 4/7/10

Identifier (file name): SB235-EED-ESS-4-01-10
Title: An Act relating to charter school approval and funding
Sponsor: Senate Education Committee
Requester: Senate Finance Committee

Dept. Affected: Education and Early Development
RDU: Education Support Services
Component: School Finance & Facilities
Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	150.0		150.0	154.5	159.1	163.9	168.8
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**150.0**	**154.5**	**159.1**	**163.9**	**168.8**
CAPITAL EXPENDITURES			**1.0**	**1.0**	**1.0**	**1.0**	
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**150.0**	**0.0**	**151.0**	**155.5**	**160.1**	**164.9**	**168.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**0.0**		1.0	1.0	1.0	1.0	1.0
Part-time	0.0		0.5	0.5	0.5	0.5	0.5
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated $150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill reqiures the legislature to appropriate at least a dollar for each pupil enrolled in the charter school recieving funding which amounts to approximately $1,000 per year. Personnel costs are not expected until after the first year, when regulations have been adopted and the department begins applying for any available federal grant opportunities.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's finanical reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E., School Facilities Engineer — Phone (907) 465-6906
Division: School Finance/Facilities Section — Date/Time 4.1.2010
Approved by: Larry LeDoux, Commissioner — Date 4/1/2010

(Revised 10/13/2009 OMB)

4661

Adopted 4/14/10

26-LS1256\E
Mischel
4/14/10

HOUSE CS FOR SENATE BILL NO. 235(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to charter school approval and funding."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.03.250(a) is amended to read:

(a) A charter school may be established as provided under AS 14.03.250 - 14.03.290 upon the approval of the local school board and the state Board of Education and Early Development of an application for a charter school. [THE STATE BOARD OF EDUCATION AND EARLY DEVELOPMENT MAY NOT APPROVE MORE THAN 60 CHARTER SCHOOLS TO OPERATE IN THE STATE AT ANY ONE TIME.]

*** Sec. 2.** AS 14.11 is amended by adding new sections to read:

Article 2. Charter School Facilities.

Sec. 14.11.121. Supplemental charter school facilities construction, lease, and major maintenance grant program. (a) The department shall establish a charter school facilities construction, lease, and major maintenance grant program that supplements grant aid otherwise available under this chapter and that is based on a per

pupil funding formula.

(b) The department shall apply for available federal funding and award federal funding made available under the grant program established under (a) of this section for not more than five years for approved projects for charter school facilities construction, lease, or major maintenance as follows:

(1) 90 percent of the allowable costs for the first fiscal year for the approved project;

(2) 80 percent of the allowable costs for the second fiscal year for the approved project;

(3) 60 percent of the allowable costs for the third fiscal year for the approved project;

(4) 40 percent of the allowable costs for the fourth fiscal year for the approved project; and

(5) 20 percent of the allowable costs for the fifth fiscal year for the approved project.

(c) The grant program established in this section is subject to legislative appropriation and available funding and must be consistent with applicable federal and state requirements.

(d) A school district or regional educational attendance area that submits an application for a proposed project under AS 14.11.011 for funding under this section that is approved for funding by the department shall provide a participating share that is equal to the difference between the allowable costs of a project and the combined available federal funding and the state aid provided under AS 14.11.126. Allowable costs for a project approved under this section shall be based on the adjusted student count for a charter school calculated under AS 14.17.450(a) and (c), as determined by the commissioner.

Sec. 14.11.126. State aid for costs of charter school construction, lease, and major maintenance. During each fiscal year, the state shall allocate to a school district and regional educational attendance area that is approved for a charter school facilities construction, lease, or major maintenance grant under AS 14.11.121 an amount that is not less than one dollar for each pupil enrolled in the charter school.

* **Sec. 3.** AS 14.11.121 and 14.11.126, added by sec. 2 of this Act, are repealed July 1, 2015.

SB

236

<target><bill>SB 236</bill><subject>SB
236</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 236(EDC)**

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes and facilities; and providing for an effective date."

SB 236-TAX CREDITS FOR EDUCATIONAL CONTRIBUTIONS

Recommends it be replaced with | X| HCS *or* **| | CS** *for* CSSB (FIN)
For Senate Bills with new title: | | Technical Title | | New Title: HCR_____ | | Same Title | | New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Anna L. Fairclough	FAIRCLOUGH	✓			
Neal Foster	FOSTER	X			
	Joule	–			
	Cara			✓	
	Austerman			+	
Mikelly	KELLY	X		X	
Mike Doogan	DOOGAN			✓	
Hank Wilkerson	Salmon			X	
Chair:					
Chair:	Hawker			*	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 236(EDC)
(S) Publish Date: 2/18/10

Identifier (file name): SB236-REV-TAX-02-04-10
Dept. Affected: Revenue
Title: Tax Credits for Educational Contributions
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: (EDC) Education
Requester: Co-Chairs (S)EDC
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	***	***	***	**0.0**	**0.0**

0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached

Prepared by: Tim Harper, Economist III/Johanna Bales, Deputy Director
Phone (907) 269-1020
Division: Tax Division
Date/Time 2-4-10; 12:55pm
Approved by: Ginger Blaisdell, Director
Date 2-4-10; 1:16pm
Administartive Services Division

(Revised 11/6/2009 OMB)

4667

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 236(EDC)

ANALYSIS CONTINUATION

Bill Language:

This bill increases the amount taxpayers who are currently eligible under AS 21.89.070, AS 21.89.075, AS 43.56.018, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, and AS 43.77.045 can take for education credits. Currently, taxpayers who meet the qualifications in the statutes are limited to $150,000 in credits on the first $200,000 in contributions. This bill would remove the cap on credits . All additional contributions in excess of $200,000 would be eligible for a 50% tax credit.

The intent of this bill is to provide increased contributions to qualifying higher education institutions by removing the credit cap currently in place.

Revenues:

Revenues to the State of Alaska would decline if companies increase their contributions to qualifying higher education institutions. The amount of decline cannot be determined at this time, because it is impractical and impossible to speculate on taxpayer behavior in taking advantage of this credit.

For example: if corporations were to contribute $100 million to a college, 50% of that donation would be a tax credit thereby reducing the state's general fund by $50 million. As the bill is written currently, there is no limit on the contribution amount.

The maximum decline in revenues the SOA could expect is the loss of all Petroleum Production and Property Taxes, all Corporate Income Taxes, all Fisheries Business Taxes, all Fisheries Landing Taxes, all Mining License Taxes, and all Insurance Taxes. In FY 2009 these taxes totaled $3,910,000,000. Forecasted revenues for these taxes in FY 2010 and FY 2011, are $2,866,000,000 and $3,281,000,000 respectively. This legislation would become effective for tax years beginning January 1, 2011. Therefore this credit would be allowed against tax liabilities due beginning in fiscal year 2012. In addition, the legislation provides that only contributions made prior to January 1, 2014 would be allowed as a credit. Therefore, the effects of this legislation would run through fiscal year 2014. Projected maximum revenue losses for fiscal years 2012 through 2014 are based on forecasted revenues for fiscal year 2011.

Expenditures:

The provisions of this bill can be implemented using existing resources.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 236(EDC)
(S) Publish Date: 2/18/10

Identifier (file name): SB236-REV-TAX-02-04-10
Dept. Affected: Revenue
Title: Tax Credits for Educational Contributions
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: (EDC) Education
Requester: Co-Chairs (S)EDC
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	***	***	***	**0.0**	**0.0**

0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached

Prepared by: Tim Harper, Economist III/Johanna Bales, Deputy Director — Phone (907) 269-1020
Division: Tax Division — Date/Time 2-4-10; 12:55pm
Approved by: Ginger Blaisdell, Director — Date 2-4-10; 1:16pm
Administartive Services Division

(Revised 11/6/2009 OMB)

4669

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 236(EDC)

ANALYSIS CONTINUATION

Bill Language:

This bill increases the amount taxpayers who are currently eligible under AS 21.89.070, AS 21.89.075, AS 43.56.018, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, and AS 43.77.045 can take for education credits. Currently, taxpayers who meet the qualifications in the statutes are limited to $150,000 in credits on the first $200,000 in contributions. This bill would remove the cap on credits . All additional contributions in excess of $200,000 would be eligible for a 50% tax credit.

The intent of this bill is to provide increased contributions to qualifying higher education institutions by removing the credit cap currently in place.

Revenues:

Revenues to the State of Alaska would decline if companies increase their contributions to qualifying higher education institutions. The amount of decline cannot be determined at this time, because it is impractical and impossible to speculate on taxpayer behavior in taking advantage of this credit.

For example: if corporations were to contribute $100 million to a college, 50% of that donation would be a tax credit thereby reducing the state's general fund by $50 million. As the bill is written currently, there is no limit on the contribution amount.

The maximum decline in revenues the SOA could expect is the loss of all Petroleum Production and Property Taxes, all Corporate Income Taxes, all Fisheries Business Taxes, all Fisheries Landing Taxes, all Mining License Taxes, and all Insurance Taxes. In FY 2009 these taxes totaled $3,910,000,000. Forecasted revenues for these taxes in FY 2010 and FY 2011, are $2,866,000,000 and $3,281,000,000 respectively. This legislation would become effective for tax years beginning January 1, 2011. Therefore this credit would be allowed against tax liabilities due beginning in fiscal year 2012. In addition, the legislation provides that only contributions made prior to January 1, 2014 would be allowed as a credit. Therefore, the effects of this legislation would run through fiscal year 2014. Projected maximum revenue losses for fiscal years 2012 through 2014 are based on forecasted revenues for fiscal year 2011.

Expenditures:

The provisions of this bill can be implemented using existing resources.

Adopted 4/17/10

26-LS1191\N
Chenoweth/Bullock
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 236( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes and facilities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 21.06.110 is amended to read:

Sec. 21.06.110. Director's annual report. As early in each calendar year as is reasonably possible, the director shall prepare and deliver an annual report to the commissioner, who shall notify the legislature that the report is available, showing, with respect to the preceding calendar year,

(1) a list of the authorized insurers transacting insurance in this state, with a summary of their financial statement as the director considers appropriate;

(2) the name of each insurer whose certificate of authority was surrendered, suspended, or revoked during the year and the cause of surrender, suspension, or revocation;

(3) the name of each insurer authorized to do business in this state

against which delinquency or similar proceedings were instituted and, if against an insurer domiciled in this state, a concise statement of the facts with respect to each proceeding and its present status;

(4) a statement in regard to examination of rating organizations, advisory organizations, joint underwriters, and joint reinsurers as required by AS 21.39.120;

(5) the receipt and expenses of the division for the year;

(6) recommendations of the director as to amendments or supplementation of laws affecting insurance or the office of director;

(7) statistical information regarding health insurance, including the number of individual and group policies sold or terminated in the state; this paragraph does not authorize the director to require an insurer to release proprietary information;

(8) the annual percentage of health claims paid in the state that meets the requirements of AS 21.36.128(a) and (d); [AND]

(9) **the total amount of contributions reported and the total amount of credit claimed under AS 21.89.070 and 21.89.075; and**

(10) other pertinent information and matters the director considers proper.

*** Sec. 2.** AS 21.89.070(a) is amended to read:

(a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs**, and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

* **Sec. 3.** AS 21.89.070(a), as amended by sec. 2 of this Act, is amended to read:

(a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

* **Sec. 4.** AS 21.89.070(b) is amended to read:

(b) The amount of the credit is [THE LESSER OF

(1)] an amount equal to

(1) [(A)] 50 percent of contributions of not more than $100,000;

(2) [AND (B)] 100 percent of the next **$200,000** [$100,000] of contributions; **and**

(3) 50 percent of the amount of contributions that exceed $300,000

[OR

(2) 50 PERCENT OF THE TAXPAYER'S TAX LIABILITY UNDER THIS TITLE].

* **Sec. 5.** AS 21.89.070(b), as amended by sec. 4 of this Act, is amended to read:

(b) The amount of the credit is **the lesser of**

(1) an amount equal to

(A) [(1)] 50 percent of contributions of not more than $100,000; **and**

(B) [(2)] 100 percent of the next **$100,000** [$200,000] of

contributions; **or**

(2) 50 percent of the taxpayer's tax liability under this title [AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

*** Sec. 6.** AS 21.89.070(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under more than one provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

*** Sec. 7.** AS 21.89.070(d), as amended by sec. 6 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under more than one provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total amount of credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

*** Sec. 8.** AS 21.89.070 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under AS 21.09.210 or AS 21.66.110 to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded,

transferred, or applied in a subsequent tax year.

* **Sec. 9.** AS 21.89.075(c) is amended to read:

(c) A contribution claimed by a taxpayer as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under more than one provision of this title;

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000]; or

(3) be claimed as a credit unless the contribution qualifies for the credit under (d) of this section.

* **Sec. 10.** AS 21.89.075(c), as amended by sec. 9 of this Act, is amended to read:

(c) A contribution claimed by a taxpayer as a credit under this section may not

(1) be the basis for a credit claimed under more than one provision of this title;

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total amount of credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073]; or

(3) be claimed as a credit unless the contribution qualifies for the credit under (d) of this section.

* **Sec. 11.** AS 21.89.075 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under AS 21.09.210 to below zero for any tax year. An unused credit or portion of a credit

not used under this section for a calendar year may not be sold, traded, transferred, or applied in a subsequent calendar year.

*** Sec. 12.** AS 43.05.010 is amended to read:

Sec. 43.05.010. Duties of commissioner. The commissioner of revenue shall

(1) exercise general supervision and direct the activities of the Department of Revenue;

(2) supervise the fiscal affairs and responsibilities of the department;

(3) prescribe uniform rules for investigations and hearings;

(4) keep a record of all departmental proceedings, record and file all bonds, and assume custody of returns, reports, papers, and documents of the department;

(5) adopt a seal and affix it to each order, process, or certificate issued by the commissioner;

(6) keep a record of each order, process, and certificate issued by the commissioner, and keep the record open to public inspection at all reasonable times;

(7) hold hearings and investigations necessary for the administration of state tax and revenue laws;

(8) except as provided in AS 43.05.405 - 43.05.499 and in AS 44.64.030, hear and determine appeals of a matter within the jurisdiction of the Department of Revenue and enter orders on the appeals that are final unless reversed or modified by the courts;

(9) issue subpoenas to require the attendance of witnesses and the production of necessary books, papers, documents, correspondence, and other things;

(10) order the taking of depositions before a person competent to administer oaths;

(11) administer oaths and take acknowledgments;

(12) request the attorney general for rulings on the interpretation of the tax and revenue laws administered by the department;

(13) call upon the attorney general to institute actions for recovery of unpaid taxes, fees, excises, additions to tax, penalties, and interest;

(14) issue warrants for the collection of unpaid tax penalties and

interest and take all steps necessary and proper to enforce full and complete compliance with the tax, license, excise, and other revenue laws of the state;

(15) **report to the legislature before February 15 of each year the total amount of contributions reported and the total amount of credit claimed during the previous calendar year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045** [REPEALED].

*** Sec. 13.** AS 43.20.014(a) is amended to read:

(a) A taxpayer is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs**, and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

*** Sec. 14.** AS 43.20.014(a), as amended by sec. 13 of this Act, is amended to read:

(a) A taxpayer is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

*** Sec. 15.** AS 43.20.014(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

*** Sec. 16.** AS 43.20.014(b), as amended by sec. 15 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

*** Sec. 17.** AS 43.20.014(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title;

(2) also be allowed as a deduction under 26 U.S.C. 170 against the tax imposed by this chapter; and

(3) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

*** Sec. 18.** AS 43.20.014(d), as amended by sec. 17 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this

title;

(2) also be allowed as a deduction under 26 U.S.C. 170 against the tax imposed by this chapter; and

(3) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total amount of credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

*** Sec. 19.** AS 43.20.014 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

*** Sec. 20.** AS 43.55.019(a) is amended to read:

(a) A producer of oil or gas is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs**, and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

*** Sec. 21.** AS 43.55.019(a), as amended by sec. 20 of this Act, is amended to read:

(a) A producer of oil or gas is allowed a credit against the tax due under this

chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

*** Sec. 22.** AS 43.55.019(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

*** Sec. 23.** AS 43.55.019(b), as amended by sec. 22 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

*** Sec. 24.** AS 43.55.019(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014,

AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

*** Sec. 25.** AS 43.55.019(d), as amended by sec. 24 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total amount of credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

*** Sec. 26.** AS 43.55.019 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

*** Sec. 27.** AS 43.56.018(a) is amended to read:

(a) The owner of property taxable under this chapter is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs, **and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

*** Sec. 28.** AS 43.56.018(a), as amended by sec. 27 of this Act, is amended to read:

(a) The owner of property taxable under this chapter is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

*** Sec. 29.** AS 43.56.018(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

*** Sec. 30.** AS 43.56.018(b), as amended by sec. 29 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

* **Sec. 31.** AS 43.56.018(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

* **Sec. 32.** AS 43.56.018(d), as amended by sec. 31 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in the total amount of credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

* **Sec. 33.** AS 43.56.018 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

* **Sec. 34.** AS 43.65.018(a) is amended to read:

(a) A person engaged in the business of mining in the state is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs, **and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

*** Sec. 35.** AS 43.65.018(a), as amended by sec. 34 of this Act, is amended to read:

(a) A person engaged in the business of mining in the state is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

*** Sec. 36.** AS 43.65.018(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

*** Sec. 37.** AS 43.65.018(b), as amended by sec. 36 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

*** Sec. 38.** AS 43.65.018(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, **result in the total amount of the credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

*** Sec. 39.** AS 43.65.018(d), as amended by sec. 38 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.75.018, or AS 43.77.045, result in the total amount of the credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

*** Sec. 40.** AS 43.65.018 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under

this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

*** Sec. 41.** AS 43.75.018(a) is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses**,** [AND] programs**, and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

*** Sec. 42.** AS 43.75.018(a), as amended by sec. 41 of this Act, is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

* **Sec. 43.** AS 43.75.018(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

* **Sec. 44.** AS 43.75.018(b), as amended by sec. 43 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

* **Sec. 45.** AS 43.75.018(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, **result in the total amount of the credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

* **Sec. 46.** AS 43.75.018(d), as amended by sec. 45 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.77.045, result in the total amount of the credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A

MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

* **Sec. 47.** AS 43.75.018 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

* **Sec. 48.** AS 43.77.045(a) is amended to read:

(a) In addition to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, [AND] programs**, and facilities** by a school district in the state; [AND]

(3) **for vocational education courses, programs, and facilities** by a state-operated vocational technical education and training school**; and**

(4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association.

* **Sec. 49.** AS 43.77.045(a), as amended by sec. 48 of this Act, is amended to read:

(a) In addition to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses **and** [,] programs [, AND FACILITIES] by a school district in the state; **and**

(3) [FOR VOCATIONAL EDUCATION COURSES, PROGRAMS, AND FACILITIES] by a state-operated vocational technical education and training school [; AND

(4) FOR A FACILITY BY A NONPROFIT, PUBLIC OR PRIVATE, ALASKA TWO-YEAR OR FOUR-YEAR COLLEGE ACCREDITED BY A REGIONAL ACCREDITATION ASSOCIATION].

*** Sec. 50.** AS 43.77.045(b) is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; [AND]

(2) 100 percent of the next **$200,000** [$100,000] of contributions**; and**

(3) 50 percent of the amount of contributions that exceed $300,000.

*** Sec. 51.** AS 43.77.045(b), as amended by sec. 50 of this Act, is amended to read:

(b) The amount of the credit is

(1) 50 percent of contributions of not more than $100,000; **and**

(2) 100 percent of the next **$100,000** [$200,000] of contributions [; AND

(3) 50 PERCENT OF THE AMOUNT OF CONTRIBUTIONS THAT EXCEED $300,000].

*** Sec. 52.** AS 43.77.045(d) is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be **the basis for a credit** claimed [AS A CREDIT] under another provision of this title; and

(2) when combined with **contributions that are the basis for** credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, **result in the total amount of the credits exceeding $5,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed $5,000,000 for the affiliated group; in this paragraph, "affiliated group" has the meaning given in AS 43.20.073** [EXCEED $150,000].

* **Sec. 53.** AS 43.77.045(d), as amended by sec. 52 of this Act, is amended to read:

(d) A contribution claimed as a credit under this section may not

(1) be the basis for a credit claimed under another provision of this title; and

(2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 21.89.070, 21.89.075, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018, result in the total amount of the credits exceeding **$150,000** [$5,000,000; IF THE TAXPAYER IS A MEMBER OF AN AFFILIATED GROUP, THEN THE TOTAL AMOUNT OF CREDITS MAY NOT EXCEED $5,000,000 FOR THE AFFILIATED GROUP; IN THIS PARAGRAPH, "AFFILIATED GROUP" HAS THE MEANING GIVEN IN AS 43.20.073].

* **Sec. 54.** AS 43.77.045 is amended by adding a new subsection to read:

(f) The credit under this section may not reduce a person's tax liability under this chapter to below zero for any tax year. An unused credit or portion of a credit not used under this section for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

* **Sec. 55.** AS 21.06.110(9); AS 21.89.070(f), 21.89.075(f); AS 43.05.010(15); AS 43.20.014(f); AS 43.55.019(f); AS 43.56.018(f); AS 43.65.018(f); AS 43.75.018(f); and AS 43.77.045(f) are repealed.

* **Sec. 56.** Sections 1, 2, 4, 6, 8, 9, 11 - 13, 15, 17, 19, 20, 22, 24, 26, 27, 29, 31, 33, 34, 36, 38, 40, 41, 43, 45, 47, 48, 50, 52, and 54 of this Act take effect January 1, 2011.

* **Sec. 57.** Except as provided in sec. 56 of this Act, this Act takes effect January 1, 2014.

SB 237

<target><bill>SB 237</bill><subject>SB 237</subject><comm>HFIN26</comm></target>

OUSE COMMITTEE REPOI

4·17·10

(11)

Date Referred to Committee: April 5, 2010

FURTHER REFERRALS: First Supplemental Calendar

Date of Committee Action: 4/17/10

The FINANCE Committee considered:

CS FOR SENATE BILL NO. 237(FIN)

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; and requiring a report from the commissioner of revenue."

SB 237-SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

Recommends it be replaced with [✓] HCS *or* **[ ] CS for** CSSB 237 (FIN)

*For Senate Bills with new title: [ ] Technical Title [X] New Title: HCR*_____ HCS FIN

Pending introduction Forthcoming

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
EED	3	✓		
EED	4	✓		

PREVIOU

List by Dept(s):	FN#	Fiscal	Indet.	Zero

(9) (5)

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas Gara		✓		
	DOOGAN	✓			
	Foster			✓	
	FAIRCLOUGH	✓			
	Salmon			✓	
	AUSTERMAN	X			
	KELLY	X			
Chair:	Stolfa			X	
Chair:	Hawkins	✱		✱	

cc
cc

OUSE COMMITTEE REPOI

4·17·10

(11)

Date Referred to Committee: April 5, 2010

FURTHER REFERRALS: First Supplemental calendar

Date of Committee Action: 4/17/10

The FINANCE Committee considered: CS FOR SENATE BILL NO. 237(FIN)

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; and requiring a report from the commissioner of revenue."

SB 237-SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

Recommends it be replaced with [✓] HCS *or* [ ] CS for CSSB 237 (FIN)
For Senate Bills with new title: [ ] *Technical Title* [X] *New Title: HCR* _____ HCS FIN

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

Pending introduction Forthcoming

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
EED	3	✓		
EED	4	✓		

PREVIOUS

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP (9)	DNP	NR (5)	AM
	Thomas Gaza		✓	✓	
		✓			
	DOOGAN			✓	
	Foster	✓			
	FAIRCLOUGH			✓	
	Salmon	X			
	AUSTERMAN	X			
	KELLY			X	
Chair:	Stoltze			✱	
Chair:	Hawker	✱			

cc
cc

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

DRAFT

Fiscal Note Number: #3
Bill Version: H CS for CS B237 (FIN)
() Publish Date:

Identifier (file name): H CS CSSB237(FIN)-EED-ESS-4-17-10 Section 3
Dept. Affected: Education & Early Developr
Title "An act amending the percentages required to be paid by a municipal school district receiving a school construction..."
RDU Education Support Services
Component School Finance & Facilities
Sponsor Senate Education Committee
Requester House Finance
Component Number 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING							
CAPITAL EXPENDITURES				**37,960.6**	**37,960.6**	**37,960.6**	**37,960.6**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF				37,960.6	37,960.6	37,960.6	37,960.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**37,960.6**	**37,960.6**	**37,960.6**	**37,960.6**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Section three of SB 237 establishes a program to fund rural school construction by establishing an account in the General Fund to receive annual appropriations based on a formula defined in the legislation. The amount was determined by dividing the annual debt service amount, (FY2011-$106,258,500) by the percentage of non-REAA schools, 68.3%, times a muliplier of 24.4%, equals $37,960,577.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 4/17/10 5:20 PM
Approved by: Larry LeDoux — Date 4/17/2010
Commissioner

(Revised 10/13/2009 OMB)

4694

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

DRAFT

Fiscal Note Number: #4
Bill Version: H CS for CSSB237 (FIN)
() Publish Date:

Identifier (file name): H CS CS SB237(FIN)-EED-ESS-4-17-10 Section 4
Dept. Affected: Education & Early Developr
Title "An act amending the percentages required to be paid by a municipal school districct receiving a school construction...:
RDU School Debt Reimbursement
Component School Debt Reimbursement
Sponsor Senate Education Committee
Requester House Finance
Component Number 153

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Section 4 of SB237 removes the sunset date for debt reimbursement program for both 70% and 60% reimbursement.

Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by $2,000,000; FY 09-10 increased by $3,000,000; and FY10-11 increased by $6,000,000. The average of the 3 year increases are $11,000,000÷3= $3,666,666. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space guidelines.

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance
Date/Time 4/17/10 5:20 PM
Approved by: Larry LeDoux
Date 4/17/2010
Commissioner

(Revised 10/13/2009 OMB)

4695

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

DRAFT

Fiscal Note Number: #3
Bill Version: H CS for CS B237 (FIN)
() Publish Date:

Identifier (file name): H CS CSSB237(FIN)-EED-ESS-4-17-10 Section 3
Dept. Affected: Education & Early Developr
Title "An act amending the percentages required to be paid by a municipal school district receiving a school construction..."
RDU Education Support Services
Component School Finance & Facilities
Sponsor Senate Education Committee
Requester House Finance
Component Number 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING							
CAPITAL EXPENDITURES				**37,960.6**	**37,960.6**	**37,960.6**	**37,960.6**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF				37,960.6	37,960.6	37,960.6	37,960.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**37,960.6**	**37,960.6**	**37,960.6**	**37,960.6**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Section three of SB 237 establishes a program to fund rural school construction by establishing an account in the General Fund to receive annual appropriations based on a formula defined in the legislation. The amount was determined by dividing the annual debt service amount, (FY2011-$106,258,500) by the percentage of non-REAA schools, 68.3%, times a muliplier of 24.4%, equals $37,960,577.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 4/17/10 5:20 PM
Approved by: Larry LeDoux — Date 4/17/2010
Commissioner

(Revised 10/13/2009 OMB)

4696

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

DRAFT

Fiscal Note Number: #4
Bill Version: H CS for CSSB237 (FIN)
() Publish Date:

Identifier (file name): H CS CS SB237(FIN)-EED-ESS-4-17-10 Section 4
Dept. Affected: Education & Early Developr
Title "An act amending the percentages required to be paid by a municipal school districct receiving a school construction...:
RDU School Debt Reimbursement
Component School Debt Reimbursement
Sponsor Senate Education Committee
Requester House Finance
Component Number 153

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Section 4 of SB237 removes the sunset date for debt reimbursement program for both 70% and 60% reimbursement.

Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by $2,000,000; FY 09-10 increased by $3,000,000; and FY10-11 increased by $6,000,000. The average of the 3 year increases are $11,000,000÷3= $3,666,666. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space guidelines.

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance
Date/Time 4/17/10 5:20 PM
Approved by: Larry LeDoux
Date 4/17/2010
Commissioner

(Revised 10/13/2009 OMB)

4697

Position Statement 09-5

Funding Bond Debt Reimbursement and the Capital Improvement Program

The Alaska Council of School Administrators supports the continuation of the current level of 60% and 70% debt reimbursement of voter-approved bonds, and supports the development of a process to equitably address the need of school districts unable to bond locally.

- A reduction in the payment schedule from the State of Alaska will adversely affect budgets and promises made to taxpayers at an extremely challenging economic time.
- The planning of construction projects and major maintenance efforts were carefully considered with anticipated budget information secured from a variety of sources, including the State of Alaska.
- The public was informed that local and statewide bond efforts would receive state repayment support.

Adopted by the Alaska Council of School Administrators
October and December 2009

Withdrawn 4/7/10

26-LS1342\C.3
Mischel
4 7 10

AMENDMENT #1

by Thomas

OFFERED IN THE HOUSE

TO: CSSB 237(FIN)

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

Insert "**and city school districts in the unorganized borough**"

Page 2, lines 7 - 8:

Delete "**regional educational attendance areas**"

Insert "**the unorganized borough**"

Page 2, line 10:

Delete "that is a regional educational attendance area"

Insert "in the unorganized borough"

Page 2, line 12, following "AS 14.11.005 - 14.11.020":

Insert "and for which sufficient bond funding is unavailable"

Page 2, following line 17:

Insert a new subsection to read:

"(c) The department shall determine for each school district that is in the unorganized borough whether the district has the bonding capacity necessary to finance construction of a project approved under AS 14.11.005 - 14.11.020. If the department determines that sufficient bond funding is unavailable to the district, the project may receive a grant under this section."

Page 2, line 18:

4699

Delete "**Regional educational attendance area school fund**"

Insert "**Fund for school construction in the unorganized borough**"

Page 2, line 19:

Delete "regional educational attendance area school fund"

Insert "fund for school construction in the unorganized borough"

Page 2, lines 21 - 22:

Delete "regional educational attendance areas"

Insert "the unorganized borough"

Page 2, line 25:

Delete "$100,000,000"

Insert "$120,000,000"

Alaska Department of Education and Early Development
Capital Improvement Projects (FY2011)
School Construction Grant Fund

Total Points - Objective and Subjective
Final List

Pri. #	School District	Project Name	School Dist Rank	Weight Avg Age	Prev. 14.11 Fund	Plan and Design	Avg Expend Main	Un-Housed Today	Un-housed 7 Years	Type of Space	Survey and Apprai	Maint Labor	Maint Type	Maint Mgt	Energy Mgt	Cust Pgm	Maint Train	Capital Plan	Emer-gency	Adeq Doc	Life/Safety and Code Conditions	Exist-ing Space	Cost Esti-mate	Proj vs Oper Cost	Alter-na-tives	Op-tions	Total Points
1	Lower Yukon	Alakanuk K-12 School Replacement	30.00	16.67	0.00	20.00	2.20	38.74	30.00	23.30	10.00	15.00	10.00	3.67	3.33	3.33	3.33	4.33	0.00	25.00	21.00	25.33	21.33	12.00	4.67	16.67	339.92
2	Lower Kuskokwim	Kipnuk K-12 School Renovation / Addition	30.00	4.64	0.00	20.00	3.71	50.00	30.00	24.38	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	23.67	15.33	30.00	19.67	7.00	4.33	15.67	336.40
3	Lower Kuskokwim	Kwigillingok K-12 School Renovation / Addition	27.00	9.34	0.00	20.00	3.71	33.97	25.09	23.42	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	23.67	17.33	21.67	20.00	7.00	4.33	18.00	312.53
4	Lower Kuskokwim	Napaskiak K-12 School Replacement	24.00	9.32	0.00	10.00	3.71	36.21	30.00	23.99	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	21.33	9.67	22.33	18.67	3.00	4.33	18.33	292.90
5	Lower Yukon	Emmonak K-12 School Renovation/Addition	27.00	8.15	0.00	20.00	2.20	20.60	12.36	25.66	10.00	15.00	10.00	3.67	3.33	3.00	3.33	4.33	0.00	23.33	20.00	16.33	18.00	10.67	4.67	17.33	278.97
6	Lower Kuskokwim	Kuinerramiut Elitnaurviat K-12 School Renovation/Addition, Quinhagak	3.00	8.63	0.00	10.00	3.87	38.09	30.00	22.69	10.00	15.00	10.00	5.00	4.67	3.67	4.00	4.67	0.00	20.67	13.67	23.67	18.67	6.00	4.00	16.00	275.95
7	Northwest Arctic	Kivalina K-12 Renovation/Addition	30.00	14.68	0.00	20.00	4.40	14.42	9.20	22.13	10.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	20.67	18.33	13.67	18.00	9.33	3.33	10.67	262.82
8	Lower Kuskokwim	Kwethluk K-12 School Replacement	21.00	8.22	0.00	10.00	3.71	24.73	20.86	22.53	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	17.67	15.00	20.67	16.67	3.33	4.33	14.33	261.06
9	Southwest Region	Koliganek K-12 School Replacement	30.00	29.69	0.00	20.00	2.39	0.00	0.00	24.03	10.00	15.00	10.00	4.33	4.33	4.67	4.33	3.67	0.00	24.00	19.00	6.00	19.33	5.67	2.67	20.67	259.79
10	Lower Kuskokwim	Nightmute K-12 School Renovation / Addition	6.00	3.98	0.00	10.00	3.71	24.73	29.87	23.39	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	17.33	12.33	23.33	17.00	4.67	4.33	13.67	252.36
11	Kuspuk	Auntie Mary Nicoli Elementary School Replacement, Aniak	30.00	30.00	0.00	0.00	4.23	0.00	0.00	24.19	0.00	10.00	10.00	2.33	2.33	2.00	2.67	2.00	6.67	11.67	17.67	14.67	9.00	9.00	3.00	9.67	201.09
12	Northwest Arctic	Districtwide Clock Upgrade	27.00	1.18	0.00	30.00	4.40	0.00	0.00	0.00	5.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	17.00	1.67	3.67	22.00	23.33	3.67	10.33	193.25
13	Craig City	Craig Schools Alternative Wood Heat Project, Recovery Of Funds	30.00	11.57	0.00	30.00	1.85	0.00	0.00	0.00	0.00	15.00	10.00	2.67	2.67	2.67	2.00	2.00	0.00	20.67	0.00	0.33	21.67	24.00	3.00	11.33	191.42
14	Lake & Peninsula	Port Alsworth Classroom Addition	30.00	6.04	0.00	0.00	2.70	8.21	25.62	29.07	0.00	15.00	0.00	3.67	3.33	2.33	3.00	3.33	0.00	13.00	3.00	19.67	12.67	2.33	1.67	6.00	190.65
15	Galena	Galena Regional Learning Center Iditarod Classroom Conversion	27.00	6.50	0.00	20.00	5.00	0.00	0.00	21.29	10.00	15.00	10.00	2.67	4.67	3.67	2.33	2.33	0.00	15.67	9.67	4.67	17.33	1.33	3.33	7.00	189.46
16	Kuspuk	Johnie John Sr. K-12 Replacement School, Crooked Creek	27.00	11.00	0.00	0.00	4.23	4.88	7.15	26.39	0.00	10.00	10.00	2.33	2.33	2.00	2.67	2.00	5.33	10.67	8.67	13.33	12.67	6.67	2.67	9.33	181.33
17	Northwest Arctic	Buckland Heating System Improvements	24.00	1.60	0.00	10.00	4.40	0.00	0.00	0.00	10.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	17.33	3.00	1.67	15.33	21.67	2.00	11.33	166.33
18	Anchorage	Mears Middle School & Huffman Elementary Paving and Site Circulation	21.00	10.58	0.00	20.00	4.65	0.00	0.00	0.00	5.00	15.00	10.00	5.00	5.00	4.33	4.67	4.67	0.00	21.00	3.67	2.00	15.33	1.33	2.00	10.67	165.90
19	Saint Marys	Playground Equipment Replacement	21.00	21.25	0.00	0.00	1.23	0.00	0.00	0.00	10.00	15.00	10.00	4.00	3.67	3.00	3.00	3.67	0.00	14.00	6.67	1.67	14.33	1.33	4.00	10.00	147.82

Alaska Department of Education and Early Development
Capital Improvement Projects (FY2011)
School Construction Grant Fund

Total Points - Objective and Subjective
Final List

Pri #	School District	Project Name	School Dist Rank	Weight Avg Age	Prev. 14.11 Fund	Plan and Design	Avg Expend Main	Un-Housed Today	Un-housed 7 Years	Type of Space	Survey and Apprai	Maint Labor	Maint Type	Maint Mgt	Energy Mgt	Cust Pgm	Maint Train	Capital Plan	Emer-gency	Adeq Doc	Life/Safety and Code Conditions	Exist-ing Space	Cost Esti-mate	Proj vs Oper Cost	Alter-na-tives	Op-tions	Total Points
20	Mat-Su Borough	Iditarod Elementary School Interior Renovation	9.00	6.81	0.00	0.00	2.45	0.00	7.32	24.14	0.00	15.00	10.00	4.33	5.00	3.00	3.33	4.33	0.00	12.33	8.33	8.00	13.00	1.00	1.67	8.67	147.72
21	Southeast Island	Kassan K-12 Covered Physical Education Area	15.00	11.02	0.00	0.00	2.57	0.00	0.00	15.00	5.00	15.00	10.00	3.33	3.67	4.00	4.00	3.67	0.00	13.00	0.00	14.33	13.00	0.00	2.00	10.00	144.58
22	Kenai Peninsula	Districtwide Asphalt Repairs	18.00	26.54	0.00	30.00	2.75	0.00	0.00	0.00	0.00	10.00	10.00	2.67	5.00	4.33	3.67	3.67	0.00	7.33	1.67	0.00	7.67	2.33	0.33	6.00	141.96
23	Annette Island	Metlakatla Schools Track and Field Construction	18.00	30.00	0.00	0.00	1.82	0.00	0.00	0.00	5.00	15.00	10.00	3.67	3.67	3.33	4.33	3.33	0.00	14.00	1.33	3.00	11.33	1.67	3.00	9.33	141.82
24	Valdez City	Districtwide Technology Upgrades	24.00	15.02	0.00	10.00	2.94	0.00	0.00	0.00	0.00	15.00	10.00	4.33	4.67	3.00	3.00	0.67	0.00	14.67	2.67	0.00	12.00	7.67	0.33	11.00	140.96
25	Mat-Su Borough	Mat-Su Day School New Construction	3.00	4.89	0.00	0.00	2.45	0.00	2.77	21.55	0.00	15.00	10.00	4.33	5.00	3.00	3.33	4.33	0.67	11.00	3.67	10.67	13.00	1.00	1.67	8.67	130.00
26	Juneau City Borough	Floyd Dryden Middle School Covered Play Area & Dzantik'i Heeni Middle School Trail Addition	24.00	7.03	0.00	0.00	3.00	0.00	0.00	15.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	8.00	0.00	1.67	5.33	0.00	2.67	8.00	121.36
27	Petersburg City	Districtwide Boiler Upgrades	30.00	30.00	0.00	0.00	1.22	0.00	0.00	0.00	5.00	5.00	5.00	1.67	2.00	1.33	1.33	0.33	0.00	10.00	2.67	0.00	13.33	3.67	1.00	4.00	117.56
28	Mat-Su Borough	Talkeetna Elementary School Playground Equipment Replacement	0.00	5.07	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	10.67	2.00	0.00	12.00	2.00	1.33	7.00	115.17
29	Mat-Su Borough	Meadow Lakes Elementary School Playground Equipment Replacement	0.00	0.00	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	11.33	2.00	0.00	12.00	2.00	1.33	7.00	110.77
30	Mat-Su Borough	Colony High School Chalk Boards Replacement	0.00	5.75	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	8.67	1.00	0.00	12.00	0.00	1.33	6.33	110.19
31	Juneau City Borough	Juneau School District Site / Safety / Security Improvements	27.00	8.94	0.00	0.00	3.00	0.00	0.00	0.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	7.67	2.33	0.00	7.00	0.00	0.00	0.00	102.61
32	Mat-Su Borough	Track And Field Renovation, 3 Schools	0.00	10.58	0.00	0.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	9.67	5.67	1.00	9.33	6.00	2.00	8.33	97.68
33	Petersburg City	Districtwide Covered Sidewalks	6.00	30.00	0.00	0.00	1.22	0.00	0.00	10.00	5.00	5.00	5.00	1.67	2.00	1.33	1.33	0.33	0.00	8.67	1.67	0.00	10.00	1.67	1.33	0.33	92.56
34	Juneau City Borough	Districtwide Food Service Upgrades	9.00	8.03	0.00	0.00	3.00	0.00	0.00	0.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	7.33	0.00	1.33	5.00	1.67	0.00	6.67	88.69
35	Lower Yukon	Pilot Station K-12 School Access Road Remediation	18.00	0.00	0.00	0.00	2.20	0.00	0.00	0.00	0.00	15.00	10.00	3.67	3.33	3.33	3.33	4.33	0.00	10.00	4.67	0.00	6.33	0.00	0.00	3.67	87.87

adopted 4-17-10

NEW **CONCEPTUAL AMENDMENT** (1)

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: HCS CSSB 237 (FIN) [26-LS1342\Q]

Purpose: to clarify that "annual debt service" on page 2, line 30 means the annual debt service of the school construction debt reimbursement program.

Page 2, line 30, following "be the"

Delete "annual debt service amount"

Insert "annual debt service on debt incurred under AS 14.11.100(a)"

Kasayulie

adopted 4-17-10 n/o

26-LS1342\Q
Mischel
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act amending the percentages required to be paid by a municipal school district receiving a school construction or major maintenance grant; making a conforming amendment to a bond debt reimbursement provision referencing the percentages; establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; requiring a report from the Department of Education and Early Development; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing mechanisms including bond debt, taxes, and appropriations, a comparable mechanism for funding rural schools does not exist;

(2) the mechanisms that currently exist in statute to provide construction funding to regional educational attendance areas have not resulted in sufficient funding for projects approved for those districts.

*** Sec. 2.** AS 14.11.008(b) is amended to read:

(b) The required participating share for a municipal school district is based on the district's full value per average daily membership (ADM), which is calculated by dividing the full and true value of the taxable real and personal property in the district, calculated as described in AS 14.17.510 by the district ADM as defined in AS 14.17.990, for the same fiscal year for which the valuation was made. The municipal district's full value per ADM determines the district's required participating share, as follows:

Full Value Per ADM	District Participating Share
$1 - $150,000	5 percent
150,001 - 275,000	10 percent
275,001 - **500,000** [800,000]	**20** [30] percent
500,001 - 800,000	**30 percent**
over 800,000	35 percent.

*** Sec. 3.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department may provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the annual debt service amount divided by the percentage of all schools that are located in a city or borough school district, the quotient of which is to

be multiplied by .244.

Sec. 14.11.030. Regional educational attendance area school fund. (a) The regional educational attendance area school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $70,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

Sec. 14.11.035. Report on school construction and major maintenance funding. Beginning in February, 2012, the department shall provide to the governor and the legislature an annual report on the effectiveness of the school construction and major maintenance grants, state aid for school construction in regional educational attendance areas, and state aid for costs of school construction debt under this chapter. The report must include an analysis of funding sources and the short-term and long-term fiscal effects of the funding on the state. Copies of the report shall be made available to the public and to the legislature.

* **Sec. 4.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1,

1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual

growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay

costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to

schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year

for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under **the former participating share amounts required under** AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. AS 14.11.008(b), as amended by sec. 2 of this Act, applies retroactively to an appropriation made under AS 37.05.560 or a grant approved under AS 14.11.008(a) on or after April 1, 2008.

*** Sec. 6.** Section 3 of this Act takes effect July 1, 2012.

* **Sec. 7.** Sections 1, 2, 4, and 5 of this Act take effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 237(FIN)
(S) Publish Date: 4/1/10

Identifier (file name): CSSB237-EED-ESS-1-29-10
Dept. Affected: Education & Early Develo
Title "An act extending the deadline for authorizing school construction debt reimbursed by the state"
RDU School Debt Reimbursement
Component School Debt Reimbursement
Sponsor Senate Education Committee
Requester Senate Finance Committee
Component Number 153

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**
CAPITAL EXPENDITURES			**40,300.0**	**40,300.0**	**40,300.0**	**40,300.0**	**40,300.0**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL	**0.0**	**0.0**	**40,300.0**	**44,000.0**	**44,000.0**	**44,000.0**	**44,000.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 237 establishes a program to fund rural school construction by establishing an account in the General Fund to recieve annual appropriations based on a formula defined in the legislation. The fiscal note anticipates full expenditure of all appropriated amounts for capital in the year appropriated, although the actual cash flow may vary based on the annual CIP priority list for school construction projects. The first year of fiscal expenditure as a result of this bill will be in FY2013.

SB 237 also removes the sunset date for the existin debt reimbursement program. Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by $2,000,000; FY 09-10 increased by $3,000,000; and FY10-11 increased by $6,000,000. The average of the 3 year increases are $11,000,000÷3= $3,666,666. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 3/30/10 12:30 PM
Approved by: Larry LeDoux — Date 3/30/2010
Commissioner

(Revised 10/13/2009 OMB)

4713

adopted 4-17-10

26-LS1342\C.6
Mischel
4/17/10

AMENDMENT #2

Thomas Gave

OFFERED IN THE HOUSE

TO: CSSB 237(FIN)

Page 1, line 1, following "**Act**":

Insert "**relating to energy consumption and costs, operating costs, and energy efficiency standards for school construction and major maintenance by the Department of Education and Early Development;**"

Page 2, following line 5:

Insert new bill sections to read:

"*** Sec. 2.** AS 14.07.020(a) is amended to read:

(a) The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state, adopt or recommend plans, administer and evaluate grants to improve school performance awarded under AS 14.03.125, and adopt regulations for the improvement of the public schools;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools; the regulations must provide that, if a course in American Sign Language is given, the course shall be given credit as a course in a foreign language;

(5) establish, in coordination with the Department of Health and Social Services, a program for the continuing education of children who are held in detention facilities in the state during the period of detention;

(6) accredit those public schools that meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;

(7) prescribe by regulation, after consultation with the state fire marshal and the state sanitarian, standards that will assure healthful and safe conditions in the public and private schools of the state, including a requirement of physical examinations and immunizations in pre-elementary schools; the standards for private schools may not be more stringent than those for public schools;

(8) exercise general supervision over pre-elementary schools that receive direct state or federal funding;

(9) exercise general supervision over elementary and secondary correspondence study programs offered by municipal school districts or regional educational attendance areas; the department may also offer and make available to any Alaskan through a centralized office a correspondence study program;

(10) accredit private schools that request accreditation and that meet accreditation standards prescribed by regulation by the department; nothing in this paragraph authorizes the department to require religious or other private schools to be licensed;

(11) review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction or major maintenance project; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, **projected energy consumption and costs,** and final contract documents;

(12) provide educational opportunities in the areas of vocational education and training, and basic education to individuals over 16 years of age who are no longer attending school;

(13) administer the grants awarded under AS 14.11;

(14) establish, in coordination with the Department of Public Safety, a school bus driver training course;

(15) require the reporting of information relating to school disciplinary and safety programs under AS 14.33.120 and of incidents of disruptive or violent behavior;

(16) establish by regulation criteria, based on low student performance, under which the department may intervene in a school district to improve instructional practices, as described in AS 14.07.030(14) or (15); the regulations must include

(A) a notice provision that alerts the district to the deficiencies and the instructional practice changes proposed by the department;

(B) an end date for departmental intervention, as described in AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three consecutive years of improvement consisting of not less than two percent increases in student proficiency on standards-based assessments in math, reading, and writing as provided in AS 14.03.123(f)(2)(A); and

(C) a process for districts to petition the department for continuing or discontinuing the department's intervention;

(17) notify the legislative committees having jurisdiction over education before intervening in a school district under AS 14.07.030(14) or redirecting public school funding under AS 14.07.030(15).

* **Sec. 3.** AS 14.11.014(b) is amended to read:

(b) The committee shall

(1) review the department's priorities among projects for which school construction grants are requested;

(2) make recommendations to the board concerning school construction grants and make recommendations to the commissioner concerning projects for which bond reimbursement is requested;

(3) develop criteria for construction of schools in the state; criteria developed under this paragraph must include requirements intended to achieve cost effective school construction;

(4) analyze existing prototypical designs for school construction projects;

(5) establish a form for grant applications;

(6) establish a method of ranking grant projects;

(7) recommend to the board necessary changes to the approval process for school construction grants and for projects for which bond reimbursement is requested;

(8) set standards for energy efficiency for school construction and major maintenance to provide energy efficiency benefits for all school locations in the state and that address energy efficiency in design and energy systems that minimize long-term energy and operating costs.

*** Sec. 4.** AS 14.11.135(6) is amended to read:

(6) "major maintenance" means a project described in AS 14.11.013(a)(1)(C), [OR] (D), **or (E)**;

*** Sec. 5.** AS 14.11.135(7) is amended to read:

(7) "school construction" means a project described in AS 14.11.013(a)(1)(A), (B), [(E),] (F), or (G)."

Renumber the following bill sections accordingly.

Page 8, line 5:

Delete "sec. 3"

Insert "sec. 7"

Senator Lyman Hoffman

Alaska State Legislature

Sponsor Statement for SB 237

This proposed legislation addresses the way in which Alaska funds school construction for both REAA's and Municipal districts.

In 2001, Alaska courts ruled in Kasayulie vs. State of Alaska that the process by which REAA schools are funded in Alaska is significantly different than the process used for funding schools in municipal districts. The court further said that, as a result of this difference, funding for REAA schools has been arbitrary and inadequate.

While municipal districts are able to access the debt service program which is described in statute, the funding for REAA school construction has not been clear. Because funding depends upon legislative appropriation, there is uncertainty from year to year as to how much money will be available. This uncertainty makes construction planning difficult for both the REAA school districts and the Department of Education.

This legislation proposes to remedy this situation by creating a stream of funding that can be used for REAA construction. This funding is based on the amount of debt outstanding for municipal schools, adjusted by the amount of money spent on REAA schools and by the percent of students who attend these schools. This methodology provides a reasonable, consistent level of funding to be used for REAA school construction and moves the State along the road to addressing concerns raised in the Kasayulie case.

Additionally, the legislation provides that a fund be established into which the proceeds from this mechanism can be deposited. However, to assure that excess dollars cannot accumulate in this account, the balance of the fund is limited to $100,000,000. Also, the legislation assumes that a project must meet all current Department of Education approvals before becoming eligible to use money from this account.

This legislation also changes the State's debt reimbursement program for municipal school construction. Current law establishes the debt reimbursement to municipal districts for outstanding bonds at 70 percent and time limits for that reimbursement. Consequently, every few years, the statute needs amending to continue the program. This creates uncertainty among school district planners. The committee substitute lessens uncertainty by eliminating a date certain when the 70 percent reimbursement will sunset.

Senate District S
Senator_Lyman_Hoffman@legis.state.ak.us

State of Alaska
Department of Education and Early Development
Capital Improvement Projects (FY 2011)
School Construction Grant Fund (Top 11 Projects)

Reconsideration List

Summary with Student Capacity Data

Reconsideration Priority	Initial Priority	District	Project Name	Year Constructed	School Student Capacity	Current ADM	Number of Students*	District Request	Eligible Amount	Department Recommended	District Share	State Share
1	1	Lower Yukon	Alakanuk K-12 School Replacement	1974/2003	111	239	300	$47,394,170	$47,394,170	$47,394,170	$947,883	$46,446,287
2	2	Lower Kuskokwim	Kipnuk K-12 School Renovation / Addition	1990	70	209	241	$56,344,082	$50,841,480	$50,841,480	$1,016,830	$49,824,650
3	3	Lower Kuskokwim	Kwigillingok K-12 School Renovation / Addition	1979/1987	55	114	124	$39,126,740	$32,750,467	$32,750,467	$655,009	$32,095,458
4	4	Lower Kuskokwim	Napaskiak K-12 School Replacement #	1973/1978/1984	77	161	206	$40,921,255	$33,586,431	$33,586,431	$671,729	$32,914,702
5	5	Lower Yukon	Emmonak K-12 School Renovation/Addition	1963/1975	143	231	231	$28,898,799	$39,990,445	$39,990,445	$799,809	$39,190,636
6	6	Lower Kuskokwim	Kuinerramiut Elitnaurviat K-12 School Renovation/Addition, Quinhagak #	1981/1986	90	212	259	$31,160,414	$31,160,414	$31,160,414	$623,208	$30,537,206
7	7	Northwest Arctic	Kivalina K-12 Renovation/Addition #	1976/1984	75	107	109	$15,414,491	$15,414,491	$15,414,491	$4,624,347	$10,790,144
8	8	Lower Kuskokwim	Kwethluk K-12 School Replacement	1981/1986	143	250	293	$50,489,918	$45,445,153	$45,445,153	$908,903	$44,536,260
9	9	Southwest Region	Koliganek K-12 School Replacement *,#	1959/1979/1981	75	51	51	$26,311,134	$22,902,662	$22,902,662	$458,053	$22,444,609
10	10	Lower Kuskokwim	Nightmute K-12 School Renovation / Addition	1980/1984	53	92	132	$33,913,215	$23,770,075	$23,770,075	$475,401	$23,294,674
11	11	Kuspuk	Auntie Mary Nicoli Elementary School Replacement, Aniak *,#	1930/1955/ 1979/1973/1993	111	63	64	$12,363,060	$12,363,060	$12,363,060	$247,261	$12,115,799
							Totals for top 11 projects on the FY2011 School Construction CIP List	$392,339,278	$355,618,858	$355,618,858	$11,428,433	$344,190,425
							Totals for all 35 projects on the FY2011 School Construction CIP List	$475,961,552	$437,939,547	$437,939,547	$26,296,398	$411,643,149

* Projected at 5 year Post Occupancy
# Reused FY2010 data
+ Eligible Space Reduced

Kivalina K-12 Renovation/Addition adds 9,100 square feet of new space in order to address moderate overcrowding. The school has also demonstrated significant life/safety and health issues including no fire protection, no sewage lagoon for waste discharge (waste is discharged directly into the surf adjacent to the school), a leaking roof with suspected structural damage and/or rot. All plumbing and mechanical systems have exceeded their useful life and are in need of replacement, and the interior finishes are significantly aged and worn and in need of replacement. The Corps of Engineers is currently working on a shoreline protection project that is designed to protect the school property from additional erosion for the next 15-20 years. The district considered relocation, but due to land constraints in the village, there are no other locations available that could reasonably accomdate an new school facility.

Koliganek K-12 School Replacement does not add space due to overcrowding, but has demonstrated significant life/safety and health issues inlcuding no fire protection, moisture infiltration, a leaking roof that continues to leak despite repeated repairs, differential foundation movements due to several different years of construction, mechanical and electrical sysytems that no longer meet functional or code requirements, and environmental health issues including lead and asbestos.

Auntie Mary Nicholi Elementary School Replacement, Aniak does not add space due to overcrowding, but has demonstrated significant life/safety and health issues including a deteriorating foundation and differential setting, moisture and mold infiltration, a sewage lift station in the basement beneath the food preparation area and which floods often and containes no

4720

SB 237 Funding Formula =
Outstanding debt x proxy % .28 x % of REAA students.

REAA School Construction - past 10 years: 2001-2010	$ 543,645,894	
FY11 REAA Projects	$ 344,190,425	
Total REAA Funding - incl FY11	$ 887,836,319	
Outstanding School Constr. Debt	**$ 1,230,933,627**	
Less Total REAA Funding	$ (887,836,319)	
Funding Differential	$ 343,097,308	
differential % muncipal vs REAA	**27.87%**	
Based on FY09		
Average Daily Student Count Total	128,380	baed on FY09
Average Daily Student Count REAA	14,208	
% of REAA students	**11%**	
SB 237 Formula =		
Outstanding Debt (variable)	**$ 1,230,933,627**	
x differnetial % 'proxy' (constant)	**28.00%**	
x % of REAA students (variable)	**11%**	
	$ 37,912,755.71	

Submitted by JAY Livey
OFFICE OF SEN. LYMAN HOFFMAN
4-7-2010

Alaska Department of Education and Early Development
School Construction and Major Maintenance funding last 20 years
Grants and Debt Reimbursement funded projects
Prepared 3/29/10

	REAA			City/Borough	
Year	Funding	# of projects		Funding	# of projects
1990	$4,115,500	16		$5,331,154	22
1991	$17,590,300	13		$268,000	1
1992	$17,594,700	17		$16,151,500	7
1993	$14,770,400	7		$52,815,700	8
1994	$38,829,471	35		$154,832,003	65
1995	$0	0		$158,935,000	17
Subtotal 1990-1995	**$92,900,371**	**88**		**$388,333,357**	**120**
1996	$400,000	2		$10,641,550	3
1997	$5,322,300	3		$66,294,985	16
1998	$336,720	1		$4,335,864	4
1999	$27,962,208	27		$338,292,184	71
2000	$0	0		$10,250,000	1
Subtotal 1996-2000	**$34,021,228**	**33**		**$429,814,583**	**95**
10yr Sub-total	**$126,921,599**	**13.43%**		**$818,147,940**	**86.57%**
2001	$88,725,178	5		$86,599,657	33
2002	$75,824,359	28		$114,686,707	36
2003	$140,182,852	32		$427,372,247	49
2004	$814,738	3		$117,978,054	46
2005	$5,839,787	11		$162,541,971	18
Subtotal 2000-2005	**$311,386,914**	**79**		**$909,178,636**	**182**
2006	$67,494,522	22		$78,422,984	21
2007	$82,268,165	21		$146,242,068	23
2008	$127,180,513	13		$124,868,261	20
2009	$139,127,653	12		$83,397,904	22
2010	$20,918,597	8		$40,374,884	17
Subtotal 2005-2010	**$436,989,450**	**76**		**$473,306,101**	**103**
10yr Sub-total	**$748,376,364**	**35.12%**		**$1,382,484,737**	**64.88%**
Total REAA	**$875,297,963**	**276**	**Total City/Borough**	**$2,200,632,677**	**500**

4-17-10

HCS for CS for Senate Bill 237 (FIN)
26-LS1342\Q
April 17, 2010

BILL SUMMARY

The proposed House Finance CS for SB237 amends the Senate version and adds the language from HB180.

SECTION SUMMARY

Section 1. This section is the Legislative Findings that were found in the Senate version of SB237. This CS does not make any changes to the Senate's language.

Section 2. Amends AS 14.11.008(b), the participating share for school districts to address major maintenance and school construction programs. This is from Sec. 1, HB180.

Section 3. Creates the state aid for school construction in regional educational attendance areas program, and establishes the regional educational attendance area school fund. There is a new "House version" formula for calculating the amount of money available for expenditure for regional educational attendance area schools. Last, the Department of Education and Early Development is required to provide an annual report beginning February , 2012 on the effectiveness of state funding for school facilities.

Section 4. This section extends the municipal bond debt reimbursement program to the date of June 30, 2014. This limitation is identical to the sunset date in Sec. 10 for the REAA school construction program.

Section 5. This section retroactively applies to the changes in Section 2 of this legislation. The changes in local share made by the bill apply to all school construction and major maintenance projects back to April 1, 2008.

Section 6. Effective date of July 1, 2012 for Section 3 of this Act.

Section 7. Immediate effective date for Sections 1, 2, and 4 – 6 of this Act.

26-LS1342\Q
Mischel
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act amending the percentages required to be paid by a municipal school district receiving a school construction or major maintenance grant; making a conforming amendment to a bond debt reimbursement provision referencing the percentages; establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; requiring a report from the Department of Education and Early Development; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing mechanisms including bond debt, taxes, and appropriations, a comparable mechanism for funding rural schools does not exist;

(2) the mechanisms that currently exist in statute to provide construction funding to regional educational attendance areas have not resulted in sufficient funding for projects approved for those districts.

*** Sec. 2.** AS 14.11.008(b) is amended to read:

(b) The required participating share for a municipal school district is based on the district's full value per average daily membership (ADM), which is calculated by dividing the full and true value of the taxable real and personal property in the district, calculated as described in AS 14.17.510 by the district ADM as defined in AS 14.17.990, for the same fiscal year for which the valuation was made. The municipal district's full value per ADM determines the district's required participating share, as follows:

Full Value Per ADM	District Participating Share
$1 - $150,000	5 percent
150,001 - 275,000	10 percent
275,001 - **500,000** [800,000]	**20** [30] percent
500,001 - 800,000	**30 percent**
over 800,000	35 percent.

*** Sec. 3.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department may provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the annual debt service amount divided by the percentage of all schools that are located in a city or borough school district, the quotient of which is to

be multiplied by .244.

Sec. 14.11.030. Regional educational attendance area school fund. (a) The regional educational attendance area school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $70,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

Sec. 14.11.035. Report on school construction and major maintenance funding. Beginning in February, 2012, the department shall provide to the governor and the legislature an annual report on the effectiveness of the school construction and major maintenance grants, state aid for school construction in regional educational attendance areas, and state aid for costs of school construction debt under this chapter. The report must include an analysis of funding sources and the short-term and long-term fiscal effects of the funding on the state. Copies of the report shall be made available to the public and to the legislature.

*** Sec. 4.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1,

1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual

growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay

costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to

schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year

for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under **the former participating share amounts required under** AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. AS 14.11.008(b), as amended by sec. 2 of this Act, applies retroactively to an appropriation made under AS 37.05.560 or a grant approved under AS 14.11.008(a) on or after April 1, 2008.

*** Sec. 6.** Section 3 of this Act takes effect July 1, 2012.

* **Sec. 7.** Sections 1, 2, 4, and 5 of this Act take effect immediately under AS 01.10.070(c).

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

WILLIE & SOPHIE KASAYULIE, et al.,

Plaintiff,

vs.

STATE OF ALASKA,

Defendant.

Case No. 3AN-97-03782 CIV

FILED
In chambers of
Superior Court
Judge John Reese
MAR 27 2001
State of Alaska
Third Judicial District
at ANCHORAGE

ORDER

The state has moved to reopen the rural school facilities funding order of this court, citing a "mistake of law" made in its prior briefing. Specifically, the state argues that its prior briefing did not present the court with information about prior appropriations made for rural school construction and maintenance.

The court has carefully reviewed the supplemental briefing and the exhibits. They show that the State of Alaska has failed to fund the C.I.P. program, to follow the legally established funding priorities in the projects it did fund, or to allocate available school facility construction and maintenance funds in a non discriminatory way. The prior findings of this court are well supported in the record, and reinforced by the new filings.

Procedure.

The States motion is a Civil R. 60(b) motion premised on a "mistake of law". The State's failure to present a more detailed funding history certainly is not a mistake of law, nor in the final analysis was it a mistake in tactics.

However, the gravity of the issues involved requires that the litigants have every opportunity to fully air their claims and defenses, even if it appears superficially to excuse tactical decisions or legal mistakes. The rules of procedure are designed to do justice, and justice requires the State to be allowed a reasonable opportunity to test a new defense, to use

different counsel, and perhaps even to craft its litigation strategy in a way to satisfy political pressures. Civ R.94 will be applied to relax the application of Rule 60(b) and Civ.R. 77 (l), and to allow the State its second bite at the apple.

Analysis:

The fundamental facts presented in the new briefing are how much money the State spent over the last 20 years or so on rural school facility funding. The State argues that since it spent hundreds of millions of dollars on rural school facilities, this courts findings of equal protection and civil rights violations was incorrect.

What this court found was that the systems for school facility funding, the C.I.P. for rural schools and the bond reimbursement program for districts with a tax base, have not been applied in a sufficiently even handed way to avoid constitutional and federal civil rights condemnation.

The C.I.P. program was established in 1990. Rural school per capita capital expenditures for FY 91, 92, 93 and 94, were roughly equal to the bond reimbursed urban expenditures, even though rural construction and maintenance costs exceed urban by a very large factor. In the six fiscal years prior to this court's order, the legislature chose to fund rural school construction at $30 or less per student four times, and at zero twice:

Fiscal Yr.	C.I.P.	Urban
95	-0-	869
96	30	724
97	389	627
98	24	581
99	1998	1009
00	-0-	556

After this court's order, the 2000-2001 fiscal year per capita funding for rural schools jumped to $6,200 versus $476 for urban schools. The State's brief claims this change was a result of the court's order, pressure from the governor, and the good faith of the legislature.

The court has no reason to doubt this, but there remains the flawed dual funding system that allowed the prior problems. The urban districts get 70% of their funding for schools reimbursed by the State. The rural districts get whatever the legislature chooses to give them.

The bond reimbursement program is automatic. The rural funding is political, and has been arbitrary, inadequate and racially discriminatory. Education health and safety of our youth have suffered. The dignity of our fellow citizens has suffered. The respect for public officials has suffered. The racial divisions in our state are further aggravated.

The media has reported legislators' comments on this issue: "It is cheaper to build a school in Homer than the bush", "There is only so much money to go around." These are absolutely true statements, of course - but they illustrate the fundamental legislative mistakes: We are constitutionally required to provide education on a substantially equal basis to all children, including rural mostly Native children, even if it costs more in the rural areas. As we spend the money available, we cannot spend it on urban, mostly non Native children first, and then say there is not enough to go around.

The present dual funding system is constitutionally flawed in form, and application.

Civ.R. 54(b).

Plaintiffs ask the court to enter a final order, and to require specific funding to correct the prior errors of the legislature. This court does have the power to require remedial action, within the limitations of separation of power, but would do so only with great reluctance.

The spending of the wealth of Alaska is for the legislature to manage, within the constitutional and federal limits. Legislation takes time, and school funding is expensive and complex. This court is not prepared to say the legislature will not, within a reasonable time, create a constitutionally proper system of funding, nor is this court prepared at this time to say the legislature will not, in the mean time, provide adequate remedial and ongoing capital funding for rural schools, in light of the FY 01 appropriation.[1]

---

[1] This court is, however, concerned that the priorities established through the legislatively mandated process have not been followed even in the FY 01 funding. Urban school districts choose their capital plans, and the reimbursement law carries it out. The priority setting by the Department of Education is a surrogate for the rural districts choices. There is no inherent problem with this representative arrangement, but if the priorities are ignored, it leaves the rural districts, and the parents and children they represent, " out of the loop," effectively

What the legislature creates, and what is developed in the other parts of this litigation, will result in a comprehensive resolution. It should be done together, and therefore a Civ- R. 54 (b) partial final judgment will not be entered at this time. However, should progress be thwarted, or the good faith efforts of the players be successfully challenged, specific orders will be issued.

DATED this 27th day of March, 2001, at Anchorage, Alaska.

John Reese
Superior Court Judge

I certify that on 03-27-01
a copy of the above was mailed to
each of the following at their
addresses of record:
H. Trickey, C, Middleton.
B. Bjorkquist, AGO

Marie Suazo mo.
Secretary

disenfranchised. Considering the impermissible racial impact of the prior funding choices made by the legislature, to deprive the rural children of even the indirect voice of the priority list seems to be treading on pretty thin legal ice. Endorsement of the priorities would seem to be a much better policy.

SB 238

<target><bill>SB 238</bill><subject>SB 238</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Senator Bettye Davis

SB 238 - "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

SPONSOR STATEMENT

This bill amends and restores the Medicaid income eligibility threshold for individuals who reside in a medical or intermediate care facility from a specified monthly income limit to 300% of the Social Security income benefit rate. This threshold is also used for people who receive home and community-based waiver services. In 2003 the Legislature fixed the Medicaid long-term services income eligibility limit for persons in medical or intermediate care facilities at $1,656 per month which was 300% Supplemental Security Income (SSI) at that time. This change created an income ceiling for waiver eligibility, effectively freezing the eligibility limit for the last seven years, rather than allowing the limit to adjust annually in tandem with the SSI, the income equivalent of which in 2009 was $2,022. The result was that small Social Security cost of living adjustments have disqualified many needy disabled people from the program.

Alternatives for preserving eligibility, particularly for those requiring lifetime or long-term care, include creation of a Medicaid qualifying income trust, also known as a Miller Trust. Trusts, however, have procedural drawbacks, including numerous responsibilities and restrictions, limited access to income, assistance of an attorney, and a trustee to manage trust assets.

As background, the Supplemental Security Income (SSI) program is a federal needs-based disability program for low income adults over age 65, blind, or disabled. For an adult, the SSI disability requirement is based on the ability to work. An adult is considered disabled if the person cannot do the work that he/she performed before the disability occurred or cannot do alternate work because of a severe physical or mental condition. For a child to be eligible, he/she must suffer from serious physical and/or mental problems. For both adults and children, the disability must last, or be expected to last for at least a year.

Medicaid services are critical to the well-being of Alaska's most vulnerable citizens. Supporting SB 238 will ensure that eligible Alaskans can continue to receive nursing home care and in-home services. It also will save the Legislature from amending statutes every year or two as the Federal Poverty Level guidelines and Supplemental Security Income levels increase with the cost of living.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 4, 2010

SUBJECT: Sectional Summary (SB 238 (Work Order No. 26-LS1362\A))

TO: Senator Bettye Davis
Attn: Thomas Obermeyer

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends the eligibility threshold for medical assistance applicants who are in a medical or intermediate care facility from a specified monthly income limit to 300 percent of the Social Security income benefit rate.

JMM:ljw
10-060.ljw

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 5, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **SENATE BILL NO. 238**

"An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

SB 238-MEDICAID FOR MEDICAL & INTERMEDIATE CARE

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
***For Senate Bills with new title:* [ ] *Technical Title* [ ] *New Title: HCR*_____ [ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DHS	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Joule	✓			
	Foster	✓			
	Salmon	X			
	KELLY			X	
	Austerman	X			
	FAIRCLOUGH	✓			
Chair:	Stoltze	X			
Chair:	Hawker	*			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 238
(S) Publish Date: 2/3/10

Identifier (file name): SB238-DHSS-SDMS-1-29-10
Dept. Affected: Health & Social Services

Title: Medicaid for Medical & Intermediate Care
RDU: Senior and Disability Services
Component: Senior and Disability Medicaid Services

Sponsor: Davis

Requester: Senate HSS
Component Number: 2662

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

This bill would increase the Medicaid income eligibility standard for individuals who reside in medical institutions, typically nursing facilities. This standard is also used for people who receive home and community-based waiver services. Currently, this standard is fixed at $1,656 per month. The bill would increase the amount to 300 percent of the federal Supplemental Security Income (SSI) monthly benefit, which is currently $674, adjusted for cost of living each year. Initially, the new standard for Medicaid nursing facility residents and waiver recipients would be $2,022 per month.

DHSS does not anticipate that increasing the monthly standard for this eligibility category will increase the number of Medicaid recipients receiving services. While this is contrary to DHSS expectations when the Legislature fixed the standard at a set dollar amount in 2003, experience shows that as individuals receive cost of living increases in pensions or Social Security payments that raise their incomes over $1,656 per month, they use Medicaid qualifying income trusts to reduce their countable income below that amount and continue to qualify for Medicaid.
(Continued on Page 2).

Prepared by: William J. Streur, Deputy Commissioner
Division: DHSS Health Care Services
Phone: 269-7827
Date/Time: 1/29/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 1/29/2010

ANALYSIS CONTINUATION

Another consideration is that Medicaid recipients who qualify under this institutional income standard are required to make a contribution toward the cost of the Medicaid institutional or waiver services they receive if their countable income exceeds the personal needs allowance established for their living arrangement. The personal needs allowance for people on waivers has historically been set in regulation and the amount varies depending on the person's living situation, and is not linked to the institutional income standard. DHSS has not assumed an increase to the personal needs allowance. Therefore, DHSS does not anticipate an increase in Medicaid spending as a result of this legislation. If DHSS increased the personal needs allowance in conjunction with increasing the income eligibility standard, it would increase Medicaid expenditures.

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Office of Senator Bettye Davis

April 2, 2010

Representatives Hawker and Stoltze, Co-Chairs, House Finance Committee

RE: Request for Hearing for SB 238 – "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

Dear Representatives Hawker and Stoltze,

Senator Davis respectfully requests a hearing concerning SB 238 before the House HSS Committee. This bill amends and restores the Medicaid income eligibility threshold for individuals who reside in a medical or intermediate care facility from a specified monthly income limit to 300% of the Supplemental Security Income (SSI) benefit rate. This threshold is also used for people who receive home and community-based waiver services. In 2003 the Legislature fixed the Medicaid long-term services income eligibility limit for persons in medical or intermediate care facilities at $1,656 per month which was 300% Supplemental Security Income at that time. ***This change created an income ceiling for waiver eligibility, effectively freezing the eligibility limit for the last seven years, rather than allowing the limit to adjust annually in tandem with the SSI, the income equivalent of which in 2009 was $2,022.*** The result was that small Social Security cost of living adjustments have disqualified many needy disabled people from the program. **Please schedule a hearing on SB 238 as soon as possible to assist some of the most vulnerable people in need of care in Alaska.**

Attached in order are the following:

1. Sponsor Statement
2. The most recent version of SB 238
3. Sectional analysis
4. Fiscal Notes
5. Additional Documentation
6. Suggested people to testify:
    - Jon Sherwood, HCS Med Asst. Adm. 465-5820
    - Vance Sanders, Juneau Attorney 586-1648
    - Holly Handler, Juneau Attorney 586-6425
    - Denise Daniello, Alaska Commission on Aging 465-4879
    - Marie Darlin, AARP Juneau Chapter 586-2873

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

December 8, 2009

SB 238 - See item #5, page 2

Senator Johnny Ellis
716 West 4th Ave. Suite 500
Anchorage, AK 99501-2133

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) is pleased to present to you our FY2011 legislative priorities for the upcoming session. These top issues were identified with input from older Alaskans, family caregivers, providers, and senior advocates statewide. The ACoA is a state agency under the Department of Health and Social Services, established in 1982. Our charge is to plan, educate and advocate on behalf of all older Alaskans (persons aged 60 years and older) through inter-agency collaboration so that Alaska seniors/elders may lead useful and meaningful lives with dignity and independence and have access to quality services when seniors need them to remain safely in their homes and chosen communities for as long as possible.

1. **Establish a regular and periodic schedule of rate reviews for home- and community-based services** that serve persons who are Medicaid-eligible and meet nursing home level of care. This measure will promote ongoing awareness of the true costs of providing services. SB 32, sponsored by Senator Johnny Ellis, passed the Senate and the House Health and Social Services Committee last session and waits to be scheduled for a hearing in House Finance. ACoA encourages passage of this legislation.

2. **Eliminate, or alternatively, adjust the cap on adult dental services reimbursed by Medicaid** to provide program benefits that keep pace with higher health care costs due to inflation, and **allow Medicaid patients access to two-years program benefits in a single year** to permit scheduling of treatment around the oral health care needs of the patient. The current law places a statutory $1,150 limit on dental health care expenditures per eligible client. When the Medicaid Adult Dental program was created in 2005, this amount was sufficient to pay for one half of a set of dentures, either an upper or lower, with the idea that a patient who needed dentures could have both sets if the treatment was scheduled around the turn of the fiscal year. Although health care costs continue to rise, the cap has not been increased in three years. Allowing Medicaid patients access to two years of program benefits in a single year furnishes Alaskans and their dentists the flexibility needed to provide treatment addressing oral health emergencies that can occur at any time.

3. **Provide increased operating and capital funding to establish an Alaskan Public Transportation Fund for operations of local coordinated transportation systems** which the State can use to leverage additional federal funds to improve accessible, affordable transportation for older Alaskans, persons with disabilities, low-income individuals, youth and others without access to transportation so that Alaskans with special needs may have greater access to employment and community participation opportunities. According to the Governor's Coordinated Transportation Task Force Report (2009), Alaska is one of only three states in the nation that does not provide any specific state funding for public transportation.

4. **Provide operating funding to enhance the Aging and Disability Resource Centers**, administered under the Division of Senior and Disabilities Services, to streamline access to more efficient information and referral services by providing eligibility screening, options counseling, and assessments so that Alaskans can make informed decisions and have access to long-term care services through a "one-stop shop," reducing confusion and program fragmentation.

5. **Return to the original wording of AS 47.07.020 (b) (6), the Medicaid statute establishing income eligibility for persons requiring nursing home level of care, referencing 300% of the maximum Supplemental Security Income (SSI) benefit rate rather than the current frozen dollar amount ($1,656 a month) to reflect changes in cost of living** so that seniors and other Medicaid-eligible persons will not be disqualified for services, including home- and community-based waiver services, due to small increases to their Social Security and other benefits. The amount of $1,656 is the monthly amount of 300% of SSI in 2003. The 2009 income equivalent is $2,022 monthly.

We also want to take this opportunity to share with you highlights from the Alaska Elder/Senior Community Forums that we hosted in Kotzebue (August) and Anchorage (December) to increase understanding about the issues that are of most importance to older Alaskans and to identify unmet needs. These forums, to be held in other locations statewide in the coming year, are being conducted to gather public input that will be used to develop the next Alaska State Plan for Senior Services, FY2012-2016. This document, prepared every four years, provides the State with a guide for delivering senior services and meets the requirement of the U.S. Administration on Aging for the state to access funding from the Older Americans Act which provides federal funding for a range of senior programs. Although these forums will be ongoing, Anchorage and Kotzebue participants identified the following issues as the most important:

- Provide improved access to quality and affordable health care, long-term supports that include home- and community-based services in communities where older Alaskans live, and promote disease prevention and wellness programs;
- Promote financial security, increase affordable senior housing, and improve elder safety;
- Provide safe, dependable, and affordable coordinated community transportation services so that seniors/elders can get to medical appointments and remain actively engaged in their communities;
- Enhance information and assistance services to help individuals access long-term support services and make informed decisions regarding their care.

Upon retirement, more seniors are choosing Alaska as their lifelong home to be close to family, friends and the unique Alaskan lifestyle. For the first time, Alaska is now the state with the fastest growing senior population, according to the U.S. Administration on Aging (2008), replacing Nevada, which held that position for many years. Alaska is home to approximately 80,000 persons aged 60 years and older who comprise about 12% of the state's population (Alaska Department of Labor). Alaska's senior population is expected to increase by four to six percent each year through 2020, as baby boomers become of age, by which time the total number of seniors will grow by almost 64 percent. The oldest Alaska seniors, 85 and older, are expected to triple during the next 25 years, vastly increasing the number of Alaskans living with Alzheimer's disease and related disorders.

Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or denise.daniello@alaska.gov) for additional information about these issues or with any questions concerning Alaska's senior population.

The Alaska Commission on Aging will be meeting in Juneau February 10th-12th, 2010 and hopes to schedule a meeting with you to discuss our priorities in person. We look forward to working with you this legislative session. We appreciate your consideration of these advocacy priorities and thank you for your support of services for older Alaskans.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

4744

ALASKA STATUTES
1962

Volume 10

TITLE 45 TO TITLE 47

NOVEMBER 2002 300% SS1

Published by
THE ALASKA LEGISLATIVE COUNCIL

Annotated and Printed by
LexisNexis

Under the Supervision of
JANICE COFFIELD, THOMAS D. CRANFIELD, JR.,
AND BRIAN YOST

Effective Date of Statutes

See Alaska Constitution, art. II, § 18

Annotated through Sup. Ct. Op. No. 5589. For complete scope of annotations, see preface. For detailed information on the use of the Alaska Statutes, see User's Guide in Volume 1.

LexisNexis®

AS 2002

claims under medicaid, medicare, or similar welfare programs providing medical services. 32 ALR4th 671.

Criminal liability of pharmacy or pharmacist for welfare fraud in connection with supplying prescription drugs. 16 ALR5th 390.

Sec. 47.07.020. Eligible persons. (a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the Aid to Families with Dependent Children program;

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.220;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

ALASKA STATUTES
1962

2003 SUPPLEMENT

NOVEMBER 2003 — $1,656 /Month

Published by

THE ALASKA LEGISLATIVE COUNCIL

Annotated and Printed by

LexisNexis

Under the Supervision of

TERESA BUCHHOLZ, ANN GRADY, THOMAS D. CRANFIELD, JR., AND BRIAN M. YOST

Effective Date of Statutes

See Alaska Constitution, art. II, § 18

Annotated through Sup. Ct. Op. No. 5704. For complete scope of annotations, see preface. For detailed information on the use of the Alaska Statutes, see User's Guide in Volume 1 of the 2002 main set.

LexisNexis™

RECEIVED
DEC 1 6 2003
LEG. REF. LIBRARY

AS 2003

(12) "medical assistance record" means records required to be kept by state or federal law or regulation regarding claims to a medical assistance agency;

(13) "organization" has the meaning given in AS 11.81.900;

(14) "person" has the meaning given in AS 11.81.900;

(15) "property" has the meaning given in AS 11.81.900;

(16) "reckless disregard" means acting recklessly, as that term is defined in AS 11.81.900;

(17) "services" or "medical assistance services" means a health care benefit that may qualify for reimbursement under AS 47.07 or AS 47.08, including health care benefits provided, attempted to be provided, or claimed to have been provided to another, by a medical assistance provider, or "services" as defined in AS 11.81.900;

(18) "unconditional discharge" has the meaning given in AS 12.55.185. (§ 3 ch 66 SLA 2003)

Chapter 07. Medical Assistance for Needy Persons.

Section
10. Purpose
20. Eligible persons
30. Medical services to be provided
32. Inpatient psychiatric services for persons under 21 years of age
35. [Repealed]
36. Cost containment measures authorized
42. Recipient cost-sharing
70. Payment rates for health facilities
73. Uniform accounting, budgeting, and reporting
74. Audits and inspections
110 — 190. [Repealed]
900. Definitions

Sec. 47.07.010. Purpose. It is declared by the legislature as a matter of public concern that the needy persons of this state who are eligible for medical care at public expense under this chapter should seek only uniform and high quality care that is appropriate to their condition and cost-effective to the state and receive that care, regardless of race, age, national origin, or economic standing. It is equally a matter of public concern that providers of services under this chapter should operate honestly, responsibly, and in accordance with applicable laws and regulations in order to maintain the integrity and fiscal viability of the state's medical assistance program, and that those who do not operate in this manner should be held accountable for their conduct. It is vital that the department administer this chapter in a manner that promotes effective, long-term cost containment of the state's medical assistance expenditures while providing medical care to recipients. Accordingly, this chapter authorizes the department to apply for participation in the national medical assistance program as provided for under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act). (§ 1 ch 182 SLA 1972; am § 4 ch 66 SLA 2003)

Effect of amendments. — The 2003 amendment, effective September 9, 2003, rewrote the first sentence, added the second sentence, and in the last sentence substituted "department" for "Department of Health and Social Services."

NOTES TO DECISIONS

Cited in Garner v. State, 63 P.3d 264 (Alaska 2003).

Sec. 47.07.020. Eligible persons. (a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

AS 2003

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed $1,656 a month but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the Aid to Families with Dependent Children program;

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.210;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

(i) they require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded;

(ii) it is appropriate to provide their care outside of an institution; and

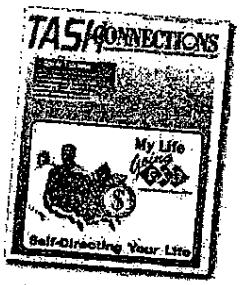
(iii) the estimated amount that would be spent for medical assistance for their individual care outside an institution is not greater than the estimated amount that would otherwise be expended individually for medical assistance within an appropriate institution;

(C) if they were in a medical institution, they would be eligible for medical assistance under other provisions of this chapter; and

My Life Going F.A.R.
Freedom * Authority * Responsibility

Supporting Individuals and Families to Self Direct Their Lives Through the Maryland New Directions Medicaid Waiver

About the Project
MD New Directions Waiver
New Directions Fact Sheets
Person-Centered Planning
Individualized Budgeting
What is Self-Direction?
Regional Workshops
Planning Workshops
Creating an Individualized Budget
Resources and Links
Calendar of Events
Glossary of Acronyms & Terms
Position Announcement
Outreach Tools
Contact Us



Inside the March - April 2005 Issue of TASH Connections:
Self-Directing Your Life (.pdf file)

My Life: Going FAR is a project of TASH.

This project is funded by the Maryland Developmental Disabilities Council, in cooperation with the Maryland Developmental Disabilities Administration.

What is a Medicaid Waiver?

This information is based on a Policy Brief of the National Center for Family Support. The entire brief can be found at www.familysupport-HSRI.org

The Medicaid program is an enormously important source of money to pay for services and supports for people with developmental disabilities. About $3 of every $4 that states spend for developmental disabilities services comes by way of Medicaid. Once, Medicaid dollars only paid for institutional services. Today, Medicaid allows more diverse services and supports for individuals in the community, by "waiving" the need to get those same services in an institution.

Why is it important to learn all about Medicaid?

Advocates need to keep in mind that states have the ability to decide who gets funded for what services (criteria for eligibility and coverage). To realize many of the opportunities afforded by federal policy, a state must elect to include an "option" or change its current policies. Medicaid policy change at the state level means convincing policy makers (governors and legislators) to take advantage of key options if they have not done so already. This is why it is important for individuals, families and other stakeholders to be "at the table" when Medicaid policy is discussed.

The Way Medicaid Works

Federal law (Title XIX of the Social Security Act) and regulations spell out the requirements that a state must meet in operating its Medicaid program. If a state meets these requirements, then the federal government pays a percentage of money (called the Federal Medical Assistance Percentage (FMAP)) of the amount of money that the state spends for services to people who are eligible for Medicaid. The FMAP rate varies, depending on income levels in each state. The lowest FMAP for high-income states is 50%; the maximum rate allowed is 83%. The highest rate currently being paid is about 77% (Mississippi).

States must use their own or local tax dollars (called "matching dollars") to meet their share of Medicaid costs. In order to expand Medicaid services, a state must provide more of their own tax dollars to get more money from the federal government. In the federal budget, Medicaid is an "open-ended entitlement" program. This means that the federal government is required by law to pay its share of state Medicaid costs regardless of the total amount. Each state spells out what is available under its Medicaid program in a document called the "state plan." The state plan describes the groups of individuals who can receive Medicaid services and the services that the state will make available to them. A state can amend its plan to change its program. State plan amendments are subject to federal review and approval. Each state must designate one of its agencies (called the "single state Medicaid agency") to administer its Medicaid program. The Medicaid

Sign up for the My Life: Going FAR email discussion group. This group is for sharing questions, ideas, and sucess stories related to self-directing support services and for supporting people to self-direct and use the Maryland New Directions Medicaid Waiver.

Individuals with developmental disabilities, families, and interested advocates or supporters are welcome and encouraged to participate.

If you or someone you know is interested in the information, but does not have regular access to email or the internet, please call us at 410-828-8274 x109 and we will add you to our regular mailing list.

Subscribe to MDNewDirectionsResource

enter email address

YAHOO! Groups Join Now!

Powered by groups.yahoo.com

agency may enter into agreements with other state agencies (e.g., the state developmental disabilities agency) to administer specific services.

The federal agency responsible for the Medicaid program is the Center for Medicaid and State Operations (CMSO), a branch of the Health Care Financing Administration (HCFA) in the Federal Department of Health and Human Services. HCFA issues regulations and other policy guidance concerning Medicaid. It also oversees state Medicaid program operations. There are ten HCFA Regional Offices located around the country that work with individual states concerning the operation of their Medicaid programs.

Key Requirements For States

There are key requirements with which a state's Medicaid program must comply. These basic requirements govern Medicaid programs nationwide. They include:

- A state must make services available to individuals on a *comparable* basis. With some exceptions, a state may not provide services that differ in amount or type to one group of beneficiaries than others.
- A state must guarantee that recipients have *free choice* in selecting from among qualified service providers when obtaining Medicaid services. That is, a state cannot require a person to obtain services from a specific provider to the exclusion of others.
- A state must make Medicaid services are available *statewide* and provide that individuals have ready *access* to them.
- A state must accept and make a *prompt decision* concerning a person's application for Medicaid services.
- A state may not limit or ration services due to a funding shortfall. A state is obligated to provide services in its state plan to all eligible persons. If a state cannot afford to provide the services, it must change its state plan.
- A state also must permit individuals to appeal adverse decisions concerning their eligibility or the authorization of services. This is called the Fair Hearing process.

In some cases, a state may request *waivers* of some of these requirements. Medicaid home and community-based service waiver programs operate under such waivers. The HCBS waiver program will be discussed in more detail below. When a state decides to use a managed care arrangement to obtain services for individuals (thereby limit their freedom of choice), there are federal laws and regulations concerning how such arrangements must be set up in order to safeguard their interests. Medicaid services must be obtained from "qualified providers." A state must spell out the qualifications that an individual or agency must meet in order to furnish services. States have considerable latitude in specifying these qualifications. At a minimum, providers must meet requirements spelled out in state law. In addition, each provider must enter into a contract (called a "provider agreement") with the state in order to be paid for services it provides to beneficiaries.

Medicaid is a "vendor payment" program. Typically, states pay providers directly on a fee-for-service basis once the provider has furnished a service. Subject to federal requirements, a state may pay for Medicaid services through prepayment ("capitation") arrangements when services are provided by health maintenance organizations (HMOs) or similar organizations. States have broad discretion in determining the amount of payments for services. Federal law requires that payment rates must be

sufficient to attract enough providers so that recipients can access needed services.

Eligibility: The Portal to Medicaid Services

Medicaid services are available only to individuals determined eligible for a state's program. Eligibility is the "portal" through which people must pass in order to obtain Medicaid services. On the other side of this portal lie services that people can obtain.

There are two parts to Medicaid eligibility. One is *financial eligibility*. Medicaid is a *means-tested* program. To qualify for Medicaid, a person cannot have income or assets that exceed the amounts that the state has specified. *The second leg of eligibility is whether a person is a member of a "group" that recognized in federal law* (e.g., people with disabilities who receive federal Supplemental Security Income (SSI) benefits). In order to receive Medicaid services, a person has to meet both tests. "Mandatory" groups (e.g., individuals that all states must serve) essentially include SSI recipients and children who live in very low-income households. But, there are many options or "doors" available to states to widen Medicaid eligibility beyond the mandatory groups. People with developmental disabilities qualify for Medicaid by meeting financial eligibility tests and being members of recognized but broader groups (e.g., individuals with disabilities). It is important to understand that over the past fifteen years, federal Medicaid policy has changed to permit states to offer Medicaid services to more groups of individuals who do not actually receive public assistance payments. Medicaid no longer is closely tied to "welfare." Even though the program is still means-tested, new mandates and options have been added so that individuals and families who have income above the poverty line can pass through the portal.

There are certain eligibility options that can play an important role in enabling people with developmental disabilities to qualify for Medicaid services, even though these options are not reserved exclusively for such individuals. These options revolve around children and adults who do not qualify as members of a mandatory group, generally because their or the family's income prevents them from being eligible to receive an SSI or other public assistance payment. It is helpful to discuss these options in terms of those that are relevant to children, adults and those that cut across all ages.

- **Children**. Not all children and youth with severe disabilities can qualify for an SSI payment and, thus, Medicaid. In the case of children with severe disabilities who live with their families, SSI rules require that a portion of the family's income be counted as available ("deemed") to the child. Even in the case of low-to-moderate income families, this requirement can result in the child's not qualifying for an SSI payment and, thus, make the child ineligible for Medicaid. However, if the child were placed permanently out of the family home in an institutional setting, the family's income would not be counted and the child would qualify for Medicaid. In order to correct this problem, in 1982 Congress enacted the "Katie Beckett option" (also known as "TEFRA 134"). Under this option, a state can decide not to count the family's income when the child meets SSI disability criteria and would be eligible for Medicaid if s/he were in an institutional setting. Several states have adopted this option. One state where this option is used extensively is Wisconsin. See the _ for how to obtain more information about Wisconsin's Katie Beckett program.

- Children who do not receive SSI also can qualify for Medicaid in a variety of other ways. They can qualify as members of low and moderate income households (needy families). There can be other avenues available, depending on the state. The Vermont Parent-to-Parent Network has identified six ways (including the Katie Beckett option) that children with disabilities can obtain Medicaid eligibility in Vermont. See the _ for how to access this information.

- Congress is considering a bill (the Family Opportunity Act) that would give states still another option for extending Medicaid eligibility to children with disabilities who live in higher income households eligible for Medicaid services. We discuss this bill more in the final section.
- **Adults**. Family income does not play a role in Medicaid eligibility for adults with disabilities, including when the person lives with his/her family. Only the adult individual's own income and resources are considered. As noted previously, states must extend Medicaid eligibility to individuals who receive SSI payments. SSI program rules permit individuals to earn income up to a certain level and still qualify for SSI. Recently, these earning limits were raised to $740/month. There also are special rules that continue SSI and Medicaid benefits for a period of time after a person exceeds the earned income ceiling. It is not true that having a job automatically disqualifies a person for Medicaid. But, problems can arise once the person's income climbs above levels that SSI permits.
- Not all adults with severe disabilities qualify for an SSI payment. People who receive "adult disabled child" Social Security benefits or who have other income (including employment income) that exceed SSI maximums can qualify for Medicaid under other options. A state can set higher income thresholds that permit more of these individuals to qualify even though they do not receive SSI. Many states also permit individuals to qualify as "medically needy." In a medically needy program, people who have income above the state's maximum qualify for Medicaid by "spending down" their income on health services until it reaches the state's maximum (e.g., if a state's maximum is $600 per month and a person has income of $800, the person will qualify once he or she spends $200 on health services). Recently, HCFA issued new rules that give states more options to make it easier for people to qualify as medically needy and thus obtain Medicaid eligibility. In addition, starting in 1997, Congress has added more eligibility options that permit states to extend or continue Medicaid eligibility for adults with disabilities whose employment earnings would otherwise disqualify them for Medicaid. See the _ for how to obtain information on this new options (which some states already have adopted). The rules concerning Medicaid eligibility for adults with disabilities differ considerably from state to state with the exception of the requirement that states include SSI recipients. As with children, it is important to have solid information concerning the rules in your state.
- **Long-term Services Eligibility**. In most states, Medicaid financial eligibility rules are more liberal for people who require long-term services. For example, a state may grant Medicaid eligibility to such persons who have incomes as high as three-times the basic grant standard for the SSI program (i.e., as high as $1,590 per month). In operating an HCBS waiver program, a state may employ the same financial rules to determine eligibility as it does for institutional services. For children, this yields the same result as the Katie Beckett option. However, the Katie Beckett option is broader since it

does not hinge on whether the child participates in a waiver program. In the case of adults, using institutional financial eligibility rules can make a big difference in enabling individuals to obtain Medicaid eligibility. But, again, these special provisions apply to people who qualify for long-term services.

Medicaid operates under a simple rule: no Medicaid card, no services. States have many options for widening the eligibility portal for both children and adults with disabilities beyond those who receive an SSI payment. Advocacy with respect to Medicaid eligibility centers on urging states broaden eligibility options to more children with severe disabilities who live with their families and adults who do not qualify for SSI.

Once a person successfully navigates through a Medicaid portal, the next question is what services they can obtain that would be valuable in meeting his or her needs? Answering this question revolves around "coverage" -- the collection of "services" or "benefits" a state offers to Medicaid beneficiaries.

Medicaid coverage also has two parts. Every state must provide all Medicaid recipients with a core set of *mandatory services* (e.g., hospital, physician, nursing facility, home health services). A state also may elect to provide additional *optional services* (e.g., personal assistance, home and community-based waiver services). See the _ for how to locate information about the all the services that a state must or may offer. States can operate Medicaid programs that have either wide or narrow benefits. Usually you can find out about all the services your state offers at the Medicaid agency's website (_). Like other health insurance programs, whether a person requires a service is based on "necessity" (medical or otherwise) criteria (e.g., does a person's condition require a treatment or service that is covered under the state plan?).

State-to-state, the basic services that are available depend on whether the person is a child or adult as well as the decisions that a state has made with respect to the services it offers. Everyone who has a Medicaid card can access the services that a state offers through its Medicaid state plan. Here, we describe some key "regular" Medicaid services (e.g., services that a state can provide without seeking special waivers). In the next section, we will discuss services that a state can over through an HCBS waiver program.

There are differences in the services that a state must or may offer children and adults. In particular:

- **Children.** For more than a decade, Congress has focused on strengthening the role that the Medicaid program plays in ensuring that children (with or without disabilities) have access to health care. In 1989, Congress extensively revamped federal Medicaid law what are labeled "Early and Periodic Screening, Diagnosis and Treatment" (EPSDT) services. States must provide EPSDT services to all children who are eligible for the Medicaid program. It is one of the mandates that states must meet in operating a Medicaid program. Through EPSDT, children must be seen periodically by health care professionals. If the child is identified as having a medical condition, further diagnoses must be performed and a state must follow through to provide all necessary treatment services. However, needed services can be identified at any time by professionals other than the child's own physician. The 1989 law

changes required states to step up their performance in operating EPSDT programs. It also mandated that states furnish any necessary Medicaid service (including dental care) that a child requires – regardless of whether the state specifically covers the service as part of its regular Medicaid program or not. The EPSDT mandate, for example, means that Medicaid eligible children with severe disabilities who require therapeutic services must be provided them. A state cannot restrict the services that it provides under the EPSDT mandate; it must make all types of services available, including the services that children with severe disabilities or special health care needs require. Such services can include home health services and personal assistance. However, EPSDT services do not include services (like respite) that only can be furnished through an HCBS waiver program. It is this EPSDT mandate that potentially makes obtaining Medicaid eligibility so valuable for children with disabilities.

- **Adults**. Except for the mandatory services that all states must include in their Medicaid programs, states have latitude in terms of the types of services that they make available to adults with disabilities. With respect to adults, there is no equivalent to the EPSDT mandate. States vary considerably with respect to the optional services that they make available to adults. For example, states frequently make available only very limited dental services or restrict the provision of therapeutic services only to people who need such services to "restore function," a restriction that frequently results in persons with developmental disabilities not being able to obtain such services. In addition, often states impose restrictions on optional services that can narrow their scope considerably.

There are three "regular" Medicaid services that are especially relevant to meeting the needs of people with developmental disabilities:

- One is home health, which all states must offer in their Medicaid programs. Home health services are provided to individuals at their place of residence. Home health services must include part-time or intermittent nursing services, home health aide services, and certain medical supplies and equipment. Physical, occupational therapy and speech pathology and audiology services also may be provided on an optional basis. In some states, access to home health services has been restricted to "homebound" individuals. But in July 2000, HCFA issued a policy clarification that states cannot restrict the availability of these services to people whose condition prevents them from leaving the home. This is expected to increase access to home health services by individuals who live in the community.
- The second important "regular" Medicaid service coverage is personal care (a.k.a., "personal assistance" or "attendant care"). When this service is offered, workers can provide assistance to people with disabilities in a wide variety of ways (helping with activities of daily living, grocery shopping, or getting about in the community). Once, federal rules limited the provision of these services to the person's home and described them in "medical model" terms. In 1993, Congress changed federal law so that personal assistance could be provided out in the community and "demedicalized" them. In 1999, HCFA issued new guidelines that gave states increased flexibility in providing these services, including sanctioning the use of consumer-directed personal care services (____). A state may provide personal care/assistance services without obtaining a waiver from HCFA and people do not have a

demonstrate a "need for institutional services" in order to obtain these services. Personal care is a potentially very flexible benefit that states can make available to all beneficiaries. However, fewer than 30 states offer personal care under their regular Medicaid programs and many have imposed more stringent restrictions on them than federal policy requires. A few states (e.g., Washington) make personal assistance available relatively widely.

- Another service is "targeted case management." The service is labeled "targeted" because it is one of the few regular Medicaid services that a state can cover but limit to specific groups of individuals. Many states use this coverage to fund their service coordination systems for people with developmental disabilities. States can offer these services to one or many groups of beneficiaries. Targeted case management is designed to help Medicaid beneficiaries access any of a wide range of services -- including social and educational services – not just health care services.

The "regular" services that a state offers through its Medicaid state plan make up a "core" benefit package available to all Medicaid beneficiaries. Federal policy is very liberal with respect to the range of benefits that states may offer. But, many states are reluctant to add more services to their Medicaid programs or loosen up the restrictions that apply to the services that they presently offer. It is not surprising that concerns about increased spending lie behind this reluctance. Once a service is included in the core benefit package, it becomes an entitled service that might be very costly to provide. Nonetheless, advocates should be vigilant for opportunities to urge states to take advantage of opportunities to add services that are important to people with disabilities or remove overly stringent restrictions.

This information is based on a Policy Brief of the National Center for Family Support. The entire brief can be found at www.familysupport-HSRI.org

My Life: Going FAR is a project of TASH.
This project is funded by the Maryland Developmental Disabilities Council,
in cooperation with the Maryland Developmental Disabilities Administration.

01/24/05

ABOUT OUR PROGRAMS

MARYLAND MEDICAL ASSISTANCE FOR FAMILIES New!

MARYLAND MONEY FOLLOWS THE PERSON

HEALTHCHOICE

SEARCH OUR HEALTHCHOICE PROVIDER DIRECTORY

DIVISION OF COMMUNITY SUPPORT SERVICES

MONTHLY INCOME & ASSET GUIDELINES FOR MEDICAL CARE PROGRAMS

MARYLAND CHILDREN'S HEALTH PROGRAM

PRIMARY ADULT CARE PROGRAM (PAC)

MARYLAND MEDICAID PHARMACY PROGRAM

LONG TERM CARE

SPECIALTY MENTAL HEALTH SERVICES

WAIVER PROGRAMS

LISTING OF LOCAL DEPARTMENTS OF SOCIAL SERVICES

MEDICAL PROGRAMS HOME

MARYLAND MEDICAID ADVISORY COMMITTEE

EARLY & PERIODIC SCREENING, DIAGNOSIS & TREATMENT (EPSDT)

EMPLOYED INDIVIDUALS WITH DISABILITIES PROGRAM (EIDP) INFORMATION

MESSAGE TO COMMUNITYCHOICE ADVISORY GROUP

SITE TABLE OF CONTENTS

Waiver Programs

The Medicaid Program is responsible for the implementation and ongoing administration of home and community-based services waivers and targeted case management programs for special population groups. The Program studies, plans, and implement services relating to the needs of special populations such as the elderly, the mentally ill, and the physically and mentally disabled.

- Waiver Programs Overview
- Reportable Event Information
- Provider Billing Forms and Instructions
- Registry Policy for Closed Waivers
- Older Adults Fact Sheet Updated
- Autism Waiver Fact Sheet
- Model Waiver Fact Sheet
- TBI Waiver Fact Sheet
- Living at Home Waiver Program
- Frequently Asked Questions List
- Estate Fact Sheet
- Estate Fact Sheet - Spanish Version
- Medical Day Care Waiver Fact Sheet New!
- Medical Day Care Waiver Application New!
- Medical Day Care Services Waiver New!
- Residential Treatment Center (RTC) Waiver New!
- Waiver Program Updates
  - Autism Waiver Application
  - Approved Living at Home Waiver Application
  - 1915 (b)(4) waiver application for Living at Home Case Management, Submitted July 2009

What is a waiver?

Under Section 1915(c) of the Social Security Act, Medicaid law authorizes the Secretary of the U.S. Department of Health and Human Services to waive certain Medicaid statutory requirements. These waivers enable States to cover a broad array of home and community-based services (HCBS) for targeted populations as an alternative to institutionalization. Waiver services may be optional State Plan services which either are not covered by a particular State or which enhance the State's coverage. Waivers may also include services not covered through the State Plan such as respite care, environmental modifications, or family training.

The four basic types of 1915(c) HCBS waivers available for states based on the target population's level of alternative long-term institutional care are:

- intermediate care facility-mental retardation (ICF-MR) level of care for mentally retarded and/or developmentally disabled individuals;
- chronic or rehabilitative hospital level of care for individuals who are medically fragile, chronically ill, or severely disabled;
- psychiatric hospital level of care for individuals who are severely or chronically mentally ill; and
- nursing facility level of care for individuals who are elderly, physically disabled, and/or cognitively impaired.

To be a waiver participant, an individual must be medically qualified, certified for the waiver's institutional level of care, choose to enroll in the waiver as an alternative to institutionalization, cost Medicaid no more in the community under the waiver than he or she would have cost Medicaid in an institution, and be financially eligible based on their income and assets.

Updated
July 16, 2009

External Links Disclaimer:

This site contains links to other Internet sites only for the convenience of World Wide Web users. DHMH is not responsible for the availability or content of these external sites, nor does DHMH endorse, warrant or guarantee the products, services or information described or offered at these other Internet sites.

Copyright © 2002 Maryland Department of Health and Mental Hygiene (DHMH)

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

February 1, 2010

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 238 (Davis)--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 238, which you authored.

SB 238 corrects a situation which occurred in 2003 when the Legislature changed eligibility for long-term care services in facilities from 300% of the SSI level to $1,656 per month. Since then, each year some Alaskans would find themselves no longer eligible than when the 300% level was used.

Alaska has a long history of using home and community based services in preference to institutionalized care. SB 238 will allow our most frail and vulnerable citizens to remain in their homes and communities or in institutional settings, when appropriate.

The beneficiaries of SB 238 are not well off financially. They are at risk economically as well as from a health standpoint.

AARP recommends an "AYE" vote on SB 238.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson

Senate Finance Committee – Testimony for SB 238
March 15, 2010

- Good Morning. My name is Denise Daniello, executive director for the Alaska Commission on Aging.

- We are pleased to offer our strong support for SB 238.

- This is an important piece of legislation for older Alaskans who receive small cost-of-living increases to their Social Security and other benefit amounts. The impact from this freeze has been that from 2003 forward, a small cost-of-living adjustment to Social Security can put a senior over the $1,656 limit and in effect disqualifies them from receiving Medicaid long-term support services. These vulnerable individuals are at-risk both financially and with regards to their health.

- Our office became alerted to this issue around Christmastime in 2008 when many individuals on Social Security receiving waiver services were issued notice from the State that they would no longer be eligible for these services after the 2009 Social Security COLA went into effect. They were given the choice of either paying out-of-pocket for these services or establishing a Medicaid qualifying income trust, also known as a Miller Trust, to preserve their income eligibility. They were very distraught and called our office for help. Some called their legislators.

- (As has already been explained...) the Miller Trust reduces one's countable income below the income standard, which is now set at $1,656, so that a person can continue to qualify for Medicaid.

- The Miller Trust is a useful tool for maintaining income eligibility but has some drawbacks:

    - First, it requires an individual to seek legal assistance from an attorney to establish the Trust and then to find a person they trust to manage their account. Some elderly Medicaid recipients have no friends or family they know who can serve as reliable trustees. They must either trust a stranger to manage their money or forego benefits. Some recipients risk their money by having less-than-trustworthy relatives serve as a trustee. Recently, we learned of a case involving an elder whose granddaughter left the state with the individual's trust account funds.

    - Secondly, trustees have a lot of legal responsibilities that include registering the trust with the court system, arranging for an identification number from the IRS, setting up a special account with the bank, arranging for direct deposits to that account through Social Security, and securing approval from the Division of Public Assistance for the Trust. Trustees are also responsible for properly managing the Trust that includes distributing the correct monthly allowance to the Medicaid recipient, making allowable expenses with Trust funds that are not clearly defined by law (which creates confusion for Trustees), tracking and documenting receipts, and passing an annual audit with Public Assistance.

- Thirdly, it costs money to establish the Trust – $800 to $1,200, according to estimates from Alaska Legal Services. This fee is paid for by the senior who is living on a fixed income.

- Fourth, a Miller Trust is irrevocable. In the rare event that a person's health turns around and they are no longer medically eligible for long-term services, they will not have access to the trust funds for their daily expenses.

- Finally, managing one's own expenses is a matter of personal dignity for many older Alaskans. Being forced to give up this right can be stressful and humiliating, as well as financially risky.

- The Alaska Commission on Aging supports SB 238. We believe that this legislation is good public policy that promotes more efficient use of public funds since fewer individuals will have the need to establish Miller Trusts in order to maintain their income eligibility for Medicaid services when they receive COLA adjustments to their Social Security and other public benefits.

- Passage of this legislation will also ensure that eligible Alaskans can continue to receive nursing home care and in-home services, which are critical to an elderly person's health and well-being.

- Thank you.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 238
(S) Publish Date: 2/3/10

Identifier (file name): SB238-DHSS-SDMS-1-29-10
Dept. Affected: Health & Social Services

Title: Medicaid for Medical & Intermediate Care
RDU: Senior and Disability Services
Component: Senior and Disability Medicaid Services

Sponsor: Davis

Requester: Senate HSS
Component Number: 2662

Expenditures/Revenue (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITU	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

This bill would increase the Medicaid income eligibility standard for individuals who reside in medical institutions, typically nursing facilities. This standard is also used for people who receive home and community-based waiver services. Currently, this standard is fixed at $1,656 per month. The bill would increase the amount to 300 percent of the federal Supplemental Security Income (SSI) monthly benefit, which is currently $674, adjusted for cost of living each year. Initially, the new standard for Medicaid nursing facility residents and waiver recipients would be $2,022 per month.

DHSS does not anticipate that increasing the monthly standard for this eligibility category will increase the number of Medicaid recipients receiving services. While this is contrary to DHSS expectations when the Legislature fixed the standard at a set dollar amount in 2003, experience shows that as individuals receive cost of living increases in pensions or Social Security payments that raise their incomes over $1,656 per month, they use Medicaid qualifying income trusts to reduce their countable income below that amount and continue to qualify for Medicaid.

(Continued on Page 2).

Prepared by: William J. Streur, Deputy Commissioner
Division: DHSS Health Care Services
Phone: 269-7827
Date/Time: 1/29/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 1/29/2010

ANALYSIS CONTINUATION

Another consideration is that Medicaid recipients who qualify under this institutional income standard are required to make a contribution toward the cost of the Medicaid institutional or waiver services they receive if their countable income exceeds the personal needs allowance established for their living arrangement. The personal needs allowance for people on waivers has historically been set in regulation and the amount varies depending on the person's living situation, and is not linked to the institutional income standard. DHSS has not assumed an increase to the personal needs allowance. Therefore, DHSS does not anticipate an increase in Medicaid spending as a result of this legislation. If DHSS increased the personal needs allowance in conjunction with increasing the income eligibility standard, it would increase Medicaid expenditures.

SB

243

<target><bill>SB 243</bill><subject>SB 243</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Date: 2/8/10
Version: 26-LS1346\A

SPONSOR STATEMENT – SB 243

"An Act removing the royalty obligation for geothermal resources."

Electric power generated from geothermal sources is a clean, sustainable and environmentally friendly alternative to fossil fuels. It can play a major part in meeting the future energy needs of the railbelt and other regions.

The problem for any company seeking to build a commercial grade geothermal plant in Alaska is high capital costs that run 25-50 percent higher than the Lower-48. Operational costs could run 100 percent higher than the rest of the country.

Senate Bill 243 assists companies in developing geothermal resources discovered in commercial quantities on state land by lifting the 10 to 15 percent royalty payment obligation currently in state statute.

SB 243 is a common sense effort to make geothermal power projects economically viable and produce more affordable and reliable electric power for homes and businesses.

Geothermal electrical generation has been used for decades all over the world and creates "green" jobs. Alaska can now join other states and nations using geothermal sources to create a safe and secure source of electricity.

I urge all my colleagues to support SB 243 and move our state towards a secure energy future.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 243(FIN)**

"An Act relating to geothermal resources; relating to the royalty obligation for geothermal resources; transferring from the Department of Natural Resources to the Alaska Oil and Gas Conservation Commission authority over permitting and inspection of geothermal wells; providing for a regulatory cost charge for geothermal wells; and providing for an effective date."

SB 243-GEOTHERMAL RESOURCE:ROYALTY/PERMIT/FEE

Recommends it be replaced with [✓] HCS *or* [ ] CS for CS SB 243 (RES)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [✓] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	2			✓
DNR	3			✓
ADM	4			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
Anna Fairclough	FAIRCLOUGH	✓			
Mike Doogan	DOOGAN	✓			
	Foster	✓			
	Joule	✓			
	KELLY	✓			
	Gara	✓			
Chair:					
Chair: Mike Hawker	Hawker	*			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 243(RES)
(S) Publish Date: 3/22/10

Identifier (file name): SB243-REV-TAX-2-10-10
Dept. Affected: Revenue
Title: Geothermal Royalties
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senator McGuire
Requester: (S) Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 243 would eliminate state royalties on geothermal production. Royalty volumes are not taxable. Therefore, by eliminating state royalty on geothermal production, the taxable volume of geothermal production would be increased.

There are currently no commercial geothermal projects in Alaska. However there are projects that may begin exploration or development at a number of locations around the state including Naknek, Akutan, Chena and Mt. Spurr.

The increase in state taxes would vary based on the volume and value of geothermal production but is estimated to range from approximately $100,000 for a 5MW facility to $1.8 million for a 50MW facility. Due to uncertainty about future development the fiscal impact of this legislation can not be accurately determined at this time.

Prepared by: Cody Rice, Petroleum Economist — Phone 907-269-1024
Division: Tax Division — Date/Time 2-9-10; 6:21pm
Approved by: Ginger Blaisdell, Director — Date 2-10-10; 9:33am
Administrative Services Division

(Revised 11/6/2009 CMB)

4766

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 243(FIN)
(S) Publish Date: 4/2/10

Identifier (file name): CSSB243(FIN)-DNR-DOG-03-31-10
Title: No Royalty on Geothermal Resources
Sponsor: Sen McGuire
Requester: SFIN

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Under AS 38.05.181(g) SB 243 reduces royalty on gross revenues from 10% under current lease conditions to 1.75% of the gross revenues derived from geothermal leases during the first 10 years of income generating production on state leased lands, with a 3.5% royalty rate thereafter. These royalty rates apply to a geothermal lease or the renewal of a geothermal lease entered into on or after the effective date of the Act.

Given the immature state of the geothermal industry in Alaska, the impact to royalty revenue is indeterminate. Although a reduced royalty rate will lead to less royalty collected for a given geothermal project, this reduced royalty rate may make geothermal projects on state lands more competitive. This bill will also transfer certain drilling inspection functions and other authorities to AOGCC. There will be no budget impact to DNR as a consequence of this transfer. Without SB 243 DNR must either hire or contract drilling engineers and inspectors to meet the potential demand of geothermal leasing.

Sec. 17 (d) defines those waters where the Division of Mining, Land and Water will continue to manage water rights in the state when the water is not a "geothermal resource."

Prepared by: Kevin Banks — Phone 269-8800
Division: Oil and Gas — Date/Time 3/31/10 1:00 PM
Approved by: Tom Irwin — Date 3/31/10 5:15pm
Natural Resources

(Revised 11/6/2009 OMB)

4767

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 243(FIN)
(S) Publish Date: 4/2/10

Identifier (file name): SB243CS -DOA-AOGCC-03-31-10
Dept. Affected: Admin
Title
RDU AOGCC
"An Act relating to the royalty obligation for geothermal resources." Component AOGCC
Sponsor Senator Lesil McGuire
Requester (S) FIN
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts		0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Additional work for the Alaska Oil and Gas Conservation Commission (AOGCC) resulting from this bill could be managed by existing staff. The agency would need to provide training for Commissioners and staff on geothermal drilling and production practices, but the costs would be absorbed by the agency. Therefore, AOGCC submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 3/31/10 10:00 AM
Approved by: Rachael Petro, Deputy Commissioner
Date 3/31/2010
Department of Administration

(Revised 11 6/2009 OMB)

4768

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 243(RES)
(S) Publish Date: 3/22/10

Identifier (file name): SB243-REV-TAX-2-10-10
Title: Geothermal Royalties
Sponsor: Senator McGuire
Requester: (S) Resources

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Tax Division
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 243 would eliminate state royalties on geothermal production. Royalty volumes are not taxable. Therefore, by eliminating state royalty on geothermal production, the taxable volume of geothermal production would be increased.

There are currently no commercial geothermal projects in Alaska. However there are projects that may begin exploration or development at a number of locations around the state including Naknek, Akutan, Chena and Mt. Spurr.

The increase in state taxes would vary based on the volume and value of geothermal production but is estimated to range from approximately $100,000 for a 5MW facility to $1.8 million for a 50MW facility. Due to uncertainty about future development the fiscal impact of this legislation can not be accurately determined at this time.

Prepared by: Cody Rice, Petroleum Economist — Phone 907-269-1024
Division: Tax Division — Date/Time 2-9-10; 6:21pm
Approved by: Ginger Blaisdell, Director — Date 2-10-10; 9:33am
Administrative Services Division

(Revised 11/6/2009 OMB)

4769

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB 243(FIN)
(S) Publish Date: 4/2/10

Identifier (file name): CSSB243(FIN)-DNR-DOG-03-31-10
Title: No Royalty on Geothermal Resources
Sponsor: Sen McGuire
Requester: SFIN

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Under AS 38.05.181(g) SB 243 reduces royalty on gross revenues from 10% under current lease conditions to 1.75% of the gross revenues derived from geothermal leases during the first 10 years of income generating production on state leased lands, with a 3.5% royalty rate thereafter. These royalty rates apply to a geothermal lease or the renewal of a geothermal lease entered into on or after the effective date of the Act.

Given the immature state of the geothermal industry in Alaska, the impact to royalty revenue is indeterminate. Although a reduced royalty rate will lead to less royalty collected for a given geothermal project, this reduced royalty rate may make geothermal projects on state lands more competitive. This bill will also transfer certain drilling inspection functions and other authorities to AOGCC. There will be no budget impact to DNR as a consequence of this transfer. Without SB 243 DNR must either hire or contract drilling engineers and inspectors to meet the potential demand of geothermal leasing.

Sec. 17 (d) defines those waters where the Division of Mining, Land and Water will continue to manage water rights in the state when the water is not a "geothermal resource."

Prepared by: Kevin Banks — Phone 269-8800
Division: Oil and Gas — Date/Time 3/31/10 1:00 PM
Approved by: Tom Irwin — Date 3/31/10 5:15pm
Natural Resources

(Revised 11/5/2009 OMB)

4770

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 243(FIN)
(S) Publish Date: 4/2/10

Identifier (file name): SB243CS -DOA-AOGCC-03-31-10
Dept. Affected: Admin
Title "An Act relating to the royalty obligation for geothermal resources."
RDU AOGCC
Component AOGCC
Sponsor Senator Lesil McGuire
Requester (S) FIN
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts		0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Additional work for the Alaska Oil and Gas Conservation Commission (AOGCC) resulting from this bill could be managed by existing staff. The agency would need to provide training for Commissioners and staff on geothermal drilling and production practices, but the costs would be absorbed by the agency. Therefore, AOGCC submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 3/31/10 10:00 AM
Approved by: Rachael Petro, Deputy Commissioner
Date 3/31/2010
Department of Administration

(Revised 11/6/2009 OMB)

4771

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 243(RES)
(S) Publish Date: 3/22/10

Identifier (file name): SB 243 DNR-OGD-02092010
Title: No Royalty on Geothermal Resources
Sponsor: Sen McGuire
Requester: SRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 243 eliminates royalties from any state geothermal lease entered into for geothermal resources after the effective date. Under AS 38.05.140(d) the commissioner, for the purpose of encouraging the greatest ultimate resource recovery, already has the authority to reduce royalties on an entire leasehold for geothermal resources in order to promote development. Implementing this bill during the immature state of the geothermal industry may only result in the transfer of state resource revenue to private developers.

Prepared by: Kevin Banks — Phone 269-8800
Division: Oil and Gas — Date/Time 2/9/10 1:00 PM
Approved by: Tom Irwin — Date 2/9/10 5:15pm
Natural Resources

(Revised 11/6/2009 CMB)

4772

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade,
Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Sectional Analysis of Senate Bill 243: 26-LS 1346\PS

Please note that a sectional analysis is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 amends AS 31.05.030 clarifying that the Alaska Oil and Gas Conservation Commission (AOGCC) has jurisdiction over the exploration and development of geothermal resources; except for the management of leases and units.

Section 2 amends the royalty rate for geothermal resources in AS 38.05.181(g) to reflect federal royalty rates; 1.75% of gross income during the first 10 years and 3.5% of gross income thereafter.

Section 3 adds a new section to AS 41.06 delineating jurisdiction over geothermal resources between the AOGCC and Department of Natural Resources (DNR).

Section 4 amends AS 41.06.010 to allow the AOGCC to investigate the waste of geothermal resources.

Section 5 repeals and reenacts AS 41.06.020 to set out the jurisdiction of the AOGCC over all land in the state and to allow for the suspension of the application of chapter 06 on federal land if similarly regulated by Federal government and clarifies the application of the chapter.

Section 6 amends AS 41.06.030(a) to clarify that a plan of development and operation for a geothermal resource must be filed with the AOGCC.

Section 7 amends AS 41.06.030(b) to clarify that unitization by DNR of a geothermal resource system under AS 41.06.030 when the geothermal resource system includes state land.

Section 8 amends AS 41.06.030(c) to conform to the changes made in section 7.

Section 9 amends AS 41.06.030 by inserting a new subsection (e) that allows the commissioner of DNR to adopt regulations necessary to implement the purposes and intent of chapter 6.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Section 10 amends AS 41.06 by adding a new section 41.06.035 allowing the AOGCC to issue orders and impose requirements to prevent waste and protect correlative rights on any geothermal opeation. This section also allows the AOGCC to adopt regulations.~~regulate the management of a geothermal resource~~.

Section 11 repeals and reenacts AS 41.06.040(a) governing the authority of the AOGCC to adopt regulations governing the safe development~~management~~ of a geothermal resource.

Section 12 amends AS 41.06.040 (b) ~~by replacing the commissioner of DNR's authority governing the filing of a surety bond with the AOGCC.~~to allow the AOGCC to require a geothermal operator to file a surety bond.

Section 13 amends AS 41.06.040(c) to require notification of the AOGCC rather than the DNR is geothermal exploration encounters hydrocarbons and other fissionable materials.

Section 14 amends AS 41.06.040(d) to replace the commissioner of DNR with the AOGCC for the purposes of authorizing inspection of a geothermal operation.

Section 15 repeals and reenacts AS 41.06.050 governing the AOGCC permitting process for geothermal exploration and development drilling.

Section 16 amends AS 41.06 by adding a new section 41.06.055 authorizing a regulatory cost charge for geothermal wells.

Section 17 repeals and reenacts AS 41.06.060 providing definitions for AS 41.06

Section 18 repeals AS 41.06.030(d) governing lease operations under an approved plan of development and AS 41.06.040(e) the exemption from AOGCC authority of geothermal resources.

Section 19 adds a new section to the uncodified law of the State of Alaska that applies the royalty rates established by section 2 to leases entered into or renewed after the effective date of the act and directs the commissioner of DNR to offer the royalty rates established by section 2 to an existing lessee.

Section 20 adds a new section to the uncodified law of the State of Alaska that governs the transition of authorities over geothermal resources established in this act.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade,
Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Section 21 adds a new section to the uncodified law of the State of Alaska that gives direction to the revisor of statutes.

Section 22 immediate effective date for section 20

Section 23 effective date of July 1, 2010

Prepared By: Michael Pawlowski, Aide to Senator McGuire

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade,
Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Summary of Changes to CSSB 243 (FIN) in HCS CS SB 243 (RES)

Page 7, line 16: Inserted definition of "commercial use" as the sale of heat or power to a third party.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade,
Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Changes to SB 243 (26-LS1346\A) in CS SB 243 (26-LS1346\E)

Section 1: The CS SB 243 enacts royalty rates that mirror the federal royalty rates for a geothermal resource.

1. 1.75% of gross revenues for the first 10 years
2. 3.5% of gross revenues for the following years

Section 2: Directs the Commissioner of Natural Resources to offer the royalty rates established in section 1 to existing lessees.

Strategic Information for the Climate Change Industry

CLIMATE CHANGE BUSINESS JOURNAL®

Volume II, No. 4/5 April/May 2009

Global Geothermal Industry Balances Short-Term Development With Long-Term Investment in EGS

If the Low-Carbon & Renewable Power segment of the Climate Change Industry were a baseball team, geothermal energy would be the underrated veteran shortstop who doesn't hit many homers but fields consistently, rarely strikes out and scores runs on a regular basis. Let the stars like wind turbines and solar photovoltaic (PV) panels get the headlines; let the sports writers pump up the egos of rookies like thin-film PV, cellulosic biofuels and solar thermal power. Geothermal will be there to rack up solid stats and deliver for the team and the fans year after year.

Geothermal power's workmanlike quality stems from the fact that it offers something that wind and solar cannot provide: reliable baseload power that can be counted on to deliver megawatt-hours 24 hours a day, 365 days a year. In fact, for a utility or regional transmission organization, a geothermal power plant shows up on a resource plan grid like a conventional power plant.

In a broad context there are really three ways to look at geothermal energy:

1) Traditional steam-generated electricity generation, or hydrothermal, as it is often known, is site-dependent and has rather limited potential of perhaps 30,000 MW in the United States;

The Geothermal Energy Industry

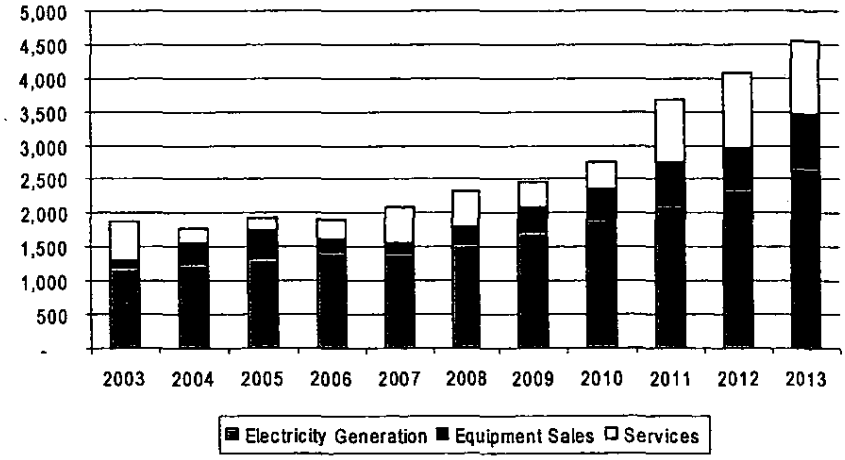
Geothermal energy was a $6.8 billion global industry in 2008, generating 66,000 GWh of electricity worth close to $4.8 billion, $1.1 billion in equipment sales and $900 million in service revenues. The United States market is the world's largest at $2.3 billion, and forecasts are for high growth as a strong pipeline of projects are developed in the next few years when carbon regulations are expected to drive a subsequent wave of growth.

- Geothermal Energy Overview 1-8
- Developer Roundtable 9-12
- Emerging Markets 13-16
- ARRA Update 17-19
- Profiles of Leaders Ormat, United Technologies, Raser, Turbine Air Systems, Exorka, Nevada 20-28
- The Future of EGS 29-31

2) Enhanced geothermal systems (EGS) allow electricity generation from hot dry rock, thus opening up the map and the potential for geothermal power. But it is still early stages for EGS; and

3) Direct use geothermal encompasses space heating, hot water, process heat, pools, greenhouses and aquaculture. Direct use is exploited in more countries than electricity generation (see box on page 5), but CCBJ classifies it as an energy efficiency application in that it replaces conventional sources of energy. The main growth in direct use during the last decade has been geothermal or ground-source heat pumps for space heating.

The U.S. Geothermal Industry ($mil)



Source: Climate Change Business Journal from a market model dervied from a variety of sources including Geothermal Energy Assn., International Geothermal Assn., Emerging Energy Research, New Energy Finance and company, government and academic sources. Services include exploration & resource assessment, well field drilling & development, plant design & construction.

CLIMATE CHANGE BUSINESS JOURNAL®

Vol. 2, No. 4/5 ISSN 1940-8781
April/May 2009

Editor- in-Chief
Grant Ferrier

Senior Editors
George Stubbs, Jim Hight

Managing Editor
Lynette Thwaites

Contributing Editors
Brian Runkel
Charles Helget
Andrew Paterson
Walter Howes
Tom Aarts

Research Analysts
Fiona O'Donnell-Lawson
Katja Rauhala

Subscriber Services
Moe Wittenborn

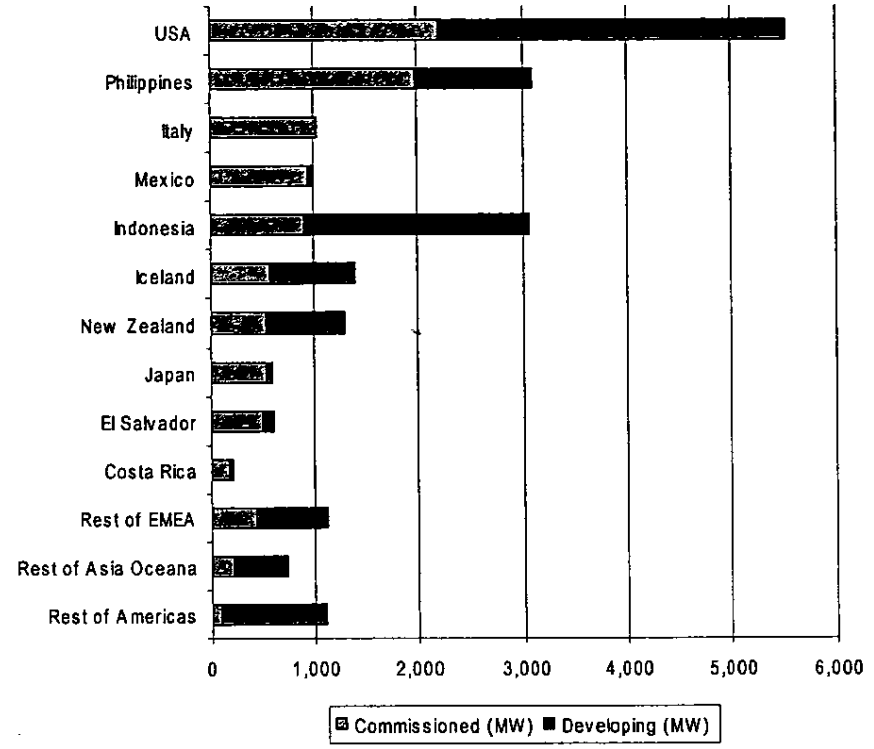
Climate Change Business Journal® newsletter is published 8 times a year (includes 4 double issues) by Environmental Business International Inc., 4452 Park Blvd., Suite 306, San Diego, CA 92116. Phone: 619-295-7685 or email info@climatechangebusiness.com

© 2009 Environmental Business International Inc. All Rights Reserved. This publication or any part may not be duplicated, reprinted or republished without the express written permission of the publisher.

How to subscribe

Annual subscriptions are US$995 in the U.S. and Canada, $1,045 overseas; corporate electronic subscriptions start at $2,500 (up to 5 users). To order or for more information call (619) 295-7685 x 15, email info@climatechangebusiness.com, or go to www.climatechangebusiness.com, where you can also sign up for the complimentary CCBJ Weekly News.

Global Geothermal Capacity and Development Pipeline (MW)



Source: New Energy Finance, Mark Taylor presentation, April 2009. Commissioned total is 10,162 MW in 2009 with 10,663 MW in development. EMEA is Europe, Middle East and Africa

Air Force 17
AltaGas 12
AltaRock Energy 29, 31
Beach Petroleum 12
Bob Lawrence & Assoc 16
Borealis Exploration 25
Calpine 30
CE Generation 9
Chevron 15
Columbia University 13
Copper Canyon Mining 12
Deloitte 3
Department of Education 17
Dowell Oil Well Services 30
Emerging Energy Research 3, 9, 22, 24
Enel North America 9
Env'l Protection Agency 17
European Investment Bank 16
Exorka 25
Fish and Wildlife Service 17
Geodynamics 29
Geodynamix 12
GeothermEx 26
Google.org 9, 29
GP Physics 18
Greenpower Conf 4, 9, 13
Halliburton 30
Housing and Urban Dev 17
Hudson Clean Energy Ptrs 9
Indonesia Power 24
Intergovtl Panel on Climate Change 5
International Energy Agency 3
Kenya Power & Light Co 14
Khosla Ventures 29
KPCB 9, 29
Los Alamos National Lab 30
Magma Energy 9, 24
Mass Inst of Technology 21
Morgan Stanley 27
NASA 19
National Physical Lab 20
Nevada Geothermal 9, 26, 31
New Energy Finance 3, 14
NoCal Power Authority 30
Novatek International 30
NV Energy 26, 27
OECD 14
Ormat Tech 9, 13, 20, 27
OrPower 14
Panax Geothermal 29
Petratherm 12, 29
Potter Drilling 29
Pratt & Whitney 23
Prudential Capital 9, 31
Ram Power 9
Raser Power Systems 10
Raser Technologies 23
SBA 19
Sierra Geothermal Power 9
Stella Group 18
Sumitomo Metal Industries 25
Tata 12
Tetra Tech 18
The Bureau of Land Management 10, 17
The European Bank for Reconstruction and Dev 16
TruEnergy 12
Trust Co. of the West 27
Turbine Air Systems 24
U.S. Department of Ag 21
U.S. Dept of Energy 3, 25
U.S. Geological Survey 26
U.S. Geothermal 6, 9, 10, 29
United Technologies 23
University of Calgary 31
University of Utah 26
Unocal 15, 30
Vulcan Capital 29
West Japan Engineering 13, 22
Wilson Utility Constr 27
World Bank 13
Zurich Re 14

Hence the focus of this review on electricity generation and its tie in with the power sector. Geothermal electricity "bridges both the conventional feedstock and renewable energy options for electric power generation rather uniquely," wrote Deloitte in a February 2008 report for the U.S. Department of Energy (DOE). Geothermal's baseload characteristics allow "it to compete with other baseload feedstocks such as coal, natural gas and nuclear. At the same time, geothermal energy is a clean, renewable resource that competes with other renewable energy options such as wind and solar [making] it an attractive option for reliable and scalable generation while satisfying renewable energy voluntary or mandatory portfolio standards."

Yet, geothermal both in the United States and the rest of the world is not being deployed at a particularly brisk pace. At the end of 2008, cumulative worldwide installed capacity was between 9,900 and 10,500 MW, including 2,200 MW in operating capacity in the United States, according to estimates from New Energy Finance (NEF) and Emerging Energy Research. (Some 400-500 MW of capacity at the 1,400-MW Geysers project in California is on standby.)

Globally the pipeline of hydrothermal electricity projects currently in development exceeds the installed capacity by about 500 MW (see chart on page 2). The United States, Indonesia, the Philippines, Iceland and New Zealand account for 77% of the 10.7-MW pipeline, according to NEF estimates as of April 2009.

How Geothermal Stacks Up Against Other Renewables

Not only is geothermal's 10,000 MW in current global capacity easily less than 10% of the comparable capacity figure for wind power (121 GW worldwide) and less than two thirds of solar PV's installed capacity (15 GW), but geothermal electricity generation represents a comparatively anemic growth rate. At the end of 2003, global geothermal capacity was at 8,400 MW, meaning average annual growth from 2003-2008 was about 3.4%. Not bad if you're in the soup business, but in the clean energy business that kind of growth doesn't generate much excitement. By contrast, PV's 5.95-GW jump in 2008 as tallied by SolarBuzz represented one year growth of 110%. Wind power's leap forward in 2008 as tallied by the Global Wind Energy Council was 29%.

Even with the recent growth in wind and solar, renewable sources remain fairly insignificant in the 19 million GWh global electricity picture. In terms of electricity production, however, geothermal's superior capacity factor makes its contribution to global electricity generation more substantial than solar and close to half that of wind—at least in 2006, the most recent year for which the International Energy Agency publishes data. According to the IEA, geothermal electricity accounted for 59,200 GWh or 0.31% of global electricity generated, with wind at 0.7% and solar 0.2% in the same year. Coal (41%), gas (20%), hydro (16%), nuclear (15%) and oil (6%) made up 98% in 2006, according to IEA. Of course, lumping geothermal with the other renewables does de-emphasize its higher capacity factor (see table at right) and predictable baseload contribution valued by utilities.

As a business segment, CCBJ estimates the U.S. geothermal industry accounted for $2.3 billion in revenues in 2008, or 34% of the $6.8 billion global total. The $7 billion figure for the global geothermal industry compares to $56 billion for wind and $28 billion for solar (See dedicated CCBJ editions from 2008).

CCBJ defines the geothermal industry in three subsegments: electricity generation; equipment sales; and services. The latter includes exploration & resource assessment, well field drilling & development and plant design & construction. Electricity represents about 70% of the global total, but the ramping up of growth until the 2008 financial meltdown had corresponding investments in site evaluation, drilling, etc. that tilted the share of revenues more to services in growing mar-

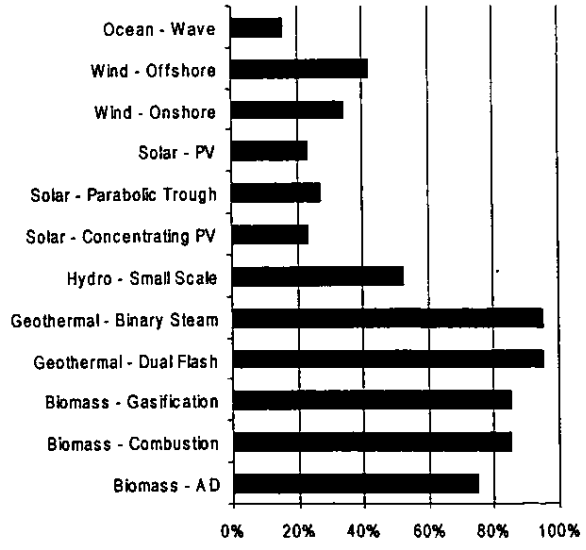
Typical Market Drivers for Renewable Energy

Driver	Developed markets	Emerging markets
Power prices	+	++
Demand growth	++	+++
Reliance on energy imports	+++	++++
Environment	++++	+

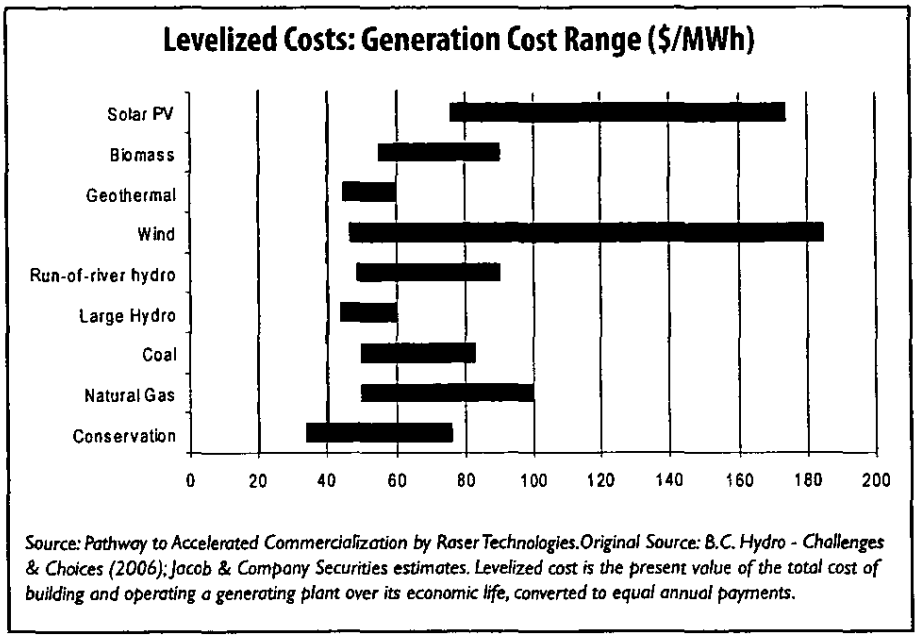
Note: Each + indicates relative importance of market driver; Drivers are the same worldwide, but priorities vary.

Source: Ormat Technologies, Inc., presentation by Rahm Orenstein at Greenpower Conferences' March 2009 Geothermal Innovation and Investment conference

Capacity Factors for Selected Renewables (Average Net Capacity %)



Source: Presentation by Raser Technologies
Original Source: Glitner Geothermal Report, September 2007



Source: Pathway to Accelerated Commercialization by Raser Technologies. Original Source: B.C. Hydro - Challenges & Choices (2006); Jacob & Company Securities estimates. Levelized cost is the present value of the total cost of building and operating a generating plant over its economic life, converted to equal annual payments.

kets, the U.S. included. CCBJ forecasts indicate that following a delay resulting from the freezing of credit and financing, the geothermal market will resume a growth trajectory and reach $5 billion in the U.S. and $16 billion globally by 2014.

Revenues available to specialist consulting & engineering firms could arguably be the total service amounts of roughly $1 billion globally the past few years, with a jump to $2-3 billion provided nothing further curtails the current pipeline or forecasted growth trajectory. A significant portion of these revenues, however, would be drilling or construction, meaning pure C&E project revenue would likely be closer to half these figures.

According to a variety of analysts and CCBJ interviews with industry leaders and experts, the growth of geothermal has historically been hampered by several constraints and challenges. In the first place, without a technological revolution like that promised by enhanced geothermal systems (EGS, also known as hot dry rock technology; see EGS/HDR feature on pages 29-31), geothermal power can only be developed in countries with suitable underground geothermal resources. Most geothermal resources are located along the seismically active Ring of Fire that roughly follows the coasts of the Pacific Ocean. Other resource areas include Eastern China and the Himalayan Belt, the Caribbean, Iceland, The Azores, Canary Islands, Italy, parts of Northern and Eastern Europe, the Eastern and Southern Mediterranean and Kenya, Tanzania and other countries is the East Africa Rift zone.

Investors prefer to buy geothermal companies or their operating power plants rather than invest in new projects.

In the second place, geothermal development is to a certain degree a speculative enterprise. Like wildcatters in the oil industry, geothermal developers must spend millions of dollars drilling for underground resources that they're not sure are present—or present in the quantities that will lead to their expected return on investment. "Geothermal projects have distinctly different challenges than other, more traditional, renewable technologies such as wind, solar, and biomass," notes the DOE's office of Energy Efficiency and Renewable Energy (EERE) in its *Geothermal Tomorrow* report. "Geothermal projects require subsurface exploration and well field development and have greater upfront risk because the geothermal resource is not confirmed without drilling."

Geothermal developers at Greenpower Conferences' March 2009 Geothermal Innovation and Investment conference in San Francisco said that typically 20% to 30% of the wells they drill—wells costing from $1.5 million to $10 million—end up hitting "dryholes." While not always physically dry, these dryholes are of sub-commercial enthalpy (heat energy). Compounding this dryhole risk is the fact that in the United States and some other regions, many of the best and most easily accessible geothermal resources—those with surface expressions like hot springs and fumaroles—have already been developed. To tap undeveloped resources for new power plants, developers must take on more risk in their drilling and development efforts.

As described in the developers roundtable article that follows this overview on page 9, as recently as the summer of 2008 developers could obtain debt financing to finance some of this resource and wellfield development work. Today the pendulum has swung the other way. Those lenders willing to finance geothermal projects require that developers sink wells and have proven resources—"steam behind the pipe" as they call it—before they will finance power plant construction. Separately with the depressed market caps of publicly held geothermal developers, private equity funders would rather buy companies or their assets than invest in new projects. Financial institutions in the market for tax credits are few and far between. And except for companies with a technology play in the emerging EGS segment, venture capitalists aren't interested in geothermal companies because of the lack of upside potential.

In this difficult environment, geothermal developers are urging the U.S.

Geothermal Energy: Opportunity and Challenge

Advantages from Utility Perspective

- Firm 24x7, not an intermittent resource
- Competitive cost
- Small physical footprint with minimal environmental impact
- 20-40 MW size does not require EHV transmission
- Credibility from years of success
- Recognized as a well-established industry

Some Development Challenges

- Financing uncertainty & heightened risk aversion
- Resource uncertainty
- Consolidating site control
- Prospecting/drilling cost on front-end
- Permitting
- Long lead-time
- Supply curve: progression to lower quality prospects

Challenges for Utilities

- Increasing RPS requirements puts pressure on utilities to turn to big projects
- Greenfield project failure an issue
- Uncertainties regarding amount, timing, and cost at odds with competitive resource procurement
- Operating plant/resource performance predictability an issue
- Few players in geothermal industry have the financial strength to go the distance

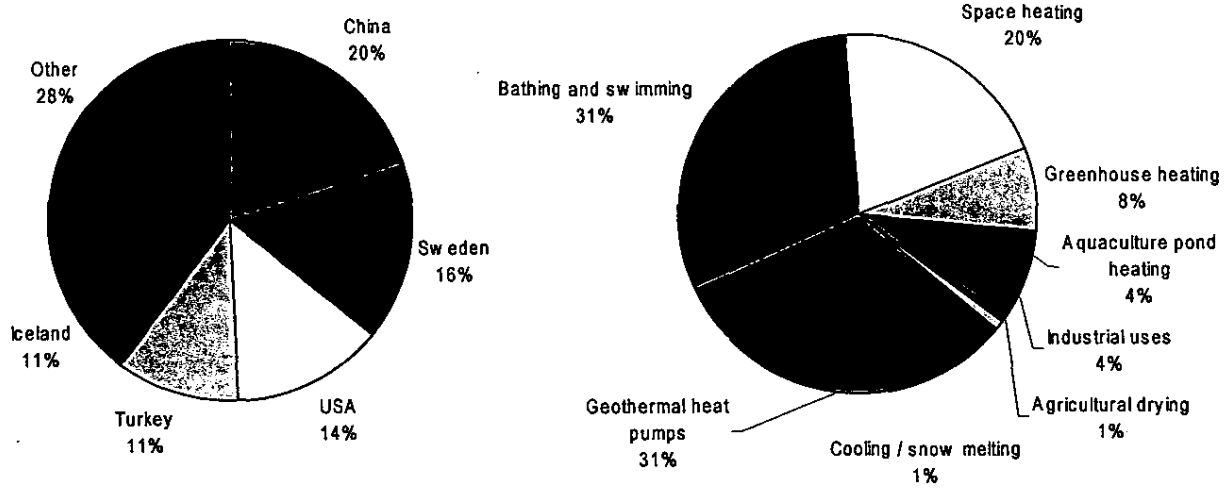
Source: NV Energy, March 2009 presentation by Thomas R. Fair, Vice President Renewable Energy

Direct Use Geothermal and Impacts on Climate Change

Electricity is produced from geothermal sources in 24 countries. Direct application of geothermal energy has been reported by 72 countries. In 2005, the worldwide use of geothermal energy was 57 TWh/yr of electricity and direct use was 76 TWh/yr, as reported by the Intergovernmental Panel on Climate Change (IPCC), a scientific intergovernmental body set up by the World Meteorological Organization and by the United Nations Environment Programme. Six developing countries are in the top 15 countries in direct use, with China at the top of the list. Direct use utilizes low-enthalphy geothermal fields that don't produce hot water at temperatures sufficient to generate power. While many firms engaged in geothermal electricity also work on direct-use projects, the segment is more driven by utilities, governments or companies using the heat directly. (Note: IPCC has released forecasts for geothermal electricity with global capacity reaching 24 GW in 2020, 46 GW in 2030, 90 GW in 2040 and 140 GW in 2050)

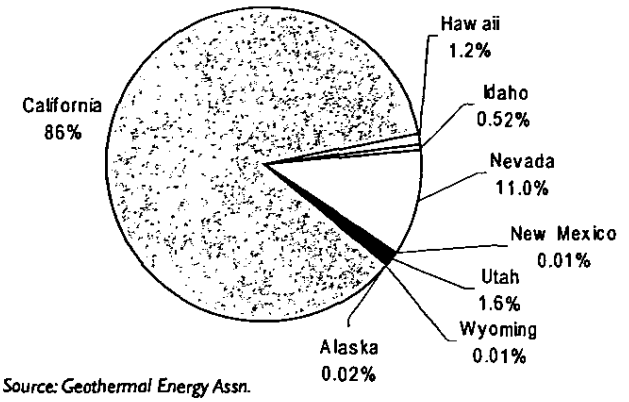
Direct Use Applications: Direct applications of geothermal energy are for space heating 52%, hot water (bathing and swimming) 30%, horticulture (greenhouses and soil heating) 8%, industry 4%, and aquaculture (mainly fish farming) 4%, according to John Lund in his paper *World-Wide Direct Uses of Geothermal Energy 2005*. Ground-source heat pumps are growing due to their ability to utilise groundwater or ground-coupled temperatures. According to IPCC, scenarios for future development show only a moderate increase in traditional direct use applications, but an exponential increase in heat pumps, as geothermal heat pumps can be used for heating and/or cooling in most parts of the world. In addition, geothermal heat pumps driven by fossil-fuel electricity reduce CO2 emissions by at least 50% compared with fossil-fuel fired boilers. If the electricity that drives the geothermal heat pump is produced from a renewable energy source like hydropower or geothermal energy the CO2 emission savings are up to 100%. The total CO2 emission reduction potential of geothermal heat pumps has been estimated to be 1.2 billion tonnes per year or about 6% of global CO2 emissions. Geothermal heat pumps will be covered in CCBJ's upcoming edition on energy efficiency and demand response.

Geographic and Application Breakdown of Direct Use Geothermal



Source: Lund, Freeston, and Boyd, World-Wide Direct Uses of Geothermal Energy 2005, published in Proceedings of the World Geothermal Congress 2005

2009 U.S. Geothermal Power Capacity On-Line



Source: Geothermal Energy Assn.

Department of Energy to use some of its ARRA funding—$400 million for geothermal and $6 billion for innovative technology loan guarantees—to subsidize drilling. As of May 2009, DOE had not issued guidance on this question. In international developments, the recession's impact on Icelandic geothermal firms has been amplified by the collapse of Iceland's currency. With the krona almost worthless on the international market, Icelandic geothermal developers that had set their sights on developing projects in foreign markets have scaled back to focus on the significant potential in their homeland.

Western States' Near-Term New Geothermal Power Capacity

	Capacity MW	Number of Sites
Alaska	20	3
Arizona	20	2
Colorado	20	9
California	2,400	25
Hawaii	70	3
Idaho	860	6
Nevada	1,500	63
New Mexico	80	6
Oregon	380	11
Utah	230	5
Washington	50	5
Total	**5,630**	**138**

Source: Western Governors' Association, Geothermal Task Force of the Clean and Diversified Energy Initiative. The task force concluded that Western States have a capacity of 13,000 MW that can be developed on specific sites within a reasonable timeframe, of these, 5,600 MW are considered viable for commercial development by 2015.

Long-Term Market Drivers Look Solid

The phrase "when the economy recovers" is becoming a cliché of analysts and commentators looking at virtually all industries, but there's really no other way to say: When the economy recovers, and when the prices of oil and gas resume their inevitable rise into the $100-plus territory, the geothermal power industry's prospects will improve. The CCBJ global market forecast, not that dissimilar from the base-case capacity-growth scenario of Emerging Energy Research (EER), has 2011-2014 annual growth in the high teens, with double-digit growth persisting to 2020.

Market drivers for geothermal power are fundamentally sound: In the developed world, renewable energy standards and greenhouse gas caps are pushing utilities toward low-carbon generation, and geothermal's baseload qualities give it advantages over solar and wind. As outlined in the chart on page 3, energy supply and security are also drivers, as is power price in regions such as the Caribbean and parts of South Asia that are highly dependent on imported diesel oil for power supply. Some developing country markets are using feed-in tariffs popularized mostly for other renewables in Germany and other developed nations.

With renewed growth, however, the geothermal power segment will have to contend with a couple of looming challenges. One is lack of access to drilling rigs. When oil prices were in the stratosphere and demand was outstripping supply, geothermal developers had a difficult time contracting for rigs and crews. With the drop in prices and demand, that has gotten easier; but rising prices and demand will inevitably cause drilling demand to rise. Another challenge will be recruiting and training staff. "The professional staff available in geothermal is minute," said Doug Glaspey, CEO of U.S. Geothermal, at the March conference. "In order to grow, you have to have skilled professionals, and that's a very difficult thing to accomplish in this business today." Investment capital is also required, and although the flow of venture money into cleantech businesses was tallied at over $8 billion in 2008, geothermal is not the sexiest category.

EER states that geothermal power plant investment could reach $13-20 billion by 2020, representing cumulative investment in geothermal exploration, drilling, and power plant construction. In comparison with EER's broader power generation forecasts, geothermal is the fourth-largest market for cumulative renewable power generation investment between 2009 and 2020, behind onshore wind, solar PV, and biomass, but ahead of offshore wind, CSP, and small hydro globally by 2020.

EER's base-case growth scenario forecasts 20 GW of geothermal installed during the 2010s, with their high-growth scenario at about 1.5 times that or about 30 GW. The vast majority of growth in both scenarios is North America and Southeast Asia, although the rest of the world accounts for as much as 25-30% of growth in some years of EER's forecast. A few new markets are expected to see sustained growth, led by Chile, Turkey, Russia, East Africa, and Central America. Established markets in Iceland, Mexico, and New Zealand are also expected to

Regions Where Geothermal Companies Expect to Increase Their Work in 2009-2011

United States	69%
Europe	31%
Indonesia	31%
Central America	23%
Australia	15%
Africa	12%
China	12%
New Zealand	12%
Philippines	12%
Rest of Asia	12%
Canada	12%
Italy	8%
Japan	8%
Mexico	8%
India	8%
Chile	8%
Iceland	4%

Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was:What countries or regions are you expecting to increase your work in over the next three years? n=26

continue to tap their potential. Australia is what EER calls the largest region of uncertainty, as its substantial goal of bringing online over 2 GW of geothermal by 2020 remains contingent on successful deployment of unproven EGS.

As mentioned, the United States leads the world in online capacity of geothermal energy and continues to be one of the principal countries to increase its geothermal growth. Geothermal electric power generation is centered in eight U.S. states: Alaska, California, Hawaii, Idaho, Nevada, New Mexico, Utah and Wyoming with Oregon and Colorado coming on line. Total U.S. installed capacity was 3,040 MW as of March 2009, according to GEA's *U.S. Geothermal Power Production and Development Update* that includes some units on standby. With a pipeline of now more than 4.4 GW of confirmed projects, the U.S. geothermal market is poised to more than double existing capacity over the next five years, says EER, with U.S. carbon legislation and national

Geothermal Industry Gameboard Not Too Crowded

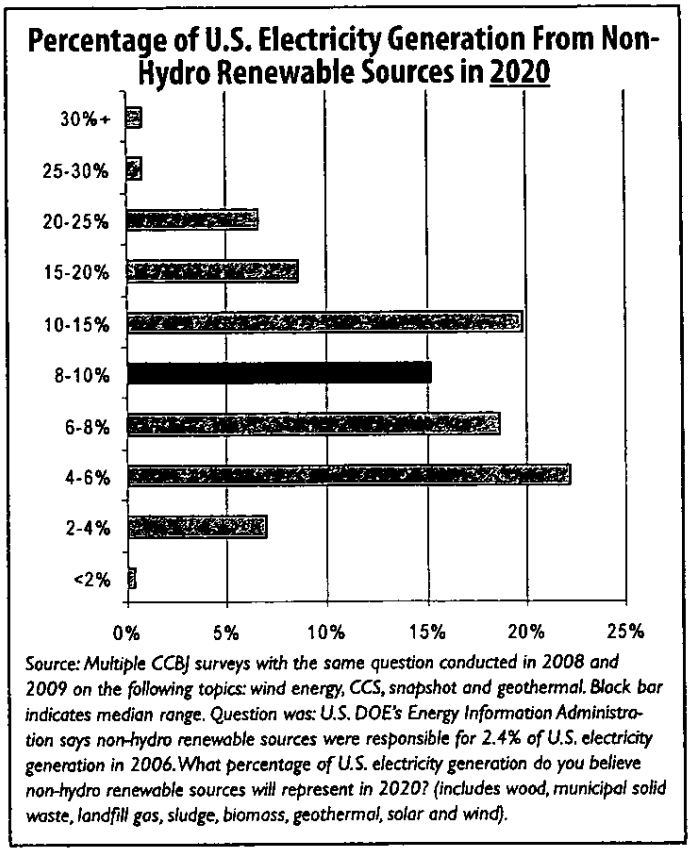
The geothermal power industry consists of project developers that identify, finance and build geothermal power plants; consulting engineering and technical firms that identify and quantify geothermal resources, conduct environmental analyses, design, operate and maintain projects; drilling firms that drill wells for exploration and production; engineering, procurement and construction (EPC) firms that build geothermal power plants; manufacturers of turbine generator sets, heat exchangers and other equipment; and other specialty firms. Some firms perform multiple roles, for example, manufacturers sometimes develop their own projects and EPC firms often provide multiple technical services with in-house staff. Exploring for and developing geothermal power resources requires specialized expertise that is concentrated in a few countries including Japan, Iceland, the United States, Canada, New Zealand, Australia and the Philippines.

The number of firms in the industry is very small compared to other energy sectors. There are 11 manufacturers of geothermal turbine generator sets and related power plant components. They include: Alstom (France), Ansaldo (Italy), Fuji Electric (Japan), GE Energy (United States), Mitsubishi Heavy Industries (Japan), OAO Kalugo Energo (Russia), Ormat Technologies (United States), Siemens (Germany), Turboden (Italy), Toshiba (Japan) and UTC/Pratt & Whitney (United States). At the most recent international trade show of the **Geothermal Energy Association** in the United States, there were fewer than 100 exhibitors.

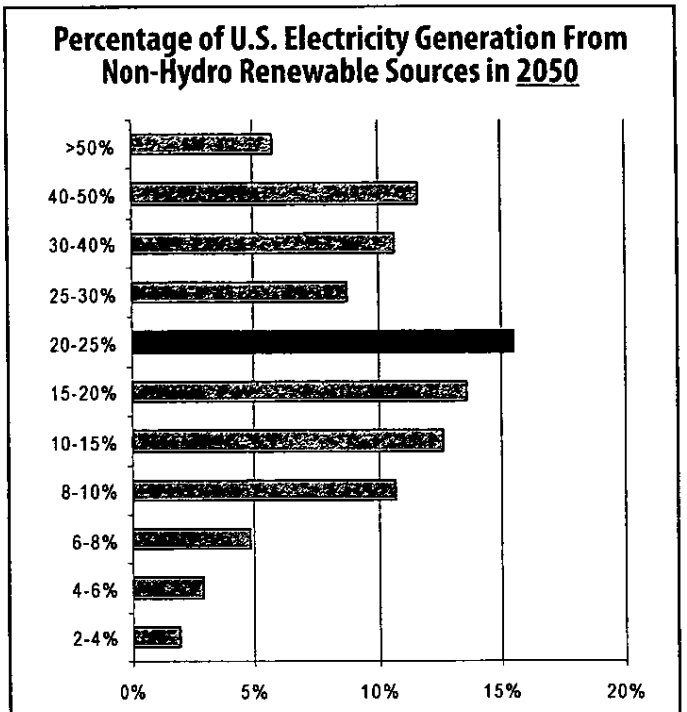
Geothermal project developers and power plant owners can be divided into two categories: 1) major independent power producers (IPPs) and utilities and 2) pure-play geothermal developers. The former category includes (U.S. companies unless stated): ArcLight Capital Partners/Terra-Gen Power, Calpine, Chevron, ENEL (Italy), EnBW (Germany), Geysir Green Energy (Iceland), LaGeo (El Salvador), Mid-American/CalEnergy, Ormat Technologies and PNOC EDC (The Philippines). Unocal and Chevron had historically been active developers of geothermal power in Southeast Asia. In 2005, Chevron acquired Unocal, and Chevron today is the world's largest private owner of geothermal power plants with combined capacity of 1,273 MW in the Philippines and Indonesia. Pure-play developers include: Magma Energy (Canada), Nevada Geothermal Power (Canada), Polaris Geothermal (Canada), Ram Power, Raser Technologies, Sierra Geothermal (Canada), U.S. Geothermal, Vulcan Power and Western GeoPower (Canada).

Enhanced geothermal systems (EGS) firms include AltaRock, Green Rock Energy (Australia), Panax Geothermal (Australia), Petratherm (Australia) and Potter Drilling. Leading technical and engineering consultancies and EPC contractors include AMEC, Enex (Iceland), GeothermEx, Geothermal Development Associates, Geothermal Resource Group, Horizon Well Logging, Hot Dry Rocks (Australia), Mannvit Engineering (Iceland), Ormat Technologies, Power Engineers, SAIC, SKM Consulting (Australia), West Japan Engineering Co. and Wood Group (United Kingdom)

Leading drilling and drilling services companies include Baker Hughes, (United States), B.J. Services (United States), Boart Longyear (United States), Halliburton (United States), Iceland Drilling (Wales), Schlumberger (France, United States and The Netherlands), Thermasource (United States) and Weatherford (United States).



Source: Multiple CCBJ surveys with the same question conducted in 2008 and 2009 on the following topics: wind energy, CCS, snapshot and geothermal. Black bar indicates median range. Question was: U.S. DOE's Energy Information Administration says non-hydro renewable sources were responsible for 2.4% of U.S. electricity generation in 2006. What percentage of U.S. electricity generation do you believe non-hydro renewable sources will represent in 2020? (includes wood, municipal solid waste, landfill gas, sludge, biomass, geothermal, solar and wind).



Source: Multiple CCBJ surveys with the same question conducted in 2008 and 2009 on the following topics: wind energy, CCS and geothermal. The black bar indicates median range.

RPS expected to drive sustained growth from 2015-2020.

The global geothermal pipeline now exceeds 10 MW of projects under development, which if completed would almost double the installed global geothermal capacity of 10.5 GW built up over the past 30 years.

Currently, there are over 215 commercial geothermal electricity projects operating in 24 countries. The largest dry steam field in the world is The Geysers, 116 km north of San Francisco. The Geysers began in 1960 and has 1360 MW of installed capacity. Calpine Corp. now owns 19 of the 21 plants in The Geysers and is currently the United States' largest producer of geothermal energy. The other two plants are owned jointly by the Northern California Power Agency and the City of Santa Clara's municipal Electric Utility (now called Silicon Valley Power). Since the activities of one geothermal plant affects those nearby, the consolidation plant ownership at The Geysers has been beneficial because the plants operate cooperatively instead of in their own short-term interest. The Geysers is now recharged by injecting treated sewage effluent from the City of Santa Rosa and the Lake County sewage treatment plant. This sewage effluent used to be dumped into rivers and streams and is now piped to the geothermal field where it replenishes the steam produced for power generation.

Another major geothermal area is located in south central California, on the southeast side of the Salton Sea, near the cities of Niland and Calipatria, Calif. There were 15 geothermal plants producing electricity in the area. CalEnergy owns about half of them and the rest are owned by various companies. Combined the plants have a capacity of about 570 MW. The Basin and Range geologic province in Nevada, southeastern Oregon, southwestern Idaho, Arizona and western Utah is an area of rapid geothermal development. Several small power plants were built during the late 1980s during times of high power prices. Plants in Nevada at Steamboat near Reno, Brady/Desert Peak, now produce about 240 MW. As indicated on the chart on page 24, Nevada and Utah account for 86% of the new leases granted by the U.S. government in 2007-2008.

While geothermal electricity using existing technology indeed has good short-term prospects, the best sites are already snapped up. If geothermal is to make a big dent in renewables' inevitable penetration of the U.S. electricity business, EGS will have to play a role. Regardless, the manufacturers, consulting engineers, investors and policymakers in the CCBJ community believe that non-hydro renewables will account for roughly 8-10% of electricity by 2020 and 20-25% by 2050, according to compiled results of CCBJ surveys that incorporated the identical question (see charts above). How America reaches these thresholds remains to be seen, but it seems certain that there will be an ample supply of scientists, engineers, entrepreneurs, businessmen and corporations to chase the goal. ☼

Geothermal Developers Grapple With Financial Realities of 2009

For many geothermal power plant developers in North America, the worldwide economic free-fall that began in September 2008 has turned 2009 into a year of holding on, hunkering down and trying to survive. Despite holding leases to tens of thousands of acres of geothermal-rich land in the western United States, most developers lack risk capital to invest in the upfront geo-scientific work and exploratory drilling that is needed to verify the extent and quality of geothermal resources under the ground. (An exception to some degree is **Ormat Technologies**, which generated $252 million in revenues last year from its 505-MW portfolio of existing geothermal power plants; for more on Ormat see story on page 20.)

As recently as a year ago, developers could obtain debt financing before they had validated and drilled the production wells to tap geothermal resources—had "steam behind the pipe" in industry parlance. Not so today. "We've come out of a period in which there has been hyper-liquidity, a buyer's market for capital if you will. In the period we're in now, the pendulum has swung the other way," Ric Abel, Managing Director, Electric Finance Group, **Prudential Capital Group**, told CCBJ in April. "While in the past developers could get debt sooner in the life of a project and finance their drilling with a larger percentage of debt, today drilling and proving up the resource is seen as an equity risk."

Abel spoke at the March 2009 San Francisco Geothermal Innovation and Investment Forum sponsored by **Greenpower Conferences**. He was one of several representatives of lending institutions who discussed just how much financial conditions have tightened up for geothermal developers since the fall of 2008.

Investors had similarly bad news. Venture capitalists from **Google.org** and **KPCB** said they're only investing in technology firms with a strong upside potential, like those aiming to gain a position in the emerging enhanced geothermal systems (EGS) industry (also known as hot dry rock or HDR; for more, see feature on pages 29-31).

Private equity investors told the audience that because of the depressed market caps of publicly held geothermal developers, investors would prefer to buy geothermal companies or their operating power plants rather than invest in new geothermal projects. "Right now because of the large number of [geothermal] companies looking for financing as well as the significantly shrunken pool of available capital we expect that [development] deals will be few and far between going forward. The return hurdles and pre-requisites for successful private equity investment will be a lot higher," Paul Ho, managing director of **Hudson Clean Energy Partners**, told the audience.

New Wave of Developers

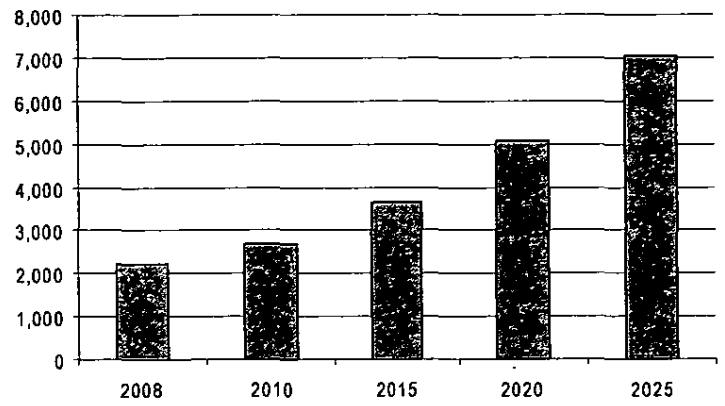
This was not news to the North American geothermal project developers who were in the audience, five of whom would later sit on a panel together representing their firms: **Magma Energy**, **US Geothermal**, **Ram Power**, **Nevada Geothermal Power** and **Sierra Geothermal Power**. These companies are part of a relatively new wave of pure-play geothermal project developers that emerged in this century, driven by the California energy crisis, the adoption of renewable energy standards in western states and the emergence of climate change and energy security concerns. Unlike Ormat and a handful of larger independent power producers and energy companies playing in U.S. geothermal project development—such as **CE Generation** and **Enel North America**—these firms are in the early stages of building their portfolios of geothermal projects. Tim Stephure, a geothermal expert at **Emerging Energy Research**, calls them "junior developers." Some have purchased existing plants with an eye toward expanding or repowering those facilities, but all are focused on new developments.

Hezy Ram, a longtime executive with Ormat who founded Ram Power last year, told an anecdote that while not literally true was nonetheless emblematic of the state of play for him and his counterparts. After leaving a meeting with an investor, he checked the visitor register at the front desk. Competing developer Doug Glaspey of U.S. Geothermal had been in just before him, while Brian Fairbank, CEO of developer **Nevada Geothermal Power** had just arrived for his appointment. (Both Glaspey and Fairbank were on the conference panel.) "We all go to the same private equity funds and financial institutions and talk to the same people," he said. "We need development capital. And as you know capital is very scarce today."

Development capital—lots of it—is needed for the upfront work that developers must do not only to verify that adequate geothermal resources lie under the ground they've leased or purchased, but also to sink wells accurately enough to tap those resources. In this economic environment, until they've got "steam behind the pipe," they can't access private equity funding, tax-credit equity or project-finance debt. And even when they can meet the risk requirements of such funders, funding is harder and more expensive to obtain than any time in recent memory.

As Abel pointed out, prior to the recession, developers could often obtain debt financing for some of this risky resource development activity. Not only is that no longer the case, but prospective equity investors are requiring more resource development work—more steam behind the pipe—before they'll invest in projects. And lenders are requiring higher levels of equity investment before they'll lend money for a project. One geothermal

Forecast of US Capacity for Conventional Hydrothermal Power



Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was: Geothermal generating capacity in the United States was approximately 2,200 MW at the end of 2008. Given an economic revival by 2010 and adequate incentives, please estimate the US capacity for conventional hydrothermal power for 2010, 2015, 2020 and 2025. Result displayed is an average of the responses written in.

veteran who spoke to a CCBJ editor at the conference said: "The big economic problem affecting us now is the amount of debt you can get as part of your total project cost. This amount used to be 70-80%, and you'd only have to come up with 20-30% equity. First of all, nobody is really doing any deals right now. Banks don't have money they're willing to loan on such projects. But the numbers we're hearing tossed around [by lenders willing to lend] are more like 40-50% equity."

Panelists agreed that the last significant geothermal financing deal in the United States was Nevada Geothermal Power's $180 million line of credit to build a 50-MW project near Winnemucca, Nevada. But as CEO Brian Fairbank told CCBJ in an interview, the financing was much less favorable than what the company had anticipated. And in the current climate, the developer's success in getting steam behind the pipe for 50 MW has not led to any breakthroughs in financing an additional 50 MW at the same site. "Just at the time when we should have the light of success shining on us, we've run into the collapse in the credit market and a situation where the equity markets aren't working very well either." (For more on Nevada Geothermal Power, see page 28.)

Geothermal Land Rush

Before a developer worries about financing, however, it must have land leased for development, either from private owners, states or the federal Department of Interior, which controls through the Bureau of Land Management (BLM) millions of acres in the West. After May 2007, when the BLM finalized its rules for auctioning leases under the Energy Policy Act of 2005, there was a "land rush" as firms bid for favorable parcels. Auctions in 2007 brought in bids ranging from an historic high of $14,000 per acre for a 470-acre parcel adjacent to The Geysers in California to bids in the neighborhood of $300 to $500 per acre in Nevada, according to a BLM news release. Data compiled by Emerging Energy Research shows that since 2007 the three top lessees are Ormat, with about 150,000 acres; Raser Power Systems with some 75,000 acres; and Magma Energy with about 45,000 acres. These three are followed by some 20 developers with anywhere from a few hundred acres to 20,000-plus acres under lease. (See chart on page 24.)

The BLM has been paid more than $63 million for geothermal leases since 2007, according to Kermit Witherbee, national geothermal program manager for the agency. According to Witherbee, the perceived value of auctioned leases have dropped significantly. In the agency's last auction in December 2008, the average price was between $30 and $50 per acre.

For developers without existing leases or rights to private or federal lands, the prospects of gaining a toehold in geothermal development are increasingly slim. Most of the favorable geothermal sites—outside of off-limits areas like Yellowstone National Park—have already been developed or acquired. "Those of us who have been around for a few years kind of got the first pick on some of these prospects that that [already] had drilling [done] and had discoveries," said Doug Glaspey, CEO of U.S. Geothermal. "Those are the sites we went to first, and those are rapidly being consumed not only by ourselves but by new entrants in the market. So the quality of [geothermal site] prospects is going down. That means the risk to define and develop new resources is going higher and higher."

Drill, Baby, Drill (With DOE Money?)

While the output of wind, solar PV, biomass, hydropower and other renewable power plants can be predicted with a fair amount of certainty, geothermal developers face much more uncertainty as they search for steam supplies anywhere from 2,000 to 10,000 feet underground.

To find geothermal resources of sufficient enthalpy (heat energy) for power generation, they start with geological mapping that points to likely areas. They also consider distance to grid connections. Then they hire staff or consultants to perform geochemical analyses of hot springs and geophysical analyses such as seismic studies to refine models of likely resources. On many prospective geothermal properties, developers have the benefit of earlier explorations done by oil and gas companies that were investigating geothermal in a big way in the 1970s and 1980s.

Many of those prospective sites were not developed because the market drivers of that era diminished with the decline in oil prices. Additionally, the binary technology that can utilize lower-temperature geothermal resources was not available on a commercial scale at that time.

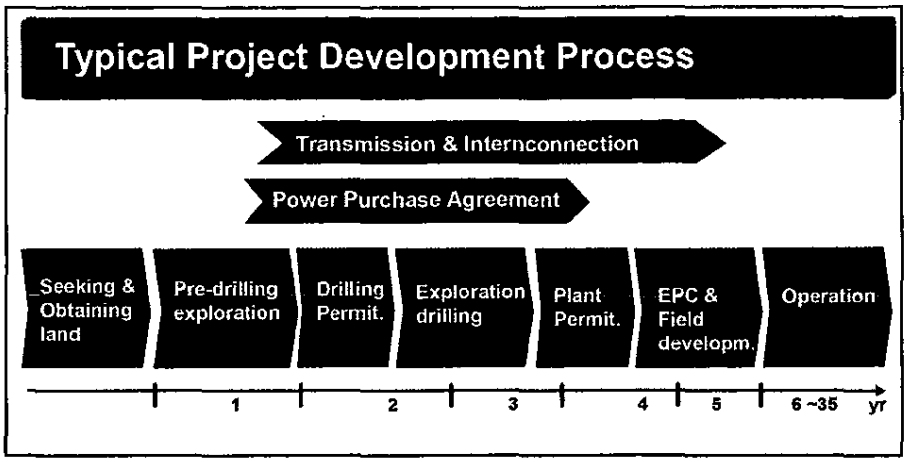
The costs for the geologic mapping, geochemical and geophysical work is generally in the hundreds of thousands of dollars for a 40 to 50 MW geothermal power project—add in permitting for the well drilling phase and you're looking at $2 million to $3 million, according to Brian Fairbank of Nevada Geothermal Power (see page 27).

Then the cash really starts to flow. Developers hire drilling contractors who come with rigs, equipment and personnel and charge $25,000 a day or more. Sometimes a drilling program start with slim-hole test wells that can cost $2 million to $3 million each; in other cases developers and their contrators go straight to the production wells that can cost anywhere from $3 million to $10 million or more.

Like wildcat oil drillers, the geothermal prospectors are usually looking in areas without a history of geothermal production. They don't always hit paydirt, yet the drilling contractors must be paid. In fact, drilling "dry holes" is quite common. Developers estimated the risk at 20% to 30% on greenfield projects that haven't already been subjected to some exploratory drilling. "That scares a lot of people," said Glaspey.

"The drilling is really the wild card in geothermal," said Gary Thompson, CEO of Sierra Geothermal Power in response to a questions about average costs for developing a geothermal wellfield. "You have to have a fairly large contingency when you're talking about drilling because [the costs] are all over the map It could be $2 million, it could be $15 million to drill one of these wells. And your output varies [on the the same scale]. It could be two megawatts per well or 10 or 15 megawatts per well."

Typical Geothermal Project Develoment Process



Source: Geothermal Development in Emerging Markets by Rahm Orenstein, Ormat Technologies, Inc. Geothermal Innovation & Investment Conference, March 24th, 2009.

Given the risks of hitting dryholes and creating wells that produce less power than anticipated, the typical upfront capital required for a geothermal project of 40-50 MW with a typical life cycle of 30-35 years could be from $30 million to $50 million, according to developers. With the high risk profile of their endeavor and the difficulty of financing such activities, developers and other speakers at the conference pleaded with one particular person in attendance: Ed Wall, manager of the **U.S. Department of Energy's Geothermal Technologies Program**. What they asked for repeatedly is for Wall to use some of the $400 million for geothermal contained in the American Recovery and Reinvestment Act (ARRA) stimulus package to help developers mitigate this daunting dry-hole risk (see list on page 17).

"It's great to spend money on EGS. That's the future," said Glaspey. "But if you want megawatts on the ground today, you have to capitalize exploration. The way you do that is put it into drilling programs. Cost share [from the DOE] would be very nice for folks like us."

"There's a tremendous amount of conventional geothermal projects out there that desperately need assistance in order to do the drilling," said Abel from Prudential. "I think from a stimulus bill perspective, getting projects built, producing electricity and creating those jobs is where there's more bang for your buck."

Another option for DOE funding, according to Glaspey, is the loan guarantee program for renewable energy technology funded to the tune of $6 billion by the ARRA. "It may be possible for DOE to offer us loans at 3.5-4% interest," he said. "That's very encouraging, although we can't wait two years to get that kind of financing package," he added, referring to DOE's past difficulties with the loan guarantee program.

Long-Term Drivers

Despite the current difficulties, geothermal developers are operating in a marketplace with some very strong long-term drivers. Regardless of what happens with federal renewable energy standards and climate change legislation, utilities in western states are already under state laws requiring sharp increases in renewable generation. Because of its reliable baseload properties—in contrast to the intermittency of wind and solar—utilities and grid operators can more easily incorporate geothermal generators.

Those "junior developers" who can hang on through this difficult period will likely enjoy a more robust market envi-

ronment within one to two years. Prudential Capital Group's Ric Abel pointed out at the March conference and in a separate interview with CCBJ that institutional lenders like insurance companies still have a large appetite to finance long-term projects like geothermal power plants built with fixed-price EPC contracts and 20-year power purchase agreements. "There is money available, although it's a lot more expensive than it was a year ago," said Abel. "While drilling and proving up the resources is an equity risk, building the power plant and producing electricity for a PPA is more of a debt risk."

Abel said geothermal projects are financed in similar fashion to combined cycle gas turbine plants and other fossil fuel-fired power plants, with a waterfall structure designed to ensure that asset maintenance—including reservoir maintenance in the case of geothermal—is adequately funded and creditors are paid before plant equity owners. "This structure was developed and perfected primarily with gas-fired projects.... Most of the major law firms that focus on project finance are very familiar with this structure and the documents associated with it. At various times, including in the recent period of hyper-liquidity, people have deviated from that structure, but now the pendulum has swung back and lenders are approaching power projects in this more standard format."

For geothermal projects, a "disciplined operating budget" to maintain reservoir viability is critical to giving long-term lenders assurance. "You've got to have continued funding to maintain the geothermal resource, which is your fuel supply, on an ongoing basis," he said.

Emerging Energy Research's Stephure points to some recent investment highlights that show the underlying strength of the geothermal segment, but also point toward consolidation trends. He noted that Canadian energy company AltaGas recently purchased a 25% stake in Magma Energy and Raser Technologies has recently executed a funding agreement with **Copper Canyon Mining**. Australian EGS geothermal developers **Geodynamix** and **Petratherm** have formed alliances and joint ventures with very large companies: Geothermix with Indian conglomerate **Tata** and Petratherm with Australian utility **TruEnergy** and oil & gas producer **Beach Petroleum**. "Companies with bigger balance sheets will be better positioned moving forward," said Stephure.

"There are definitely some opportunities for these players to take advantage of the economic situation. They can fund a lot of activity in house and pick up projects from developers who are struggling. M&A activities are likely to occur. We may also see utilities move into this space, either developing or owning their own projects or partnering to help develop projects." In chaos lies opportunity is how some observers are characterizing 2009 and the geothermal industry has both. ☼

Leading Geothermal Power Market Participants

Power Plant Owners & Developers

Major IPPs And Utilities:
ArcLight Capital Partners
Calpine (USA)
Chevron (USA)
EnBW (Germany)
ENEL (Italy)
Geysir Green Energy (Iceland)
LaGeo (El Salvador)
Mid-American/CalEnergy (USA)
Mighty River Power (New Zealand)
Ormat Technologies (USA)
PNOC EDC (The Philippines)
Terra-Gen Power (USA)

Pure-Play Geothermal Developers:
Magma Energy (Canada)
Nevada Geothermal Power (Canada)
Polaris Geothermal (Canada)
Ram Power (USA)
Raser Technologies (USA)
Sierra Geothermal (Canada)
U.S. Geothermal (USA)
Vulcan Power (USA)
Western GeoPower (Canada)

Power Plant Equipment Suppliers:
Alstom (France)
Ansaldo Energia (Italy)
Fuji (Japan)
GE/Nuovo Pignone (USA)
Mitsubishi (Japan)
OAO Kalugo Energo (Russia)
Ormat Technologies (USA)
Siemens (Germany)
Toshiba (Japan)
Turboden (Italy)
UTC/Pratt & Whitney (USA)

Energy Conversion Technology Developers
Borealis/Power Chips (Gibraltar)
ElectraTherm (USA)
Exorka (Germany)
O-Flex
Ormat Technologies (USA)
Turbine Air Systems (USA)
UTC/Pratt & Whitney (USA)

Technical and Engineering Consultancies & EPC Contractors
Amec (USA)
Enex (Iceland)
GeothermEx (USA)
Geothermal Development Associates (USA)
Geothermal Resource Group (USA)
Horizon Well Logging (USA)
Hot Dry Rocks (Australia)
Mannvit Engineering (Iceland)
Ormat Technologies (USA)
Power Engineers (USA)
SAIC (USA)
SKM Consulting (Australia)
West Japan Engineering Co.
Wood Group (United Kingdom)

Drilling And Drilling Services Firms
Baker Hughes (USA)
B.J. Services (USA)
Boart Longyear (USA)
Halliburton (USA)
Iceland Drilling (Wales)
Schlumerger (France, USA, Netherlands)
Thermasource (USA)
Weatherford (USA)

EGS Developers/Technology Firms
AltaRock (USA)
Geodynamics (Australia)
Green Rock Energy (Australia)
Panax Geothermal (Australia)
Petratherm (Australia)
Potter Drilling (USA)

Source: CCBJ, EER, NEF and Geothermal Resources Council

Geothermal Power in Developing Countries

With the best geothermal resources located along the Pacific Ring of Fire, there are enormous opportunities for developing geothermal power in Asian and Latin American countries that currently have little or none. The eastern and southern Mediterranean and the East Africa Rift zone (Kenya, Ethiopia, etc.) also present large geothermal development opportunities.

But developing geothermal power plants in many emerging markets is an enterprise fraught with high risks—risks that are layered on top of the ordinary risks of hitting dryholes and drilling under-producing wells that confront geothermal project developers in the United States and other developed countries. To build geothermal wellfields and power plants, most developing countries (the exceptions being the Philippines, Mexico, El Salvador and Indonesia) need foreign experts, suppliers and development capital because they lack the internal capacity—yet foreign firms often find it difficult to work in many developing countries because of the lack of frameworks to manage risks, delays in administrative processing, frequent requests for local patronage, contracts being violated and projects being shut down for murky political reasons.

"In some of these markets you have to add political risk to the drilling risks and credit risks that exist in developed countries," said Rahm Orenstein, director of business development for internationally active **Ormat Technologies** in a talk at the March 2009 Geothermal Innovation and Investment Forum sponsored by **GreenPower Conferences** in San Francisco. "Then you have off-take risk. In some countries, there's a high risk that your electricity customer won't pay you."

Poor market conditions are also a barrier to geothermal development in many developing countries. These include: Electricity markets that have not been fully restructured to encourage competition by independent power producers (IPPs), low rates for electricity that price geothermal out of the market, and lack of incentives to subsidize the up-front investment costs of geothermal power projects. "In many countries, geothermal has to compete with fossil fuels that still get subsidies and incentives," explained Orenstein. Additionally, many developing countries that have restructured their state power monopolies to facilitate more competition still retain monopolistic elements. "Any place we go and compete as an IPP is a market that has been deregulated to allow merchant power suppliers like us to compete, which is good.... But in some cases we discover that market is still to some extent monopolistic. Utilities may have been broken into a generation company and a transmission and distribution company, so now they have two monopolies."

For developing countries desperate for more domestic power sources—and for the worldwide effort to mitigate carbon emissions—the consequences that these risks and barriers will forestall geothermal power development in emerging markets are immense. **West Japan Engineering Co.** (West JEC), which has extensive experience in Central America, estimates that 3,000 MW to 4,000 MW—about 10 times current installed geothermal capacity—of new geothermal could be developed in that region given proper market structures, incentives and policies.

Geothermal-rich Indonesia has set a goal of building more than 4 GW of geothermal power capacity by 2014 (It currently has less than 1 GW online), but many international companies are reluctant to work there because of its unfavorable power market, bureaucratic inertia and reputation for corruption. In Kenya, some 4 GW of geothermal capacity—triple the nation's current electrical generation capacity—could be developed in the Rift Valley given proper market conditions and incentives, according to a study by UN agencies and the national power generation utility.

Foreign firms have successfully developed geothermal power projects in all of these regions and other developing nations. But it hasn't been easy.

Case In Point: Kenya

Ormat began developing a geothermal project in Kenya in the late 1990s, soon after the former state-owned power monopoly was unbundled into generation and transmission-distribution units. "Kenya was still heavily reliant on several hydropower projects for its electricity generation, and in the late 1990s the country suffered a major drought that caused generation to drop by some 30 percent," said Orenstein. The reliable baseload characteristics of geothermal made it an ideal resource for the country's power needs, according to Orenstein.

A **World Bank** supervised international competitive bid was issued by the utility, which was won by Ormat. Nine months after signing of a 30-year 50 MW power purchase agreement (PPA), the first 8 MW plant came online, and was soon expanded to 12 MW. By May 2002, Ormat had completed and demonstrated a total of 48 MW of steam capacity from the wells, but then it had to wait an agonizing six years to wade through what Orenstein called "administrative and political issues" before it could complete its power plant to reach that capacity. Ormat invested $150 million of its own funds for the wells and the plant; only recently was it partially refinanced by a loan from the German DEG lead consortium.

Kenya has relatively high electricity tariffs—between $80 and $120 per MWh compared to $60 to $80 for the rest of sub-Saharan Africa, according to a report by Julie Rowlett of the **Columbia University School of International and Public Affairs**. So Ormat's wholly owned Kenyan

subsidiary OrPower is likely doing well. But according to Ormat's 2008 annual report, the firm, along with the handful of other IPPs operating in Kenya, is under pressure to reduce tariffs to allow the government to make good on campaign promises of cheaper electricity. Furthermore, its customer **Kenya Power and Light Company** is being re-organized. And the country is in a state of ongoing political turmoil between President Mwai Kibaki and Prime Minister Raila Odinga.

To manage the risks of operating in countries like Kenya, Ormat buys political risk insurance from the **Multilateral Investment Guarantee Agency (MIGA)** of the **World Bank Group** or from **Zurich Re**, for most of its foreign projects, according to the company's annual report.

Ranking Developing Country Markets

Research outfit **New Energy Finance** has ranked the favorability of geothermal markets in both developed and developing countries. NEF's four criteria are:

Stability – political, economic and social, including a reliable electricity grid.

Availability of **local partners** to handle licensing, permitting and obtaining power purchase agreements.

A positive **policy framework** with high energy demand and limited supply

Incentives or subsidies such as feed-in tariffs, renewable energy certificate trading schemes and tax exemptions.

Global Geothermal Markets Rating

Country	Stability	Local Partners	Policy Framework	Subsidies	Ranking
Chile	+	+	+	+	4.0
Greece	+	+	+	+	4.0
Hungary	+	+	+	+	4.0
Iceland	+	+	+	+	4.0
Australia	+	+	+	+	4.0
Austria	+	+	+	+/-	3.5
Slovakia	+	+	+	+/-	3.5
Nicaragua	+	+	+	-	3.0
US	+	+	+	-	3.0
Guatemala	+	+	+	-	3.0
Indonesia	+	+	+	-	3.0
Japan	+	+	+	-	3.0
Philippines	+	+	+	-	3.0
Germany	+	+	+	-	3.0
Italy	+	+	+	-	3.0
New Zealand	+	+	+	-	3.0
Turkey	+	+	+	-	3.0
Costa Rica	+	+	+/-	-	2.5
El Salvador	+	+	+/-	-	2.5
Poland	+	+	+/-	-	2.5
Portugal	+	+	+/-	-	2.5
China	+	+	+/-	-	2.5
Thailand	+	+/-	+	-	2.5
France	+	+/-	+	-	2.5
Kenya	+/-	+	+/-	-	2.0
Mexico	+	+/-	-	-	1.5
Russia	+	+/-	-	-	1.5
Ecuador	+	-	-	-	1.0
Peru	+	-	-	-	1.0
Papua New Guinea	+/-	+/-	-	-	1.0
Djibouti	+/-	+/-	-	-	1.0
Ethiopia	+/-	+/-	-	-	1.0

Source: New Energy Finance. Countries were ranked on a scale of 0 to 4 points. Each of the criteria presented in the four columns is worth 1 point. A + symbol signifies that country fully meets the criteria and 1 point. A +/- symbol indicates that a country only partially meets the criteria and is awarded a 0.5 point.

West JEC would probably add to that list a wholesale power market that is amenable to power purchase agreements (PPAs). Without PPAs, geothermal plants compete as merchant power producers, being dispatched only when their power is needed and their price is competitive. "Not all countries are like the United States where you can get PPAs," said Enrique Lima, general manager for overseas business. "In Central America, for example, it is difficult to get PPAs. You have to compete in the market where the price varies 24 hours a day. It can go from as low as 1 to 2 cents and as high as 10 to 13 cents at peak. But the duration of the peak is very short, so the average price you'll get is 3 or 4 cents. This makes it very difficult for geothermal to compete."

It's no suprise that Kenya is near the bottom of NEF's rankings with a 2.0 ranking out of 4.0 possible points. (See chart on left for all of NEF's rankings.) Many developing countries rank more highly, in NEF's view, including Chile, Hungary, Nicaragua, Guatemala, Indonesia, the Philippines and Turkey.

Indonesian Puzzle

But according to New Energy Finance Associate Mark Taylor—and research by CCBJ's parent company **Environmental Business International (EBI)** on behalf of the Organization for Economic Cooperation and Development—the level of risks and difficulties presented by certain countries can be as much a matter of perception or opinion as fact. Indonesia, for example, is widely perceived as a very difficult market to develop geothermal projects due to broken contracts, turgid bureaucracies, an unfriendly power market and corruption. According to an executive with an international engineering firm active in geothermal worldwide, wholesale power prices in Indonesia are tied to the price of coal power, essentially pricing geothermal out of the market. This individual (who was interviewed confidentially for EBI's OECD study) doesn't believe

that the government's plan to offer higher rates for geothermal and other renewables will succeed because of resistance within the electricity bureaucracy.

WJEC's Lima offered a more balanced perspective on Indonesia, telling CCBJ: "The Indonesian government is now thinking what kind of support is needed for geothermal and other renewables but they have not yet reached a conclusion." And Taylor says he has "talked to people who have developed projects there, and they say that if you know the people and the culture, it's not that bad." Indeed, **Chevron**, which calls itself the largest producer of geothermal energy in the world, has a 30-year history of geothermal work in Indonesia (through **Unocal** which Chevron acquired in 2004). According to Taylor, government officials in charge of boosting geothermal production to 4.4 GW by 2014 are aware of its reputation and working to ease some of the barriers and challenges.

A key insight that emerged from EBI's research is that some firms succeed handsomely in doing business in foreign markets where others fear to tread. One wind power developer told EBI that his firm avoided mature wind-power markets in OECD countries to focus on the opening markets in what he called "dodgy" countries with higher levels of political risk and corruption. While some firms reported avoiding China because of intellectual property risk and poor contract enforcement, several European wind power firms work quite successfully in China. It appears that a market which scares off some firms can offer opportunities to other firms that adapt to the country's business norms and market conditions.

For geothermal power developers, however, the higher levels of risk and difficulty imposed by operating in a "dodgy" country are much more formidable than for wind power because of the cost of quantifying and developing resources. While assessing the expected annual yield of a wind farm site is not a trivial matter, doing the drilling needed to prove and develop the geothermal resource for a 50-MW power project can run as high as $50 million or more.

Governments, Funding Institutions Step Up

Because of these high costs and the attendant risks of finding dryholes or hitting reservoirs with lower than expected power capacity, geothermal power development in emerging markets is often too risky for the private sector to do on its own. To offset these costs and risks, developed country governments, multilateral lending agencies like the World Bank and in some cases host country governments subsidize the exploration and resource development phase of creating a new geothermal power plant.

The impact of such subsidies can be seen in the contrast between the geothermal power development trajectories of the Philippines and Indonesia. The two countries are both rich in geothermal resources and both began developing them in the 1970s, yet the Philippines today has about 1900 MW of capacity online, meeting about 17% of total demand, while Indonesia has less than 1 GW meeting 5% of demand. According to multiple informants for EBI's OECD research, the Philippines' success story was based on a policy in which publicly owned **PNOC Energy Development Corporation (EDC)** took the exploration and drilling risk, selling steam to power plant developers.

By contrast Indonesia required foreign developers to fund exploration and drilling. "In the 1990s, you could do a geothermal power project in the Philippines for 4.5 cents to 5 cents U.S. per kilowatt-hour, but contracts in Indonesia were at 7.5 to 8 cents because developers were putting a big margin on for the risks being assigned to the projects," said EBI's source with the international engineering firm. (PNOC EDC has since been privatized and EBI's sources say the industry is watching closely to see how its development policies evolve.)

Looking forward, Taylor says that funding to underwrite the costs of resource exploration and wellfield development will be vitally important to building geothermal projects in most developing countries. "Right now, developing geothermal in these countries is so high-risk that there needs to be some sort of multilateral bank or government intervention to help out," he said.

He spoke recently with the head of the World Bank's $25 million GeoFund which subsidizes drilling and exploration and technology development. The official reported that the fund had lent $5 mil-

Developing Markets with Most Promise in Geothermal

- Brazil
- Canada (2 responses): political stability, history of resource development
- Chile (2 responses): resource and government support, great resource, new developers in area
- China (2): Universal carbon tax
- Iceland: size of resource
- India: universal carbon tax
- Indonesia (4) : lots of resources
- Japan
- Kenya
- Mexico
- Nevis Island (Antilles): great start, high electricity pricing
- Nicaragua: good resource
- Philippines (5): replace dependance on diesel powered generation; size of resource
- Turkey

Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was: Many regions of the developing world such as Central America and parts of Africa have tremendous potential to develop more geothermal power, yet little internal capacity to develop their resources. In many cases, such countries present high risks for foreign geothermal developers and service providers. Please note the three developing countries that you think will grow their geothermal power capacity the most over the next 10 years and what factors will make those markets favorable for geothermal development.

lion and still had another $20 million to lend, which would likely go to subsidize three resource exploration efforts and five technology development programs. "The European Investment Bank and the European Bank for Reconstruction and Development have also offered funding, but the existing financing resources are absolutely not enough. To significantly ramp up geothermal power capacity in developing countries, it will be necessary for multilateral banks to step up their financing."

Enrique Lima of West JEC told CCBJ about a series of geothermal projects in countries such as the Philippines, Indonesia, Guatemala, Jordan, Panama, Colombia and other countries for which the initial stage of development were or are being financed by country-to-country development assistance programs. "This kind of financing through donations or soft loans may provide means to offset risk," said Lima.

Chile, Turkey, Hungary Entice Developers

According to Taylor, a country that has been particulary successful in turning around a negative reputation for geothermal development is Chile. Developers were plagued by long delays in receiving permits until the government streamlined the permitting by setting deadlines for administrative departments.

"Chile is one of the best markets now for two reasons," said Taylor. "It doesn't have a feed-in-tariff but it has an average wholesale electricity price of $115 per megwatt-hour, which is very high. The other reason is that it has an immense geothermal resource and developers who have looked at it are fairly confident that they can make projects work economically." The Chilean government is also offering a $5 million subsidy per geothermal project and is doing organized leasing and tendering of known geothermal resource areas.

"Many mining companies up in Northern Chile need a lot of electricity, and they're paying high rates for it," said Taylor. "There is a lot of geothermal [in the mining areas], with geysers and other surface expressions." Combining small distributed projects for mines and other remote industries with utility-scale projects, Chile can develop 2350 MW of geothermal power capacity according to an estimate provided by NEF from Bob Lawrence & Associates, a consulting firm.

Other developing-country markets have implemented feed-in-tariffs for geothermal, according to Taylor. These include Hungary with a $90 per MWh rate; Turkey with $70 per MWh; and the Central American Electrical Interconnection System (SIEPAC) linking Panama, Costa Rica, Honduras, Nicaragua, El Salvador, and Guatemala has set an $80 per MWh FIT (SIEPAC is still under construction as of April 2009). ☼

Trouble in Central America: One Company's Experience

CCBJ's parent company Environmental Business International (EBI) recently conducted a series of confidential interviews with geothermal market participants on behalf of the Organization for Economic Cooperation and Development to assess the market barriers in different countries. EBI's informants (interviewed confidentially) told stories of extra costs, obstacles and delays due to government procedures and local business culture. One of the most daunting experiences was related by an international developer doing its first project in Central America. As a result of these experiences, the company will raise its revenue requirements for future projects in the country by 10% to 20%. (The country is not identified to protect the company's confidentiality.) Among the challenges:

* A government anti-corruption law made customs clearance cumbersome and expensive. A mistake like classifying a pipe fitting as a pipe could result in fines and special treatment of all the company's imports for a year.

* Conflicts between labor unions in Mexico and Central America resulted in a *de facto* ban on Mexican trucks crossing the border. In spite of a regional free trade agreement, shipments are re-loaded at the border—a requirement that could not be safely met for a 50-ton heat exchanger the company was importing. A logistics contractor had to negotiate a special arrangement with the unions.

* The company had difficulty importing the isopentane needed for the binary steam cycle because customs officials didn't know how to classify it.

* Banking regulations prevented the company from opening an account unless it established a domestic company. This meant that the company could not establish credit at local vendors and had to get quotes, write purchase orders and process invoices through its home office for all purchases.

* The project tender document gave the client—a quasi-public utility—the right to travel at the developer's expense to inspect the production of components. While traveling to inspect heat exchanger or turbines was justifiable, client staff insisted on traveling to visit the makers of commodity items like transformers and pumps.

* For some site preparation work, the company was forced to employ laborers instead of heavy equipment.

* After a site engineer was murdered, the company hired an armed security service to accompany all foreign staff 24 hours a day.

ARRA Update: Federal Procurement Picks Up at GSA, DOD and DOI

Federal government agencies are flush with cash to spend quickly thanks to the American Recovery and Reinvestment Act (ARRA), also known as the Stimulus Package. And a great deal of that cash will go to services and products related to energy efficiency and renewable energy projects. While the U.S. Department of Energy (DOE) is the largest recipient and disburser of ARRA funds for energy efficiency and renewable energy, other federal, state and local agencies also have a great deal of new money to spend on these segments by September 30, 2010.

As noted in our first edition of 2009 (January/February/March 2009), given the size and the phased implementation of the ARRA, CCBJ will cover aspects relevant to our readers over several editions in 2009. In this edition, we focus on federal procurement for services and products associated with energy efficiency and renewable energy by three federal agencies: General Services Administration (GSA), Department of Defense (DOD) and Department of Interior (DOI).

According to CCBJ's estimates, these three agencies will directly spend about $5.5 billion on contracts for renewable energy and energy efficiency projects by September 30, 2010. (Note: this does not include funds being channel to states, local governments, housing authorities, tribes and school districts by the Department of Education, Environmental Protection Agency, Housing and Urban Development and DOE.)

Five and a half billion dollars is a rough estimate based on an educated guess about the amount of capital project funds that GSA, DOD and DOI agencies will spend on energy-related projects. Congress gave the agencies wide latitude, telling the Army, for example, to spend $1.47 billion to "improve, repair and modernize... facilities, restore and modernize real property to include barracks, and invest in the energy efficiency of ... facilities." All other DOD departments, including reserves, received similar marching orders. Similarly, the Bureau of Land Management, Fish and Wildlife Service and other DOI agencies have been given money for "repair of roads, bridges, property, and facilities and for energy efficient retrofits of existing facilities."

With that kind of discretion, the full scope of GSA, DOD and DOI spending on energy efficiency projects like upgraded lighting and replacement of inefficient HVAC equipment and renewable energy projects such as solar water heating systems and wind turbines won't be known for some time. But early indications are that spending from DOD at least will be very robust.

In a March 2009 report to Congress, DOD highlighted hundreds of energy efficiency and renewable energy projects that will be funded with ARRA money. Just a few examples: $4.7 million for wind turbines at the Air Force's Cape Newenham Long Range Radar site in Arkansas; $10.7 million for a PV system at Camp Pendleton Marine Corps Base in California; and $3 million to upgrade the HVAC system at Fort Leavenworth in Kansas.

Obviously, there's a lot of work on tap for equipment installers and integrators and engineering and construction firms. But DOD is also looking for consultants to do conceptual planning and analysis work. A whole section of ARRA DOD funding is devoted to research, development test and evaluation (RDT&E) projects, and DOD aims to spend much of that funding on energy related projects.

There are initiatives around designing more fuel-efficient military vehicles and developing renewable energy generation and energy devices for combat usage; contracts for those types of projects will prob-

Recommendations for DOE for Utilization of the $400 million in ARRA or Stimulus Funds for Geothermal Energy

Reduce drilling risk
Fund Exploration and Drilling
Incentives for exploration
Invest in exploration research
Create new test wells for deeper operations
Help finance geothermal development first cost
Construction loan capital for shovel-ready developments
Continue and Increase Loan Guarantees
Staff Up to Process Loan Guarantee Applications
Reduce development red-tape
Facilitate and ease permitting process
Concentrate on Hot Dry Rock Geothermal Energy
Invest in proving EGS technology
Fund EGS developments
Fund traditional deployment instead of EGS
Don't squander it on EGS
Invest in geothermal R&D
Advance hard-rock drill-bit development
Invest in cycle engineering and simulation
Advance hybrid solar/binary power plants
Fund new research for power conversion technology

Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was: What three top recommendations would you give to US DOE for the $400 million it received in the American Recovery and Reinvestment Act (ARRA) specifically for geothermal.

ably go to firms' with prior experience in combat and weapons systems. But there are also RDT&E projects suitable for consulting engineering firms with expertise and capabilities in designing building energy systems. For example, the Army is looking to spend $3 million for planning of an ultra-low energy campus that can be a model for other facilities. The Navy and Marine Corps expect to spend $2.5 million on developing methods to integrate cogeneration into tactical systems. And the Air Force is in the market for ideas to maximize renewable energy development on its vast test ranges.

According to Chris Lippert, corporate initiative leader for energy efficiency at $2-billion consulting engineering firm **Tetra Tech**, federal agencies have pent-up demands for energy efficiency and renewable energy projects—demands that are finally being satisfied with ARRA funding. "DOD and all federal agencies have been under some form of federal mandate to reduce energy use for some time," said Lippert, citing the Energy Policy Act of 2005 and the Executive Order 13423 signed by former President George Bush in 2007. "But these mandates have not traditionally come with funding. Now that the stimulus package has made funds available, federal agencies are well positioned to implement a large wish list of projects to cut energy use and save on energy costs. There's a great opportunity for the private sector to provide those services."

While many businesses can become federal contractors, given the rigid timelines for spending in the ARRA, Lippert and others think that the vast majority of spending will go to existing contractors. "Existing contract vehicles are incredibly important," he said. "The contracting staff on the federal side is already overtaxed and now they're being asked to take on this significant chunk of work."

That doesn't mean that only those already in the federal doorway need apply because there is great scope for subcontracting work. In demand will be installers and integrators of renewable energy and energy efficiency equipment and projects, but also consulting firms with relevant expertise.

According to Lippert and other executives familiar with federal contracting, becoming a subcontract supplier to a federal contractor is not all that difficult. "As long as you can prove you have your relevant licensing, such as a plumber's license for installing solar water heating, you can start on day one," said Scott Sklar of the **Stella Group**, a firm that integrates solar, wind, geothermal and other renewable energy sources for public and private sector clients. "You may have to get some additional bonding and insurance."

Where to Find Opportunities

Sklar, Lippert and others agree that the best places to start looking for federal subcontracting opportunities are the federal websites, particularly GSA.gov and FedBizOpps.gov. "You have to take the time to troll through and look at all the opportunities," said Sklar. "The U.S. government is the biggest user of energy in the world and the biggest owner of buildings. I suggest focusing on the niches where you are most capable.... You may have done a lot of medium-sized business renovations and now you want to install solar systems for medium-sized buildings. Well, that's different from doing a giant base dormitory that is six square blocks. Focus on what your experience level is and look at the government through that lens."

Sklar takes note that energy efficiency and renewable energy contractors may be able to find significant opportunities with some of the 16 energy service companies (ESCOs) designated as primary energy service performance contractors by DOE in December (see list above). CCBJ's conversations with a couple of these entities indicate that they anticipate being in the market subcontracting vendors, but their needs are probably more skewed to implementation rather than planning and analysis. (Funding for many of these projects is not tied to ARRA but rather to cost savings achieved by energy conservation measures; CCBJ will cover ESCOs and energy service performance contracting in our upcoming edition on energy efficiency and demand response.)

DOE's Primary Energy Service Performance Contractors

Ameresco
Chevron Energy Solutions
Clark Realty Builders
Consolidated Edison Solutions
Constellation Energy Projects & Services
FPL Energy Service
Honeywell International
Johnson Controls Government Systems
Lockheed Martin Services
McKinstry Essention
Pepco Energy Services
Siemens Government Services
TAC Energy Solutions
The Benham Companies
Trane U.S.

The GSA handles purchasing and procurement for multiple federal agencies, and many federal contractors hold what are known as multiple award schedule contracts that GSA administers. "A multiple award contract schedule allows any federal government agency and some state agencies and some contractors to the federal government to access the products and services through the GSA," said Al Tattersall, a senior vice president of federal contractor **GP Physics**. "The advantage to agencies in doing it this way is that it reduces the amount of time for contracting." GSA schedules have already been analyzed and vetted for fair pricing of products and services, and individual agencies can essentially shop among GSA schedule holders for vendors, then work through GSA to execute the contract quickly.

According to Lippert, federal agencies have different preferences regarding whether to procure services through

a GSA schedule or handle their own procurement. "It really gets down to a specific branch of DOD, a region or even a specific base within that region," he said. "The preference may come down to a certain individual procurement officer's experiences."

The eLibrary on GSA.gov can be used to locate firms that hold multiple award schedule contracts. With stimulus money flowing, many of these firms will be already looking at how to ramp up their capabilities through subcontractors. "We have been approached by government agencies with which we have contracts, and we've been told that they are expecting stimulus funding that would expand the scope of work that we would provide through our existing contracts," said Tattersall.

There's also the option to look for specific contract opportunities being offered directly by federal agencies. GSA's FedBizOpps.gov website lists any contract greater than $25,000, according to Tattersall. "In this case, you're not looking for the contract vehicle but the types of procurement that are being opened for solicitation," he said. He suggests prioritizing solicitations based on NAICS codes and geography for regional firms, then contacting the relevant agencies directly.

For businesses that meet federal small business criteria (see SBA.gov/faqs), most federal agencies have liaison staff who can assist in locating prime contractors who may be bidding on specific projects. "You tell them the type of work you do and they will assist you, including telling you companies who are bidding on contracts where you could be a good subcontractor," said Tattersall. "Almost every military facility, including NASA, has someone responsible for getting small businesses involved in acquisition primarily because Congress sets targets for small business contracting."

Tetra Tech's Lippert says that such requirements will lead his firm to subcontract even when it possesses all the needed capabilities for a contract in-house. "We're a large firm and proud of our broad expertise, but since a number of federal clients have small business requirements in their contracting, we'll plan to exceed those," said Lippert. "There could also be niche technologies where we need to bring in a technical specialist."

(Tattersall and Lippert also noted that for small firms willing and able to become qualified as federal contractors, contracting requirements can put their firm in the prime contractor spot with larger firms acting as subcontractors. "Some of the small-business set-asides can be for quite sizeable contracts, so there's often a real need for the expertise and experience that a large business can provide. We are in mentor-protégé and joint-venture relationships with some small businesses that qualify for set-asides," said Lippert.)

As far as making contact with and cultivating a subcontractor relationship with a federal contractor, Tattersall recommends the additional step of registering as an interested party for solicitations of interest on FedBizOpps.gov. "They'll post your name as a company looking to subcontract."

Lippert underscores Tattersall's advice about using the small business liaisons at DOD facilities, but he says old-fashioned networking and marketing can be valuable as well. "Getting involved with groups, where they want to do business, that will give them insight and referrals is a good start." he said. "The Society of American Military Engineers, for example, has monthly meetings and is a great place to do business networking."

"We certainly get cold calls and have people sending us information, but even in this modern world where we're all tied together through technology, my preference would be to meet someone face to face at a SAME meeting or have an introduction facilitated by a small business liaison from one of the DOD branches." If such introductions lead to a potential relationship, it is always preceded by thorough vetting, said Lippert. "Just because we have this glut of funding, we'll still continue to do thorough vetting of subcontractors. The taxpayers don't want to see projects funded that aren't high quality." ☼

Reasons for Regional Variations in U.S. Geothermal Power Prices

- 1) Transmission Access; 2) Utility Attitude towards renewables; 3) RPS requirements; 4) Supply and Demand; and 5) Competition from other sources
- Regulatory structure, energy efficiency mandates, market manipulation of pricing
- RPS states, proximity to fuel, natural resource availablity, transmission constraints, labor costs
- RPS and transmission infrastructure
- States pushing RPS have higher prices; regions with marginal pricing based on natural gas-fired generation currently have lower pricing
- Transmission access, level of Renewable Portfolio Standards, utility attitude towards geothermal
- Transmission capacity/ installed power conversion technology
- Free market pricing is subject to the law of supply and demand, and stimulus/incentive. We are seeing voluntary standards causing some important rises in price paid for renewables, with incentives coming from contribution to portfolio in a utilities footprint, and what that utilty thinks it can safely pass to their rate base. A Federal Renewable Porfolio Standard will change the game significantly (at a cost to all rate payers). Time will tell, but in the meantime, there is sufficient demand and pricing to make hydrothermal projects work financially, and that is what it's all about.

Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was: Please comment on variations in power prices in U.S. states and regions and what causes these variations.

Ormat Leads Market With Technology and Vertical Integration

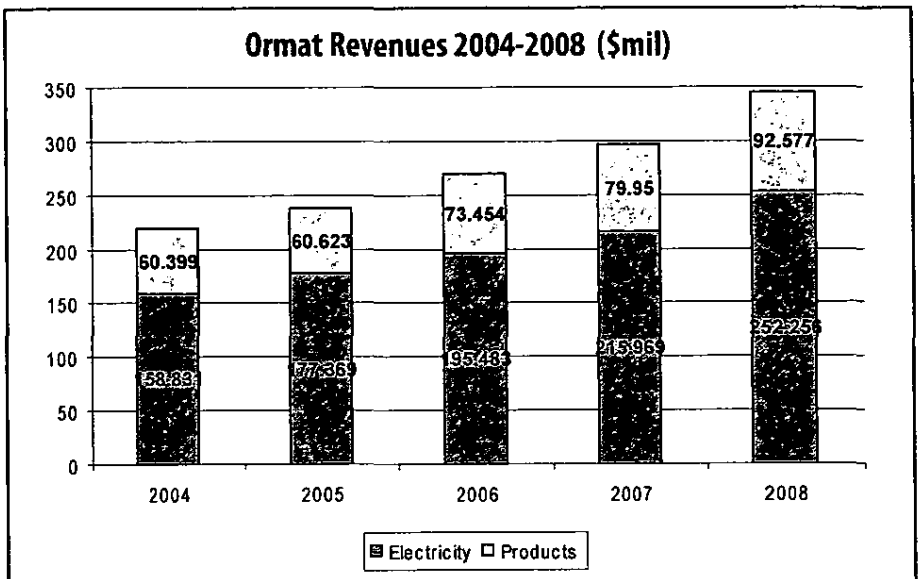
Ormat is the clear leader with $350 million in sales, but more competition is seen for low-temperature geothermal projects using binary technology

The geothermal power industry is made up of project developers and independent power producers (IPPs); scientific and technical consultants; drilling outfits and drilling technology firms; manufacturers of power plant equipment; and consulting engineers who explore for resources and design and build power plants. Many firms perform multiple roles in this value chain, but there is only one truly vertically integrated corporation whose activities and revenue streams stretch from resource exploration through equipment manufacturing to engineering, procurement and construction (EPC) contracting and power sales: Ormat Technologies.

According to its 2008 annual report, Ormat generated $344.8 million in revenues in 2008, 16.5% growth over 2007. Ormat's power sales revenues from its geothermal plants (both Ormat-built and acquired) and recovered energy generation (REG) plants (see below for more on REG) accounted for $252 million or 73.2% of revenues with product sales accounting for $92.6 million or 26.8% of 2008 revenues. Ormat built 109 MW of company-owned geothermal and REG capacity in 2008 and increased its portfolio to 505 MW. Ormat is on track to build between 82 MW to 94 MW by the end of 2010 for its own portfolio, according to a company spokesperson.

This cash flow from electricity sales puts Ormat in an enviable position relative to smaller developers that are struggling for needed upfront development capital in the current economic climate. "The cash flow generated by our portfolio of operating geothermal and REG power plants provides us with a robust and predictable base for our exploration, development and construction activities, to a certain level without the need to tap into external liquidity sources," notes the annual report. "We believe that this gives us a competitive advantage over certain competitors whose activities are dependent on external credit and financing sources, particularly in light of the current global credit and financial crisis."

The company's reported highlights for the last year alone show just how broad and diverse its geothermal operations and revenues are. Among its accomplishments: Signing a $65 million contract to supply and oversee construction and startup of a geothermal power plant in Costa Rica; Starting commercial operation of 35 MW of new plant capacity in Kenya; Securing rights to some 150,000 acres of land in Alaska, California, Hawaii, Nevada, Oregon and Utah; Acquiring 51% ownership of a New Zealand geothermal plant; Signing a joint venture to develop a new geothermal project in Nevada; joining a power development consortium in Indonesia; Signing EPC contracts with developers in New Zealand and Nevada worth $42 million and $76 million; Signing a $16 million supply contract for a geothermal project in Turkey; And closing a $63 million tax credit financing deal for an existing plant.



Source: Ormat 10-K for fiscal year 2008 ended December 31, 2008. Products includes revenues from four groups: Power Units for Geothermal Power Plants; Power Units for Recovered Energy-Based Power Generation; Remote Power Units and other Generators; and Engineering, Procurement and Construction (EPC) of Power Plants. Electricity includes three groups: Energy and capacity; Lease portion of energy and capacity; and Lease income.

Israeli Roots, But U.S. Was 72% of Ormat's Revenues in 2008

A U.S. company with Israeli roots, Ormat was founded to develop and market heat exchangers and turbines using the organic rankine cycle (ORC) which Ormat founder Lucien Bronicki and his collaborator Harry Zvi Tabor, both Israeli, developed in the early 1960s. ORC uses working fluids with boiling points lower than water to recover energy and generate steam and power from heat sources that would otherwise be insufficient to power steam generators. The original technology was developed at the National Physical Laboratory in Jerusalem in the frame-

Ormat 2008 Revenues ($mil)

	Electricity	Products	Total
Foreign	$45	$51	**$96**
USA	$207	$42	**$249**
Total	**$252**	**$93**	**$345**

Source: Ormat 10-K for 2008.

work of solar energy research. Lucien Bronicki formed Ormat in 1965 in Israel.

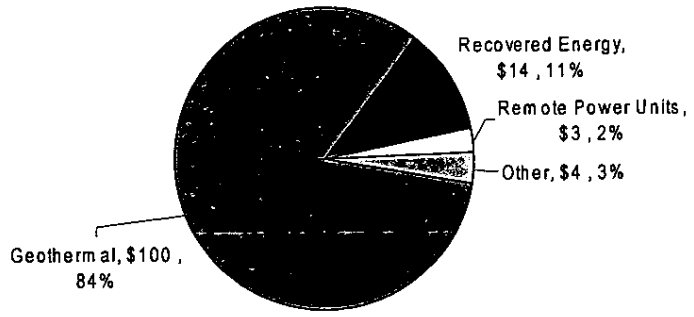
Bronicki originally targeted solar thermal applications in remote off-grid villages, but with that technology facing poor commercial prospects, what emerged from his work was the small Ormat Energy Converter (OEC), a power unit for remote telecom stations, offshore oil and gas rigs and other off-grid facilities that need small amounts of electrical power.

In 1972, Ormat was established in the United States where it supplied OEC units to the Trans Alaska Pipeline. According to material published on Ormat's website, for remote power applications the OEC uses natural gas, kerosene, diesel and other combustion fuels to heat the working fluids, which the hermetically sealed unit condenses and re-uses, allowing continuing operations for many years with periodic refueling and maintenance. More than 3,500 OECs of up to 7 kW capacity have been have been installed in 63 countries, according to Ormat's website.

Ormat turned its attention to geothermal, solar and biomass in the 1970s, with geothermal eventually becoming its major focus. Its business model has steadily evolved from that of a supplier of power systems and components to a vertically integrated firm that builds, owns and operates its own geothermal power plants as an IPP, as well as an EPC contractor that builds power plants for other geothermal project developers.

The company continues to market small OECs and REG systems. For its REG segment, Ormat foresees major growth by selling to North American natural gas pipeline operators who produce waste heat at compression stations driven by gas turbines. Ormat reports that the Federal Energy Regulatory Commission (FERC) is asking proponents of new or expanded pipelines to improve their energy efficiency.

Ormat Product Revenues: Expected Sales in 2009 ($mil)



Source: Ormat 10-K for 2008. Products include revenues from four groups: Power Units for Geothermal Power Plants; Power Units for Recovered Energy-Based Power Generation; Remote Power Units and other Generators; and Engineering, Procurement and Construction (EPC) of Power Plants.

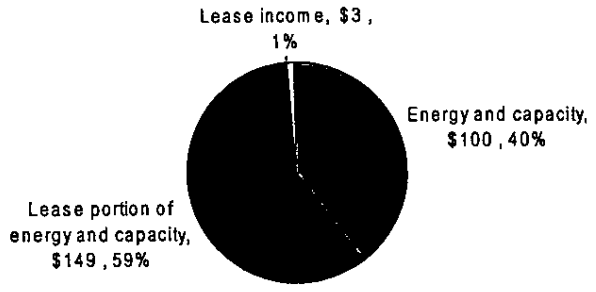
Ormat has begun building 5 to 6 MW REG systems along interstate natural gas pipelines and midstream gas processing facilities. The company also see opportunities for REG in the power sector in Colorado, Massachusetts, Ohio, Pennsylvania, Washington and other states where utilities can install REG systems on power plants and count the capacity toward their renewable energy standards. Additionally, North and South Dakota and the U.S. Department of Agriculture have qualified REG systems for low-interest loans. In North America, Ormat estimates the market potential for REG at 1,000 MW. After building out this domestic market, the company plans to target Europe which has "similar potential," according to the report.

By contrast, the potential for adding geothermal power in the United States is much larger. Ormat's Director for Policy and Business Development Paul Thomsen says the company sees the potential for geothermal power capacity to grow to 30,000 MW to 40,000 MW by 2050, or an order of magnitude larger than the less than 3,000 MW in 2009. As has been widely reported, a 2007 Massachusetts Institute of Technology study projected a potential of 100,000 MW of geothermal generating capacity if enhanced geothermal systems (EGS) can be deployed successfully. (For more on EGS, see page 29.)

More Competition for the Binary Technology Segment

Ormat built its geothermal power business by leveraging its ORC expertise to create what became known as binary geothermal power plant technology. When Ormat first entered the geothermal market in the early 1980s, its technology was an upstart contender.

Ormat Electricity Revenues: 2008 ($mil)



Source: Ormat 10-K for 2008

Most of the action was focused on using conventional flash steam generation with high-temperature geothermal resources of 350 degrees fahrenheit and above. But when Ormat's technology came on the scene, those high-temperature resources were starting to become more scarce because they were the most favorable for geothermal power and therefore developed first. By the mid-1980s, geothermal project developers increasingly needed energy conversion technology that could make use of lower-temperature resources. "Until then people had only been looking for resources that had high temperature steam," said Thomsen.

While Ormat grew its business over the next two decades, it also facilitated the growth of the geothermal industry. Its niche technology position grew into a commanding lead in the fast-growing binary power plant segment, leaving the steam segment to other players, mostly large turbine manufacturers. "Ormat has never tried to compete with Mitsubishi or GE or other manufacturers on huge steam turbines," said Thomsen.

One industry veteran estimated that binary technology accounts for about 10% of the existing stock of geothermal capacity worldwide, and that Ormat has built 95% of those plants. Despite its lower penetration in commissioned power plants, binary technology represents the greatest growth potential because of the prevalence of undeveloped geothermal resources under 350° F, according to many industry experts. (Other factors go into the choice between flash steam technology and binary technology; see Nevada Geothermal profile on page 27 for more information.)

"In the United States, the low-temperature resources are huge," said Enrique Lima, general manager for overseas business of **West Japan Engineering Co.** (West JEC), a prominent and globally active geothermal consulting engineering firm. "The amount of hot water available is very large and the temperatures are well suited to the application of binary power generation. This is why many companies are trying to tap these resources."

Ormat Projects

Domestic	Location	MW*	Power Purchaser	Contracts Expiration
Ormesa Complex	East Mesa, CA	57	Southern California Edison Co. (SCE)	2018
Heber Complex	Heber, California	92	SCE / SoCal Power Public Authoriy	2015-2031
Steamboat Complex	Steamboat, Nevada	84	NV Energy, Inc.	2018-2028
Mammoth Complex**	Mammoth Lakes, CA	14.5	SCE	2014/2020
Puna	Puna, Hawaii	30	Hawaii Electric Light	2027
Brady Complex	Churchill County, NV	22	NV Energy, Inc.	2022/2027
North Brawely	Imperial County, CA	50	SCE	2029
OREG 1	North and South Dakota	22	Basin Electric Power Cooperative	2031
OREG 2	North Dakota	5.5	Basin EP Coop	2033
Total Domestic Operating Projects		**377**		
Foreign				
Momotombo	Nicaragua	28	DISNORTE/DISSUR	2014
Zunil	Guatemala	24	Instituto Nacional de Electricidad (INE)	2019
Olkaria III Complex(8)	Kenya	48	Kenya Power and Lighting Co. Ltd.	2029
Amatitlan	Guatemala	20	INE	2026
GDL	New Zealand	8	Norske Skog Tasman	2015
Total Foreign Operating Projects		**128**		
Total Operating Projects		**505**		Expiration+
Under Construction				
OREG II	ND, MN, MT	16.5	Basin EP Coop	25 years
Peetz	Denver, Colorado	4	Highline Electric Asn	20 years
Puna	Puna, Hawaii	8	Hawaii Electric Light Company (3)	n/a
GRE(4)	Minnesota	5.3	Great River Energy	20 years
East Brawley	Imperial County, California	30	Southern Calif. Power Public Authority (5)	n/a
Jersey Valley	Nevada	18-30	NV Energy, Inc.	20 years
Total Under Construction		**82-94**		

*Source: Ormat 10-K for 2008. Projects under ownership only; *Ormat Share in Generating Capacity MW; **50% ownership; +Expiration in years following commercial operation date*

Lima points to other countries where binary geothermal development could be the pivotal enabling technology for geothermal because of the abundance of underground reservoirs of 350° F or lower. "Exploration and development of low-temperature resources is happening in countries as diverse as Australia and Greece, and in countries like Hungary, Romania, and Jordan, where oil and gas exploration has led to discoveries of hot water and interest in geothermal energy."

According to Tim Stephure, clean and renewable power generation analyst at **Emerging Energy Research**, binary technology is slightly more expensive than conventional flash steam generation technology, but Stephure says this disadvantage is mitigated by the fact that the exploration and drilling risks are reduced because developers have a better chance of tapping resources of sufficient enthalpy

(heat energy) for the binary process. "In cost comparisons to wind or varying solar technologies, binary geothermal technology is very economically favorable," said Stephure. "The low-temperature market will probably have the highest growth rate going forward as there are so many more areas that can be explored.... Nevada has tremendous opportunities in this regard as well as some other states like Utah."

Ormat's Thomsen underscored Stephure's viewpoint about the lower risk levels and costs of drilling for low-temperature geothermal reservoirs. "Probably 90 percent of the geothermal projects in existence today were built on top of reservoirs that had some kind of surface expression such as hot springs or rapidly melting snow," he said. "Now that most of these have been developed, the industry is looking for what we call blind resources."

"Geothermal is where the oil & gas industry was in the 20s and 30s when they thought they were running out of oil because most of the reservoirs with surface manifestations had been utilized," said Thomsen. "We're now looking at deeper more moderate temperature resources that aren't inherently obvious or haven't been developed previously. In this phase, the advantage of Ormat's technology being able to user lower temperature heat is critical."

Stephure noted that European countries are banking on using binary technology as well as emerging EGS technology to tap the lower temperature geothermal resources under their soil as well as hot dry rock (HDR) resources. "A lot of European countries don't have those high-temperature resources you see along the Pacific Ring of Fire," said Stephure. "Germany has implemented a feed-in tariff for geothermal of up to €0.27. The base is €0.20 with enhancements of €0.04 if you do combined heat and power and €0.03 if you do EGS. This is the first direct incentive of this kind." ☼

Technology Providers and Developers Vie to Compete With Ormat in Emerging Geothermal Niches

United Technologies, Raser, Turbine Air Systems, Exorka and others develop in manufacturing, the lab and in the field.

Although Ormat dominates the low-temperature binary segment of the geothermal power market today, competitors have emerged in the last several years. **United Technologies Corp.** is its most high-profile competitor on the power systems technology front. Since 2006, UTC has marketed its PureCycle binary technology systems for geothermal power. PureCycle is a 280-kW modular unit that can be deployed in arrays to create commercial-scale plants. According to Michael Ronzello, North American sales and business development manager for **PureCycle** (marketed by **UTC's Pratt & Whitney Power Systems** division), PureCycle promises faster construction cycles. "Our modular approach to power plant deployment drastically reduces construction time," said Ronzello, indicating that plants can be constructed in 6-12 months (after hot water supply is established). "We have the capability to leverage Pratt & Whitney Power Systems 20 plus years of expertise and experience in the power business to provide full turnkey geothermal power plants using PureCycle".

While UTC doesn't publicly disclose prices for its equipment, Ronzello said the company expects to compete with Ormat's cost per MW of capacity by sourcing components from a UTC-owned affiliate. "We use off-the-shelf components and technology from our sister division, Carrier, the leader in commercial HVAC equipment," he said. According to Ronzello, Carrier produces components for PureCycle "in a pre-engineered, pre-manufactured fashion that drives down costs, increases quality and allows customers to take advantage of the lead time that is common in Carrier."

Raser Gains Efficiency With Networking

UTC's largest customer and best advocate is **Raser Technologies** (Provo, Utah). Raser has leveraged its expertise in electric motor technology to develop methods of networking the modular UTC units for optimal performance and efficiency. "Just like there are people who make computers and people who network computers together to function better, we've figured out how to network [the UTC PureCycle units] together so they can work in harmony and produce electricity more efficiently," said Richard Putnam, Raser's director of investor relations.

It's not clear yet how UTC's PureCycle systems will compare with Ormat's in terms of performance, costs and reliability. The geothermal developer community, while not unhappy with Ormat's equipment and EPC work, would certainly welcome additional competition in binary technology. But with over 20 years of experience and a proven ability to execute the guaranteed EPC contracts that lenders need to see before financing projects, Ormat will not be an easy competitor to take market share from. "We have been able to simplify our processes over time," said Thomsen. "We have fewer moving parts. We have a low speed turbine that doesn't require a gear box. Our power plants have become much more efficient over time [and EPC] projects much more streamlined and more efficient [resulting in] longer run times, greater longevity, less wear and tear on turbines, less opportunity for pump failure, less piping."

The industry is watching closely to see how the first Raser-UTC plants perform and what their construction costs are. Raser brought its first project online in 2008, the 11-MW Thermo No. 1 plant in Beaver County, Utah. According to Putnam, production wells drilled for the

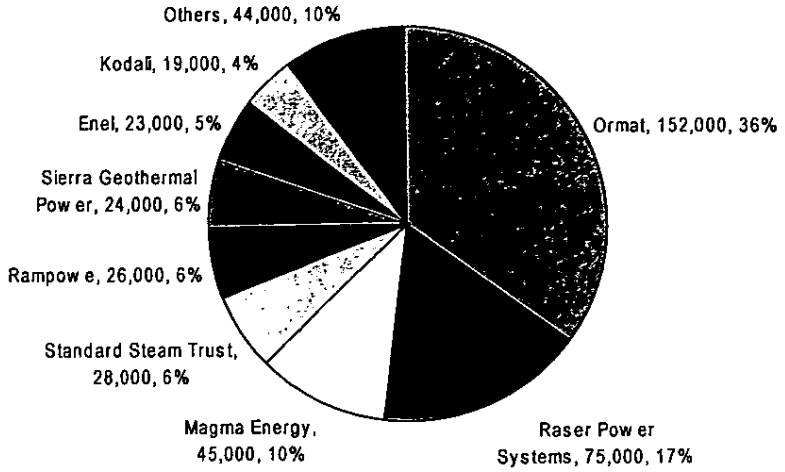
plant revealed a larger-than-expected geothermal reservoir capable of supplying steam for more than 200 MW of power plant capacity. "We had thought there were maybe 20 to 30 megawatts, but after doing some nice drill-out, GeothermEx, an independent geothermal consulting company, was able to verify and independently report that this is now a 230 megawatt resource," he said.

Raser's annual report for 2008 reported a capital cost for Thermo No. 1 of $88.1 million, with at least another $9.5 million needed to get the plant up to full operating capacity. That would seem to indicate a capital cost of about $7,000 per kilowatt of gross capacity. (After supplying its own pump loads Thermo No. 1 will produce 10 to 11 MW net from gross power capacity of 14 MW). That amount is far higher than the typical $4,000 per kW of gross capacity cited by developers at the recent Geothermal Innovation and Investment Conference or the $3,500 to $4,500 per kW range cited for Ormat plants by Ormat's Thomsen. (Those cost ranges include the highly variable cost of resource exploration and wellfield development. "We know the price of plants we build down to the penny. What we don't know is the cost of developing the resource," said Thomsen.)

But according to Putnam and Raser CEO Brent Cook, the nearly $100 million price tag for Thermo No. 1 included the production wells that revealed the reservoir's very large potential plus the cost of a larger transmission line to ship more electrons than anticipated to the company's electricity customers (currently the City of Anaheim, Calif.). "We are comfortable that the $57 to $59 million range is accurate for non–recurring development costs," wrote Cook in an email. "We expect our costs to be $3,800 to $4,200 per MW installed cost."

Raser's Beaver County development is just the opening salvo in a four-state development program that the company expects to yield hundreds of megawatts. Indeed, Raser aims to become a major developer and IPP operator of geothermal projects in the United States, Indonesia and elsewhere.

BLM Geothermal Competitive Leases by Acres, 2007–present



Source: Compiled by Emerging Energy Research; By state the 2007-2008 leases are 52% in Nevada, 34% in Utah and 9% in Oregon, 4% in Idaho. Others include Agua Caliente, Oski Energy, Geothermal Technical Partners, Silver State Geothermal, Vulcan Power, Geothermal Rail Ind. Dev., Miller Dusty, S4 Consultants, Montera Energy Ventures, US Geothermal, Calpine, First Covenant Construction, US Renewables Group, Kelsey South, High Valley. Figures in acres rounded to the nearest thousand acres. BLM is Bureau of Land Management.

After Ormat, Raser is the second largest acquirer of geothermal leases on federal land since 2007. According to figures compiled by Emerging Energy Research, Ormat purchased leases to about 150,000 acres (the company owns leases on a total of 220,000 acres according to its annual report), followed by Raser with approximately 75,000 acres and Magma Energy with about 45,000 acres (see chart above). "We have accumulated domestic geothermal interests in Nevada, New Mexico, Oregon and Utah," notes Raser's report. "With the help of internal and external geologists, we intend to continue to identify, evaluate and acquire additional interests in properties." And last year, Raser and Indonesia Power were the successful bidders on a geothermal concession in Indonesia that covers approximately 100,000 acres with potential resources. At CCBJ's deadline, Raser and Indonesia Power will still finalizing their joint venture agreement.

Turbine Air Systems Exploits Rankine Cycle

Another emerging potential Ormat competitor that some in the geothermal industry are excited about is Turbine Air Systems (TAS; Houston), an industrial cooling and heating systems manufacturer that has begun developing technology for geothermal applications. TAS already has a foothold in the power industry with its modular inlet chilling units that can increase the efficiency of gas-fired power plants in hot climates. "TAS has translated this modular construction to geothermal power and advanced waste heat recovery organic Rankine cycle systems," states a company brochure. The company aims to leverage its experience in the power sector to offer design and engineering services for geothermal developers rather than just off-the-shelf sales.

Halley Dickey, director of geothermal business development for TAS, told CCBJ that the company has developed a renewable energy division aiming to provide power plants to solar thermal power projects as well as geothermal and industrial heat recovery. "We've been working on the development of our organic Rankine cycle program for seven years," he said.

"We own some unique patents related to geothermal binary technology." The first plant to deploy a TAS system may be on the horizon, as Dickey said the company is negotiating with an undisclosed potential U.S. client to supply a 15-MW plant in 2010.

Kalina Has Backers & Detractors, Needs Manufacturer

A third competitor in the binary geothermal power systems segment is Exorka (Munich, Germany), which markets binary technology based on the Kalina system using an ammonia-water mixture as a working fluid. One speaker at the March 2009 geothermal industry conference disparaged the Kalina system from the lectern, saying that after promising to revolutionize the industry and unseat Ormat, the technology had gotten nowhere. The speaker claimed that there are only two Kalina plants worldwide and neither are operating. One conference participant speculated to CCBJ that the difficulties facing the Kalina process stemmed from its use of a mixture of ammonia and water; because the two fluids boiled at different temperatures, Kalina systems had to cope with constantly changing compositions.

But Exorka's CTO Gestur Bardarson reported that four of five Kalina cycle plants built since the late 1990s "have mostly shown high reliability, although some equipment problems have been present [but] no more ... than can be expected for new technology employed in the first commercial plants." A 2-MW plant in Husavik, Iceland, achieved a capacity factor of between 89% and 96% from 2005 to 2007, according to Bardarson. A 3.3 MW waste heat plant at a **Sumitomo Metal Industries** steel plant in Japan has been running smoothly since 1999 with an annual capacity factor as high as 99%, he said.

Raser's Richard Putnam told CCBJ that company staff has evaluated Kalina technology and visited some of the pilot plants. "We believe the technology has a positive operating history that should be discussed. It is unclear who will take the manufacturing lead on the technology, but we believe the technology is sound and proven."

There is also a prospective nano-technology entrant, Power Chips being developed by Gibraltar-based **Borealis Exploration**. The technology was announced in 2003 with a promise of superior power conversion for geothermal applications, waste heat recovery and other applications. A news release described Power Chips as "solid state thermotunnelling devices which use a combination of thermionic emission and quantum mechanical electron tunnelling to increase the rate of electron emission in solid-state converters." But Power Chips appears to either be in deep stealth mode or inactive since the last news relase posted on its website is more than two years old. (An email inquiry to Borealis was not returned by CCBJ deadline.)

Ormat, of course, is not standing still technologically. Thomsen says that the company's more than 25 years of experience designing, managing and operating geothermal plants gives it a technical edge over prospective competitors. "Converting heat to electricity is very expensive and hard to do," said Thomsen. "Some of our competitors have tried to do cookie-cutter type plants that they can produce rapidly. We started with small units and gradually built larger and larger units, refining our knowledge and expertise continually."

Ormat also has an operational edge that enables it to get the most MWh out of its plants for the lowest operating costs, according to Thomsen and Ormat's annual report. "Our intimate knowledge of the equipment that we use in our operations allows us to operate and maintain our projects efficiently and to respond to operational issues in a timely and cost-efficient manner," states the report. "Moreover, given the efficient communications among our subsidiary that designs and manufactures the products we use in our operations and our subsidiaries that own and operate our projects, we are able to quickly and cost effectively identify and repair mechanical issues and to have technical assistance and replacement parts available to us as and when needed."

Ormat Takes a Crack at EGS

Ormat is pushing the frontiers of geothermal technology in two key initiatives with the **U.S. Department of Energy**, one to explore the potential to exploit hot water that is co-produced with oil and gas and another to advance enhanced geothermal systems (EGS).

At the **Rocky Mountain Oilfield Testing Center** (RMOTC) in Wyoming, a 250-kW Ormat binary power unit started generating electricity in September 2008 using heat from 190° F water that is co-produced with oil. The potential to generate on-site power from such a set-up is enormous. RMOTC estimates that U.S. oil and gas wells that produce hot water along with hydrocarbons could generate "upwards of 5,000 MW of power," according to an RMOTC news release.

Ormat's Thomsen told CCBJ that the project is "over-producing what we had expected it to do." But moving ahead with co-production at oil and gas drilling sites will be a challenging endeavor. For one thing, there's the fact that according to RMOTC, the water recovered with oil or gas is usually only heated to a maximum of 220° F, far lower than what geothermal developers prefer to produce power economically. Furthermore the costs of operating such a system will depend on how the hot water is disposed of, i.e., through reinjection or surface dumping.

Probably much more significant to the future of geothermal power is Ormat's DOE-funded work on EGS with collaborators **GeothermEx**, **University of Utah**, **U.S. Geological Survey** and others on two

EGS demonstration projects.

As discussed in in the following feature on enhanced geothermal systems, EGS has the potential to vastly expand geothermal if it allows power to be produced successfully from hot dry rocks—as opposed to the conventional hydrothermal resources relied on for all geothermal power today, both flash and binary. The demonstration projects aim to hydraulically stimulate fractures that can enhance the production of hot water of sufficient enthalpy to generate additional power. "It's still very early stage R&D, but we're excited about not only developing technology to create standalone resources for EGS but also to create new life or viability for existing resources."

"We still need to prove the technical viability, and then get to the point of proving commercial viability," said Thomsen. "Ormat's experience has shown us that you can have complete technical success and zero commercial viability and vice versa." He also averred that it will be important to focus not just on the potential of EGS to greatly expand the pool of resources available for geothermal power but to look for ways to use the emerging technology to enhance existing geothermal power sites.

"If you can go back to wells that are less productive and, for lack of a more scientific term, tinker with them and produce more heat, we might determine that our potential hydrothermal resources may be much larger than we thought. For example, if you drill a well in a standard hydrothermal resource and don't get adequate permeability or heat, you might be able to use EGS technology to fragment back into the reservoir and stimulate adequate permeability and heat."

Growing Organically

With its healthy balance sheet and dominant vertically integrated position, Ormat might be expected to be on the hunt for project developers long on leases but short on capital. But according to Thomsen, the firm is reticent to diminish its third-party customer base through acquisition even though that might provide competitive advantages. "The only time we compete directly against another developer is when we're bidding on a resource at the federal land auctions," said Thomsen. "Once another developer is successful in achieving its resource position, we look to provide them with third-party power plant equipment."

Thomsen says that last year Ormat executives were asked by some in the geothermal industry whether they were considering making a bid for Nevada Geothermal Power when the developer was trying desperately to finance its Blue Mountain Project during the 2008 economic collapse. "People asked us 'Are you looking at this as potential acquisition?' We said no. We don't want potential third-party clients living in fear that we would acquire them when they run into financial difficulties."

Some financial analysts or deal-makers might argue Ormat is undervaluing the benefits of consolidation. But it's hard to argue with a business model in which Ormat's development arm pushes ahead with its own projects while earning revenues from equipment sales and EPC contracts—including $76 million from Nevada Geothermal for designing and building the Blue Mountain project.

Ormat's future is clearly tied to supplying and servicing a vigorous and growing geothermal industry, and to that end the company is a cheerleader for its counterparts as well as a competitor. Thomsen echoes a theme heard commonly in geothermal circles: The industry deserves more respect and recognition, and when elected officials, utility commissioners and activists talk about the importance of renewable energy, geothermal should be mentioned in the same breath as wind and solar.

"On one hand it can be frustrating that people don't recognize geothermal and its reliable baseload attributes as compared to wind and solar," said Thomsen. "But on the other hand, the investor-owned utilities we sell power to all know who we are and what we do. Geothermal might not be on the front page of the Wall Street Journal or the New York Times, but there are not many utilities who aren't familiar with geothermal. Serendipitously, after CCBJ interviewed Thomsen in April, Morgan Stanley put geothermal power on the cover of the *Wall Street Journal* on May 20, 2009, with a full-color ad touting geothermal as a sound investment, while promoting its expertise on the industry. "Unlike wind or solar energy, geothermal utilizes a constantly present energy source —the Earth. Just below our feet lies an industry that could reach $122 billion by 2030." While Morgan Stanley's 20-year valuation of the industry may be little more than an educated guess, the firm's promotion of its expertise harkens to what Thomsen says utilities have known for years: "To quote Michael Yackira, CEO of NV Energy, 'Geothermal projects don't look any different to an IOU than any other fossil fuel project,' While that's not sexy, it's a badge of honor for the industry. We're seen in their integrated resource plans as being just as reliable as coal or natural gas plants." ☼

Typical Geothermal Plant Development Costs ($/kw)

Development Stage	Cost ($/kW)
Exploration and resource assessment	400
Well field drilling and development	1,000
Poewr plant, surface facilities, transmission	2,000
Other dev't costs (fees, working cap, contingency)	600
Total development cost	4,000

Source: Geothermal Tomorrow, U.S.Department of Energy's Office of Energy Efficiency and Renewable Energy; Costs for a typical 20 MW plant or a total of $80 million; Does not include financing charges of interest rates 5-6% for some utilities or as high as 15% for IPPs."

Nevada Geothermal Power, Last in Before the Credit Freeze, Looks to Heat Up the Geothermal Market

Like several other pure-play geothermal developers, Nevada Geothermal Power (NGP) is a Canadian company with a U.S. subsidiary targeting development prospects in the lower 48. NGP became something of a celebrity in the small U.S. geothermal world last year because it secured project financing for its 49.5 MW Blue Mountain power plant near Winnemucca, Nevada, just before credit markets locked up in the third quarter of 2008. But the company's experience also illustrated just how difficult it is to finance a geothermal power project in this economic environment.

The credit facility NGP received from **Trust Company of the West** on August 29, 2008 enabled it to give **Ormat Technologies** a full notice to proceed on a previously negotiated $76 million engineering, procurement and construction (EPC) contract and to conclude a $4.5 million deal with **Wilson Utility Construction** for a transmission line to the regional grid. As of spring 2009, the project was on schedule and NGP expected Blue Mountain to be in commercial operation by the end of the year. The power buyer is investor-owned utility **NV Energy**.

"Our timing was perfect," said CEO Brian Fairbank in recounting his firm's dash for cash last summer. "We had been working with **Morgan Stanley** on a 30-month construction loan that would have then been replaced with production tax credits for permanent financing." With a proven resource of 50 MW (40 MWe) and the guaranteed turnkey EPC bid from Ormat, the project looked solid, until the credit markets started to unravel in mid-2008. "All summer we'd been sitting down with Morgan Stanley and the syndicating banks trying to close the deal, but it was apparent even then that the credit markets were not working. Around the end of July we were basically running out of time and needed to move forward." That's when NGP got its financing deal done with TCW—at 14 percent.

Cost of Developing a Geothermal Project

High front end costs

- High upfront confirmation costs, compared to other renewables
- Drilling, money, leasing, time

Phasing exploration mitigates risk

- Geochemistry, geology, geophysics and permitting: $2.5 million
- Temperature gradient drilling, slim-holes: $2.5 million
- Production test wells: $3.0 -$6.0 Million X 2
- $15 million plus to feasibility! Requires high risk upfront equity!

Source: Nevada Geothermal Power, presentation by CEO Brian Fairbank at Greenpower Conferences' March 2009 Geothermal Innovation and Investment conference

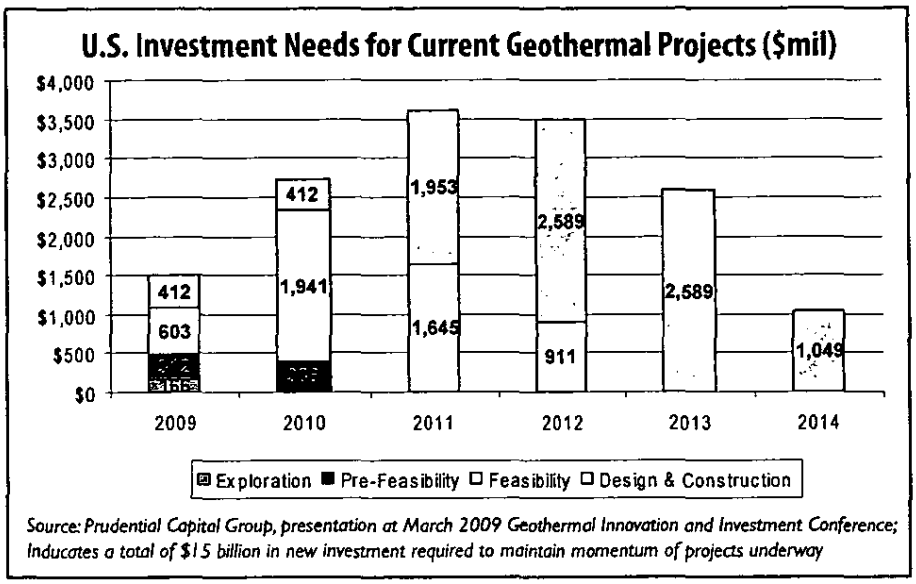
"In today's economic environment, this financing looks good," said Fairbank. "It's a facility up to $180 million that we draw as we need it." Fairbank says NGP is currently packaging a production tax credit (PTC) based financing, a task that is by no means easy since the tax credit capacity of U.S. financial institutions has shrunk dramatically with their declining profits. The American Recovery and Investment Act (ARRA) stimulus bill extended the "placed in service" date for tax credit qualification for geothermal projects to December 31, 2013, so Fairbank is confident that buyers will be found. The plant's commercial operation date (COD) looming—it could arrive by October 2009—and the impetus to take out the 14% debt is rather compelling.

Selling the PTCs is NGP's most preferable option; as noted in CCBJ's Q1 2009 edition, the House-Senate Joint Committee on Taxation estimates that PTCs taken over the 10-year qualification period are worth roughly 50 percent more than the investment tax credit that Blue Mountain and other renewable generators can also qualify thanks to ARRA. "The PTCs are worth $21 a megawatt-hour to start with, indexed to inflation. So if we're selling power at $75 to $80 per megawatt-hour, that's pretty significant," said Fairbank. Accelerated depreciation is also on offer, and combined with PTC value, Fairbank figures that NGP can offer a buyer about $100 million worth of tax benefits.

However, in today's climate, Fairbank acknowledges that he may have to go with the new tax credit option provided by the ARRA: a grant in lieu of a 30% investment tax credit (ITC). But like other geothermal developers eyeing the grant-in-lieu-of ITC, Fairbank is concerned about how much of the upfront exploration and drilling costs will be considered tangible costs by the U.S. Treasury for the purpose of calculating the ITC. At CCBJ's deadline, guidance on that issue had not come forth.

As is the case for many geothermal projects, in the process of drilling wells to tap the underground hot water resources at Blue Mountain, NGP ended up hitting one dry-hole—not literally dry but of sub-commercial enthalpy (heat energy)—and some "false starts" in Fairbank's words on injection wells (used to stimulate continuing flow of hot water). "We drilled a well to the north that didn't turn out."

At $3 million to $6 million per well, the ability to include unproductive wells in the investment cost basis that qualifies



Source: Prudential Capital Group, presentation at March 2009 Geothermal Innovation and Investment Conference; Inducates a total of $15 billion in new investment required to maintain momentum of projects underway

for the ITC is not trivial. According to Fairbank and other geothermal developers, typically 20% to 30% of the wells drilled on such a project end up not functioning as expected—but such dry-holes are an inevitable part of development, and they help the developer and its technical consultants understand more about their reservoir and target future drilling more accurately.

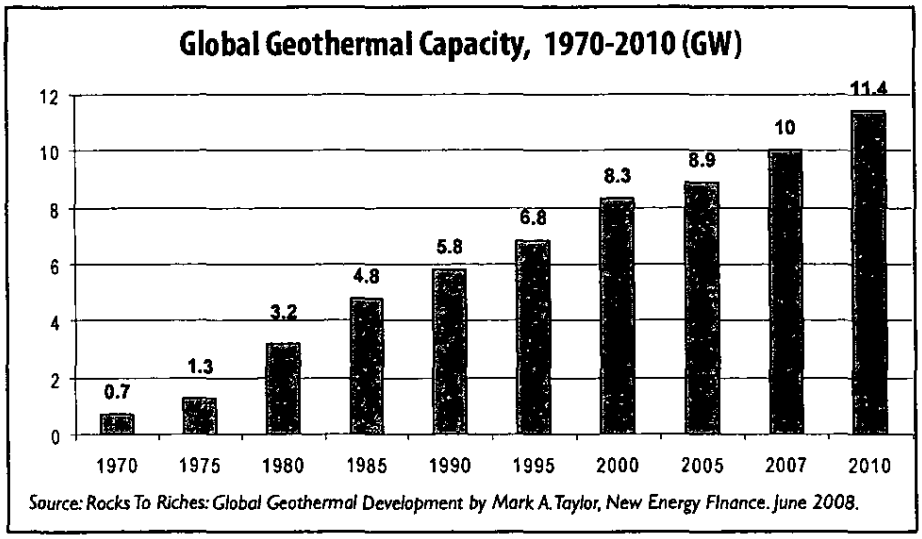
In fact, with the production drilling already completed, this gives Fairbank and his team reason to think that there is another 50 MW of geothermal power capacity to be tapped from the geothermal reservoir under their ground. "In oil and gas terms, there's an inferred or possible resource toward the mountain to the east," said Fairbank. Geoscientific and geochemical indications give strong hints of this. "The water we're producing now is 375 degrees Fahrenheit, but the chemistry of the water indicates that ultimate source temperatures greater than 400 Fahrenheit. In the long run we may not have found the hottest part of the resource." But more drilling is needed to prove it.

And speaking of temperatures, NGP's 375 degree Fahrenheit geothermal resource was hot enough to allow use of conventional flash steam technology—which would have resulted in a somewhat less costly power plant. But early on NGP chose the binary technology offered by Ormat, which uses working fluids and heat exchangers to capture the heat energy in lower temperature geothermal resources. According to Fairbank, the decision was based in part on the fact that while initial drilling turned up 375 degree Fahrenheit hot water, NGP couldn't be sure subsequent wells wouldn't be too cool for flash technology.

Plus, the closed-loop binary systems offered benefits for reservoir longevity and air quality permitting. "With binary you reinject 100% of the water and that helps maintain the overall resource's longevity because you're pressuring the reservoir," said Fairbank. "With flash, you're losing the vapor, about 30 percent of the water."

"Flash plants also have some slight air emissions in the vapor," said Fairbank. The most common is hydrogen disulfide—the rotten egg smell. "[To meet air quality regulations] you have to scrub that out. You can deal with it, but binary is absolutely emission free."

NGP is pursuing development of three other projects: Pumpernickel Valley and Black Warrior in Nevada and Crump Geyser in Oregon. With TCW funding for Blue Mountain only, NGP expects to be in the market for more financing soon. Because the expensive drilling programs must be funded by scarce equity—in the "hyperliquidity" era that ended last year, some debt funding might have been available—NGP is hoping that the U.S. Department of Energy (DOE) decides to use some of its $400 million in ARRA funding for geothermal to subsidize drilling programs. Either that or a piece of the $6 billion in new loan guarantee funds in the ARRA, hopefully made available in a process more streamlined that past DOE loan guarantees. "The existing established loan guarantee program is for technology [but for applicants] it has been more trouble than it was worth," said Fairbank. "My understanding is that the new program may be for other things, including geothermal drilling. The geothermal industry needs that." ☼



Source: Rocks To Riches: Global Geothermal Development by Mark A. Taylor, New Energy Finance. June 2008.

EGS Could Vastly Expand Geothermal Power But Funding of RD&D Projects Needed

Conventional geothermal industry competes with EGS for scarce funding.

In our page one overview for this edition, CCBJ characterized the geothermal power industry as the veteran journeyman shortstop on the baseball team of the Low-Carbon and Renewable Power Segment. Well, if one thinks of the geothermal power industry as a professional baseball team, enhanced geothermal systems (EGS) would be the 15-year-old phenom impressing the pro scouts. Only that metaphor is not grand enough. Imagine that the scouts have discovered a whole high school full of future all-stars who are destined to break every baseball record without using steroids and triple the size of Major League Baseball's fan base and revenues. That's just the kind of game-changing status that EGS is gaining in geothermal research and investment circles.

While the U.S. resources for conventional geothermal power—also known as "hydrothermal" because underground hot water provides the steam supply for power plants—are limited to the West and capable of growing to between 30,000 and 40,000 MW, geothermal plants using EGS could be built almost anywhere. A **Massachusetts Institute of Technology (MIT)** study projects that EGS technology could enable geothermal power to supply 100,000 MW of capacity in the United States, nearly 10% of current installed electrical generating capacity.

But as of 2009, EGS (which also stands for engineered geothermal systems and is alternately known as HDR, for hot dry rock) is more like a kid trying out for little league. After three decades of research and field testing, there are no EGS power plants pumping electrons to a utility grid. "So far there have only been test power plants run on true EGS experiments where they've actually fractured the rock and circulated the water," said EGS expert David Blackwell, co-author of the MIT report and a professor of geophysics at **Southern Methodist University** at the March 2009 Geothermal Innovation and Investment conference in San Francisco.

Blackwell acknowledged that European EGS projects in France and Germany are generating grid power, albeit in amounts of 3 MW or smaller. But he told the audience that those projects are not what he considers true EGS because their developers drilled into subterranean rock with existing fractures. "They didn't actually make the fractures," said Blackwell. In Blackwell's and many others view, the first company to accomplish a true EGS project will likely be **Geodynamics** of Australia, which looks ready to culminate six years of R&D with a 1-MW geothermal plant in South Australia's Cooper Basin. The pilot project will power the remote town of Innamincka as early as the summer of 2009, displacing a diesel generator that costs $15,000 a month to fuel. "That will be the first real long-term, large-scale test of EGS," said Blackwell.

EGS Basics

So what is EGS? In a nutshell, it is using hydraulic fracturing techniques—commonly deployed in the oil & gas industry—to open up sealed fractures in hot rocks far underground, then using injection wells to push cold water through the newly opened fractures where it is heated and returned to the surface to supply heat for power generation. EGS "emulates naturally occurring hydrothermal circulation systems—those now producing electricity and heat," wrote Jefferson Tester and co-authors of MIT's 2006 report, *The Future of Geothermal Energy*.

MIT's report has generated buzz in the media and in investment circles. Before the recession, EGS drew some venture capital, which had been rare to non-existing in the mature geothermal industry. **AltaRock Energy**, which aims to develop a pilot EGS project by drilling into granite below the hydrothermal reservoir that fuels The Geysers power plant in California, received $26.25 million from **KPCB, Khosla Ventures, Google.org** and **Vulcan Capital**; **Potter Drilling** has received $4 million from Google.org.

Not exactly big numbers in the clean energy field where solar took in 40%, biofuels 11% and wind 6% of $8.3 billion in global cleantech investing in 2008. Indeed, most money going into EGS has come from governments, including the United States, Germany and Australia. MIT's report authors warn that governments will have to keep putting up money for some time to come. "It is likely that government will have to fully support EGS fieldwork and supporting R&D. Later, as field sites are established and proven, the private sector will assume a greater role in co-funding projects—especially with government incentives accelerating the transition to independently financed EGS projects in the private sector."

Australia, which has little in the way of conventional hydrothermal resources, is one of the most aggressive EGS funders. The government has pledged about $45 million for pilot projects, and several hundred million dollars in shareholder investments have flowed into about 10 public companies. Along with Geodynamics, the leading firms include **Panax Geothermal** and **Petratherm**. Yet, in the United States, many in the geothermal industry would prefer that government keep the fledgling EGS phenom on a diet and feed them instead, or as the case may be, keep them alive through this current period of capital scarcity. "It's great to spend money on EGS. That's the future," said Doug Glaspey, CEO of **U.S. Geothermal**. "But if you want megawatts on the ground today, you have to capitalize exploration. The way you do that is put it into drilling programs."

Hot Dry Rock vs. Hot Wet Rock

To one pioneering EGS/HDR researcher, starving RD&D to support the existing geothermal industry would be a case of history repeating itself. Donald Brown was one of the three scientists from the U.S. DOE's Los Alamos National Laboratory who pioneered HDR and created a test project—one of the few "true EGS experiments" in Blackwell's rankings—at Fenton Hill, New Mexico. "HDR was actually Bob Potter's invention," Brown told CCBJ. "Mort Smith and I modified it, and I wrote the patent."

The Fenton Hill team developed two confined HDR reservoirs, the first from 1975 to 1977 and the second from 1983 to 1985. The first phase was centered at a depth of about 9,200 feet with a mean temperature of 385° F and the second phase was 11,500 feet underground with a mean temperature of 455° F. Contractors Dowell Oil Well Services and Halliburton fractured the rock with hydraulic pressure until fissures and cracks that had been long sealed by precipitation were forced open—a common technique in the oil & gas industry. This part of the process included a feat that still impresses Brown today: a massive hydraulic fracturing in which Dowell injected 5.7 millions over two and half days at a surface pressure of 7,000 PSI. "No EGS stimulation has ever approached those numbers."

Hoop stress created by the pressurization made the reservoirs tight at their margins. Injection wells pumped cool water down and through the fractures, where it was heated, then up to the surface—so the system operated in a closed loop, comparable to an automobile cooling system. "The stimulated joints were held open by reservoir pressure, a pressure greater than the joint closure stress so that the HDR reservoir was highly dilated," said Brown. "We were not at all worried about the joints plugging up again with dissolved minerals, since all the dissolved mineral species reached equilibrium in the pressurized close-loop circulating fluid within about two weeks. No precipitation occurred thereafter anywhere in the earth loop."

Years of testing concluded in 1995 showed the potential to generate about 1-MW of electric power, so the team began soliciting a partner from the geothermal industry. "It would have involved bringing in a company like Ormat to build a binary power plant," said Brown. "We got bids, the bids were evaluated and a winning contractor had been selected." The project would have provided invaluable information on "how to best produce heat in an engineered HDR reservoir," according to Brown.

"Our modeling suggested that the one-third cubic kilometer reservoir would last 10 to 20 years. It could be extended laterally or in depth, and I've got other tricks up my sleeve to increase the productivity and lifetime, but we would need to run a reservoir to demonstrate those." But Brown says DOE declined to fund the project at the last minute, instead directing money to building a 29-mile pipeline to carry recharge water to The Geysers, then owned by Unocal, Calpine and Northern California Power Authority. According to a report by some consulting engineers for the project, the $48 million project was 40% funded by DOE and other public agencies.

"It was frustrating," recalls Brown. With a change in leadership at DOE's geothermal program, he says the agency "didn't understand HDR. They didn't understand what we had done. They just wanted to get us as a thorn out from under their saddle. We kept saying how good HDR was and they kept saying 'but the industry doesn't like it so we're not going to fund it.'"

Echoing Blackwell's viewpoint, Brown contends that most existing EGS test programs are not true HDR, but rather HWR, or hot wet rock. Other industry sources and the MIT report confirm this, but note that the aim of these projects is to engineer those currently unproductive hot rocks to increase their permeability and make them productive for geothermal power. Brown contends HWR technology misses the true home run potential for geothermal, however. "Less than 1% of the geothermal resource is naturally occurring fluids in place, either along faults or in a steam dome like at The Geysers," he said. "The other 99% is HDR. When you can utilize HDR, you go from a few little fly specks on the world map to the rest of the map."

Regardless of disagreements over HDR vs. HWR, Brown agrees with the rest of the EGS crowd in saying that better drilling technology is needed to enable EGS to go forward on a large scale. While conventional hydrothermal drilling doesn't go much below 10,000 feet, candidate resources for EGS power plants start at 10,000 feet deep and can be as much as 30,000 feet below the surface.

The MIT report says both "evolutionary" and "revolutionary" techniques will be needed; in the former category, the report authors look for "more robust drill bits, innovative casing methods, better cementing techniques for high temperatures, improved sensors, and electronics capable of operating at higher temperature in downhole tools"; and in the second category, "new methods of rock penetration [with] lower production costs."

Brown, who has come back from retirement to work on HDR as a guest scientist at Los Alamos, likes the hard-rock polycrystalline diamond compact (PDC) drag bit now being developed by a company called Novatek International. "It can improve the drilling rate by a factor of three and will cut our front end costs down considerably so the economics of HDR become more attractive." Brown is also working with some undisclosed venture capital investors who are considering a demonstration project at Fenton Hill.

"The reservoir is still there, and one of the wells is still in decent shape," he said. "If we started today we would probably have power coming off the lines in three years." He says the investors would look to patent some of the technology coming out of the project and build on their first-in-class reputation and expertise to roll out more and larger EGS/HDR projects... They're willing to lose money on the first power generation demonstration. They know that we have to produce power to go to the bankers in order to get funding to step out into other areas and do this HDR."

This theme was echoed by speakers at the March geothermal conference in San Francisco. "We need to cross that first hurdle of getting some demonstration projects going," said Susan Petty, CEO of **AltaRock Energy**. Government funding will be key, according to Petty and others.

"Hydrothermal projects have high upfront capital costs, but EGS has an even higher upfront capital cost with the added difficulty that it's an emerging technology," she said. "We've going to have to rely on funds from the government to help us continue our R&D and to guarantee loans or to provide low-cost capital so we can get our wells through, set up demo sites and run these systems for a while so we can show they work."

Yet, North American conventional geothermal developers—with more 3,000 MW of capacity in the pipeline largely stalled by the recession—say they need DOE money to go forward. "It's very important that these hydrothermal development programs not get stalled," said Brian Fairbank, CEO of Nevada Geothermal Power.

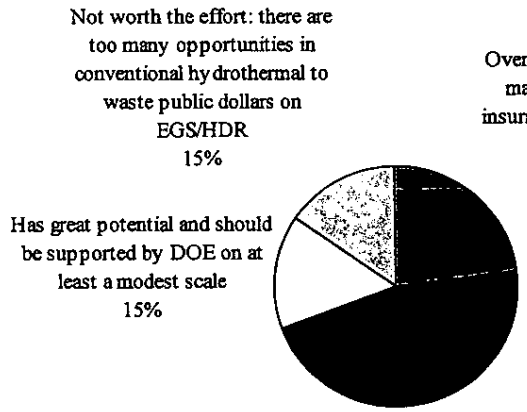
In other words, DOE's $400 million for geothermal is already overcommitted before the agency has had time to come up with disbursement guidelines.

Geothermal industry veterans, lenders and investors expressed a range of opinions to CCBJ about EGS's ultimate viability. "Do I think it can work, sure. But is it economic? I don't know enough to really comment one way or anther," said Ric Abel, managing director for electric finance at **Prudential Capital Group**. "When you start drilling holes 20,000 or 25,000 feet down, and you have to get a fluid down there and back up, you're talking about an enormous parasitic load. I just don't have a good feeling for how the economics will come together."

A veteran geothermal engineer who now consults for investors told CCBJ: "EGS is the holy grail, and like the holy grail it may be just a myth." But many who follow geothermal and other renewable energy technologies contend that with adequate public support, EGS/HDR will fundamentally change the geothermal game. "Work that we are doing in Canada suggests that with adequate investment we can utilize EGS successfully even when temperatures are between 125 and 150 celsius (257 and 302 Fahrenheit)," said Michal Moore, who is a senior fellow at the Institute for Sustainable Energy, Environment and Economy at the **University of Calgary** in Alberta, and a former member of the California Energy Commission. "With the impending changes to coal emission requirements and the retirement of a significant amount of nuclear baseload electric power, the potential of EGS geothermal is critically important."

Brown, who helped invent the concept of HDR geothermal energy, is now finishing a book covering the HDR Project at Fenton Hill and working with his project backers in Washington to get needed support from natural-resource agencies for restarting Fenton Hill (it's located in a national recreation area). At 77, his enthusiasm for EGS is as strong as that of a rookie slugger at the plate. "I want to see HDR out there commercialized and I'm working very hard to do that. Our plant can be online within three years, and from there, the future of HDR is almost unlimited." ☼

Opinions on Enhanced Geothermal Systems (EGS)



Source: CCBJ 2009 Geothermal Survey conducted in April 2009. Question was: Enhanced geothermal systems (EGS), also known as hot dry rock (HDR) technology, can vastly expand the use of geothermal power in the United States and elsewhere. Yet after more than 30 years of research, EGS has only been the subject of small-scale demonstration plants (and many observers say those projects are not using true HDR resources). Please check the category that best describes your general view of the future of EGS/HDR:

Volume 2, No. 4/5 CLIMATE CHANGE BUSINESS JOURNAL® April/May 2009

Let CCBJ Be Your Guide to the Climate Change Industry

A new era of climate change regulation is dawning, accompanied by extraordinary new risks and opportunities for business. Climate Change Business Journal® provides the strategic information that company managers, entrepreneurs and investors need to thrive in this rapidly evolving business environment.

What readers had to say about CCBJ

"A great product that deserves to be widely read."
(Joseph Pallant, Carbon Project Solutions)

"Very comprehensive and obviously the product of a lot of research."
(Jeff Caton, Cameron-Cole LLC)

"Strategically useful information."
(Chai McConnell, ZeroGen, Australia)

CLIMATE CHANGE BUSINESS JOURNAL

IN FUTURE CCBJ NEWSLETTERS

- Energy Efficiency & Demand Response: June/July 2009
- The Clean Energy Infrastructure: August 2009
- Transportation: Vehicles, Fuels & Systems: Sept/Oct 2009
- Solar Energy: November 2009

Prsrt. Std.
U.S. Postage
PAID
Permit No. 2325
San Diego, CA

Mail or fax to Climate Change Business Journal, 4452 Park Blvd. #306, San Diego CA 92116, Fax (619) 295-5743

[ ] Check enclosed [ ] Bill me [ ] Renew my subscription

1 year: Paper Edition $995 1 year: Electronic Subscription $2,500

Name _____ Title _____

Company _____ Phone _____

Address _____

City _____ State _____ Zip _____

Email _____ Fax _____

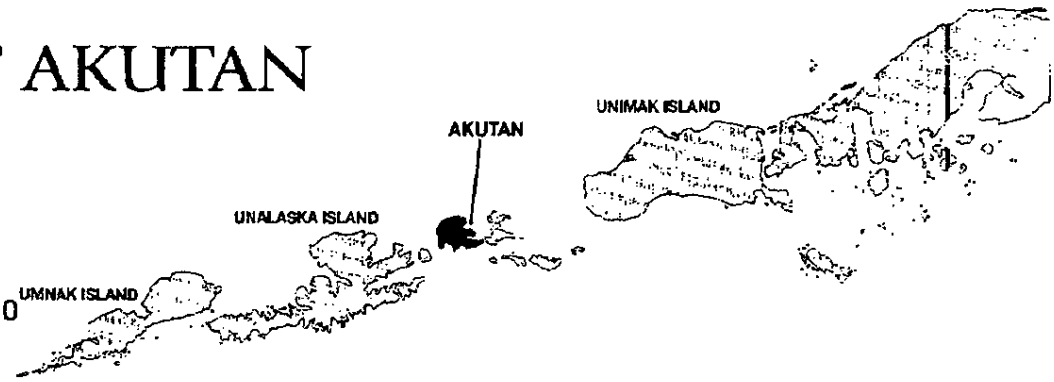
Satisfaction Guaranteed or Your Money Back!

SAMPLE ISSUE: **Subscribe Today!**
Fax form to 619-295-5743 or visit climatechangebusiness.com

CITY OF AKUTAN

P.O. Box 108
Akutan, Alaska 99553-3952

Phone (907) 698-2228
Fax (907) 698-2202



11 March 2010

The Honorable Lesil McGuire
Senate Resources Co-Chair
Alaska State Senate
State Capitol Room 125
Juneau AK 99801

Re: Support for Senate Bills 242 and 243

Dear Co-Chair McGuire:

I wish to add my support to your efforts to establish a geothermal resource development credit (CS for SB 242) and to remove royalty obligations for geothermal resources (SB 243).

The City of Akutan is currently pursuing the development of both geothermal and hydroelectric power to offset or eliminate the use of diesel fuel and dependence on State power cost equalization funding. These projects will require a combination of State, local and private funding to reduce the current cost of $0.32 per kilowatt hour.

Providing a renewable energy tax credit and elimination of royalties will allow Akutan and many other communities to attract private funding, and to create public-private partnerships for renewable energy development. This is a total win-win for the State and prospective energy producers.

Thanks for your efforts to help create affordable renewable energy and sustainable communities.

Sincerely,

Joe Bereskin
Mayor

cc: The Honorable Lyman Hoffman, Senator

SB 246

<target><bill>SB 246</bill><subject>SB 246</subject><comm>HFIN26</comm></target>

Sponsor Statement
SB 246

The Alaska Supreme Court is asking for a new superior court judge in Anchorage. The judge would be assigned to civil cases.

An additional judge is needed because Anchorage superior court judges have the highest caseloads in the state and a combination of devoting more time to Child in Need of Aid (CINA) cases and an ever-increasing number of unrepresented litigants has created a workload that is unsustainable.

Although judges' workloads are increasing, some of the additional work is the result of the court system doing a better job meeting the needs of those who come before it. This is particularly true with CINA cases.

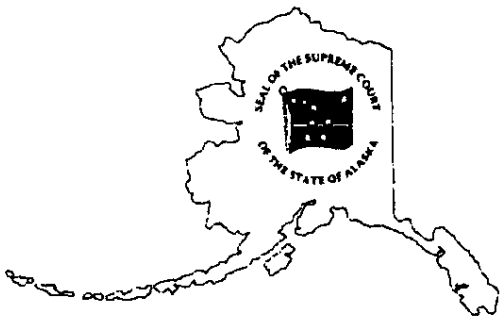
Prior CINA practice was to have standing masters preside over all phases of a case with the exception of contested hearings. If a hearing was contested it would be assigned to an available superior court judge who would resolve the contested issue and then return the case to the standing master. Although that practice saved superior court time, it led to other problems.

The new practice begins the same as the old; a CINA case starts with a master until there is a contested issue. However, once that occurs, the case is permanently assigned to a superior court judge; it does not return to the master. Having a judge permanently assigned to the case is a better model in a number of ways, one of which is that it eliminates shuffling the family back and forth between a standing master and any number of superior court judges.

In addition to CINA cases, another prime driver behind the current workload is the prevalence of unrepresented litigants in domestic relations cases. Although we do not have historical statistics that track these cases, Alaska judges, like judges from across the country, have seen a significant increase over the past several years. What we know from current data is that when first filed about 37% of the cases have attorneys for both parties, 25% have an attorney for only one party and in 37% of the cases neither party has an attorney. The percentage of litigants appearing without counsel increases as the cases progress and increases significantly once litigants are filing motions after the initial decree is entered. Most of these post-judgment motions relate to child custody disputes.

Judges cite a list of time-consuming challenges that arise when counsel is absent from one side or both sides. Frequent motion practice, arguments unrelated to the relevant legal issues, delays stemming from the failure to submit needed information and judicial time spent calculating child support awards are some of those challenges. However, even though these litigants take more time, their cases are as important as those where the parties have lawyers and the judiciary is committed to ensuring that they too can meaningfully access the court.

Adding one new judge will not significantly reduce the workload of the Anchorage superior court (more judges will likely be needed in the very near future), but it will provide some relief as the court works to develop alternative ways to manage that workload. Thank you for considering this request.



ALASKA COURT SYSTEM
State of Alaska
Office of the Administrative Director

820 West 4th Avenue
Anchorage, Alaska 99501-2005
(907) 264-8265
FAX (907) 264-8291

Doug Wooliver
Administrative Attorney

March 16, 2010

The Honorable Bert Stedman
Co-Chair, Senate Finance
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Stedman:

Following testimony on SB 246 this past Friday, you asked for a breakdown of superior court case filing statistics by judicial district going back to FY 2000. You also asked how many superior court judges have been added to the bench since that time and where those judges were seated.

Number of superior court cases filed by year and judicial district

First District		Second District		Third District		Fourth District	
FY 00	1,966	FY 00	1,035	FY 00	11,300	FY 00	3,484
FY 01	1,988	FY 01	985	FY 01	11,388	FY 01	3,441
FY 02	2,102	FY 02	1,063	FY 02	11,431	FY 02	3,547
FY 03	2,028	FY 03	911	FY 03	11,953	FY 03	3,692
FY 04	2,103	FY 04	865	FY 04	12,614	FY 04	3,784
FY 05	2,100	FY 05	1,070	FY 05	13,156	FY 05	3,635
FY 06	2,183	FY 06	982	FY 06	13,133	FY 06	3,729
FY 07	2,035	FY 07	938	FY.07	13,495	FY 07	3,800
FY 08	2,091	FY 08	966	FY 08	13,731	FY 08	3,678
FY 09	1,954	FY 09	936	FY 09	13,605	FY 09	3,808

New superior court judges added since 2000

Since 2000, the legislature has increased by eight the number of superior court judges in the state. In 2001, one new judge was added in Anchorage and one in Bethel; in 2006, two judges were added Anchorage, two were added in Palmer, one was added in Kenai and one was added in Fairbanks.

I hope that this answers your questions. Please let me know if you would like any additional information.

Sincerely,

Doug Wooliver
Administrative Attorney
Alaska Court System

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 246
(S) Publish Date: 2/12/10

Identifier (file name): SB246-AJC-AJC-2-8-10
Dept. Affected: Alaska Judicial Council
Title: Increasing Number of Superior Court Judges
RDU: Alaska Judicial Council
Component: Alaska Judicial Council
Sponsor: Rules Committee by request
Requester: Alaska Court System
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0						
Travel	0.0						
Contractual	0.0						
Supplies	0.0						
Equipment	0.0						
Land & Structures	0.0						
Grants & Claims	0.0						
Miscellaneous	0.0						
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Ordinarily, the Alaska Judicial Council incurs costs when a new judgeship is created. This new judgeship will coincide with another judicial vacancy on the Anchorage Superior Court. The Council intends to coordinate the solicitation and screening of applicants for these two positions. As a result, the increased cost to the Council is negligible.

Prepared by: Larry Cohn, Executive Director
Phone 279-2526
Division: Alaska Judicial Council
Date/Time 2/8/10 12:00 AM
Approved by: Larry Cohn, Executive Director
Date 2/8/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 246
(S) Publish Date: 2/12/10

Identifier (file name):
Title: An Act Relating to the Number of Superior Court Judges
Sponsor: Senate Rules Committee
Requester: Alaska Supreme Court

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	440.5	440.5	440.5	440.5	440.5	440.5	440.5
Travel							
Contractual	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Supplies	39.8	39.8	6.0	6.0	6.0	6.0	6.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**499.1**	**499.1**	**465.3**	**465.3**	**465.3**	**465.3**	**465.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	499.1	499.1	465.3	465.3	465.3	465.3	465.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**499.1**	**499.1**	**465.3**	**465.3**	**465.3**	**465.3**	**465.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
Senate Bill 246 adds a new superior court judge position in the third judicial district. This fiscal note reflects the cost of that new position.

Prepared by: Doug Wooliver, Administrative Attorney
Division: Alaska Court System
Phone: 907-463-4750
Date/Time: 2/03/2010 @ 1:30 pm

Approved by: Doug Wooliver for Christine Johnson, Administrative Director
Alaska Court System
Date: 2/3/2010

(Revised 10/13/2009 OMB)

4815

FISCAL NOTE # 1 BILL NO. SB 246

Alaska Court System
Fiscal Note Calculations for SB 246

Personal Services

Superior Court Judge - Anchorage	257,300
In-Court Clerk - Anchorage, Range 12A	61,400
Law Clerk - Anchorage, Range 13D	60,400
Administrative Assistant - Anchorage, Range 12A	61,400
Subtotal Personal Services	440,500
WAN Fees, Software & Licensing	18,800
Supplies (desk, computer, courtroom electronics, and chair) for four PFT positions	39,800
Fiscal Note Total	499,100

Breakdown by Expense Category:

Personal Services Total	440,500
Contractual Total	18,800
Supplies Total	39,800
Total	499,100

SB

247

<target><bill>SB 247</bill><subject>SB
247</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

CSSB 247 (L&C) – Extend Board of Pharmacists

Version 26-LS1405/R, February 24, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT

This bill would extend the termination date of the Board of Pharmacy until June 30, 2018.

According to the legislative audit for this panel, there were no issues discovered adversely affecting the public, but auditors commented that the Administration needs to improve support for this board and make more timely appointments.

The Committee Substitute changed the bill in one way. As drafted, the original had the extension date as 2015, which was different from the recommendation in the audit. In S.L&C, we changed SB 247 to conform to their report.

No opposition has surfaced to this bill or the Committee Substitute.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 247(L&C)**

"An Act extending the termination date of the Board of Pharmacy; and providing for an effective date."
SB 247-EXTENDING BOARD OF PHARMACY

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	Cerra	✓			
	Doogan	✓			
	Joule	–			
	Austerman	X			
	FOSTER	✓			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:	Stoltze	☆			
Chair:	Hawker	☆			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 247(L&C)
(S) Publish Date: 3/24/10

Identifier (file name): SB247CS(L&C)-CED-CBPL-3-22-10
Dept. Affected: DCCED
Title: Extending Board of Pharmacy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Finance
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	98.1	98.1	98.1	98.1	98.1	98.1
Travel	0.0	10.4	10.4	10.4	10.4	10.4	10.4
Contractual	0.0	21.7	21.7	21.7	21.7	21.7	21.7
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	130.3	130.3	130.3	130.3	130.3	130.3
TOTAL	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 247(L&C) extends the Board of Pharmacy to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 7 member board and 2 staff to meet at least 3 times each year in accordance with AS 08.80.060.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 03/22/2010 2:00PM
Approved by: Emil Notti, Commissioner
Date 3/22/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

4820

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 247(L&C)
(S) Publish Date: 3/24/10

Identifier (file name):SB247CS(L&C)-CED-CBPL-3-22-10
Dept. Affected: DCCED
Title: Extending Board of Pharmacy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Finance
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	98.1	98.1	98.1	98.1	98.1	98.1
Travel	0.0	10.4	10.4	10.4	10.4	10.4	10.4
Contractual	0.0	21.7	21.7	21.7	21.7	21.7	21.7
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	130.3	130.3	130.3	130.3	130.3	130.3
TOTAL	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 247(L&C) extends the Board of Pharmacy to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 7 member board and 2 staff to meet at least 3 times each year in accordance with AS 08.80.060.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/22/2010 2:00PM
Approved by: Emil Notti, Commissioner — Date 3/22/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

4821

Division of Legislative Audit

Report Digest #08-20065-10

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Pharmacy (BOP), November 12, 2009

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BOP. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BOP's termination date should be extended. Currently under AS 08.03.010(c)(15), BOP is scheduled to terminate on June 30, 2010. If the legislature does not extend the board's termination date, BOP will have one year to conclude its administrative operations.

REPORT CONCLUSIONS

The termination date for BOP should be extended until June 30, 2018. The board is safeguarding the public interest by ensuring the competence of individuals who present themselves to the public as pharmacists, pharmacist interns, and pharmacist technicians through licensing and regulatory requirements. The board also has an integral role in the regulation of pharmacies, drug rooms, and wholesale distributors and should continue to regulate those entities.

FINDINGS AND RECOMMENDATIONS

1. BOP should approve collaborative protocols in accordance with regulation.

2. DCCED's professional licensing administrative officer should improve administrative support.

3. BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

December 4, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Pharmacy (BOP) and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PHARMACY

November 12, 2009

Audit Control Number
08-20065-10

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 08.03.010(c)(15), BOP is scheduled to terminate on June 30, 2010. If the legislature does not extend the termination date, the board has one year in which to conclude its administrative operations. We recommend that the legislature extend the board's termination date to June 30, 2018.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	11
Agency Responses	
Office of the Governor	17
Department of Commerce, Community, and Economic Development	19
Board	21

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Pharmacy (BOP) to determine if there is a demonstrated public need for its continued existence, if it has been operating in an efficient and effective manner, and if its activities are duplicated by other private or governmental entities.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BOP's termination date should be extended. Currently under AS 08.03.010(c)(15), the board will terminate on June 30, 2010. If the legislature does not extend the board's termination date, BOP will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the board's termination date should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed pharmacists, pharmacy technicians, pharmacy interns, pharmacies, drug rooms and wholesale drug distributors.

The assessment of the board's operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need.

Scope and Methodology

The major areas of our review were board proceedings, licensing, complaint investigations, and duplication of efforts for FY 05 through FY 09. During the course of our examination we reviewed and evaluated the following:

- Applicable statutes and regulations related to the licensing of pharmacists, pharmacy technicians, pharmacy interns, pharmacies, drug rooms, and wholesale drug distributors. Statutes and regulations were reviewed to identify board duties and responsibilities and board member composition and qualifications. We also identified additions, deletions, and changes to BOP statutes and regulations

- Files and documentation related to individuals licensed as pharmacists or pharmacy technicians and organizations licensed as pharmacies, drug rooms or wholesale drug distributors. Licensing documentation was reviewed to ensure people/organizations were

licensed in accordance with regulations. We also reviewed documentation to evaluate compliance with continuing education requirements.

- Board meeting minutes, budget documents, and annual reports related to or issued by BOP to gain an understanding of board proceedings and activities.

- Public notice documentation to ascertain whether public notice for BOP meetings and proposed regulation changes were published as required by statute.

- Financial records related to BOP revenues and expenditures to identify BOP's surplus or deficit for each fiscal year.

- Complaints regarding individuals or organizations licensed by BOP to gain an understanding of the nature of complaints and timeliness of the investigative process. Complaints filed with the following organizations were reviewed: the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing; the Human Rights Commission; the Office of the Ombudsman; the Office of Victims' Rights; and the Federal Equal Employment Opportunity Commission.

Additionally, we conducted interviews with staff within the Division of Corporations, Business, and Professional Licensing; BOP board members; and Department of Law attorneys.

ORGANIZATION AND FUNCTION

The Board of Pharmacy (BOP) was established for the purpose of controlling and regulating the practice of pharmacy in Alaska. Alaska Statute 08.80.005 states that effective control and regulation of the practice of pharmacy is necessary to promote, preserve, and protect the public's health, safety, and welfare.

Board of Pharmacy Members as of June 30, 2009

Registered Pharmacists

Mary Mundell, Chairman
Richard Holm
Dirk White
Steve Johnson
Christopher Kim

Public Members

Leah Handley
Public Vacancy

Board Membership

BOP is composed of seven members. State law requires five board positions be licensed pharmacists actively engaged in the practice of pharmacy in the State for a period of three years immediately preceding their appointment. The remaining two positions are to be filled by individuals from the general public. Statute prohibits these public members from having a direct financial interest in the health care industry.

Board Duties

In general, the board regulates admission into the practice of pharmacy, establishes and enforces competency by ensuring compliance with professional standards, and adopts regulations. Enforcement includes assisting in the investigation of potential violations and suspending or revoking licenses when determined necessary.

The board licenses pharmacists, retail facilities, wholesale distributors, drug rooms, institutional facilities, and out-of-state facilities. It also issues permits to individuals to act as pharmacy interns, and pharmacy technicians.

Pharmacist applicants are required to pass a National Association of Boards of Pharmacy licensing examination. Additionally, applicants must pass a jurisprudence examination covering Alaska pharmacy law and the Federal Controlled Substance Act. Applicants who are licensed to practice pharmacy in another state may be awarded an Alaska license to practice, based on their credentials, as long as they have passed the national examination.

The Department of Commerce, Community, and Economic Development's, Division of Corporations, Business, and Professional Licensing

The Division of Corporations, Business, and Professional Licensing staff provide administrative support to BOP. Division staff process applications, maintain licensing files, answer board-related correspondence, and provide general administrative support to the board. Additionally, division staff investigates complaints involving the practice of pharmacy.

REPORT CONCLUSIONS

The termination date for the Board of Pharmacy (BOP) should be extended until June 30, 2018. The board is safeguarding the public interest by ensuring the competence of individuals who present themselves to the public as pharmacists, pharmacist interns, and pharmacist technicians through licensing and regulatory requirements. The board also has an integral role in the regulation of pharmacies, drug rooms,[1] and wholesale distributors and should continue to regulate those entities.

Alaska Statute 08.03.010(c)(15) requires BOP to terminate on June 30, 2010. If the termination date is not extended, AS 08.03.020 gives the board a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2018, the maximum allowed per statute.

[1]The term *drug room* refers to an institutional facility that does not maintain a pharmacy but prepares and administers prescription drugs from bulk supplies for patients receiving treatment within the facility.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Pharmacy (BOP) should approve collaborative protocols in accordance with regulation.

Collaborative protocols are cooperative practice agreements in which practitioners authorize pharmacists to administer or dispense drugs in accordance with a written protocol. The agreements specify a time period in which the protocol is in effect, the types of drugs that pharmacists may administer or dispense, and a plan for practitioners to review the decisions made by pharmacists during the period of agreement. Regulations specify the requirements to be included in the cooperative practice agreements.

Of the five collaborative protocols reviewed, one protocol, with a one year period, was approved by BOP for a two year period. Furthermore, three requests for collaborative protocol were approved by the board even though the associated written agreements did not fully comply with regulation.

According to 12 AAC 52.240(b)(3), a written protocol must include the time period during which the protocol will be in effect, not to exceed two years. To facilitate tracking and monitoring of the agreements, the board's policy is to approve protocols for a two year period, regardless of the time period specified in the agreement. This practice may lead to a licensee performing a protocol without practitioner oversight. The practitioner may consider the agreement terminated at the date specified in the agreement, while the pharmacy could continue administering or dispensing drugs for the full two year period.

Furthermore, 12 AAC 52.240(b) specifies that cooperative practice agreements must include specific information including (1) a plan for the physician to review the decisions made by the pharmacist at least once every three months, and (2) a plan for providing to the physician patient records created under the agreement. The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business, and Professional Licensing's staff do not require written agreements to include these two regulatory requirements as long as the application itself indicates that the requirements are satisfied. Without requiring written plans in accordance with regulation, BOP is not providing adequate review and oversight.

We recommend the board approve collaborative protocols for the time period specified in the agreement, not to exceed two years. We further recommend that BOP review and approve only those collaborative protocols that include a written plan with all of the elements required by regulation.

Recommendation No. 2

The division's professional licensing administrative officer should improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in division administrative support. Specifically:

- FY 06, FY 07, and FY 08 annual reports contained errors in license statistics.
- Three of 13 board meetings were not published on the State's online public notice system.
- Indirect costs for the division were treated inconsistently between fiscal years.
- Hearing fees were inconsistently treated as indirect versus direct costs between fiscal years.
- Fines of $5,500, recorded in FY 08, were incorrectly reported as BOP revenue.

The division is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. DCCED is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BOP is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the department stating the board's accomplishments, activities, and needs. The division's policy is to produce a single annual report incorporating both board and division information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exacerbated by a lack of accounting and reporting procedures. Turnover in staff positions caused the oversight in posting public notices.

Inadequate administrative support hampers BOP's ability to fulfill its responsibilities and may provide policymakers with misleading information. We recommend that the division's professional licensing administrative officer improve administrative support.

Recommendation No. 3

BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

BOP board appointments did not fully comply with state law. One public member board position was vacant for a total of 17 months from FY 07 through FY 08. Furthermore, one of the public board members had a direct financial interest in the health care industry. Alaska Statute 08.80.010 requires the board to consist of five professional members and two public members. Public board members are prohibited from having a direct financial interest in the health care industry.

Public members are intended to provide a consumer perspective. This perspective enhances consumer protection which is the basis of regulation. The extended absence of the public seat may prevent the board from conducting business with the appropriate public input and perspective.

A lack of qualified applicants led to the board vacancy. At the time of this review, staff within the Governor's office were unaware that one of the BOP public board members had a financial interest in the healthcare industry. The member has since resigned and the position is currently vacant.

We recommend BOP and staff within the Office of the Governor work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The board has served the public through licensing qualified applicants, drafting new regulations, imposing disciplinary sanctions when necessary, and publishing a newsletter to apprise licensees of new regulatory requirements and pertinent issues.

A prescription drug database program, authorized by legislation in 2008, is intended to serve the public by helping curb the State's controlled substance abuse problem as well as deterring insurance and Medicaid fraud. The program also gives assurance to doctors that they are not prescribing contradicting medications to patients with more than one doctor. The program has been slow to move forward due to a lack of funding. However, a federal grant for approximately $400,000 was awarded in September 2009, and the Department of Commerce, Community, and Economic Development (DCCED) has started the procurement process.

Persons served by pharmacies operated by certain Native health organizations are not being fully protected by state licensing laws. Currently, there are three such unlicensed pharmacies that consider themselves exempt from state licensing requirements. The Board of Pharmacy (BOP) disagreed with their position and requested legal advice from the Department of Law in 2003. Department of Law attorneys met with the board, but no legal opinion was issued and the pharmacies remain unlicensed.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

As discussed in Recommendation No. 3, BOP board appointments did not fully comply with state law. BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Several deficiencies were noted in administrative support to the board by staff within DCCED's Division of Corporations, Business, and Professional Licensing. Inadequate notice of board meetings, incorrect licensing statistics in annual reports, and inaccurate and inconsistent recording of expenditures and revenues are discussed in Recommendation No. 2.

BOP revenues come from licensing and renewal fees. Renewals are conducted on a biennial basis. This creates a two-year cycle in board revenues, with BOP receiving most of its revenues during the renewal year. We reviewed the division's internal records to identify BOP revenues and expenditures. The table below presents the board's revenues and expenditures for FY 04 through FY 09.

Under AS 08.01.065(c), DCCED must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* BOP reviews and provides feedback on changes in fees proposed by the division. Licensing fees were increased in FY 04 and again in FY 06. Given that BOP appears to have a growing surplus, the division should consider a reduction of fees for the next license renewal cycle.

State of Alaska
Board of Pharmacy
Schedule of License Revenues and Board Expenditures
FY 04 - FY 09
(Unaudited)

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 261,300	$ 98,900	$ 472,600	$ 158,400	$ 573,500	$ 186,840
Direct Expenses						
Personal Services	73,400	68,400	70,000	78,400	83,900	113,196
Travel	12,800	8,800	9,200	7,900	7,200	13,472
Contractual	34,500	27,800	46,000	8,300	17,600	25,562
Supplies	100	200	-0-	100	-0-	205
Equipment	-0-	-0-	-0-	-0-	-0-	-0-
Total Direct Expenses	120,800	105,200	125,200	94,700	108,700	152,435
Indirect Expenses	104,000	117,500	94,700	148,800	140,500	140,254
Total Expenses	224,800	222,700	219,900	243,500	249,200	292,689
Annual Surplus (Deficit)	36,500	(123,800)	252,700	(85,100)	324,300	(105,849)
Beginning Cumulative Surplus (Deficit)	(65,100)	(28,600)	(152,400)	100,300	15,200	339,500
Ending Cumulative Surplus (Deficit)	$ (28,600)	$(152,400)	$ 100,300	$ 15,200	$ 339,500	$ 233,651

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

BOP actively supported statutory changes by testifying at legislative committee hearings. One of the most significant statutory changes was the passage of SB 196 which established the controlled substance prescription database. This bill mandates participation by pharmacists in a prescription drug database program and is designed to curb the abuse of controlled substances as well as insurance and Medicaid fraud.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

BOP encouraged public participation by setting aside time at each board meeting for public comment. Notices of board meetings were published in the *Anchorage Daily News*. However, from FY 05 through FY 09, three of 13 board meetings were not posted on the State's online public notification system (discussed in Recommendation No. 2). Notices of regulation changes were posted to the online notification system with adequate time for response.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board consistently encouraged public participation when proposing regulation changes. Notice of proposed regulation changes were posted on the State's online public notice system and in the *Anchorage Daily News*. Detailed instructions for submitting public comment were included in the posting. The board reviewed and considered public comment before adopting new regulations. We noted 10 instances of interested persons providing public comment from the period FY 04 through FY 09.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

During the period of May 25, 2004 through March 3, 2009, 103 complaints were received and 112 cases were opened related to BOP licensees or applicants.

Status of Complaints	
Complaint closed and case opened	29
Determined not in violation	29
Sent advisement letter	18
Compliance	1
Still open	26
	103

Status of Cases	
Licensing action	29
Non-violation or insufficient evidence	36
Advisement letter or compliance	28
Still open	19
	112

In general, complaints and cases were investigated in a reasonable and appropriate manner. Of the three complaints and 15 cases reviewed, one complaint and two cases were not investigated in a timely manner. All three untimely investigations were assigned a low priority by investigative staff. We also noted three cases that were not closed timely even though investigative work was complete.

There were no BOP complaints filed with the Office of Victim's Rights, the Human Rights Commission, or the Office of the Ombudsman. A summary of the complaints and cases by type is presented below:

Complaints by Type	
License application issues	40
Unlicensed practice	18
Drug diversion	10
Violating regulations	6
Substance abuse	5
Negligence	4
Standards of care	3
Licensing action in another state	3
Other	14
	103

Cases by Type	
License application issues	39
Continuing education	13
Drug diversion	11
Negligence	8
Unlicensed practice	8
Criminal action	6
Licensing action in another state	5
Practicing beyond scope	4
Violating regulations	3
Violating professional ethics	3
Other	12
	112

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

BOP is adequately regulating entry into the profession by licensing qualified applicants to serve the public. Continuing education is required and adequately monitored by the board to promote a high level of quality and ensure the integrity of the profession. Board meeting minutes reflect that BOP considers each applicant and verifies licensing requirements are satisfied prior to issuing a license.

During FY 08, BOP began to license remote pharmacies.[2] The table below summarizes licensing activity for the past six fiscal years.

Type of License	Newly Issued Licenses (Exclusive of Renewals)						Total Licensees at June 30, 2009
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	
Pharmacist	61	53	58	58	71	89	846
Pharmacist – Temporary	1	0	2	1	0	0	0
Pharmacy Intern	83	68	77	99	122	141	265
Pharmacy Technician	215	243	278	315	324	372	1,240
Pharmacy	14	11	10	8	9	16	131
Drug Room	10	4	3	1	2	2	24
Wholesale Drug Distributor	1	1	8	1	2	3	25
Out of State Pharmacy	86	81	90	69	55	68	274
Remote Pharmacy	0	0	0	0	2	0	2
Total	471	461	526	552	587	691	2,807

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board has not complied with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

BOP is responsible for the implementation of a controlled substance database. Little progress has been made on this project since it was enacted in 2008 because DCCED and the board were waiting for federal funding to become available. A federal grant was awarded in September 2009, and DCCED has moved forward with the procurement process. The implementation of the database will take the cooperative efforts of several state entities such as the Department of Administration, Enterprise Technology Services Division and the State Security Office to ensure confidential information is protected and used appropriately in accordance with state law. The public interest will be served by an expeditious and well planned implementation of the database.

BOP has encountered challenges in licensing all facilities that the board believes are subject to state licensing statutes. Specifically, certain pharmacies run by Native health organizations are not complying with state licensing statutes, citing federal exemption laws. Based on a 1992 opinion issued by the Department of Law, the board does not agree that Native health organizations are exempt and has sought clarification of their specific case from the

[2]A *remote pharmacy* is a facility that provides pharmacy services, including the storage and distribution of prescription drugs, drug regimen review, and patient counseling through a telepharmacy system.

Department of Law in the form of a legal opinion. Although the Department of Law has consulted with BOP, the department has not responded with a formal opinion. Other than requesting status updates from both DCCED and Department of Law, BOP has not taken further action.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The board has effectively met its purpose and attained its objectives except in the area of approving collaborative protocols (discussed in Recommendation No. 1).

BOP's efficiency and effectiveness would be strengthened if it maintained a full board membership free of conflicts of interest (discussed in Recommendation No. 3). Furthermore, the board's effectiveness was somewhat limited by inadequate administrative support by DCCED staff (discussed in Recommendation No. 2).

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

National pharmacist organizations support BOP rather than duplicate its efforts. Additionally, we did not find evidence of other state or private agencies that duplicate the efforts of the board.

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907- 269-7450
fax 907- 269-7463
www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

RECEIVED
DEC 30 2009
LEGISLATIVE AUDIT

December 30, 2009

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 12, 2009 "CONFIDENTIAL" preliminary audit report on the Board of Pharmacy (BOP).

The Office of the Governor concurs with recommendation number three which states, "BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation." Currently, the board has one vacant seat reserved for a public member, and we are currently recruiting applicants for this vacancy who have no financial interest in the health care industry. I am committed to assisting the Governor in making a timely appointment to allow the board to function productively.

With respect to the former public member who was found to have a direct financial relationship in the health care industry, I want to provide some information that completes your account of this situation in your November 18, 2009 letter. When the member was appointed, she was not working in the health care industry and was qualified for a public seat. Later, unbeknownst to our office, she was hired at Providence Alaska Medical System into a position that did not relate to the practice of pharmacy. It is our understanding that, after raising the issue with the board, she was told that her continued service on the board was appropriate. After several promotions and changes of job duties, she raised the issue with the board, and was told that she could continue to serve. When the eligibility of that member was questioned through the sunset audit process, it was our office's first notification that the member was an employee of Providence Alaska Medical System, and we contacted her to discuss the matter. Then, after conferring with the Department of Law, we concluded that she was ineligible to remain serving on the board, and after discussing this conclusion with the member, she promptly submitted her resignation.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

RECEIVED
1/7/2010

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box 113300
Juneau, Alaska 99811-3300

Re: Preliminary Audit, Board of Pharmacy

Dear Ms. Davidson:

Thank you for the opportunity to comment on your Preliminary Audit findings concerning the Board of Pharmacy.

Recommendation No. 1

The Board of Pharmacy (BOP) should approve collaborative protocols in accordance with regulation.

The department will review its procedures and discuss concerns with the board to clarify the appropriate approval process for collaborative agreements.

Recommendation No. 2

The division's professional licensing administrative officer should improve administrative support.

As we have stated on many occasions, we could not agree more. The division has undergone a number of changes in key management positions and is now optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Unfortunately, the current incumbents are also faced with clean up of the accounting inaccuracies created by former employees in recent past years. We are confident that progress is being made to clean up the inaccuracies and to reestablish credibility of the division's cost-accounting system. Procedures for accounting for revenues and expenditures and preparation of financial reports did exist before it went awry. Correcting past errors has been a priority since current and future financial analysis is dependent on using correct data.

Recommendation No. 3

BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

The department agrees with the recommendation.

The department concurs with the extension of the BOP to June 30, 2018. Thank you for the opportunity to comment on your recommendations.

Sincerely,

for Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

(Intentionally left blank)

RECEIVED
1/6/10

To: **Pat Davidson, Legislative Auditor**

From: **Mary D. Mundell, RPh, Chairperson Board of Pharmacy**

Re: **Extension of termination date for BOP to June 30, 2018**

Findings and Recommendations:

1) There is no disagreement with the finding that BOP should approve collaborative protocols in accordance with regulations and the BOP will continue to strive diligently to maintain standards with regards to collaborative practice protocols.
2) DCCED has been extremely helpful to the BOP in determining budgetary goals and setting fees accordingly. Therefore, it is very important for the administrative officer to improve in anyway any and all administrative support for the BOP. The BOP has been operating in the black due to our ability to anticipate future expenses and pay for all operating expenses. At this point the BOP feels it may be in the financial position to decrease fees for pharmacist, pharmacy interns, and pharmacy technician licenses after the next licensing period. This is due to excellent cooperation between the BOP and DCCED's administrative office.
3) Currently, the BOP is short one public member and has had to operate many times without a full compliment of members to the board. It is very difficult for the board to find a competent public member, thus the board must rely heavily on support from the Office of Governor to supply the BOP with qualified applicants so the BOP can maintain full representation.

As determined by the Legislative Auditor, the BOP will be pursuing the completion of the Drug Monitoring Program since the board has received the financial grant from the Federal Government. To date, the BOP has already interviewed all vendors currently available to help implement the program. The BOP is offering to work with a few volunteer pharmacies particularly those pharmacies located in very rural communities to establish the program and determine any flaws and have them worked out before requiring full statewide operation.

The Drug Monitoring Program will be a vital tool to determine waste or fraud and will be a valuable resource that will maintain compliance with Medicare/Medicaid, CMS fraud, waste and abuse requirements.

Also determined by the Legislative Auditor, the BOP wishes to work closely with the Attorney General's office to determine licensure requirements by pharmacies run by Native health organizations.

To date, the BOP works diligently to maintain the highest standards for the profession of pharmacy so the profession delivers the finest in pharmaceutical health care that is necessary to promote, preserve, and protect the health, safety, and welfare of all persons in the State of Alaska.

Therefore, it is respectfully requested of the Alaska State Legislature to extend the termination date for the Board of Pharmacy until June 30, 2018.

Regards,

Mary D. Mundell

Mary D. Mundell RPh
Chairperson
Board of Pharmacy
1751 E. Gardner Way, Suite G
Wasilla, AK. 99654

Date: 12/4/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 248(L&C)
(S) Publish Date: 3/24/10

Identifier (file name): SB248CS(L&C)-CED-CBPL-3-23-10
Dept. Affected: Commerce
Title: Extend Board of Marital & Family Therapy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	16.0	16.0	16.0	16.0	16.0	0.0
Travel	0.0	5.6	5.6	5.6	5.6	5.6	0.0
Contractual	0.0	1.2	1.2	1.2	1.2	1.2	0.0
Supplies	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	23.2	23.2	23.2	23.2	23.2	0.0
TOTAL	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 248(L&C) extends the Board of Marital and Family Therapy to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.63.030.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/23/2010 11:30AM
Approved by: Emil Notti, Commissioner — Date 3/23/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

4845

SB 248

<target><bill>SB 248</bill><subject>SB 248</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

October 22, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Marital and Family Therapy (BMFT), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT
BOARD OF MARITAL AND FAMILY THERAPY
SUNSET REVIEW

September 21, 2009

Audit Control Number
08-20060-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). If not extended by the legislature, BMFT is required to terminate on June 30, 2010. Under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs.

In our opinion, BMFT should continue to regulate marital and family therapists and associates. Except for the significant issue of postponing regulation changes, the board is operating efficiently and effectively.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	11
Agency Responses:	
Office of the Governor	17
Department of Commerce, Community, and Economic Development	19
Board of Marital and Family Therapy	21

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Marital and Family Therapy (BMFT). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BMFT. Currently under AS 08.03.010(c)(11), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, BMTF will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BMFT should be extended.

2. To determine if BMFT is operating in the public interest.

3. To determine if the board has exercised appropriate regulatory oversight of licensed marital and family therapists and associates.

The assessment of BMFT operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit assessed BMFT's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings and duplication of efforts. We examined and evaluated the following:

1. Applicable statutes and regulations.

2. Licensee files and other related licensee information.

3. Board meeting minutes.

4. BMFT annual reports.

5. BMFT related public notices published in the *Anchorage Daily News* and the State's online notification system.

6. Case and compliant files involving or related to professionals licensed by, and applicants seeking licensure, from BMFT.

7. Board revenues and expenditures for the audit period.

8. Board member resumes and related information maintained by the Office of the Governor.

We also interviewed two board members and various division staff including the licensing examiner, investigators, and administrative staff.

ORGANIZATION AND FUNCTION

The Board of Marital and Family Therapy (BMFT)

BMFT was established under the provisions of Title 8, Chapter 63 of the Alaska Statutes. The board consists of five members appointed by the Governor and subject to legislative confirmation. Three members must be licensed marital and family therapists and two members must be members of the general public.

The board regulates licensed marital and family therapists in the State. It sets education, training, and work experience standards necessary for an individual to be licensed as a marital and family therapist or a marital and family associate. Alaska statute defines the practice of marital and family therapy as the diagnosis and treatment of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for marital and family therapy. This covers all disorders, whether cognitive, affective, or behavioral, within the context of human relationships, particularly the marital and family system.

Board of Marital and Family Therapy
(As of June 30, 2009)

Therapist
Patricia White, Chair
Larry Severson
Vacant

Public Member
John Downing
Kimberly Horn

Per statute, the board's duties include:

1. Examining and issuing licenses to qualified applicants;
2. Ordering the disciplinary sanction of a person who violates the statutes or regulations related to the licensure of marital and family therapists;
3. Adopt regulations necessary to enforce BMFT statutes; and
4. Adopt a code of ethical practice for marital and family therapy.

A marital and family therapy applicant may be licensed by passing an examination given by the board, or by what is termed "credentials." In order to be licensed by credentials, an applicant must provide proof of licensure by another authority, such as a state, that has equal or more stringent licensing requirements than the State of Alaska.

In order to become licensed by examination, an applicant must have an advanced degree in marital and family therapy or an allied mental health field from a regionally accredited educational institution approved by the board for which the person completed substantially equivalent course work[1] in the following: (1) marital and family therapy, (2) marital and

[1]AS 08.63.100(b) permits the substitution of post-degree courses or practice, as approved by the board, by a person whose master or doctorate degree in marital and family therapy or allied health field but whose course of study did not include all the course or clinical practice requirements of AS 08.63.100(a)(3)(B).

family studies, (3) human development, (4) professional studies or professional ethics and law, (5) research, and (6) supervised clinical practice; meet specific supervised experience requirements;[2] and pass an examination as required by BMFT. BMFT utilizes a national examination developed jointly by the Association of Marital and Family Therapy Regulatory Boards and Professional Examination Service.

Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing (division)

The division provides administrative and investigative assistance to occupational boards including BMFT. Administrative assistance includes budgetary services and functions such as collecting fees; maintaining files; receiving and issuing application forms; and publishing notices of examinations, meetings and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice.
2. Bring an action in Superior Court to enjoin the act.
3. Examine the books and records of an individual.
4. Issue subpoenas for the attendance of witnesses and records.

[2]The following practical experience is required in addition to obtaining a degree in accordance with the requirements of AS 08.63.100(a)(3)(b):

- Practiced marital and family therapy within three years of the person's application, including 1,500 hours of direct clinical contact with couples and families.
- Has been supervised in the clinical contact for at least 200 hours, including 100 hours of individual supervision and 100 hours of group supervision approved by the board.
- Has received training related to domestic violence.

REPORT CONCLUSIONS

The Board of Marital and Family Therapy's (BMFT) termination date should be extended until June 30, 2014.

The termination date for BMFT should be extended four years – until June 30, 2014. This extension term is half of the eight-year maximum allowed per statute in recognition that BMFT has not met its statutory responsibility for initiating regulation changes. BMFT has not pursued regulation changes because it has been in a deficit position for over 10 years and has not wanted to further weaken its financial position by incurring the costs associated with changing regulation (discussed in Recommendation No. 1).

BMFT's financial deficit has gradually decreased from FY 05 through FY 09. The deficit at the beginning of FY 05 was $75,400 versus a deficit of $29,200 at the beginning of FY 09. The deficit has been a continual challenge for the board. The board believes the low number of licenses is the result of the high cost of licensure ($775).

The number of licensees continues to decrease. There were 94 licenses in FY 04 compared to 84 in FY 09. It has taken approximately 10 years for this small group to pay down a $200,000 deficit.

BMFT is composed of three therapist members and two public members. From FY 05 through FY 09, BMFT seats were not filled timely. One seat was vacant for eight months and one for approximately 11 months. Additionally, one board member's term expired, but the member continued to serve for 19 months before being reappointed (discussed in Recommendation No. 3).

BMFT should continue to regulate marital and family therapists and associates. Except for the significant issue of postponing regulation changes, the board is operating efficiently and effectively. BMFT is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed marital and family therapists and associates.

Alaska Statute 08.03.010(c)(11) requires BMFT to terminate on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend BMFT's termination date be extended to June 30, 2014.

Improvements are needed in administrative support to the board by staff within the Division of Corporations, Business and Professional Licensing.

There were several deficiencies in the administrative support provided to BMFT. Information contained in the annual reports was often inaccurate and incomplete. Methodologies used to account for BMFT revenues and expenditures were inconsistent and, in some cases, inaccurate. These deficiencies were caused by an unqualified staff member and a lack of written procedures for support functions (discussed in Recommendation No. 2).

FINDINGS AND RECOMMENDATIONS

During the 2005 sunset review of the Board of Marital and Family Therapy (BMFT), we recommended BMFT and the Board of Professional Counselors be combined into a single oversight and licensing board. Department of Commerce, Community, and Economic Development's (DCCED) commissioner favored the recommendation, but chairs of both BMFT and the Board of Professional Counselors objected. No actions have been taken to combine the boards. Consequently, we are not reiterating the recommendation.

Recommendation No. 1

BMFT should actively pursue regulation changes that are necessary to protect the public interest.

BMFT did not actively pursue regulation changes. The board adopted only one regulation change; yet, regulations were a regular agenda item, and the board minutes reflect continued consideration of several regulation changes. Board meeting minutes and statements in the annual reports reflect the board's decision to delay regulation changes. BMFT's chair stated:

> *There are several recommendations for statute and regulations changes that the board would like to initiate in the future. However, the board is postponing these changes until there is no longer a financial debt, as changes incur more expenses.*

Under AS 08.63, BMFT is authorized and obligated to adopt regulations necessary to carry out its duties. The board's reluctance to initiate regulation changes raises the question of whether the board has adequately protected the public interest. Regardless of its financial position, the board is statutorily mandated to perform its regulatory function. We recommend BMFT actively consider and propose regulations necessary to protect the public interest.

Recommendation No. 2

The Division of Corporations, Business and Professional Licensing's professional licensing administrative manager should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support by division staff. Specifically:

- The FY 05 and 06 annual reports did not contain the required financial data.
- FY 08 annual report contained several finance related inaccuracies resulting in the reported deficit being overstated by approximately $14,000.

- Support for the financial amounts presented in the annual reports was not consistently maintained.
- Indirect costs for the division were treated inconsistently between fiscal periods.
- Hearing fees were inconsistently treated as direct versus indirect costs between fiscal periods.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include: collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BMFT is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the department stating the board's accomplishments, activities, and needs. The division's policy is to produce a single annual report incorporating both the board and the division's information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by a lack of accounting and reporting procedures.

Less than adequate administrative support hampers BMFT's ability to fulfill its responsibilities and may provide policymakers misleading information. We recommend professional licensing's administrative manager take steps to improve administrative support.

Recommendation No. 3

The Office of the Governor should make the necessary appointments to keep BMFT at full membership.

BMFT is made up of five members – two representatives from the general public and three licensed professionals. One public seat was vacant for eight months, and one licensed position was vacant for over 11 months. We also noted one professional member served 19 months past the date her seat expired. The board's seats were vacant because of a lack of applicants.

Alaska Statute 08.63.020 requires the Office of the Governor to appoint both public and professional board members. Maintaining board membership that includes both public and professional members ensures balanced representation. The lack of sufficient BMFT members prevents the board from conducting business with the appropriate public and professional input and perspective.

Accordingly, we recommend that BMFT and the Office of the Governor work to fill appointments to all board seats, with particular emphasis on public member seats, designed to represent the State's citizenry.

4857

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

BMFT has operated in the public interest by licensing only qualified individuals. The board has established licensing requirements and minimal practice standards that licensed marital and family therapists (MFTs) are to adhere to in the course of practice. BMFT has also established regulations governing its duties and licensure requirements, enforced the laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements.

In FY 08, the board changed an existing regulation to require a more detailed description of continuing education courses claimed on renewal applications. This will help the board determine, with greater efficiency, whether a course is an approved continuing education activity, or that it contributes directly to an MFT's professional competency.

As discussed in Recommendation No. 1, the board determined that it could not initiate all necessary regulation changes due to the associated expense and its ongoing financial deficit. By delaying regulation changes, BMFT failed to operate in the public interest.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Alaska statutes require BMFT to consist of three board-licensed therapists and two members of the public. There were instances that board seats were vacant or not appointed in a timely manner (discussed in Recommendation No. 3).

Under AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED) must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* The board reviews and provides feedback for changes in fees proposed by DCCED's Division of Corporations, Business and Professional Licensing. In 1998, the license fee was increased from $300 to $775 to cover a financial deficit caused by a few expensive investigations.

Licensing fees for BMFT remained at $775 from FY 05 through FY 09 while the number of licensees declined.

State of Alaska
Board of Marital and Family Therapy
Schedule of Revenues and Expenditures
FY 05 through FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 68,600	$ 2,200	$ 63,200	$ 5,700	$ 63,100
Direct Expenditures					
Personal Services	7,800	9,900	12,700	19,400	13,600
Travel	1,700	5,600	4,300	6,200	5,900
Contractual	2,100	1,500	1,000	1,200	1,100
Supplies & Equipment	0	0	100	0	200
Total Direct Expenditures	11,600	17,000	18,100	26,800	20,800
Indirect Expenditures	5,200	4,100	5,500	5,200	4,900
Total Expenditures	16,800	21,100	23,600	32,000	25,700
Net Income (Loss)	51,800	(18,900)	39,600	(26,300)	37,400
Beginning Surplus (Deficit)	(75,400)	(23,600)	(42,500)	(2,900)	(29,200)
Ending Surplus (Deficit)	$ (23,600)	$ (42,500)	$ (2,900)	$ (29,200)	$ 8,200

The division's professional licensing section evaluates fee levels by analyzing costs and revenues on a biennial roll forward or cumulative basis. As reflected by the summary schedule above, BMFT renews licenses in odd-numbered fiscal years resulting in higher revenues during odd-numbered years.

BMFT showed a surplus at the end of FY 09 but will likely show a deficit in FY 10 because expenditures typically outweigh revenues during non-renewal years. We expect the FY 10 deficit to be less than the $29,200 deficit reported at the end of FY 08, the end of the last license renewal cycle.

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board recommended a change to its supervised clinical contact hours during FY 08 to make supervision less of a burden for MFTs. The board recommended that AS 08.63.100(a)(3)(c)(ii) which requires 200 supervised hours (including 100 hours of individual supervision and 100 hours of group supervision approved by the board) be revised to require 200 individual or group hours (including at least 100 hours of individual supervision). This recommendation is intended to remove potential barriers to MFT licensure in rural Alaska, where options for supervision may be more limited. DCCED has forwarded the recommended statutory change to the Governor's office for consideration.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming BMFT meetings and notices of proposed changes in regulations are posted on the State's online public notice system, and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Though the public does not constitute a significant presence at the board's meetings, minutes do reflect time for public comment.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board proposed one regulation change in FY 08. This proposal was posted on the State's online public notification system and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Additionally, the division's regulations specialist maintains a list of interested parties and contacts these individuals when regulation changes are proposed. As noted above, adequate time is set aside during board meetings for public comment.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From May 2004 through February 2009, professional licensing's investigative unit examined four MFT related complaints, one of which resulted in a case investigation. Two were complaints of ethics violations, one was for negligence, and one was a report of unlicensed practice. Two complaints were from clients or patients, and two were from members of the general public.

We reviewed three of the four complaint files, including the one which resulted in a case investigation. We conclude the investigation process for BMFT related complaints was carried out in an effective and efficient manner.

No BMFT complaints or investigations were carried out by the Office of Victim's Rights, Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board licenses applicants that have applied for licensure by credentials or by examination. Each applicant is required to meet stringent licensing requirements including the necessary educational background and adequate work experience. Continuing education is required and monitored by BMFT to promote a high level of performance and to help ensure the profession's integrity. BMFT meeting minutes show that a significant portion of each meeting was spent considering licensing applications and ensuring that the licensing requirements were satisfied prior to issuing a license. License activity for the last five fiscal years is presented below.

	Newly Issued					Total
Type of License	FY 05	FY 06	FY 07	FY 08	FY 09	Licensees as of June 30, 2009
Marital and Family Therapist	3	2	1	6	5	83
Marital and Family Associate	1	0	0	0	2	1

The total number of BMFT licensees has decreased from 94 in FY 04 to 84 in FY 09.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find evidence that BMFT was not in compliance with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 2, the administrative support provided by the division's professional licensing section was not accurate, comprehensive or consistent. The administrative staff should provide the necessary and required information so that BMFT can perform its functions and serve the public interest effectively and efficiently.

As discussed in Recommendation No. 3, the Office of the Governor should take steps to expedite appointments to the board.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

Except for BMFT's reluctance to pursue all necessary regulation changes, the board effectively met it objectives. Furthermore, except for its vacant board positions, BMFT operated efficiently.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BMFT uses the information produced by national associations when licensing and regulating MFTs while taking into consideration Alaska's unique needs. There was no substantial duplication of efforts between BMFT and national MFT organizations.

We compared various elements of the MFT occupation to several other mental health licenses (professional counselors, social workers, and psychologists and psychological examiners). Similarities were noted in the issues treated, intervention techniques, and client populations. Regulations for MFTs and professional counselors effectively permit cross-training between the two license types. There are common issues for groups, such as professional accessibility for supervised experience, license portability, distance counseling, and background checks.

Though similarities exist, there are still distinctions between the license types and professional philosophies. Though parallels and possible duplication of efforts between these license types are present, there are sufficient practical and philosophical distinctions that it is reasonable that these professions continue to be licensed separately.

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907- 269-7450
fax 907- 269-7463
www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

December 7, 2009

RECEIVED
DEC 0 7 2009
LEGISLATIVE AUDIT

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 6, 2009 "CONFIDENTIAL" preliminary audit report on *A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Marital and Family Therapy, September 21, 2009.*

Regarding recommendation No. 3: The Office of the Governor should take steps to make the necessary appointments to keep the Board of Marital and Family Therapy (BMFT) at full membership:

The Office of the Governor concurs with this recommendation. Currently, the board has one vacant seat reserved for a licensee. Soon after assuming the position of Director of Boards and Commissions, I asked board staff to encourage the board to recruit applicants from rural Alaska, in light of the absence of applicants. I am committed to assisting the Governor in making timely appointments to allow the board to function productively.

Your report also mentioned the issue of combining BMFT with the Board of Professional Counselors (BPC) into a single oversight and licensing board. If that recommendation is proposed in the future, I am supportive of those efforts. Unless significant difficulties arise, combining boards that operate in close proximity to each other in related fields, such as BMFT and BPC, leads to a more efficient State government.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

4863

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 0 3 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Marital and Family Therapy (BMFT).

Recommendation No. 1: BMFT should actively pursue regulation changes that are necessary to protect the public interest.

The department understands the board's concern in not wanting to increase its costs through new regulation projects, however, we concur the board is statutorily mandated to perform its regulatory function in protecting the public's interest. The department will encourage the BMFT to consider its responsibilities by adopting regulations in the interest of public safety.

Recommendation No. 2: The Division of Corporations, Business and Professional Licensing's professional licensing administrative manager should take steps to improve administrative support.

The department fully agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Recommendation No 3. The Office of the Governor should make the necessary appointments to keep BMFT at full membership.

The department agrees with this recommendation.

In summary, we support your findings and recommendations and also concur with the extension of the BMFT to June 30, 2014. Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

4864

6008 Lemon Street

Juneau, Alaska 99801

November 20, 2009

RECEIVED
NOV 23 2009
LEGISLATIVE AUDIT

Pat Davidson, Legislative Auditor

Alaska State Legislature/Division of Legislative Audit

P.O. Box 113300

Juneau, Alaska 99811-3300

Dear Ms. Davidson:

As Chairperson of the Board of Marital and Family Therapy, I am responding to your preliminary audit report, dated November 6, 2009. I understand its confidential nature. I would like to respond to your recommendations.

I met with the board on November 13, 2009 by telephone, and we discussed the findings of your preliminary audit.

Overall, I believe the audit to be comprehensive and fair. The difficulty the BMFT has encountered with such a large deficit has been adequately understood and the placing of responsibility on not only the BMFT, but the Division and the Office of the Governor was appreciated.

In regards to recommendation # 1: The board has decided to review the minutes of each board meeting within the audit time frame to ascertain any instances of not protecting the public interest. The licensing examiner will review the minutes and bring them to our next BMFT meeting which is in March of 2010, in Juneau. The BMFT will them begin a process of review. I suspect a completion date could be by October of 2010.

The other two recommendations have pointed out the shortcomings of the Division and the Office of the Governor, and as I have mentioned is appreciated and I understand that the BMFT has no authority to suggest change to either entity. If I do not understand this process correctly please offer correction. Thank you.

Sincerely,

Patricia White, MS, LMFT

Patricia White, MS, LMFT

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

CSSB 248 (L&C) – Extend Board of Marital and Family Therapists

Version 26-LS1404/R, February 24, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT

This bill would extend the termination date of the Board of Marital and Family Therapists until June 30, 2014.

According to the legislative audit for this panel, there were no issues adversely affecting the public, but auditors commented on its deficit. In trying to manage that, the board has postponed making necessary and timely changes to its regulations.

The audit also commented that the Administration needs to improve support for this board and make more timely appointments.

The Senate Labor & Commerce Committee Substitute changed the extension to the date recommended by Legislative Audit – 2014.

No opposition has surfaced to this bill or the Committee Substitute.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 248(L&C)**

"An Act extending the termination date of the Board of Marital and Family Therapy; and providing for an effective date."

SB 248-EXTEND BD OF MARITAL & FAMILY THERAPY

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Dorgan	–			
	Thomas	✓			
	Soule	–			
	Gara	–			
	Austerman	X			
	Foster	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 248(L&C)
(S) Publish Date: 3/24/10

Identifier (file name):SB248CS(L&C)-CED-CBPL-3-23-10
Dept. Affected: Commerce
Title: Extend Board of Marital & Family Therapy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	16.0	16.0	16.0	16.0	16.0	0.0
Travel	0.0	5.6	5.6	5.6	5.6	5.6	0.0
Contractual	0.0	1.2	1.2	1.2	1.2	1.2	0.0
Supplies	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	23.2	23.2	23.2	23.2	23.2	0.0
TOTAL	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 248(L&C) extends the Board of Marital and Family Therapy to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.63.030.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 03/23/2010 11:30AM
Approved by: Emil Notti, Commissioner
Date 3/23/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

4869

Division of Legislative Audit

Report Digest #08-20060-09

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Marital and Family Therapy, September 21, 2009.

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Marital and Family Therapy (BMFT). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BMFT. Currently under AS 08.03.010(c)(11), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BMFT will have one year to conclude its administrative operations.

REPORT CONCLUSIONS

BMFT should continue to regulate marital and family therapists and associates. Except for the significant issue of postponing regulation changes, the board is operating efficiently and effectively. BMFT is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed marital and family therapists and associates.

The termination date for BMFT should be extended four years – until June 30, 2014. This extension term is half of the eight-year maximum allowed per statute in recognition that BMFT has not met its statutory responsibility for initiating regulation changes. BMFT has not pursued regulation changes because it has been in a deficit position for over 10 years and has not wanted to further weaken its financial position by incurring the costs associated with changing regulation.

BMFT's financial deficit has gradually decreased. The deficit at the beginning of FY 05 was $75,400 versus a deficit of $29,200 at the beginning of FY 09. The deficit has been a continual challenge for the board. The board believes the low number of licenses is the result of the high cost of licensure ($775).

There were several deficiencies in the administrative support provided to BMFT by staff within the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing. Information contained in the annual reports was often inaccurate and incomplete. Methodologies used to account for BMFT revenues and expenditures were inconsistent and, in some cases, inaccurate. These deficiencies were caused by an unqualified staff member and a lack of written procedures for support functions.

FINDINGS AND RECOMMENDATIONS

1. BMFT should actively pursue regulation changes that are necessary to protect the public interest.

2. The Division of Corporations, Business and Professional Licensing's professional licensing administrative manager should take steps to improve administrative support.

3. The Office of the Governor should make the necessary appointments to keep BMFT at full membership.

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SB

257

<target><bill>SB 257</bill><subject>SB 257</subject><comm>HFIN26</comm></target>

Senator Dennis Egan

Senate Bill 257

Youth Court Funding

Youth Courts are one of Alaska's most effective crime prevention programs. For more than 20 years, youth courts have boasted an eight percent recidivism rate – dramatically lower than the traditional juvenile justice system. Youth courts save our state money, and deliver on the constitution's promise of a trial by one's peers. SB 257 provides a stable source of state investment.

Alaska has one of the strongest Youth Court statutes in the United States. It allows nonprofit and municipal youth courts to handle cases in which youths are accused of misdemeanors, violations, and alcohol crimes. A minor accused of breaking the law is tried, represented, and adjudicated by the minor's peers, with assistance and oversight from volunteer attorneys.

A comprehensive mix of state support, municipal grants, private sector funds, volunteers and federal money keep Alaska's youth courts functioning. SB 257 designates a source for state dollars to go to youth courts: criminal fines. Today, criminal fines are spent on the general administration of state government. SB 257 would require government to account separately for these fines, and allow the legislature to appropriate up to 25 percent of the funds to support youth courts.

Alaska's 12 youth courts operate in communities from Ketchikan to Nome. Alaska's youth courts are tailored to their local communities. Some only sentence youths who have admitted guilt. Others take cases from shortly after arrest through jury trials. But all Alaska Youth Courts relieve a tremendous burden from the traditional juvenile justice system. By providing significant attention to even the smallest infractions, young offenders are held accountable in a meaningful way. By diverting minor offenses, youth courts free highly trained youth corrections staff at the Department of Health & Social Services to focus valuable time and energy on turning around the hard cases.

Youth courts provide a valuable service to Alaskan and are a wise investment. Using criminal fines to pay for crime prevention makes sense.

ALASKA SENATE
STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 25, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/9/10

The FINANCE Committee considered: **SENATE BILL NO. 257**

"An Act relating to funding for youth courts; and relating to accounting for criminal fines."
SB 257-YOUTH COURTS AND CRIMINAL FINES

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[✓] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CAR	1			✓
DHS	2			✓
LAW	3			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
Mike Doogan	Doogan	✓			
Allan	Austerman			X	
	Thomas	✓			
	Seaton	✓			
	Foster	✓			
	Salmon	X			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name):
Title: Youth Court Funding
Sponsor: Senator Egan
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The court system does not anticipate any fiscal impact from the passage of SB 257.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 02-12-10 @ 8:30 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/15/2010
Alaska Court System

(Revised 10/13/2009 OMB)

4874

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name): SB257-DHSS-YC-2-16-10
Dept. Affected: Health & Social Services

Title: Youth Courts and Criminal Fines
RDU: Juvenile Justice
Component: Youth Courts

Sponsor: Egan

Requester: S Judiciary
Component Number: 2768

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 257 allows the legislature to appropriate 25 percent of the fines imposed under AS 12.55.035, collected and separately accounted for by the state under AS 37.05.142, to the Department of Health and Social Services for distribution to youth courts established under AS 47.12.400. The bill would provide an alternate source of funding for youth courts, which have been supported since FY2006 with a Congressional appropriation that will be exhausted by early FY2011. Youth courts are typically operated as nonprofit organizations or within municipalities. The Division of Juvenile Justice relies upon these courts as a community-based diversion response for low-risk juvenile offenders. In FY09, 13% of all delinquency referrals made to the division were referred to youth courts and other community-based diversion panels.

The division is submitting a zero fiscal note because no new authorization is necessarily invoked by passage of this bill.
(Continued on Page 2)

Prepared by: Stephen F. McComb
Phone (907) 261-4335
Division: Juvenile Justice
Date/Time 2/11/10 12:40 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date 2/16/2010

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 257

ANALYSIS CONTINUATION

Should the Legislature decide to appropriate the full balance authorized through this legislation, an additional appropriation will be necessary.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name): SB257-LAW-CIV-02-12-10
Dept. Affected: Law

An Act relating to funding for youth courts; and relating to accounting for criminal fines.

RDU: Civil
Component: Collections and Support

Sponsor: Senator(s) Egan, Menard
Requester: Senate Judiciary

Component Number: 2210

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes amendments to statutes to separately account for fines imposed and collected. The bill gives the legislature the authority to appropriate up to 25% of those fines to fund youth courts. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/12/10 8:30 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/12/2010

(Revised 11/6/2009 OMB)

4877

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name):
Title: Youth Court Funding
Sponsor: Senator Egan
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The court system does not anticipate any fiscal impact from the passage of SB 257.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 02-12-10 @ 8:30 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/15/2010
Alaska Court System

(Revised 10/13/2009 OMB)

4878

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name): SB257-DHSS-YC-2-16-10
Dept. Affected: Health & Social Services

Title: Youth Courts and Criminal Fines
RDU: Juvenile Justice
Component: Youth Courts

Sponsor: Egan

Requester: S Judiciary
Component Number: 2768

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 257 allows the legislature to appropriate 25 percent of the fines imposed under AS 12.55.035, collected and separately accounted for by the state under AS 37.05.142, to the Department of Health and Social Services for distribution to youth courts established under AS 47.12.400. The bill would provide an alternate source of funding for youth courts, which have been supported since FY2006 with a Congressional appropriation that will be exhausted by early FY2011. Youth courts are typically operated as nonprofit organizations or within municipalities. The Division of Juvenile Justice relies upon these courts as a community-based diversion response for low-risk juvenile offenders. In FY09, 13% of all delinquency referrals made to the division were referred to youth courts and other community-based diversion panels.

The division is submitting a zero fiscal note because no new authorization is necessarily invoked by passage of this bill.
(Continued on Page 2)

Prepared by: Stephen F. McComb
Division: Juvenile Justice
Phone: (907) 261-4335
Date/Time: 2/11/10 12:40 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 2/16/2010

STATE OF ALASKA

2010 LEGISLATIVE SESSION

BILL NO. SB 257

ANALYSIS CONTINUATION

Should the Legislature decide to appropriate the full balance authorized through this legislation, an additional appropriation will be necessary.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name): SB257-LAW-CIV-02-12-10
Dept. Affected: Law

An Act relating to funding for youth courts; and relating to accounting for criminal fines.

RDU: Civil
Component: Collections and Support

Sponsor: Senator(s) Egan, Menard
Requester: Senate Judiciary

Component Number: 2210

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes amendments to statutes to separately account for fines imposed and collected. The bill gives the legislature the authority to appropriate up to 25% of those fines to fund youth courts. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/12/10 8:30 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/12/2010

(Revised 11/6/2009 OMB)

4881

JUNEAU YOUTH COURT
Restorative Justice

Juneau Douglas High School
10014 Crazy Horse Drive
Juneau, AK 99801

Phone: 523-1594
Fax: 523-1616

juneauyouthcourt@jsd.k12.ak.us

February 12, 2010

The Juneau Youth Court Community Advisory Board supports House Bill 331 and Senate Bill 257, *"an Act relating to funding for youth courts; and relating to accounting for criminal fines"*. This legislation would appropriate 25 percent of the court fines imposed under AS 12.55.035 to established and operating youth courts. Federal funding will not be available after this year and the future of the Alaska Youth courts depend upon state and local ownership.

A recent study shows Alaska Youth Courts to be among the most effective in the nation. According to the Urban Institute's Evaluation of Teen Courts Project, which was based on four teen court programs studied in four different states (Alaska, Maryland, Arizona, and Missouri), the six-month recidivism figures among the programs ranged from 6 percent to 9 percent. Alaska's recidivism rate was the lowest of these four states, and compared to the recidivism rate of 18 percent for the regular juvenile justice system, shows that youth who go through youth courts are significantly less inclined to re-offend within the following year.

The primary function of youth court programs is to determine a fair and restorative sentence for young offenders. Youth courts are programs in which youth sentence their peers for minor delinquent and status offenses and other problem behaviors. According to the National Youth Court Database, in 1994 there were only 78 youth court programs in operation; as of October, 2006, there were over 1127 youth court programs in operation in 49 states and the District of Columbia.

The Alaska Youth Courts is a vital form of community justice and reweaves the fabric of community by forging a partnership between local governmental entities, the private sector, and community groups to facilitate the performance by private citizens of the functions that were once performed by the extended family, neighborhood, and school.

Sincerely,

Cindy L. Cashen
President
Juneau Youth Court Community Advisory Board

4882

Darlene Turner February 15, 2010

Kodiak Teen Court
610 Mill Bay Road
Kodiak, Ak. 99615

Dear Darlene:

I am writing to you today to express my heartfelt thanks and continued support for Kodiak Teen Court. Since the program started in 1995, it has enjoyed tremendous success in our community, giving hundreds of youthful offenders over the years an opportunity to have their cases taken out of the traditional juvenile court system and instead dealt with in a more informal, less intimidating and more meaningful atmosphere, as the teen defendants are literally tried by their own peers serving as teen prosecutors, represented by their own peers as teen defense attorneys and sentenced by their own peers serving as teen judges. Besides being dealt with in a courtroom where everyone else is their same age (who they can relate to more than adult judges and attorneys), the teen defendants are given an opportunity to come out of Teen Court with a clean record if they comply with the sentence given them by the teen judges. It is no wonder, then, that the rate of re-offending in youth courts in Kodiak and in other parts of the State is significantly lower than with those teens who stay in regular juvenile court. Additional benefits to our community include an emphasis on restorative justice, making the victim feel "whole" again, and the imposition of a meaningful amount of community work service that many non-profits organizations in Kodiak find very helpful. Finally, I have been told by all the juvenile probation officers throughout the last 15 years, past and present, that they appreciate Teen Court because it allows them to divert less troublesome teens from the regular juvenile justice system into Teen Court, thus giving them more time to devote to the more serious teen offenders on their heavy caseload that *really* need their help in the formal, structured setting of the traditional juvenile court system.

The Kodiak Teen Court is an asset to our community in another, very big way. As the program celebrates its 15th year in existence this year, I have had the distinct pleasure over these years to work with hundreds of fine outstanding teens at Kodiak High and in our middle schools who have served as teen judges, prosecutors and defense attorneys. These students are given a unique perspective on how our justice system works, they are tremendous ambassadors of the program and great role models to teens who have gotten themselves into trouble and come into the program. Many of these former Teen Court judges and attorneys have kept in contact with me, and are already doing well in their chosen field, whether it's teaching in graduate school at Notre Dame, working as a detective in Portland, serving as a soldier in Iraq or attending good law schools and medical schools across the United States, many of whom intend to someday return to Alaska and work.

Again, I thank you for the wonderful program!

Sincerely yours,

STEVE COLE
Superior Court Judge, Kodiak

AJJAC

ALASKA JUVENILE JUSTICE ADVISORY COMMITTEE

Alaska Juvenile Justice Advisory Committee
P.O. Box 110635
Juneau, AK 99811-0635
Phone: (907) 465-3855
Fax: (907) 465-2333

Carol Brenckle
Chair
502 Hemlock
Kenai, AK 99611
Phone: (907) 283-4343

Vicki Blankenship
Vice Chair
574 Grandview Ct.
Fairbanks, AK 99709
Phone: (907) 479-9511

Barbara Tyndall
Secretary
P.O. Box 82977
Fairbanks, AK 99708
(907) 457-4673

Members
Chris Aldridge
Jeff Budd
John Combs
Michael Jeffery
Beverly Jenkins
Larry LeDoux
Sue Lovekin
Judy Norton-Sledge
Laura Ogan
Michael Reed
Lisa Tyypo
Samantha Wheaton
Tina Woods

It is the mission of the Alaska Juvenile Justice Advisory Committee to provide support, advice and guidance to the government and citizens of the State of Alaska, in accordance with the Juvenile Justice and Delinquency Prevention Act, to help reduce and prevent juvenile crime, while ensuring that Alaska's youth are provided meaningful opportunities to succeed.

March 12, 2010

Alaska Legislature
Alaska State Capitol
Juneau, AK 99801

Dear Legislators:

Whereas the Alaska Juvenile Justice Advisory Committee is an appointed committee by the Governor to advise legislative officials on appropriate juvenile judicial matters;

Whereas AJJAC recognizes and supports youth court programs as valuable and effective deterrent agencies;

Whereas the federal earmark slated by Senator Ted Stevens is expiring in 2012 providing crucial funding for youth court programs;

Therefore be it resolved that the AJJAC urges the Legislature to pass House Bill 331 and Senate Bill 257 providing for long term funding for Youth Courts in the State of Alaska.

Sincerely,

Carol D. Brenckle

Carol Brenckle
AJJAC Chair

February 5, 2010

To Whom It May Concern:

I am writing to emphasize the importance of the Mat-Su Youth Court to the welfare of the Mat-Su community and to express my support for that organization.

In my almost 20 years on the bench, mostly as a magistrate and superior court master, recently as a district court judge, I have presided over literally thousands of cases involving teenagers. As the Mat-Su Valley population grew, the ability of the juvenile probation office (JPO) to handle all the cases involving teenagers was greatly diminished. Rightfully so, the JPO has to concentrate on the more serious crimes, such as burglaries and felony level assaults, that were committed by teenagers. As a result, many teens who committed lower level crimes, particularly shoplifting, either merely got a warning letter or their crimes were ignored all together.

Participation in lower level crimes leads to a disrespect of the law, of other people's rights in their person and their property, costs local storekeepers significant amounts of money, and often leads to greater criminal behavior if left undressed. Into this gap stepped the Mat-Su Youth Court. Many crimes that would not have been addressed because of the caseload of JPO are being handled by the Youth Court. The imposition of sanctions including restitution, community work service and letters accepting responsibility and apologizing for committing the crime all serve both the victim and the community as well as the defendant, who is more likely to grow to be a responsible citizen from the experience.

Over the years the Mat-Su Youth Court has added a program for first time offenders under the age of 18 convicted of Minor Consuming Alcohol. Not only is the program educational, but being run by a peer group, it sets the example that being clean and sober is an acceptable lifestyle that is respected by one's peers. Given that not only locally but nationally roughly 80% of adult crimes are somehow related to alcohol abuse, getting the message to an offender earlier in life may keep them from becoming part of that statistic as they grow older.

I wholeheartedly support and recommend the Mat-Su Youth Court program and urge others to do so, also.

Sincerely,

David L. Zwink
District Court Judge, Palmer, Alaska

Larry Dickerson
Chief of Police

WASILLA
POLICE
DEPARTMENT
City of Wasilla

1800 E. Parks Hwy.
Wasilla, AK 99654

907.352.5401
Fax: 907.357.7877
www.cityofwasilla.com

Vernon Rupright
Mayor

February 9, 2010

Bill Stolze,
State Representative
600 E. Railroad Av
Wasilla, AK 99654

Dear Mr. Stoltze,

I would like to express my support of HB331 and SB257 which would provide continued funding of State wide Youth Court Programs.

I fully support youth courts as statewide diversion programs that address first time juvenile offenses. These programs operate in twelve communities around the state. My current experience with youth courts is with the Mat-Su Youth Court (MSYC) program, which falls under the umbrella of the Wasilla Police Department and is funded wholly through grants. The Wasilla Police Department supports the MSYC with in-kind donations by providing office space and some supplies.

It is my firm belief that without MSYC operating in the Mat-Su Valley the police department would continue to see increased juvenile crime. Young offenders who do not suffer consequences as first time offenders will continue to commit crimes according to recent statistics.

Wasilla Police officers know that when they complete a report on a juvenile first time offender who has committed a low-level offense, that juvenile will not simply be given a letter from the State or a verbal warning from a Juvenile Probation Officer. Virtually every first time offense that is referred to the Division of Juvenile Justice office in the Mat-Su Valley gets referred to MSYC. MSYC takes action to insure the juvenile offender is made aware of what he/she did, who it affected in the community, and what to do to avoid repeating their conduct.

I support these bills to allow youth courts around the state to work on sustainability of their programs and to insure that they continue to address juvenile crime in the State of Alaska.

Greg Wood
Deputy Chief of Police

4886

Larry Dickerson
Chief of Police

WASILLA
POLICE
DEPARTMENT
City of Wasilla

1800 E. Parks Hwy.
Wasilla, AK 99654

907.352.5401
Fax: 907.357.7877
www.cityofwasilla.com

Vernon Rupright
Mayor

February 9, 2010

Bill Stolze,
State Representative
600 E. Railroad Av
Wasilla, AK 99654

Dear Mr. Stoltze,

I would like to express my support of HB331 and SB257 which would provide continued funding of State wide Youth Court Programs.

I fully support youth courts as statewide diversion programs that address first time juvenile offenses. These programs operate in twelve communities around the state. My current experience with youth courts is with the Mat-Su Youth Court (MSYC) program, which falls under the umbrella of the Wasilla Police Department and is funded wholly through grants. The Wasilla Police Department supports the MSYC with in-kind donations by providing office space and some supplies.

It is my firm belief that without MSYC operating in the Mat-Su Valley the police department would continue to see increased juvenile crime. Young offenders who do not suffer consequences as first time offenders will continue to commit crimes according to recent statistics.

Wasilla Police officers know that when they complete a report on a juvenile first time offender who has committed a low-level offense, that juvenile will not simply be given a letter from the State or a verbal warning from a Juvenile Probation Officer. Virtually every first time offense that is referred to the Division of Juvenile Justice office in the Mat-Su Valley gets referred to MSYC. MSYC takes action to insure the juvenile offender is made aware of what he/she did, who it affected in the community, and what to do to avoid repeating their conduct.

I support these bills to allow youth courts around the state to work on sustainability of their programs and to insure that they continue to address juvenile crime in the State of Alaska.

Greg Wood
Deputy Chief of Police

4887

JUNEAU
YOUTH COURT
Restorative Justice

Juneau Douglas High School
10014 Crazy Horse Drive
Juneau, AK 99801

Phone: 523-1594
Fax: 523-1616

juneauyouthcourt@jsd.k12.ak.us

February 12, 2010

The Juneau Youth Court Community Advisory Board supports House Bill 331 and Senate Bill 257, *"an Act relating to funding for youth courts; and relating to accounting for criminal fines"*. This legislation would appropriate 25 percent of the court fines imposed under AS 12.55.035 to established and operating youth courts. Federal funding will not be available after this year and the future of the Alaska Youth courts depend upon state and local ownership.

A recent study shows Alaska Youth Courts to be among the most effective in the nation. According to the Urban Institute's Evaluation of Teen Courts Project, which was based on four teen court programs studied in four different states (Alaska, Maryland, Arizona, and Missouri), the six-month recidivism figures among the programs ranged from 6 percent to 9 percent. Alaska's recidivism rate was the lowest of these four states, and compared to the recidivism rate of 18 percent for the regular juvenile justice system, shows that youth who go through youth courts are significantly less inclined to re-offend within the following year.

The primary function of youth court programs is to determine a fair and restorative sentence for young offenders. Youth courts are programs in which youth sentence their peers for minor delinquent and status offenses and other problem behaviors. According to the National Youth Court Database, in 1994 there were only 78 youth court programs in operation; as of October, 2006, there were over 1127 youth court programs in operation in 49 states and the District of Columbia.

The Alaska Youth Courts is a vital form of community justice and reweaves the fabric of community by forging a partnership between local governmental entities, the private sector, and community groups to facilitate the performance by private citizens of the functions that were once performed by the extended family, neighborhood, and school.

Sincerely,

Cindy L. Cashen
President
Juneau Youth Court Community Advisory Board

4888

Mary P. Treiber
MAGISTRATE

Alaska Court System

415 Main Street
Ketchikan, AK 99901
(907) 225-3195; FAX (907) 225-7849

February 5, 2010

Margaret McCloy
Executive Director
Ketchikan Youth Court
2417 Tongass Avenue, Suite 215
Ketchikan, AK 99901

Dear Ms. McCloy:

As the Magistrate for the Ketchikan Trial Courts, I am the judicial officer who most frequently deals with school age teenagers charged by the State of Alaska and the City of Ketchikan with violations of laws or ordinances prohibiting possession or consumption of alcohol by minors, establishing curfews, and prohibiting possession or use of tobacco products by minors. The existence of and the programs offered by the Ketchikan Youth Court provide me with a meaningful sentencing alternative in dealing with these cases.

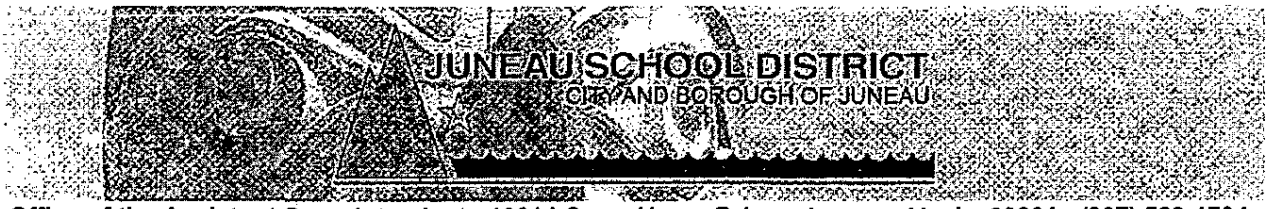
The KYC process teaches teens referred by the court to KYC about the court process itself, and provides a group of same-age and same-interests teens for these youthful defendants to work with. The resolution of cases through KYC requires engagement of both the defendant and that teen's parents, ultimately strengthening the family abilities to deal with problems a defendant is having as expressed through these quasi-criminal charges. The Court System sees fewer recidivists among those teens who are referred to and who successfully complete the KYC program.

KYC has added the Prime for Life alcohol information classes, and has agreed to make the class available to teens other than those actively participating in the full KYC program. This is a good program, and adds significantly to the resources available within Ketchikan.

I fully support Ketchikan Youth Court.

Sincerely,

Mary P. Treiber
Magistrate



Office of the Assistant Superintendent • 10014 Crazy Horse Drive • Juneau, Alaska 99801 • (907) 523-1704

To whom it may concern:

I am writing in support of legislation that would provide sustainable funding for youth court programs in Juneau and other communities in Alaska. For over a decade Juneau Youth Court has provided a vital and important service to the City and Borough of Juneau.

Juneau Youth Court is a diversion program that removes young people who are first time offenders from the traditional juvenile justice system and handles the case in a court of peers. The program works with families to ensure that teens are held accountable for their actions and that consequences are constructive and tailored to the individual youth thereby benefiting both the young person and the community at large. Last year Juneau Youth Court ordered over 600 hours of community work service that were completed at Zach Gordon Youth Center, the American Red Cross, Meals on Wheels, the Glory Hole, the Salvation Army, and at schools throughout Juneau School District.

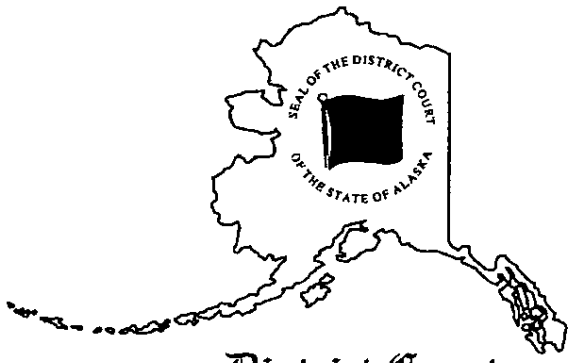
On average Juneau Youth Court serves 50 youth each year handling referrals from both District Court and Juvenile Justice Probation Officers. This frees up the court and probation officers to handle more serious offenders and helps to reduce their large caseloads. Youth Courts have the additional advantage of educating the youth who volunteer for the program. Youth Court advocates reap the benefits of learning about the legal system, performing meaningful community service, and gaining the opportunity to help their peers.

Juneau Youth Court operates on a very small budget of $35,000 per year with one part time paid staff person, two dozen volunteer student advocates, a community advisory board including representatives from the Police Department, the Division of Juvenile Justice, the legal community, and community partners. The program offers an important service to the community at a very low cost.

Juneau Youth Court is just one example of a successful diversion program known as youth court. Around the state Youth Courts are doing important work for Alaska by addressing juvenile crime in its earliest stage. I strongly urge you to support legislation that would provide sustainable funding to support these community-based programs.

Sincerely,

Laury Scandling



District Court

State of Alaska

FIRST JUDICIAL DISTRICT

KEITH B. LEVY
Judge

P.O. BOX 114100
JUNEAU, ALASKA 99811-4100

(907) 463-4730
FAX (907) 463-3788

Juneau Youth Court/JDHS
10014 Crazy Horse Drive
Juneau, AK 99801
Attn: Beth Leban-Coordinator

Tuesday, January 26, 2010

Dear Beth:

I am writing to express my appreciation for the work done by the Juneau Youth Court. The Youth Court is an integral sentencing option for students under the age of 18 who are charged with consuming or possessing alcohol for the first time.

As you know, students who choose the Youth Court option are given the opportunity to have their District Court case dismissed if they successfully complete the Youth Court requirements. For some, this brief involvement in the criminal justice system is a turning point. Those who choose Youth Court and succeed are far less likely to return to District Court on other criminal charges. The students benefit because they end up with no conviction on their record. And the community benefits because the Youth Court graduates are contributing to the community rather than causing harm to themselves and others.

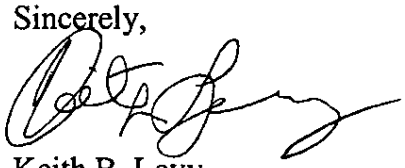
The Youth Court is the only diversion program available in District Court to enable individuals to have their cases dismissed without resulting in a criminal record. The trust the program has earned from both the District Court and the prosecution is a testament to the value and integrity of the program.

I appreciate that you or another representative of the Youth Court always attends the arraignment hearings for minor consuming. The information you provide to the students about Youth Court is invaluable and helps them understand their options in the justice system.

Finally, the Youth Court program provides an opportunity for students to be judged by their peers. I believe this is valuable because the students in the program have far more information about the defendants than is provided to me in formal sentencing proceedings. The Youth Court is able to impose consequences that are more meaningful than the limited options I have when sentencing.

Thanks again for the important service the Youth Court provides to the community.

Sincerely,



Keith B. Levy

My name is Courtney Enright and I have been a member of Ketchikan Youth Court for the past seven years, further I've been involved with the Alaska Juvenile Justice Advisory Committee as a youth member, the past two years. I have found the youth court programs to be a positive experience for me, personally, but also for the other youth involved. Youth court programs provide an amazing opportunit. for youth to learn about our judicial system, be in a position of responsibility. It has greatly impacted my personal and professional growth in a positive manner. It has meant a great deal to me to be able to be a part of changing the path of many of my peers. The numbers speak clearly - only 10.6% of youth court defendants reoffend as opposed to 23% that reoffend at district court. The results are clear - peer involvement is an effective deterrant to recidavism. Youth court programs benefit th individual communities in which they reside as well as the state as an entirety, through reducing crime rates, saving the courts and the State of Alaska over $10,000 per client that utalizes our program, and providing thousands of hours of community service.

SB257

PO Box 1841
Nome, AK 99762
February 15, 2010

To Whom It May Concern:

I am writing to express my support of the Youth Court program in Alaska. I moved to Nome, Alaska from South Royalton, Vermont to work as a clerk and deputy magistrate at the Superior and District Court and had no idea I would also be involved with the Youth Court program. When I found out that I was to serve as Youth Court Legal Advisor I was ecstatic. Youth Court excited me because, as a former social studies teacher, I saw a program that raises students' knowledge of the law, legal process and their civic rights and duties and excites a new generation of responsible, active and thoughtful citizens.

Youth Court gives students many unique opportunities and learning experiences. Just the personal responsibility required by participants makes this program invaluable. Students between the ages of twelve and eighteen literally participate in the court process representing clients and handing down legally binding sentences. In doing so they acquire many social skills and thinking strategies. Students learn empathy and professionalism when dealing with clients. They learn public speaking and writing. They learn how to separate facts from belief and emotion, how to see all sides of an issue, and how to logically and carefully present these issues. Through zealous representation of clients students grow as citizens, people and community members.

Perhaps the most important part of Youth Court is the clients themselves. Youth Court is a diversionary program targeting at risk youth, who, if thrown into the court system at such an early age, hazard becoming the repeat offenders I often see at my job. Youth Court gives these young men and women a second chance. Anybody who has worked with teenagers knows how much weight is placed on the opinion of their peers. In the Youth Court process, defendants are tried and sentenced by their peers, not a mysterious adult. This reinforces lessons learned and allows defendants to feel that they have been fairly judged.

Most importantly, Youth Court is not about punishing these young offenders. Sentences are not handed out in retribution. Instead, sentencing is designed to show the defendant the error of their ways, to intervene and work with the defendant's specific personality so they may see the connection between their actions and the effects of those actions, and finally to benefit the community. As the saying goes, an ounce of prevention is worth a pound of cure. The Youth Court program is many ounces of prevention.

The Alaska Youth Court program is one of the best and most innovative programs in the entire United States. Creating future active, intelligent, informed and free-thinking citizens cannot be measured by dollars or statistics. It would be a shame to see such a program falter for lack of funding. I fully support keeping this wonderful program alive and active.

Thank you for your time and support.

Sincerely,

Jeffrey Davis, Esq.

Darlene Turner February 15, 2010

Kodiak Teen Court
610 Mill Bay Road
Kodiak, Ak. 99615

Dear Darlene:

I am writing to you today to express my heartfelt thanks and continued support for Kodiak Teen Court. Since the program started in 1995, it has enjoyed tremendous success in our community, giving hundreds of youthful offenders over the years an opportunity to have their cases taken out of the traditional juvenile court system and instead dealt with in a more informal, less intimidating and more meaningful atmosphere, as the teen defendants are literally tried by their own peers serving as teen prosecutors, represented by their own peers as teen defense attorneys and sentenced by their own peers serving as teen judges. Besides being dealt with in a courtroom where everyone else is their same age (who they can relate to more than adult judges and attorneys), the teen defendants are given an opportunity to come out of Teen Court with a clean record if they comply with the sentence given them by the teen judges. It is no wonder, then, that the rate of re-offending in youth courts in Kodiak and in other parts of the State is significantly lower than with those teens who stay in regular juvenile court. Additional benefits to our community include an emphasis on restorative justice, making the victim feel "whole" again, and the imposition of a meaningful amount of community work service that many non-profits organizations in Kodiak find very helpful. Finally, I have been told by all the juvenile probation officers throughout the last 15 years, past and present, that they appreciate Teen Court because it allows them to divert less troublesome teens from the regular juvenile justice system into Teen Court, thus giving them more time to devote to the more serious teen offenders on their heavy caseload that *really* need their help in the formal, structured setting of the traditional juvenile court system.

The Kodiak Teen Court is an asset to our community in another, very big way. As the program celebrates its 15th year in existence this year, I have had the distinct pleasure over these years to work with hundreds of fine outstanding teens at Kodiak High and in our middle schools who have served as teen judges, prosecutors and defense attorneys. These students are given a unique perspective on how our justice system works, they are tremendous ambassadors of the program and great role models to teens who have gotten themselves into trouble and come into the program. Many of these former Teen Court judges and attorneys have kept in contact with me, and are already doing well in their chosen field, whether it's teaching in graduate school at Notre Dame, working as a detective in Portland, serving as a soldier in Iraq or attending good law schools and medical schools across the United States, many of whom intend to someday return to Alaska and work.

Again, I thank you for the wonderful program!

Sincerely yours,

STEVE COLE
Superior Court Judge, Kodiak

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Senator Dennis Egan
State Capitol, Room 510
Juneau, AK 99801-1182

Dear Senator Egan,

The Kodiak Chamber of Commerce fully supports SB 257 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of Senate Bill 257.

Sincerely,

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE
100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Senator Gary Stevens
State Capitol, Room 111
Juneau, AK 99801-1182

Dear Senator Stevens,

The Kodiak Chamber of Commerce fully supports SB 257 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of Senate Bill 257.

Sincerely,

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Senator Linda Menard
600 E. Railroad Ave., Ste 1
Wasilla, AK 99654

Dear Senator Menard,

The Kodiak Chamber of Commerce fully supports SB 257 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of Senate Bill 257.

Sincerely,

Debora King

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Chris Tuck
716 W. 4th Ave., Ste 370
Anchorage, AK 99501-2133

Dear Representative Tuck,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Max Gruenberg
716 W. 4th Ave., Ste 350
Anchorage, AK 99501-2133

Dear Representative Gruenberg,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE
100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Scott Kawasaki
1292 Sadler Way Ste 306
Fairbanks, AK 99701

Dear Representative Kawasaki,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Alan Austerman
State Capitol Building
Room 434
Juneau, AK 99801-1182

Dear Representative Austerman,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE
100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Beth Kerttula
State Capitol Building
Room 404
Juneau, AK 99801-1182

Dear Representative Kerttula,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King

Debora King
Executive Director

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Representative Cathy Munoz
State Capitol Building
Room 434
Juneau, AK 99801-1182

Dear Representative Munoz,

The Kodiak Chamber of Commerce fully supports HB 331 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of House Bill 331.

Sincerely,

Debora King
Executive Director

February 9, 2010

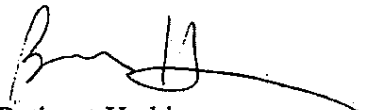
Wendy Leach
North Star Youth Court
800 Cushman St., Suite 101
Fairbanks, AK 99701

Dear Wendy,

I am writing to compliment you and the rest of the North Star Youth Court on the great job you are doing with Minor Consuming and Minor Operating After Consuming cases that are referred to the Youth Court by our court. It is important for our society to have a variety of options for the administration of criminal justice in order to promote rehabilitation and public safety, and to decrease recidivism. Youth courts are one such option. As you know, our referrals to your court are good for both the offender and for the public. I have seen that the confidentiality of your program is a real benefit to young offenders. Similarly, the public benefits in many ways, including through a reduced financial cost to the court system and law enforcement, through the Youth Court's focus on service to our community, and through the high rate of successful rehabilitation for offenders who complete the youth court program. It is my experience that offenders who are referred to your court are unlikely to return to ours.

Thank you very much for the work done by the young people and the adults of the North Star Youth Court. I would be happy to continue to work with the Youth Court to provide training for your judges, so please let me know when there is a Youth Court Judge who would like to shadow a Magistrate in the Fairbanks District Court or when you would like me to speak at a Youth Court Judge's training session.

Cordially,



Bethany Harbison
Magistrate

Hi, my name is Fred Becker V, I am the loss prevention manager for the Abbott Road Fred Meyers in Anchorage, and a active board member for the
Anchorage Youth Court.

I have worked in the Loss Prevention Profession for over 26 years in the Anchorage Area. I became concerned with the consequences the youth were receiving very early on in my career as I was apprehending the same individuals over and over again. After discussing with those that I did apprehend a second and third time what had happen to them after the first and second time I found that many had not had any contact with anyone in the judicial system. Most stated they received a letter from McLaughlin Youth Center advising them to stay out of trouble, and some said then did not hear from anyone.

Since the inception of the Youth Court in Anchorage I rarely apprehend a juvenile a second time. I strongly believe that Anchorage Youth Court has provided the consequences necessary to deter individuals from re-offending, and prevented many young adults from having a adult criminal recorded. Because without the Anchorage Youth Court most juveniles would continue with their criminal behavior into their young adult life.

I believe in the successes of AYC as a highly-effective juvenile alternative justice program and that we do transform the lives of over 600 anchorage youths per year. The 300 plus youth volunteers are trained and receive extraordinary experiences in real live judicial matters. The 300-350 juvenile offenders referred to Anchorage Youth Court each year are given an opportunity to make amends to the community and are held personally accountable for their actions. This is why I am honored to be a AYC board member.

As a member of the retail industry I am happy to be part of a program that is also a benefit to our ability to continue to employ

about 300 employees per location with a total of about 3,300 employees in the state of Alaska. The Youth Courts around the state provided a restitution program that did not exist and by providing a deterrent program for juvenile offenders results in less individuals using the five finger discount at our locations. My board membership has also resulted in the financial backing of Fred Meyers to help support our community.

As a board member I feel that some times we are not afforded the opportunity to address some issues because we spend a lot of our productive time finding ways to raise funds to support the financial requirements of AYC. With a stable source of funding I feel the board could focus more of our efforts on making Anchorage Youth Court as beneficial to the community, members, and offenders as possible.

Thank you for your time and I would be happy to discuss further my personnel or business involvement with AYC to you.

Fred Becker V
Fred Meyers Loss Prevention Manager
907-365-2026
Emai: fred.becker@stores.fredmeyer.com

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF JUVENILE JUSTICE

SEAN PARNELL, Governor
Kodiak District Probation
204 Mission Road, Room 131
Kodiak, Alaska 99615
(907) 486-4788

February 16, 2010

Kodiak Teen Court
Darlene Turner, Program Manager
610 Mill Bay Road
Kodiak, AK 99615

Letter in support of the Kodiak Teen Court,

I am writing to express my strong support for the Kodiak Teen Court and its ongoing efforts to enhance the court's sustainability.

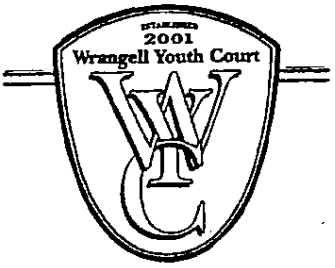
As we all know, Juveniles are highly influenced by their peers. The Kodiak Teen Court takes advantage of this by having juveniles stand in judgment by their peers. Kodiak students make up the membership of the court and act as both attorneys and judges. In doing so, they learn valuable lessons about the legal process while have an opportunity to help their community. In addition, low-level, first-time offenders are given opportunity to have their case diverted from the juvenile justice system. This is a win-win situation.

Over the years, my office has referred a number of cases to the Kodiak Teen Court. The feedback I have received from the juveniles and their parents has been very positive. Few of these juveniles ever return to the system. This has allowed me to focus my attention on those juveniles who pose a more serious risk to the community.

I look forward to continuing the relationship between my office and the Kodiak Teen Court and strongly support your efforts to ensure its long-term sustainability.

Respectfully,

Paul Caldentey
Juvenile Probation Officer II



January 7, 2010

To whom it may Concern:

Wrangell Youth court is an innovative alternate traditional justice system and is empowered by the Alaska Statute 47.12.400 to make a positive difference in Alaskan communities.

Youth Court programs are rapidly advancing in goals of Restorative Justice, by developing programs that are not only cost effective but promote youth accountability by involving youth in obligations of taking an active role in their community. Youth are encouraged to connect in our community and in our State, where youth partner together, encourage and share information that enable youth with critical decisions making skills.

The purpose of the program is to decrease juvenile crime and the recidivism amongst juvenile offenders as well as to involve students in implementing restorative justice. Youth Court members learn valuable experiences in assuming the role and responsibility of a judge, prosecute or defend first-time juvenile offenders in a court of their peers.

The Wrangell Youth Court program eases the caseload of the district and superior courts, juvenile probation offices and schools district. We have found that this program is cost effective when you compare to the cost of one incarceration of a juvenile offender. Cost can be greater than $40,000 for a first time offense. If Wrangell Youth Court prevents one student from attending a youth detention facility it has paid for the entire year of the Wrangell Youth Court program.

In the year of 2000 the community of Wrangell, Alaska had a high juvenile crime rate and an even higher rate of minors consuming alcohol. In fact our community was 30% higher than another community similar in size and location. Since Wrangell Youth Court was established in 2001 the crime rate and rate of minors consuming alcohol has decreased greatly.

This program is a community base form of restorative justice that builds ties between youth, victims and other members of the community, offering youth the option to learn from their mistakes. Youth volunteers that participate, explore a variety of short and long term consequences of substance abuse, including cost to the individual and the community and its relation to other types of crime.

The Wrangell Youth Court has been nothing less than a success and has provided our youth with the opportunity to be involved and vision other career paths that they may had never seen. The training provided in the areas of legal and court procedures have offered a better opportunity to understand our Constitution and Bill of Rights and to actively give them a voice and feel valued, while at the same time engaging and bringing about social change.

Wrangell Youth Court not only mentors peers, has developed a positive relationship with the community, schools, business and other local communities.

Sincerely,

Dorthea Rooney
Wrangell Youth Court Coordinator

KETCHIKAN DISTRICT COURT

TO: WHOM IT MAY CONCERN

FROM: KEVIN G. MILLER, JUDGE

SUBJECT: KETCHIKAN YOUTH COURT

DATE: 2/11/2010

CC:

Thank you for the opportunity to provide a letter supporting the Ketchikan Youth Court's efforts in Ketchikan.

I am a District Court Judge and have referred many cases to the Youth Court since its inception. The majority of the cases referred relate to minors consuming alcohol or tobacco.

Alcohol related crime and crimes committed by persons that are alcohol dependant make up the majority of criminal cases that come before the District Court in Ketchikan. Thus a coordinated approach between the Court System, treatment monitors and providers is the only practical response to assure public safety, rehabilitation and meaningful consequences for offenders.

The Ketchikan Youth Court is a vital tool in a coordinated approach to youth offenders. I am impressed with the dedication of the Youth Court members as well as the results. Youth that complete the Youth Court Program are much less likely to reoffend than those youth offenders that do not enter or complete the program.

Thank you again for the opportunity to provide this support letter, if you need any further information, please let me know.

City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police

February 12, 2010

Representative Cathy Munoz
Regional Affairs, Co-Chair
State Capitol, Room 409
Juneau, AK 99801-1182

Re: Youth Court Program

Dear Representative Munoz:

Our department supports legislative funding by money obtained from court fees to support the twelve Youth Court programs in the state of Alaska. These programs offer an option for youth who have had their first experience breaking the law – by having their cases removed from the traditional juvenile justice system by referral from juvenile probation officers and district court judges and diverted to a court of their peers.

The mission of the youth court programs in Alaska is to work in partnership with Alaskan communities and the formal juvenile justice system to develop and sustain innovative youth courts programs. Services offered by the programs in which youth are sentenced by their peers for minor delinquent status offenses and other problem behaviors frees state employees in the court system and the Juvenile Justice division.

The funding of the Youth Court program will serve the needs of Alaska citizens, state agencies, and law enforcement. Thank you for your consideration of this important matter.

Sincerely,

Charles "TC" Kamai
Chief of Police

City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police

February 12, 2010

Senator Dennis Egan
Finance Committee
State Capitol, Room 150
Juneau, AK 99801-1182

Re: Youth Court Program

Dear Senator Egan:

Our department supports legislative funding by money obtained from court fees to support the twelve Youth Court programs in the state of Alaska. These programs offer an option for youth who have had their first experience breaking the law – by having their cases removed from the traditional juvenile justice system by referral from juvenile probation officers and district court judges and diverted to a court of their peers.

The mission of the youth court programs in Alaska is to work in partnership with Alaskan communities and the formal juvenile justice system to develop and sustain innovative youth courts programs. Services offered by the programs in which youth are sentenced by their peers for minor delinquent status offenses and other problem behaviors frees state employees in the court system and the Juvenile Justice division.

The funding of the Youth Court program will serve the needs of Alaska citizens, state agencies, and law enforcement. Thank you for your consideration of this important matter.

Sincerely,

Charles "TC" Kamai
Chief of Police

Trial Courts
State of Alaska
Box 869
Wrangell, Alaska, 99929

To Whom It May Concern: Date: January 8, 2010

Re: Wrangell Youth Court

The purpose of this letter is to express the continued support of the Wrangell Trial Courts for the Wrangell Youth Court program.

Since its inception ten years ago, the Wrangell Youth Court has been widely accepted and respected in the local community. Having youthful offenders appear before a group of their peers has had a very positive effect in this community. Most individuals appearing before the Youth Court successfully complete their requirements and never return to the court.

The youth court provides the added bonus of "hands on" knowledge of the justice system and public service opportunities for its members. They graduate with solid ethical standards and a commitment to public service and the administration of justice.

Although the success of a program is frequently measured by the number of cases or clients handled, that is not really an adequate standard in looking at a youth court program, particularly in a small town. If this court never heard another case, it would be a successful program based on the dedication and commitment of its members.

Thank you for your continued support of the Wrangell Youth Court program. We are looking forward to continuing to work with this program for the next ten years.

Chris Ellis
Magistrate

Patty Burley
PO Box 2715
Bethel AK 99559-2715
(907) 543-3098

January 6, 2010

Dear Representative Cathy Munoz:

I am writing to you to request your support in ensuring that Youth Courts remain a part of Alaska's legal system. They are invaluable and give so much more than initially may be seen.

Here in Bethel we have a very small youth court still struggling to get squarely off the ground. We have graduated only a handful of youth but I can tell you first-hand the impact such a small project has had on the youth in this area.

While to date we have only graduated a few students, each of those has at one point or another been enrolled at the Bethel Alternative Boarding School (BABS). Each of those youngsters has a unique learning style that makes it difficult for them to fit in or do well in mainstream schools. One of the youngsters was actually a drop-out. Despite those hurdles these teenagers came week after week to the 2 hour-long classes. They studied hard and took both a written final exam and an oral exam. These teenagers who fight so hard just to finish or stay in school actually excelled. They worked incredibly hard and it showed. Each of those teens gained confidence and a sense of accomplishment. A few were on the road to trouble with the law. They were bored, felt they had nothing to offer, and nowhere to go. Youth court changed that for them. It gave them a sense of purpose, a moral compass and a sense of belonging. These individuals will go further than they would have if youth court had not become a part of their lives.

Today I note that there appears to be a strong correlation between underage drinking and crime(s). There is also a strong correlation between underage drinking and trouble at school. Right now we do the best we can for these students via the Community Diversion Panel (CDP). While that is an amazing program that has provided a considerable amount to the community, it is only catching the tip of the iceberg. For many kids, by the time they come to the CDP their problems with alcohol have spiraled out of control. For others, alcohol comes much later in the process – they instead start with truancy and behavior problems at the school. These are the early cries for help. An active youth court would be able to intercede early enough to stem the upcoming tide. It would give minors an opportunity to start anew with the help and support of those whose input they seek the most: their peers.

There are some wonderful youth courts in other areas of Alaska which are at jeopardy as well: Anchorage, Kenai, and Fairbanks just to name a few. These programs have been around a while longer than Bethel's and have made even bigger impacts on the lives of minors. They have also reached out to lend support to those smaller youth courts still working to get established and on more solid ground. These programs are too valuable to lose.

If funding is an issue, I would urge you to consider a Bill that would add significant surcharges for Minor Consuming Alcohol (MCA) cases. The current slap on the wrist for a first MCA is so negligible that many minors view getting an MCA as a badge of honor and not something negative. The fines come from their PFD's and have little, if any, importance. Perhaps the surcharge, due much sooner, will make a bigger impact – at the very least it will generate income that will allow youth courts to continue operating.

I thank you for your consideration into this matter.

Sincerely,

Patty C. Burley
Magistrate

February 5, 2010

To Whom It May Concern:

I am writing to emphasize the importance of the Mat-Su Youth Court to the welfare of the Mat-Su community and to express my support for that organization.

In my almost 20 years on the bench, mostly as a magistrate and superior court master, recently as a district court judge, I have presided over literally thousands of cases involving teenagers. As the Mat-Su Valley population grew, the ability of the juvenile probation office (JPO) to handle all the cases involving teenagers was greatly diminished. Rightfully so, the JPO has to concentrate on the more serious crimes, such as burglaries and felony level assaults, that were committed by teenagers. As a result, many teens who committed lower level crimes, particularly shoplifting, either merely got a warning letter or their crimes were ignored all together.

Participation in lower level crimes leads to a disrespect of the law, of other people's rights in their person and their property, costs local storekeepers significant amounts of money, and often leads to greater criminal behavior if left undressed. Into this gap stepped the Mat-Su Youth Court. Many crimes that would not have been addressed because of the caseload of JPO are being handled by the Youth Court. The imposition of sanctions including restitution, community work service and letters accepting responsibility and apologizing for committing the crime all serve both the victim and the community as well as the defendant, who is more likely to grow to be a responsible citizen from the experience.

Over the years the Mat-Su Youth Court has added a program for first time offenders under the age of 18 convicted of Minor Consuming Alcohol. Not only is the program educational, but being run by a peer group, it sets the example that being clean and sober is an acceptable lifestyle that is respected by one's peers. Given that not only locally but nationally roughly 80% of adult crimes are somehow related to alcohol abuse, getting the message to an offender earlier in life may keep them from becoming part of that statistic as they grow older.

I wholeheartedly support and recommend the Mat-Su Youth Court program and urge others to do so, also.

Sincerely,

David L. Zwink
District Court Judge, Palmer, Alaska

SB 258

<target><bill>SB 258</bill><subject>SB 258</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 - Fax
Senator_Charlie_Huggins@legis.state.ak.us

State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878
www.akrepublicans.org/huggins/

Charlie Huggins
Senator

SPONSOR STATEMENT SB 258 VS E

Upon passage SB 258 gives consumers greater access to dental care, as a result of the broadened choices which will be available to dentists entering into managed care agreements.

The bill limits an insurer, selling managed care policies, from unilaterally requiring providers to accept fee caps on services for which the insurer does not pay a benefit. Fee capping, a growing nationwide effort on the part of insurance companies, drives providers away from preferred provider agreements or toward cost shifting their losses, in the form of increased charges, to patients with traditional insurance or no insurance. Fewer dentists participating in managed care plans leaves consumers with fewer dental options, which usually results in greater costs both financially and in quality of care.

This version is the result of the stakeholders, professional care givers, the insurance industry and small business working together to craft a compromise. It allows insurers to offer alternative contracts,

- one which dictates discounted fee schedules for services on which a benefit is paid, as well as for services on which benefits are not paid; and
- another which caps fees ONLY on services for which the insurer pays a benefit.

Dentists can choose one of two options when participating in preferred provider/managed care programs. Uninsured consumers or those under traditional insurance plans will benefit from a reduction in cost shifting, which occurs when dentists are forced to discount non covered services for managed care patients.

SB 258 goes a long way towards fostering greater access to dental care. I strongly urge your support of SB 258.

NFIB

The Voice of Small Business®

ALASKA

March 25, 2010

The Honorable Charlie Huggins
State Capitol Building
Juneau, Alaska 99801-1182

Dear Senator Huggins:

RE: SB 258 Proposed Committee Substitute

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully remove our opposition to Senate Bill 258. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

We want to express our appreciation of your willingness to address our previous concerns and to propose a committee substitute that eliminates the portion of the bill that we opposed.

Thus, the NFIB/AK no longer has any concerns with Senate Bill 258.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council
Senate Labor & Commerce Committee

DELTA DENTAL

April 2, 2010

Alaska State Legislature
State Capitol Room 3
Juneau, Alaska 99801-1182

To Whom It May Concern:

Delta Dental of Alaska is in support of SB258. We do not believe non-contracted services should be restricted by insurers unless there is a mutual agreement between the dentist and the insurance company. We do have concerns about section 3 (A) (ii) concerning marketing materials and the inability to only list those dentists that have signed a contract but this concern does not outweigh our support of SB258.

Sincerely,

William S. Ten Pas
Senior Vice President

Delta Dental of Alaska
601 West 5th Avenue
Suite 510
Anchorage, AK 99501

Telephone: 907-278-2626
Toll-free: 888-374-8910
Fax: 907-278-2900

4920

LEGISLATURE OF THE STATE OF IDAHO

Sixtieth Legislature Second Regular Session - 2010

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 529

BY BUSINESS COMMITTEE

AN ACT

RELATING TO INSURANCE CONTRACTS WITH PROVIDERS OF DENTAL SERVICES; AMENDING CHAPTER 18, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-1849, IDAHO CODE, TO PROVIDE PROVISIONS FOR CONTRACTS WITH PROVIDERS OF DENTAL SERVICES, TO DEFINE "COVERED SERVICES" AND TO PROVIDE APPLICATION; AMENDING CHAPTER 34, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-3444, IDAHO CODE, TO PROVIDE PROVISIONS FOR CONTRACTS WITH PROVIDERS OF DENTAL SERVICES, TO DEFINE "COVERED SERVICES" AND TO PROVIDE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 18, Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 41-1849, Idaho Code, and to read as follows:

41-1849. CONTRACTS WITH PROVIDERS OF DENTAL SERVICES. (1) No person contracting with dentists to provide coverage or reimbursement for dental services may require, as an element of any dental care provider participation contract, that any provider agree to adopt fees set by the person for services that are not covered services under the contract. "Covered services" as used in this section means services under the applicable dental plan, dental plan contract or plan benefits subject to such contractual limitations on benefits of the dental plan, dental plan contracts or plan benefits as may apply.

(2) This section shall apply to any contract with providers for dental services that is issued after January 1, 2011. Contracts that are in existence on January 1, 2011, shall be brought into compliance on the next anniversary date, renewal date, or the expiration date of the applicable collective bargaining contract, if any, whichever date is latest.

SECTION 2. That Chapter 34, Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 41-3444, Idaho Code, and to read as follows:

41-3444. CONTRACTS WITH PROVIDERS OF DENTAL SERVICES. (1) No person contracting with dentists to provide coverage or reimbursement for dental services may require, as an element of any dental care provider participation contract, that any provider agree to adopt fees set by the person for services that are not covered services under the contract. "Covered services" as used in this section means services under the applicable dental plan, dental plan contract or plan benefits subject to such contractual limitations on benefits of the dental plan, dental plan contracts or plan benefits as may apply.

(2) This section shall apply to any contract with providers for dental services that is issued after January 1, 2011. Contracts that are in existence on January 1, 2011, shall be brought into compliance on the next anniversary date, renewal date, or the expiration date of the applicable collective bargaining contract, if any, whichever date is latest.

AN ACT

ENTITLED, An Act to prohibit dental insurers from setting fees for noncovered services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. No contract between an insurer and a dentist may require a dentist to provide services for an insured at a fee set by the contract unless the services are covered services under the terms of the insured's plan or policy. For the purposes of this section, the term, covered services, means services reimbursable under the plan, policy, or contract, subject to such contractual limitations on benefits as may apply, including deductibles, waiting periods, frequency limitations, or charges over the benefit maximum.

An Act to prohibit dental insurers from setting fees for noncovered services.

I certify that the attached Act originated in the

SENATE as Bill No. 108

_____
Secretary of the Senate

_____
President of the Senate

Attest:

_____
Secretary of the Senate

_____
Speaker of the House

Attest:

_____
Chief Clerk

Senate Bill No. 108
File No. ____
Chapter No. _____

Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State

Enrolled
House Bill 3665

Sponsored by COMMITTEE ON HEALTH CARE (at the request of the Oregon Dental Association)

CHAPTER .....

AN ACT

Relating to dental services contracts; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2010 Act is added to and made a part of the Insurance Code.

SECTION 2. (1) As used in this section:

(a) "Dental services contract" means a contract between an insurer and a provider or a group of providers to provide dental health services for enrollees. "Dental services contract" does not include a contract of employment or a contract creating legal entities and ownership thereof that are authorized under ORS chapter 58, 60 or 70, or other similar professional organizations permitted by statute.

(b) "Enrollee" means a person entitled to receive dental health benefits from an insurer.

(c) "Provider" means a person licensed or otherwise authorized by the laws of this state to administer dental health services in the ordinary course of business or practice of a profession.

(2) A dental services contract may not restrict the price that a provider may charge for services provided to an enrollee unless the services are covered by the insurer.

SECTION 3. Section 2 of this 2010 Act applies to dental services contracts entered into or renewed on or after the effective date of this 2010 Act.

SECTION 4. Section 2 of this 2010 Act is repealed on January 2, 2015.

SECTION 5. This 2010 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect on its passage.

Passed by House February 9, 2010

Repassed by House February 23, 2010

.....
Chief Clerk of House

.....
Speaker of House

Passed by Senate February 22, 2010

.....
President of Senate

Received by Governor:

.....M.,....., 2010

Approved:

.....M.,....., 2010

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 2010

.....
Secretary of State

Chapter 041
2009 -- H 5454 SUBSTITUTE A AS AMENDED
Enacted 06/18/09

A N A C T
RELATING TO INSURANCE - DENTAL SERVICE CORPORATIONS

Introduced By: Representative John J. McCauley
Date Introduced: February 12, 2009

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 23-17.13 of the General Laws entitled "Health Care Accessibility and Quality Assurance Act" is hereby amended by adding thereto the following section:

23-17.13-6. Contracts with providers for dental services. – (a) No contract between a dental plan of a health care entity and a dentist for the provision of services to patients may require that a dentist provide services to its subscribers at a fee set by the health care entity unless said services are covered services under the applicable subscriber agreement. "Covered services," as used herein, means services reimbursable under the applicable subscriber agreement, subject to such contractual limitations on subscriber benefits as may apply, including, for example, deductibles, waiting period or frequency limitations.

(b) For the purposes of this section "dental plan" shall include any policy of insurance which is issued by a health care entity which provides for coverage of dental services not in connection with a medical plan.

SECTION 2. This act shall take effect upon passage.

=======
LC01675/SUB A/2
=======

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 38.2-4214, 38.2-4319, and 38.2-4509 of the Code of Virginia and to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.17, relating to limitations by a dental plan on reimbursements for certain services provided by dentists and oral surgeons.

[H 1263]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-4214, 38.2-4319, and 38.2-4509 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.17 as follows:

§ 38.2-3407.17. Payment for services by dentists and oral surgeons.

A. As used in this section:

"Covered services" means the health care services for which benefits under a policy, contract, or evidence of coverage are payable by a dental plan, including services paid by the insureds, subscribers, or enrollees because the annual or periodic payment maximum established by the dental plan has been met.

"Dental plan" includes (i) an insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical, and surgical or major medical coverage on an expense-incurred basis, (ii) an entity providing individual or group accident and sickness subscription contracts, (iii) a dental services plan offering or administering prepaid dental services, (iv) a health maintenance organization providing a health care plan, and (v) a dental plan organization.

B. No contract between a dental plan and a dentist or oral surgeon may establish the fee or rate that the dentist or oral surgeon is required to accept for the provision of health care services, or require that a dentist or oral surgeon accept the reimbursement paid as payment in full, unless the services are covered services under the applicable dental plan.

C. This section shall apply with respect to any contract between a dental plan and a dentist or oral surgeon for the provision of health care to patients that is entered into, amended, extended, or renewed on or after July 1, 2010.

D. The Commission shall have no jurisdiction to adjudicate individual controversies arising out of this section.

§ 38.2-4214. Application of certain provisions of law.

No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-230, 38.2-232, 38.2-305, 38.2-316, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-700 through 38.2-705, 38.2-900 through 38.2-904, 38.2-1017, 38.2-1018, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, 38.2-1317 through 38.2-1328, 38.2-1334, 38.2-1340, 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3400, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3405.1, 38.2-3406.1, 38.2-3406.2, 38.2-3407.1 through 38.2-3407.6:1, 38.2-3407.9 through ~~38.2-3407.16~~ *38.2-3407.17*, 38.2-3409, 38.2-3411 through 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3501, 38.2-3502, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, §§ 38.2-3516 through 38.2-3520 as they apply to Medicare supplement policies, §§ 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3541, 38.2-3541.1, 38.2-3542, 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, §§ 38.2-3600 through 38.2-3607, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this title shall apply to the operation of a plan.

§ 38.2-4319. Statutory construction and relationship to other laws.

A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136, 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-305, 38.2-316, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.), §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, Article 2 (§ 38.2-1306.2 et seq.), § 38.2-1306.1, § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et seq.) and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3405, 38.2-3405.1, 38.2-3407.2 through 38.2-3407.6:1, 38.2-3407.9

ENROLLED

HB1263ER

through ~~38.2-3407.16~~ *38.2-3407.17*, 38.2-3411.2, 38.2-3411.3, 38.2-3411.4, 38.2-3412.1:01, 38.2-3414.1, 38.2-3418.1 through 38.2-3418.15, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3541.1, 38.2-3542, 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this title shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) of this title except with respect to the activities of its health maintenance organization.

B. For plans administered by the Department of Medical Assistance Services that provide benefits pursuant to Title XIX or Title XXI of the Social Security Act, as amended, no provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136, 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.), §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, § 38.2-1306.1, Article 2 (§ 38.2-1306.2 et seq.), § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et seq.) and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-3401, 38.2-3405, 38.2-3407.2 through 38.2-3407.5, 38.2-3407.6 and 38.2-3407.6:1, 38.2-3407.9, 38.2-3407.9:01, and 38.2-3407.9:02, subdivisions 1, 2, and 3 of subsection F of § 38.2-3407.10, 38.2-3407.11, 38.2-3407.11:3, 38.2-3407.13, 38.2-3407.13:1, and 38.2-3407.14, 38.2-3411.2, 38.2-3418.1, 38.2-3418.2, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3542, 38.2-3543.2, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) of this title except with respect to the activities of its health maintenance organization.

C. Solicitation of enrollees by a licensed health maintenance organization or by its representatives shall not be construed to violate any provisions of law relating to solicitation or advertising by health professionals.

D. A licensed health maintenance organization shall not be deemed to be engaged in the unlawful practice of medicine. All health care providers associated with a health maintenance organization shall be subject to all provisions of law.

E. Notwithstanding the definition of an eligible employee as set forth in § 38.2-3431, a health maintenance organization providing health care plans pursuant to § 38.2-3431 shall not be required to offer coverage to or accept applications from an employee who does not reside within the health maintenance organization's service area.

F. For purposes of applying this section, "insurer" when used in a section cited in subsections A and B of this section shall be construed to mean and include "health maintenance organizations" unless the section cited clearly applies to health maintenance organizations without such construction.

§ 38.2-4509. Application of certain laws.

A. No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-316, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, Article 4 (§ 38.2-1317 et seq.) of Chapter 13, §§ 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3407.14, 38.2-3407.15, *38.2-3407.17,* 38.2-3415, 38.2-3541, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, §§ 38.2-3600 through 38.2-3603, Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this title shall apply to the operation of a plan.

B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to either an optometric or dental services plan.

example

Rhode Island

Chapter 041
2009 -- H 5454 SUBSTITUTE A AS AMENDED
Enacted 06/18/09

A N A C T
RELATING TO INSURANCE - DENTAL SERVICE CORPORATIONS

Introduced By: Representative John J. McCauley
Date Introduced: February 12, 2009

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 23-17.13 of the General Laws entitled "Health Care Accessibility and Quality Assurance Act" is hereby amended by adding thereto the following section:

23-17.13-6. Contracts with providers for dental services. – (a) No contract between a dental plan of a health care entity and a dentist for the provision of services to patients may require that a dentist provide services to its subscribers at a fee set by the health care entity unless said services are covered services under the applicable subscriber agreement. "Covered services," as used herein, means services reimbursable under the applicable subscriber agreement, subject to such contractual limitations on subscriber benefits as may apply, including, for example, deductibles, waiting period or frequency limitations.

(b) For the purposes of this section "dental plan" shall include any policy of insurance which is issued by a health care entity which provides for coverage of dental services not in connection with a medical plan.

SECTION 2. This act shall take effect upon passage.

LC01675/SUB A/2

WASHINGTON STATE DENTAL ASSOCIATION
Bringing a Better State of Health to Washington

Non-Covered Services

Non-Covered Services Talking Points

WSDA has proposed legislation for the 2010 session which would prohibit dental insurers from limiting fees for services not included in dental benefit plans.

Why is legislation necessary?

In July 2009 Washington Dental Services , the state's largest dental insurer, announced new provider contract provisions, allowing it to limit fees charged by its contracted dentists for services that are not covered by the insurer's dental plans. WDS said it was doing so to stay competitive with other insurers implementing similar provisions, however WDS also indicated it disagreed with this policy and was forced to implement it due to its alliance nationally with the Delta Dental system.

- Unless prohibited by insurance law, these provisions constitute an unjust interference in the financial affairs of dental practices.
- Some dental insurers have also added contract provisions to force dental practices to reduce charges when patients reach annual benefit maximum limits.
- Non-covered services vary by insurer and include such items as use of nitrous oxide to control dental fear and anxiety, implants, and posterior composite restorations. While a complete list from WDS is not yet available, WSDA understands these will likely be elective procedures that are consented to by the patient after discussion with the dentist.
- Limiting fees for non-covered services will force dental practices to cost shift. This will result in higher fees charged to uninsured patients and reduced participation in low-reimbursement plans, such as a Medicaid.
- Rhode Island enacted a prohibition on non-covered fee limits in June 2009.
- The National Conference of Insurance Legislators is now considering model legislation to prohibit non-covered service fee limits. Federal legislation is also being pursued to prohibit this practice by ERISA plans not regulated under state laws.

This directory does not yet contain any files.

Alaska Dental Society, Inc.
9170 Jewel Lake Road, Suite 203
Anchorage, Alaska 99502-5390
(907) 563-3003 • FAX: 563-3009
akdental@alaska.net

HB309/SB258

- Encourages increased access to dental care
- Prevents insurance companies from intruding on patient-dentist relationship
- Ensures at risk children will continue to receive dental benefits
- Prohibits insurance companies from setting fees on services they do not provide dental benefits for
- Insures dental plans work for the patients best interest not the insurance companies best interest

Alaska Dental Society
9170 Jewel Lake Road, Suite 203
Anchorage, Alaska 99502-5390
(907) 563-3003 • FAX: 563-3009
info@akdental.org

20 January 2010

To whom it may concern:

On behalf of the members of the Alaska Dental Society I urge the swift passage of HB309/SB 258

HB309 will prohibit dental managed care insurance plans from setting fee limits on noncovered procedures and setting minimum age limitations for covered services. A national trend has developed where dental managed care insurance plans are setting caps on dentists' fees for services not covered by the insurance plan. Dental managed care plans offer a service providing consumers with dental care at reduced rates in exchange for limitations on the numbers of dentists who participate and services that are covered. The insurance companies' actions are causing dentists to reevaluate their decision to participate in plans due to philosophical opposition to insurance companies dictating fee levels for services not covered and the economic impact on their practices. The result is increasing numbers of dentists stopping their participation in managed-care plans leaving the consumers with fewer choices for participating providers. Patients could then lose the benefit provided and either have to pay more to stay with their dental home, or seek care from another practitioner causing disruption to treatment. access

A second, more recent, trend is dental managed care plans setting minimum age restrictions before benefits are allowed. Dental cavities in very young children continue to be a problem in Alaska and arbitrarily limiting the age dependants receive covered benefits will handicap efforts to restore dental health to this vulnerable population. children

The insurance companies are requiring state plans to amend provider contracts in a way that allows the managed care plans to control what dentist's charge, even for services they DO NOT cover. The contract amendment says that dentists serving covered patients will not be able to charge the patient a fee in excess of the managed care plans prescribed fee for the non-covered service. It should be noted the two services that fee caps have been set for are orthodontics and veneers, services that are generally discretionary and rarely covered under any insurance plan.

The managed care plans decision to set fee limitations for noncovered services raises questions about the sincerity of their most recent approach to lowering costs. Managed care plans artificially capping a dentist's fee without providing a concurrent benefit for the patient amounts to a subsidy from participating dentists for the insurance companies marketing. At the outset, the reduced fees help the insurer attract customers and, therefore improves the insurer's bottom line. Dentists front the costs of this marketing approach and have a tough decision to make when faced with a contract amendment that caps the non-covered fees

Sincerely,

Gary A Moeller

Gary A. Moeller, DDS
President, Alaska Dental Society

4933

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 258**
(S) Publish Date: 2/17/10

Identifier (file name): SB258-CED-INS-2-11-10
Title: Dental Care Insurance
Sponsor: Senator Huggins
Requester: Senate Health and Social Services Committee

Dept. Affected: DCCED
RDU: Insurance
Component: Insurance
Component Number: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would prohibit health care insurers that provide dental care coverage from setting a minimum age for receiving dental care coverage, allow those insurers to set a maximum age for receiving dental care coverage as a dependent, and prohibit those insurers from setting fees that a dentist may charge for dental services not covered under the insurer's policy.

The department does not expect additional operating expenses as a result of this legislation.

Prepared by: Linda Hall, Director — Phone 907-269-7900
Division: Insurance — Date/Time 2/11/10 9:30 AM
Approved by: Emil Notti, Commissioner — Date 2/11/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

4934

List of States (20)
that have introduced this legislation to-date in 2010

AK, AZ, CO, FL, HI, ID, IL, IN, IA, KS, MD, MS, MO, ME, OK, OR, PA, SD, VA, WA.

From American Dental Association
February 15, 2010

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 31, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 258(L&C)**

"An Act prohibiting health care insurers that provide dental care coverage from setting fees that a dentist may charge under a preferred provider contract for dental services not covered under the insurer's policy, and relating to preferred provider contracts between insurers and dentists."

SB 258-DENTAL CARE INSURANCE/PREFERRED PROVIDERS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DEC	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Doogan	✓			
	DOOGAN	✓			
	Joule	✓			
Anna Fairclough	FAIRCLOUGH	✓			
	KELLY	✓			
	Salmon	✓			
	Austerman	✓			
	Gara	✓			
	Stoltze	✓			
Chair:					
Chair:	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 258
(S) Publish Date: 2/17/10

Identifier (file name): SB258-CED-INS-2-11-10
Dept. Affected: DCCED
Title: Dental Care Insurance
RDU: Insurance
Component: Insurance
Sponsor: Senator Huggins
Requester: Senate Health and Social Services Committee
Component Number: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would prohibit health care insurers that provide dental care coverage from setting a minimum age for receiving dental care coverage, allow those insurers to set a maximum age for receiving dental care coverage as a dependent, and prohibit those insurers from setting fees that a dentist may charge for dental services not covered under the insurer's policy.

The department does not expect additional operating expenses as a result of this legislation.

Prepared by: Linda Hall, Director — Phone 907-269-7900
Division: Insurance — Date/Time 2/11/10 9:30 AM
Approved by: Emil Notti, Commissioner — Date 2/11/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

4937

SB

262

<target><bill>SB 262</bill><subject>SB 262</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Legislative Budget & Audit Committee

SB 262 SPONSOR STATEMENT

TITLE: "An Act extending the termination date of the Board of Social Work Examiners; and providing for an effective date."

The Board of Social Work Examiners (BSWE) was established for the purpose of controlling and regulating the practice of social work in the State. A licensed social worker applies social work principles and methods, as defined by AS 08.95.990(7), to help individuals achieve more adequate, satisfying, and productive social adjustments.

BSWE is composed of five members appointed by the Governor. Statutes requires that one board member be a licensed baccalaureate social worker, one a licensed master social worker, two members be licensed clinical social workers, and one be a member of the general public.

In the opinion of Legislative Audit, the BSWE should continue to regulate clinical, master, and baccalaureate social workers. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers. BSWE continues to enforce and propose changes to regulations to improve BSWE's effectiveness and ensure that social workers are appropriately licensed.

SB 262, if enacted, would extend the Board for eight years to June 30, 2018.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **SENATE BILL NO. 262**

"An Act extending the termination date of the Board of Social Work Examiners; and providing for an effective date."

SB 262-EXTEND BOARD OF SOCIAL WORK EXAMINERS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev. for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Austerman	X			
	KELLY	✓			
	Salmon	X			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair:	Hawker	A			

Fiscal Note

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 262
(S) Publish Date: 3/12/10

Identifier (file name): SB262-CED-CBPL-3-8-10
Dept. Affected: CDCCED
Title: Extend Board of Social Work Examiners
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Rules Committee by Request
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	49.5	49.5	49.5	49.5	49.5	49.5
Travel	0.0	6.4	6.4	6.4	6.4	6.4	6.4
Contractual	0.0	2.7	2.7	2.7	2.7	2.7	2.7
Supplies	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	58.8	58.8	58.8	58.8	58.8	58.8
TOTAL	**0.0**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 262 extends the Board of Social Work Examiners to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.95.020.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/22/2010 10:15AM
Approved by: Emil Notti, Commissioner
Date 3/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

October 26, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Social Work Examiners (BSWE), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
BOARD OF SOCIAL WORK EXAMINERS

September 30, 2009

Audit Control Number
08-20062-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Under AS 08.03.010(c)(6), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, the board will have one year to conclude its administrative operations.

In our opinion, BSWE's termination date should be extended until June 30, 2018. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	9
Agency Responses	
Department of Commerce, Community, and Economic Development	15
Board of Social Work Examiners	17

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Social Work Examiners (BSWE). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BSWE. Currently under AS 08.03.010(c)(6), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BSWE will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BSWE should be extended.
2. To determine if BSWE is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed social work examiners.

The assessment of BSWE's performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit reviewed BSWE's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings, and duplication of efforts. Our review included the following:

1. Applicable statutes and regulations were reviewed to identify changes. The board's participation in the change process was reviewed to help assess board activities;

2. Licensee files and related documentation were evaluated to determine whether licenses were issued in accordance with state law;

3. Board meeting minutes were evaluated to identify board activities and help assess performance;

4. BSWE annual reports were evaluated to identify board membership, goals, accomplishments, and financial activity;

5. BSWE-related public notices published in the *Anchorage Daily News* and the State's online notification system were reviewed to ensure meetings and regulations were properly noticed;

6. BSWE-related cases and complaints opened from July 1, 2004 through February 18, 2009 were reviewed to gain an understanding of the types of complaints and to evaluate the investigative process;

7. Board revenues and expenditures for the audit period were reviewed to identify BSWE's financial surplus/deficit and to assess the adequacy of license fees; and

8. Board member resumes and related information maintained by the Office of the Governor were reviewed to ensure members qualified to serve in accordance with state law.

We also interviewed the BSWE chair and various division staff including the licensing examiner, investigators, and administrative staff to gain an understanding of board activities and operations.

ORGANIZATION AND FUNCTION

The Board of Social Work Examiners (BSWE)

BSWE was established for the purpose of controlling and regulating the practice of social work in the State. A licensed social worker applies social work principles and methods, as defined by AS 08.95.990(7), to help individuals achieve more adequate, satisfying, and productive social adjustments.

BSWE is composed of five members appointed by the Governor. Statutes requires that one board member be a licensed baccalaureate social worker, one a licensed master social worker, two members be licensed clinical social workers, and one be a member of the general public. Statute prohibits the public member from having a direct financial interest in the health care industry.

The board regulates the practice of social work and sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants;
2. Establishing continuing education requirements for license renewal;
3. Establishing a code of ethics for social work examiners;
4. Adopting regulations necessary to enforce BSWE statutes; and
5. Imposing disciplinary sanctions on persons who violate BSWE statutes or regulations.

Exhibit 1

Board of Social Work Examiners
(As of June 30, 2009)

Sammye Pokryfki, L.M.S.W
Darrell Allman, L.C.S.W
Gail La Rose-Hendersen, L.C.S.W.
Jason Floyd, L.B.S.W.

Public Member
Vacant

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing

The division provides administrative and investigative assistance to occupational boards including BSWE. Administrative assistance includes budgetary services and functions such as collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to conduct an investigation on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;

2. Bring an action in Superior Court to enjoin the act;

3. Examine the books and records of an individual; and

4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

The Board of Social Work Examiners' (BSWE) termination date should be extended until June 30, 2018.

BSWE should continue to regulate clinical, master, and baccalaureate social workers. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers. BSWE continues to enforce and propose changes to regulations to improve BSWE's effectiveness and ensure that social workers are appropriately licensed.

Alaska Statute 08.03.010(c)(6) terminates BSWE on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend the board's termination date be extended until June 30, 2018.

Staff within the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing should improve administrative support to BSWE.

Several deficiencies were noted in the administrative support provided to BSWE. The information contained in the annual reports prepared by division staff was often inaccurate and incomplete. The methodologies used to account for BSWE revenues and expenditures were inconsistent and, in some cases, inaccurate. Furthermore, division staff failed to consistently publish public notice of BSWE meetings. These deficiencies were caused by untrained/inexperienced staff and a lack of written procedures for support functions. The deficiencies are described in Recommendation No. 1.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing's professional licensing administrative officer should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support. Specifically:

- The FY 05, FY 07, and FY 08 annual reports did not contain the required financial data.
- The FY 06 and FY 07 annual reports contained errors in licensing statistics.
- Support for financial amounts presented in the annual reports was not consistently maintained.
- Indirect costs were inconsistently treated between fiscal periods.
- The public was not provided with notice of two BSWE meetings and four meetings were not published in the State's online notification system as required by statute.
- The public was not provided an accurate phone number by which they could attend a BSWE meeting via teleconference.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, DCCED's duties include collecting and recording fees, maintaining records and files, compiling and maintaining a current register of licensees, arranging for printing and advertising, providing inspection, enforcement, and investigative services. DCCED is also responsible for annually reviewing board fees to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BSWE is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both the board and the division's information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by insufficient accounting and reporting procedures. Public notices for BSWE meetings included the licensing examiner's phone number as the number to call in order to attend meetings via teleconference. This number was not an effective means for reaching a division staff member because the licensing examiner was often attending the meeting in-person and unavailable via phone.

Less than adequate administrative support hampers BSWE's ability to fulfill its responsibilities and may provide policymakers misleading information. We recommend professional licensing's administrative officer take steps to improve administrative support.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Social Work Examiners (BSWE) has operated in the public interest by licensing only qualified individuals. The board has established licensing requirements and minimal practice standards that professionals must adhere to in the course of practice. BSWE has established regulations governing its duties and licensure requirements, enforced the laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements. The board has effectively monitored licensees to confirm that social workers are fulfilling continuing education requirements associated with license renewal.

There have been no significant vacancies in the board's membership, and the board consistently meets a minimum of two times per year.

BSWE continues to send new members to the Association of Social Work Boards' meetings. The primary purpose of attending these conferences is to keep the board apprised of various exam and professional licensing regulation issues.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Under AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED), must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* The board reviews and provides feedback regarding any changes in fees proposed by DCCED. License fees were reduced in FY 06 from $410 to $310 in recognition of a growing surplus.

DCCED's Division of Corporations, Business and Professional Licensing's professional licensing section evaluates the fee level by analyzing costs and revenues on a biennial roll forward or cumulative basis. BSWE renews licenses in even-numbered fiscal years resulting in higher revenues during even-numbered years.

As reflected in Exhibit 2 (below), BSWE had a surplus at the end of FY 09. The division and the board should consider a further reduction in fees.

Exhibit 2

State of Alaska
Board of Social Work Examiners
FY 05 - FY 09
Schedule of Revenues and Expenditures
(Unaudited)

		FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$	65,500	115,900	76,300	129,000	57,000
Direct Expenditures						
Personal Services		33,300	36,800	34,300	41,000	58,000
Travel		1,400	3,100	5,000	1,400	11,300
Contractual		13,100	16,300	1,200	4,600	700
Supplies & Equipment		0	100	100	0	300
Total Direct Expenditures		47,800	56,300	40,600	47,000	70,300
Indirect Expenditures		23,500	20,600	28,800	31,200	31,000
Total Expenditures		71,300	76,900	69,400	78,200	101,300
Net Income (Loss)		(5,800)	39,000	6,900	50,800	(44,300)
Beginning Surplus (Deficit)		39,000	33,200	72,200	79,100	129,900
Ending Surplus (Deficit)	$	33,200	72,200	79,100	129,900	85,600

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

We saw no evidence of formal testimony made on behalf of the board, for any legislation considered during the 2005 through 2009 legislative sessions. Board members did not report issues of concern that would require statutory changes.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News* as well as posted on the State's online notification system. Of 20 total meetings held from FY 05 through FY 09, we found two without public notices. We also noted four meetings that were advertised in the *Anchorage Daily News* but not posted in the State's online notification system. These deficiencies are included in Recommendation No.1.

BSWE's meeting agendas set aside time for public comment. However, we noted a general lack of public participation at meetings.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Public notices of proposed regulations were adequately published in the *Anchorage Daily News* and posted on the State's online notification system. The division's regulations specialist also sends notifications to interested parties who have requested notice of regulation changes. The agendas for BSWE meetings set aside time for public testimony when regulation changes were considered.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From July 2004 through February 2009, the division's investigative unit opened 17 complaints and 21 cases related to BSWE. Seven of the cases were handled by the division's paralegal who manages application denials and continuing education compliance issues.

Of the 38 complaints/cases, 24 were initiated internally by the division, 10 were from the public or a professional associate, and four were from a client or patient. Twelve complaints were associated with application problems, 10 involved ethics questions, six were associated with practicing beyond the scope of the license, and 10 involved other issues such as continuing education requirements.

We reviewed nine of the investigations, and five of the paralegal cases. Overall, complaints and cases handled by investigators and the paralegal were resolved appropriately, and were carried out in a timely manner. We conclude that the complaint investigation process for BSWE was conducted in an effective and efficient manner.

There were no BSWE complaints filed with the Office of Victim's Rights, the Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board licenses applicants that have applied for licensure by credentials or by examination. Each applicant is required to meet stringent licensing requirements including the necessary educational background and adequate work experience. Continuing education is required and monitored by BSWE to promote a high level of performance and to help ensure the profession's integrity. License activity for the last five fiscal years is presented below:

Type of License	Newly Issued (Excluding Renewals)[1]					Total Licensees June 30, 2009
	FY 05	FY 06	FY 07	FY 08	FY 09	
Clinical Social Workers	34	39	39	37	23	408
Master Social Workers	19	17	16	12	11	68
Baccalaureate Social Workers	9	16	8	7	5	59

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that BSWE did not comply with the State's personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 1, the administrative support provided by the division's professional licensing section was not accurate, comprehensive, or consistent. The administrative staff should provide the necessary information so that the board can perform its functions and serve the public interest effectively and efficiently.

[1]Does not include temporary licenses. Temporary license may be issued to Master and Baccalaureate Social Workers so that those who are qualified per AS 08.95.125 may practice while they are waiting to sit for the exam or during the application process for licensure by credentials. The temporary license may be issued only once and is valid for one year.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

BSWE has effectively met its objectives and has operated effectively and efficiently

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BSWE uses the information produced by a national association when licensing and regulating locally while considering Alaska's unique needs. There is no substantial duplication of efforts between BSWE and the national social work organization.

(Intentionally left blank)

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 03 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Social Work Examiners.

Recommendation No. 1: The division's professional licensing administrative officer should take steps to improve administrative support.

The department agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

In summary, we fully support your findings and recommendations; and that the legislature extends the board to June 30, 2018. Your audit report supports our belief that the board is operating in the best interest of the public by promoting the competence and integrity of those who provide services to the public as licensed social workers.

Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

4957

Board of Social Work Examiners
Darrell Allman, LCSW, DCSW, CDCS
Licensed Clinical Social Worker

November 24, 2009

RECEIVED
NOV 25 2009
LEGISLATIVE AUDIT

Ms Pat Davidson
Legislative Auditor
Division of Legislative Audit
P.O.Box 113300
Juneau, AK 99811-3300

Dear Ms Davidson:

I have reviewed the preliminary audit report on the Board of Social Work Examiners and I concur with all recommendations. I am pleased with the recommendation that the Board's termination date be extended to June 30, 2018. While there is no specific recommendation for BSWE, I do support the recommendation that steps be taken to improve the administrative support of the board in meeting its public services duties.

Sincerely,

Darrell Allman
Chairperson,
Board of Social Work Examiners

7120 McLin Circle
Anchorage, Alaska 99507

Phone (907)344-0520

4958

SB 263

<target><bill>SB 263</bill><subject>SB 263</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 9, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **SENATE BILL NO. 263**

"An Act extending the termination date of the Board of Professional Counselors; and providing for an effective date."

SB 263-EXTEND BOARD OF PROFESSIONAL COUNSELORS

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogal	✓			
	Aystreman	X			
	KELLY	✓			
	FAIRCLOUGH	✓			
	Salmon	X			
Chair:					
Chair:	Howard	★			

4960

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 263
(S) Publish Date: 3/12/10

Identifier (file name): SB263-CED-CBPL-3-8-10
Dept. Affected: DCCED
Title: Extend Board of Professional Counselors
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senate Rules by Request
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	34.0	34.0	34.0	34.0	34.0	34.0
Travel	0.0	13.5	13.5	13.5	13.5	13.5	13.5
Contractual	0.0	3.3	3.3	3.3	3.3	3.3	3.3
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	50.9	50.9	50.9	50.9	50.9	50.9
TOTAL	**0.0**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 263 extends the Board of Professional Counselors to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.01.070.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 2/18/2010 10:30AM
Approved by: Emil Notti, Commissioner — Date 3/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

4961

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

October 26, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Professional Counselors (BPC), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PROFESSIONAL COUNSELORS

September 30, 2009

Audit Control Number
08-20061-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Under AS 08.03.010(c)(17), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, the board will have one year to conclude its administrative operations.

In our opinion, BPC's termination date should be extended until June 30, 2018. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	Page
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions	5
Findings and Recommendations	7
Analysis of Public Need	11
Agency Response:	
Office of the Governor	17
Department of Commerce, Community, and Economic Development	19
Board of Professional Counselors	21

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Professional Counselors (BPC). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BPC. Currently under AS 08.03.010(c)(17), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BPC will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BPC should be extended.
2. To determine if BPC is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed professional counselors.

The assessment of BPC's performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit reviewed BPC's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings, and duplication of efforts. We reviewed and evaluated the following;

1. Applicable statutes and regulations to identify changes. The board's participation in the change process was reviewed to help assess board activities;

2. Licensee files and related documentation to determine whether licenses were issued in accordance with state law;

3. Board meeting minutes and Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing correspondence files to identify board activities and help assess performance;

4. BPC's annual reports to identify BPC membership, goals, accomplishments, and financial activity;

5. BPC-related public notices published in the *Anchorage Daily News* and the State's online notification system to ensure meeting and regulations were properly noticed;

6. BPC-related case and complaint files for cases or complaints opened from May 25, 2004 through February 18, 2009 to gain an understanding of the types of complaints and to evaluate the investigative process;

7. Board revenues and expenditures for the audit period were reviewed to identify BPC's financial surplus/deficit and to assess the adequacy of license fees; and

8. Board member resumes and related information maintained by the Office of the Governor to ensure that board members were qualified to serve on the board in accordance with state law.

We also interviewed two board members and various division staff including the licensing examiner, investigators and administrative staff to gain an understanding of the board's activities and performance.

ORGANIZATION AND FUNCTION

The Board of Professional Counselors (BPC) was established under the provisions of Title 8, Chapter 29 of Alaska Statutes. BPC consists of five members appointed by the governor. Four members must be professional counselors and one member must be appointed from the general public. Board members serve staggered terms of four years.

The board regulates the practice of professional counselors. BPC sets the minimum standards to practice in Alaska through the following measures:

1. Examining and issuing licenses to qualified applicants;
2. Establishing continuing education requirements for license renewal;
3. Adopting a code of ethics for professional counselors;
4. Establishing education and training requirements that must be met before professional counselors can administer and use assessment instruments described in AS 08.29.490(1)(c);
5. Adopting regulations necessary to enforce BPC; and
6. Imposing disciplinary sanctions on persons who violate the statutes or regulations related to the licensure of professional counselors.

Exhibit 1

Board of Professional Counselors (As of June 30, 2009)

Professional Members
Tashawna Olson, Chair
Jennifer Burkholder
Ray DePalatis
Emily Zimbrich

Public Members
Lillian Mitchell

An applicant can be licensed by meeting the licensing requirements under AS 08.29.110 which includes passing a written examination required by the board. Alternatively, AS 08.29.120 permits applicants to obtain their initial professional counseling license through possession of the appropriate credentials. In order to be licensed by credentials, an applicant must provide proof of licensure by another jurisdiction. BPC must find that the other jurisdiction has the same or higher licensure requirements in comparison to the State of Alaska.

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing

The division provides administrative and investigative assistance to occupational boards including BPC. Administrative assistance includes budgetary services and functions such as

collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to conduct an investigation on its own initiative or in response to a complaint. The division may implement the following:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;

2. Bring an action in Superior Court to enjoin the act;

3. Examine the books and records of an individual; and

4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

The Board of Professional Counselors' (BPC) termination date should be extended to June 30, 2018.

BPC should continue to regulate professional counselors. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

BPC has conducted its business in a satisfactory manner. It continues to propose regulation changes to improve the board's effectiveness and ensure that professional counselors are properly licensed.

Alaska Statute 08.03.010(c)(17) terminates BPC on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2018.

The Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing's investigation unit is not addressing all investigations in a timely manner.

We reviewed BPC complaints and cases received and processed by the division's investigative unit during the period May 2004 to February 2009. Of the 14 complaints/cases reviewed, five had periods of inactivity greater than four months. We also found that investigators record information in the investigative database and close and/or open cases in an inconsistent manner. These findings are addressed in Recommendation No. 2.

Improvements are needed in the division's administrative support to the board.

Several deficiencies were noted in the administrative support provided to BPC. The information contained in the annual reports prepared by division staff was often inaccurate and incomplete. The methodologies used to account for BPC revenues and expenditures were inconsistent and, in some cases, inaccurate. Furthermore, important information was not forwarded to investigative staff. These deficiencies were caused by untrained/inexperienced staff, a lack of written procedures for support functions, and an incorrect assumption that investigative staff were already aware of certain information. The deficiencies are described in Recommendation No. 1.

FINDINGS AND RECOMMENDATIONS

During the 2005 Board of Professional Counselors (BPC) sunset review, we recommended BPC and the Board of Marital and Family Therapy (BMFT) be combined into a single oversight and licensing board. The Department of Community, Commerce, and Economic Development's (DCCED) commissioner favored the recommendation, but chairs of both BMFT and BPC objected. There has been no evidence of further interest or intent by legislators regarding board combination during the scope of this sunset review. Consequently, we did not reiterate the recommendation.

Recommendation No. 1

DCCED's Division of Corporations, Business and Professional Licensing's professional licensing administrative officer should take steps to improve its administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support. Specifically:

- Required annual fee analyses were not done for FY 07 through FY 09.
- FY 06 and FY 07 annual reports contained errors in license statistics.
- Financial data was missing from FY 05 and FY 07 annual reports.
- Indirect costs for the division were treated inconsistently between fiscal periods.
- Hearing fees were inconsistently treated as indirect versus direct costs between fiscal periods.
- Information related to a licensee with an open investigation was not routed to the division's investigative staff.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, DCCED duties include: collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing occupational boards' fee levels to determine whether an occupation's regulatory costs are approximately equal to fee collections related to that occupation. BPC is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both board and division information requirements.

All the deficiencies in administrative support, except for the last one noted above, were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by insufficient procedures for accounting for revenues

4969

and expenditures and for preparing financial reports. Information was not routed to the division's investigative staff because a licensing examiner mistakenly believed that the investigative staff was already aware of the information.

Inadequate administrative support hampers BPC's ability to fulfill its responsibilities and may provide policymakers misleading information. Failing to forward salient licensee information to investigative staff could allow a licensee to inappropriately continue to practice. We recommend professional licensing's administrative officer take steps to improve administrative support.

Recommendation No. 2

The division's chief investigator should establish procedures to ensure information is consistently recorded in the case management system and should take steps to ensure complaints/cases are investigated in a timely manner.

We reviewed the professional counselor complaints/cases opened by the investigative unit during the period May 2004 to February 2009. Of the 14 complaints/cases reviewed, three complaints and two cases were inactive for over four months. Additionally, investigators did not open/close cases or record information in the investigative database in a consistent manner.

It is the division's responsibility to provide investigative support for BPC. Investigators examine and research each complaint to determine jurisdiction and whether a violation exists. If the complaint meets these conditions, a case is opened and a priority is assigned. The priority reflects the level of imminent danger to the public.

Investigative staff attributes the delays to higher priority cases and tasks taking precedence. The staff also believes the investigative database contributed to the problem. The database does not have a user-friendly mechanism for flagging inactive cases. Consequently, supervisors/investigators cannot effectively monitor caseloads. Ineffective monitoring leads to unnecessary delays. We also found a lack of procedures to ensure investigators consistently record information in the case management system.

Complaints and cases that are not investigated timely may allow licensees who are practicing inappropriately or outside their scope to continue these violations. Additionally, not standardizing the data within the database limits its usefulness.

Cases with life threatening repercussions should take priority. However, it is still reasonable for the public to expect that all complaints against licensees will be addressed as efficiently as possible. We recommend the division's chief investigator take steps to ensure complaints/cases are investigated timely. We further recommend that the chief investigator establish procedures to ensure information is consistently recorded in the case management system.

Recommendation No. 3

The division's professional licensing supervisors should take steps to ensure salient investigative information is forwarded to the investigative section.

In one case, the division's investigative staff suspended an investigation when a licensee became uncooperative. The licensee stopped cooperating with investigators once a related civil lawsuit was filed. Although the responded refused to communicate with investigative staff, he attached a letter to his license-renewal form admitting the ethical violation and agreeing to abide by necessary sanctions. The licensing examiner believed that the investigative staff were privy to the letter and did not forward it. Furthermore, the licensing examiner did not forward the letter on to the Board for consideration because BPC does not routinely review renewal forms. As a result, the investigation remained stalled and the licensee continued to maintain an active license and was free to seek out-of-state licensure.

Alaska Statute 08.01.050 requires DCCED to provide inspection, enforcement, and investigative services to occupational licensing boards regarding all licenses issued by or through the department. The licensing examiner should have forwarded the licensee's letter to the investigative unit and possibly BPC. By not completing an investigation and bringing the results to the board for consideration, a licensee allowed to maintain an active practice and/or seek out-of-state licensure when they might have otherwise been subject to disciplinary sanctions.

We recommend the division's professional licensing supervisors take steps to ensure salient investigative information is forwarded to the investigative section.

Recommendation No. 4

The Office of the Governor should take steps to make the necessary appointments to keep BPC at full membership.

BPC is made up of five members – one representative from the general public and four licensed professionals. One professional is employed in the private sector, and one is employed in the public sector. One public member seat was open for 12 months during FY 04 through FY 05. One licensed professional seat was vacant for 11 months during FY 08 through FY 09.

Alaska Statute 08.29.010 requires the Office of the Governor to appoint both public and professional board members. Maintaining board membership that includes public and professional members, ensures a balanced representation. The lack of sufficient BPC members prevents the board from conducting business with the appropriate public and professional input and perspective.

Accordingly, we recommend that BPC and the Governor's office work to fill appointments to all seats on the board, with particular emphasis on public member seats, designed to represent the State's citizenry.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Professional Counselors (BPC) has operated in the public interest by licensing qualified individuals. The board established licensing requirements and minimal practice standards that licensed, professional counselors must adhere to in the course of practice. BPC has established regulations governing its duties and licensure requirements, enforced laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

According to AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED) must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* BPC reviews and provides feedback on changes in fees proposed by DCCED's Division of Corporations, Business and Professional Licensing. Exhibit 2 (on the following page) reflects BPC's financial information for the period FY 05 through FY 09.

Professional counselors renew licenses during even-numbered fiscal years. By the end of FY 04, BPC's biennial roll-forward balance was $266,600. In response to the surplus, licensing fees were reduced from $500 to $200 beginning FY 05. As noted in Recommendation No.1, there was no fee analysis performed for FY 07, FY 08, or FY 09, and revenue and expenditure information was inconsistently provided to BPC. From the surplus shown in the summary schedule on the following page, licensing fees should be analyzed for adequacy before the FY 10 renewal period.

Exhibit 2

State of Alaska
Board of Professional Counselors
Schedule of Revenues and Expenditures
FY 05 - FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 29,300	$ 71,800	$ 12,600	$ 84,300	$ 16,100
Direct Expenditures					
Personal Services	27,800	31,300	28,900	39,000	42,500
Travel	1,800	8,900	12,100	14,800	17,800
Contractual	5,600	7,300	3,400	3,100	4,300
Supplies & Equipment	100	100	100	0	300
Total Direct Expenditures	35,300	47,600	44,500	56,900	64,900
Indirect Expenditures	16,500	15,900	21,700	20,400	19,400
Total Expenditures	51,800	63,500	66,200	77,300	84,300
Net Income (Loss)	(22,500)	8,300	(53,600)	7,000	(68,200)
Beginning Surplus (Deficit)	266,700	244,200	252,500	198,900	205,900
Ending Surplus (Deficit)	$ 244,200	$ 252,500	$ 198,900	$ 205,900	$ 137,700

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

During FY 07, BPC promoted two statutory changes by testifying in legislative committee meetings. One restricted the title of 'professional counselor' to those licensed – this change was enacted via AS 08.29.100(a). Another included professional counselors in the list of licensed providers who may not be discriminated against regarding insurance reimbursement – this was enacted via AS 21.36.090(d).

During FY 08, BPC recommended a statutory change to require continuing education for the renewal of approved professional counselor supervisors. BPC also recommended a statute change to address distance counseling, so that further regulations for this new trend of counseling could be created. To date, neither of these statutory changes has been made.

The board also supported the division in the pursuit of a statutory change that would provide a combined legal trust for various mental health boards. The trust is intended to provide advanced funding for costly legal issues or investigations and provide for consistent license fees over fiscal periods.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming BPC meetings and notices of proposed changes in regulations are posted on the State's online public notice system, and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Board minutes reflect public participation and BPC's meeting agendas reflect time for public comment.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board proposed a number of regulation changes during the period under review. The proposed changes were advertised on the State's online public notice system and published in the *Anchorage Daily News* in time for interested individuals to attend or to submit written comment for review. Additionally, the division's regulations specialist maintains a list of interested parties and contacts these individuals prior to any proposed regulation change. As already noted, BPC's meeting agendas set aside time for public comment.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From May 2004 through February 2009, the division's investigative unit opened 13 complaints and 20 cases related to BPC licensees or applicants.

Eleven of the complaints/cases were alleged ethics violations or sexual misconduct, and eight were license application issues. The remaining complaints/cases were made up of practicing beyond the license scope, incompetence, and compliance with continuing education requirements.

We reviewed 10 of the 33 investigative complaint/case files. Five were carried out in a timely manner and five were delayed and marked with significant periods of inactivity (discussed in Recommendation No. 2). We also reviewed four cases assigned to the

division's paralegal, and found that these were investigated and resolved in a reasonable and timely manner.

Four of the 33 complaints/cases were still open investigations. Of the 29 resolved complaints/cases, eight resulted in disciplinary license action.

There were no BPC related complaints filed with the Office of Victim's Rights, the Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

BPC has ensured only qualified applicants receive a professional counselor license. An applicant may apply for licensure by either credentials or examination. Requirements for licensing are stringent and eliminate applicants who do not have the necessary educational background or adequate work experience.

Applicants licensed by credentials are required to have been licensed in another jurisdiction with licensing requirements similar to the State of Alaska. These applicants must list the requirements of their prior licensing jurisdiction and disclose any disciplinary actions against them. Those licensed by examination pass a uniform computer-based test, and provide a record of their required academic credit hours and supervised/unsupervised contact hours in the field of counseling.

The State allows people to counsel without a license. However, as noted previously, since AS 08.29.100 was enacted, those without a license may not profess to be a licensed professional counselor, a professional counselor, or a licensed counselor, or make use of a title, words, letters, or abbreviations that may reasonably be confused with the title of "licensed professional counselor," "professional counselor," or "licensed counselor." BPC license activity for the past five fiscal years is presented below:

	Newly Issued					Total at
Licenses Issued	**FY 05**	**FY 06**	**FY07**	**FY08**	**FY09**	**June 30, 2009**
Professional Counselors	34	51	35	48	39	449

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find any evidence that BPC was not in compliance with state personnel practices, including affirmative action.

4976

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 1, the administrative support provided by the division's professional licensing section was not accurate, comprehensive, or consistent. The administrative staff should provide the necessary and required information so that the board can perform its functions and serve the public interest effectively and efficiently.

As discussed in Recommendation No. 4, the Office of the Governor should take steps to expedite BPC appointments.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

BPC has met its purpose and objectives effectively and efficiently during the period under review.

BPC enacted a number of regulation changes. Most significantly, it passed regulations requiring criminal background checks of all applicants, a clear step toward protecting the public interest. It also added continuing education requirements for its licensed supervisors to help regulate the quality of supervised experience of its licensees, enacted board attendance provisions, and made various changes to clarify existing regulations.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BPC uses the information produced by a national association in order to license and regulate locally while considering Alaska's unique needs. We determined that there was no substantial duplication of efforts between the BPC and the national counseling organization.

We compared various elements of professional counseling to several other mental health licenses (marital and family therapists, social workers, and psychologists and psychological examiners). There are similarities in the issues treated, intervention techniques, and client populations. Regulations for professional counselors and marital and family therapists effectively permit cross-training between the two license types. There are common issues for groups, such as professional accessibility for supervised experience, license portability, distance counseling, and background checks.

Though similarities exist, there are still some distinctions between the license types and professional philosophies. Though there are parallels and some possible duplication of efforts between these license types, there are sufficient practical and philosophical distinctions that it is reasonable that these professions be licensed separately.

(Intentionally left blank)

4978

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907- 269-7450
fax 907- 269-7463
www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

December 7, 2009

RECEIVED
DEC 0 7 2009
LEGISLATIVE AUDIT

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 6, 2009 "CONFIDENTIAL" preliminary audit report on *A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Professional Counselors, September 21, 2009.*

Regarding recommendation No. 4: The Office of the Governor should take steps to make the necessary appointments to keep the Board of Professional Counselors (BPC) at full membership:

The Office of the Governor concurs with this recommendation, and currently, the board is at full membership. As the new Director of the Office of Boards and Commissions, I am committed to assisting the Governor in making timely appointments that allow the boards to function productively. Two licensee seats on the board expire on March 1, 2010, and I intend to make recommendations for the Governor's review well in advance of that expiration date.

Your report also mentioned the issue of combining BPC with the Board of Marital and Family Therapy (BMFT) into a single oversight and licensing board. If that recommendation is proposed in the future, I am supportive of those efforts. Unless significant difficulties arise, combining boards that operate in close proximity to each other in related fields, such as BPC and BMFT, leads to a more efficient State government.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 0 3 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Professional Counselors (BPC).

Recommendation No. 1: The division's professional licensing administrative officer should take steps to improve administrative support.

The department agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Recommendation No. 2: The division's chief investigator should establish procedures to ensure investigators consistently enter information into the case management system and should take steps to ensure complaints/cases are investigated timely.

For several years, the division has attempted to obtain a new case management tracking system for the Investigations Unit. The current case management system is old and the information that can be added to the system is limited. We now have the funding and a contract for the construction of a new case management tracking system. We anticipate it to be operational by April 2010 and it will help eliminate the voids found in the BPC investigations.

Recommendation No. 3: The division's professional licensing supervisors should take steps to ensure salient investigative information is forwarded to the investigative section.

The department agrees with this recommendation and is making every effort to improve communications between office staff and office locations.

Recommendation No. 4: The Office of the Governor should take steps to make the necessary appointments to keep BPC at full membership.

The department agrees with this recommendation.

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

The department concurs with the extension of BPC to June 30, 2018. Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

Shawnie Olson – Counseling Services

Box 2914
Homer, AK 99603
907-235-8808 or 235-8886
saje@ak.net

November 15, 2009

Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK
99811-3300

RECEIVED
NOV 19 2009
LEGISLATIVE AUDIT

Dear Auditors:

This is the Board of Professional Counselors response to the Sunset Audit that was conducted on the Board of Professional Counselors, Alaska in the fall of 2009. As chair of this Board, I understand that it is my responsibility to reply to this audit.

The Board appreciates the time and energy put forth by the representatives who conducted the Sunset Audit. This letter will respond to the recommendations made in the report:

1. The first recommendation deals with the Department of Community, Commerce, and Economic Development's ((DCCED) Division of Corporations, Business and professional Licensing professional licensing administrative officer. The request is that the Division improves its administrative support to the Board. The Board admits to being unaware that it didn't receive many of the items enumerated in your report and was not made aware of errors. Therefore, we appreciate the information that this data should come to the Board (and be accurate) so that we are better able to serve the Licensed Professional Counselors in the state of Alaska. We appreciate the Division's support and hope that we can work even better together in the future.
2. The second recommendation states that the Division's chief investigator take action to ensure that information is recorded in a consistent manner and that the cases be investigated in a timely manner. It is the Board's understanding that these delays were due to more pressing cases. The Board is grateful for the investigative process and our newly assigned investigator is already very involved with the Board.
3. The third recommendation deals with investigative information not being passed to the investigative section. The Board was unaware of this issue. Our current licensing examiner works diligently to support the work of the Board and her service is commendable.
4. The fourth recommendation states that the Office of the Governor should take steps to make appointments to the BCP in order to keep it at full membership. I personally asked the Division many times to encourage the Office to fill positions. It is a small

4. The fourth recommendation states that the Office of the Governor should take steps to make appointments to the BCP in order to keep it at full membership. I personally asked the Division many times to encourage the Office to fill positions. It is a small

Board that is scattered across the state. We must have three members present to have a quorum. Processing a large number of new licensees and working through renewal applications is arduous without a full Board in attendance. The Board appreciates this recommendation.

The Board of Professional Counselors appreciates the recommendations of the Sunset Audit to continue their work and to act as a solo Board representing the Licensed Professional Counselors in the state of Alaska. Our goal is to make things run more smoothly and efficiently as we strive to protect the public.

Thank you for providing this audit.

Sincerely,

Shawnie Olson

Shawnie Olson, LPC
Board of Professional Counselors, Chair

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Legislative Budget & Audit Committee

SB 263 SPONSOR STATEMENT

TITLE: "An Act extending the termination date of the Board of Professional Counselors; and providing for an effective date."

The Board of Professional Counselors (BPC) was established under the provisions of Title 8, Chapter 29 of Alaska Statutes. BPC consists of five members appointed by the governor. Four members must be professional counselors and one member must be appointed from the general public. Board members serve staggered terms of four years.

The division provides administrative and investigative assistance to occupational boards including BPC. Administrative assistance includes budgetary services and functions such as collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

In the opinion of Legislative Audit, the BPC should continue to regulate professional counselors. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

SB 263, if enacted, would extend the Board for eight years to June 30, 2018.

26-LS1437\A

March 11, 2010

SB

266

<target><bill>SB 266</bill><subject>SB 266</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

Senate Bill 266

An Act relating to emergency compensation from the Violent Crimes Compensation Board

Sponsor Statement

The Victims of Violent Crimes Compensation Board (VCCB) was created in 1972 in an attempt to mitigate the financial hardships suffered by victims of violent crimes. This board is able to support these victims and their dependents with up to $40,000 and $1,500 in immediate emergency compensation.

Senate Bill 266 proposes to increase the limit for emergency compensation to $3,500.

The allowable amount for emergency compensation has not been increased since 1975 and is limited to verifiable lost wages, counseling, security measures and relocation costs.

Emergency awards are necessary because the Board only meets approximately five times per year, and it can be several weeks or months before a claim is considered. The most pressing need for emergency compensation is to cover relocation costs when a victim is in immediate danger at their current location. These expenses have increased substantially over the years, and $1,500 is unable to cover deposit and first and last month rents, especially when a family or dependents are involved.

In Fiscal Year 2009 there was $25,547.80 given in emergency compensation for 22 claims. 12 of these were made at the maximum amount of $1,500. So far in FY2010, $29,699.17 has been awarded by way of emergency awards for _____ claims. The crime victim compensation fund receives approximately 70% of its appropriations from the state in the form of felon's garnished Permanent Fund Dividends and 30% from federal funds. This type of compensation is deducted from the final amount given to the victim and any excess award must be repaid to the Board.

I urge you to join me in assisting Alaska's victims of violent crimes when their need is greatest and support Senate Bill 266.

January – May: State Capitol – Juneau, Alaska 99801 – (907) 465-2327 – 1 (800) 336-7383 – Fax (907) 465-5241
June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

OUSE COMMITTEE REPOR

(11)
Date Referred to Committee: March 19, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **SENATE BILL NO. 266**

"An Act relating to emergency compensation from the Violent Crimes Compensation Board."
SB 266-VIOLENT CRIMES EMERGENCY COMPENSATION

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
DOA	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Doogan	✓			
	Foster	✓			
	Austerman	X			
	KELLY			X	
	Salmon	X			
	FAIRCLOUGH	✓			
Chair:					
Chair:	Howard			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 266
(S) Publish Date: 2/26/10

Identifier (file name) SB266-DOA-DAS-02-24-10
Title "An Act relating to emergency compensation from the Violent Crimes Compensation Board."
Sponsor Senator Thomas
Requester (S) STA

Dept. Affected: DOA
RDU VCCB
Component VCCB
Component Number 2694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
No fiscal impact is anticipated, therefore the agency submits a zero fiscal note.

Prepared by: Eric Swanson, Director
Division Administrative Services
Phone (907) 723-9686
Date/Time 02/24/2010 3:00pm

Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration
Date 2/24/2010

(Revised 11/6/2009 OMB)

VIOLENT CRIMES COMPENSATION BOARD

EMERGENCY AWARDS

The State's violent crimes compensation program is funded through both state and federal funds. Approximately 70% of the amount awarded annually in compensation comes from a legislative appropriation of state funds, and 30% comes from federal funds in the form of an annual federal grant.

In FY2009 the VCCB received authorization by the legislature to spend $510,100 in federal funds, and $1,233,300 from PFD criminal receipts on awards to victims of crime. (Note these figures exclude monies for the program's operating expenses)

In FY2009 the total amount paid to victims = $1,701,795, including $25,547.80 awarded by way of emergency awards.

In FY2010 to date the Board has awarded $29,699.17 by way of emergency awards.

Note: amounts awarded as emergency funds are deducted from the amount of the final award made to the victim. Should the claim be deemed ineligible, the emergency funds would be required to be repaid. This does not happen in practice since it is only those claims where eligibility already appears to be established where emergency awards can be considered (see Board policy)

Emergency awards are necessary because the Board only meets approximately 5 times a year. Therefore, it can be several weeks or even months before a claim is considered for award. The Board exercises its discretion in determining whether it believes an emergency award is justified, which awards are limited to lost wages, counseling, relocation or security measures.

In FY 2009 emergency awards were made on 22 claims. 10 were for lost wages; 5 for counseling; 6 for relocation and 1 for both lost wages and counseling. The average amount awarded was $1,161.26, but 12 awards were made at the maximum $1,500 level.

The maximum amount that may be awarded as an emergency award has not increased since 1975. The main reason for requesting the increase is that rental costs have increased significantly over the years. If someone needs to find a new place to live urgently, whether as a matter of security or for their emotional wellbeing, $1,500 does not go very far, particularly where a family is involved. Raising the emergency award amount to $3,500 will enable the board to sufficiently provide for emergency situations.

E.g. we recently relocated a family where the 13 year old daughter had been raped in her bed by a family acquaintance. The family was being harassed by the family of the perpetrator. The Board awarded $1,500 in emergency funds so that they could relocate as soon as possible for safety and because the little girl was extremely traumatized. The funds paid for the security deposit ($1,000) and part of one month's rent ($1,600). At the next Board meeting additional funds were awarded to this family for relocation costs as well as funds for counseling.

The Board receives applications for compensation from all regions of the state. The following table shows the number of new applications received during the reporting period by location:

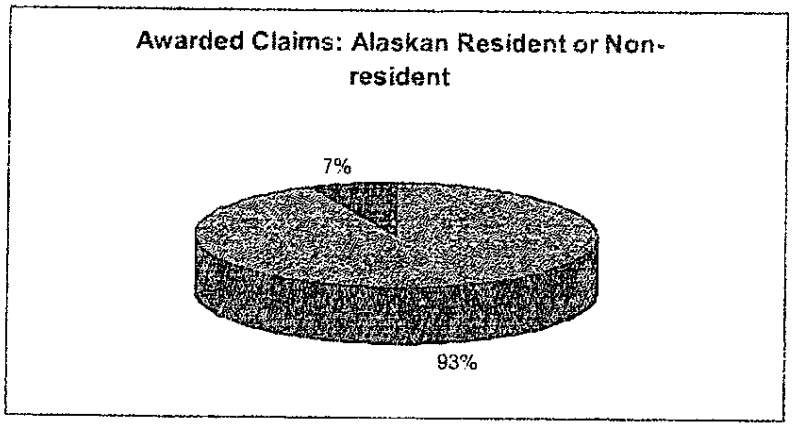
VIOLENT CRIMES COMPENSATION BOARD
NEW CLAIMS RECEIVED BY LOCATION OF CRIME

SFY2009

Community		Community		Community	
Aklachak	2	Fairbanks	47	Nikiski	3
Afognak	1	Fort Wainwright	1	Ninilchik	1
Alakanuk	1	Fort Greely	4	Nondalton	1
Anchorage	289	Girdwood	1	Noorvik	1
Anderson	1	Grayling	2	Nome	10
Angoon	5	Haines	2	North Pole	13
Aniak	1	Houston	3	Palmer	20
Barrow	7	Homer	8	Perryville	1
Bethel	12	Hoonah	1	Point Hope	2
Big Lake	2	Hooper Bay	4	Petersburg	10
Birch Creek	1	Iliamna	1	Port Alexander	2
Chefornak	2	Juneau	40	Quinhagak	1
Chevak	4	Kasilof	2	Russian Mission	4
Chickaloon	1	Kasigluk	1	Razdolna	1
Chuathbaluk	1	Kenai	21	Seward	4
Chugiak	1	Ketchikan	11	Sitka	9
Craig	1	Kiana	1	Soldotna	17
Cordova	1	Kivalina	2	Shageluk	1
Copper Center	2	Knik Knik River	1	Selawik	1
Crooked Creek	1	Koyukuk	2	Stebbins	1
Delta Junction	1	Kodiak	15	St Mary's	1
Dillingham	7	Kotlik	4	Tuntuliak	2
Eagle River	3	Kotzebue	10	Talkeetna	1
Eielson AFB	1	Lower Kalskag	1	Valdez	2
Emmonak	9	Metlakatla	1	Willow	2
Elmendorf	2	Mountain Village	5	Wasilla	40
		Total Alaska	**703**		
		Out of State	**7**		
		TOTAL	**710**		

VIOLENT CRIMES COMPENSATION BOARD AWARDS – 2009

The following chart shows how funds were paid out during this reporting period by resident and non-resident:

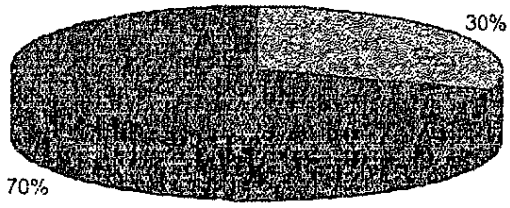


Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Residents 93% **Non-residents 13%**

The following charts shows how funds were paid out during this reporting period by the victim's age, type of crime and type of service.

Awarded Claims by Age of Victim

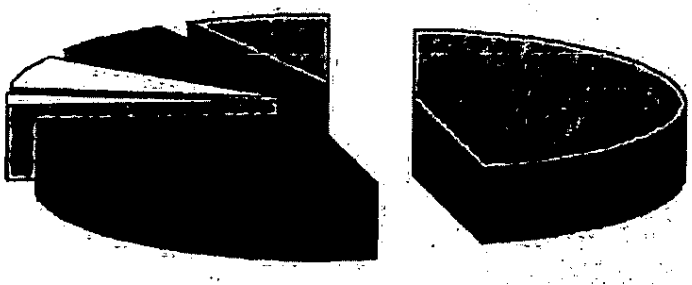


Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

30% of Claims Approved Involved Victims Age 17 and under
70% of Claims Approved Involved Victims Age 17 and Over

VIOLENT CRIMES COMPENSATION BOARD AWARDS – 2009

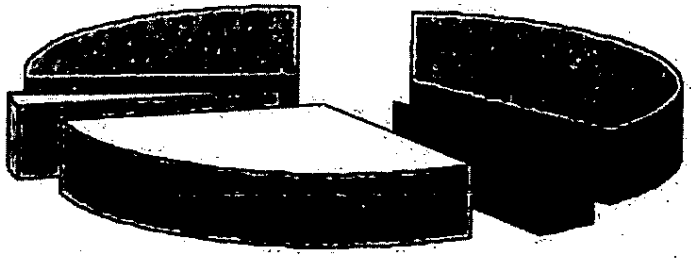
Funds Awarded By Crime Type



Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Assault	$782,077.17
Homicide	$460,268.65
	$50,486.61
Child Physical and Sexual Abuse	$130,492.70
DUI/DWI	$131,898.22
Other: robbery, arson, kidnapping, trafficking, other vehicular	$146,572.08

Awards by Type of Service



Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Medical/Dental	$625,823.45
Counseling	$70,082.29
	$504,079.36
Funeral	$46,165.48
Crime Scene Cleanup	$3,036.36
Other (e.g. relocation)	$452,608.50

In 2009, the total amount paid out was $1,701,795.

Sample of Emergency Awards from Fiscal Year 2009

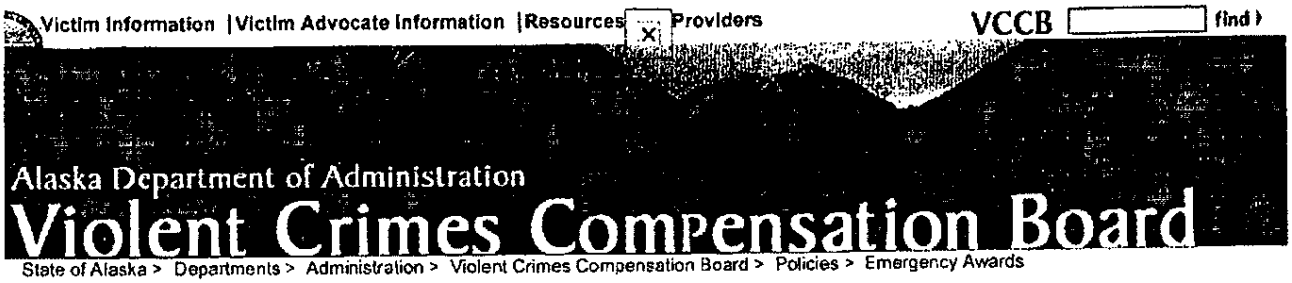
#34183 The claimant, a female, filed as a victim of sexual assault and the Board previously awarded an emergency award in the amount of $700 for Other-replace clothing and CITA. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(4). All Board members concurred with the decision.
AWARDED: $0

#34583 The claimant, a female, filed as a victim of sexual assault. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67. It was the decision of the Board to award emergency relocation under AS 18.67.(a)(1). All Board members concurred with the decision.
AWARDED: $1,500 Relocation

#34551, 673-4 The claimant, a female, was a victim of a domestic assault and the Board previously awarded an emergency award in the amount of $1,500 for airfare, food, glasses, CITA housing expenses. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation expenses. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $0
Pre-approve up to $2,600 MHT
Pre-approve up to $1,200 MHT
Pre-approve up to $1,200 MHT
Pre-approve up to $3,736.90 Relocation

#34584 The claimant, a female, was a victim of human trafficking and the Board previously awarded an emergency award in the amount of $1,500.00 for relocation. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $1,444.70 Relocation
Pre-approve up to $2,600.00 MHT
Pre-approve up to $300.00 Mileage
Pre-approve up to $2,055.30 Relocation
Pre-approve up to $600.00 CITA

#34583 The claimant, a female, was a victim of sexual assault and the Board previously awarded an emergency award in the amount of $1,500 for relocation. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation expenses. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $2,128.22 Relocation
Pre-approve up to $2,600.00 MHT
Pre-approve up to $1,609.78 Relocation
Pre-approve up to $2,500.00 Re-establishment



Board Awards

Quick Links

Forms
Policies

Emergency Awards

Short Description

If a claim appears to be eligible for compensation and a claimant would suffer undue hardship if assistance were not provided, the Board may award up to $1,500 in emergency assistance.

Policy

Adopted 9-27-06

Utilizing statutory discretion, if it appears to the Board, prior to taking action on an application, that the claim is one for which compensation is likely, and undue hardship would result to the applicant if immediate payment is not made, the Board may make an emergency award of compensation to the applicant and/or their service provider pending a final decision. However, the amount of the emergency compensation may not exceed $1,500.00 per applicant. The amount of the emergency compensation shall be deducted from the final compensation made to the applicant and the excess of the amount of the emergency compensation over the final amount awarded shall be repaid by the applicant to the Board.

Emergency awards shall be limited to verifiable lost wages, counseling only when payments are made directly to the service provider, relocation costs, and security measures if/when relocation assistance is not requested. The Board will not consider awarding medical costs through emergency awards.

PO Box 110230, Juneau, AK 99811
10th Fl., State Office Building, 333 Willoughby Ave., Juneau, Alaska
Email VCCB | Fax: (907) 465-2379 | Phone: (907) 465-3040
State of Alaska | Webmaster

SB 269

<target><bill>SB 269</bill><subject>SB 269</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 6, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/14/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 269(FIN)**

"An Act relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume cap; relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap; increasing the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding; relating to revenue bonds and to obligations secured by lease that are issued by the Alaska Municipal Bond Bank Authority; relating to allocations of tax credit and bonding limits imposed by the federal government; and providing for an effective date."

SB 269-ECON. STIMULUS BONDS: REALLOCATION/WAIVER

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev. for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓
REV	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gara	✓			
Mike Doogan	DOOGAN			✓	
Wes Keller	foster			✓	
Anna Fairclough	FAIRCLOUGH			✓	
	Joule	✓			
	Austerman			X	
	KELLY			✓	
Kyle Johnson	Salmon			X	
	Thomas	✓			
Chair: Bill Stoltze	Stoltze	✓			
Chair: Mike Hawker	Hawker	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 269
(S) Publish Date: 2/10/10

Identifier (file name): 0880-CED-AIDEA-1-12-10
Title: Municipal Bond Bank and Recovery Zone Bonds
Sponsor
Requester

Dept. Affected: DCCED
RDU: AIDEA (125)
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes to authorize the Alaska Industrial Development and Export Authority (AIDEA) to use or reallocate waived recovery zone facility bond volume cap originally allocated under 26U.S.C. 1400U-1-1400U-3, as amended. AIDEA shall use or allocate the waived volume cap for the most efficient job creation and economic recovery in areas of the state particularly affected by employment declines. AIDEA shall give priority to projects within a borough or census area that received an allocation of volume cap under 26U.S.C. 1400U-1-1400U-3, as amended. AIDEA shall charge and collect a fee for reallocating waived recovery zone facility bond volume cap to reimburse AIDEA for administrative and contract expenses associated with the reallocation not to exceed 1% of the reallocation.

(Continued on Page 2)

Prepared by: Sara Fisher-Goad — Phone 771-3012
Division: AIDEA — Date/Time 1/12/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 1/12/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

4997

The potential fee amount to be collected is indeterminate; however, Alaska's total recovery zone facility bonds volume cap allocation is $135,000,000, with $87,930,000 allocated to boroughs and $47,070,000 allocated to census areas. AIDEA's normal bond fees would apply for any bonds issued under AS 44.88 as recovery zone facility bonds.

No additional operating costs are anticipated with this legislation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 269
(S) Publish Date: 2/10/10

Identifier (file name): LL 0880-REV-MBBA-2-9-10
Dept. Affected: Revenue
Title: Recovery Zone Volume Cap
RDU: Taxation and Treasury
Component: Alaska Municipal Bond Bank Auth
Sponsor: Rules by request of the Governor
Requester:
Component Number: 44

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	20.0						
Contractual	60.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**80.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Bond Bank retained earnings	80.0						
TOTAL	**80.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 15.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Bill authorizes the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap. The allocations provide issuers a 45% subsidy from the US Treasury on qualified taxable debt of the issuer. In some markets this structure results in a 1.5% reduction in the cost of capital, and up to .5% more reduction than the Build America Bond structure with its 35% subsidy.

The allocation process would be conducted within the normal course of business of the Bond Bank. There will be legal counsel and financial advisory service costs to prepare the legal documents required to allocate the economic development bond volume cap. Travel costs will be incurred providing training and advice to municipalities as well as for additional board meetings of the five member Bond Bank board that will be required to ensure timely delivery of the allocations.

Prepared by: Deven Mitchell, Executive Director — Phone 465-3750
Division: Alaska Municipal Bond Bank — Date/Time 12/28/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 2-9-10; 4:52pm
Administrative Services Division

(Revised 11/6/2009 OMB)

4999

HOUSE FINANCE COMMITTEE
SB 269-ECON. STIMULUS BONDS:
REALLOCATION/WAIVER
SIGN-IN

NAME: Mark Davis

Dept./Company: AIDEA Title:

Email: Mdavis@aidea.org Phone: 771-3008

Do you wish to testify? X Yes ___No ___Respond To Questions

NAME: Deven Mitchell

Dept./Company: AK Bond Bank Title: Executive Director

Email: Phone: 465-3750

Do you wish to testify? ✓ Yes ___No ___Respond To Questions

NAME:

Dept./Company: Title:

Email: Phone:

Do you wish to testify? ___Yes ___No ___Respond To Questions

NAME:

Dept./Company: Title:

Email: Phone:

Do you wish to testify? ___Yes ___No ___Respond To Questions

NAME:

Dept./Company: Title:

Email: Phone:

Do you wish to testify? ___Yes ___No ___Respond To Questions

HFC-08

5000

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

March 16, 2010

Sponsor Statement
HB 338 / SB 269
Recovery Zone Bonds and Alaska Municipal Bond Bank Authority

Recovery Zone Bonds:

The bill provides for Reallocation of volume cap of recovery zone economic development bonds and recovery zone facility bonds. When Congress passed the American Recovery and Reinvestment Act of 2009 (the Act), the bill authorized the issuance of certain tax advantaged bonds for local government projects called Recovery Zone Economic Development Bonds (RZEDBs) and for economic development projects called Recovery Zone Facility Bonds (RZFBs). These allocations are available for projects that are financed in 2009 or 2010. The benefit can be interest rate reduction of up to 2% versus conventional financing. The Alaska allocations are $90 million of RZEDB and $135 million of RZFBs.

The legislation provides a formal mechanism to allow the reallocation of the recovery zone economic development bond authorization to local governments by the Alaska Municipal Bond Bank and the recovery zone facility bond authorization to the Alaska Industrial Development and Export Authority. The legislation is written to ensure the allocations made to census areas will be made available first to those governments within the census area, and then more globally for statewide project financings. Further, the allocations to those communities that don't have project financings underway will be available to reallocate to those communities with financings by mid 2010. This reallocation framework is essential to allow the benefits of the RZEDB and RZFB programs to be realized.

Alaska Municipal Bond Bank Authority:

The Alaska Municipal Bond Bank was statutorily created to offer Alaskan communities more efficient and cost effective bonds. By pooling communities together in packaged bond sales, the Bond Bank realizes savings for communities by reducing the cost of issuance and enhancing investor interest. Thirty-seven communities representing every region of the state use the Bond Bank. Over the last three years alone, the Bond Bank has issued over $282 million in bonds to fund 32 loans to Alaskan communities and saved Alaskans almost $25 million.

The Bond Bank results in <u>real financial benefits to municipalities and the state</u> by lowering the overhead costs of bond issuances:
(1) Fixed costs are reduced. For example, when three communities combine their bond issuance into one combined Bond Bank issue, fixed costs are paid once as opposed to each community paying them individually;

(2) Investor interest is increased. Bond sales of less than $5 million tend to receive less interest from institutional investors. The Bond Bank combines communities into larger transactions resulting in more investor interest;
(3) Credit rating is improved. The Bond Bank also maintains a credit rating that is better than almost all the communities in Alaska. A better credit rating means less risk to investors correlating to less interest expense to municipalities; and
(4) Lower Cost to the State. The state benefits from the lower cost of borrowing through savings in reimbursement costs for its share of bonded debt service for authorized school and other infrastructure projects.

The Bond Bank bonding authority has been increased several times in the last thirty years. In 2003 the limit increased from $300 million to $500 million, and in 2006 the limit increased from $500 to $750 million. As of December 2009 the Bond Bank had $623,090,878 in outstanding bonds. This leaves $126,909,122 available for additional loans to communities. Applications to the Bond Bank over the next six months are expected to total approximately $150 million. This increase is a natural progression for the program, and fits with the historically conservative increases in the borrowing cap. The underlying loan portfolio of the Bond Bank is strong and has fully supported all loans for 35 years. Without passage of legislation it is likely that municipalities will not be able to take advantage of the program.

The Bond Bank is currently restricted from participating in municipal revenue bonds that fund electrical generation projects other than diesel-powered generation. With today's focus on alternative and green power generation this is an outdated exclusion that is unclear in its origins. Bond Bank participation in an existing proposal to increase the hydro electric generation capacity of the City and Borough of Sitka will save millions in interest expense versus existing financing alternatives. There is additional savings potential for all Alaska's municipally owned electrical utilities that are considering investing in non-diesel fueled electricity generation.

The Bond Bank is currently able to fund lease backed transactions to provide for the improvement of a building, but not where the state is a lessee. This has created limitations on several municipal projects where a state agency is interested in partnering with a local community to provide for quality space. It has also restricted the ability to participate in acquisitions or construction of new facilities secured by leases. The change in this statute will result in a more efficient means of municipal building finance.

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR

333 Willoughby Avenue, 11th Floor

P.O. Box 110410

Juneau, Alaska 99811-0405

Phone: (907) 465-2300

Fax: (907) 465-2394

Sectional Analysis
CS SB 269 (FIN)
Recovery Zone Bonds and Alaska Municipal Bond Bank Authority

Section 1. Findings and intent.

Section 2. Gives the authority to reallocate tax credit and tax exempt bond limitations to the State Bond Committee

Section 3. Increases the total bond authority for the Alaska Municipal Bond Bank Authority from $750 million to $1 billion.

Section 4. Removes limitations on the Alaska Municipal Bond Bank Authority related to financing certain power projects and equipment and buildings that are leased to the state.

Section 5. Waiver and allocation of volume cap for Recovery Zone Economic Development Bonds which allow local governments to issue bonds for a government capital projects and receive a 45% interest subsidy from the U.S. government. This will provide a significant cost savings for local governments and taxpayers. Reallocated by the Alaska Municipal Bond Bank Authority.

Section 6. Waiver and allocation of volume cap for Recovery Zone Facility Bonds which allow for private sector projects to be financed with tax exempt bonds. Reallocated by Alaska Industrial Development and Export Authority.

Section 7. Revisor's instructions for technical title changes.

Section 8. Immediate effective date.

RECEIVED
MAR 31 2010
Office of the Mayor

Fairbanks North Star Borough
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

ECONOMIC DEVELOPMENT COMMISSION
RESOLUTION NO. 2010-002

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH ECONOMIC DEVELOPMENT COMMISSION SUPPORTING AMENDMENT OF SENATE BILL 269 TO ALLOW MUNICIPALITIES TO WAIVE THEIR ALLOCATION OF RECOVERY ZONE BONDS TO ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA) OR ALASKA MUNICIPAL BOND BANK (AMBB) AND DIRECT THEM TO RE-ALLOCATE THEM TO A PROJECT OUTSIDE THE BOROUGH BOUNDARIES THAT BENEFITS THE BOROUGH AND ITS CITIZENS.

WHEREAS, the Fairbanks North Star Borough (FNSB) Economic Development Commission's (EDC) role is to advise the Mayor and Assembly on economic development policy issues; and

WHEREAS, the FNSB EDC is responsible for implementing a regional Comprehensive Economic Development Strategy (CEDS); and

WHEREAS, the FNSB CEDS encourages stabilizing and reducing energy costs in the interior; and

WHEREAS, passage of Senate Bill 269, as amended, allows the Borough to waive its allocation of Recovery Zone Private Facility Bonds to Alaska Industrial Development and Export Authority (AIDEA) and direct the AIDEA to reallocate the bond cap allocation to a project outside the borough's boundaries that benefits the borough and its residents; and

WHEREAS, re- allocating the balance of the Recovery Zone Facility Bonds to the Port Authority (Authority) for use in the Authority's project to own and operate a natural gas facility the borough will result in reduced energy costs to the borough and it's residents, a clear benefit.

NOW THEREFORE BE IT RESOLVED that the Fairbanks North Star Borough Economic Development Commission supports passage of Senate Bill 269, as amended to allow municipalities to waive their Recovery Zone Bonds to AIDEA and direct them to reallocate those bonds to a project outside of the borough boundaries that benefits the borough and its residents.

Approved _____ **March 23, 2010**
Lyke Hopkins, Borough Mayor

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED
MAR 26 2010

March 3, 2010

TO: Senate Finance

RE: Alaska Municipal League Support for SB 269 and HB 338.

As the ARRA created differing finance options for communities across the U.S. to include Recovery Zone Facility Bonds (RZFB) and Recovery Zone Economic Development Bonds (RZEDB), communities are now able to offer businesses in distressed areas, tax-exempt funding for capital projects. The amounts of bonds available to Alaska are $135 million for RZFB, and $90 million for RZEDB.

Recovery zones are created by resolution and bonds from that area must be issued no later than January 1, 2011 or the funds go back to the federal government.

As bond allocations were based on relative declines in employment in 2008, Anchorage and the Mat-Su Borough received no allocation. Large allocations, however, were given to more than a few census areas in Alaska, such as the Wade Hampton area. Census areas, however, do not have bonding authority. That leaves municipalities such as Bethel and the surrounding communities, unable to utilize the allocation.

SB 269 and HB 338 will allow communities within the state to effectively receive and utilize bonds by providing the Alaska Municipal Bond Bank (AMBB) and the Alaska Industrial Development and Export Authority (AIDEA), the ability to reallocate these funds to communities that can utilize them. It would be a shame to see these allocations lapse, when they could be otherwise put to such good use.

Some communities which received allocations may not have enough allocation or not have viable projects; while other communities may have many projects, but receive no allocation.

In summary, this bill would allow boroughs to waive all or part of their allocation. It would allow the waiver of unused allocations to be provided by June 30, 2010. It would lapse all waived RSFBs to AIDEA and all waived RZEDBs to AMBB. It would allow the AMBB and AIDEA to designate Recovery Zones and then, reallocate funds. It would provide for the adoption of regulations to the AMBB and AIDEA to use or to reallocate. It would, also, prioritize the reallocation of Recovery Zone Bonds to projects within a borough or census area that had already received an allocation.

We would highly recommend passing these two worthwhile bills.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director
Alaska Municipal League

SB 270

<target><bill>SB 270</bill><subject>SB 270</subject><comm>HFIN26</comm></target>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue # 1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 9, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Housing Finance Corporation.

The bill would permit the Alaska Housing Finance Corporation to modify the transfer plan to accommodate changes in the generally accepted accounting principles.

The primary objective of this change would be to accommodate changes in the generally accepted accounting principles and to enable the transfer plan to continue as intended by the original legislation.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

COMMITTEE COPY

SENATE BILL NO. 270

5007

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: March 17, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/7/10

The FINANCE Committee considered: **SENATE BILL NO. 270**

"An Act relating to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date."

SB 270-AK HOUSING FIN CORP DIVIDEND

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
Mike Doogan	Doogan	✓			
	Austerman	X			
	KELLY	✓			
	FOSTER	✓			
	Salmon	X			
Chair:					
Chair:	Stoltze		✓		

5008

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 270
(S) Publish Date: 2/10/10

Identifier (file name): 0847-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Transfer
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this bill will not have an impact on AHFC's operating budget.

This bill will amend 18.56.089(d)(1) to change the definition of "adjusted change in net assets" to mean the change in net assets from the base fiscal year, adjusted for capital expenditures incurred during the base fiscal year and adding "**and temporary market value adjustments to assets and liabilities made during the base fiscal year.**"
This will update the statute so that it will reflect changes in federal accounting principles regarding interest rate swaps.
This will allow for a more accurate representation of AHFC's net income for the determining of the yearly dividend.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 12/17/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:28am
Administrative Services Division

(Revised 11/6/2009 OMB)

5009

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

Senate Bill 270
AHFC Transfer Plan
Sponsor Statement

Senate Bill 270 will modify the Alaska Housing Finance Corporation's transfer plan statutes to reflect federal changes in generally accepted accounting principles.

House Bill 256 passed in 2003 that set in statute a transfer plan for AHFC to pay an annual dividend to the state of Alaska. The yearly dividend would be lesser of $103 million or 75 percent of the Corporation's net income for the previously completed fiscal year minus bond repayments for state capital projects.

In 2006, Senate Bill 236 passed that made the first adjustments to the transfer plan. This bill changed the definition of "net income" to "adjusted change in net assets", which reflected federal changes to generally accepted accounting principles.

SB 270 will make another modification due to federal changes in generally accepted accounting principles. It will add to the definition of "adjusted change in net assets" to include "temporary market value adjustments to assets and liabilities made during the base fiscal year". This change will allow for a true dollar figure for the Corporation's dividend to be calculated from rather than inaccurately high or low numbers based on how interest rate swaps are now considered.

Alaska Housing
FINANCE CORPORATION

Headquarters
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 338-6100

Mailing Address
P.O. Box 101020
Anchorage, AK 99510-1020

Internet Web Site
http://www.ahfc.state.ak.us

Senate Bill 270
Sectional Analysis

Section 1 -
Section 1 adds language to the statutory definition of "adjusted change in net assets" to reflect current changes in generally accepted accounting principles related to market value adjustments to assets and liabilities.

Section 2 -
Section 2 provides for an effective date for the bill.

SB 279

<target><bill>SB 279</bill><subject>SB 279</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

Senate District E
Fairbanks and Fort Wainwright

State Capitol Building, Room 7
Juneau, Alaska 99801-1182

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
http://paskvan.aksenate.org/

Sponsor Statement for SB 279: Mortgage Lending

Senate Bill 279 "An Act relating to the regulation of residential real property mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

Senate Bill 279, along with regulations promulgated when the bill becomes law, will bring Alaska's mortgage lending law into compliance with the new federal law and national licensing system.

Alaska's current mortgage lending law, the Alaska Mortgage Lending Regulation Act ("AMLRA"), became effective July 1, 2008. The law requires that mortgage lenders, brokers, and originators apply for and obtain a mortgage license in order to do business in Alaska. The purpose of this law is to protect consumers and hinder predatory lending and fraudulent behavior.

On July 30, 2008, a new federal law called the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) became effective. The SAFE Act requires that all states (1) implement mortgage laws which conform to its requirements by July 30, 2009, and (2) join and use a national database called the National Mortgage Licensing System and Registry (Registry) to license mortgage loan originators. States may implement more comprehensive mortgage lending laws than are provided under the federal SAFE Act, which provides minimum standards and requirements.

Alaska was able to join and begin licensing through the Registry on August 1, 2009, as the result of the passage of House Bill 221 last legislative session, which authorized participation in the Registry, enabling the state to comply with that part of the SAFE Act.

Under the SAFE Act, a state which is unable to meet the July 30, 2009 compliance deadline and whose legislature meets annually, may apply for a one-year extension to the U.S. Department of Housing and Urban Development (HUD), the federal agency tasked with compliance oversight. Alaska requested an extension on August 25, 2009.

If a state does not comply with the federal law by the deadline, then HUD is required under the SAFE Act to license loan originators in the state. While a state may maintain authority under its existing law, the authority will be subordinate to HUD. This structure would increase the regulatory burden and cost on the industry. HUD is not required to coordinate with the states.

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

Senate District E
Fairbanks and Fort Wainwright

State Capitol Building, Room 7
Juneau, Alaska 99801-1182

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
http://paskvan.aksenate.org/

A few examples of revisions and requirements under the SAFE Act include (a) changing our current license renewal from a biennial to an annual renewal and (b) requiring 20 hours of pre-licensing education.

For consumers and state regulators, one of the primary advantages to joining the Registry is the sharing of information about mortgage lenders and loan originators among states, as well as the ability to conduct joint exams with other states for out-of-state mortgage lenders doing business in Alaska, including those which operate via the Internet. The Registry also increases and centralizes information available to state regulators, the industry and consumer about the mortgage lending companies and professionals. The use of a national licensing database is also beneficial to the mortgage lending industry, making it easier to track mortgage loan originators and creating a uniform, electronic application process for licensing.

I respectfully request your consideration of this bill and look forward to hearing your questions and concerns.

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

Senate District E
Fairbanks and Fort Wainwright

State Capitol Building, Room 7
Juneau, Alaska 99801-1182

Phone (907) 465-3709
Fax (907) 465-4714
sen.joe.paskvan@legis.state.ak.us
http://paskvan.aksenate.org/

SECTIONAL ANALYSIS
HCS for CS for Senate Bill 279(L&C)

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

Section 1

Adds legislative intent in uncodified law to clarify that the repeal of 45.50.471(b)(52) does not prevent liability for prohibited conduct under 45.50.471-45.50.561.

Section 2

Amends the definition of financial institution in Title 06 to delete reference to "small mortgage lender," because the new federal requirements of Public Law 110-289, Title V, Secure and Fair Enforcement for Mortgage Licensing Act (SAFE) do not allow states to offer a small mortgage lender exception.

Sections 3-4

Requires the state to use the National Mortgage Licensing System and Registry ("registry") to license mortgage lenders, mortgage brokers, and mortgage loan originators and to issue them a unique identifier per SAFE. Doing business in the state includes doing business in the state from a location outside the state or via the Internet. Outlines loan processor and underwriter licensing requirements per Model State Language approved by HUD. If they are independent contractors, they must be licensed as a mortgage loan originator. If they are not independent contractors, and if they do not advertise or represent themselves to the public as mortgage loan originators, then they do not need to be licensed. Also, adds the internet to the list of advertising or communication requiring licensing identification.

Section 5

Sets forth the allowed exemptions to licensing under this chapter per SAFE.

Section 6

Grants authority for the state to participate in the registry, pay the required fees, require industry licensing through the registry and establish a process for licensees to challenge information entered into the registry, as required by SAFE.

5015

Section 7

Describes license application requirements, which include: be on a form prescribed by the department (defined as DCCED) and the registry; contain complete information; include applicant and control person fingerprints, and contain financial background and experience. AS 06.60.020 and .025 are combined into this new section and .025 is repealed. Regulations will include any other registry application process requirements not included in statute and required by SAFE.

Section 8

Reference to "originator" is changed to "mortgage loan originator. No substantive change.

Section 9

Per the SAFE act, requires applicant for mortgage license to furnish to the registry or the department, information regarding applicant's identity, including fingerprints, personal history and experience, credit report, and information related to administrative, civil or criminal findings. It reduces points of contact and allows department to use the registry as a channeling agent for requesting and distributing information for any source directed by the department.

Section 10

Requires payment of application fee and license fee, and changes license renewal from biennial to annual renewal based on the calendar year, per SAFE.

Section 11

Clarifies that state mortgage license fees are in addition to registry fees and business license fees assessed under AS 43.70.

Section 12

Permits fees under this chapter to be set in regulation.

Section 13

Modifies prelicensing and relicensing education requirements for mortgage loan originators per SAFE requirements.

Section 14

Sets forth SAFE requirements for pre-licensing test. The test measures an applicant's knowledge and comprehension, including ethics, and federal and state law relating to loan origination, fraud prevention, consumer protection, nontraditional mortgages and fair lending. The minimum passing score is 75 % correct answers. Mortgage loan originators may retake the test 3 consecutive times after waiting 30 days after the proceeding test. After failing 3 consecutive tests, an individual may not retest for at least 6 months. A mortgage loan originator who does not maintain a valid license for 5 years, must retake the test. This period without a license does not take into account time during which individual is a registered mortgage loan originator. Department is authorized to access a fee for each test administration.

Section 15

Authorizes the department to adopt regulations to cover bonding requirements.

Section 16

Requires that bonds be continuous and last until three years after a license is terminated or revoked. This brings the bonding requirements into line with the requirements for other licensed industries (*i.e.,* money service businesses and payday lenders, which are also licensed by the department).

Section 17

Deletes a reference to AS 06.60.025 (Application for originator license), which is being repealed and its subject matter added to SAFE-compliant AS 06.60.020 (Application for license).

Section 18

Sets forth the determinations the department must make before granting a mortgage license under SAFE. Applicants must have met the requirements of this chapter. General financial fitness and character of the applicants, directors, officers, members, owners, and other principals must indicate that the business will operate efficiently, fairly, in the public interest and under the law. Replaces the term "principals" with "control person" per the Model State Language. Control person is subsequently defined in Section 81 (Definitions).

Section 19

In order to be responsive to the industry and not halt the course of commerce, this amendment is added because of the length of time it sometimes takes to process fingerprint cards: sometimes up to 4 months in the past. The change authorizes the department to issue a provisional license, the duration of which may last no more than 90 days, if applicant meets all licensure requirements, with the exception of receipt of a background check, which is delayed, through no fault of the applicant, more than 60 days after the date the fingerprints were submitted by the applicant.

Section 20

Per SAFE requirements, changes the duration of the license from 2 years to one year, renewing each December 31st.

Section 21

Requires a licensee to renew license in a form and manner required by the department and the registry and to submit certain information. Changes the renewal fee from biennial to annual fee to comply with SAFE. Renewals are submitted through the registry, not the department. Authorizes the department to adopt procedures and deadlines for license renewal and the assessment of a penalty for late filing, consistent with registry requirements.

Section 22

Per SAFE, adds a new section, which states the minimum standards for license renewal, which include: meeting license issuance standards, satisfying continuing education requirements, paying fees, and complying with requirements under the chapter. Allows the department to establish reinstatement process for expired licenses via regulation.

Section 23

Adds clarifying language. Omits reference to the return of a paper license, in contemplation of going paperless, since all up-to-date records are fully accessible by the public on the registry website.

Section 24

Reference to "originator" is changed to "mortgage loan originator."

Section 25

Clarifies process for a licensee to request the reactivation of a license.

Section 26

Changes three license inactivation requirements, which include: (1) paying annual license fee per SAFE, (2) maintaining the bond required by AS 06.60.045, instead of letting the bond expire, and (3) filing the annual report required by AS 06.60.100. During inactive status, a licensee must inform the department of any changes in name, address, location or business operations or control person.

Section 27

Modifies the requirements for reactivation of an inactive license, taking into account annual license renewals under SAFE and eliminating reference to 24 months, since inactive licenses expire within 12 months, if not reactivated and renewed. If reactivated, a license expires on December 31st of the year issued.

Section 28

Provides that the date licensees must file an annual report will be established by regulation, as well as the report's form and content.

Section 29

Requires licensee to submit reports to the registry, as required by the registry.

Section 30

Adds a new section to deal with branch office applications through the registry, and authorizing the department to adopt regulations regarding procedures and fees for the submission of a branch office application consistent with the requirements of the registry.

Section 31

Adds the authority for the department to establish by regulation, the fees and other requirements for requesting approval of a change in control of a mortgage licensee, consistent with the requirements of the registry.

Section 32

Technical change to correct reference to a statute's subparagraph lettering, which is changed.

Sections 33-35

Reference to "originator" is changed to "mortgage loan originator."

Section 36

Establishes continuing education requirements for mortgage loan originators in accordance with SAFE. Changes current law (which requires 24 hours of education for each biennial license period) to at least 8 hours annually, and specifies 3 hours of federal law and regulation, 2 hours of ethics (including instruction on fraud prevention, consumer protection, and fair lending issues), and 2 hours of non-traditional mortgage product marketplace (*i.e.,* reverse mortgages). Continuing education courses must be approved by the department. A mortgage loan originator may only receive credit in the year for which the course was taken and may not retake the same course in the same or successive years to meet the annual continuing education requirement. A mortgage loan originator who is an approved instructor may receive credit at a rate of 2 hours for every hour taught. Successful completion of a continuing education course approved for another state by the registry shall be accepted as credit in Alaska. A mortgage loan originator who becomes unlicensed must complete the continuing education requirements for the last year in which they held a valid license. The department may establish by regulation procedures for making up deficiencies in continuing education.

Section 37

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). This section authorizes the department to deny, suspend, revoke, condition, or decline to renew a license, or to take other disciplinary action, and sets forth the conditions under which disciplinary action may be applied.

Section 38

Changes "originator" to "mortgage loan originator." States the department may suspend or revoke a license when an award is made from the surety fund. Adds departmental authority to "decline to renew" a license as well.

Section 39

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 40

Clarifies that reinstatement of a license may occur when that license is under suspension (not when it has been revoked). Deletes reference to AS 06.60.017, the small mortgage lender statute (no small lender exemption allowed under SAFE).

Section 41

Clarifies and better defines the department's investigation and examination authority. Eliminates the 36 month suggested examination schedule and provides that the department may conduct reviews, investigations, or examinations as often as necessary to carry out the purposes of the chapter.

Sections 42-43

References to "originator" are changed to "mortgage loan originator."

Section 44

Adds a new section as required by SAFE, which mandates the department making regular reports of violations, as well as enforcement actions to the registry, subject to provisions established in regulations regarding confidentiality. Reportable information will include employment history and publicly adjudicated disciplinary and enforcement actions. Privileged and otherwise confidential information will be protected.

Section 45

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 46

Adds a new section which requires everyone operating as a mortgage loan originator, mortgage broker or mortgage lender to clearly display the unique identifier, which has been assigned by the registry, on all residential mortgage loan application forms, solicitations, and advertisements, including business cards or websites, and any other documents as established by regulation or order of the department. This language comes from the Model State Language.

Section 47

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). Corrects the over-inclusiveness of AS 06.60.330(6) by limiting applicability from "any other federal law or regulation" to "any other federal statute the purpose of which is to regulate residential mortgage lending" and the regulations adopted under the statutes identified in AS 06.60.330.

Section 48

Prohibited activities from current law (subsections 1-2, and 16-25) are expanded to include additional prohibited activities for consumer protection from the Model State Language (subsections 3-15, and 26). These provisions are intended to protect consumers.

Section 49

Adds a new subsection to define "escrow account."

Section 50

Adds clarifying language and deletes reference to small mortgage lender (no small lender exemption allowed under SAFE) and the statutes which apply to small mortgage lenders.

Section 51
More clearly outlines the provisions for cease and desist proceedings per SAFE.

Section 52
Increases rights of licensees by adding a new section, which provides for the right of review of temporary cease and desist orders.

Sections 53-54
Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 55-56
Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 57
Reference to "originator" is changed to "mortgage loan originator." Describes the surety fund purpose to be to pay fund claims against mortgage loan originator licensees.

Section 58
Reference to "originator" is changed to "mortgage loan originator." Adds clarifying language to describe the composition of the surety fund, which includes: (1) appropriations of payments made by mortgage loan originator licensees, (2) filing fees for fund claims, (3) income earned on the investment of money in the fund, and (4) subrogation money deposited in the fund by the department under AS 06.60.740.

Section 59
Reference to "originator" is changed to "mortgage loan originator." Authorizes the department to establish the fund fee, which is paid by mortgage loan originator licensees, to be set in regulations.

Section 60
Reference to "originator" is changed to "mortgage loan originator." The amount of the fund fee ($150) is omitted and will be set in regulations.

Sections 61-63
Reference to "originator" is changed to "mortgage loan originator" and clarifying language added regarding the penalty of unsworn falsification.

Section 64
Extends the time from 7 days to 30 days in which an originator may elect to defend a fund claim in small claims court.

Sections 65-72
Reference to "originator" is changed to "mortgage loan originator.

Section 73

Clarifies language with regards to the surety fund, by adding the word "limit" to denote the $50,000 liability limit for fund claims against one originator licensee. Reference to "originator" is changed to "mortgage loan originator."

Section 74

Adds a new section, which provides that the rights granted to a claimant under the surety fund statutes do not limit any other cause of action the claimant may have against a mortgage loan originator.

Section 75-76

Reference to "originator" is changed to "mortgage loan originator."

Section 77

Adds a new subsection (e), which calls for the $10 program administration fees authorized to be collected under this section to be separately accounted for, and provides that the fees may be appropriated by the legislature to DCCED for the operation of the chapter. Under a later repealer section, the requirement that the Department of Natural Resources (DNR) collect the program administration fee is repealed. The process for the collection of the fee will be implemented through regulation. DNR determined that it would cost more for it to collect the fee than would actually be collected in fees. Therefore, a different procedure will be established via regulation, involving collection of the fee by title companies at closing, and direct submittal to DCCED, bypassing DNR entirely.

Section 78

Per SAFE, the department is authorized to publish disciplinary action taken against a licensee under this chapter, via the Internet, the registry or other publication.

Section 79

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). Also adds that this chapter applies to Internet activities from within or outside the state.

Section 80

Adds clarifying language to the effect that notwithstanding the provisions of AS 06.01.030(f), the Administrative Code applies to departmental disciplinary actions and hearings and to the issuance of disciplinary orders.

Section 81

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 82

Repeals current definitions section AS 06.60.900 and reenacts it to incorporate the following substantive changes per the SAFE Act and as follows:

- Omits definition of "agent."
- Omits definition of "broker."
- Adds "consumer reporting agency" per Fair Credit Reporting Act.
- Redefines "control" and "control person" per the registry's MU1 application form. Changes to 10% the amount of voting shares in a corporation or 10% of the capital of an LLC or partnership, which determines when the person is considered to have control. "Control person" is defined according to the meaning provided in the registry's MU1 application form. The 10% is presumptuous of control; however, this presumption can be overcome by a person having the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise.
- Adds "depository institutions" which, per SAFE, has the meaning given in the Federal Deposit Insurance Act and includes a credit union.
- Adds "dwelling" which, per SAFE, means a residential structure or mobile home that contains one to four family housing units, or the individual units of condominiums or cooperatives.
- Omits definition of "escrow account."
- Adds "federal banking agencies" which, per SAFE, means the Board of Governors of the Federal Reserve System, the comptroller of the currency, the director of the OTS, the NCUA and the FDIC.
- Adds "individual" which means natural person.
- Changes the meaning of "knowingly" to that meaning given in AS 11.81.900(a)
- Adds "licensed mortgage loan originator"
- Adds "loan processor or underwriter"
- Omits "mortgage lender license"
- Omits "mortgage lender licensee"
- Changes the definition of "mortgage loan" to use SAFE language. The main difference is the addition of mobile homes and encompasses non-owner-occupied one to four family units as well as owner-occupied one to four family units. (See definition of "dwelling.")
- Adds "mortgage loan originator" per SAFE, and includes in the definition, the meaning of "real estate brokerage activity" per SAFE.
- Adds "mortgage loan originator license."

- Adds "Nationwide Mortgage Licensing System and Registry" per SAFE.
- Adds "nontraditional mortgage product" which, per SAFE, means any mortgage product other than a 30-year fixed rate mortgage.
- Adds to the meaning of "operate" to include "hold out" which means to represent to the public, through advertising or other means of communication or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the person can or will perform an activity for which a license is required under this chapter.
- Adds "operate in the state" which includes Internet businesses.
- Omits "originator," "originator license," and "originator licensee," having replaced these definition with the those involving "mortgage loan originator."
- Adds "registered mortgage loan originator" which, per SAFE, means those who work as

originators for a depository institution and its subsidiaries or an institution regulated by the Farm Credit Administration. These originators must be registered through the registry and maintain a unique identifier.

- Adds "registry" per SAFE.
- Adds "residential mortgage loan."
- Defines "residential property" to mean, per SAFE, real property located in the state on which a dwelling is constructed or is intended to be constructed.
- Omits "small mortgage lender," because no small lender exemption is allowed under SAFE.
- Adds "unique identifier" which, per SAFE, means a number or other identifier assigned to a licensee by protocols established by the registry.

Section 83

Amends the short title to the Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010.

Section 84

Reference to "originator" is changed to "mortgage loan originator."

Section 85

Amends AS 12.62.400 (National criminal history record checks for employment, licensing and other noncriminal justice purposes) is amended by adding a new subsection which permits the submittal of fingerprints to the registry, per SAFE requirements. Under the statute as it currently stands, these fingerprint cards must be submitted to the Department of Public Safety

Section 86

This is the repealer section. It repeals the following statutes as follow:

06.60.017 — (Small mortgage lenders and originators) This exemption is not permitted by SAFE.

06.60.025 — (Application for originator license) Application provisions for obtaining a mortgage loan originator license are added to AS 06.60.020 (Application for license).

06.60.065 — (Determinations for originator licensing) Determinations to be made by the department before issuing a mortgage loan originator, mortgage broker or mortgage lender license are all included in AS 06.60.60 (Determinations before licensing).

06.60.070 — (Form and contents of license) The department will no longer supply paper licenses. More complete and up-to-date information is available to the public on the registry website.

06.60.075 — (License availability) Eliminated, in contemplation of paperless license and more complete and up-to-date information is available to the public on the registry website.

06.60.090(i) — (Inactive license) Again, anticipates paperless license and obtaining license status via the registry website.

06.60.097(b) — (Surrender of license) Paperless license; therefore no surrender, merely license status on the registry website.

06.60.105 — (Biennial license fee) SAFE requires annual license fee, which is covered in this Bill Draft Section 20 (AS 06.60.085 – Renewal of license) provisions and Section

11 (AS 06.60.035 – Fees and expenses) which permits fees under this chapter to be set in regulation.

06.60.145 — (Disqualified persons) Inapplicable.

06.60.150 — (Posting of license) Eliminated, in contemplation of paperless license and more complete and up-to-date information is available to the public on the registry website.

06.60.440 — (Definition) "small mortgage lender" definition is eliminated because SAFE Act does not allow this exemption.

06.60.540 — (Approval required) Department is not authorized to and will not use surety fund for these purposes.

06.60.810 — (Payment and use of fees) Repeals the requirements that DNR collect the program administrative fee. Instead, this $10 fee collection will be established via regulation.

06.60.870 — Temporary section passed last legislative session which authorized participation in the Registry; authorization is included elsewhere in statutes.

45.50.471(b)(52) – Automatic referral to the Consumer Protection Act. This repeal is the subject of the legislative intent language in section 1 of the bill.

Section 87

Transitional section provides that

- a person holding a valid license issued under Chapter 06.60 on or before July 1, 2010, may continue to operate under that license until license expires, is revoked, or is suspended except for a mortgage license application amendment submitted on or after July 1, 2010 requesting approval of a change of a control person and this Act, including its provisions on expiration, renewal, prohibitions, revocation, suspension, and enforcement, apply to the license and to the person's operation under the license;
- a person who is not licensed under Chapter 06.60 before July 1, 2010 and files an application for licensing under this Act after July 1, 2010, shall comply with the requirements of this Act to receive a license under this Act; and

Section 88

Transitional section provides for temporary fees and bond amount during the period from July 1, 2010 and effective date of new regulations. The intent is to have regulations in place by July1st, but if delayed, fees during this period will essentially remain the same as under current statutes.

Section 89

Authorizes the department adopt regulations necessary to implement this Act. They will take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

Section 90

Section 88 of this Act (authorizing the department to adopt regulations) takes effect immediately under AS 01.10.070(c).

Section 91

Except as provided in sec. 89 of this Act, this Act takes effect July 1, 2010.

Adopted 4/15/10

26-LS1295\C.1
Bannister
4/15/10

AMENDMENT #1

By Stoltze by Request

OFFERED IN THE HOUSE

TO: HCS CSSB 279(L&C)

Page 1, line 8:

Delete "REPEAL"

Insert "AMENDMENT"

Page 1, line 9:

Delete "repeal"

Insert "amendment"

Page 1, line 10, through page 2, line 4:

Delete all material.

Insert "the amendment not affect the right of a person to bring an action under AS 45.50.471 - 45.50.561 for a violation of AS 06.60.340, as amended by sec. 48 of this Act, for conduct that is also described under another provision of AS 06.60.320 - 06.60.380."

Page 23, lines 24 - 25:

Delete "In addition to activities prohibited elsewhere in this chapter or by other law, a"

Insert "A"

Page 42, following line 1:

Insert a new bill section to read:

"* **Sec. 86.** AS 45.50.471(b)(52) is amended to read:

(52) violating **AS 06.60.340** [AS 06.60.010 - 06.60.380] (mortgage lending regulation);"

Renumber the following bill sections accordingly.

Page 42, lines 3 - 4:
Delete "06.60.870; and AS 45.50.471(b)(52)"
Insert "and 06.60.870"

Page 42, line 25:
Delete "sec. 89"
Insert "sec. 90"

Page 42, line 26:
Delete "sec. 89"
Insert "sec. 90"

Page 43, line 17:
Delete "Section 89"
Insert "Section 90"

Page 43, line 18:
Delete "sec. 90"
Insert "sec. 91"

'OUSE COMMITTEE REPOR

(11)
Date Referred to Committee: April 10, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/15/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 279(FIN)**

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

SB 279-MORTGAGE LENDING

Recommends it be replaced with [✓] HCS *or* **[ ] CS** *for* CS SB 279 (FIN)
For Senate Bills with new title: [ ] Technical Title /] New Title: HCR_____ [X] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Dougan	✓			
	Joule	✓			
	Foster	✓			
	Hunterman			X	
Anna Fairclough	FAIRCLOUGH	X			
	Salmon	X			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

5028

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 279
(S) Publish Date: 3/4/10

Identifier (file name): SB279-CED-BSS-2-23-10
Dept. Affected: DCCED
Title: Regulation of Mortgage Lending
RDU: Banking and Securities
Component: Banking and Securities
Sponsor: Senator Paskvan
Requester: Senate Labor and Commerce Committee
Component Number: 2808

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	65.0		65.0	65.0	65.0	65.0	65.0
Travel	20.0		20.0	20.0	20.0	20.0	20.0
Contractual	43.0		13.0	6.0	6.0	6.0	6.0
Supplies	3.0		3.0	3.0	3.0	3.0	3.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**131.0**		**101.0**	**94.0**	**94.0**	**94.0**	**94.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**384.0**		**438.0**	**438.0**	**438.0**	**438.0**	**438.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Rcpt Svcs (1156)	131.0		101.0	94.0	94.0	94.0	94.0
TOTAL	**131.0**	**0.0**	**101.0**	**94.0**	**94.0**	**94.0**	**94.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1	0	1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill will bring the State of Alaska's mortgage lending statutes into compliance with the minimum federal licensing standards that are required by the federal S.A.F.E Act.

Alaska's state mortgage lending law (effect July 1, 2008) requires that mortgage lenders, brokers, and originators apply for and obtain a mortgage license to do business in Alaska. The federal S.A.F.E. Act (enacted July 30, 2008) requires, in part, that all states utilize a national database licensing system called the National Mortgage Licensing System and Registry to license mortgage loan originators. This was achieved with the passage of House Bill 221 during the 2009 legislative session, and Alaska joined the Registry August 1, 2009. The second part of the federal S.A.F.E. Act requires that states implement minimum federal licensing standards, which is the purpose of this bill.

Prepared by: Lorie Hovanec, Director — Phone 269-8140
Division: Banking and Securities — Date/Time 2/22/10 10:30 AM
Approved by: Emil Notti, Commissioner — Date 2/23/2010
Department of Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

5029

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 279

ANALYSIS CONTINUATION

The personal services component includes the addition of one occupational licensing position. Currently, one staff member handles the processing of license application, changes and renewals for two programs: mortgage lending as well as money service businesses. This position will be hired in FY11 to perform primarily mortgage lending and Registry licensing, change notice processing, and renewal functions, as well as support for the examiners. Our currently employed occupational licensing position will focus on money service business licensing, renewals and examiner support, as well as back-up in mortgage lending at peak times, such as year end when all licenses renew. The contractual line includes $3,000 in FY11 for costs associated with this new position as well as an ongoing $3,000 in the supplies line.

The travel component reflects the department licensing numerous out-of-state mortgage lending companies due to the national registry, requiring travel to examinations. The department estimates these out-of-state exams will cost about $20,000 per year, with travel to three exams per year, considering a 3 year exam schedule and reliance on other states for some portions of most out-of-state exams.

American Association of Residential Mortgage Regulators (AARMR) and the Conference of State Bank Supervisors (CSBS) oversee the national Registry. The CSBS membership fee is already included in the division's budget; however, the AARMR annual fee of $750 is new and is included in the contractual component.

Additionally, the Registry only processes federal background checks, and a licensee pays for this federal background check fee directly to the Registry. State background checks (*e.g.*, for mortgage company control persons) are paid up-front by the division. When the fee is collected from a licensee it goes into the general fund. We estimate the division's cost to be approximately $5,250 per year for this state background check service and is included in the contractual component.

The contractual component also reflects $30,000 in legal fees in FY11 associated with drafting the regulation package and an increase in our contract for legal hearing officer services in FY11. Other states already in compliance with the new federal laws have experienced increased legal and hearing fees associated with changes affecting the industry. The department expects an increase totaling $14,000 for in FY11 and FY12 as the result of changes in current law.

Change in Revenue:

An increase in FY11 revenue is expected due to changes brought about expansion of the definition of "mortgage loan originator." This expansion includes licensing of loss mitigation specialists as mortgage loan originators, thereby affecting loan modification and servicing companies. Licensing these individuals will also increase the number of companies needing to be licensed.

Additionally, the S.A.F.E. Act limits exemptions, such that non-profits, mobile home dealerships and previously exempt subsidiaries of financial institutions must now be licensed.
We estimate that all of these changes will increase FY11 revenue by $384.0.

In FY12 and beyond, the revenue increase is primarily due to the S.A.F.E. Act requiring annual, rather than biennial renewals. To estimate this increase, we reduced the number of additional applicants resulting from change in law in FY11, determined a number that anticipates new applicants and non-renewing licensees in relative stasis, and estimated the change in revenue to be $483.0 per year.

Explanation of Amendments in HCS for CSSB 279(L&C)

The Senate Finance Committee amended SB 279, based on comments received from the Conference of State Bank Supervisors ("CSBS")* after the bill passed out of the Senate Labor and Commerce Committee; and a few technical issues identified by the committee. The CSBS amendments were proposed to ensure compliance with the SAFE Act. The staff technical amendments generally provide clarification. Unless otherwise noted, page and line references below are to the location of the amendments in HCS for CSSB 279(L&C).

a. Approval authority for education courses

Under the SAFE Act, courses required for pre-licensing education and for continuing education have to be approved by the registry. Due to concern within the Department of Law (DOL) that the state's approval authority cannot be delegated, the bill provided for approval of the courses by the state, with the understanding that the state would rely on the registry's approval in making its decision to approve. CSBS felt this language conflicted with the registry's approval authority.

The conflict is resolved with the amendments to the satisfaction of both the DOL and CSBS. In those sections of the bill that previously referred to approval of courses by the state, the bill now cites the approval under the specific SAFE Act section that describes the registry's authority in this area. CSBS also pointed out that paragraph (e) of AS 06.60.038 (page 7 of SB 279) will be unnecessary under the SAFE Act and it has been deleted.

The changes that address these issues occur in AS 06.60.038 (pre-licensing education) (*see* section 13, page 7, lines 11 -21) and in AS 06.60.160 (continuing education) (*see* section 36, page 16, lines 7-15).

b. Approval authority for licensing test

The SAFE Act provides that the licensing test will be developed by SAFE and that the test will cover both federal and state law. CSBS felt that the separate approval by the state for the state component of the test conflicted with the SAFE Act. The amendments take out the separate references to the "national" and the "state" tests and just cite the section of the SAFE Act that describes the authority of the registry to develop the licensing test on both federal and state law.

This change is in AS 06.60.040 (testing of mortgage loan originators). *See* section 13, page 7, lines 22-25.

---

* A wholly-owned subsidiary of CSBS owns and operates the Nationwide Mortgage Licensing System and Registry ("registry").

c. Disqualifying felony convictions

The SAFE Act requires that an applicant for licensing as a mortgage loan originator who has been convicted of any felony in the seven years before the application is disqualified from licensing. If a felony conviction involves "an act of fraud or dishonesty, a breach of trust, or money laundering," then the applicant is disqualified not for seven years but for life. SB 279 included the limitation involving "fraud or dishonesty, a breach of trust, or money laundering" for felonies occurring within seven years of the application. This inconsistency with the SAFE Act is corrected by the amendment.

The change is in AS 06.60.060 (determinations before licensing). *See* section 18, page 10, line 1.

d. Definition of "residential mortgage loan"

The SAFE Act contains a definition of "residential mortgage loan" that is applicable to the states in their licensing of mortgage loan originators. SB 279 incorporated the elements of the SAFE definition in "mortgage loan," read in combination with the definition of "residential property." SB 279 also contained a separate definition of "residential mortgage loan" that incorporated the defined phrase "mortgage loan," but added "for residential real property." This arrangement could have created some confusion about whether "residential mortgage loan" and "mortgage loan," both of which are used in the bill, are intended to have the same meaning and whether that meaning was consistent with the SAFE Act definition. To clear up any possible confusion, these amendments define "mortgage loan" to be the same as "residential mortgage loan" and all the SAFE definition elements are included in the "residential mortgage loan" definition.

This change is reflected in amendments to AS 06.60.990 (definitions). *See* section 81, paragraph (22), page 38, line 10, and paragraph (33), page 40, lines 13-17.

a. "Internet" added to the list of communication methods for loan processor or underwriter advertising. *See* AS 06.60.013 (loan processors or underwriters), section 4, page 3, line 28.

b. Exemption clarified for an individual who offers or negotiates a loan secured by a mortgage on his or her own residence. Exemption applies to sellers (not buyers). *See* AS 06.60.015 (exemptions), section 5, page 4, line 16.

c. Time limit added for department action on a renewal application - within 60 days after the application is filed. *See* AS 06.60.085 (renewal of license), section 21, page 12, lines 15-16.

d. Record of department approval required for a change in control of a mortgage licensee (electronic record of registry will meet requirement). *See* AS 06.60.130(a) (change in business control or business operations), section 31, page 14, lines 29-30.

e. Three typographical edits and one change of wording from this "section" to this "chapter."

In the House Labor and Commerce Committee, AS 45.50.471(b)(52) was added to the repealer section. Section 86, page 42, line 4.

Along with that repeal there was a legislative intent added to section 1 to clarify that such a repeal does not limit or prevent an action by the attorney general, or by another person or class of persons. Section 1, page 1, line 6 through page 2, line 4

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

December 28, 2009

The Honorable Joe Paskvan
State Senate
1292 Sadler Way Suite 308
Fairbanks AK, 99701

Re: Mortgage Lending Bill Draft

Dear Senator Paskvan:

Enclosed for your consideration is a draft bill related to the regulation of residential mortgage lending. This bill is a continuation of the legislative work on this subject that began in the 2009 session. As you know, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. 5101-5116 (SAFE Act), requires changes in state law. Although the legislature provided authority for the state to participate in the Nationwide Mortgage Licensing System and Registry ("NMLSR" or "national registry"), which is one of the requirements of the SAFE Act, the other requirements of the SAFE Act remain to be addressed.

To recap last year's progress, the legislature first considered a bill that would have allowed the department to make the changes required by the SAFE Act through regulation. The bill was later revised to incorporate more of the SAFE requirements in the statute. Near the end of the session, an alternate bill was introduced and enacted for the limited purpose of granting the department authority to participate in the national registry.

General Description of Draft Bill

The attached draft bill addresses all the remaining requirements of the SAFE Act. Most importantly, it provides for the licensing of mortgage loan originators in conformity with the federal requirements, which include pre-licensing education and testing, authorization for obtaining background checks and credit reports, and continuing education. This bill also aligns various aspects of state law with SAFE Act requirements. For example, this bill provides for annual (rather than biennial) licensing as required for the registry under the SAFE Act.

In accordance with last year's legislation and regulations that have been adopted under it, mortgage lending professionals are now being licensed in Alaska through the national registry. The objectives of the registry (and its value), among other things, are (1) to aggregate and improve the flow of information to and between regulators; (2) provide increased accountability and tracking of mortgage lending professionals; (3) enhance consumer protections; (4) reduce fraud in the residential mortgage loan origination process; and (5) provide consumers with easily accessible information at no charge regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage lending professionals. An additional benefit to the industry is the increased uniformity of the license application process, when doing business in more than one state.

550 W. 7th Avenue, Suite 1940, Anchorage, Alaska 99501
Telephone: (907) 269-8140 Fax: (907) 269-8146 Text Telephone: (907) 465-5437

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

Loan originators who are employees of federally regulated depository institutions and their subsidiaries are required to register through the NMLSR, but are not subject to state licensing requirements. Our mortgage lending law applies to non-depository lenders; while banks, savings associations, and credit unions are depository institutions subject to federal oversight.

This bill incorporates the minimum licensing requirements of the SAFE Act. The state will conduct a background check on the applicant, based on the submission of fingerprints, personal history and experience, an independent credit report, and information relating to any administrative, civil, or criminal findings by any governmental institution. To be eligible for a license, an individual must not have been convicted of any felony within the preceding seven years or convicted of certain types of felonies at any time prior to application. Applicants must complete at least twenty hours of approved pre-licensing education, which shall include at least three hours on federal law and regulation; three hours of ethics, including fraud prevention, consumer protection, and fair lending issues; and two hours regarding lending standards for nontraditional mortgage products. The applicant must pass a written test approved by the NMLSR, which includes a state law component, administered by an approved test provider. Mortgage licensees must submit reports of condition to the NMLSR.

The SAFE Act requires that the state provide effective supervision and enforcement, and the draft bill provides for more specificity in this area, in accordance with the model state law developed by the Conference of State Banking Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) and approved by HUD and the standards in SAFE that HUD will follow in a state where it establishes a licensing system.

Timeline for Compliance

The SAFE Act is administered by the Department of Housing and Urban Development (HUD), which must either approve each state's licensing and registration program or establish a HUD-operated program in that state. If HUD determines that a state does not have a SAFE-compliant program in place by the statutory deadline, or if a state's mortgage loan origination licensing standards do not meet the minimum requirements of the Act, HUD is charged with establishing and implementing a system for licensing mortgage loan originators in that state.

The SAFE Act requires states to have compliant standards in place by July 31, 2009, for states whose legislatures meet annually. HUD may extend the deadline to be in compliance for up to 24 months on evidence that a state is making a good faith effort to adopt and implement the new mortgage licensing requirements.

On December 15, 2009, HUD published proposed rules regarding the procedures and standards it will follow in exercising its authority under the SAFE Act. Under those proposed rules, HUD provides deadlines for mortgage loan originators to meet the new education, testing, and background check requirements. For those licensed under a system enacted prior to the SAFE-compliant system, the

550 W. 7th Avenue, Suite 1940, Anchorage, Alaska 99501
Telephone: (907) 269-8140 Fax: (907) 269-8146 Text Telephone: (907) 465-5437

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

proposed rules require that compliance occur by December 31, 2010. For individuals not licensed under a prior scheme, the deadline for compliance may not extend past July 31, 2010. The proposed rules state that HUD may approve later compliance dates based on unusual hardship to a substantial number of mortgage loan originators through no fault of the originators or the state.

Nationwide Compliance

According to a posting on the CSBS website,* which indicates it was undated on August 5, 2009, only one state (Minnesota) has not enacted SAFE-compliant legislation. Because Alaska enacted legislation that provided authority for participation in the national registry, that legislation is reflected on the posted chart. The chart does not indicate whether other states have passed legislation that so far only partially complies with the SAFE Act.

We look forward to working with you, your staff, and other legislators this session. You may call on me or section chief Patrice Walsh at any time, should you have questions or require further information.

Sincerely yours,

Lorie L. Hovanec

Lorie L. Hovanec, Director
Division of Banking and Securities

cc: Emil Notti, Commissioner, DCCED
Tyson Fick, Legislative Liaison, DCCED

*http://mortgage.nationwidelicensingsystem.org/SAFE/NMLS%20Document%20Library/State%20SAFE%20Legislation.pdf

550 W. 7th Avenue, Suite 1940, Anchorage, Alaska 99501
Telephone: (907) 269-8140 Fax: (907) 269-8146 Text Telephone: (907) 465-5437

STATES MOVE AGGRESSIVELY TO IMPLEMENT SAFE ACT AND IMPROVE MORTGAGE SUPERVISION

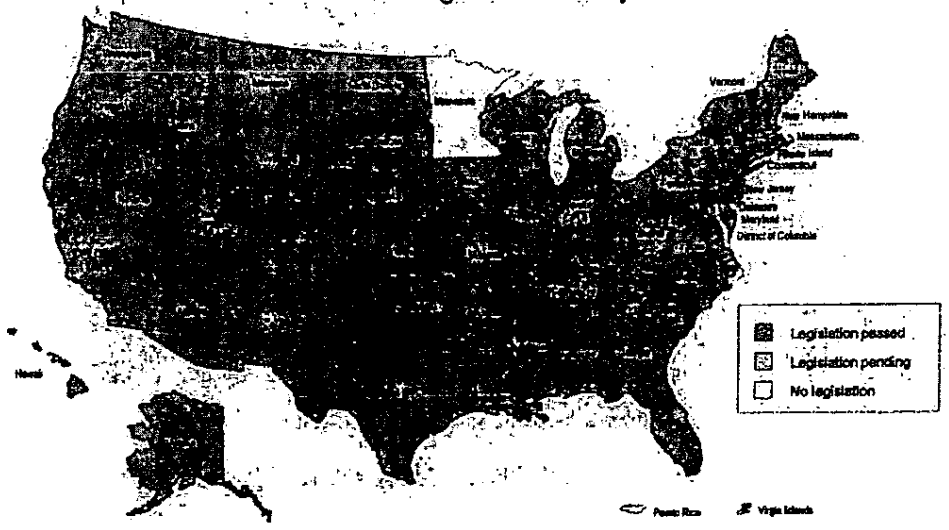
Title V of P.L. 110-289, the *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* ("SAFE Act"), was passed on July 30, 2008. The SAFE Act gave states one year to pass legislation requiring the licensure of mortgage loan originators according to national standards and the participation of state agencies on the Nationwide Mortgage Licensing System and Registry (NMLS).

States have moved in an unprecedented manner in just **ONE YEAR** to accomplish the following:

Legislation

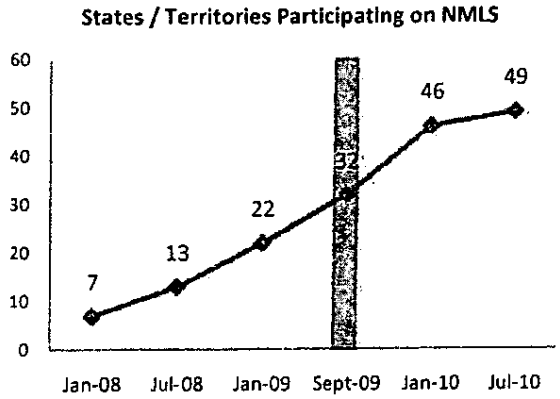
- **49 states** and the District of Columbia have *passed* legislation implementing the SAFE Act.
    - Puerto Rico and the Virgin Islands have *legislation pending*.
- **All** legislation enacted to date includes standardized definitions, national pre-licensure and continuing education and testing requirements, and criminal background standards for mortgage loan originators as contained in the SAFE Act.
- **Virtually all of the** legislation enacted to date includes a robust set of prohibited acts and practices to protect consumers as promoted in the CSBS/AARMR Model State Law.
- **Uniformity in mortgage regulation** has been fostered and driven by enactment of the SAFE Act as the 50 existing state licensing laws are revised in a nationally consistent manner to establish standardized licensing applications, processes and practices.

State SAFE Legislative Activity



Participation in NMLS

- **32 states** and territories are already participating on the Nationwide Mortgage Licensing System.
    - 14 more states and territories (for a total of 46) are scheduled to participate by January 2010.
- **90% of states** are scheduled to be participating in NMLS by January 2010, just two years after launch of the system.

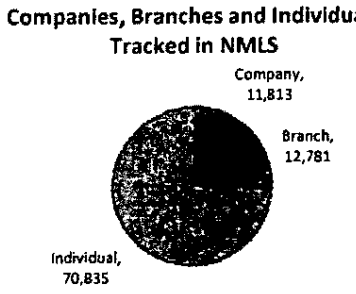


Testing and Education Standards

- NMLS developed the psychometrically valid SAFE Mortgage Loan Originator Test, with the national component of the test available for all state licensed mortgage loan originators on July 30, 2009.
- NMLS developed eleven SAFE state component tests that were available on July 30, 2009. Twenty-four state component tests will be available by December 2009 and the remaining state tests will be rolled out on a quarterly basis over the next year.
- Since July 13, 2009, 2,415 licensees or applicants have enrolled to take the national or state test components and since July 30, 2009, 664 test components have been administered.
- NMLS developed policy and procedures for approving course providers to offer pre-licensure and continuing education according to national standards. As of June 22, 2009, NMLS had approved 90 course providers, and as of July 15, 2009, had approved 70 pre-license education courses.
- As of September 1, 2009, state licensed MLOs and applicants have begun taking NMLS approved courses.

Coordinated Licensing of Companies and Mortgage Loan Originators

- **70,835 mortgage loan originators** in 32 states and territories have been issued a NMLS unique identifier and are being tracked in the system.
- **11,813 mortgage broker and lender companies** in 32 states and territories have also received an NMLS unique identifier and are being tracked in the system.



More information about state efforts to implement the SAFE Act and improve supervision can be found on the CSBS website at www.csbs.org.

More information about the Nationwide Mortgage Licensing System and Registry (NMLS) can be found at http://www.stateregulatoryregistry.org/NMLS.

State SAFE Act Legislative Tracking

State/Agency	Bill Number	Enacted
Alabama	SB 249	5/21/2009
Alaska	HB 221	6/16/2009
American Samoa		
Arizona	HB 2143	7/13/2009
Arkansas	HB 1881	4/1/2009
California DOC	SB 36	9/8/2009
California DRE	SB 36	9/8/2009
Colorado	HB 1085	5/21/2009
Connecticut	SB 948	6/18/2009
Delaware	SB 73	7/6/2009
District of Columbia	B17-1021	1/12/2009
Florida	SB 2226	6/29/2009
Georgia	HB 312	4/29/2009
Guam		
Hawaii	SB 1218	7/16/2009
Idaho	HB 169	4/7/2009
Illinois	HB 4011	7/31/2009
Indiana DFI	SS 1001	6/30/2009
Indiana SOS	HB 1646	5/12/2009
Iowa	SF 355	4/15/2009
Kansas	SB 240	3/27/2009
Kentucky	HB 106	3/27/2009
Louisiana	HB 810	7/10/2009
Maine	SP0523	6/11/2009
Maryland	HB 292/SB 269	4/14/2009
Massachusetts	HB 4127	7/31/2009
Michigan	SB 462/	7/29/2009
Minnesota		
Mississippi	SB 2983	4/15/2009
Missouri	HB 382	7/8/2009
Montana	SB 351	4/20/2009
Nebraska	LB 328	4/22/2009
Nevada	AB 523	6/8/2009
New Hampshire	HB 610 FN	7/31/2009
New Jersey	AB 3816	5/4/2009
New Mexico	SB 342 / HB 316	4/6/2009
New York	A6924	7/11/2009
North Carolina	HB 1523	7/31/2009
North Dakota	SB 2160	4/9/2009
Northern Mariana Islands		
Ohio	HB 1	7/17/2009
Oklahoma	SB 1062	5/12/2009
Oregon	HB 2189	6/26/2009
Pennsylvania	HB 1654	8/5/2009
Puerto Rico	PC 1578	
Rhode Island	H 5704 / S 0461	7/16/2009
South Carolina	SB 673	6/3/2009
South Dakota	HB 1060	3/16/2009
Tennessee	HB2316	6/23/2009
Texas OCCC	HB 10	6/19/2009
Texas SML	HB 10	6/19/2009
Utah DFI	HB 286	3/20/2009
Utah DRE	SB 31	2/20/2009
Vermont	HB 171	5/21/2009
Virgin Islands	Bill 28-0106	12/2/2009
Virginia	SB 1171	3/27/2009
Washington	SB 1749/ HB 1621	4/17/2009
West Virginia	SB 532	5/7/2009
Wisconsin	SB62	2/19/2009
Wyoming	HB 169	3/12/2009
60	**56**	**Enacted - 55**

Updated: August 5, 2009

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/hsg/ramh/safe/smlicact.cfm.

SAFE Mortgage Licensing Act

About the Act

Information by State

Print version

Safe Act Model State Law

The Housing and Economic Recovery Act of 2008, signed into law on July 30, 2008 (Public Law 110-289) (HERA), constitutes a major new housing law that is designed to assist with the recovery and the revitalization of America's residential housing market - from modernization of the Federal Housing Administration, to foreclosure prevention, to enhancing consumer protections. The SAFE Act is a key component of HERA.

The SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states to establish minimum standards for the licensing and registration of state-licensed mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for the residential mortgage industry for the purpose of achieving the following objectives:

(1) Providing uniform license applications and reporting requirements for state licensed-loan originators;

(2) Providing a comprehensive licensing and supervisory database;

(3) Aggregating and improving the flow of information to and between regulators;

(4) Providing increased accountability and tracking of loan originators;

(5) Streamlining the licensing process and reducing regulatory burden;

(6) Enhancing consumer protections and supporting anti-fraud measures;

(7) Providing consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators;

(8) Establishing a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interests of the consumer;

(9) Facilitating responsible behavior in the subprime mortgage market place and providing comprehensive training and examination requirements related to subprime mortgage lending;

(10) Facilitating the collection and disbursement of consumer complaints on behalf of state mortgage regulators.

The new standards, as well as the uniformity and consistency of such standards, directed to be established nationwide by the SAFE Act present a significant step in the effort to increase integrity in the residential mortgage loan market, enhance consumer protections, and reduce fraud. The SAFE Act encourages states to participate in the Nationwide Mortgage Licensing System and Registry, and

requires states to have in place, by law or regulation, a system for licensing and registering loan originators that meets the requirements of sections 1505, 1506, and 1508(d) of the SAFE Act.The SAFE Act requires the states to have the licensing and registration system in place by: (1) July 31, 2009, for states whose legislatures meet annually; and (2) July 31, 2010, for states whose legislatures meet biennially. For both this 1-year period and 2-year period, HUD may extend the deadline, by not more than 24 months, if HUD determines that a state is making a good faith effort to establish a state licensing law that meets the minimum requirements of the SAFE Act. (See the complete text of the SAFE Act.)

To aid and facilitate states' compliance with the requirements of the SAFE Act, the Act directs the establishment of a nationwide mortgage licensing system and registry (NMLSR), to be developed and maintained by CSBS and AARMR. If HUD determines that a state's mortgage loan originator licensing standards do not meet the minimum requirements of the Act, HUD must implement and administer a licensing system for that state. A loan originator in such a state would have to comply with the requirements of HUD's SAFE Act-compliant licensing system for that state as well as with any applicable state requirements. A HUD license for a state would be valid only for that state, even if HUD must implement licensing systems in multiple states. Additionally, if HUD determines that the NMLSR is failing to meet the requirements and purposes of the SAFE Act, HUD must establish a system that meets the requirements of the SAFE Act.

For the last several months, CSBS and AARMR have undertaken considerable outreach to states and the financial services industry regarding the development of the NMLSR and of legislation that would meet the requirements of the SAFE Act. CSBS and AARMR have developed a model state law (MSL) designed to assist and facilitate states to enact legislation on mortgage loan originator licensing that complies with the SAFE Act and by the deadlines imposed by the SAFE Act. While states are charged with enacting licensing standards that meet the requirements of the SAFE Act, overall responsibility for interpretation, implementation, and compliance with the SAFE Act rests with HUD. In this regard, CSBS and AARMR requested that HUD review the model legislation, and advise of its sufficiency in meeting applicable minimum requirements of the SAFE Act.

CSBS/AARMR Model Legislation

HUD reviewed the model legislation to determine whether it meets the minimum requirements of the SAFE Act and finds that it does. State legislation that follows the provisions of the model legislation, whether by statute or regulation, will be determined to have met the applicable minimum requirements of the SAFE Act. The complete text of the model legislation, reviewed by HUD, is provided here.) More information about the model legislation can be found at CSBS's website. The commentary that follows presents HUD's views and interpretations of certain statutory provisions that required consideration and analysis in determining that the model legislation meets the minimum requirements of the SAFE Act.

HUD Commentary

Through this commentary, HUD advises of the analysis of the SAFE Act that was undertaken in reviewing the model legislation and of HUD's interpretation of certain provisions in the SAFE Act. These interpretations are designed to assist the states, as well as members of the public, in understanding how HUD determined that the model legislation meets the minimum requirements of the SAFE Act, and to assist states in adopting legislation or regulations that meet the minimum requirements of the SAFE Act.

A. Standards in Legislation May Exceed Standards in SAFE Act

The SAFE Act's licensing and registration standards for mortgage loan originators are minimum standards. (See section 1505(b).) Legislation enacted or regulations promulgated by a state may exceed the minimum standards of the SAFE Act.

States may not, however, enact legislation, promulgate regulations, or otherwise impose requirements that would frustrate the objectives of the SAFE Act, keeping in mind that the SAFE Act's primary objectives include provision of a comprehensive licensing and supervisory system with uniform application and reporting requirements.

B. Definition of Loan Originator

Section 1503(3)(A)(i) of the SAFE Act defines "loan originator" as "an individual who (I) takes a residential mortgage loan application; and (II) offers or negotiates terms of a residential mortgage loan for compensation or gain." Section 1503(3)(B), entitled "Other Definitions Relating to Loan Originator" provides "For purposes of this subsection, an individual `assists a consumer in obtaining or applying to obtain a residential mortgage loan' by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

" HUD interprets "application" to include any request from a borrower, however communicated, for an offer (or in response to a solicitation of an offer) of residential mortgage loan terms, as well as the information from the borrower that is typically required in order to make such an offer. HUD interprets "tak[ing]" an application to mean receipt of an application for the purpose of deciding whether or not to extend the requested offer of a loan to the borrower, whether the application is received directly or indirectly from the borrower.

Since it generally would not be possible for an individual to offer to or negotiate residential mortgage loan terms with a borrower without first receiving the request from the borrower (including a positive response to a solicitation of an offer) as well as the information typically contained in a borrower's application, HUD considers the definition of loan originator to encompass any individual who, for compensation or gain, offers or negotiates pursuant to a request from and based on the information provided by the borrower. Such an individual would be included in the definition of loan originator, regardless of whether the individual takes the request from the borrower for an offer (or positive response to an offer) of residential mortgage loan terms directly or indirectly from the borrower.

The SAFE Act also describes activities in the residential mortgage process that are excluded from the definition of "loan originator." Activities that are excluded are those that pertain to administrative or clerical tasks; real estate brokerage activities by individuals licensed or registered by a state to undertake real estate brokerage activities unless a person is compensated by a loan originator, loan processing or underwriting undertaken under the direction and supervision of a state-licensed loan originator or registered loan originator; and those individuals solely involved in extensions of credit relating to timeshare plans.

HUD interprets an individual who "takes a residential mortgage loan application" to exclude an individual who performs purely administrative or clerical tasks, such as physically handling a completed application form or transmitting a completed form to a lender on behalf of a prospective borrower. This interpretation is consistent with the exclusion defined in section 1503(3)(C) of the SAFE Act. On the other hand, HUD views activity that involves assisting or advising a prospective borrower in the completion of an application extending beyond purely administrative or clerical tasks falls within coverage of the SAFE Act provided by section 1503(3)(B). As a result, an individual who offers or negotiates residential mortgage loan terms for compensation or gain could not avoid applicability of the SAFE Act standards by having another person or entity take the application from the prospective borrower and then pass the application to the individual. A state licensing and registration system that permits such individuals to avoid compliance with SAFE Act standards would be determined by HUD to be not in compliance with the SAFE Act. A state may clarify that such individuals are not exempt from licensing requirements. The MSL provides one approach in making this clarification in section XX.XXX.030(6).

Notwithstanding the broad definition of "loan originator" in the SAFE Act, there are some limited contexts where offering or negotiating residential mortgage loan terms would not make an individual a loan originator. The provision in the definition that loan originators are individuals who take an "application" implies a formality and commercial context that is wholly absent where an individual offers or negotiates terms of a residential mortgage loan with or on behalf of a member of his or her immediate family. State legislation that excludes from licensing and registration requirements an individual who offers or negotiates terms of a residential mortgage loan only with or on behalf of an immediate family member will not be found to be out of compliance with the SAFE Act merely because of such exclusion. The MSL includes this exclusion in section XX.XXX.040(3)(b).

The commercial context implied by the taking of an "application" is also absent where an individual seller provides financing to a buyer pursuant to the sale of the seller's own residence. The frequency with which a particular seller provides financing is so limited that HUD's view is that Congress did not intend to require such sellers to obtain loan originator licenses. Accordingly, state legislation that excludes from licensing and registration requirements an individual who offers or negotiates terms of a residential mortgage loan only to the buyer or prospective buyer of the seller's residence will not be found to be out of compliance with the SAFE Act. The MSL includes this exclusion in section XX.XXX.040(3)(c).

Additionally, the definition generally would not apply to, for example, a licensed attorney who negotiates terms of a residential mortgage loan with a prospective lender on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, mortgage broker, or other mortgage loan originator or by an agent of such lender, mortgage broker, or other loan originator. In such cases, the duties of loyalty, competence, and diligence owed by the attorney to his or her client are significant. HUD views the SAFE Act's requirements for registration and licensing as not applying in this context, which is distinguished from the commercial context contemplated in the SAFE Act. The MSL includes this exclusion in section XX.XXX.040(3)(d).

C. Definition of "Dwelling"

The SAFE Act's definition of "residential mortgage loan" includes a loan secured by a consensual security interest on a "dwelling" and cross-references the definition of dwelling in section 103(v) of the Truth in Lending Act (TILA) (15 U.S.C. 1601 note).

Regulation Z, which implements TILA, defines dwelling to mean "a residential structure that contains 1 to 4 units, whether or not that structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence." (12 CFR 226.2(a)(19).) Since both the SAFE Act and TILA address consumer protections for borrowers in housing finance transactions, HUD finds that the same interpretation applies under the SAFE Act. In addition, HUD interprets "mobile home" to include a manufactured home, as defined in the National Manufactured Housing Construction and Safety Standards Act of 1974. (42 U.S.C. 5402(6).)

D. Delayed Effective Date of Requirement to Obtain and Maintain a License

Under the SAFE Act, HUD may determine the acceptability of states' licensing and registration systems and of their participation in the NMLS as early as July 31, 2009, or July 31, 2010, as applicable. As a result, states are facing tight deadlines before they must enact legislation and implement systems to carry out licensing and registration requirements. To meet the SAFE Act's licensing requirements, NMLSR will have to develop tests and approve educational courses, mortgage loan originators will have to comply with testing, education, and bonding requirements, and states will have to evaluate the records of thousands of applicants.

Although a state should enact legislation or promulgate regulations by the applicable deadline, HUD's position is that Congress did not intend for states to require all mortgage loan originators to be licensed in accordance with the SAFE Act's standards immediately upon enactment of the state's legislation or issuance of regulations. Such a requirement could cause a massive disruption in the housing finance industry at a time when millions of Americans may be seeking to refinance their existing mortgages or to purchase a new home. The ability of loan originators to facilitate such transactions is critical to ameliorate the current conditions in the housing market, but in many states, individuals currently performing loan originations may not be able to meet the educational, testing, and background check requirements by the time required legislation or regulations become effective. In addition, HUD is aware that some states already require licensure of loan originators, and that some individuals in those states will hold licenses that do not expire until as late as December 2010. Nonetheless, the provision for HUD to enforce the SAFE Act's standards in any state that fails to implement these standards reflects the underlying statutory concern that loan originators who do not meet these standards pose a significant risk to borrowers and the housing finance system. As a result, any period during which loan originators may operate without a SAFE Act-compliant license must be only as long as necessary for substantial numbers of qualified loan originators to obtain licenses.

Accordingly, HUD will not determine that a state's legislation is not in compliance with the SAFE Act merely because the legislation or regulations provide for a reasonable period following enactment for certain loan originators to be licensed under the new requirements. Considering the education, testing, and background check standards that license applicants must meet, HUD views a reasonable delay, with respect to individuals who do not already possess a valid loan originator license, is one which does not extend past July 31, 2010. Such a delay generally provides one year from state enactment of legislation for individuals to come into compliance with applicable requirements. (HUD has determined that all state legislatures that meet only biennially meet in 2009, which means that these states will have the opportunity to enact SAFE Act compliant legislation by July 31, 2009.) For individuals who possess licenses granted under a system that was in place prior to the SAFE Act-compliant system, HUD views a reasonable delay is one that does not extend past December 31, 2010. This effective date will accommodate individuals with two-year licenses that were granted or renewed as late as December 2008, and also synchronizes with the NMLSR's uniform annual license expiration date of December 31. The MSL provides in section L26-(1)(2) for these delayed effective dates for the state licensing requirement, and provides that these effective dates could be further extended only with HUD's approval. HUD may approve a later date only upon a state's demonstration that substantial numbers of loan originators (or of a class of loan originators) who require a state license face unusual hardship, through no fault of their own or of the state government, in complying with the standards required by the SAFE Act to be in the state legislation and in obtaining state licenses within one year.

E. State of Licensure

Section 1504(a) of the SAFE Act prohibits an individual from "engag[ing] in the business of a loan originator" without first obtaining a registration or state license. HUD interprets this provision to mean that an individual must comply with licensing and registry requirements of a state in order to engage in the business of a loan originator with respect to any residential property in that state, regardless of whether the individual or the prospective borrower is located in the state. This interpretation ensures that each state is able to establish and enforce the provisions of its SAFE Act licensing system and prevents an individual from circumventing a state's requirements simply by physically locating outside of the state and conducting business by telephone or other means. This interpretation, however, does not affect the level of reciprocity a state may grant to another state's determination that its own SAFE Act-compliant licensing requirements have been met. This interpretation promotes clarity by unambiguously determining which state's license is required for a given transaction. The MSL incorporates this

interpretation in section XX.XXX.040(1).

F. Felony Convictions

Section 1505(b)(2) of the SAFE Act provides that, to be eligible for a license, an individual must not have been convicted of any felony within the preceding seven years or convicted of certain types of felonies at any time prior to application. Since the provision is triggered by a conviction, rather than by an extant record of a conviction, HUD interprets the provision to make an individual ineligible for a loan originator license even if the conviction is later expunged. Pardoned convictions, in contrast, are generally treated as legal nullities for all purposes under state law and would not render an individual ineligible. The law under which an individual is convicted, rather than the state where the individual applies for a license, determines whether a particular crime is classified as a felony. The MSL clarifies that a pardoned conviction does not render an individual ineligible for a license under section XX.XXX.060(2)(c).

G. Surety Bond

Section 1508(d)(6) of the SAFE Act provides that states must set minimum net worth or surety bond requirements or establish a recovery fund paid into by loan originators. HUD has determined that a state may comply with the SAFE Act requirement by providing that, in the case of a company that employs more than one loan originator, the bonding requirement may be met at the company level. Individual loan originators would not have to be bonded separately. The MSL incorporates this interpretation in section XX.XXX.140(1).

FURTHER INFORMATION CONTACT:

HUD
Office of Regulatory Affairs and Manufactured Housing
Department of Housing and Urban Development
451 Seventh Street, SW
Rm. 9162
Washington, DC 20410-8000
Telephone: (202) 708-6401
FAX: (202) 708-2678
Email: safeprogram@hud.gov

NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Joe Hackney
Speaker of the House
North Carolina
President, NCSL

Gary VanLandingham
Director, Office of Program
Policy Analysis and Government
Accountability (OPPAGA)
Staff Chair, NCSL

William T. Pound
Executive Director

February, 2009

[To: State Legislative Leaders and Financial Services Committee Chairpersons and Vice Chairpersons]

We write on behalf of the National Conference of State Legislatures (NCSL) to respectfully urge your consideration of legislation in this legislative session to implement the federal Secure and Fair Enforcement (S.A.F.E.) for Mortgage Licensing Act. **If your state fails to act by July 31, 2009, your authority to license and regulate mortgage loan originators would be preempted.** Mortgage loan originators in any state that fails to act by July 31, 2009 would be licensed and regulated by the federal Department of Housing and Urban Development (HUD).

The S.A.F.E. Act was included in the Housing and Economic Recovery Act (H.R. 3221), signed into law on July 30, 2008. This provision requires that any residential mortgage originator must be either state-licensed or federally registered by July 31, 2009. A state not enacting legislation by July 31st, can be granted a two-year extension by HUD if they make a good faith effort to incorporate a state-licensing system by that date. In addition, states must ensure loan originators register with the Nationwide Mortgage Licensing System (NMLS) for accountability and transparency purposes.

The state-licensing system must meet several minimum requirements to maintain supervisory authority for loan originators. These include having a process to assess individuals acting as mortgage originators in their state without proper license or registration, criminal history and credit background checks, pre-licensure education and testing, establishing a minimum net worth or surety bonding requirements to reflect the dollar amount of loans by the originator and abiding by the obligations in the Nationwide Mortgage Licensing System, among others.

The Conference of State Banking Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) have created model state legislation which provides states with guidance in creating a system of licensure. This model state law (http://www.csbs.org/AM/Template.cfm?Section=SAFE_Act) addresses the aforementioned major standards under the S.A.F.E. Act which state regulatory agencies and mortgage loan originators must abide by. In January 2009, HUD reviewed the model legislation and determined that it met the minimum requirements of the S.A.F.E. Mortgage Licensing Act.

We also must bring to your attention that in some states a version of the legislation may have been introduced that while purporting to implement the SAFE Act will actually dilute the minimum license requirements and will result in a state being determined to be out of compliance with the SAFE Act. This would allow HUD to then license and regulate the brokers in that state. We would urge you to review any legislation already introduced in your state to ensure that the legislation meets the minimum requirements as outlined in the CSBS model.

Denver
7700 East First Place
Denver, Colorado 80230
Phone 303.364.7700 Fax 303.364.7800

Washington
444 North Capitol Street, N.W. Suite 515
Washington, D.C. 20001
Phone 202.624.5400 Fax 202.737.1069

Website www.ncsl.org

We appreciate the opportunity to bring this matter your attention. Should you have questions about our concerns, please contact Neal Osten at 202-624-8660 (neal.osten@ncsl.org) or Jeff Hurley at 202-624-7753 (Jeff.Hurley@ncsl.org) in NCSL's Washington office.

Sincerely,

Joe Hackney

Speaker Joe Hackney, NCSL President

From: Jordan Estey **On Behalf Of** NCOIL President Sen. James Seward, NY
Sent: Friday, March 06, 2009 2:58 PM
Subject: NCOIL State Mortgage Licensing Model Act
Importance: High
March 6, 2009

Dear Colleague:

On behalf of the National Conference of Insurance Legislators (NCOIL), I am forwarding to you a model law that would establish critical mortgage licensing standards in your state. The *State Model Legislation for Implementation of Public Law 110-289, Title V—S.A.F.E. Mortgage Licensing Act* was unanimously approved by the NCOIL Executive Committee during the NCOIL Spring Meeting in Washington, DC.

The model legislation provides a template for states to enact and comply with the *S.A.F.E. Act's* minimum requirements for licensing state residential loan originators—including that all mortgage loan originators be either licensed or registered through a Nationwide Mortgage Licensing System (NMLS), which state regulators launched in 2008.

If a state legislature fails to implement all of the S.A.F.E. Act requirements by July 31, 2009, the U.S. Department of Housing and Urban Development (HUD) could establish a duplicative and costly regulatory regime to license and regulate loan originators in your state.

The model bill—developed by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR)—addresses national testing, prelicensing, continuing education, background checks, and license suspension, termination, and nonrenewal, among other things.

For your reference, I am also forwarding a CSBS document that provides additional information on the *Housing and Economic Recovery Act of 2008* and on the *S.A.F.E. Act*, specifically.

NCOIL is an organization of state legislators whose primary area of interest is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

Please do not hesitate to contact Mike Humphreys in the NCOIL Washington, DC, Office at 202-220-3014 or at mhumphreys@ncoil.org should you have any questions.

Sincerely,

Senator James Seward
NCOIL President
New York Senate

SB 284

<target><bill>SB 284</bill><subject>SB 284</subject><comm>HFIN26</comm></target>

Alaska State Legislature

Senator Hollis French, Chair
State Capitol, Room 417
Juneau, Alaska 99801
Phone: (907) 465-3892
Fax: (907) 465-6595

Committee Members:
Senator Bill Wielechowski
Senator Dennis Egan
Senator Lesil McGuire
Senator John Coghill

Senate Judiciary Committee

Sponsor Statement: Senate Bill 284 Campaign Expenditures

In the wake of the recent U.S. Supreme Court ruling, *Citizens United v. Federal Election Commission*, the Senate Judiciary Committee has worked to determine the changes to Alaska's elections laws that will be needed. Corporations and labor unions have been banned from participating in Alaska's elections prior to this ruling. This means many of Alaska's laws regarding disclosure and disclaimers simply do not apply to corporations and labor unions making independent expenditures to support or oppose specific candidates in elections.

Testimony from Legislative Legal Services attorneys and from the Alaska Department of Law indicated that changes would be needed to Alaska's campaign laws, and this bill was subsequently drafted to address the concerns raised by the attorneys and by committee members.

Senate Bill 284 amends state election laws to clarify that corporations and labor unions are covered by all applicable reporting requirements. It expands communication identification requirements to ensure accurate reporting of top contributors, to require the approval of the content by the principal officer of the corporation or union, and to require statements in each communication that its content has not been authorized or approved by the candidate. It also speeds reporting requirements for communications expenditures in the last nine days of the election so that expenditures over $250 must be reported within 24 hours.

Recent opinion surveys show broad disapproval by Americans across party lines for the decision reached by the U.S. Supreme Court. In order to retain Alaskans' trust in our system it is vital that legislation be passed this year to ensure that corporations and labor unions spending money to influence elections are at least required to disclose it in a timely fashion. I urge you to support Senate Bill 284.

Alaska State Legislature

Senator Hollis French, Chair
State Capitol, Room 417
Juneau, Alaska 99801
Phone: (907) 465-3892
Fax: (907) 465-6595

Committee Members:
Senator Bill Wielechowski
Senator Dennis Egan
Senator Lesil McGuire
Senator John Coghill

Senate Judiciary Committee

HCS for CSSB 284(JUD) Campaign Expenditures
Sectional Analysis

Section 1. Amends language relating to the applicability of AS 15.13 (state election campaigns) to clarify that the chapter applies to all contributions, expenditures, and communications made for the purpose of influencing the outcome of an election covered by the chapter.

Section 2. Amends language relating to the duties of the Alaska Public Offices Commission (APOC) to clarify that the commission will assist all persons to comply with the requirements of AS 15.13.

Section 3. Amends AS 15.13.040(d) to clarify that every person making an independent expenditure must make a full report of expenditures and contributions received to the commission unless the person is exempted from reporting by another provision of the chapter.

Section 4. Adds new requirements to the expenditure report required under AS 15.13.040(d) and specifies that the report must be filed in accordance with AS 15.13.110(g).

Section 5. Amends language in AS 15.13.040(h) to clarify that the reporting requirements of AS 15.13.040(d) do not apply to an expenditure made by certain individuals acting independently of any other person.

Section 6. Amends AS 15.13.040(p) to clarify that a person who is required to disclose contributions received by that person in an expenditure report under AS 15.13.040(d) must report the true source of the contributions as the "contributor."

Section 7. Defines "director" and "officer" for the purposes of AS 15.13.040(e), as that subsection is amended by the bill.

Section 8. Requires each person other than an individual, candidate, or nongroup entity with an annual operating budget of $250 or less, to establish an account from which all funds, used by the person to make independent expenditures, must be drawn. Requires the person to (1) make records relating to the account available to APOC and (2) preserve all records relating to the account for a period of six years.

Section 9. Amends AS 15.13.067 to clarify who may make an expenditure that is not an independent expenditure, in a state election for public office.

Section 10. Prohibits a foreign national from making a contribution or expenditure or an express or implied promise to make a contribution or expenditure in connection with a state election. Provides that the prohibition will be enforced only to the extent that federal law prohibits a foreign national from making a contribution or expenditure, and only to the extent permitted by federal law. Allows a charitable gaming permittee to use proceeds of a raffle or lottery to make expenditures under AS 05.15.150(a)(3).

Section 11. Provides that no person, other an individual exempt from reporting under AS 15.13.040(h), may make an expenditure unless the source of the expenditure has been disclosed.

Section 12. Amends language in AS 15.13.084 to clarify that a person may not make an expenditure anonymously unless it is made (1) for certain communications, (2) in connection with a ballot proposition as that term is defined by AS 15.13.065(c), and (3) by an individual acting independently of any other person.

Section 13. Expands the communication identification requirements of AS 15.13.090 to apply to communications made by all persons, and additionally requires a person other than a candidate, individual, or a political party to (1) identify the person's principal officer, (2) include a statement from that officer approving the communication, (3) provide the address of the person's principal place of business, and (4) identify the person's three largest contributors.

Section 14. Provides how the communication identification requirements of AS 15.13.090(a), as amended by the bill, must be met in print, video, and audio components of a communication.

Section 15. Requires expenditure reports filed under AS 15.13.040(e) to be filed within 10 days of the expenditure being made, except for an expenditure that exceeds $250 and that is made within nine days of an election must be reported to APOC within 24 hours of the expenditure being made.

Section 16. Amends the language of AS 15.13.111(a) to require all persons who are required to report under AS 15.13 to preserve certain records for a period of six years.

Section 17. Removes language from AS 15.13.135 that permitted only individuals, groups, or nongroup entities to make independent expenditures in support or in opposition to a candidate for public office. Adds language requiring all persons making certain independent expenditures to comply with AS 15.13.090.

Section 18. Amends language in AS 15.56.014(a) to clarify that any person who knowingly prints, publishes, or leases a communication without the "paid for language" required by AS 15.13.090 has committed campaign misconduct in the second degree, a class B misdemeanor.

Section 19. Repeals AS 15.13.140(a), a provision that provided that AS 15.13 should not be interpreted to prohibit a person from making independent expenditures in support or in opposition to a ballot proposition or question.

Section 20. Gives the Act an immediate effective date.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/17/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 284(FIN)**

"An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting and disclosure of expenditures and independent expenditures, the filing of reports, and the identification of certain communications in state election campaigns; prohibiting expenditures and contributions by foreign nationals in state elections; and providing for an effective date."

SB 284-CAMPAIGN EXPENDITURES

Recommends it be replaced with [✓] HCS *or* **[ ] CS** *for* SB 284 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	1			✓
ADM	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS	✓			
	GARA				✓
	DOOGAN				✓
	JOULE				✓
	FOSTER				✓
	AUSTERMAN			X	
	SALMON			X	
	KELLY			X	
Anna Fairclough	FAIRCLOUGH	✓			
Chair:	SPKR			*	
Chair:	HOUSE			*	

5054

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 284
(S) Publish Date: 3/2/10

Identifier (file name): SB284-OOG-DOE-2-26-10
Dept. Affected: OOG
Title "An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting...."
RDU Elections
Component Elections
Sponsor Senate Judiciary Committee
Requester Senate State Affairs Committee
Component Number 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		0.0					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		0.0					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
This legislation has no fiscal impact on the division.

Prepared by: Gail Fenumiai, Director
Phone 465-4611
Division Division of Elections
Date/Time 2/26/10, 10:39am
Approved by: Linda Perez, Director
Date 2/26/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

5055

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 284
(S) Publish Date: 3/2/10

Identifier (file name) SB284-DOA-APOC-02-24-10
Title "An Act relating to state election campaigns ..."
Sponsor (S) JUD
Requester (S) STA

Dept. Affected: Administration
RDU AK Public Offices Commission
Component AK Public Offices Commission
Component Number 70

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	78.7		78.7	78.7	78.7	78.7	78.7
Travel							
Contractual	50.0						
Supplies							
Equipment	2.5						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**131.2**	**0.0**	**78.7**	**78.7**	**78.7**	**78.7**	**78.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	131.2		78.7	78.7	78.7	78.7	78.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**131.2**	**0.0**	**78.7**	**78.7**	**78.7**	**78.7**	**78.7**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill would impact the Alaska Public Offices Commission (APOC) through changes to regulations and changes to the electronic filing program, currently in development. As the bill requires more reporting, it will require additional staff time in assisting the filers; preparing manuals, performing training; and tracking and auditing reports. Changes to regulations will require an amendment to an existing contract estimated at $25.0 and $25.0 is included to analyze programming changes and capital funds necessary or the electronic filing program to accomodate the new reports. This increment includes 1 FT employee (range 16, Paralegal II) with computer and furniture.

Prepared by: Holly Hill, Director — Phone (907) 334-1726
Division: Alaska Public Office Commission — Date/Time 02/24/10 12:00pm
Approved by: Rachael Petro, Deputy Commissioner — Date 2/24/2010
Department of Administration

(Revised 11/6/2009 OMB)

5056

R.O. n/o adopted 4/17/10

26-LS1448\W
Kurtz/Bullard
4/17/10

HOUSE CS FOR CS FOR SENATE BILL NO. 284(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting and disclosure of expenditures and independent expenditures, the filing of reports, and the identification of certain communications in state election campaigns; prohibiting expenditures and contributions by foreign nationals in state elections; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 15.13.010(b) is amended to read:

(b) Except as otherwise provided, this chapter applies to contributions, expenditures, and communications made [BY A CANDIDATE, GROUP, NONGROUP ENTITY, MUNICIPALITY OR INDIVIDUAL] for the purpose of influencing the outcome of a ballot proposition or question as well as those made to influence the nomination or election of a candidate.

*** Sec. 2.** AS 15.13.030 is amended to read:

Sec. 15.13.030. Duties of the commission. The commission shall

(1) develop and provide all forms for the reports and statements required to be made under this chapter, AS 24.45, and AS 39.50;

(2) prepare and publish a manual setting out uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter and otherwise assist **all persons** [CANDIDATES, GROUPS, AND INDIVIDUALS] in complying with the requirements of this chapter;

(3) receive and hold open for public inspection reports and statements required to be made under this chapter and, upon request, furnish copies at cost to interested persons;

(4) compile and maintain a current list of all filed reports and statements;

(5) prepare a summary of each report filed under AS 15.13.110 and make copies of this summary available to interested persons at their actual cost;

(6) notify, by registered or certified mail, all persons who are delinquent in filing reports and statements required to be made under this chapter;

(7) examine, investigate, and compare all reports, statements, and actions required by this chapter, AS 24.45, and AS 39.50;

(8) prepare and publish a biennial report concerning the activities of the commission, the effectiveness of this chapter, its enforcement by the attorney general's office, and recommendations and proposals for change; the commission shall notify the legislature that the report is available;

(9) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62 (Administrative Procedure Act); and

(10) consider a written request for an advisory opinion concerning the application of this chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50.

*** Sec. 3.** AS 15.13.040(d) is amended to read:

(d) Every [INDIVIDUAL,] person [, NONGROUP ENTITY, OR GROUP] making an **independent** expenditure shall make a full report of expenditures **made and contributions received**, upon a form prescribed by the commission, unless

exempt from reporting.

* **Sec. 4.** AS 15.13.040(e) is amended to read:

(e) **Each person** [THE REPORT] required **to report** under (d) of this section **shall file a full report in accordance with AS 15.13.110(g) on a form prescribed by the commission. The report** must contain

(1) the name, address, principal occupation, and employer of the individual filing the report**;**

(2) [, AND] an itemized list of **all expenditures made, incurred, or authorized by the person;**

(3) the name of the candidate or the title of the ballot proposition or question supported or opposed by each expenditure and whether the expenditure is made to support or oppose the candidate or ballot proposition or question;

(4) the name and address of each officer and director, when applicable;

(5) the aggregate amount of all contributions made to the person, if any, for the purpose of influencing the outcome of an election; for all contributions, the date of the contribution and amount contributed by each contributor; and, for a contributor

(A) who is an individual, the name and address of the contributor and, for contributions in excess of $50 in the aggregate during a calendar year, the name, address, principal occupation, and employer of the contributor; or

(B) that is not an individual, the name and address of the contributor and the name and address of each officer and director of the contributor [EXPENDITURES. THE REPORT SHALL BE FILED WITH THE COMMISSION NO LATER THAN 10 DAYS AFTER THE EXPENDITURE IS MADE].

* **Sec. 5.** AS 15.13.040(h) is amended to read:

(h) The provisions of (d) of this section do not apply to one or more expenditures made by an individual acting independently of any **other person**

[GROUP OR NONGROUP ENTITY AND INDEPENDENTLY OF ANY OTHER INDIVIDUAL] if the expenditures

(1) cumulatively do not exceed $500 during a calendar year; and

(2) are made only for billboards, signs, or printed material concerning a ballot proposition as that term is defined by AS 15.13.065(c).

*** Sec. 6.** AS 15.13.040(p) is amended to read:

(p) For purposes of (b), **(e),** and (j) of this section, "contributor" means the true source of the funds, property, or services being contributed.

*** Sec. 7.** AS 15.13.040 is amended by adding a new subsection to read:

(q) For purposes of (e) of this section,

(1) "director" means a member of the board of directors of a corporation or any person performing a similar function with respect to any organization;

(2) "officer" means a president, vice president, secretary, or treasurer, principal financial officer, or comptroller of a corporation, or any person routinely performing functions similar to those of a president, vice president, secretary, or treasurer, principal financial officer, or comptroller with respect to any organization.

*** Sec. 8.** AS 15.13 is amended by adding a new section to read:

Sec. 15.13.052. Independent expenditures; political activities accounts. (a) Before making an independent expenditure in support of or in opposition to a candidate or before making an independent expenditure in support of or in opposition to a ballot proposition or question, each person other than an individual, candidate, or nongroup entity with an annual operating budget of $250 or less, shall establish a political activities account. The political activities account may be a separate account in the person's general treasury. The political activities account must be administered using generally accepted accounting principles. All funds used by the person to make independent expenditures must be drawn from the person's political activities account.

(b) Records necessary to substantiate that the requirements of (a) of this section have been met must be made available for inspection by the commission.

(c) Each person who has established a political activities account under this section shall preserve all records necessary to substantiate the person's compliance

with the requirements of this section for each of the six preceding years.

* **Sec. 9.** AS 15.13.067 is amended to read:

Sec. 15.13.067. Who may make expenditures. Only the following may make an expenditure **that is not an independent expenditure** in an election for candidates for elective office:

(1) the candidate;

(2) an individual;

(3) a group that has registered under AS 15.13.050; and

(4) a nongroup entity that has registered under AS 15.13.050.

* **Sec. 10.** AS 15.13 is amended by adding new sections to read:

Sec. 15.13.068. Expenditures and contributions by foreign nationals. (a) A foreign national may not, directly or indirectly, in connection with an election under this chapter, make a contribution or expenditure or make an express or implied promise to make a contribution or expenditure.

(b) In this section, "foreign national" includes

(1) an individual who is not a United States citizen or lawfully admitted for permanent residence under 8 U.S.C. 1101(a)(20);

(2) a foreign government, every political subdivision of a foreign government, every official, agent, or representative of a foreign government, and every agency, corporation, or instrumentality of the foreign government or of a political subdivision of a foreign government;

(3) a person outside of the United States, unless it is established that the person is an individual and a citizen of and domiciled in the United States, or that the person is not an individual and is organized under or created by the laws of the United States or of any state or other place subject to the jurisdiction of the United States and has its principal place of business in the United States; or

(4) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

(c) The provisions of this section prohibit a foreign national from making a contribution or expenditure in connection with a state election only to the extent

(1) that federal law prohibits a foreign national from making a contribution or expenditure in connection with a state election; and

(2) permitted by federal law.

Sec. 15.13.069. Certain expenditures that comply with charitable gaming provisions permitted. Notwithstanding another provision of this title, a charitable gaming permittee that is a qualified organization under AS 05.15.690 may use the net proceeds of a raffle or lottery to make expenditures for the purposes permitted under AS 05.15.150(a)(3).

*** Sec. 11.** AS 15.13.082(b) is amended to read:

(b) A **person, other than an individual exempt from reporting under AS 15.13.040(h),** [CANDIDATE, GROUP, OR NONGROUP ENTITY] may not make an expenditure unless the source of the expenditure has been disclosed as required by this chapter.

*** Sec. 12.** AS 15.13.084 is amended to read:

Sec. 15.13.084. Prohibited expenditures. A person may not make an expenditure

(1) anonymously, unless the expenditure is

(A) paid for by an individual acting independently of any **person** [GROUP OR NONGROUP ENTITY AND INDEPENDENTLY OF ANY OTHER INDIVIDUAL];

(B) made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065(c); and

(C) made for

(i) a billboard or sign; or

(ii) printed material, other than an advertisement made in a newspaper or other periodical;

(2) using a fictitious name or using the name of another.

*** Sec. 13.** AS 15.13.090 is amended to read:

Sec. 15.13.090. Identification of communication. (a) All communications shall be clearly identified by the words "paid for by" followed by the name and address of the **person** [CANDIDATE, GROUP, NONGROUP ENTITY, OR

INDIVIDUAL] paying for the communication. In addition, **except as provided by (d) of this section, a person shall clearly**

(1) provide the person's address or the person's principal place of business;

(2) for a person other than an individual or candidate, include

(A) the name and title of the person's principal officer;

(B) a statement from the principal officer approving the communication; and

(C) identification of the name and city and state of residence or principal place of business, as applicable, of each of the person's three largest contributors under AS 15.13.040(e)(5), if any, during the 12-month period before the date of the communication [CANDIDATES AND GROUPS MAY IDENTIFY THE NAME OF THEIR CAMPAIGN CHAIRPERSON].

(b) The provisions of (a) of this section do not apply when the communication

(1) is paid for by an individual acting independently of any **other person** [GROUP OR NONGROUP ENTITY AND INDEPENDENTLY OF ANY OTHER INDIVIDUAL];

(2) is made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065(c); and

(3) is made for

(A) a billboard or sign; or

(B) printed material other than an advertisement made in a newspaper or other periodical.

*** Sec. 14.** AS 15.13.090 is amended by adding new subsections to read:

(c) To satisfy the requirements of (a)(1) of this section and, if applicable, (a)(2)(C) of this section, a communication that includes a print or video component must have the following statement or statements placed in the communication so as to be easily discernable:

This communication was paid for by (person's name and city and state of principal place of business).

The top contributors of (person's name) are (the name and city and state of residence or principal place of business, as applicable, of the largest contributors to the person under AS 15.13.090(a)(2)(C)).

(d) Notwithstanding the requirements of (a) of this section, in a communication transmitted solely through radio or other audio media, the following statements must be read in a manner that is easily heard; the second statement is not required if the person paying for the communication has no contributors:

This communication was paid for by (person's name).

The top contributors of (person's name) are (the name of the largest contributors to the person under AS 15.13.090(a)(2)(C)).

(e) Contributors required to be identified under (a)(2)(C) of this section must be listed in order of the amount of their contributions. If more than three of the largest contributors to a person paying for a communication contribute equal amounts, the person may select which of the contributors of equal amounts to identify under (a)(2)(C) of this section. In no case shall a person be required to identify more than three contributors under (a)(2)(C) of this section.

(f) The provisions of this subsection apply to a person who makes an independent expenditure for a communication described in (a) of this section. If the person paying for the communication is not a natural person, the provisions also apply to the responsible officer or officers of the corporation, company, partnership, firm, association, organization, labor organization, business trust, or society who approves the independent expenditure for the communication. A person who makes a communication under this subsection may not, with actual malice, include within or as a part of the communication a false statement of material fact about a candidate for election to public office that constitutes defamation of the candidate. For purposes of this subsection, a statement constitutes defamation of the candidate if the statement

(1) exposes the candidate to strong disapproval, contempt, ridicule, or reproach; or

(2) tends to deprive the candidate of the benefit of public confidence.

*** Sec. 15.** AS 15.13.110 is amended by adding a new subsection to read:

(g) An independent expenditure report required under AS 15.13.040(e) shall

be filed with the commission not later than 10 days after an independent expenditure has been made. However, an independent expenditure that exceeds $250 and that is made within nine days of an election shall be reported to the commission not later than 24 hours after the expenditure is made.

*** Sec. 16.** AS 15.13.111(a) is amended to read:

(a) Each [CANDIDATE, GROUP, NONGROUP ENTITY, OR] person required to report under this chapter shall preserve all records necessary to substantiate information required to be reported under this chapter for a period of six years from the date of the election for which the information was required to be reported, unless the records have been submitted to the commission under (c) of this section.

*** Sec. 17.** AS 15.13.135 is amended to read:

Sec. 15.13.135. Independent expenditures for or against candidates. (a) [ONLY AN INDIVIDUAL, GROUP, OR NONGROUP ENTITY MAY MAKE AN INDEPENDENT EXPENDITURE SUPPORTING OR OPPOSING A CANDIDATE FOR ELECTION TO PUBLIC OFFICE.] An independent expenditure supporting or opposing a candidate for election to public office, except an independent expenditure made by a nongroup entity with an annual operating budget of $250 or less, shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter.

(b) **A person** [AN INDIVIDUAL, GROUP, OR NONGROUP ENTITY] who makes independent expenditures for a mass mailing, for distribution of campaign literature of any sort, for a television, radio, newspaper, or magazine advertisement, or any other communication that supports or opposes a candidate for election to public office

(1) shall comply with AS 15.13.090; and

(2) shall place the following statement in the mailing, literature, advertisement, or other communication so that it is readily and easily discernible:

This NOTICE TO VOTERS is required by Alaska law. (I/we) certify that this (mailing/literature/advertisement) is not authorized, paid for, or approved by the candidate.

*** Sec. 18.** AS 15.56.014(a) is amended to read:

(a) A person commits the crime of campaign misconduct in the second degree if the person

(1) knowingly circulates or has written, printed, or circulated a letter, circular, or publication relating to an election, to a candidate at an election, or an election proposition or question without the name and address of the author appearing on its face;

(2) except as provided by AS 15.13.090(b), knowingly prints or publishes an advertisement, billboard, placard, poster, handbill, paid-for television or radio announcement, or communication, as that term is defined in AS 15.13.400, intended to influence the election of a candidate or outcome of a ballot proposition or question without the words "paid for by" followed by the name and address of the **person** [CANDIDATE, GROUP, OR INDIVIDUAL] paying for the advertising or communication and, if a candidate or group, with the name of the campaign chair;

(3) knowingly makes a communication, as that term is defined in AS 15.13.400,

(A) containing false factual information relating to a candidate for an election;

(B) that the person knows to be false; and

(C) that would provoke a reasonable person under the circumstances to a breach of the peace or that a reasonable person would construe as damaging to the candidate's reputation for honesty or integrity, or to the candidate's qualifications to serve if elected to office.

*** Sec. 19.** AS 15.13.140(a) is repealed.

*** Sec. 20.** This Act takes effect immediately under AS 01.10.070(c).

failed 5-6

Conceptual AMENDMENT #1

OFFERED IN THE HOUSE

TO: HCS CSSB 284(FIN)
26-LS1448\W

OFFERED BY: Representatives Gara and Doogan

DELETE: at page 8, line 5: after "communication transmitted" delete "solely"

INSERT: at page 8, line 5: after "or other audio media," insert:

"and in a communication that includes an audio component,"

Conceptual AMENDMENT #2 failed 5-6

OFFERED IN THE HOUSE

TO: HCS CSSB 284(FIN) 26-LS1448\W

OFFERED BY: Representatives Gara and Doogan

DELETE: at page 8, line 5: after "communication transmitted" delete "solely"

INSERT: at page 8, line 5: after "or other audio media," insert:

"and in a communication that includes an audio component,"

INSERT: at page 8, line ~~8~~ 7: after "no contributors" insert "or, for any of the three largest contributors who have contributed less than $2,000:"

2010 HOUSE FINANCE
VOTE CALL

DATE: 4-17-10

Amendment: Conceptual Amend 2

MEMBER	Favor	Oppose
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY		✓
REP. HAWKER		✓
REP. STOLTZE		✓

YEA 5

NAY 6

5069

2010 HOUSE FINANCE
VOTE CALL

failed 5-6

DATE: 4/17/10

Amendment: Conceptual Amend 1

MEMBER	Favor	Oppose
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS		✓
REP. AUSTERMAN		✓
REP. DOOGAN	✓	
REP. FAIRCLOUGH		✓
REP. FOSTER	✓	
REP. GARA	✓	
REP. JOULE	✓	
REP. STOLTZE		✓
REP. HAWKER		✓

YEA 5

NAY 6

5070

MEMORANDUM

STATE OF ALASKA
DEPARTMENT OF LAW

TO: Mike Nizich
Chief of Staff
Office of the Governor

DATE: February 19, 2010

FROM: Daniel S. Sullivan
Attorney General

SUBJECT: Analysis of *Citizens United v. Federal Election Commission* and its Impact on Alaska Campaign Finance Laws

The following is our response to your request for an analysis of the United States Supreme Court's decision in *Citizens United v. Federal Election Commission* 558 U.S. ___, --- S.Ct. ---- (2010) and how that decision impacts Alaska's campaign finance laws. The ruling affects the balance between a government's interest in ensuring transparent and fair elections and the First Amendment rights of organizations, such as corporations and labor unions, to engage in political speech. In this memorandum we will describe the holding of the case as well as its direct and indirect effects on Alaska law.

I. Summary

Our analysis addresses two main points. First, under *Citizens United*, Alaska may not prohibit political speech by corporations and labor unions altogether.[1] As a result, our laws prohibiting independent expenditures by corporations and labor unions in a candidate election are likely unconstitutional.

Second, Alaska's laws regarding contributions to candidates, coordinated expenditures, disclaimers, and disclosures are not directly affected by *Citizens United*. Alaska's laws continue to regulate corporate and labor union political speech through disclaimer and disclosure requirements. However, some disclaimer and disclosure laws that provide specific standards for reporting and identification of expenditures do not currently apply to corporations and labor unions.

II. *Citizens United v. Federal Election Commission*

On January 21, 2010, the United States Supreme Court issued its opinion in *Citizens United v. Federal Election Commission*.[2] The Court's main holding was that

[1] *See* 558 U.S. ___, at 2, --- S.Ct. ---- (2010).

[2] 558 U.S. ___, --- S.Ct. ---- (2010).

5071

"the Government may regulate corporate political speech through disclaimer and disclosure requirements, but it may not suppress that speech altogether."[3] The particular federal law reviewed by the Court, part of the Bipartisan Campaign Reform Act of 2002,[4] prohibited corporations and unions from using their general treasury funds to make independent expenditures for speech that is an electioneering communication or for speech that expressly advocates the election or defeat of a candidate.[5] The Court held that this prohibition on corporate and labor union speech violated the First Amendment to the United States Constitution. Because the First Amendment applies to states as well as the federal government, the ruling not only strikes down the federal requirement, it also calls into question similar provisions enacted by the State of Alaska.[6]

The Court further ruled that the disclosure and disclaimer laws under the Bipartisan Campaign Reform Act are justified to provide the electorate with information about the sources of election-related spending and that disclosure assists citizens in making informed choices in the marketplace of political ideas.[7]

---

[3] *Id.* at 1-2.

[4] 2 U.S.C. § 441b (2000).

[5] 2 U.S.C. § 441b(b)(2) prohibited corporations and labor unions from using general treasury funds to make expenditures on electioneering communications, which include broadcast, cable, or satellite communications that refer to a clearly identified candidate for federal office and are made within 30 days of a primary or 60 days of a general election. 2 U.S.C. § 434(f)(3)(A); 11 CFR § 100.29(a)(2)(2009).

[6] *See Gitlow v. New York*, 268 U.S. 652, 666, 45 S.Ct. 625, 630 (1925) (freedom of speech protected by the First Amendment from abridgment by Congress is among the fundamental personal rights protected by the due process clause of the Fourteenth Amendment from impairment by the States); *see also Near v. Minnesota*, 283 U.S. 697, 51 S.Ct. 625 (1931); *DeJonge v. Oregon,* 299 U.S. 353, 57 S.Ct. 255 (1937).

[7] 558 U.S. ___ , at 51-2 (citing *Buckley v. Valeo*, 424 U.S. 1, 66, 96 S.Ct. 612, 657 (1976) (*per curiam*)). Under federal law, televised electioneering communications funded by anyone other than a candidate must include a disclaimer describing the entity responsible for the content of the ad. The required statement must be made in a clearly spoken manner and displayed on the screen in a clearly readable manner for at least four seconds. It must state that the communication is not authorized by any candidate or candidate's committee and it must display the name and address of the person or group that funded the advertisement. *Id.* (citing 2 U.S.C. § 441d(a)(2)).

III. The Direct and Indirect Impacts of *Citizens United* on Alaska Laws

A. Overview

Alaska campaign finance laws regulate a majority of state elections, the ballot proposition process, lobbying, and the judicial retention process.[8] These laws regulate the conduct of candidates, political parties, individuals, lobbyists, corporations, labor unions, groups, and other entities. Both state and federal campaign finance laws make several important distinctions with respect to the application of such laws. For instance, Alaska campaign finance laws distinguish "contributions" from "expenditures." A contribution is basically a purchase, payment, or deposit rendered directly to a candidate or political party.[9] An expenditure is defined broadly to include several activities which are not direct contributions to candidates. Expenditures include direct payments for services but also include various communications.[10] An "independent expenditure" is a type of expenditure but is more limited in that it is made without any coordination with a candidate.[11]

Another important distinction is between disclosures and disclaimers. Certain campaign finance laws mandate public reporting of expenditures made. In campaign finance jurisprudence, these laws are referred to as disclosure laws. When a campaign finance law requires an identification to be placed on a communication, courts and campaign finance law commentators broadly refer to this as a disclaimer law. The Alaska Public Offices Commission enforces the legality of contributions and expenditures and also ensures that individuals and entities are properly disclosing and disclaiming their conduct as it relates to an election.[12]

---

[8] *See* AS 15.13.010(a)(1)-(2)(describing scope of AS 15.13, entitled State Election Campaigns).

[9] *See* AS 15.13.400(4)(A).

[10] An expenditure is defined, in relevant part, as "a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of...influencing...[the outcome of an election]." Expenditures also include "express communications" and "electioneering communications." AS 15.13.400(6).

[11] An independent expenditure "means an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion or the request of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy campaign treasurer, or another person acting as a principal or agent of the candidate." AS 15.13.400(10).

[12] *See generally* AS 15.13.010(b); AS 15.13.400(1); AS 15.13.400(8), (11), (13)-(15); AS 15.13.030.

Citizens United directly implicates one key aspect of Alaska's campaign finance laws: Alaska's prohibition on independent expenditures by corporations or labor unions in candidate elections.[13] The decision does not directly call into question the constitutionality of any other contribution, expenditure, disclaimer or disclosure law. For example, Alaska's prohibition on direct contributions to candidates by corporations and labor unions is unaffected.[14] Candidates and their agents are still prohibited from accepting contributions from corporations and labor unions.[15] A corporation or labor union still may not directly or indirectly consult or cooperate with candidates or their agents when making an expenditure.[16] Individuals are still limited to contributing $500 per year to a candidate, and $5,000 per year to a political party,[17] and corporations and labor unions must continue to follow disclosure laws whenever applicable.[18] The current statutes and regulations that require that an independent expenditure in a candidate election be reported within 10 days will be applicable to a corporation or labor union that makes such an expenditure.[19] There must be some identification of corporations or labor

---

[13] *See* AS 15.13.067; AS 15.13.135(a).

[14] *See* AS 15.13.065(a); AS 15.13.074(a).

[15] AS 15.13.072(a)(1).

[16] AS 15.13.400(10). 2 AAC 50.270 provides guidance as to what constitutes an independent expenditure. Where an expenditure is based on information provided by the candidate or an agent of a group or nongroup entity, it is not an independent expenditure. An expenditure is not an independent expenditure if it is made based on data from a candidate's, group's, or nongroup entity's pollster or campaign consultant or any other person who receives compensation or reimbursement from the campaign. Solicitations to a candidate, group, or nongroup entity, or an expenditure made to finance distribution of campaign material provided by the candidate or his agents are not independent expenditures.

[17] AS 15.13.070(b)(1)-(2).

[18] *See* AS 15.13.400(14); AS 01.10.060. Because the relevant statutes define "person" to include a corporation or labor union, statutes and regulations that cover a "person" apply to any corporation or union making an independent expenditure in a candidate election.

[19] AS 15.13.040(d) states that "every individual, person, nongroup entity, or group making an expenditure shall make a full report of expenditures, upon a form prescribed by the commission, unless exempt from reporting." AS 15.13.040(e) states that "the report required under (d) must contain the name, address, principal occupation, and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission no later than 10 days after the expenditure is made." The reporting requirement of AS 15.13.040(d) and (e) applies to all "persons"

unions making an independent expenditure as they are subject to the requirement that such independent expenditures may not be made anonymously.[20]

B. Alaska's Prohibition on Expenditures – AS 15.13.067 and AS 15.13.135(a)

Citizens United likely invalidates AS 15.13.067 and AS 15.13.135(a) in their current form. Under AS 15.13.067, expenditures in candidate elections may only be made by candidates, individuals, groups, and nongroup entities. Under AS 15.13.135(a), "independent expenditures" in candidate elections may only be made by individuals, groups and nongroup entities. Because labor unions and corporations do not fall within the definitions of individual, group, or non-group entity,[21] AS 15.13.067 and AS 15.13.135(a) prohibit corporations and labor unions from making any expenditures in candidate elections. Alaska law defines expenditure broadly to include activities which are political speech.[22] After *Citizens United*, these specific prohibitions will not likely pass constitutional muster.

---

who make an expenditure. A person is defined to include corporations and unions. AS 15.13.400(14); AS 01.10.060.

Alaska regulations likewise require reporting of all independent expenditures. 2 AAC 50.270(c) provides that "a person making an independent expenditure must disclose the following on an independent expenditure report under AS 15.13.040 (d) and (e): (1) the date of the expenditure; (2) the amount of the expenditure; (3) the check number, if the expenditure is paid by check; (4) the name and address of the payee; (5) a description of items or services purchased; (6) identification of the candidate or ballot proposition the expenditure was intended to influence; (7) a statement as to whether the expenditure was intended to support or oppose the candidate or ballot proposition."

[20] AS 15.13.084 states that "a person may not make an expenditure anonymously," unless the expenditure is made by an individual acting independently and the expenditure is made for a billboard or sign, or printed material other than an advertisement in a newspaper or other periodical.

[21] AS 15.13.400(8), (11), (13).

[22] Specifically, Alaska law prohibits corporations and labor unions from making express communications, electioneering communications, and any payment made to influence the outcome of a candidate election. AS 15.13.400(6)(A)(i);(C); *see also* AS 15.13.400(5), (7). Other parts of the expenditure definition do not implicate political speech. For example, expenditures include purchases made for the purpose of a political party or direct payment of personal services rendered to a candidate or political party. *See, e.g.*, AS 15.13.400(6)(A)(ii)-(iii).

Accordingly, we recommend that these two statutes be amended to conform to the holding of *Citizens United* in order to clarify the extent to which corporations and labor unions may make independent expenditures.

C. Disclosure of Expenditures – AS 15.13.040(d) and (e)

The Supreme Court in *Citizens United* specifically upheld laws requiring the disclosure of independent expenditures. The Court found that the disclosure laws assisted the electorate in making informed choices in the marketplace of political ideas.[23] Accordingly, *Citizens United* does not suggest that Alaska's disclosure laws are in any way unconstitutional. Alaska Statute 15.13.040(d) and (e) is a disclosure law that broadly applies to corporations and labor unions making independent expenditures in a candidate election. It provides that any person making any expenditure must report the expenditure within 10 days. Because corporations and unions are deemed to be "persons" under Alaska law, this requirement applies to them as well.[24] Thus, the requirement to disclose is written broadly enough to require disclosure of expenditures made by corporations and labor unions.

D. Disclaimers For Communications – AS 15.13.084; AS 15.13.090; and AS 15.13.135(b)(2)

Citizens United upheld federal disclaimer laws.[25] Thus, the decision does not suggest that Alaska's disclaimer laws suffer from any constitutional infirmity. Alaska Statute 15.13.090 is a disclaimer law requiring certain communications to be identified by the words "paid for by" followed by the name of the candidate, group or nongroup entity paying for the communication. Alaska Statute 15.13.135(b)(2) is a disclaimer law which requires that certain independent expenditures contain a disclaimer that they are not authorized or paid for by a candidate. However, because corporations and labor unions were not permitted to make any expenditures in a candidate election, these specific statutes were not written to apply to them, and only refer to individuals, groups, and nongroup entities.

Corporations and labor unions are nevertheless subject to AS 15.13.084 which prohibits independent expenditures in a candidate election from being made

---

[23] 558 U.S. at 51-2 (citing *Buckley*, 424 U.S. at 66, 96 S.Ct. at 657).

[24] *See supra* note 18. *Cf* 2 AAC 50.270(c) (reporting of independent expenditures applies to "persons," and thus to corporations and labor unions). Additionally, "persons," including corporations and labor unions, are required to preserve their expenditure records for up to 6 years after the expenditure is made. AS 15.13.111.

[25] 558 U.S. at 51-2 (citing *Buckley v. Valeo*, 424 U.S. at 66, 96 S.Ct. at 657).

anonymously; thus some identification is required.[26] This prohibition is very general and it is unclear how a corporation or labor union must identify itself when making the expenditure. This may create uncertainty among corporations and labor unions about how to proceed with speech protected under *Citizens United*. Therefore, consideration should be given to amending AS 15.13.084 to clarify how corporations or labor unions must identify themselves when exercising their right to make independent expenditures in an election. As discussed above, it would be constitutional to extend the requirements of AS 15.13.090 and AS 15.13.135(b)(2) to corporations and labor unions.

E. Other Reporting and Disclosure Issues – AS 15.13.110 and AS 15.13.086(2)

As stated above, *Citizens United* did not invalidate disclosure or disclaimer laws,[27] and Alaska statutes currently require all persons making independent expenditures to report those expenditures to The Alaska Public Offices Commission within 10 days.[28] However, policy makers should consider whether other forms of disclosure for corporations and labor unions making independent expenditures in candidate elections are appropriate. For example, under AS 15.13.110, groups, nongroup entities, and candidates must file reports for election-related activity 30 days before an election, seven days before an election, and at year's end. The reporting requirements under AS 15.13.110 do not apply to "persons" and thus corporations and labor unions, like individuals, are exempt. Because corporations and labor unions were not allowed to make independent expenditures when this statutory scheme was created, we do not believe the drafters had corporations and unions in mind when this requirement was imposed only on candidates, groups and nongroup entities.

In addition to reporting expenditures, AS 15.13.110 requires groups,[29] nongroup entities,[30] and candidates[31] to include information regarding the source of all contributions in these reports. Under current Alaska law, corporations and labor unions would be required to report only their expenditures.[32] But as there is currently no Alaska

---

[26] AS 15.13.084, prohibits all "persons" from making anonymous expenditures and expenditures using a fictitious name or the name of another. As explained above, corporations and labor unions are persons under the law.

[27] 558 U.S. at 51-2.

[28] AS 15.13.040(d)-(e).

[29] AS 15.13.400(8).

[30] AS 15.13.400(13).

[31] AS 15.13.400(1).

[32] AS 15.13.040(d)-(e).

law that requires a corporation or labor union to report the source of funds used to make expenditures, corporations and labor unions could receive funds for the purpose of making an independent expenditure in a candidate election. This situation was not contemplated at the time these reporting statutes were enacted due to the prohibition on expenditures by corporations or labor unions in candidate elections.

Additionally, while candidate contributions exceeding $250 made within nine days of the election must be reported to The Alaska Public Offices Commission within 24 hours of receipt by the candidate,[33] under current law, an independent expenditure made within 10 days of a candidate election does not have to be reported until after the election.[34] The latter timeline now likely applies to corporations and labor unions making independent expenditures in candidate elections after *Citizens United.*

F. Independent Expenditures by Foreign Corporations

Federal law currently prohibits expenditures made by foreign nationals and foreign corporations in state elections.[35] *Citizens United* did not invalidate this law, nor did it decide whether the federal government has a compelling interest in preventing foreign individuals or associations from influencing our nation's political process.[36] Alaska law does not have a corresponding prohibition on expenditures made by foreign nationals or foreign corporations in our elections.[37]

IV. Conclusion

Citizens United has had both direct and indirect impacts on Alaska campaign financing laws. We recommend that those laws directly impacted by the ruling, the prohibition on expenditures by corporations and labor unions, be amended to provide more clarity to Alaskans. We also identify, for your consideration, other areas of law regulating expenditures that were indirectly impacted by this decision.

---

[33] AS 15.13.110(b).

[34] *See* AS 15.13.040(d)-(e).

[35] 2 U.S.C. § 441e prohibits any foreign national, including any foreign associations such as foreign corporations, from spending funds in connection with any state or local election in the United States.

[36] 558 U.S. ___ , at 47 *citing* 2 U.S.C. § 441(e).

[37] Because Alaska law currently restricts all expenditures, Alaska statutes do not differentiate between foreign and domestic corporations. AS 15.13.400(14); AS 01.10.060.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM January 25, 2010

SUBJECT: Citizens United v. Federal Election Commission
(Work Order No. 26-LS1367)

TO: Representative Jay Ramras
Attn: Jane Pierson

FROM: Alpheus Bullard
Legislative Counsel

You requested a legal analysis of the United States Supreme Court's ruling in Citizens United v. Federal Election Commission, No. 08-205, 558 U.S. ___ (January 21, 2010), and its effect on Alaska law.

WHAT IS MOST SIGNIFICANT

The Court held that the government cannot suppress political speech on the basis of the speaker's corporate identity.

WHAT THE DECISION DOES NOT DO

This is a case about independent election campaign expenditures made by corporations. Because one of the statutes involved in this case and considered by the Court concerned labor unions, it also, arguably, is a case about independent election campaign expenditures made by labor unions, though that is not made explicit in the opinion. Laws regulating corporate and union contributions to candidates, party committees, and political action committees, whether direct or in-kind, are not directly affected by the ruling. Disclosure and disclaimer requirements for communications relating to elections for public office and laws requiring corporations and unions to identify the sources of money for their political activities are also unaffected.

FACTS AND PROCEDURAL POSTURE

The case involved a documentary critical of the then potential presidential candidacy of Hillary Clinton. The documentary, "Hillary: The Movie," was produced by Citizens United, a nonprofit corporation. Anticipating that it would make the documentary available within a time period prohibited under the Bipartisan Campaign Reform Act of 2002 (BCRA),[1] Citizens United sought declaratory and injunctive relief in the United

[1] 2 U.S.C. § 431 *et seq.* (also known as the McCain-Feingold Act (Pub. L. No. 107-155, 116 Stat. 81)).

States District Court for the District of Columbia seeking to prevent the Federal Election Commission (FEC) from enforcing provisions of the BCRA.[2] Citizens United argued that § 203 of the BCRA[3] violated the First Amendment on its face and as applied to the documentary and its related advertisements, and that §§ 201[4] and 311[5] of the Act, relating to disclosure, disclaimer, and reporting requirements were, as applied to the documentary, also unconstitutional.

The United States District Court denied the injunction, holding that under § 203 of the BCRA the documentary could not be shown on television in the 30 day period preceding the 2008 Democratic primaries. The court held that the BCRA prohibitions against corporate independent expenditures were constitutional, reasoning that the question had been answered by the Supreme Court in McConnell v. Federal Election Commission, 540 U.S. 93 (2003).[6] The United States District Court held that the documentary had no other purpose than to discredit Hillary Clinton and inform viewers that she was unfit for public office, and thus the provision of the BCRA relating to electioneering communications

---

[2] Citizens United v. Fed. Election Commission, 530 F. Supp. 2d 274 (D.D.C. 2008).

[3] Section 203 of the BCRA regulates "electioneering communications." Generally, these are broadcast, cable, or satellite communications made within 60 days of a general election or 30 days of a primary election. 2 U.S.C. § 434(f)(3)(A)(i). Section 203 restricts corporations (other than media corporations) and labor organizations from funding electioneering communications from their general funds except under certain specific circumstances, e.g., get-out-the-vote campaigns. 2 U.S.C. § 441b(b)(2).

[4] Under § 201 of the BCRA, persons who disburse an aggregate of $10,000 or more a year for the production and airing of electioneering communications are required to file a statement with the Federal Election Commission (FEC) that includes the names and addresses of persons who have contributed in excess of $1,000 to accounts funding the communication. See 2 U.S.C. § 434(f)(1) and (2).

[5] Under the BCRA's § 311, the entity paying for a communication that is not authorized by a candidate or the candidate's political committee, must include in the communication a statement that the organization "is responsible for the content of this advertising." See 2 U.S.C. § 441d.

[6] In McConnell, the United States Supreme Court upheld § 203 as facially constitutional, reasoning that the justifications for regulating independent corporate expenditures constituting express advocacy "apply equally" to ads that are "the functional equivalent of express advocacy." Id. at 206. The Court held that the regulation of such independent expenditures was acceptable because the government has a compelling interest in countering the kind of "corrosive and distorting effect" identified in Austin. Id. at 205.

was not unconstitutionally applied. Lastly, the court ruled that the Act's disclosure, disclaimer, and reporting requirements were not unconstitutional as applied to the documentary or its advertisements.

Citizens United appealed the decision and the Supreme Court docketed the case on August 18, 2008,[7] hearing oral arguments on March 24, 2009. However, on June 29, 2009, the Supreme Court ordered the parties to reargue the case on September 9 after submitting briefs on the larger questions of whether the Court should overrule Austin v. Michigan Chamber of Commerce, 494 U.S. 652 (1990)[8], that portion of McConnell 540 U.S. 93 (2003) that found § 203 of the BCRA to be facially valid, or both.

ANALYSIS

In Citizens United, 558 U.S. ___ (January 21, 2010), the Supreme Court considered (1) the validity of § 203 of the BCRA, which prohibits corporations and unions from using their general treasury funds to make independent expenditures for speech that is an "electioneering communication"; (2) the Court's prior holding in Austin that political speech may be banned based on the speaker's corporate identity; and (3) whether §§ 201 and 311 of the BCRA, which mandate disclaimer and disclosure requirements for Citizens United's ads, were constitutionally invalid.

Prohibitions on Independent Expenditures

The Court held that § 203 of the BCRA, which prohibits certain corporations and unions from using funds from their general treasuries[9] for certain independent expenditures made to influence the outcomes of elections for federal public office, was unconstitutional.[10] It

---

[7] Under § 403(a)(3) of the BCRA, the final decision of the district court in this case is "reviewable only by appeal directly to the Supreme Court of the United States."

[8] In Austin, the Court upheld a Michigan law that barred corporations from using their general treasury funds to support or oppose any state candidate, even though the spending occurred independently of that candidate's campaign operation.

[9] Prior to the ruling, to spend money on "electioneering communications" under federal law, corporations and unions were required to establish political action committees (PACS) that had a separate legal identity from the corporation or union. PACS could receive limited donations from employees, shareholders, or organization members. Now, after the Citizens United decision, corporations and unions may spend money directly from their treasuries on independent expenditures to influence elections for public office.

[10] While § 203 of the BCRA applied equally to corporations and unions, independent expenditures made by unions were not an issue before the Court, and it is not explicit in the ruling that the BCRA's independent expenditure prohibition is lifted for unions.

determined that prohibitions on corporate independent expenditures are an impermissible "ban on speech," id. at 22, and that political speech does not lose First Amendment protection "simply because its source is a corporation," id. at 26.[11]

The Court held that the case could not be decided in an examination of the relevant provisions of the BCRA alone, because the fundamental legal rationale underlying the challenged provisions of the Act was itself unjustified by a sufficient governmental interest.[12] The Court held that this rationale, identified in Austin, the prevention of "the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form that have little or no correlation to the public's support for the corporation's political ideas," id. at 660, is inconsistent with the protections offered speech and speakers by the First Amendment.[13]

Precedent Overturned

The Court overruled Austin, and those portions of McConnell that upheld the BCRA's restrictions on independent expenditures made by corporations and labor organizations. It did so holding that "no sufficient governmental interest justifies limits on the political speech of nonprofit or for-profit corporations[,]" and "[g]overnment may not suppress political speech on the basis of the speaker's corporate identity." Citizens United, 558 U.S. at 50.[14]

---

[11] Of less immediate consequence, in the absence of acknowledgement by the Court of any permissible First Amendment distinctions between corporate and natural persons, the case raises questions relating to whether corporations' newly realized equality under the First Amendment will affect (1) the constitutionality of existing prohibitions against corporate contributions to candidates in elections for public office and (2) other corporate related constitutional jurisprudence. These remain for future litigation.

[12] "When constitutional questions are 'indispensably necessary' to resolving the case at hand, 'the court must meet and decide them.'" Citizens United v. Federal Election Commission, 558 U.S. at 4 of Roberts, C.J. (concurring opinion), quoting Ex parte Randolph, 20 F. Cas. 242, 254 (No. 11, 558) (CC Va. 1833) (Marshall, C.J.).

[13] The First Amendment to the United States Constitution provides that "Congress shall make no law . . . abridging the freedom of speech . . . ."

Given the Court's interpretation of the requirements of the First Amendment, existing distinctions between "express advocacy" versus "issue advocacy" and "independent expenditures" versus contributions to candidates are less clear. Citizens United does not address these distinctions, but the logic underlying the decision suggests that they may soon be revisited.

[14] In addition to overturning Austin, the Court dismissed arguments that independent corporate expenditures in elections for federal office give rise to corruption or its appearance (Citizens United at 41 - 45) and that the government has a compelling interest

Disclosure and Disclaimer Requirements
The Court upheld the BCRA's disclosure and disclaimer requirements which were applied to the documentary (§§ 201 and 311 of the Act), holding that such requirements "may burden the ability to speak, but they 'impose no ceiling on campaign-related activities,' [Buckley v. Valeo, 424 U.S. 1, 64 (1976)] and 'do not prevent anyone from speaking,' McConnell, [540 U.S.] at 201." Citizens United, 558 U.S. at 51. Citing Buckley and McConnell, the Court held that these requirements bear a substantial relation to the government's interest in ensuring that the electorate is able to evaluate the arguments to which it is being subjected, and that Citizens United did not demonstrate that the requirements imposed a chill on the organization's (or the organization's members') speech or expression. Id. at 51 - 56.

EFFECT ON ALASKA LAW
1. Under existing AS 15.13.067 (who may make expenditures in an election for candidates for elective office) and AS 15.13.135 (independent expenditures for or against candidates), only individuals, groups, and nongroup entities, as these terms are defined under AS 15.13.400, are permitted to make independent expenditures supporting or opposing candidates in elections under AS 15.13.[15] The terms "individual," "group," and "nongroup entity" are defined at AS 15.13.400. Together, these provisions effectively prohibit independent expenditures by for-profit corporations, and are likely to be interpreted by a court as unconstitutional in light of this decision.[16]

2. For-profit corporations are currently prohibited from making independent expenditures for or against candidates in elections under AS 15.13. Because of that, existing state statutes relating to (1) disclosure of expenditures, (2) limitations on expenditures, (3) identification of communications, and (4) filing of reports[17] under AS 15.13 do not currently account for independent expenditures and communications by for-profit corporations. Given the silence of our state statutes, and the likelihood that our existing

---

in regulating corporations' independent expenditures to protect dissenting shareholders from being compelled to fund corporate political speech. (Citizens United at 46 - 47).

[15] Under AS 15.13.010(a), AS 15.13 applies to elections for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, and a judge seeking judicial retention, and to elections for municipal office in municipalities with a population of more than 1,000 inhabitants unless the municipality has exempted itself from the provisions of the chapter.

[16] These statutes remain the law for the State of Alaska. If left unchanged, will they be enforced? The state could attempt to enforce them; however, enforcement would likely be quickly curtailed once the aggrieved party petitioned the state's courts.

[17] See AS 15.13.040, AS 15.13.082, AS 15.13.090, and AS 15.13.110.

statutes will not be enforced following the Court's holding in Citizens United, there are now no limits on independent expenditures made by for-profit corporations and no statutory disclosure, identification, or reporting requirements for these expenditures.

If I may be of further assistance, please advise.

TLAB:plm
10-035.plm

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 29, 2010

To: Members of the Alaska Senate

RE: SB 284 (Senate Judiciary Committee)--Support

On behalf of the members of AARP in Alaska, we encourage you to support SB 284, sponsored by the Senate Judiciary Committee.

AARP believes transparency is critical to government integrity and civic engagement. Openness is a fundamental feature of democracies and governmental operations, including elections, should operate in public view.

The ability of government to respond to the concerns of citizens, promote the public interest, and retain public confidence in its fairness, competence, and relevance is dependent in large measure on adhering to policies that promote and sustain integrity.

Unfortunately, trust in government is extremely low. Whether true or not, government officials and processes are often viewed as more responsive to the concerns of moneyed special interests than those of the general public.

SB 284 will not solve the entire credibility problem. However, SB 284 will get us closer to restoring confidence in government and transparency in elections and campaigns.

SB 284 will help ensure clarity and honesty in election advertising, including requiring meaningful descriptions of who has paid for an ad.

AARP requests an "AYE" vote on SB 284.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

SB

292

<target><bill>SB 292</bill><subject>SB
292</subject><comm>HFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 292(L&C)
(S) Publish Date: 3/22/10

Identifier (file name): SB292-CED-CBPL-3-16-10
Dept. Affected: DCCED
Title: Pawnbrokers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Huggins
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	36.0	0.0	36.0	36.0	36.0	36.0	36.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Supplies	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**76.0**	**0.0**	**0.0**	**76.0**	**0.0**	**76.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	38.0	0.0	38.0	38.0	38.0	38.0	38.0
TOTAL	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time	1	0	1	1	1	1	1
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 292 places the licensing of pawnbrokers in the Department of Commerce, Community and Economic Development with an effective date for most provisions of the bill of July 1, 2011. Information on file indicates there would be approximately 30 licensees under this legislation.

The program would be required to cover its costs with licensing fees under AS 08.01.065, and revenue generated from program fees would be required to cover its full operating costs.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/16/2010 1:00PM
Approved by: Emil Notti, Commissioner — Date 3/16/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

5087

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 292(JUD)**

"An Act relating to the registration and operation of pawnbrokers, to the exemption for pawnbrokers under the Alaska Small Loans Act, and to the exclusion of pawnbrokers under certain definitions in the Uniform Commercial Code; and providing for an effective date."

SB 292-PAWNBROKERS

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 292 (FIN)
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ [✓] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	Coogan			✓	
	FAIRCLOUGH	✓			
	Austerman			X	
	Salmon	X			
	Doyle	✓			
	KELLY			✓	
Chair:	Stoltze				
Chair:	Hawker			☆	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 292(L&C)
(S) Publish Date: 3/22/10

Identifier (file name): SB292-CED-CBPL-3-16-10
Dept. Affected: DCCED
Title: Pawnbrokers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Huggins
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	36.0	0.0	36.0	36.0	36.0	36.0	36.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Supplies	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**76.0**	**0.0**	**0.0**	**76.0**	**0.0**	**76.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	38.0	0.0	38.0	38.0	38.0	38.0	38.0
TOTAL	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time	1	0	1	1	1	1	1
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SB 292 places the licensing of pawnbrokers in the Department of Commerce, Community and Economic Development with an effective date for most provisions of the bill of July 1, 2011. Information on file indicates there would be approximately 30 licensees under this legislation.

The program would be required to cover its costs with licensing fees under AS 08.01.065, and revenue generated from program fees would be required to cover its full operating costs.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/16/2010 1:00PM
Approved by: Emil Notti, Commissioner — Date 3/16/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 292(L&C)

ANALYSIS CONTINUATION

Total PERSONAL SERVICES: $ 36.0
- One (1) part-time Investigator III position, Range 18 to ensure reports and pawnbroker operations are in compliance with transaction details and recording requirements.

The license requirements of Pawnbrokeers established in the bill are minimal. As such, the department anticipates that a part time Investigator may be able to fulfill both licensing and enforcement needs of the program.

Total CONTRACTUAL: $1.0
- Contractual costs include printing of applications, and communication costs.

Total SUPPLIES: $1.0
- Supplies consists of standard operating desk top supplies (paper, etc.)

TOTAL: $ 38.0

REVENUE: The funding source for this program is Receipt Supported Services (RSS) from licensing fees. Revenue will be generated by individuals who seek licensure under this program and licensing fees will be established to cover all costs, direct and indirect, of the program.

Adopted 4/16/10

26-LS1487\M
Bannister
4/14/10

HOUSE CS FOR CS FOR SENATE BILL NO. 292( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS HUGGINS, McGuire, Menard, Dyson

A BILL

FOR AN ACT ENTITLED

"An Act relating to the registration and operation of pawnbrokers, to the exemption for pawnbrokers under the Alaska Small Loans Act, and to the exclusion of pawnbrokers under certain definitions in the Uniform Commercial Code; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 06.20.330(b) is amended to read:

(b) This chapter does not apply to individual loans by

(1) pawnbrokers **where separate and individual loans do not exceed $750; in this paragraph, "pawnbroker" means a person who is regulated under AS 08.76.100 - 08.76.590;** or

(2) loan shops where separate and individual loans do not exceed $500.

*** Sec. 2.** AS 08.01.010 is amended by adding a new paragraph to read:

(39) regulation of pawnbrokers (AS 08.76.100 - 08.76.590).

*** Sec. 3.** AS 08.76.010(a) is amended to read:

(a) A person engaged in the business of buying and selling secondhand articles, [OR LENDING MONEY ON SECONDHAND ARTICLES,] except a bank **or a person regulated by AS 08.76.100 - 08.76.590**, shall maintain a book, in permanent form, in which the person shall enter in legible English at the time of each [LOAN,] purchase [,] or sale

(1) the date of the transaction;

(2) the name of the person conducting the transaction;

(3) the name, age, and address of the customer;

(4) a description of the property bought [OR RECEIVED IN PLEDGE], which includes, for any firearm, watch, camera, or optical equipment bought [OR RECEIVED IN PLEDGE], the name of the maker, the serial, model, or other number, and all letters and marks inscribed;

(5) the price paid [OR AMOUNT LOANED];

(6) the signature of the customer.

*** Sec. 4.** AS 08.76.020 is amended to read:

Sec. 08.76.020. Manner of recording entry. The entries in the book [AND THE ELECTRONIC RECORD] required by AS 08.76.010 shall appear in chronological order [AND, WHEN MADE IN A BOOK,] in ink or indelible pencil. Blank lines may not be left between entries. Obliterations, alterations, or erasures may not be made. Corrections shall be made by drawing a line through the entry without destroying its legibility, and [, WHEN MADE IN A BOOK,] the line shall be drawn in ink. The book shall be open to the inspection of a peace officer at reasonable times.

*** Sec. 5.** AS 08.76 is amended by adding new sections to read:

Article 2. Licensing and Regulation of Pawnbrokers.

Sec. 08.76.100. Licensing required. (a) A person may not engage in business as a pawnbroker without holding a license issued by the department.

(b) A license is not transferable or assignable.

Sec. 08.76.110. Requirements for license. The department may issue a license to a person if the person

(1) has good character;

(2) has the experience to engage in business as a pawnbroker;

(3) is fit to engage in business as a pawnbroker;

(4) submits an application as required by the department under AS 08.01.060; and

(5) pays a fee established by the department under AS 08.01.065.

Sec. 08.76.130. Withdrawal of application. The department may consider that a person has withdrawn the person's application for a license if

(1) the application does not contain all of the required information; or

(2) the information required for the application is not submitted to the department within 90 days after the department requests in writing that the person provide the department with the information.

Sec. 08.76.140. Duration and renewal of license. (a) A license is valid for two years.

(b) A person may renew a license under AS 08.01.100. The renewal fee must be equal to the fee established under AS 08.76.110(5).

(c) Notwithstanding AS 08.01.100(b), if a person fails to renew a license before the expiration date of the license, the person shall pay the department a delayed renewal penalty of $100 in addition to the regular renewal fee.

(d) If a person fails to renew the person's license, the person may not engage in business as a pawnbroker until the person's license is renewed or a new license is issued.

(e) The department may refuse to renew a license under this section for reasons that would have prevented the issuance of the license to the person under AS 08.76.110.

Sec. 08.76.160. Limit on pawn transaction amount. A licensee may not enter into a pawn transaction that exceeds $750, excluding the finance fee and any fees charged under AS 08.76.220.

Sec. 08.76.170. Customer and transaction limitations. (a) A pawnbroker may not knowingly enter into a pawnbroker transaction with a person who is

(1) under 18 years of age;

(2) under the influence of alcohol or a controlled substance when the influence is apparent; or

(3) using the name of another person.

(b) A pawnbroker may not knowingly accept or receive misappropriated property from a person in a pawnbroker transaction.

Sec. 08.76.180. Register of pawnbroker transactions. (a) A pawnbroker shall maintain a register in which the pawnbroker shall enter in legible English at the time of each pawnbroker transaction

(1) the date of the pawnbroker transaction;

(2) the name of the person conducting the pawnbroker transaction;

(3) the name, age, and address of the pledgor or purchaser;

(4) a description of the pledged property or purchased property, including the serial number, model number, or other number on the item of property;

(5) the price paid or amount loaned;

(6) the signature of the pledgor or seller; and

(7) the type of identification used by the pledgor or seller, the name of the government agency that issued the identification, and the number written on the identification.

(b) A register may be contained in a book or in an electronic format, except that the register for pawn transactions must be in an electronic format if the pawnbroker is located in a municipality that has a population of more than 5,000.

(c) A pawnbroker may not falsify or intentionally fail to make an entry of a material matter in a register.

(d) A pawnbroker shall maintain in good condition the record in the register of a completed pawnbroker transaction for one year after the completion of the pawnbroker transaction.

Sec. 08.76.190. Recording requirements. The records required to be maintained in a register by AS 08.76.180 must appear in chronological order and, if made in a book, in ink or indelible pencil. Blank lines may not be left between entries. A pawnbroker may not change a record in a register by obliteration, alteration, or erasure. A pawnbroker may correct a record in a register by drawing a line through the entry without destroying its legibility.

Sec. 08.76.200. Transaction agreement. A pawnbroker shall provide to a

pledgor or seller a copy of the transaction agreement between the pawnbroker and the pledgor or seller. The agreement must clearly and conspicuously disclose

(1) the name and address of the pawnbroker and the name and mailing address of the pledgor or seller;

(2) the date of the transaction;

(3) a description of the item sold or pledged;

(4) the amount of each fee charged under AS 08.76.210 and 08.76.220;

(5) if the transaction is a pawn transaction, the amount financed and the maturity date; and

(6) if the transaction is a purchase by the pawnbroker, the amount of the purchase price.

Sec. 08.76.210. Finance fee. (a) Except as provided in AS 08.76.280, for each 30-day period of a pawn transaction, including a grace period, a pawnbroker may charge a pledgor a finance fee of $5 or an amount that equals interest at a rate that does not exceed 20 percent of the amount financed, whichever amount is greater.

(b) A finance fee is considered to be earned on the day that the pawn transaction is entered into and on the first day of each subsequent 30-day period of the pawn transaction.

Sec. 08.76.220. Other charges allowed. (a) Except as provided in AS 08.76.280, a pawnbroker may charge a processing fee of not more than $5 for each pawn transaction for preparing and processing the pawn transaction documentation, providing law enforcement reports, paying expenses, providing other services, and for losses.

(b) A pawnbroker may charge a pledgor who places a firearm with the pawnbroker as pledged property

(1) a firearm processing fee of not more than $5; and

(2) a governmental fee.

Sec. 08.76.230. Insurance. A pawnbroker may not sell to a pledgor or otherwise charge a pledgor for insurance in connection with a pawn transaction, except to cover the shipment of pledged property that is redeemed by mail.

Sec. 08.76.240. Return of pledged property. A pawnbroker shall return

pledged property to a pledgor when the pledgor redeems the pledged property. The pawnbroker shall provide the pledgor with a receipt showing the redemption. The receipt must be on a form approved by the department.

Sec. 08.76.250. Extension of grace period. A pawnbroker and a pledgor may agree to extend the 30-day grace period allowed under AS 08.76.270(b), but each extension may not exceed 30 days. An extension must be in writing, and the pawnbroker shall give the pledgor a copy of the extension agreement. The agreement must clearly state the last day of the extension and the finance fee charged for the extension.

Sec. 08.76.260. Retention, storage, and lease. A pawnbroker shall store pledged property in a secure area and maintain the pledged property in an unaltered condition. A pawnbroker may not lease pledged property.

Sec. 08.76.270. Redemption. (a) Unless there is a hold order on the pledged property, the pledged property is subject to a claim under AS 08.76.370 or 08.76.380, or the property is returned to a lessor under AS 08.76.400, a pledgor may redeem pledged property by paying the amount financed and the finance fee in full before the pawnbroker's scheduled closing time on the maturity date.

(b) If a pledgor does not pay the amount financed and the finance fee in full before the pawnbroker's scheduled closing time on the maturity date, the pawnbroker shall hold the pledged property on the pawnbroker's business premises for a grace period of 30 days plus any extension allowed under AS 08.76.250. A pledgor may redeem the pledged property during the actual grace period by paying the amount financed and the finance fee, but a pledgor may not redeem pledged property after the pawnbroker's scheduled closing time on the last day of the actual grace period. In this subsection, "actual grace period" means the grace period plus any extension allowed under AS 08.76.250.

(c) If there is a hold order on pledged property, the pledgor may redeem the pledged property only when the hold order is released.

(d) If pledged property is subject to a claim under AS 08.76.370 or 08.76.380, the pledgor may redeem the pledged property only when the pledged property becomes available under AS 08.76.370 or 08.76.380 for redemption.

(e) If a pledgor does not redeem pledged property under (a) - (d) of this section, the title and all interest in the pledged property transfer to the pawnbroker.

(f) The holder of a transaction agreement is presumed to be the person who is entitled to redeem the pledged property that is the subject of the transaction agreement, and a pawnbroker shall deliver the pledged property to the person who presents the transaction agreement and pays the amount financed and the finance fee for the pawn transaction.

Sec. 08.76.280. Military personnel. A pawnbroker shall waive the unpaid amount financed and the finance fee due on a pawn transaction and hold, except as provided in AS 08.76.320 - 08.76.380, the pledged property that is the subject of the pawn transaction on the pawnbroker's business premises until 60 days after the pledgor, the pledgor's spouse, or the pledgor's dependent returns to the United States, if the pawnbroker receives a copy of military orders indicating that

(1) the pledgor, or the pledgor's spouse or dependent, is enlisted in the military service of a state or the federal government; and

(2) after the pawn transaction was entered into, the person was or is to be deployed abroad for service relating to a military conflict.

Sec. 08.76.290. Business operation method and hours. A pawnbroker may not engage in the business of being a pawnbroker

(1) by using a method, including a drive-through window, in which a person remains in a motor vehicle while conducting the pawnbroker transaction; or

(2) between the hours of 12 midnight and 6:00 a.m.

Sec. 08.76.300. Waiver prohibited. A pawnbroker may not require or allow a person to waive a provision of AS 08.76.100 - 08.76.590.

Sec. 08.76.310. Employees. A pawnbroker may not knowingly employ a person to work in a pawnshop if, within five years before the employment begins, the person was convicted of, entered a plea of guilty to, entered a plea of no contest to, or had adjudication withheld for a felony, or for a misdemeanor involving dishonesty.

Sec. 08.76.320. Issuance of police hold order. (a) When a law enforcement officer has probable cause to believe that property in the possession of a pawnbroker at a pawnshop in the law enforcement officer's jurisdiction has been misappropriated,

the law enforcement officer may issue a police hold order that directs the pawnbroker not to release or dispose of the property until the police hold order terminates or a court orders the release or disposal.

(b) Unless a pawnbroker or the pawnbroker's designee refuses to sign the police hold order, a police hold order begins when the pawnbroker or the pawnbroker's designee receives the police hold order. If the pawnbroker or the pawnbroker's designee refuses to sign the police hold order, the police hold order begins when the refusal occurs.

Sec. 08.76.330. Evidentiary hold order. (a) When property in the possession of the pawnbroker may be needed as evidence in a filed court action involving a criminal charge, a law enforcement agency may issue an evidentiary hold order to a pawnbroker that directs the pawnbroker not to release or dispose of the property until the evidentiary hold order terminates or a court orders the release or disposal.

(b) A pawnbroker who receives an evidentiary hold order under (a) of this section shall hold the property until the attorney general notifies the pawnbroker in writing of the disposition of the filed court action. The attorney general shall notify the pawnbroker within 15 days after the disposition of the filed court action for which the property may be needed as evidence.

Sec. 08.76.340. Contents and form of hold order. A hold order must be in writing and contain

(1) the name of the pawnbroker;

(2) if a police hold order, the name, title, and identification number of the law enforcement officer issuing the police hold order, and the name and address of the law enforcement agency for which the law enforcement officer is acting;

(3) if an evidentiary hold order, the name and address of the law enforcement agency issuing the evidentiary hold order;

(4) the number, if any, assigned by the law enforcement agency to the case, and, for an evidentiary hold order, the number and caption of the filed court action;

(5) a complete description of the property being held, including the model number and serial number, if any;

(6) if a police hold order, the name of the person, if any, who reported the property as misappropriated;

(7) the mailing address of the pawnshop where the property is being held; and

(8) the expiration date of the hold order.

Sec. 08.76.350. Duration of police hold order. (a) A police hold order may not exceed 30 days. However, a law enforcement officer may extend the police hold order for two additional successive 30-day periods by giving written notification to the pawnbroker before the expiration of each 30-day period.

(b) A law enforcement agency may not issue a new police hold order for the same property after the second additional 30-day period allowed under this section. However, the termination of the police hold order does not affect an existing evidentiary hold order on the same property or prevent the issuance of an evidentiary hold order for the same property.

(c) A law enforcement agency may release a police hold order before the end of a 30-day period by issuing a written release to the pawnbroker.

Sec. 08.76.360. Noncompliance with hold order. The department may suspend or revoke a pawnbroker's license if the pawnbroker knowingly fails to comply with a hold order.

Sec. 08.76.370. Claim notification. (a) If a person believes that property in the possession of a pawnbroker was misappropriated from the person, and if the person wants to obtain possession of the property from the pawnbroker, the person shall first notify the pawnbroker by certified mail, return receipt requested, of the person's claim.

(b) A notice under (a) of this section must contain a complete and accurate description of the property and must be accompanied by proof that the claimant owns the property and, if the claimant alleges that the property was stolen, a legible copy of a law enforcement agency's report indicating that the property was stolen.

(c) Except as provided in AS 08.76.380, a pawnbroker may not, for 30 days after the pawnbroker receives notice of the claim under this section, dispose of property that is the subject of a claim.

Sec. 08.76.380. Court action on claim. If a claimant and a pawnbroker do not

resolve a claim within 10 days after the pawnbroker's receipt of a notice of the claim under AS 08.76.370, the claimant may bring an action in superior court to require the pawnbroker to return the property to the claimant. After a pawnbroker is notified that a court action has been filed, the pawnbroker may not dispose of the property until the court disposes of the court action, disposes of the property, or allows the pawnbroker to dispose of the property.

Sec. 08.76.390. Liability of pledgor. A pledgor or seller of property to a pawnbroker is liable to the pawnbroker for the full amount that the pledgor or seller received from the pawnbroker, all charges owed by the pledgor for the pawnbroker transaction, and attorney fees and other costs as allowed by the rules of court if, in an action under AS 08.76.380,

(1) the superior court determines that the pledgor or seller misappropriated the property from the claimant; and

(2) the superior court orders the pawnbroker to return the property to the claimant.

Sec. 08.76.400. Recovery of leased property. (a) If property in the possession of a pawnbroker was leased to a pledgor or seller when the pledgor or seller pledged or sold the property to the pawnbroker, but the property did not have a permanent label or other conspicuous mark identifying it as the lessor's property, the pawnbroker shall return the property to the lessor if the lessor

(1) provides the pawnbroker with evidence that the property was the lessor's property and was leased to the pledgor or seller at the time the property was pledged or sold to the pawnbroker; and

(2) pays the pawnbroker

(A) the amount financed and the finance fee for the pawn transaction, if the property was pledged to the pawnbroker; or

(B) the amount that the pawnbroker paid the seller if the property was sold to the pawnbroker.

(b) A pawnbroker is not liable to the pledgor or seller of property that is recovered by a lessor under (a) of this section for returning the property to a lessor under (a) of this section.

Sec. 08.76.410. Law enforcement reports. (a) A pawnbroker shall provide a law enforcement officer with a law enforcement report in paper or in an electronic format on a weekly basis.

(b) A law enforcement report is confidential under AS 40.25.100 - 40.25.220, and a law enforcement officer and a law enforcement agency may only use a law enforcement report to investigate a crime involving the property that is the subject of the pawnbroker transactions of the pawnbroker.

Sec. 08.76.420. Contents of law enforcement reports. (a) A law enforcement report must contain

(1) a complete and accurate description of all property pledged to or purchased by the pawnbroker, including, as applicable, the property's

(A) brand name, model number, and manufacturer's serial number; and

(B) type of action and caliber or gauge, if the property is a firearm; and

(2) the number of the pawnbroker transaction document that the pawnbroker used to document the pawnbroker transaction.

(b) Notwithstanding (a) of this section, the description of the items under (a)(1) of this section is adequate if the description gives the quantity of the items and describes the type of the items if the pawnbroker transaction consists solely of multiple items that are of a similar type, do not have serial or model numbers, and do not contain precious metals or gemstones.

Sec. 08.76.430. Inspection by law enforcement entities. If a law enforcement agency provides the case number assigned to the investigation for which the inspection is being made, a pawnbroker may not refuse to allow the law enforcement agency to inspect during normal business hours the pawnbroker's register and the purchased property involved in the investigation or the unredeemed pledged property involved in the investigation.

Sec. 08.76.440. Discipline. (a) The department may, after notice to the licensee and reasonable opportunity to be heard, take the following disciplinary action against a licensee if the licensee or an officer, agent, or employee of the licensee violates

AS 08.76.100 - 08.76.590:

(1) permanently revoke a license;

(2) suspend a license for a specified period;

(3) censure or reprimand a licensee;

(4) impose limitations or conditions on the licensee;

(5) impose probation requiring a licensee to report regularly to the department on matters related to the grounds for probation;

(6) order the licensee to make restitution.

(b) If the department takes disciplinary action under (a) of this section, the department may not, for one year after the date of the disciplinary action, issue another license to the licensee or a license to

(1) the spouse of the licensee;

(2) a partnership if the licensee is a partner of the partnership;

(3) a corporation if the licensee is an officer of the corporation, including a member of the board of directors of the corporation;

(4) a limited liability company if the licensee is a member or manager of the limited liability company; or

(5) an employee of the licensee.

(c) Before taking disciplinary action under (a) of this section, the department shall allow a licensee 30 days to correct the violation.

Sec. 08.76.450. Civil penalty. If a licensee, or an officer, agent, or employee of a licensee violates AS 08.76.100 - 08.76.590, the licensee is liable to the state for a civil penalty. Notwithstanding AS 08.01.075(a)(8), the penalty may not be less than $200 or more than $2,000. The amount of the civil penalty must be adjusted to the seriousness of the violation.

Sec. 08.76.460. Municipal regulation. (a) Subject to (b) of this section, a municipality with the authority under AS 29 to enact ordinances regulating pawnbrokers and pawnbroker transactions may adopt an ordinance regulating pawnbrokers and pawnbroker transactions if at a minimum the ordinance complies with AS 08.76.100 - 08.76.590.

(b) A municipality may not enact an ordinance that

(1) requires the payment of a fee or tax related to a pawnbroker transaction; or

(2) restricts the hours of operation of a pawnbroker, except that an ordinance may prohibit pawnbrokers from operating as provided under AS 08.76.290(2).

(c) An ordinance that violates this section is void.

Sec. 08.76.470. Regulations. (a) The department may adopt regulations to implement AS 08.76.100 - 08.76.590.

(b) Before the department adopts a regulation to implement AS 08.76.100 - 08.76.590, the department shall, in addition to any other requirements under AS 44.62 (Administrative Procedure Act), notify licensees of the proposed regulation. After the regulation is adopted, the department shall send each licensee a copy of the regulation adopted.

Sec. 08.76.500. Exemptions. This chapter does not apply to

(1) a financial institution that is subject to the regulation of the department under AS 06, including a commercial bank, savings bank, credit union, premium finance company, small loan company, bank holding company, financial holding company, trust company, savings and loan association, and deferred deposit advance licensee under AS 06.50; or

(2) a financial institution organized under federal law.

Sec. 08.76.590. Definitions. In AS 08.76.100 - 08.76.590,

(1) "amount financed" means the amount of money, excluding a finance fee, charged by a pawnbroker for a pawn transaction;

(2) "business" includes advertising;

(3) "claim" means a claim under AS 08.76.370;

(4) "claimant" means a person who makes a claim;

(5) "department" means the Department of Commerce, Community, and Economic Development;

(6) "evidentiary hold order" means an evidentiary hold order authorized under AS 08.76.330;

(7) "finance fee" means all the amounts that a pawnbroker may charge

under AS 08.76.210;

(8) "governmental fee" means a fee imposed by a governmental agency on a pawnbroker to hold or transfer a firearm or conduct a background check required by the governmental agency;

(9) "grace period" means the 30-day period after a maturity date during which a pawnbroker is required by AS 08.76.270(b) to retain possession of pledged property;

(10) "hold order" means a police hold order or an evidentiary hold order;

(11) "identification" means

(A) a government-issued identification document that contains a photograph; or

(B) an electronic image of a document identified under (A) of this paragraph;

(12) "knowingly" has the meaning given in AS 11.81.900;

(13) "law enforcement agency" means

(A) the police department of a municipality where a pawnshop is located;

(B) the Department of Law;

(C) the Department of Public Safety;

(14) "law enforcement officer" means

(A) a police officer of the municipality where a pawnshop is located; or

(B) a state trooper if a pawnshop is located in the unorganized borough or if a pawnshop is located in a municipality that does not provide police protection services;

(15) "law enforcement report" means a report required by AS 08.76.410;

(16) "lease" means any form of rental;

(17) "license" means a license to engage in business as a pawnbroker issued under AS 08.76.110;

(18) "licensee" means a person who holds a license;

(19) "maturity date" means the date by which a pledgor is required to pay a pawnbroker the amount financed and the finance fee for a pawn transaction, but does not include a grace period;

(20) "misappropriated" means pledged or sold to a pawnbroker

(A) after being stolen; or

(B) while being leased to the pledgor or seller by another person if the property has a permanent label or other conspicuous mark identifying it as another person's property;

(21) "pawnbroker" means a person who lends money in exchange for a pledge of property;

(22) "pawnbroker transaction" means a pawn transaction or purchase;

(23) "pawn transaction" means a pledge given in exchange for a loan by a pawnbroker;

(24) "personal property" means tangible personal property, but does not include a security, a title to property, a deed, a bill of sale, or printed evidence of indebtedness;

(25) "pledge" means a deposit of property as security for payment of financial obligations to a pawnbroker in a pawn transaction;

(26) "pledged property" means the property that is pledged in a pawn transaction;

(27) "pledgor" means

(A) a person who delivers property to a pawnbroker for a pawn transaction; or

(B) the principal, if the person who delivers property to a pawnbroker for a pawn transaction discloses that the delivery person is acting for a principal;

(28) "police hold order" means a hold order authorized under AS 08.76.320;

(29) "property" means personal property;

(30) "purchase" means a purchase of property by a pawnbroker that is

not a pawn transaction;

(31) "redeem" means to obtain the return of pledged property under AS 08.76.270;

(32) "register" means the register required to be maintained by AS 08.76.180;

(33) "registration fee" means a fee for registering a firearm;

(34) "seller" means a person who sells property to a pawnbroker, but does not include a pledgor;

(35) "transaction agreement" means the transaction agreement required by AS 08.76.200.

*** Sec. 6.** AS 45.01.211(b) is amended by adding a new paragraph to read:

(47) "pawnbroker" has the meaning given in AS 08.76.590.

*** Sec. 7.** AS 08.76.010(b) and 08.76.040 are repealed.

*** Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may proceed to adopt regulations under AS 08.01.080 and AS 08.76.470, enacted by sec. 5 of this Act, necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2011.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: CURRENT MUNICIPAL LICENSEES. (a) Notwithstanding AS 08.76.100, enacted by sec. 5 of this Act, a person who holds a current municipal license on July 1, 2011, may continue to engage in business as a pawnbroker through June 30, 2014, without having a license issued by the Department of Commerce, Community, and Economic Development.

(b) Notwithstanding AS 08.76.110, enacted by sec. 5 of this Act, the department shall issue a license to a person who holds a municipal license if the person

(1) submits, before July 1, 2014, an application as required by the department under AS 08.01.060; and

(2) pays a fee established by the department under AS 08.01.065.

(c) In this section,

(1) "license" has the meaning given in AS 08.76.590, enacted by sec. 5 of this Act;

(2) "municipal license" means a license that is issued by a municipality to authorize a person to engage in business as a pawnbroker; in this paragraph, "business" has the meaning given in AS 08.76.590, enacted by sec. 5 of this Act;

(3) "pawnbroker" has the meaning given in AS 08.76.590, enacted by sec. 5 of this Act.

*** Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EXISTING ORDINANCES. An ordinance of a municipality that is in effect on July 1, 2011, and that does not comply with AS 08.76.100 - 08.76.590, enacted by sec. 5 of this Act, is void.

*** Sec. 11.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2011.

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 292(L&C)

ANALYSIS CONTINUATION

Total PERSONAL SERVICES: $ 36.0
- One (1) part-time Investigator III position, Range 18 to ensure reports and pawnbroker operations are in compliance with transaction details and recording requirements.

The license requirements of Pawnbrokeers established in the bill are minimal. As such, the department anticipates that a part time Investigator may be able to fulfill both licensing and enforcement needs of the program.

Total CONTRACTUAL: $1.0
- Contractual costs include printing of applications, and communication costs.

Total SUPPLIES: $1.0
- Supplies consists of standard operating desk top supplies (paper, etc.)

TOTAL: $ 38.0

REVENUE: The funding source for this program is Receipt Supported Services (RSS) from licensing fees. Revenue will be generated by individuals who seek licensure under this program and licensing fees will be established to cover all costs, direct and indirect, of the program.

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 :Fax

State Capitol
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Charlie Huggins
Senator

Sponsor Statement SB292

"An Act relating to the registration and operation of pawnbrokers, to the exemption for pawnbrokers under the Alaska Small Loans Act, and to the exclusion of pawnbrokers under certain definitions in the Uniform Commercial Code; and providing for an effective date."

SB 292 institutes a regulatory framework for the operation of pawn shops in the State of Alaska. Currently, there is no codified regulation of this industry in statute – an oversight when it comes to consumer protection and protecting small businesses. Alaska is currently the only state without statewide regulation of the pawn shop industry.

Under present law, Alaska Statute 08.76.040 "The Disposition of Unredeemed Property" is the controlling language under which all pawnbrokers in Alaska currently conduct business. Under that statute, four paragraphs outline the redemption period, notices, and entitlements. SB 292 establishes a more robust structure that is easy for pawnbrokers to follow and effective for the state to regulate. This bill holds all pawn shops to the same transparent standard.

This legislation protects consumers as they will pay consistent rates and have specified rights throughout the State when utilizing pawn shops. It protects service-members who have pawned property and then been deployed, their interest will be frozen, and their property will be held until they return.

SB 292 helps business by providing a consistent regulatory framework under which to operate statewide. The legislation also assists local and state police forces by requiring a simple, but clear reporting system whereby all transactions are catalogued, inventoried and available to the authorities.

This legislation is not attempting to "fix a problem" that exists within the State. Rather it is a pro-active attempt to protect consumers and small businesses. I urge your support of this legislation

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 6, 2010

SUBJECT: Sectional summary of CSSB 292(JUD) relating to pawnbrokers (Work Order No. 26-LS1487\W)

TO: Senator Charlie Huggins
Attn: Josh Tempel

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends a small loans provision to define a "pawnbroker" to be a person regulated under the new article.

Section 2. Adds the regulation of pawnbrokers under the new provisions to the list of subjects to which the chapter on centralized licensing applies.

Section 3. Removes persons regulated by the new provisions from a statute that currently regulates persons who buy, sell, and loan money on secondhand articles.

Section 4. Makes amendments to conform a current statute to the repeal (in bill sec. 6) of AS 08.76.010(b), which requires certain persons who lend money on secondhand articles to keep records electronically.

Section 5. Establishes a new article in AS 08.76 to license and regulate pawnbrokers.

Sec. 08.76.100. Requires a person who wants to engage in business as a pawnbroker to be licensed. Prohibits the transfer or assignment of a license.

Sec. 08.76.110. Sets out the conditions a person must satisfy in order for the department to issue the person a pawnbroker license.

Sec. 08.76.130. Allows the department to consider an application to be withdrawn under certain listed conditions.

Sec. 08.76.140. Makes a license valid for two years. Allows a person to renew the license. Sets the renewal fee. Adds a renewal penalty fee if renewal is delayed. Prohibits a person who fails to renew from engaging in business as a pawnbroker until the license is renewed or a new license is issued. Allows the department to refuse to renew for a reason that would have prevented the license's issuance.

Sec. 08.76.160. Limits pawn transactions to not more than $500. Excludes the finance fee and any fees under sec. 08.76.220 from this amount.

Sec. 08.76.170. Prohibits a pawnbroker from knowingly entering into pawnbroker transactions with certain listed categories of persons. Prohibits a pawnbroker from knowingly accepting or receiving misappropriated property.

Sec. 08.76.180. Requires a pawnbroker to maintain a register for pawnbroker transactions. Requires entering in the register certain specified items, including the signature of the pledgor or seller, at the time of each pawnbroker transaction. Allows the register to be made in a book or electronically, but requires electronic format where a pawnbroker is located in a municipality that has more than a certain population. Prohibits a pawnbroker from falsifying or intentionally failing to make an entry of a material matter in a register. Requires a pawnbroker to maintain in good condition in a register the record of a transaction for one year after its completion.

Sec. 08.76.190. Establishes requirements for making entries in a register. Prohibits a pawnbroker from changing a record in a register by obliteration, alteration, or erasure. Provides a method for correcting entries.

Sec. 08.76.200. Requires a pawnbroker to provide to a pledgor or seller a copy of the agreement with the pawnbroker. Lists the items that the agreement must disclose, including each fee charged under secs. 08.76.210 and 08.76.220.

Sec. 08.76.210. Establishes how much a pawnbroker may charge a pledgor as a finance fee. Indicates when a finance fee is considered to be earned.

Sec. 08.76.220. Identifies what other charges a pawnbroker may charge a pledgor. Allows for a processing fee and, when dealing with a firearm, a firearm processing fee and a governmental fee.

Sec. 08.76.230. Prohibits a pawnbroker from selling to, or charging a pledgor for, insurance -- except to cover shipment of property redeemed by mail.

Sec. 08.76.240. Requires a pawnbroker to return pledged property to the pledgor when redeemed. Requires a pawnbroker to provide a redemption receipt. Requires a pawnbroker to use a department-approved form for the receipt.

Sec. 08.76.250. Allows a pawnbroker and a pledgor to agree to an extension of the grace period allowed under sec. 08.76.270(b). Limits the length of an extension. Requires the extension to be written. Requires a pawnbroker to give the pledgor a copy of the extension agreement. Indicates that the agreement must clearly state the last day of the extension and the finance fee for the extension.

Sec. 08.76.260. Requires a pawnbroker to store the pledged property in a secure area. Requires a pawnbroker to maintain the property in an unaltered condition. Prohibits a pawnbroker from leasing the property.

Sec. 08.76.270. With three exceptions relating to hold orders, claims, and lessors, allows a pledgor to redeem pledged property. Establishes what the pledgor must do to redeem the property.

If property is not redeemed as required by closing time on the maturity date, directs the pawnbroker to hold the property for a specified grace period. Allows the pledgor to redeem the property during the grace period. Indicates how and when the pledgor may redeem the property during the grace period.

Requires that any hold order be released before a pledgor may redeem the property. Addresses when a pledgor may redeem property that is subject to a claim under sec. 08.76.370 or 08.76.380.

Provides that title and all interest in property transfer to the pawnbroker if the pledgor does not redeem as provided under (a) - (d) of this section.

Establishes a presumption that the holder of the transaction agreement is the person entitled to redeem. Directs a pawnbroker to deliver the pledged property to the person who presents the transaction agreement and pays the required amounts.

Sec. 08.76.280. Establishes special rules for payment and holding pledged property for pawn transactions relating to military personnel who are deployed abroad for service relating to a military conflict.

Sec. 08.76.290. Prohibits a pawnbroker from using a business method in which a person remains in a motor vehicle while conducting a transaction. Prohibits a pawnbroker from operating during specified early morning hours.

Sec. 08.76.300. Prohibits a pawnbroker from requiring or allowing a person to waive a provision of the new article.

Sec. 08.76.310. Prohibits a pawnbroker from knowingly hiring a person with a background involving a felony, or a misdemeanor involving dishonesty, within the past five years.

Sec. 08.76.320. Allows a law enforcement officer to issue a hold order on property suspected of being misappropriated. Requires the pawnbroker to hold the property until the hold order terminates or a court orders release of the hold order or disposal of the property. Indicates when the hold order takes effect.

Sec. 08.76.330. Allows a law enforcement officer to issue an evidentiary hold order on property that may be needed as evidence in a filed court criminal action. Requires the pawnbroker to hold the property until the hold order terminates or a court orders release of the hold order or disposal of the property. Indicates how long the pawnbroker is to hold the property. Requires the attorney general to notify the pawnbroker after the disposition of the filed court action.

Sec. 08.76.340. Requires a hold order to be in writing and to contain specified information.

Sec. 08.76.350. Limits a police hold order to 30 days. Allows for two extensions of 30 days each. Indicates how extensions are made. Prohibits the issuance of a new police hold order after the second extension has ended. Provides that the termination of a police hold order does not affect an existing or future evidentiary hold order on the same property. Allows for release of a police hold order before the time expires.

Sec. 08.76.360. Allows the department to suspend or revoke a pawnbroker's license for knowingly failing to comply with a hold order.

Sec. 08.76.370. Provides a procedure for a person who believes that pledged property was misappropriated to notify the pawnbroker of the person's claim and to delay the disposal of the property for 30 days, except as provided by sec. 08.76.380.

Sec. 08.76.380. If a misappropriation claim is not resolved within a specified time, allows the claimant to file a court action to order the pawnbroker to return the property. Prohibits the pawnbroker, after notification about the court action, from disposing of the property until the court disposes of the court action or allows the pawnbroker to dispose of the property.

Sec. 08.76.390. Establishes the liability of the pledgor or seller of property to a pawnbroker in a court action under sec. 08.76.380 when the court finds that the property was misappropriated and orders the pawnbroker to return the property to the claimant.

Sec. 08.76.400. Requires a pawnbroker, under certain conditions, to return property to the lessor of the property if the property was leased to the pledgor or seller when pledged or sold to the pawnbroker. Requires the lessor to provide supporting evidence and to pay a specified amount. Removes any liability of the pawnbroker to the pledgor or seller for returning the property to the lessor.

Sec. 08.76.410. Requires a pawnbroker to provide weekly reports to law enforcement officers. Makes the reports confidential under the Alaska Public Records Act and limits how a law enforcement officer and a law enforcement agency may use the reports.

Sec. 08.76.420. Lists what a law enforcement report must contain.

Sec. 08.76.430. Prohibits, if the investigation case number is provided, a pawnbroker from refusing to allow a law enforcement agency to inspect the register, and the purchased property or unredeemed property involved in the investigation, during normal business hours .

Sec. 08.76.440. Allows the department to take the listed disciplinary action against a licensee if the licensee, or the licensee's agents, officers, or employees, violates the new article. Requires notice and a reasonable opportunity to be heard. Within one year after disciplinary action prohibits the department from issuing another license to the licensee or to the listed persons related to the licensee. Requires the department to allow a licensee 30 days to correct a violation before taking disciplinary action.

Sec. 08.76.450. Establishes a civil penalty if a licensee, or an officer, agent, or employee of the licensee, violates the new article. Sets the penalty from $200 to $2,000. Requires the amount of the civil penalty to be adjusted for the seriousness of the violation.

Sec. 08.76.460. Authorizes municipalities (with the authority under AS 29) to regulate pawnbrokers if the ordinances at a minimum comply with the new article. Prohibits municipal requirements requiring fees or taxes or restricting hours of operation (except as provided by sec. 08.76.290(2)). Voids an ordinance that violates this section.

Sec. 08.76.470. Authorizes the department to adopt regulations to implement the new article. Requires the department to notify licensees of proposed regulations and to provide them with copies of new regulations.

Sec. 08.76.500. Exempts specified financial institutions from the new article.

Sec. 08.76.590. Defines the terms for the new article.

Section 6. Defines "pawnbroker" for the Uniform Commercial Code.

Section 7. Repeals AS 08.76.010(b), the provision requiring pawnbrokers in certain-sized municipalities to keep records electronically and to submit them as required by the municipal law enforcement agency. Repeals AS 08.76.040, which relates to the disposition of unredeemed property.

Section 8. Allows the Department of Commerce, Community, and Economic Development to adopt regulations necessary to implement the bill.

Section 9. Provides transition provisions for pawnbrokers who are currently licensed by a municipality.

Section 10. Voids a municipal ordinance that is in effect on July 1, 2011, if the ordinance does not comply with the new article.

Section 11. Gives sec. 8 an immediate effective date.

Section 12. Gives the bill, except for sec. 8, an effective date of July 1, 2011.

If I may be of further assistance, please advise.

TLB:plm
10-206.plm

Cash America Statement

Why Alaska Should Regulate Pawnbrokers

SB 292 brings the pawn industry in Alaska into the 21st century. This bill marries the best of current regulation among the lower 48 states by instituting a regulatory framework for the operation of pawn shops in Alaska. Alaska is the only state in the nation without statewide regulation of pawn shops. This bill addresses this oversight and provides for needed consumer and business operator protections alike.

SB 292 is not attempting to fix a problem that exists currently. What it is trying to do is be proactive since current operators and their customers are vulnerable to unforeseen circumstances that could affect the industry. This proactive approach will protect both the consumer and business operator by instituting a regulatory framework under which to operate statewide.

Who pawnbrokers serve

In today's difficult economy, many people depend on pawnbrokers to help them meet daily financial needs not offered by other financial institutions. Pawn customers represent the working families of America who periodically experience an unexpected need for short-term funds. Pawn loans keep the electricity on, the rent paid and cars running with full tanks of gas. And pawn shops also provide a retail store environment where shoppers and sellers alike can save time and money by taking advantage of lower prices and favorable transaction terms.

Pawnshop customers have regular jobs, from working in hospitals to home construction. They support our economy by working in government, teaching our children and caring for the elderly, to name a few. Just like you, pawn customers have dreams; want better lives for their children and a stronger sense of security. However, they also have pressing bills and unforeseen financial issues.

According to GAO analysis of November 1999 Census, SIPP data, as many as 55 million people (28% of US adults) are un-banked. Pawn customers, therefore, use a pawn shop because they may or may not have a banking relationship and they find our pawnshops welcoming places to do business.

Average Pawn Customer

- Age: 36
- Household Income: $29,000
- 80% are employed
- 82% have high school diploma or GED
- 33% are homeowners
- All ethnicities

- **Pawnbrokers are governed by all of the major federal laws that apply to other entities designated as financial institutions including:**

- USA Patriot Act
- Truth-in-Lending Act
- Bank Secrecy Act and IRS regulations requiring reporting of certain cash transactions
- Trading with the Enemy Act and related Execute Orders and regulations
- Privacy provisions of the Gramm-Leach-Bliley Financial Services Modernization Act
- FTC Privacy Rule
- FTC Safeguards Rule
- Fair Credit Reporting Act
- FTC Consumer Information Disposal Rule
- Equal Credit Opportunity Act
- Servicemembers Civil Relief Act

Highlights of SB 292:

- Regulated by the Department of Commerce, Community, and Economic Development.
- Establishes a transparent operating structure for pawnbrokers to follow so customers know what to expect in any statewide shop.
- Holds pawnbrokers to a higher standard by strengthening the relationship between pawnbrokers and police agencies across the state.
- Assists law enforcement by providing for straight forward pawn transaction reporting requirements.
- Brings due process for misappropriated property to all parties involved.
- Allows our service members who have been deployed overseas the opportunity of not having to be concerned about any property that is in a pawnshop as this bill provides for the freezing of the interest charge and requires that items be held until their return.
- Standardizes the fee structure while maintaining the same rate cap.
- Allows customers who frequent a pawnshop for their financial needs an extra 30-day grace period upon the loan expiration date to retrieve their personal belongings.

SB 294

<target><bill>SB 294</bill><subject>SB 294</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Special Committee on
World Trade, Technology, and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee
Joint Armed Services Committee

Senator.Lesil.McGuire@legis.state.ak.us

SENATOR LESIL MCGUIRE

SPONSOR STATEMENT FOR SENATE BILL 294

"An Act repealing the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

Senate Bill 294 will ensure the continuation of Alaska's sport fish guide licensing and reporting program. Legislation authorizing the program was passed in 2004 and the program has proven beneficial to both the sport fishing industry and resource managers. With more than 1.8 million clients, 88% of whom are nonresidents, taking more than 460,000 guided fishing trips in Alaska annually; guided sport fishing has become an integral part of Alaska's tourism economy. In fact, a study commissioned by the Alaska Department of Fish and Game estimated that nonresident spending on sport fishing was more than $650 million in 2007.

Since the program's inception, an average of 1,670 sport fishing business licenses and 1,981 sport fishing guide licenses have been sold annually. 90% of license holders are Alaska residents and the professionalization of the sport fishing guide industry has benefitted both the industry and the resource. The data collected through the program provides the information state and federal managers need to sustainably manage sport fish populations. The program also allows Alaska to receive an exemption from the National Saltwater Angler Registry; a federal program that would begin levying fees for registration in 2011.

Recognizing the importance of the program, the Alaska legislature extended the program's termination date for one year in 2009; SB 294 proposes to permanently repeal the program's associated termination language in existing statutes in order to allow this valuable program to continue serving Alaskans and their valuable fishery resources.

Brief for SB294: SPORT FISH GUIDE LICENSES
(Reauthorization of Program/Repeal of Sunset)
April 16, 2010

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas - Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Background:

- Original legislation passed in May, 2004; effective January 1, 2005.

- Proposed by the Department for three main reasons:
  1. Information on guide numbers and their fishing activities was either not available or limited in many parts of the state;
  2. Establish minimum standards to operate a business or contract as a guide (safety, liability insurance, US Coast Guard license, etc.) as a means to increase professionalism and reduce speculative entry; and
  3. Provide comprehensive and credible data on guided sport fishing activities to regulatory agencies: Alaska Board of Fisheries (BOF), International Pacific Halibut Commission (IPHC), and North Pacific Fisheries Management Council (NPFMC).

Legislation:

Sec.16.40.260 Sport fishing operator license;
Sec.16.40.270 Sport fishing guide license;
Sec.16.40.280 Reports;
Sec.16.40.290 Penalties for violations.

These legislative sections include licensing provisions and fees (AS. 16.05.340(a)) for sport fishing business owners ($100), sport fishing guides working for the business ($50), and business owners who are also a guide (owner/operator combo $100). The mandatory reporting requirements, logbooks, are for both fresh and saltwater guide activities (freshwater logbooks were instituted in 2005). The penalties for sport fish guiding violations by business owners and guides include possible revocation of their license.

Companion Regulations:

5 AAC 75.075 Sport fishing services and sport fishing guide services; license requirements; regulation of activities.

5 AAC 75.076. Sport fishing services and sport fishing guides reporting requirements.

5 AAC 75.077. Sport fishing guide vessel registration requirements.

Present Benefits and Utility:

- A comprehensive list of all sport fishing guides working in salt water is part of the data requirements that will allow Alaska to receive an exemption from participating in the National Saltwater Angler Registry (up to $25/saltwater angler in 2011).

- The logbook data for saltwater anglers has been used extensively within the IPHC and NPFMC for rule making on Pacific Halibut.

- Both freshwater and saltwater logbook harvest data has been presented and utilized by the Alaska Board of Fisheries. Harvest estimate verification studies are being conducted comparing logbook, statewide sport fish harvest survey, and dock side creel programs.

Participation Statistics:

- An average of **1,647 sport fishing business licenses** (including owner/operator combo) have been sold (2005-2009); 90% of owners are Alaskan residents.

- An average of **1,882 sport fishing guide licenses** have been sold (2005-2009); 73% of guides are Alaskan residents.

- Based on logbook data, over **2.1 million clients took 536,960 guided fishing trips** (from 2005 through 2009); 67% of clients fished in saltwater, 33% fished in freshwater and 88% of all clients were nonresidents.

- An average of **1,334 vessels in saltwater** were used for guided fishing trips (2005-2009).

Electronic Reporting (Modernization initiative):

- One of Commissioner Lloyd's initiatives is modernization and timely reporting of recreational harvest data. We have been actively working on this task:

    - In July, 2009 we developed a scannable saltwater logbook form which will reduce the time lag when logbook data is available from 2 to 3 months to 1 to 2 weeks. This new form will be employed for saltwater forms statewide in 2010. Ten public meetings were held across the state to explain this new format and received nearly unanimous support from user groups and public.

    - In April, 2010 the point of sale hunting and fishing licensing program will be launched at all ADF&G regional offices. This program will be made available to all license vendors shortly thereafter.

    - We will convert the freshwater logbook to a scannable format starting in 2011.

Alaska Department of Fish & Game

2010 Saltwater Sport Fishing Charter Trip Logbook Page

RETURN TO: 333 RASPBERRY ROAD, ANCHORAGE, ALASKA 99518-1565 • QUESTIONS: CALL (907) 267-2369

100001 – 01
LOGBOOK PAGE

TRIP INFORMATION

Complete this section for every trip. Continue on additional pages for trips with more than eight anglers in the same day.

DATE FISHED: ____ / ____ / 2010 ____ ○ AM ○ PM
Month Day Hour Started

2010 FISH & GAME GUIDE LICENSE #:
(assigned to you by ADF&G)

COMMUNITY OR PORT OF OFF-LOADING:
(where fish or clients were off-loaded from vessel)

Targeted Species	Primary Stat. Area Where most fish were caught	No. Of Boat Hours Fished
Salmon:		
Bottomfish:		

INSTRUCTIONS: Complete one row below for each angler who fished on this trip.

INDIVIDUAL ANGLER AND CATCH INFORMATION

Record sport fishing license number, printed name AND AK residency status for each angler that fished this trip.

Include birthdate (e.g. 8/28/1998) for all anglers under 16.

AK Resident / Non - Resident / Comped Crew

Kept / Released

SALMON: King (28" & larger) | King (under 28") | Coho | Sockeye | Other Salmon

BOTTOMFISH: Halibut | Lingcod | Pelagic Rockfish | Yelloweye Rockfish | Nonpelagic Rockfish (including Yelloweye) | Sablefish (Black Cod) | Salmon Shark | All Other Fish

	License Number / First / Last Name (and birthdate for angler under 16)	AK Resident	Non - Resident	Comped Crew	Kept / Released	King (28" & larger)	King (under 28")	Coho	Sockeye	Other Salmon	Halibut	Lingcod	Pelagic Rockfish	Yelloweye Rockfish	Nonpelagic Rockfish	Sablefish (Black Cod)	Salmon Shark	All Other Fish
1.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
2.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
3.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
4.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
5.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
6.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
7.	License Number / First / Last Name	○	○	○	K ►													
					R ►													
8.	License Number / First / Last Name	○	○	○	K ►													
					R ►													

CERTIFICATION: I certify that the information contained in this document is true and correct to the best of my knowledge.

X GUIDE SIGNATURE

PAGE ____ OF ____

Form 11-340 (01-2010)

5122

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 15, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 294(FIN)**

"An Act amending the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

SB 294-SPORT FISH GUIDE LICENSES

Recommends it be replaced with [X] HCS *or* [ ] CS *for* CSSB 294 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DFG		✓		

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas				✓
	DOOGAN			✓	
	Gara			✓	
	Joule			✓	
	KELLY			✓	
	Austerman			X	
	Salmon			X	
	Foster			✓	
Anna Fairclough	FAIRCLOUGH				✓
Chair:	Stoltze			★	
Chair:	Hawker			★	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCSCSSB294**
() Publish Date:

Identifier (file name): HCSCSSB294-DFG-SFD-04-17-10
Dept. Affected: ADFG
Title: An act repealing the termination of the sport fish operator/guide/vessel program
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Senator McGuire
Requester: (H)FIN
Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		337.1					
Travel		10.0					
Contractual		83.5					
Supplies		7.0					
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**437.6**					
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		437.6					
TOTAL	**0.0**	**437.6**					

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The division has budgeted $437.6 in the FY11 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates average Fish & Game Fund revenues of $242.8, with the balance of program expenditures funded with Sport Fishing license sale revenue. Although potential cost savings measures are being implemented, it is untenable at this time to make accurate projections on what monetary savings will be realized for this program over the upcoming years.

The out years have been adjusted to reflect changes made by the House Finance Committee

Prepared by: Jennifer Yuhas, Legislative Liaison — Phone 465-6137
Division: Commissioner's Office — Date/Time 4/17/10 11:30 AM
Approved by: Tom Lawson, Director — Date 4/17/2010
Administrative Services

(Revised 11/6/2009 OMB)

5124

Adopted 4/16/10

CONCEPTUAL AMENDMENT #1

OFFERED IN HOUSE FINANCE **BY REPRESENTATIVE** Stoltze

To: CS SB 294 (FIN)

Page 1, line 9 following "January 1,"
Delete "**2017**"
Insert "2012"

Renumber accordingly.

5125

Brief for SB 294: SPORT FISH GUIDE LICENSES
(Resident/Nonresident Differential License fees)
April 8, 2010

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas - Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Background:

- At a Senate Resources Committee meeting on March 24, 2010, the Department was instructed to investigate charging Sport fishing Owner/Operators and Guides differentially based upon residency.
- We consulted with the Commercial Fisheries Entry Commission and Department of Law personnel familiar with the Carlson Case.
- A cursory analysis using Southeast Alaska Sport fishing use and participation statistics is employed as an example.

Legislation:

Sec.16.40.260 Sport fishing operator license;
Sec.16.40.270 Sport fishing guide license;
Sec.16.40.280 Reports;
Sec.16.40.290 Penalties for violations.

Licensing provisions and fees (AS. 16.05.340(a)) for sport fishing business owners ($100), sport fishing guides working for the business ($50), and business owners who are also a guide ($100).

Sec. 16.43.160(c) Fees.
This section offers instruction to the Commercial Fisheries Entry Commission for establishing annual fees charged for renewal of entry permits or interim-use permits.

The law requires that the state establish the annual nonresident surcharge by regulation "at an amount that is as close as practicable to the maximum allowed by law" and must be calculated using the Court's formula and hence costs and expenditures that were determined by the Court that could be included.

Differential fees (Simplified Southeast Alaska Example):

- Calculation of nonresident surcharge: expenditures paid by residents that are not paid by nonresidents, in this case for guided anglers:
  - In FY10 Sport Fish Division spent $4.78 million on fisheries management projects, while 34% of sport fishing effort was conducted by guided anglers.
    - $4.78 million X 0.34=$1.67 million was spent on fisheries benefitting guided anglers, owners, guides and businesses.

- $1.67 million divided by 698,000 Alaska residents=$2.40 which represents the per capita cost that an Alaskan pays to support sport fisheries management that a nonresident does not pay.

The $2.40 nonresident surcharge could be applied to business owner/operator and guide license fees of $100 and $50 respectively according to provisions of the Carlson Case based upon constitutional principles that apply to the regulation of livelihoods, rather than just fishing opportunity.

- Calculation of nonresident owner/operator and guide license revenue:
  - In 2009 10% (456 licenses) of sport fishing business owners and 28% (319) of fishing guides were nonresidents.
  - The revenue generated would be $2.40 X 775 (456+319) = $1,860 dollars per year.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 294**
(S) Publish Date: 3/26/10

Identifier (file name): SB294-DFG-SFD-03-10-10
Dept. Affected: ADFG
Title: An act repealing the termination of the sport fish operator/guide/vessel program
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Senator McGuire
Requester: Resources, Finance
Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		337.1	337.1	337.1	337.1	337.1	337.1
Travel		10.0	10.0	10.0	10.0	10.0	10.0
Contractual		83.5	83.5	83.5	83.5	83.5	83.5
Supplies		7.0	7.0	7.0	7.0	7.0	7.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		437.6	437.6	437.6	437.6	437.6	437.6
TOTAL	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The division has budgeted $437.6 in the FY11 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates average Fish & Game Fund revenues of $242.8, with the balance of program expenditures funded with Sport Fishing license sale revenue. Although potential cost savings measures are being implemented, it is untenable at this time to make accurate projections on what monetary savings will be realized for this program over the upcoming years.

Prepared by: Charles O. Swanton, Director — Phone 465-6184
Division: Sport Fisheries — Date/Time 3/10/10 4:00 PM
Approved by: Tom Lawson, Director — Date 3/11/2010
Administrative Services

(Revised 11/6/2009 OMB)

5128

Brief for SB 294: SPORT FISH GUIDE LICENSES
(Reauthorization of Program/Repeal of Sunset)
March 10, 2010

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas - Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Background:

- Original legislation passed in May, 2004; effective January 1, 2005.

- Proposed by the Department for three main reasons:
  1. Information on guide numbers and their fishing activities was either not available or limited in many parts of the state;
  2. Establish minimum standards to operate a business or contract as a guide (safety, liability insurance, US Coast Guard license, etc.) as a means to increase professionalism and reduce speculative entry; and
  3. Provide comprehensive and credible data on guided sport fishing activities to regulatory agencies: Alaska Board of Fisheries (BOF), International Pacific Halibut Commission (IPHC), and North Pacific Fisheries Management Council (NPFMC).

Legislation:

Sec.16.40.260 Sport fishing operator license;
Sec.16.40.270 Sport fishing guide license;
Sec.16.40.280 Reports;
Sec.16.40.290 Penalties for violations.

These legislative sections include licensing provisions and fees (AS. 16.05.340(a)) for sport fishing business owners ($100), sport fishing guides working for the business ($50), and business owners who are also a guide (owner/operator combo $100). The mandatory reporting requirements, logbooks, are for both fresh and saltwater guide activities (freshwater logbooks were instituted in 2005). The penalties for sport fish guiding violations by business owners and guides include possible revocation of their license.

Companion Regulations:

5 AAC 75.075 Sport fishing services and sport fishing guide services; license requirements; regulation of activities.

5 AAC 75.076. Sport fishing services and sport fishing guides reporting requirements.

5 AAC 75.077. Sport fishing guide vessel registration requirements.

Present Benefits and Utility:

- A comprehensive list of all sport fishing guides working in salt water is part of the data requirements that will allow Alaska to receive an exemption from participating in the National Saltwater Angler Registry (up to $25/saltwater angler in 2011).

- The logbook data for saltwater anglers has been used extensively within the IPHC and NPFMC for rule making on Pacific Halibut.

- Both freshwater and saltwater logbook harvest data has been presented and utilized by the Alaska Board of Fisheries. Harvest estimate verification studies are being conducted comparing logbook, statewide sport fish harvest survey, and dock side creel programs.

Participation Statistics:

- An average of **1,647 sport fishing business licenses** (including owner/operator combo) have been sold (2005-2009); 90% of owners are Alaskan residents.

- An average of **1,882 sport fishing guide licenses** have been sold (2005-2009); 73% of guides are Alaskan residents.

- Based on logbook data, over **2.1 million clients took 536,960 guided fishing trips** (from 2005 through 2009); 67% of clients fished in saltwater, 33% fished in freshwater and 88% of all clients were nonresidents.

- An average of **1,334 vessels in saltwater** were used for guided fishing trips (2005-2009).

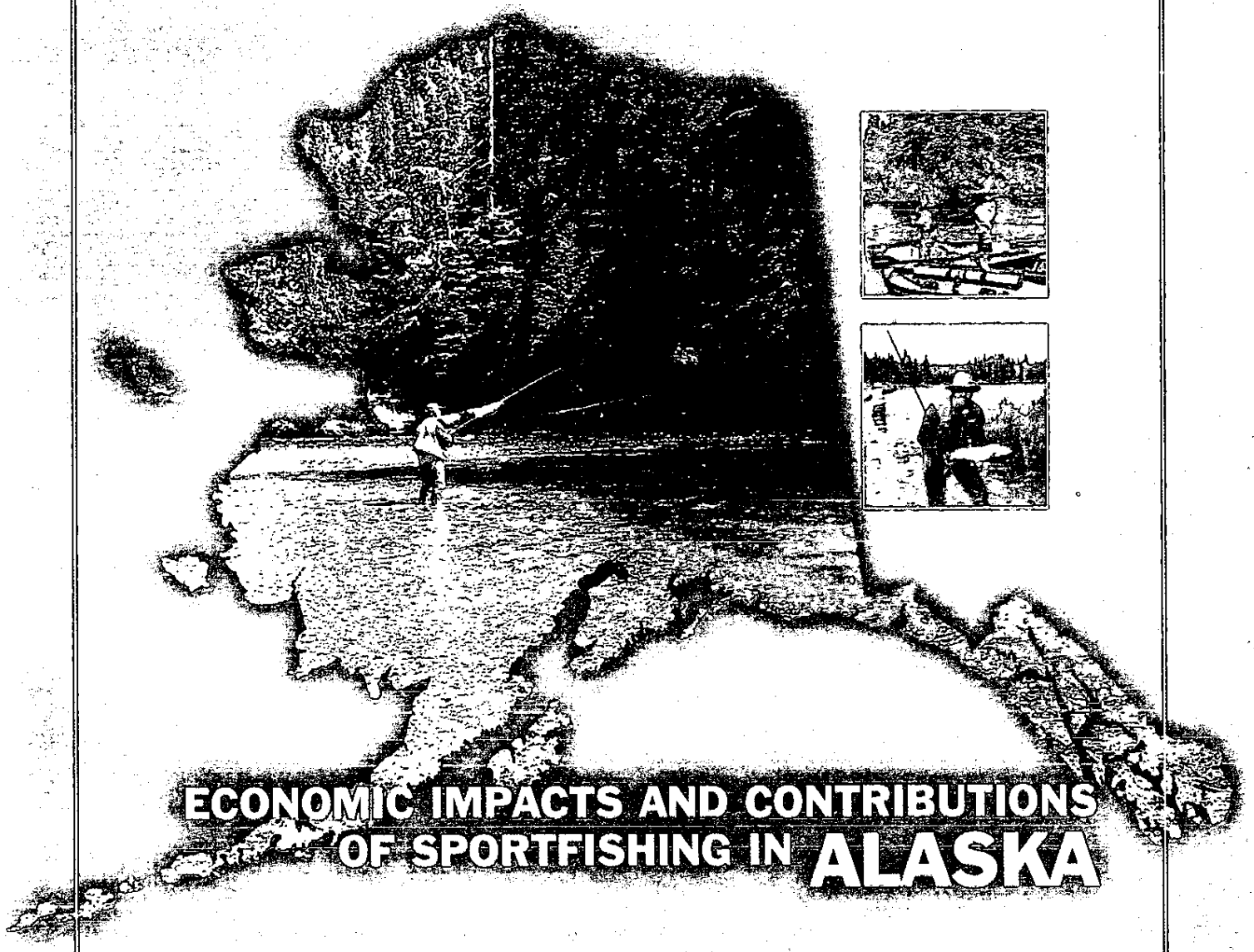
Electronic Reporting (Modernization initiative):

- One of Commissioner Lloyd's initiatives is modernization and timely reporting of recreational harvest data. We have been actively working on this task:

    - In July, 2009 we developed a scannable saltwater logbook form which will reduce the time lag when logbook data is available from 2 to 3 months to 1 to 2 weeks. This new form will be employed for saltwater forms statewide in 2010. Ten public meetings were held across the state to explain this new format and received nearly unanimous support from user groups and public.

    - In April, 2010 the point of sale hunting and fishing licensing program will be launched at all ADF&G regional offices. This program will be made available to all license vendors shortly thereafter.

    - We will convert the freshwater logbook to a scannable format starting in 2011.



ECONOMIC IMPACTS AND CONTRIBUTIONS OF SPORTFISHING IN ALASKA

2007 REPORT

A Message from the Director

CHARLIE SWANTON, DIRECTOR
ADF&G, DIVISION OF SPORT FISH

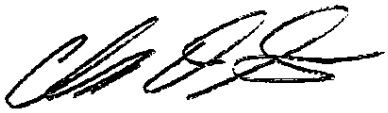
Alaska supports arguably some of the finest and most diverse sportfishing in the world. These opportunities provide Alaskans with a significant and sustainable source of food, relaxation, and social benefits. Additionally, the money spent by residents and visitors who participate in sportfishing activities produces significant economic benefits to Alaska.

The Division of Sport Fish is committed to providing an array of biological, social and economic information to fishery managers and fishery regulators who plan and evaluate fishery projects and make informed decisions about the management of fishery resources.

This report summarizes a recent effort by the Division to provide estimates of angler spending in Alaska and the contribution it makes to Alaska's economy. The results are based on an extensive statewide study of resident and nonresident anglers who went sportfishing in Alaska during 2007. The report contains estimates of the total expenditures on sportfishing by anglers and estimates of the subsequent economic effects this spending had in terms of employment, wages, salaries and tax receipts.

A key objective of this project was to establish a consistent and repeatable methodology for collecting and reporting estimates of economic contribution in Alaska such that reasonably precise estimates would be routinely available to agency personnel, fisheries decision-makers, and the public.

We hope that you find the following information useful and that it contributes to well-informed decision making.



5132

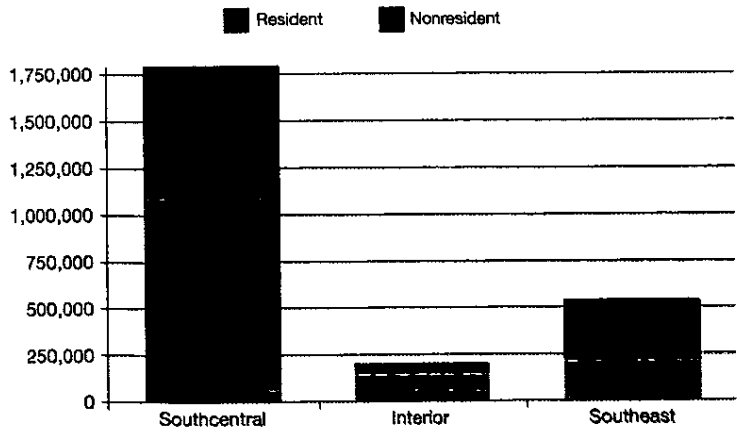
Sportfishing in ALASKA

Sportfishing is an important component of the Alaskan economy. It contributes to the well-being of Alaskans as recreation, as a source of food, and as part of the state's collective economic fabric. In 2007, 190,644 Alaska residents bought a fishing license, along with 284,890 nonresidents.

Spending a day fishing with rod and reel usually involves spending at least some money for travel, equipment, and supplies. Because a large number of anglers—both resident and nonresident—spend many days each year enjoying Alaska's diverse fishing opportunities, the annual total of that spending is substantial.

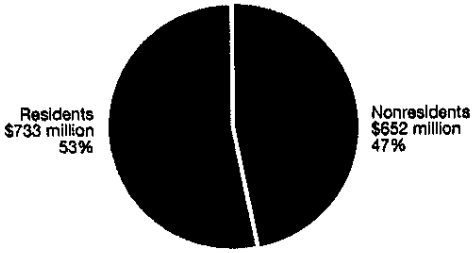
The money spent by anglers in turn helps to support thousands of Alaskan jobs in industries ranging from fishing tackle sales to hospitality and lodging to air taxi and guide services which are an important part of the economy in many of Alaska's local communities. At the same time, angler spending is also creating federal, state and local tax revenues which support local and borough governments and help pay for fisheries management in Alaska.

DAYS OF SPORTFISHING IN ALASKA BY REGIONS AND RESIDENCY, 2007

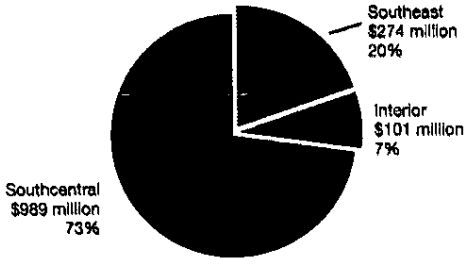


TOTAL SPORTFISHING EXPENDITURES, All ANGLERS

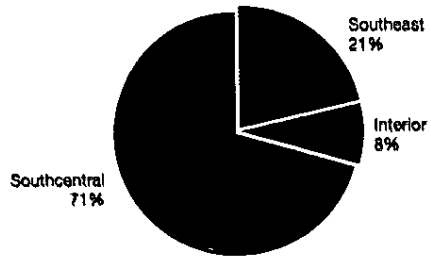
$1.4 billion



SPORTFISHING EXPENDITURES BY REGION, ALL ANGLERS



DAYS OF SPORTFISHING BY REGION, ALL ANGLERS



5133

Economic Impact vs. Economic Contribution

This project measured and reported the economic impacts and contributions of licensed anglers to Alaska's state and regional economies. The words "impact" and "contribution" are not necessarily synonymous.

Economic impact typically refers to the effects of money being brought in from outside the state or region. It was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions by combining the economic survey results with the ADF&G Statewide Harvest Survey results.

Economic contribution refers to in-state spending by all anglers. In theory, if the dollars spent by resident anglers were not spent on sportfishing, the same money would be spent on other things and would still stimulate economic activity. It isn't possible to accurately predict whether these local dollars would be spent in or outside of Alaska.

This study generated both economic impact estimates (nonresident spending) as well as estimates of the economic contributions of spending by Alaska anglers in 2007.

Economic IMPACTS & Contributions

The purpose of the study was to obtain current estimates of the economic contribution of sportfishing activities to the Alaska economy and to develop a consistent method for producing such estimates on a regular basis. This project provides a survey-based process that can now be updated periodically at reasonable cost.

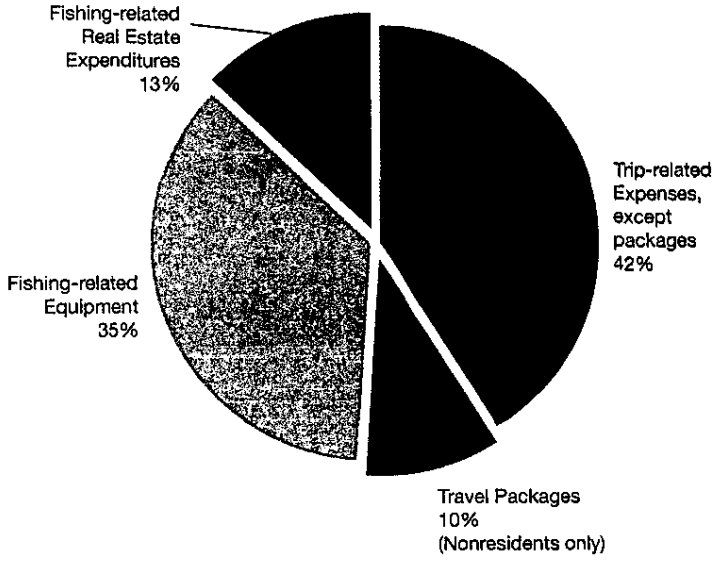
For 2007, the year covered by this report, 1,163 resident and 1,807 nonresident surveys were completed by anglers who fished in Alaska. From the survey responses collected, estimates of how much each angler spends per day of fishing and per year on fishing-related equipment were produced. These survey results were combined with the total number of licensed anglers in 2007 and the total days of fishing in Alaska as estimated by the Division's Statewide Harvest Survey. This survey, conducted every year by the Division, tracks annual sportfishing participation and harvest. By combining the economic survey results with the Statewide Harvest Survey results, it was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions of the state.

An economic model was then used to estimate the additional economic effects that angler spending produced within each region of the state. Using the collective dollars spent by anglers, an economic model known as IMPLAN estimated the total jobs, tax revenues and other economic contributions. Regional as well as statewide totals can be determined and are summarized in the following pages. Information on the dollars associated with guided fishing trips and with nonresident fishing is also included. First, here are some statewide highlights.

Total Resident and Nonresident Sportfishing Expenditures, by Category

	Resident Anglers	Nonresident Anglers	All Anglers
Licenses and Fees	$6,627,558	$16,536,955	$23,164,513
Trip Expenditures (non-package)	$219,829,151	$347,358,999	$567,188,150
Package Expenditures	n/a	$137,519,700	$137,519,700
Equipment Expenditures	$433,693,104	$41,385,450	$475,078,554
Real Estate Expenditures	$73,139,537	$109,697,619	$182,837,156
Total Expenditures	**$733,289,349**	**$652,498,723**	**$1,385,788,072**

TOTAL ANGLER SPENDING BY CATEGORY



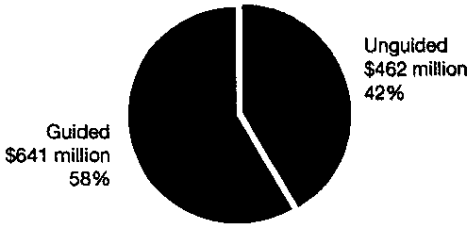
Average Per Day Expenditure for Trip-Related Items Only, Including Package Trips

(Lodging, fuel, food, travel packages, etc.)

	Per Day
All Alaska Fishing Combined	**$277.46**
Residents Only	$150.63
Non-Residents Only	$448.78
Saltwater	
Residents, Unguided	$162.81
Residents, Guided	$466.53
Non-Residents, Unguided	$209.40
Non-Residents, Guided	$744.03
Freshwater	
Residents, Unguided	$91.73
Residents, Guided	$509.56
Non-Residents, Unguided	$213.24
Non-Residents, Guided	$790.41

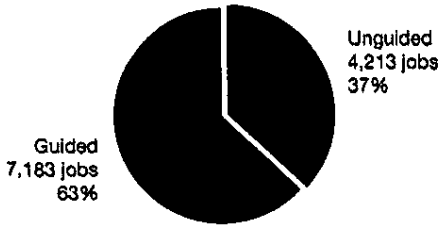
ECONOMIC ACTIVITY, OR MULTIPLIER EFFECT: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures*



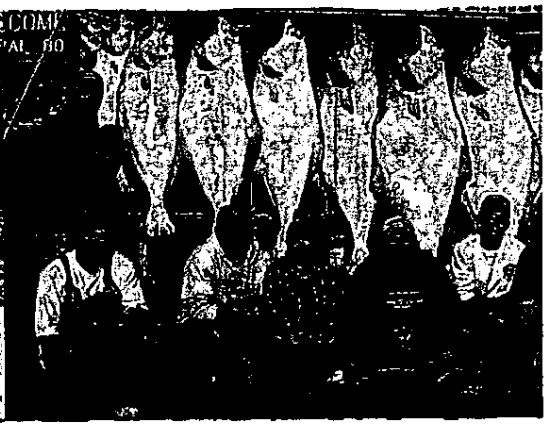
JOBS: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures*



*Only trip related expenditures (food, fuel, lodging, etc.) could be divided into guided and unguided portions. It was not possible to divide equipment expenditures in such a manner.

5135



Regional Economic EFFECTS

Economic effects can be measured regionally and locally as well as statewide. Alaska has several distinct regions, each with its own characteristic sport fisheries that show different patterns in angling participation, spending, and economic effects.

STATEWIDE RESULTS

Alaska is blessed with many world-class freshwater and marine fisheries. In 2007, resident and nonresident anglers spent nearly $1.4 billion on equipment, boats, and trip-related and other items. Alaska anglers on average spent $2,914 on sportfishing trip expenses, fishing-related equipment, licenses, and other items in 2007. The actual amount spent per angler varies based on his or her preferred fishing locations, region, and more. Details are available in the technical report (see sidebar on page 8).

As anglers' expenditures exchange hands, economic contributions are generated statewide. In 2007, these contributions amounted to 15,879 jobs, $246 million in tax revenues and $545 million in income. Economic output, which is the value of all goods and services produced by businesses as a result of anglers' expenditures, was just over $1.6 billion.

SOUTHEAST (REGION I)

The so-called Panhandle area extending roughly from Yakutat south-southwest through Juneau and Ketchikan to the British Columbia border is a complex maze of islands, straits, and mountains. The saltwater salmon fishing here is outstanding, although some anglers find steelhead, along with river-resident trout, to be just as appealing.

Total spending by all anglers, resident and nonresident combined, for Southeast Alaska in 2007 was estimated to be $274 million. The total economic output came to $295 million, which supported 3,063 jobs and generated $22 million in state and local taxes.

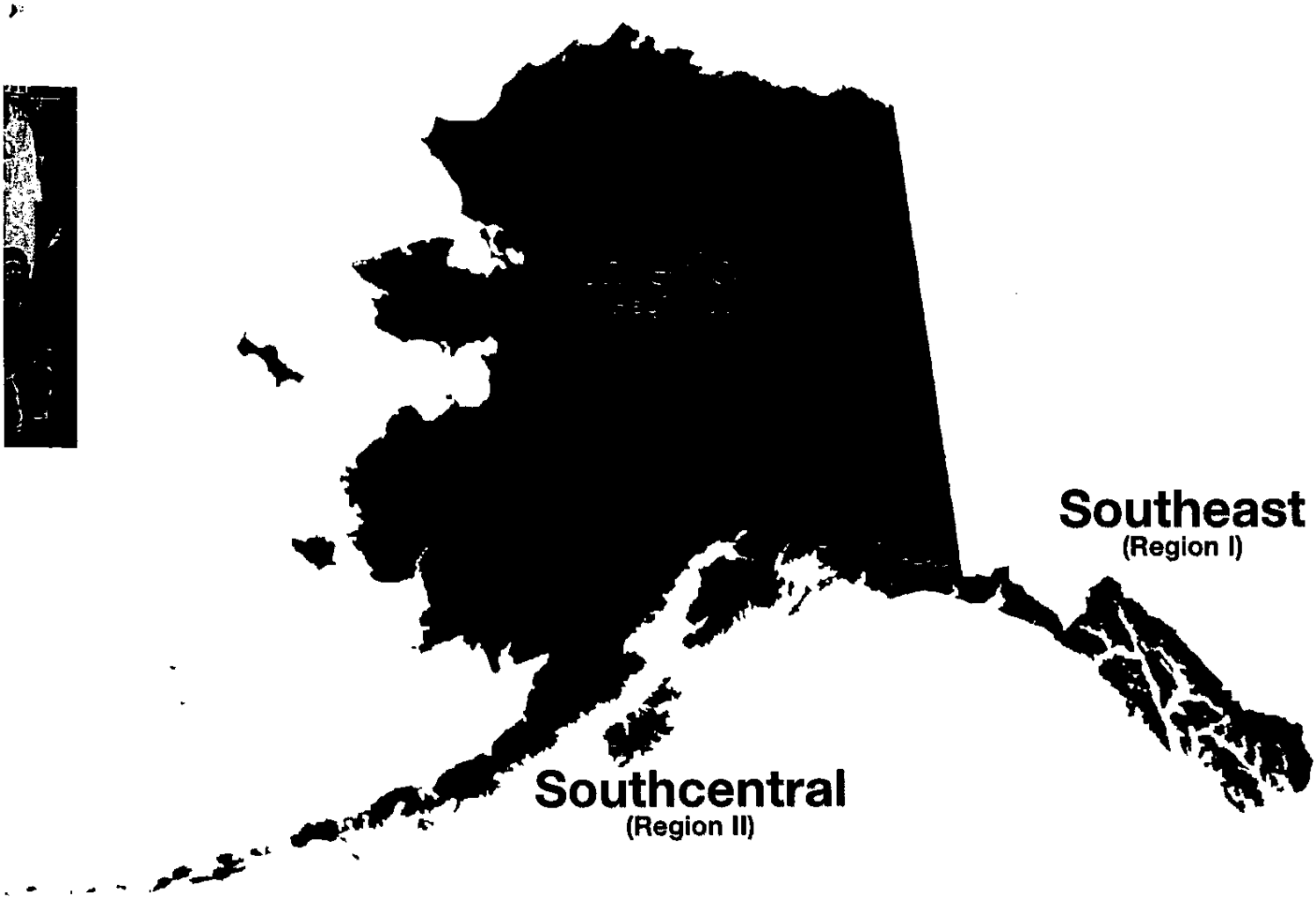
How Economic Effects Occur

While the economic effects of sportfishing occur on a large scale statewide, it's important to note that they happen one angler at a time.

Suppose, for example, that a construction worker in downtown Anchorage decides to go fishing on his day off. He stops after work at the local tackle shop and spends $250 for a rod and reel along with some line, lures, a knife and cooler. Sandwiches, soda, and ice for the trip come from the local grocery store, and he spends still more money to fill his vehicle with gas on the way home. Very early the next morning, he starts the 150-mile drive out the Seward and Sterling highways to the Kenai River where he'll fish for king or coho salmon.

Meanwhile, the money he left behind goes to work. Some of the money he spent for fishing gear helps to pay the wages of a sales clerk, for example, who in turn spends some that evening at a local restaurant, to buy groceries, or pays his utility bill at the local light and power company. These payments, known collectively as the "multiplier effect", help to support still other jobs as the money our angler spent ripples outward in many directions through the local economy, even to those sectors not directly related to fishing. See page 11 for more definitions.

5136



SOUTHEAST MARINE (SUBREGION)

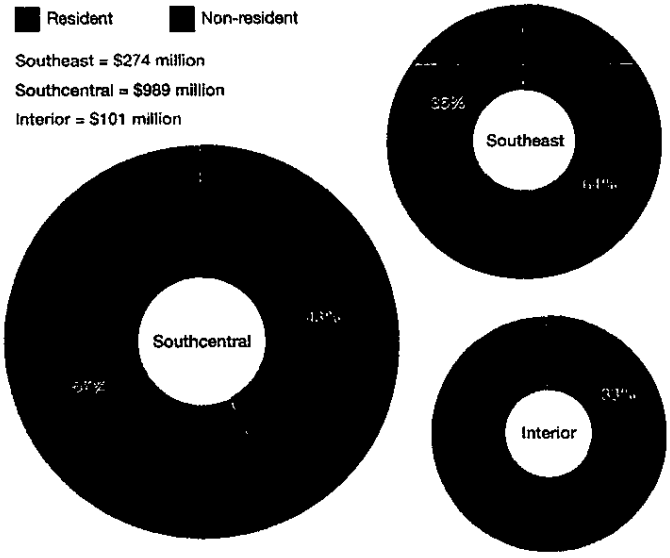
Within southeast Alaska, the popularity of salt-water fishing accounted for almost half of all angler spending. Saltwater anglers in southeast Alaska spent $132 million of the $274 million spent on sportfishing in southeast Alaska in 2007, which supported 1,897 jobs and created $14 million in state and local tax revenues.

SOUTHCENTRAL (REGION II)

This is by far the most popular angling region in Alaska as measured in total angler days. It includes Prince William Sound, Cook Inlet and the Anchorage area, as well as Kodiak Island and the Bristol Bay area to the west of Cook Inlet. All five salmon species are fished widely here in both salt- and fresh-water, along with halibut and other saltwater species. Trophy rainbow trout in the various Bristol Bay drainages are world-famous.

Anglers spent $989 million in the Southcentral region in 2007, supporting 11,535 area jobs and creating $91 million in state and local taxes.

RESIDENT AND NONRESIDENT EXPENDITURES BY REGION



Economic measures reported in this chart are based on regional IMPLAN model outputs using 2007 angler expenditures.

5137

For More Details...

This report is a summary of a 300 page technical report available free from the Alaska Department of Fish and Game, Division of Sport Fish. The complete report presents detailed descriptions of the methods and data sources used in the study, as well as the complete results. Visit ***www.sf.adfg.state.ak.us/statewide/economics*** *to download a copy in PDF form. You may also contact the Department at (907) 267-2366, or william.romberg@alaska.gov, to request a printed copy of the report.*

Regional Economic EFFECTS *(cont.)*

COOK INLET (SUBREGION)

Notably, much of Southcentral's economic activity centers around the Cook Inlet area, partly because Anchorage and the Matanuska-Susitna valley are such large population centers with good fishing nearby. The Kenai River, for example, is an easy drive from Anchorage and is widely known among anglers as one of the world's foremost salmon rivers. In addition, there are large sport fisheries for halibut and other groundfish that are accessed from several communities that border Cook Inlet. In the Cook Inlet subregion alone (a subset of Southcentral region), anglers spent about $733 million in 2007, which supported 8,056 jobs and generated $55 million in state and local taxes.

INTERIOR (REGION III)

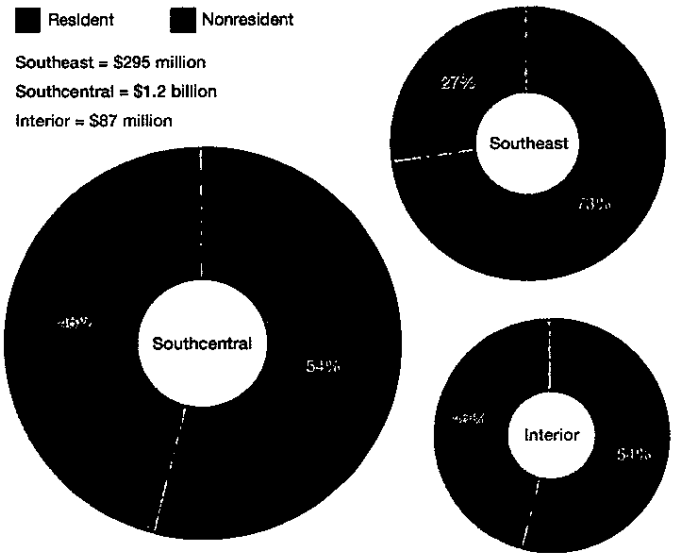
Among anglers, the northern two-thirds of the state could be called the road less traveled. This vast area contains many small communities and sport fisheries located off the road system with fisheries less accessible than places farther south in the state. However, the fishing is none the less exceptional, and in addition to salmon and trout there are fisheries for unique species such as sheefish, arctic char, and burbot, as well as huge northern pike found in the "flats" region of the lower Yukon River.

Angling traffic here is lighter than in other regions of the state but still significant. Total regional spending by all anglers in this region topped $101 million in 2007 and directly or indirectly supported 923 area jobs and $7 million in state and local taxes.

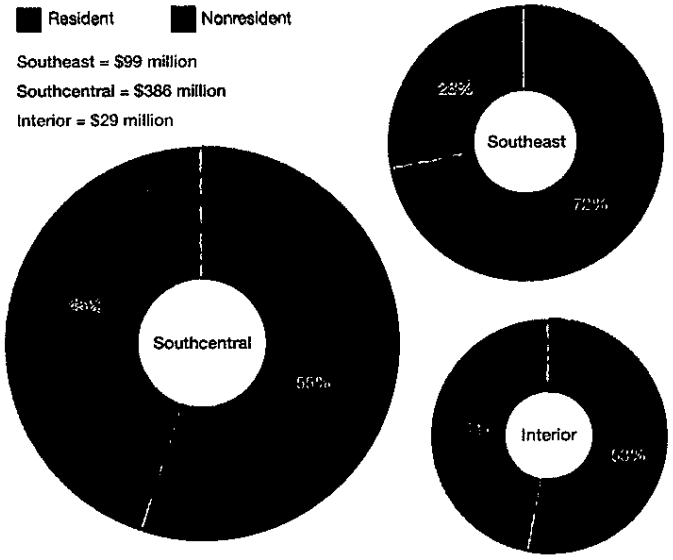
5138

Total Angler Expenditures
$1.4 Billion

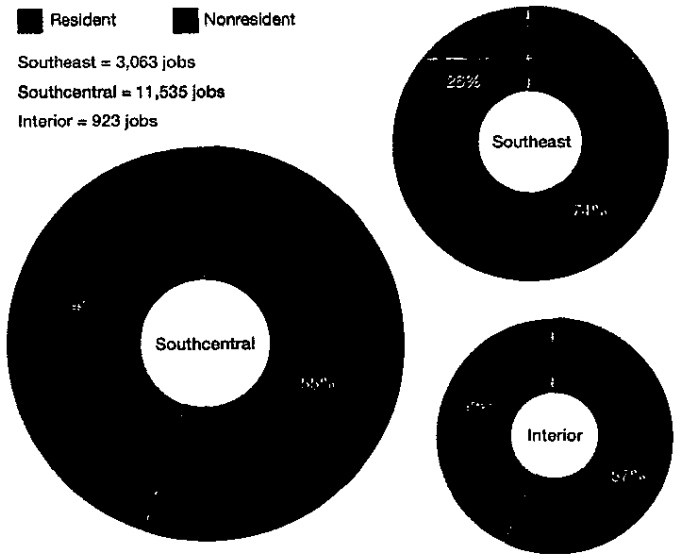
RESIDENT AND NONRESIDENT OUTPUT BY REGION



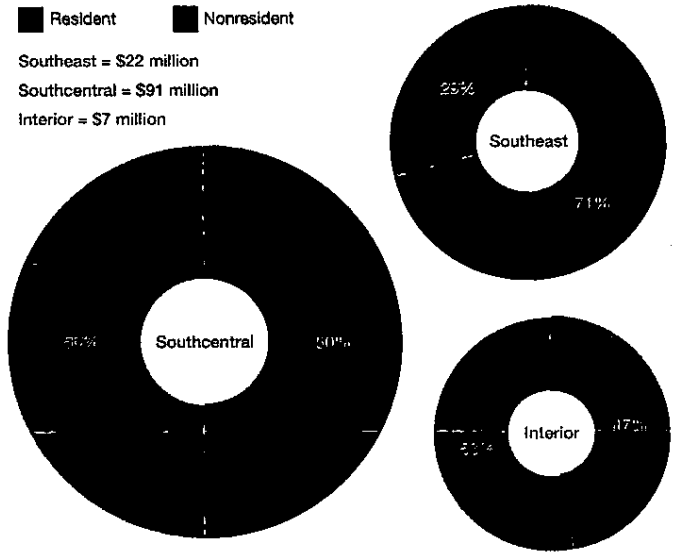
RESIDENT AND NONRESIDENT INCOME BY REGION



RESIDENT AND NONRESIDENT EMPLOYMENT BY REGION



RESIDENT AND NONRESIDENT STATE & LOCAL TAX REVENUES BY REGION



Sportfishing-related Jobs
15,879

Economic measures reported in these charts are based on regional IMPLAN model outputs using 2007 angler expenditures.
See page 11 for definitions of terms used on this page.

5139

Economic Contributions of Sportfishing in Alaska, by Residency & Region, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
ALASKA - STATEWIDE RESULTS			
Anglers' expenditures	$733,289,349	$652,498,723	$1,385,788,072
Output	$668,729,829	$938,863,856	$1,607,593,685
Income	$223,373,937	$321,882,151	$545,256,088
Jobs	6,442	9,437	15,879
Tax Revenues	$107,433,533	$138,881,701	$246,315,114
Local & State	*$56,509,573*	*$66,632,831*	*$123,142,404*
Federal	*$50,923,959*	*$72,248,870*	*$123,172,709*
SOUTHEAST REGION			
Anglers' expenditures	$98,613,993	$174,890,811	$273,504,804
Output	$79,385,025	$215,874,985	$295,260,010
Income	$27,316,008	$71,825,686	$99,141,694
Jobs	791	2,273	3,063
Tax Revenues	$12,227,368	$31,368,564	$43,595,932
Local & State	*$6,376,236*	*$15,686,783*	*$22,063,019*
Federal	*$5,851,132*	*$15,681,782*	*$21,532,913*
SOUTHCENTRAL REGION			
Anglers' expenditures	$560,955,071	$427,603,048	$988,558,119
Output	$534,838,006	$630,707,507	$1,165,545,513
Income	$174,829,996	$211,633,737	$386,463,733
Jobs	5,170	6,365	11,535
Tax Revenues	$86,563,199	$93,692,068	$180,255,267
Local & State	*$45,612,530*	*$45,187,101*	*$90,799,631*
Federal	*$40,950,668*	*$48,504,967*	*$89,455,636*
INTERIOR REGION			
Anglers' expenditures	$67,092,727	$33,467,910	$100,560,637
Output	$40,133,830	$46,578,879	$86,712,709
Income	$13,263,706	$15,300,176	$28,563,882
Jobs	399	524	923
Tax Revenues	$6,710,270	$6,708,875	$13,419,146
Local & State	*$3,825,310*	*$3,396,831*	*$7,222,141*
Federal	*$2,884,961*	*$3,312,044*	*$6,197,005*

Output = total economic activity generated by angler spending
Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers
Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending
Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending

Economic Contributions of Sportfishing for Specific Subregions, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
COOK INLET (A SUBREGION OF THE SOUTHCENTRAL REGION)			
Anglers' expenditures	$457,938,464	$275,030,511	$732,968,975
Output	$413,287,612	$414,602,226	$827,889,838
Income	$136,650,136	$142,124,416	$278,774,552
Employment	4,010	4,046	8,056
Tax Revenues	$67,097,024	$44,445,496	$111,542,520
Local & State	*$35,189,444*	*$20,091,926*	*$55,281,369*
Federal	*$31,907,580*	*$24,353,570*	*$56,261,150*
SOUTHEAST REGION - MARINE FISHING ONLY[1]			
Anglers' expenditures	$21,268,271	$110,345,177	$131,613,448
Output	$28,244,412	$138,794,141	$167,038,552
Income	$9,132,220	$44,692,671	$53,824,891
Employment	301	1,595	1,897
Tax Revenues	$4,791,024	$21,577,534	$26,368,559
Local & State	*$2,713,584*	*$11,473,357*	*$14,186,941*
Federal	*$2,077,440*	*$10,104,178*	*$12,181,618*

Output = total economic activity generated by angler spending
Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers
Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending
Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending
[1]The contributions are for trip spending only, including travel packages. It was not possible to allocate equipment and real estate expenditures by type of water fished.

Definitions of Terms Used in this Report

Angler Expenditures: the dollars spent for the primary reason of sportfishing. Such expenditures include trip-related expenses for fishing (fuel, guide services, lodging, etc.), fishing tackle and other fishing equipment, the portion of ancillary equipment used for fishing that may have multiple uses (e.g., coolers, binoculars), and real estate maintenance and construction expenditures if used primarily for the pursuit of sportfishing.

Total Multiplier Effect (also known as Total Economic Activity): the results (measured in output, income, jobs and taxes) of the total rounds of business and consumer spending stimulated by anglers' original expenditures.

Income: generated as a result of anglers' expenditures, this includes total payroll, including salaries and wages, as well as benefits such as insurance, and retirement benefits paid to employees and business proprietors.

Employment: the total number of both full-time and part-time jobs supported as a result of anglers' expenditures.

Tax Revenues: the total tax revenues earned by local, state and federal governments as a result of anglers' expenditures. All forms of local, state and federal taxes are included.

5141

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 294**
(S) Publish Date: 3/26/10

Identifier (file name): SB294-DFG-SFD-03-10-10
Dept. Affected: ADFG

Title	An act repealing the termination of the sport fish operator/guide/vessel program	RDU	Sport Fisheries
		Component	Sport Fisheries
Sponsor	Senator McGuire		
Requester	Resources, Finance	Component Number	464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		337.1	337.1	337.1	337.1	337.1	337.1
Travel		10.0	10.0	10.0	10.0	10.0	10.0
Contractual		83.5	83.5	83.5	83.5	83.5	83.5
Supplies		7.0	7.0	7.0	7.0	7.0	7.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		437.6	437.6	437.6	437.6	437.6	437.6
TOTAL	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The division has budgeted $437.6 in the FY11 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates average Fish & Game Fund revenues of $242.8, with the balance of program expenditures funded with Sport Fishing license sale revenue. Although potential cost savings measures are being implemented, it is untenable at this time to make accurate projections on what monetary savings will be realized for this program over the upcoming years.

Prepared by: Charles O. Swanton, Director — Phone 465-6184
Division: Sport Fisheries — Date/Time 3/10/10 4:00 PM
Approved by: Tom Lawson, Director — Date 3/11/2010
Administrative Services

(Revised 11/6/2009 OMB)

5143

Special Publication No. 09-11

Participation, Effort, and Harvest in the Sport Fish Business/Guide Licensing and Logbook Programs, 2006-2008

by

Dora Sigurdsson

and

Bob Powers

September 2009

Alaska Department of Fish and Game

Divisions of Sport Fish and Commercial Fisheries

5144

SPECIAL PUBLICATION NO. 09-11

PARTICIPATION, EFFORT, AND HARVEST IN THE SPORT FISH BUSINESS/GUIDE LICENSING AND LOGBOOK PROGRAMS, 2006-2008

by

Dora Sigurdsson

and

Bob Powers

Division of Sport Fish Research and Technical Services, Anchorage

Alaska Department of Fish and Game
Division of Sport Fish, Research and Technical Services
333 Raspberry Road, Anchorage, Alaska, 99518-1599

September 2009

5145

TABLE OF CONTENTS

Page

LIST OF TABLES ii
LIST OF FIGURES ii
LIST OF APPENDICES iii
ABSTRACT 1
BACKGROUND 1
Guide and Business Registration and Licensing 1
Logbooks 2
Vessel Registration 5
METHODS 5
Guide and Business Licensing 5
Logbook Data Collection 6
Saltwater Logbook Forms 8
Freshwater Logbook Forms 9
Logbook Outreach and Verification 10
Outreach 10
Verification 11
RESULTS 11
Guide and Business Licensing 11
Vessels 13
Saltwater 13
Freshwater 14
Trips 15
Saltwater 15
Freshwater 15
Logbook Trip Effort and Harvest 16
Saltwater 16
Freshwater 16
DISCUSSION 24
Guide and Business Licensing 24
Logbooks 24
ACKNOWLEDGEMENTS 25
REFERENCES CITED 26
APPENDIX A SPORT FISH BUSINESS OWNER/GUIDE LICENSE APPLICATION 27
APPENDIX B VESSEL REGISTRATION FORMS, DECALS AND TAGS 33
APPENDIX C SALTWATER LOGBOOK FORMS 37
APPENDIX D FRESHWATER LOGBOOK FORMS 45
APPENDIX E ADF&G COMMISSIONER STATEMENT 53
APPENDIX F SALTWATER LOGBOOK SUMMARIES BY AREA AND PORT OF OFFLOADING 55
APPENDIX G FRESHWATER LOGBOOK SUMMARIES BY AREA 69

5146

LIST OF APPENDICES

Appendix		Page
A1.	Sport fish business owner/guide registration form, 2006.	28
A2.	Sport fish business owner/guide registration form, 2007.	29
A3.	Sport fish business owner/guide registration form, 2008.	30
B1.	Saltwater sport fish charter logbook sign-out and vessel registration form, 2008.	34
B2.	Freshwater sport fish guide vessel registration form, 2008.	35
B3.	Vessel decal, 2006-2008.	36
B4.	Vessel tab, 2008.	36
C1.	Saltwater charter logbook form, 2006.	38
C2.	Saltwater charter logbook form, 2007.	40
C3.	Saltwater charter logbook form, 2008.	42
D1.	Freshwater guide logbook form, 2006.	46
D2.	Freshwater guide logbook form, 2007.	48
D3.	Freshwater guide logbook form, 2008.	50
E1.	December 2005 ADF&G commissioner statement detailing strategies for reporting of Pacific halibut harvest for the saltwater charter logbook.	54
F1.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2006.	56
F2.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.	57
F3.	Saltwater logbook salmon participation, effort, kept and released by region, statewide, 2006.	57
F4.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2006.	58
F5.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.	59
F6.	Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2006.	59
F7.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2007.	60
F8.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.	61
F9.	Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2007.	61
F10.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2007.	62
F11.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.	63
F12.	Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2007.	63
F13.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2008.	64
F14.	Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.	65
F15.	Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2008.	65
F16.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southeast Alaska, 2008.	66
F17.	Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.	67
F18.	Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2008.	67
G1.	Freshwater logbook participation by site code and area, Southeast Alaska, 2006.	70
G2.	Freshwater logbook participation by site code and area, Southcentral Alaska, 2006.	71
G3.	Freshwater logbook participation by site code and area, AYK Alaska, 2006.	74
G4.	Freshwater logbook participation by region, 2006.	75
G5.	Freshwater logbook effort and species kept by area and site, Southeast Alaska 2006.	76
G6.	Freshwater logbook effort and species released by area and site, Southeast Alaska 2006.	77
G7.	Freshwater logbook effort and species kept by area and site, Southcentral Alaska, 2006.	78

5147

ABSTRACT

In 2006, 1,677 sport fishing businesses and 3,454 guides licensed under the Alaska Department of Fish and Game guide and business registration program, signifying intent to provide sport fishing services in Alaska. The program licensed 1,695 businesses and 3,531 guides in 2007, and 1,659 sport fishing businesses and 3,522 sport fishing guides in 2008. Of the 1,659 sport fishing businesses registered in 2008, 1,525 were combination owner/guide licenses. Based on the 2008 physical addresses of both the businesses and guides, 90% of the businesses were residents of Alaska, and 10% were from other residency strata (defined as nonresidents), 72% of the guides were residents and 28% were nonresidents.

Of the 2,553 saltwater logbooks issued in 2008, 2,089 were activated, and of the 2,538 freshwater logbooks issued in 2008, 1,785 were activated. Of those businesses that submitted logbook information in 2008, 58% offered saltwater services, and 42% offered freshwater guided services. In 2006, logbook records show that 1,368 saltwater vessels were active, 1,409 were active in 2007 and 1,355 were active in 2008. On average during those three years, 55% of the saltwater vessels were active in Southeast Alaska and 45% were active in Southcentral Alaska.

A total of 65,671 saltwater charter trips were conducted in 2006, 67,152 trips in 2007, and 62,006 trips in 2008 statewide. On average, 84% of the saltwater angler days were nonresidents, 12% were residents and 4% were crew, comped fishing or unknown residency. In freshwater, 46,781 trips were taken in 2006, 48,697 in 2007, and 48,501 in 2008. Of the statewide freshwater trips, 90% of the angler days were nonresidents, 8% were residents, and 2% were crew fishing or unknown residency.

Average saltwater salmon harvests between 2006 and 2008 show that coho and king salmon were the predominant species, consisting of 67% and 15% of the harvest respectively statewide. Saltwater bottomfish harvests between 2006 and 2008 show that Pacific halibut were the predominant species with 68% of the total saltwater harvest statewide. Total halibut harvest statewide ranged from 379,473 fish in 2007 to a low of 339,718 fish in 2008. In freshwater, coho salmon were the predominant harvested species, followed by sockeye and then king salmon.

Key words: Sport fishing, guide and business registration, freshwater logbook, saltwater logbook, participation, effort, harvest, sport fishing vessel, Pacific halibut, salmon, bottomfish, Southeast Alaska, Southcentral Alaska

BACKGROUND

The Alaska Department of Fish and Game (ADF&G) Division of Sport Fish (DSF) has operated a program since 1998 to register and license both sport fishing guides and sport fishing guide businesses and to collect information on sport fishing participation, effort, and harvest by saltwater and freshwater guided clients. This report briefly summarizes the approach, history, and results of this program for 2006 through 2008.

GUIDE AND BUSINESS REGISTRATION AND LICENSING

The activities of the guided sport fishing industry in Alaska have significantly increased in recent years with implications to fish allocation and management decisions. Resolution of related issues was hampered by lack of information regarding the industry and its impact on fishery resources in many parts of Alaska. The sport fishing guide and business registration and licensing programs were designed to provide a comprehensive system to better define this diverse industry throughout Alaska. A brief history of the statewide registration and licensing process follows.

Beginning in May 1995 the owner(s) of any business that engaged in sport fish guiding of anglers anywhere in Alaska were required to register their business information, employees acting as sport fishing guides for the business, and listing all vessels used for guiding. In 1997 sport fishing guides were required to register and provide information about the employing business (Dean 2001; Dean and Howe 1999).

5148

452, adopted in 2004, not only established new licensing requirements, but also established a logbook reporting requirement for all freshwater businesses in addition to the existing saltwater reporting requirements. For various reasons, both technical and policy-based, information on halibut harvests was not collected from 2002 through 2005. The collection of halibut data was resumed in 2006. In addition, the 2006 logbook was redesigned to require reporting of angler license numbers and the harvest and release numbers by angler in an effort to improve reporting and facilitate evaluation of the quality of logbook data (Appendix C).

The data from logbooks are compiled to show where fishing effort occurs, the extent of participation, and the species and numbers of fish kept and released by individual clients. This information is used for regulation and the development and management of fisheries, for project evaluation, and for formulation of department policies and priorities that reflect angler needs, concerns, and preferences. It also provides ADF&G with a tool to promote management of Alaska's resources for sustained yield.

Table 1.–Division of Sport Fish regions and management areas.

Regions	
SE	Southeast Alaska
SC	Southcentral Alaska
AYK	Arctic-Yukon-Kuskokwim
Areas	
Southeast Alaska	
A	Ketchikan
B	Prince of Wales Island
C	Kake, Petersburg, Wrangell, Stikine
D	Sitka
E	Juneau
F	Haines-Skagway
G	Glacier Bay
H	Yakutat
Southcentral Alaska	
J	North Gulf Coast/Prince William Sound
K	Knik Arm Drainage
L	Anchorage
M	Susitna River Drainage
N	West Side Cook Inlet
P	Kenai Peninsula
Q	Kodiak
R	Naknek River Drainage/Alaska Peninsula Area
S	Kvichak River Drainage
T	Nushagak, Wood River and Togiak
Arctic-Yukon-Kuskokwim	
I	Upper Copper River Drainage
U	Tanana River Drainage
V	Kuskokwim River/Kuskokwim Bay Drainages
W	Norton Sound/Seward Peninsula
X	Northwest Alaska
Y	Yukon River Drainage
Z	North Slope/Brooks Range

5149

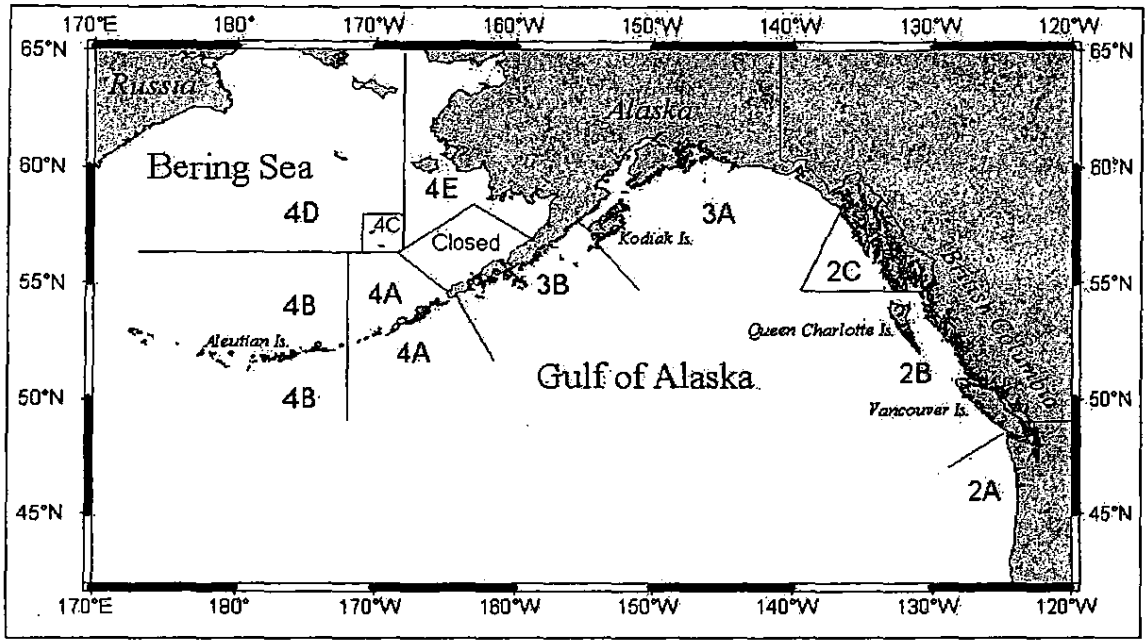


Figure 2.–International Pacific Halibut Commission (IPHC) regulatory areas.

Currently, a logbook record is required for every chartered or guided trip taken with clients, defined as an outing with one group of clients that ends when the clients and their fish (if fish were kept) are offloaded. Each trip is associated with an individual licensed business and guide.

VESSEL REGISTRATION

In addition to establishing a licensing program and statewide freshwater logbook requirement, HB 452 included establishment of a vessel registration program to be conducted by ADF&G as part of the logbook program to monitor the number of vessels used in the guided marine and freshwater fisheries. All boats used in marine or fresh water were referred to as "charter or guide boats" regardless of their size or the manner in which they are used. All vessels used in the charter guide industry were required to be registered with ADF&G. Vessel registration information was collected when logbooks were issued to a business. Registration information included the Department of Motor Vehicles or DMV number or the U.S. Coast Guard vessel documentation number. Upon completion of vessel registration with ADF&G, each vessel was provided with two decals and year tags to indicate that the vessel is used in the guide industry (Appendix B3 and B4). Decals must be applied and visible on both sides of the vessel.

METHODS

GUIDE AND BUSINESS LICENSING

Businesses and guides can be licensed to provide sport fishing guided services if they meet the minimum qualifications specified in regulation (AS 16.40.260 and AS 16.40.270).

During the month of January from 2006 through 2008, the Division of Sport Fish mailed renewal license applications to each sport fishing guide and sport fishing business that was licensed in the previous year. In addition, guides and businesses could obtain a license in person at local

5150

Changes between the 2005 and 2006 saltwater logbooks included:

- The data page design went from a single page designed to collect information from nine different trips to a data page that collected information from one unique trip per page.
- A section to collect Business and Vessel Information was added. Business and Guide license numbers along with the Alaska Boat Registration number (AK. #) or U.S.C.G. documentation number was recorded on every data page. This information was intended to confirm that the information was associated with the correct business on record, and to validate the vessel registration information.
- A section to collect Trip information was added. Trip information collected the date fished, port or community where clients or fish were off-loaded, total number of clients on the vessel including those that did not fish, targeted species (salmon or bottomfish), primary statistical area fished, maximum number of rods fished, and number of boat hours fished. This design change resulted in more detailed information unique to each trip taken with a group of clients.
- A section to collect Individual Angler and Catch Information was added. In 2006, the collection of halibut information resumed. The new design also required the reporting of individual angler license numbers along with harvest and release numbers by angler in an effort to improve reporting and facilitate evaluation of the quality of logbook data.
- A signature line was added that required the guide who led the trip to sign their name certifying that the information was true and correct to the best of their knowledge.
- A notice statement drafted by the NPFMC was printed within the front cover of the 2006 saltwater logbook. The notice announced that a control date of December 9, 2005 was being established. Those businesses and guides not participating in the Southeast or Southcentral charter halibut industry by this date might not be eligible for future access and/or quota in these fisheries.

No significant changes took place in the freshwater logbook design between 2005 and 2006 (Appendix D).

Changes between the 2006 and 2007 saltwater logbooks include:

- Additional client information was obtained, to indicate if "comped" anglers fished. A "comped" angler was an angler who did not compensate the guide for that charter trip. By including "comped" anglers, the data captured by onsite dockside samplers and data from the logbook census were more comparable, since all anglers on board a charter vessel and their catches were now being counted.
- Vessel AK # or U.S.C.G. documentation numbers were no longer being collected on each data page. The vessel information collected during the logbook assignment to a business on the sign-out sheet was adequate.

No significant changes took place in the freshwater logbook design between 2006 and 2007 (Appendix D).

salmon, halibut, lingcod, pelagic rockfish, yelloweye, and other nonpelagic rockfish, salmon shark *Lamna ditropis*, and a category for the number of all other species not already listed (Appendix C).

To determine the number of businesses and guides that were "active" in the industry, a cross reference is made to the logbooks to determine if actual guided trips were provided. If ADF&G received at least one charter vessel trip form that reported targeted effort, the charter operation turning in the form was considered an "active" bottomfish or salmon charter operator with an "active" vessel.

Freshwater Logbook Forms

A freshwater logbook consisted of the cover page, schedule of reporting deadlines, one logbook check out sheet to show the business to which the logbook was issued, a freshwater vessel registration page that collects the unique AK # assigned by the Department of Motor Vehicles (DMV) or a United States Coast Guard (USCG) documentation number and primary drainage, a set of instructions for filling out the information on the logbook sheets, and 50 data sheets to record trip information. Data collection on each of the 50 pages consisted of:

- ADF&G guide license number,
- Date that fishing took place,
- Specific name of river, stream or lake fished,
- Site code of site fished as reference within a list provided with each logbook,
- Number of logbook pages used for a specific trip,
- Name of any other species kept,
- Crew, client, and "comped" angler's current ADF&G sport fishing license number, and a youth angler designation for anglers under 16 years of age.
- Client residency,
- A breakdown by fish species kept and released.

Upon acquiring a freshwater logbook, the operator registers all vessels that may be used during the course of the fishing season. Freshwater vessel registration requires that the vessel already have a unique AK # assigned by DMV or a USCG documentation number. Freshwater vessels primarily have AK #'s. The operator must provide the AK # and indicate the primary freshwater drainage where the vessel will operate.

The freshwater logbook does not collect targeted species information like the saltwater logbook, it collects information on species kept and released regardless of what was targeted or sought after. A trip is counted if a logbook data page is submitted with effort information regardless of catch. Freshwater trips are assigned a region of the state based on the name of the site fished, each freshwater site is assigned a unique regional alpha code followed by a numeric code within the region in which it is located (Table 1).

Freshwater information collected were: kept and released numbers for king, coho, and sockeye salmon, cutthroat *O. clarkii*, rainbow and steelhead trout *O. mykiss*, lake trout *Salvelinus namaycush*, Dolly Varden *S. malma*, Arctic grayling *Thymallus arcticus*, northern pike *Esox lucius*, sheefish *Stenodus leucichthys* and a category for the number of all other fish not already listed (Appendix D).

5152

Phone calls to the business owners and guides significantly improved the quality of the data, minimized reoccurring mistakes by the guide, increased compliance, and contributed to the outreach portion of this program. Logbook data entry staff contacted charter operators to resolve logbook reporting issues and to improve future reporting. These calls were intended to improve data quality and reinforce the message to the guide industry that logbook data are important and are consistently being reviewed. In 2006, 3,011 calls were made to operators, 1,415 in 2007 and 2,160 in 2008. Follow up phone calls have become a valuable outreach tool and will continue to be a standard procedure in the future.

Verification

Logbook data were compared to actual counts of harvested fish (verified) and to reported harvest data (unverified) from onsite interviews. These comparisons are ongoing and are part of a more comprehensive evaluation of logbook data quality (Meyer et al. 2008).

Two unique methods were used to conduct post-season verification of logbook data:

1. A comparison was made between logbook data and guided trip information collected from the Alaska Statewide Harvest Survey (SWHS; Jennings et al. 2007).
2. The data collected from the logbooks was compared to the data collected in the saltwater creel programs administered through ADF&G. Saltwater creel programs include the *Assessment of Recreational Halibut and Groundfish Harvest in Southcentral Alaska* program in Homer, the *Haines Marine Sport Fishery Harvest in Southeast Alaska*(Chapell *In prep*), and the *Harvest estimates for selected marine sport fisheries in Southeast Alaska* (Wendt and Jaenicke *In prep*).

RESULTS

GUIDE AND BUSINESS LICENSING

In 2006, 1,677 sport fishing businesses and 3,454 guides were licensed with ADF&G. In 2007, 1,695 businesses and 3,531 guides were licensed, and in 2008, 1,659 sport fishing businesses and 3,522 sport fishing guides were licensed with ADF&G to provide sport fishing services in Alaska. The total number of businesses and guides includes all saltwater and freshwater operators. Of the 1,659 sport fishing businesses licensed in 2008, 1,525 were combination owner/guide licenses. Physical addresses of both the businesses and guides in 2008 indicated that 90% of the businesses were Alaska residents, and 10% were from other residency strata (defined as nonresidents), 72% of the guides were residents and 28% were nonresidents.

The licensed businesses and guides were subtotaled by region for Southeast, Southcentral, and Other Alaska, including the Arctic-Yukon-Kuskokwim area and nonresident license applicants.

From 2006 through 2008, an average of 28% of the licensed businesses had physical addresses in Southeast, 57% in Southcentral, 5% had permanent addresses in other parts of Alaska, and 10% had nonresident addresses based on their license applications. From 2006 through 2008, an average of 22% of the licensed guides had permanent addresses in Southeast, while 47% in Southcentral, 4% in other parts of Alaska and 27% had nonresident addresses based on their license applications (Table 2).

Based on the submission of saltwater logbook data pages with trip information in 2006, 777 businesses provided saltwater services and 503 provided freshwater services, and 140 businesses

5153

Table 3.–Number of active saltwater businesses and guides by region, 2006–2008.

	Active Businesses[a]			Active Guides[b]		
Region[c]	2006	2007	2008	2006	2007	2008
SE	439	430	429	881	873	860
SC	479	488	459	772	766	740
Total[d]	917	918	888	1,603	1,602	1,562

Note: Data are current as of 07/16/09.

[a] Business counts are based on the business number listed on the signout sheet of a logbook (this can be a business only or a combined business/guide license).

[b] Guide counts are based on the guide number written on each log page (this can be a guide only or a combined business/guide license).

[c] Region is based on the port of offloading, salmon stat area and bottomfish stat area.

[d] Total is not additive because a business or guide could operate in both areas. Includes businesses and guides that offered both saltwater and freshwater services.

Table 4.–Number of active freshwater businesses and guides by region, 2006–2008.

	Active Businesses[a]			Active Guides[b]		
Region[c]	2006	2007	2008	2006	2007	2008
SE	69	73	70	173	177	178
SC	528	528	512	1,224	1,272	1,305
AYK	71	68	69	194	224	222
Site code missing	0	4	7	0	4	7
Total[d]	643	645	630	1,518	1,581	1,636

Note: Data are current as of 07/16/09.

[a] Business counts are based on the business number listed on the signout sheet of a logbook (this can be a business only or a combined business/guide license).

[b] Guide counts are based on the guide number written on each log page (this can be a guide only or a combined business/guide license).

[c] Region is based on the site code provided for the site fished on each log page.

[d] Total is not additive because a business or guide could operate in both areas. Includes businesses and guides that offered both saltwater and freshwater services.

VESSELS

Saltwater

The number of vessels registered to provide saltwater sport fishing charter services was 1,671 in 2006, 1,666 in 2007, and 1,604 in 2008. A vessel, though registered, is not considered "active" unless that vessel was used on a guided trip as indicated by the submission of a logbook data page. Of the 1,671 saltwater vessels registered in 2006, 1,368 were active, of the 1,666 vessels registered in 2007, 1,409 were active, and in 2008 of the 1,604 registered vessels, 1,355 were active in saltwater. Based on the primary port of operation indicated at registration and port of offloading, 746 saltwater vessels operated in Southeast, 621 operated in Southcentral, and 1 vessel operated in both Southeast and Southcentral in 2006. In 2007, 768 saltwater vessels operated in Southeast, 641 operated in Southcentral, and 0 vessels operated in both Southeast and Southcentral. In 2008, 759 saltwater vessels operated in Southeast, 596 operated in Southcentral, and 0 vessels operated in both Southeast and Southcentral (Table 5).

Logbook data indicate that vessels will target all possible species; bottomfish, salmon and both during the course of a fishing season (Table 6).

5154

TRIPS

Saltwater

Logbook data indicate that 65,671 saltwater charter trips were conducted statewide in 2006, 67,152 trips were conducted in 2007, and 62,006 trips were conducted in 2008. During all three years, a majority of the trips that targeted salmon only occurred in Southeast, whereas, the majority of trips that targeted bottomfish only occurred in Southcentral. During the same three years, operators in Southeast conducted significantly more trips in which both salmon and bottomfish were targeted on the same trip. If a statistical area fished was not provided, no targeted species was assigned (Table 8).

Table 8.–Number of saltwater trips by targeted species by region, 2006–2008.

		Species Targeted[a]				
Year	Region[b]	Salmon[c]	Bottomfish[c]	Both[c]	No Statistical Area	Total
2006	SE	14,309	6,146	18,628	5	39,088
	SC	3,481	15,555	7,537	10	26,583
	Total	17,791	21,702	26,165	15	65,671
2007	SE	12,759	6,144	20,633	62	39,598
	SC	2,876	16,489	8,145	44	27,554
	Total	15,635	22,633	28,778	106	67,152
2008	SE	11,338	7,368	18,634	109	37,449
	SC	2,135	15,733	6,617	72	24,557
	Total	13,473	23,101	25,251	181	62,006

Note: Data are current as of 07/09/09.

[a] Species targeted is based on the provision of salmon and bottomfish statistical areas.

[b] Region is based on the port of offloading, and salmon or bottomfish statistical areas.

[c] The same vessel can make multiple trips targeting either salmon, bottomfish or both.

Freshwater

In 2006, 46,781 freshwater guided fishing trips were taken, 48,697 were taken in 2007, and 48,501 taken in 2008. On average, 84% of the freshwater trips took place in Southcentral, 10% in the Arctic-Yukon-Kuskokwim (AYK) area, and 6% in Southeast (Table 9).

Table 9.–Number of freshwater trips by region, 2006–2008.

	Region[a]			
Year	SE	SC	AYK	Total
2006	3,038	39,512	4,231	46,781
2007	3,256	40,543	4,898	48,697
2008	3,113	40,587	4,801	48,501

Note: Data are current as of 07/16/09.

[a] Region is based on the area code on the site code listed on each log page.

[b] Unknown means the record didn't have a site code listed, thus a region could not be determined.

Table 10.–Saltwater and freshwater trips and angler days by region, 2006–2008.

Year	Region[a]	Saltwater		Freshwater	
		Trips	Angler Days	Trips	Angler Days
2006	SE	39,088	154,549	3,038	11,464
	SC	26,583	175,695	39,512	125,055
	AYK	0	0	4,231	10,888
	Total	65,671	330,244	46,781	147,407
2007	SE	39,599	158,551	3,256	11,671
	SC	27,553	163,964	40,543	126,387
	AYK	0	0	4,898	12,262
	Total	67,152	322,515	48,697	150,320
2008	SE	37,449	150,793	3,113	10,730
	SC	24,557	146,717	40,587	126,596
	AYK	0	0	4,801	11,833
	Total	62,006	297,510	48,501	149,159

Note: Data are current as of 08/28/09.

5156

Table 13.–Saltwater salmon effort and harvest by region, 2007.

Region[a]	Type of Angler	Angler Days[b]	King salmon		Coho	Sockeye	Pink	Chum
			Large ≥ 28"	Small < 28"				
SE	Resident	1,892	1,332	13	2,454	4	545	97
	Nonresident	131,423	48,331	1,559	192,163	1,226	68,117	7772
	Comped	206	75	0	181	0	48	2
	Crew	193	27	0	122	8	10	3
	Unknown	476	70	4	576	3	233	32
	Total	134,190	49,835	1,576	195,496	1,241	68,953	7,906
SC	Resident	12,924	1,175	97	20,722	262	720	20
	Nonresident	45,803	6,947	468	70,041	1,196	3,846	204
	Comped	426	60	1	403	4	12	0
	Crew	579	4	0	131	0	8	0
	Unknown	267	15	0	473	1	33	0
	Total	59,999	8,201	566	91,770	1,463	4,619	224
Total	Resident	14,816	2,507	110	23,176	266	1,265	117
	Nonresident	177,226	55,278	2,027	262,204	2,422	71,963	7,976
	Comped	632	135	1	584	4	60	2
	Crew	772	31	0	253	8	18	3
	Unknown	743	85	4	1,049	4	266	32
	Total	194,189	58,036	2,142	287,266	2,704	73,572	8,130

Note: Data are current as of 07/09/09.

[a] Region is based on the port of offloading, salmon statistical area and bottomfish statistical area.

[b] Angler days totals all anglers who fished on a day when a salmon statistical area was entered, plus angler days where an angler harvested a salmon when a bottomfish statistical area was provided.

Table 14.–Saltwater bottomfish effort and harvest by region, 2007.

Region[a]	Type of Angler	Angler Days[b]	Halibut	Lingcod	Rockfish			Salmon Shark
					Pelagic	Yelloweye	Other Non-Pelagic	
SE	Resident	1,747	2,204	159	535	229	286	0
	Nonresident	109,487	120,798	8,429	46,267	19,155	18,078	54
	Comped	176	138	11	48	11	13	0
	Crew	227	79	9	28	18	11	0
	Unknown	314	352	8	92	41	73	0
	Total	111,951	123,571	8,616	46,970	19,454	18,461	54
SC	Resident	34,979	60,016	3,343	11,210	2,475	963	94
	Nonresident	113,337	193,271	11,044	40,488	6,601	2,529	95
	Comped	1,064	1,553	98	393	63	22	0
	Crew	1,166	259	21	60	12	4	0
	Unknown	518	803	66	179	39	8	1
	Total	151,064	255,902	14,572	52,330	9,190	3,526	190
Total	Resident	36,726	62,220	3,502	11,745	2,704	1,249	94
	Nonresident	222,824	314,069	19,473	86,755	25,756	20,607	149
	Comped	1,240	1,691	109	441	74	35	0
	Crew	1,393	338	30	88	30	15	0
	Unknown	832	1,155	74	271	80	81	1
	Total	263,015	379,473	23,188	99,300	28,644	21,987	244

Note: Data are current as of 07/09/09.

[a] Region is based on the port of offloading, bottomfish statistical area and salmon statistical area.

[b] Angler days totals all anglers who fished on a day when a bottomfish statistical area was entered, plus angler days where an angler harvested a bottomfish when a salmon statistical area was provided.

5157

Table 17.–Freshwater effort and harvest by region, 2006.

Region[a]	Type of Angler	Angler Days	Number Kept							
			King	Coho	Sockeye	Cutthroat	Rainbow	Steelhead	Grayling	Dolly Varden
SE	Resident	106	4	41	30	3	0	0	0	2
	Nonresident	10,970	174	6,849	2,132	109	19	4	25	621
	Crew	179	15	103	91	1	0	0	0	1
	Unknown	209	0	178	21	0	0	0	0	7
	Total	11,464	193	7,171	2,274	113	19	4	25	631
SC	Resident	9,742	2,529	2,467	1,145	0	73	1	0	153
	Nonresident	111,956	20,988	40,480	26,207	6	1426	19	321	1961
	Crew	2,123	55	548	276	1	6	2	0	56
	Unknown	1,234	231	641	448	0	7	0	3	38
	Total	125,055	23,803	44,136	28,076	7	1,512	22	324	2,208
AYK	Resident	883	389	77	255	0	4	0	23	45
	Nonresident	9,573	1,786	3,277	1,013	0	23	0	184	535
	Crew	291	7	5	55	0	0	0	0	14
	Unknown	141	16	79	30	0	0	0	3	0
	Total	10,888	2,198	3,438	1,353	0	27	0	210	594
Total	Resident	10,731	2,922	2,585	1,430	3	77	1	23	200
	Nonresident	132,499	22,948	50,606	29,352	115	1,468	23	530	3,117
	Crew	2,593	77	656	422	2	6	2	0	71
	Unknown	1,584	247	898	499	0	7	0	6	45
	Total	147,407	26,194	54,745	31,703	120	1,558	26	559	3,433

Note: Data are current as of 07/10/09.

[a] Region is based on the SWHS area listed as the first character in the site code.

Table 19.–Freshwater effort and harvest by region, 2008.

Region[a]	Type of Angler	Angler Days	Number Kept										
			King	Coho	Sockeye	Cutthroat	Rainbow	Steelhead	Lake Trout	Grayling	Dolly Varden	Pike	Sheefish
SE	Resident	320	16	136	11	5	0	1	0	1	4	0	0
	Nonresident	10,143	69	5,686	1,069	20	7	1	0	0	586	0	0
	Comped	19	0	10	1	0	0	0	0	0	3	0	0
	Crew	197	7	94	4	0	0	0	0	0	4	0	0
	Unknown	51	0	5	2	0	0	0	0	0	5	0	0
	Total	10,730	92	5,931	1,087	25	7	2	0	1	602	0	0
SC	Resident	11,059	2,096	3,388	1,459	0	55	0	3	4	143	179	0
	Nonresident	113,089	16,967	47,724	30,937	0	614	9	159	254	1925	290	1
	Comped	299	38	97	59	0	0	0	0	0	12	3	0
	Crew	1,306	36	344	143	0	3	0	1	1	44	24	0
	Unknown	843	175	243	208	0	2	0	1	0	9	0	0
	Total	126,596	19,312	51,796	32,806	0	674	9	164	259	2,133	496	1
AYK	Resident	860	285	45	46	0	11	0	2	17	14	17	6
	Nonresident	10,828	1,569	2,676	573	0	57	2	3	61	404	52	54
	Comped	7	3	12	2	0	0	0	0	0	3	0	0
	Crew	112	8	30	26	0	10	0	0	5	10	0	0
	Unknown	26	5	0	1	0	0	0	0	0	0	0	0
	Total	11,833	1,870	2,763	648	0	78	2	5	83	431	69	60
Total	Resident	12,239	2,397	3,569	1,516	5	66	1	5	22	161	196	6
	Nonresident	134,060	18,605	56,086	32,579	20	678	12	162	315	2,915	342	55
	Comped	325	41	119	62	0	0	0	0	0	18	3	0
	Crew	1,615	51	468	173	0	13	0	1	6	58	24	0
	Unknown	920	180	248	211	0	2	0	1	0	14	0	0
	Total	149,159	21,274	60,490	34,541	25	759	13	169	343	3,166	565	61

Note: Data are current as of 07/10/09.

[a] Region is based on the SWHS area listed as the first character in the site code.

likely make the weekly reporting requirement more palatable knowing that the data would be more immediately available.

In 2010, a field test of the redesigned saltwater logbooks will be conducted to test the new scannable saltwater logbook data page and scanning software. Upon review of the test data pages and likely adjustments to the design, it is hoped that this new design will be fully adopted and implemented by 2011.

Preliminary results from verification studies comparing the accuracy of logbook harvest data with the statewide harvest survey estimates, and onsite creel programs are favorable. Logbook data will continue to be compared to counts from those two programs. Comparisons are ongoing and are part of a more comprehensive evaluation of logbook data quality. Logbook halibut data has been used extensively. Saltwater and freshwater logbook data have also been used for a variety of regulatory analyses for state managed species.

ACKNOWLEDGEMENTS

Southeast and Southcentral regional and area staff, especially numerous front counter personnel, have been critical to the success of the ADF&G sport fishing guide and business licensing and logbook program. The above staff along with Rob Bentz, Bob Chadwick and Mike Jaenicke from Southeast, Scott Meyer, Matt Miller and Tom Vania from Southcentral, and Tom Taube from Fairbanks have also provided valuable comments during the process of registration and logbook form design.

Doug Vincent-Lang has provided valuable insight on the history of the program and facilitated numerous discussions with NOAA and IPHC. Bob Clark's thoughtful insight and direction has been very much appreciated. We also acknowledge the expertise and infinite patience exhibited by Joanne MacClellan in preparing this report. Her knowledge and willingness to assist is invaluable.

Kirk Brogdon of the division's Research and Technical Services section deserves considerable credit for designing and implementing efficient information management systems for data capture, cleaning, storage, and reporting. These systems, accessible via the division's Intranet, allowed area staff statewide to query the most up-to-date registration and logbook databases via their Internet browser.

Kathy Kush should be acknowledged for her incredible skills in streamlining the licensing process and making sure that all license applications are processed in a timely manner that has allowed the guides and businesses to start operation without delay.

Margaret Nussbaum, Diane Novinska, Jennifer Bond, Mary Yanagawa and several seasonal technicians deserve credit for receiving, entering, and filing the licensing and logbooks forms. With their perseverance, we met reporting deadlines that seemed nearly impossible with available staffing and workloads.

We also acknowledge the cooperation of the thousands of sport fishing guides and sport fishing businesses that licensed and completed their logbooks in a timely and compliant manner.

5160

APPENDIX A
SPORT FISH BUSINESS OWNER/GUIDE LICENSE APPLICATION

2007 SPORT FISH BUSINESS OWNER/GUIDE LICENSE

License #

Alaska Department of Fish and Game / Division of Sport Fish - RTS
333 Raspberry Road, Anchorage, Alaska 99518-1599
Telephone: (907) 267-2369 or (907) 267-2390
http://www.sf.adfg.state.ak.us/statewide/Guides/guide.cfm

CHECK ONE: All fees are nonrefundable

- ☐ $50.00 Guide Only License
- ☐ $100.00 Business Only License
- ☐ $100.00 Combined Business/Guide License
- ☐ $50.00 Guide Only Upgrade to Combination Business/Guide License

METHOD OF PAYMENT:

- ☐ Check # : _____ Make checks payable to State of Alaska
- ☐ Money Order #: _____
- ☐ Cash *(Anchorage, Juneau, Fairbanks offices ONLY)*
- ☐ Credit Card *(Anchorage, Juneau, Fairbanks offices ONLY or Internet)*

LICENSE MUST BE STAMPED BY ADF&G TO BE VALID

This is a temporary license good for 14 business days after date signed by Dept Representative

SEE REVERSE FOR INSTRUCTIONS

SECTION A: TO BE FILLED OUT BY ALL APPLICANTS

Name of Business Owner or Guide: _____ (Last) _____ (First) _____ (M.I.)
Permanent Mailing Address : _____ (City) _____ (State) _____ (Zip)
Telephone Number: (___) _____ In-season Telephone Number: (___) _____
e-mail address if available: _____

SECTION B: TO BE FILLED OUT BY THE BUSINESS OWNER OR THEIR AGENT

BUSINESS INFORMATION:
Name of Business: _____
Name of Business Owner: _____
Alaska Div. of Occupational Business License Number: _____ Expiration Date: _____
INSURANCE: *See detailed insurance requirements on back.*
Name of Insurance Company: _____
Policy/Binder #: _____ Effective Dates: From: _____ To: _____
Remember to get a logbook for your business at the nearest ADF&G office prior to commencement of guiding activities.

SECTION C: TO BE FILLED OUT BY THE GUIDE OR THEIR AGENT

Are you a citizen of the United States, Canada, Mexico or a resident alien? Yes ☐ No ☐
Current First Aid card: Certifying agency: _____ Exp. Date: Mo: ____ Yr: ____
2007 Alaska Sport Fishing License # (not your Guide License #): _____
U.S. COAST GUARD OPERATOR'S LICENSE: *(See explanation on back)*
Do you plan to operate a motorized vessel in Navigable Waters? Yes ☐ No ☐ **If yes**, complete the next line.
U. S. Coast Guard Operator's License #: _____ Expiration Date: _____

SIGNATURE OF BUSINESS OWNER/AGENT or GUIDE:
I hereby certify that all information is true and correct and that I understand this information is subject to public disclosure.
X _____ Circle one: Applicant or Agent Date: _____

This temporary license must be signed and stamped by an ADF&G employee and in your possession before guiding activities begin.
Keep this temporary license while operating until your permanet wallet-sized card arrives. Allow up to 14 business days.

Name of ADF&G Representative *(print)*: _____ Place of Issue: _____
Signature: _____ Date: _____

Appendix A2.–Sport fish business owner/guide license application, 2007.

INSTRUCTIONS FOR THE 2008 SPORT FISH BUSINESS OWNER/ GUIDE LICENSE APPLICATION

Attention: *The following will apply without exception:*

1. **All applicable sections of the license application must be complete and legible prior to ADF&G validation. No "pending", "unknowns," or blanks will be accepted.**
2. **Incomplete license applications will be returned, resulting in a processing delay.**
3. **A signature is required.**
4. **This is a license application only. A *permanent* license will be mailed within 21 business days.**
5. **There may be requirements by other state and federal agencies to operate as a guide in Alaska.**

INSTRUCTIONS:

SECTION A: ALL applicants must complete this section.

SECTION B: BUSINESS OWNER OR THEIR AGENT - Complete this section if you are the owner/agent of the sport fishing business. This section should be filled out even if the owner does not intend to personally guide clients. An agent for this business **CANNOT** apply as a guide on the same application. A seperate license application must be submitted.

LIABILITY INSURANCE REQUIREMENT: General liability or marine protection that covers at least $100,000 for each incident and $300,000 for all incidents in a year. Insurance must cover **ALL** periods of time when the owner or owner's employees are providing sport fishing services to clients. Insurance must be current, **NOT** pending.

IMPORTANT NOTICE TO BUSINESS OWNERS

State regulation (5 AAC 75.075) requires that all operators providing sport fishing guide services in Alaska must apply annually for a license with the Department of Fish and Game before guiding services begin. Business owners are required to register all charter vessels with ADF&G and acquire a logbook prior to commencement of guiding activities. *Guides hired by an operator must keep a copy of the business license in their possession while guiding.*

SECTION C: GUIDES - Complete this section if you intend to guide for a sport fish operation owned by someone other than you or if you are the business owner who also intends to guide (owner/operator).

U.S. COAST GUARD OPERATOR'S LICENSE: A licensed sport fish guide must have, at minimum, an OUPV or 6-pak U.S.C.G. operator's license in their possession while operating a motorized vessel with clients or transporting clients on a motorized vessel in navigable waters. Navigable waters are determined by the U.S. Coast Guard. Applicant must provide the U.S.C.G. license number, expiration date and date of birth (DOB).

IMPORTANT NOTICE TO GUIDES

State regulation (5 AAC 75.075) requires that all licensed guides providing sport fishing guide services in Alaska must apply annually for a license with the Department of Fish and Game *before* guiding services begin.

WHAT A GUIDE MUST HAVE IN POSSESSION WHILE GUIDING

A sport fish business owner or guide should be able to present all documents required for licensing upon request by a representative of the department of fish and game, or any peace officer of the state. While engaged in providing sport fishing guide services, a sport fishing guide shall have the following readily available for inspection:

- A current sport fishing guide license;
- A copy of the current ADF&G sport fishing business license of the guide's employer;
- A current Alaska sport fishing license, tags, stamps or permits that are required to engage in the sport fishery for which the guide services are providing;
- An identification card issued to the sport fishing guide by a state or federal agency that bears a photo of the sport fishing guide.

Appendix A3.–Page 2 of 2.

APPENDIX B
VESSEL REGISTRATION FORMS, DECALS AND TAGS

LOGBOOK NO.

2008 FRESHWATER SPORT FISH GUIDE

Vessel Registration

NOTE TO ADF&G REPRESENTATIVE

Confirm that the vessel information requested on the bottom of this page is complete. Every vessel that this business is intending to operate while providing sport fishing guided services, must be recorded.

Attach the white (top) copy of this page to the sign-out sheet, whether or not there are registered vessels. Mail the sign-out sheet and the vessel registration page to the Anchorage ADF&G RTS office.

REGISTERING YOUR VESSEL(S)

For each vessel you plan to use to conduct sport fishing guided activities, please fill out the information below.

If a vessel is newly purchased, leased or borrowed at anytime during the guiding season, it must have a current AK Number or a U.S.C.G documentation number. If a vessel is added midseason, add it to the (pink) portion of this page and turn it in with your final logbook data sheet.

For purposes of vessel registration, vessels are defined as: **rafts, canoes, motorized and nonmotorized water vehicles.**

Single person float tubes are exempt from registration.

See page iv for detailed information on vessel registration.

VESSEL AK # (DMV) OR U.S.C.G. VESSEL DOCUMENTATION NO.	PRIMARY AK DRAINAGE/COMMUNITY THE VESSEL WILL OPERATE OUT OF IN 2008

Continue on another sheet if you have more vessels. Transfer the business name and logbook number onto that extra sheet.

Appendix B2.–Freshwater sport fish guide vessel registration form, 2008.

APPENDIX C
SALTWATER LOGBOOK FORMS

5166

ALASKA DEPARTMENT OF FISH & GAME SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK. LOGBOOK NO:
333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2369.

COMPLETE THIS SECTION FOR EVERY TRIP

INSTRUCTIONS: Complete one row below for each client and crew who fished on this trip.

BUSINESS AND VESSEL INFORMATION

- 2006 ADF&G BUSINESS OWNER LICENSE #: _____ (License # assigned to you by ADF&G).
- 2006 ADF&G GUIDE LICENSE #: _____ (If same as Business Owner License #, write down same #).
- VESSEL AK. OR U.S.C.G #: _____

TRIP INFORMATION

- DATE OF OFF-LOADING: MO: _____ DAY: _____ , 2006. (Date that fish or clients were offloaded from vessel).
- PORT OR SITE OF OFF-LOADING: _____ (Port or Site where fish or clients were off-loaded from vessel).
- TOTAL NO. CLIENTS ON THE VESSEL: _____ (Include those that did not fish).
- PRIMARY STAT AREA, NO. OF RODS FISHED & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	Max. no. of Rods Fished	No. of Boat Hours Fished this Trip
Salmon			
Bottomfish			

- DAY NO. _____ OF _____ . (NO. OF CALENDAR DAYS FOR A MULTI-DAY TRIP).
- PAGE NO. _____ OF _____ . (TOTAL NO. OF PAGES FOR THIS TRIP).

RETURN LOGBOOK REPORTS WEEKLY

- LOGBOOK TRIP REPORTS MUST BE COMPLETED AFTER EACH TRIP BEFORE OFF-LOADING ANY CLIENTS OR FISH. (SEE PG. ## FOR NO DOCKING FACILITIES)
- RETURN COMPLETED TRIP SHEETS PER THE WEEKLY SCHEDULE PRINTED ON THE INSIDE OF THE FRONT COVER.
- LOGBOOK TRIP SHEETS MUST BE RECIEVED BY ADF&G OFFICES OR POSTMARKED BY THE DATE SPECIFIED ON THE SCHEDULE WITHIN THIS LOGBOOK.

Form 11-340 (01-2006)

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing License Number of each Client and Crew Fishing OR Record those anglers under 16 as "Youth Angler"(#1, #2 etc.)	Circle next to each license if Resident, Nonresident or Crew	Number of King Salmon: 28" and Larger (Kept, Rels)	Number of King Salmon: "Shakers" Less Than 28" (Kept, Rels)	Number of Other Salmon: Coho (Kept, Rels)	Number of Other Salmon: Sockeye (Kept)	Number of Other Salmon: Pink (Kept)	Number of Other Salmon: Chum (Kept)	Number of Halibut (Kept, Rels)	Number of Lingcod (Kept, Rels)	Number of Pelagic Rockfish (black bass, etc.) (Kept, Rels)	Number of Yelloweye Rockfish (Kept, Rels)	Number of Nonpelagic Rockfish (Excluding Yelloweye) (Kept, Rels)	Number of Salmon Shark (Kept, Rels)	All Other Fish (optional) (Kept)
		Salmon						Bottomfish						
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													
	R E A C													

CERTIFICATION I certify that all information contained in this document is true, complete and correct to the best of my knowledge. X GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE ANGLERS OR TRIPS.

1

Appendix C1.–Page 2 of 2.

ALASKA DEPARTMENT OF FISH & GAME SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK — **LOGBOOK NO:**
333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2389.

COMPLETE THIS SECTION FOR EVERY TRIP

BUSINESS AND VESSEL INFORMATION

⇨ 2007 FISH & GAME BUSINESS OWNER LICENSE #: _____
(License # assigned to you by ADF&G)

⇨ 2007 FISH & GAME GUIDE LICENSE #: _____
(If same as Business Owner license #, write down same #).

TRIP INFORMATION

⇨ DATE FISHED: MO: _____ DAY: _____, 2007,

⇨ PORT OR COMMUNITY OF OFF-LOADING: _____
(Port or Community where fish or clients were off-loaded from vessel).

⇨ TOTAL NO. PAYING CLIENTS ON THE VESSEL: _____
(Number of paying clients, even if less than one full fish was caught by a client who did not catch anything). DO NOT include "crewmen" anglers and other customers that fished.

⇨ PRIMARY STAT AREA & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	No. of Boat Hours Fished this Trip
Salmon		
Bottomfish		

⇨ PAGE NO. _____ OF _____. (TOTAL NO. OF PAGES FOR THIS TRIP)

RETURN LOGBOOK REPORTS WEEKLY

⇨ RETURN COMPLETED TRIP SHEETS PER THE WEEKLY SCHEDULE PRINTED ON THE INSIDE OF THE FRONT COVER.

⇨ LOGBOOK TRIP SHEETS MUST BE RECEIVED BY ADF&G OFFICES OR POSTMARKED BY THE DATE SPECIFIED ON THE SCHEDULE WITHIN THE GUIDE FRONT COVER THIS LOGBOOK.

Form 11-340 (01-2007)

INSTRUCTIONS: Complete one row below for each client, non paying angler, and crew, who fished on this trip.

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing Licence Number of each Client, Non-Paying angler, and Crew THAT FISHED AND Record those anglers under 16 as "Youth Angler" (#1, #2 etc.).	Circle: Resident License # Resident, Nonresident, or Per "Deemed" or Crew	Number of King Salmon: 28" and Larger (Kept, Rel.)	Number of King Salmon: "Shakers" Less Than 28" (Kept, Rel.)	Number of Other Salmon: Coho (Kept, Rel.)	Number of Other Salmon: Sockeye (Kept)	Number of Other Salmon: Pink (Kept)	Number of Other Salmon: Chum (Kept)	Number of Halibut (Kept, Rel.)	Number of Lingcod (Kept, Rel.)	Number of Pelagic Rockfish (Kept, Rel.)	Number of Yelloweye Rockfish (Kept, Rel.)	Number of Unspecified Rockfish (Kept, Rel.)	Number of Sixgill Shark (Kept)	All Other Species Kept
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													
	R N													

CERTIFICATION — I CERTIFY THAT THE INFORMATION ON THIS LOGBOOK IS TRUE AND CORRECT. X _____ (GUIDE SIGNATURE)

CONTINUE ON NEXT PAGE IF MORE THAN 12 ANGLERS.

Appendix C2.–Page 2 of 2.

5169

43

ALASKA DEPARTMENT OF FISH & GAME 2008 SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK. LOGBOOK NO:

333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2369.

COMPLETE THIS SECTION FOR EVERY TRIP

⇨ 2008 FISH & GAME BUSINESS OWNER LICENSE #:

(License # assigned to you by ADF&G)

⇨ 2008 FISH & GAME GUIDE LICENSE #:

TRIP INFORMATION

⇨ DATE FISHED: MO: _____ DAY: _____, 2008.

⇨ PORT OR COMMUNITY WHERE FISHING TRIP BEGAN:

(Port or Community where clients were loaded and trip began)

⇨ PORT OR COMMUNITY OF OFF-LOADING:

(Port or Community where fish or clients were off-loaded from vessel)

⇨ TOTAL NO. PAYING CLIENTS ON THE VESSEL: _____

(Include ALL paying clients, even those that did not fish and those who did not catch anything)
DO NOT include "comped" anglers and crew members that fished)

⇨ PRIMARY STAT AREA & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	No. of Boat Hours Fished this Trip
Salmon		
Bottomfish		

COMPLETE THE FOLLOWING FOR ALL TRIPS

Circle the IPHC Area Fished if HALIBUT were Kept during this trip: 2C 3A 3B or 4 (Circle Only One)

If HALIBUT were kept in more than one IPHC area during this trip, a separate logbook data sheet must be used for each IPHC area fished.

⇨ PAGE NO. _____ OF _____ (TOTAL NO. OF PAGES FOR THIS TRIP)

INSTRUCTIONS: Complete one row below for each angler who fished on this trip.

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing License Number AND printed name of each angler that fished OR Record those anglers under 16 by Birthdate (e.g., 8/28/1998) and First & Last Name.	Circle as it is on License if Resident, Nonresident, X for "Comped" or Crew	Number of King Salmon: 28" and Larger (Kept, Rel.)	Number of King Salmon: "Shakers" Less Than 28" (Kept, Rel.)	Number of Other Salmon: Coho (Kept, Rel.)	Number of Other Salmon: Sockeye (Kept)	Number of Other Salmon: Pink (Kept)	Number of Other Salmon: Chum (Kept)	Number of Halibut: 214 Kept in 20__	Number of Halibut (Kept, Rel.)	Number of Lingcod (Kept, Rel.)	Number of Pelagic Rockfish (black tail, etc): (Kept, Rel.)	Number of Yelloweye Rockfish (Kept, Rel.)	Number of Nonpelagic Rockfish (not including Yelloweye): (Kept, Rel.)	Number of Salmon Shark (Kept)	All Other Fish Caught
		SALMON						BOTTOMFISH							
1. LICENSE NUMBER [illegible]	R N X														
2. LICENSE NUMBER [illegible]	R N X														
3. LICENSE NUMBER [illegible]	R N X														
4. LICENSE NUMBER [illegible]	R N X														
5. LICENSE NUMBER [illegible]	R N X														
6. LICENSE NUMBER [illegible]	R N X														
7. LICENSE NUMBER [illegible]	R N X														
8. LICENSE NUMBER [illegible]	R N X														

CERTIFICATION: I certify that the information contained in this document is true, complete and correct to the best of my knowledge. X GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 8 ANGLERS.

CHECK IF TRIP INFORMATION IS CONTINUED ON NEXT PAGE: ☐

Form 11-340 (01-2002)

Appendix C3.–Page 2 of 2.

APPENDIX D
FRESHWATER LOGBOOK FORMS

5170

Alaska Department of Fish & Game

Freshwater Sport Fish Trip Logbook

LOG BOOK #

333 RASPBERRY ROAD, ANCHORAGE, AK 99518 • QUESTIONS: (907) 267-2369

Logbook pages must be received at ADF&G offices (or postmarked) by the date specified on the inside cover.

RIVER / STREAM / LAKE (SPECIFY) _____ OF _____ TOTAL PAGES FOR THIS TRIP

SITE CODE _____ DATE _____

GUIDE LICENSE # _____ * WRITE-IN OTHER SPECIES HERE

SPORTFISH LICENSE #		SALMON			TROUT			OTHER		
List for each person fishing. Anglers under 18, enter as "Youth #1," etc.	KEPT RELEASED	KING	COHO	SOCKEYE	CUTTHROAT	RAINBOW	STEELHEAD	A. GRAYLING	D.VARDEN	*
CIRCLE APPROPRIATE STATUS: NON-RESIDENT RESIDENT CREW										
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									
N R C	K R									

GUIDE SIGNATURE: I CERTIFY THIS DOCUMENT IS CORRECT TO THE BEST OF MY KNOWLEDGE.

Appendix D1.–Page 2 of 2.

5171

Alaska Department of Fish & Game

2007 Freshwater Sport Fish Trip Logbook

RETURN TO: 333 RASPBERRY ROAD, ANCHORAGE, AK 99518 • QUESTIONS: (907) 267-2369

LOGBOOK NO. _____

TRIP INFORMATION

ADF&G GUIDE LICENSE #: _____

DATE FISHED: _____ (Month) _____ (Day), 2007

_____ RIVER/STREAM/LAKE (SPECIFY)

_____ SITE CODE *(REFER TO SITE CODE LIST)*

PAGE NO. _____ OF _____ TOTAL NO OF PAGES FOR THIS TRIP

_____ * WRITE IN OTHER SPECIES HERE

Sport Fish License Number of each Client, Nonpaying angler, and Crew THAT FISHED AND Record all those anglers under 16 as "Youth Angler" (#1, #2 etc.)	Circle next to each License if Resident, Nonresident, X for "Comped" or Crew				KEPT / RELEASED	SALMON			TROUT				OTHER				
						KING	COHO	SOCKEYE	CUTTHROAT	RAINBOW	STEELHEAD	LAKE TROUT	DOLLY VARDEN	ARCTIC GRAYLING	NORTHERN PIKE	SHEEFISH	*
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												
	R	N	X	C	K												
					R												

CERTIFICATION: I certify that the information contained in this document is true and correct to the best of my knowledge. X _____ GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 6 ANGLERS.

RETURN WHITE COPY TO ADF&G

Appendix D2.–Page 2 of 2.

Alaska Department of Fish & Game

2008 Freshwater Sport Fish Trip Logbook

RETURN TO: 333 RASPBERRY ROAD, ANCHORAGE, AK 99518 • QUESTIONS: (907) 267-2369

LOGBOOK NO. _____

TRIP INFORMATION

ADF&G GUIDE LICENSE #: _____

DATE FISHED: _____ (Month) _____ (Day), 2008

_____ RIVER / STREAM / LAKE (SPECIFY)

_____ SITE CODE *(REFER TO SITE CODE LIST)*

PAGE NO. _____ OF _____

TOTAL NO OF PAGES FOR THIS TRIP ↑

_____ * WRITE IN OTHER SPECIES HERE

Sport Fish License Number of each Client, Nonpaying angler, and Crew THAT FISHED AND Record all those anglers under 16 as "Youth Angler" (#1, #2 etc.)	Circle next to each License # Resident, Nonresident, X for "Comped" or C for Crew	KEPT / RELEASED	SALMON: KING	SALMON: COHO	SALMON: SOCKEYE	TROUT: CUTTHROAT	TROUT: RAINBOW	TROUT: STEELHEAD	TROUT: LAKE TROUT	OTHER: DOLLY VARDEN	OTHER: ARCTIC GRAYLING	OTHER: NORTHERN PIKE	OTHER: SHEEFISH	OTHER: *
	R N X C	K					KEPT							
		R					RELEASED							
	R N X C	K					KEPT							
		R					RELEASED							
	R N X C	K					KEPT							
		R					RELEASED							
	R N X C	K					KEPT							
		R					RELEASED							
	R N X C	K					KEPT							
		R					RELEASED							
	R N X C	K					KEPT							
		R					RELEASED							

CERTIFICATION I certify that the information contained in this document is true and correct to the best of my knowledge.

X GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 6 ANGLERS.

RETURN WHITE COPY TO ADF&G

Appendix D3.–Page 2 of 2.

APPENDIX E
ADF&G COMMISSIONER STATEMENT

5174

APPENDIX F
SALTWATER LOGBOOK SUMMARIES BY AREA AND PORT OF OFFLOADING

Appendix F2.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.

Area	Port of Offloading	Businesses*	Vessels*	Trips	Angler Days	King Salmon ≥ 28" Kept	King Salmon ≥ 28" Released	King Salmon < 28" Kept	King Salmon < 28" Released	Coho Kept	Coho Released	Sockeye Kept	Pink Kept	Chum Kept
J	Cordova	9	12	203	857	0	0	0	0	492	296	5	122	111
J	Seward	102	142	5,439	42,681	1,057	57	176	90	44,892	422	126	1,163	39
J	Valdez	44	50	1,832	9,992	52	5	35	24	12,647	257	31	552	14
J	Whittier	28	30	637	3,247	8	8	8	3	900	36	156	113	20
J	Other	5	7	96	500	0	0	0	0	463	59	1	24	4
P	Anchor Point	48	53	1,682	10,137	623	23	20	6	737	5	24	422	7
P	Deep Creek	89	114	4,233	27,109	1,146	71	47	9	143	0	6	63	1
P	Homer	167	196	7,476	58,222	2,162	103	135	67	6,079	88	89	1,666	55
P	Ninilchik	20	24	511	2,924	176	12	2	0	5	0	2	7	3
P	Seldovia	7	7	140	803	5	0	1	0	79	3	1	38	4
P	Other	10	22	626	2,286	372	17	21	0	633	83	1	27	0
Q	Anton Larsen Bay	8	8	62	313	153	1	1	1	18	0	0	10	0
Q	Kodiak	35	35	1,155	6,258	2,693	49	118	30	3,120	101	26	821	14
Q	Larsen Bay	9	20	520	2,104	109	33	3	18	1,787	278	20	63	19
Q	Old Harbor	4	9	368	1,317	723	57	6	3	678	21	7	68	18
Q	Port Lions	9	9	350	1,512	897	34	28	10	892	300	5	65	5
Q	Ugak Bay	4	5	68	354	79	2	0	0	130	28	0	18	1
Q	Other	26	40	783	2,893	204	56	35	9	2,729	517	338	239	11
R	Other	11	14	175	636	2	0	0	0	65	28	1	4	3
	Other SC	4	8	227	1,550	2	0	0	0	882	10	0	67	1
SC Total		479	622	26,583	175,695	10,463	528	636	270	77,371	2,532	839	5,552	330

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

* Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F3.–Saltwater logbook salmon participation, effort, kept and released by region, statewide, 2006.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28" Kept	King Salmon ≥ 28" Released	King Salmon < 28" Kept	King Salmon < 28" Released	Coho Kept	Coho Released	Sockeye Kept	Pink Kept	Chum Kept
SE Total	439	747	39,088	154,549	56,548	12,855	1,062	12,184	135,830	3,624	898	27,456	2,643
SC Total	479	622	26,583	175,695	10,463	528	636	270	77,371	2,532	839	5,552	330
Total	917	1,368	65,671	330,244	67,011	13,383	1,698	12,454	213,201	6,156	1,737	33,008	2,973

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

Appendix F5.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	Halibut		Lingcod		Rockfish: Pelagic		Rockfish: Yelloweye		Rockfish: Other Non-Pelagic		Salmon Shark	
						Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Cordova	9	12	203	857	581	325	123	109	302	76	127	23	83	2	2	9
J	Seward	102	142	5,439	42,681	47,866	26,680	4,327	3,683	19,924	4,446	3,898	182	1,691	373	15	34
J	Valdez	44	50	1,832	9,992	9,335	8,575	1,830	1,223	1,480	122	1,349	124	310	39	171	58
J	Whittier	28	30	637	3,247	3,724	2,805	324	228	505	77	753	20	340	27	8	4
J	Other	5	7	96	500	501	248	18	15	94	40	99	4	70	7	5	1
P	Anchor Point	48	53	1,682	10,137	18,525	21,212	225	212	66	19	47	4	7	0	2	15
P	Deep Creek	89	114	4,233	27,109	49,889	64,178	32	6	11	0	9	0	2	0	2	7
P	Homer	167	196	7,476	58,222	102,442	171,735	2,362	1,391	4,288	1,474	814	54	311	126	4	161
P	Ninilchik	20	24	511	2,924	5,361	5,522	0	0	0	0	0	0	0	0	9	0
P	Seldovia	7	7	140	803	1,297	1,189	34	25	15	12	36	1	0	2	1	13
P	Other	10	22	626	2,286	3,315	4,411	1	50	33	210	1	0	0	0	0	0
Q	Anton Larsen Bay	8	8	62	313	505	379	0	1	10	64	0	0	0	0	0	0
Q	Kodiak	35	35	1,155	6,258	9,141	5,356	619	133	4,182	1,719	148	4	100	37	1	13
Q	Larsen Bay	9	20	520	2,104	2,710	6,830	68	93	545	119	54	0	30	0	2	3
Q	Old Harbor	4	9	368	1,317	1,323	772	60	19	558	227	177	5	52	2	0	0
Q	Port Lions	9	9	350	1,512	1,496	1,495	8	5	401	429	9	0	27	0	0	0
Q	Ugak Bay	4	5	68	354	203	133	15	18	152	265	0	0	2	5	0	0
Q	Other	26	40	783	2,893	2,940	2,789	238	121	374	742	100	27	11	78	1	8
R	Other	11	14	175	636	779	1,021	1	2	85	393	5	0	2	0	1	4
	Other SC	4	8	227	1,550	1,011	152	124	82	2,370	29	245	8	131	7	0	1
SC Total		479	622	26,583	175,695	262,944	325,807	10,409	7,416	35,395	10,463	7,871	456	3,169	705	224	331

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F6.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2006.

Region	Businesses	Vessels	Trips	Angler Days	Halibut		Lingcod		Rockfish: Pelagic		Rockfish: Yelloweye		Rockfish: Other Non-Pelagic		Salmon Shark	
					Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
SE Total	439	747	39,088	154,549	114,422	52,726	12,761	15,592	38,211	14,617	20,767	1,510	16,515	4,840	60	112
SC Total	479	622	26,583	175,695	262,944	325,807	10,409	7,416	35,395	10,463	7,871	456	3,169	705	224	331
Total	917	1,368	65,671	330,244	377,366	378,533	23,170	23,008	73,606	25,080	28,638	1,966	19,684	5,545	284	443

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

Appendix F8.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
						Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
J	Chenega	4	4	58	227	12	10	0	0	190	9	0	0	31
J	Cordova	7	9	173	679	1	0	0	0	242	22	1	66	1
J	Seward	104	143	5,700	42,142	661	44	113	47	58,473	803	438	1,760	25
J	Valdez	46	55	1,694	8,549	24	3	26	116	11,224	215	154	571	13
J	Whittier	31	34	753	3,537	19	0	0	3	1,527	588	56	118	64
P	Anchor Point	46	51	1,762	8,905	500	13	7	4	832	3	42	112	2
P	Deep Creek	87	116	4,428	24,327	670	23	21	4	208	1	2	18	0
P	Happy Valley	4	16	637	2,247	414	10	13	3	427	0	4	11	0
P	Homer	165	190	7,506	52,791	1,063	108	101	27	7,183	99	112	806	40
P	Nimilchik	15	15	446	2,139	105	7	0	0	19	0	0	0	0
P	Seldovia	10	11	195	869	4	1	0	0	127	1	5	56	0
P	Other	10	11	62	225	5	0	5	0	83	7	0	0	0
Q	Kodiak	38	38	1,326	6,029	3,661	77	98	21	2,314	102	23	608	20
Q	Larsen Bay	8	18	559	2,157	27	0	2	0	2,242	234	8	38	7
Q	Old Harbor	4	9	370	1,297	474	5	0	0	396	3	25	18	2
Q	Port Lions	10	12	424	1,819	353	20	26	9	1,831	71	8	100	3
Q	Raspberry Island	4	5	54	291	28	3	0	28	282	21	0	46	0
Q	Other	28	41	909	3,239	170	100	154	20	3,168	459	575	158	11
R	Chignik	4	4	16	49	0	0	0	0	10	0	0	0	0
R	Other	13	17	216	797	9	0	0	0	32	0	0	1	0
	Other SC	9	12	265	1,649	1	0	0	0	955	55	10	132	5
SC Total		488	641	27,553	163,964	8,201	424	566	282	91,765	2,693	1,463	4,619	224

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F9.–Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2007.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
					Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
SE Total	430	768	39,599	158,551	49,835	6,874	1,576	11,881	195,501	4,040	1,241	68,953	7,906
SC Total	488	641	27,553	163,964	8,201	424	566	282	91,765	2,693	1,463	4,619	224
Total	918	1,409	67,152	322,515	58,036	7,298	2,142	12,163	287,266	6,733	2,704	73,572	8,130

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F11.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	Halibut		Lingcod		Rockfish						Salmon Shark	
										Pelagic		Yelloweye		Other Non-Pelagic			
						Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Chenega	4	4	58	227	339	145	66	190	404	41	35	1	3	0	0	0
J	Cordova	7	9	173	679	594	312	76	49	422	33	99	11	103	21	1	0
J	Seward	104	143	5,700	42,142	53,694	29,272	5,693	4,633	26,299	3,491	4,415	84	1,758	263	24	1
J	Valdez	46	55	1,694	8,549	8,625	9,089	1,963	1,332	2,785	203	1,783	213	401	126	148	0
J	Whittier	31	34	753	3,537	3,328	2,676	284	563	779	912	614	13	211	28	4	1
P	Anchor Point	46	51	1,762	8,905	16,573	22,981	124	257	75	12	26	0	1	0	0	0
P	Deep Creek	87	116	4,428	24,327	45,541	63,804	109	28	98	4	14	6	6	2	2	0
P	Happy Valley	4	16	637	2,247	3,405	3,543	3	0	0	0	0	0	0	0	0	0
P	Homer	165	190	7,506	52,791	97,213	151,973	4,428	2,740	6,624	1,505	951	22	339	36	5	0
P	Ninilchik	15	15	446	2,139	4,012	7,394	0	17	6	2	16	0	0	0	1	0
P	Seldovia	10	11	195	869	1,449	1,611	42	70	12	63	39	5	4	0	0	0
P	Other	10	11	62	225	217	306	4	13	0	0	1	0	0	0	0	0
Q	Kodiak	38	38	1,326	6,029	9,457	6,774	845	119	7,303	2,063	226	24	188	81	3	0
Q	Larsen Bay	8	18	559	2,157	2,794	6,317	61	33	1,183	188	160	7	145	14	0	0
Q	Old Harbor	4	9	370	1,297	1,277	503	113	43	1,513	1,060	208	2	49	33	1	0
Q	Port Lions	10	12	424	1,819	1,827	1,357	70	30	733	441	28	1	71	115	0	0
Q	Raspberry Island	4	5	54	291	212	305	36	15	49	157	0	0	2	9	1	0
Q	Other	28	41	909	3,239	3,430	3,294	542	310	1,254	3,712	186	23	50	62	0	0
R	Chignik	4	4	16	49	73	54	2	0	36	0	0	0	0	0	0	0
R	Other	13	17	216	797	1,072	1,542	5	5	149	553	23	0	4	0	0	0
	Other SC	9	12	265	1,649	770	411	106	131	2,606	249	366	36	191	105	0	0
SC Total		488	641	27,553	163,964	255,902	313,663	14,572	10,578	52,330	14,689	9,190	448	3,526	895	190	2

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F12.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2007.

Region	Businesses	Vessels	Trips	Angler Days	Halibut		Lingcod		Rockfish						Salmon Shark	
									Pelagic		Yelloweye		Other Non-Pelagic			
					Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
SE Total	430	768	39,599	158,551	123,571	51,707	8,616	18,862	46,970	10,389	19,454	1,353	18,461	3,398	54	0
SC Total	488	641	27,553	163,964	255,902	313,663	14,572	10,578	52,330	14,689	9,190	448	3,526	895	190	2
Total	918	1,409	67,152	322,515	379,473	365,370	23,188	29,440	99,300	25,078	28,644	1,801	21,987	4,293	244	2

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F14.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.

Area	Port of Offloading	Businesses*	Vessels*	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
						Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
J	Cordova	5	7	102	349	0	0	0	0	54	18	2	32	4
J	Seward	98	136	5,182	39,091	354	27	57	57	38,711	485	261	2,838	32
J	Valdez	40	47	1,412	7,159	23	4	13	7	6,636	117	35	626	3
J	Whittier	28	31	755	3,726	5	0	1	1	617	114	107	195	93
J	Other	8	10	106	531	4	0	5	2	696	39	6	43	7
P	Anchor Point	44	49	1,419	7,297	222	6	21	10	249	0	7	158	1
P	Deep Creek	75	100	4,196	23,318	387	4	27	3	134	0	1	35	14
P	Homer	144	166	6,461	45,650	657	13	70	10	4,341	21	63	651	9
P	Ninilchik	27	29	487	2,197	89	0	4	0	0	0	0	1	0
P	Seldovia	8	8	176	784	5	0	0	0	104	0	0	35	0
P	Other	10	21	593	2,074	255	11	2	0	540	3	5	52	0
Q	Anton Larsen Bay	6	6	17	66	7	0	0	0	5	0	0	12	0
Q	Kodiak	47	49	1,350	5,839	2,583	120	242	131	3,265	76	16	704	15
Q	Larsen Bay	9	16	461	1,782	116	53	69	71	1,438	37	21	61	0
Q	Port Lions	11	14	329	1,325	190	10	14	16	887	38	7	152	4
Q	Raspberry Island	5	5	73	336	17	40	1	1	63	4	4	46	6
Q	Other	25	40	1,127	3,963	416	60	81	17	2,674	129	246	188	10
R	Other	9	14	176	596	0	0	0	0	55	49	0	1	1
	Other SC	6	9	135	634	1	0	5	0	228	0	0	43	0
SC Total		459	596	24,557	146,717	5,331	348	612	326	60,697	1,130	781	5,873	199

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

* Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F15.–Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2008.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
					Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
SE Total	429	759	37,449	150,793	20,552	8,421	672	9,682	125,072	1,701	730	47,292	3,357
SC Total	459	596	24,557	146,717	5,331	348	612	326	60,697	1,130	781	5,873	199
Total	888	1,355	62,006	297,510	25,883	8,769	1,284	10,008	185,769	2,831	1,511	53,165	3,556

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F17.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.

										Rockfish							
					Angler	Halibut		Lingcod		Pelagic		Yelloweye		Other Non-Pelagic		Salmon Shark	
Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Cordova	5	7	102	349	183	53	58	58	309	67	81	6	57	5	1	0
J	Valdez	40	47	1,412	7,159	6,818	4,990	1,886	985	2,153	59	1,470	169	345	27	45	0
J	Seward	98	136	5,182	39,091	50,194	26,642	6,536	4,314	28,723	3,156	4,375	142	2,101	241	10	0
J	Whittier	28	31	755	3,726	4,266	2,854	616	460	1,473	345	702	13	362	126	9	0
J	Other	8	10	106	531	342	197	69	164	289	86	63	19	70	55	0	0
P	Anchor Point	44	49	1,419	7,297	13,813	19,992	409	438	286	18	72	0	2	0	1	0
P	Deep Creek	75	100	4,196	23,318	43,555	60,633	117	47	197	1	16	0	1	0	0	0
P	Homer	144	166	6,461	45,650	82,104	114,970	4,594	2,566	5,861	967	1,016	54	242	35	0	0
P	Ninilchik	27	29	487	2,197	4,088	5,695	5	13	2	1	20	0	0	1	0	0
P	Seldovia	8	8	176	784	1,370	1,814	82	43	22	50	45	10	1	1	0	0
P	Other	10	21	593	2,074	3,163	3,783	2	1	0	0	0	0	0	0	0	0
Q	Anton Larsen Bay	6	6	17	66	88	84	1	0	34	0	0	0	0	0	0	0
Q	Kodiak	47	49	1,350	5,839	8,647	7,169	1,178	350	7,746	1,530	441	4	124	27	1	0
Q	Larsen Bay	9	16	461	1,782	2,692	6,808	48	71	596	178	135	3	74	71	0	0
Q	Port Lions	11	14	329	1,325	1,583	1,096	117	25	593	328	20	1	63	24	0	0
Q	Raspberry Island	5	5	73	336	333	381	39	22	73	131	4	0	19	0	0	0
Q	Other	25	40	1,127	3,963	4,218	4,315	700	500	2,489	2,590	478	15	135	200	0	0
R	Other	9	14	176	596	883	1,361	24	49	131	552	15	1	2	0	0	0
	Other SCI	6	9	135	634	824	267	85	48	704	26	116	16	24	51	1	0
SC Total		459	596	24,557	146,717	229,164	263,104	16,566	10,154	51,681	10,085	9,069	453	3,622	864	68	0

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F18.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2008.

										Rockfish							
					Angler	Halibut		Lingcod		Pelagic		Yelloweye		Other Non-Pelagic		Salmon Shark	
Region	Businesses	Vessels	Trips	Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	
SE Total	429	759	37,449	150,793	110,554	40,111	7,499	20,736	68,963	9,683	18,328	1,287	20,910	3,471	26	1	
SC Total	459	596	24,557	146,717	229,164	263,104	16,566	10,154	51,681	10,085	9,069	453	3,622	864	68	0	
Total	888	1,355	62,006	297,510	339,718	303,215	24,065	30,890	120,644	19,768	27,397	1,740	24,532	4,335	94	1	

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

APPENDIX G
FRESHWATER LOGBOOK SUMMARIES BY AREA

5182

Appendix G2.–Freshwater logbook participation by site code and area, Southcentral Alaska, 2006.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days				
					Resident	Nonres	Unknown	Crew	Total
J	East Prince William Sound Streams	93	4	9	25	433	0	4	462
J	Other Lakes and Streams	12	7	9	6	52	0	1	59
K	Knik Arm Streams	375	13	19	486	853	11	44	1,394
M	Willow Creek	88	13	14	40	146	0	1	187
M	Montana Creek	21	4	5	14	31	0	2	47
M	Clear Creek (Chunilna Creek)	80	9	16	31	276	15	1	323
M	Little Willow Creek	39	9	10	25	101	8	3	137
M	Kashwitna River	54	5	5	79	133	1	9	222
M	Talkeetna River	417	10	31	182	1,489	101	48	1,820
M	Other Lakes and Streams - East Susitna Drainage	72	13	16	24	155	2	4	185
M	Lake Creek	1,072	25	61	240	2,950	39	95	3,324
M	Talachulitna River	392	11	22	159	1,024	7	33	1,223
M	Fish Lake Creek and Fish Lakes	69	6	16	5	156	0	2	163
M	Yentna River Drainage (Remainder)	135	16	25	25	458	0	3	486
M	Yentna River	197	9	23	29	507	2	10	548
M	Deshka River (Kroto Creek) above weir	94	11	14	120	196	5	23	344
M	Deshka River (Kroto Creek) below weir	312	18	26	362	825	31	28	1,246
M	Indian Creek (into Yentna near Fish Lakes)	126	8	21	31	324	1	40	396
M	Other Lakes - West Susitna Drainage	6	4	5	2	22	0	0	24
M	Other Streams - West Susitna Drainage	44	7	10	20	124	0	3	147
M	Other Lakes and Streams	21	5	5	0	82	0	0	82
N	Chuitna River	115	15	27	31	374	1	1	407
N	Big River Lakes	912	16	43	128	3,265	97	7	3,497
N	Crescent Lake	16	8	11	0	74	3	0	77
N	Crescent River (Grecian River)	136	4	6	6	460	3	0	469
N	Kamishak River	162	10	34	2	488	0	5	495
N	Kustatan River	253	17	43	44	1,051	15	12	1,122
N	Bachatna Creek	12	5	7	0	52	0	0	52
N	Other Lakes and Streams	151	10	17	32	438	2	0	472
N	Wolverine Creek (by Big River Lakes)	809	15	42	96	2,887	101	6	3,090
P	Anchor River	52	9	10	0	166	2	4	172
P	Deep Creek	25	5	6	0	103	4	0	107
P	Russian River	88	13	19	10	169	1	2	182
P	Crescent Lake	18	4	7	0	66	4	0	70
P	Quartz Creek	18	6	6	3	46	0	0	49
P	Kasilof River below Highway	1,936	113	151	766	5,670	14	113	6,563
P	Kasilof River above Highway	47	14	15	11	139	2	6	158
P	Kasilof River reach not specified	57	18	21	25	155	2	0	182
P	Other Lakes	73	14	20	9	189	3	26	227
P	Other Streams	145	15	21	34	549	7	12	602

-continued-

Appendix G2.–Page 3 of 3.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days				
					Resident	Nonres	Unknown	Crew	Total
S	Nonvianuk Lake	30	10	15	7	58	0	0	65
S	Nonvianuk River (into Alagnak)	208	14	50	7	554	0	69	630
S	Tazimina River	68	7	22	3	164	1	0	168
S	Moraine Creek	645	22	107	30	1,522	23	56	1,631
S	Battle River	108	10	27	2	274	1	4	281
S	Funnel Creek	52	10	18	3	109	0	0	112
S	Nanuktuk Creek	103	13	33	8	231	0	0	239
S	Long Lake	26	5	8	1	86	0	0	87
S	Kijik River	21	4	10	0	72	0	0	72
S	Kijik Lake	9	4	7	0	28	0	0	28
S	Gibraltar River	145	10	27	8	321	0	1	330
S	Kukaklek River (Big Ku) (into Alagnak)	427	14	55	36	863	5	1	905
S	Little Kulik (into Nanuktuk Creek)	26	6	12	0	59	0	0	59
S	Other Lakes and Streams	17	6	9	0	41	0	0	41
T	Nushagak River System	226	22	34	17	552	4	66	639
T	Wood River Lakes System	265	10	50	3	627	6	5	641
T	Tikchik-Nuyakuk Lake System	138	8	24	7	271	3	1	282
T	Togiak River System	1,173	10	61	19	2,419	34	13	2,485
T	Mulchatna River	97	14	22	19	359	11	27	416
T	Agulowak River	499	9	45	5	1,019	8	3	1,035
T	Aleknagik Lake	150	5	22	1	367	4	2	374
T	Kulukak River	155	4	12	2	324	3	0	329
T	Agulukpak River	304	10	43	3	593	2	1	599
T	Nushagak River - upstream of Mulchatna River	368	15	46	5	734	0	2	741
T	Wood River	51	4	16	5	131	1	0	137
T	Nushagak River - Black Point to Sonar Site	1,225	32	110	210	3,443	34	56	3,743
T	Nushagak River - Sonar Site to Mulchatna	1,506	38	134	196	4,386	38	196	4,816
T	Other Lakes and Streams	232	8	22	0	461	5	0	466
	Other Lakes and Streams in SC	98	3	4	17	318	3	0	338
SC total		39,512	528	1,224	9,742	111,956	1,234	2,123	125,055

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G4.–Freshwater logbook participation by region, 2006.

Region	Trips	Businesses[a]	Guides[a]	Angler Days				
				Resident	Nonres	Unknown	Crew	Total
SE	3,038	69	173	106	10,970	209	179	11,464
SC	39,512	528	1,224	9,742	111,956	1,234	2,123	125,055
AYK	4,231	71	194	883	9,573	141	291	10,888
Total	46,781	643	1,518	10,731	132,499	1,584	2,593	147,407

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G6.–Freshwater logbook effort and species released by area and site, Southeast Alaska 2006.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
A	Other Lakes	352	0	2	4	1,326	34	0	352	23
A	Other Streams	424	4	26	0	74	119	1	192	0
B	Harris River	88	0	23	0	6	0	1	223	0
B	Staney Creek	128	0	25	1	7	3	20	237	0
B	Thorne System Stream and Lake	147	0	28	4	62	17	20	535	0
B	Sweetwater System Stream and Lake	47	0	0	98	11	2	0	3	0
B	Other Lakes	96	0	8	7	68	5	0	114	0
B	Other Streams	192	0	12	95	240	106	23	334	0
C	All Lakes and Streams	147	26	16	23	272	55	51	102	0
D	Eva Lake and Stream	50	0	0	0	157	2	0	39	0
D	Unspecified Streams	81	0	19	10	20	247	0	439	0
D	Baranof Lake (Warm Springs Lake)	92	0	0	0	530	4	0	3	0
D	Deer Lake (Baranof Island)	30	2	25	0	0	10	0	0	0
D	Nakwasina Sound Streams	78	0	0	0	0	0	0	262	0
D	Other Lakes	41	0	15	0	5	14	0	59	0
D	Other Streams	754	0	86	0	361	230	4	3,883	91
E	Admiralty Island Streams	1,059	0	374	8	35	4	0	3,443	50
E	Other Lakes	96	0	129	2	121	2	0	245	0
E	Other Streams	1,650	0	134	15	26	5	7	4,354	0
G	Mud Bay Creek (Chichagof Island)	108	0	2	0	1	1	0	608	14
G	Trail River (Chichagof Island)	123	0	7	0	0	0	0	255	0
G	Chicken Creek (Chichagof Island)	27	0	0	0	10	0	1	200	0
G	North Chichagof Island Streams	52	0	28	0	5	0	0	158	0
H	Situk River (reach unspecified)	1,042	127	965	926	1	16	1,210	59	67
H	Akwe River	478	105	2,293	1	186	4	73	154	4
H	Tsiu River	1,494	0	9,939	1	0	0	25	12	0
H	Other Lakes and Streams	1,703	69	4,289	836	6	0	0	10	0
	Other Lakes and Streams in SE	885	0	29	473	3	0	0	891	7
SE Total		11,464	333	18,474	2,504	3,533	880	1,436	17,166	256

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G7.–Page 2 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
P	Kenai River - Cook Inlet to Soldotna Bridge	33,331	8,099	5,422	1,210	0	227	0	174	17
P	Kenai River - Soldotna Bridge to Moose R	2,843	475	800	1,121	0	209	0	13	1
P	Kenai River - Moose River to Skilak Outlet	3,339	100	1,418	1,541	0	91	0	98	0
P	Kenai River - Skilak Inlet to Kenai Lake	6,233	16	176	2,709	0	95	0	70	0
P	Kenai River - reach not specified	285	48	20	130	0	0	0	1	0
Q	Buskin River	54	0	91	0	0	0	0	8	0
Q	Pasagshak River	49	0	10	24	0	0	0	4	0
Q	Roadside Streams	272	1	97	49	0	0	0	29	0
Q	Other Remote Lakes and Streams	1,425	124	366	668	0	2	1	202	0
Q	Roadside Lakes	172	9	28	6	0	1	0	97	0
Q	Olds River	61	0	8	0	0	0	0	1	0
Q	Ayakulik River (sometimes called Red River)	954	54	502	528	0	0	2	111	0
Q	Saltery River	867	0	507	108	0	0	0	359	1
Q	Browns Lagoon River	49	0	2	0	0	0	0	5	0
Q	Afognak Island Lakes and Streams	56	0	70	10	0	1	0	0	0
Q	Chiniak River	24	0	1	0	0	0	0	0	0
Q	Zachar Bay Streams	124	0	227	0	0	0	0	7	0
Q	Karluk Lake and River above Weir	986	587	81	65	0	3	7	61	0
Q	Karluk Lagoon and River below Weir	795	134	1,141	654	5	0	3	29	0
Q	Other Streams	86	0	0	1	0	0	0	125	0
R	Naknek River and Tributaries	1,543	496	828	288	0	29	0	9	0
R	Naknek Lake	234	0	0	5	0	0	0	0	0
R	Brooks River	848	0	0	0	0	36	0	0	0
R	Ugashik System	186	0	38	2	0	0	0	33	1
R	Becharof System	1,129	20	1,485	163	0	2	0	41	3
R	Brooks Lake	77	2	0	4	0	5	0	0	0
R	Chignik River	181	245	0	0	0	0	0	0	0
R	American Creek	1,258	0	0	0	0	16	0	25	0
R	Naknek River (Rapids Camp upstream to Naknek Lk)	1,205	110	745	965	0	13	0	0	0
R	Naknek River (dwnstream from Rapids Camp)	756	435	208	160	0	1	0	0	0
R	Other Alaska Peninsula / Aleutian Lakes and Streams	1,681	327	1,552	321	0	1	0	56	1
R	Other Streams	417	0	220	19	0	26	0	7	0
S	Kvichak River	2,160	34	361	1,145	0	91	0	0	62
S	Lower Talarik Creek	165	0	5	0	0	0	0	0	0
S	Copper River (Lake Iliamna Area)	1,282	0	0	394	0	56	0	0	0
S	Newhalen River	275	0	15	593	0	0	0	0	16
S	Alagnak (Branch) River	5,093	684	815	3,347	0	160	0	6	75
S	Lake Clark	247	0	0	10	0	0	0	4	2
S	Iliamna River	431	8	0	634	0	3	0	0	0

-continued-

Appendix G8.–Freshwater logbook effort and species released by area and site, Southcentral Alaska, 2006.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
J	East Prince William Sound Streams	462	36	3,574	54	18	34	1	91	0
J	Other Lakes and Streams	59	0	37	120	4	0	0	131	0
K	Streams	1,394	72	625	24	6	3	0	10	0
M	Willow Creek	187	26	71	0	0	1,273	0	4	205
M	Montana Creek	47	3	0	0	0	398	0	0	8
M	Clear Creek (Chunilna Creek)	323	45	166	5	0	48	0	25	0
M	Little Willow Creek	137	28	212	0	0	16	0	0	0
M	Kashwitna River	222	63	52	20	0	33	0	0	0
M	Talkeetna River	1,820	517	575	15	1	281	3	696	140
M	Other Lakes and Streams - East Susitna Drainage	185	12	11	0	0	204	0	0	40
M	Lake Creek	3,324	1,131	1,541	51	2	2,512	3	4	857
M	Talachulitna River	1,223	903	3,019	46	0	1,387	0	72	297
M	Fish Lake Creek and Fish Lakes	163	9	0	0	0	1	0	0	0
M	Yentna River Drainage (Remainder)	486	154	690	20	0	357	0	27	120
M	Yentna River	548	188	14	3	14	222	0	17	26
M	Deshka River (Kroto Creek) above weir	344	159	22	2	0	519	0	0	5
M	Deshka River (Kroto Creek) below weir	1,246	179	1,391	0	2	69	0	0	1
M	Indian Creek (into Yentna near Fish Lakes)	396	71	215	3	0	1	0	0	0
M	Other Lakes - West Susitna Drainage	24	0	0	0	0	0	0	0	0
M	Other Streams - West Susitna Drainage	147	15	1,082	0	0	29	0	0	65
M	Other Lakes and Streams	82	6	25	9	0	6	0	0	187
N	Chuitna River	407	258	971	0	0	20	0	2	0
N	Big River Lakes	3,497	51	2,924	6,447	0	0	0	43	0
N	Crescent Lake	77	1	29	26	0	0	0	563	0
N	Crescent River (Grecian River)	469	4	296	148	0	0	0	943	0
N	Kamishak River	495	36	2,811	42	0	0	0	2,498	0
N	Kustatan River	1,122	0	1,609	12	0	0	0	238	3
N	Bachatna Creek	52	0	397	0	0	0	0	14	0
N	Other Lakes and Streams	472	60	1,481	15	0	48	0	943	0
N	Wolverine Creek (by Big River Lakes)	3,090	2	823	7,719	0	1	0	17	0
P	Anchor River	172	11	20	1	0	32	10	170	12
P	Deep Creek	107	3	46	0	0	0	4	39	0
P	Russian River	182	0	11	203	0	864	0	110	0
P	Crescent Lake	70	0	0	0	0	198	0	32	380
P	Quartz Creek	49	0	0	20	0	29	0	1,080	0
P	Kasilof River below Highway	6,563	1,501	71	37	2	200	217	1,039	23
P	Kasilof River above Highway	158	25	0	0	0	7	6	17	4
P	Kasilof River reach not specified	182	39	5	3	0	37	0	37	0
P	Other Lakes	227	20	0	29	0	1,217	33	10	128
P	Other Streams	602	322	1,096	5	0	213	6	468	0

-continued-

Appendix G8.–Page 3 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
S	Kukaklek Lake	24	0	0	205	0	115	0	0	0
S	Kulik River	1,134	0	0	214	0	19,517	0	11	0
S	Iliamna Lake	223	0	21	80	0	1,573	0	1	32
S	Nonvianuk Lake	65	0	3	2	0	826	0	0	0
S	Nonvianuk River (into Alagnak)	630	8	12	56	0	6,407	0	1	61
S	Tazimina River	168	0	0	35	0	789	0	8	2,359
S	Moraine Creek	1,631	21	0	287	0	17,694	0	104	285
S	Battle River	281	0	0	174	0	1,689	0	0	163
S	Funnel Creek	112	0	0	3	0	1,448	0	17	0
S	Nanuktuk Creek	239	0	0	28	0	3,433	0	423	45
S	Long Lake	87	0	0	0	0	0	0	0	7
S	Kijik River	72	0	0	57	0	0	0	0	904
S	Kijik Lake	28	0	0	53	0	0	0	1	52
S	Gibraltar River	330	0	20	249	0	6,014	1	0	26
S	Kukaklek River (Big Ku) (into Alagnak)	905	1	55	526	0	13,531	0	24	167
S	Little Kulik (into Nanuktuk Creek)	59	0	1	2	0	1,133	0	64	2
S	Other Lakes and Streams	41	0	103	4	0	284	0	178	0
T	Nushagak River System	639	142	132	28	0	3,163	0	1,384	3,707
T	Wood River Lakes System	641	504	1,320	250	0	470	0	515	735
T	Tikchik-Nuyakuk Lake System	282	29	157	180	0	228	0	48	1,585
T	Togiak River System	2,485	6,022	11,715	117	0	1,004	5	2,420	109
T	Mulchatna River	416	206	475	53	0	1,584	0	276	1,110
T	Agulowak River	1,035	18	50	3,088	0	7,843	0	2,236	2,318
T	Aleknagik Lake	374	0	560	1,271	0	31	0	1,143	72
T	Kulukak River	329	471	1,947	57	0	40	0	18	0
T	Agulukpak River	599	0	0	524	0	3,986	0	1,200	1,134
T	Nushagak River - upstream of Mulchatna River	741	136	440	20	0	4,427	0	2,044	2,774
T	Wood River	137	2	312	123	0	6	0	1	1
T	Nushagak River - Black Point to Sonar Site	3,743	12,885	379	15	0	2	0	10	1
T	Nushagak River - Sonar Site to Mulchatna	4,816	14,514	1,598	34	0	246	0	44	204
T	Other Lakes and Streams	466	163	2,011	228	0	348	0	33	402
	Other Lakes and Streams in SC	338	35	61	0	0	257	0	433	37
	SC Total	125,055	57,911	73,512	50,068	49	224,429	2,033	100,522	32,861

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G11.–Freshwater logbook effort and species kept by region, Statewide, 2006.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
		King	Coho	Sockeye					
SE	11,464	193	7,171	2,274	113	19	4	631	25
SC	125,055	23,803	44,136	28,076	7	1,512	22	2,208	324
AYK	10,888	2,198	6,418	3,438	0	27	0	594	210
Total	147,407	26,194	54,745	31,703	120	1,558	26	3,433	559

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G12.–Freshwater logbook effort and species released by region, Statewide, 2006.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
		King	Coho	Sockeye					
SE	11,464	333	18,474	2,504	3,533	880	1,436	17,166	256
SC	125,055	57,911	73,512	50,068	49	224,429	2,033	100,522	32,861
AYK	10,888	6,418	25,044	2,810	6	14,211	6	31,189	13,921
Total	147,407	64,662	117,030	55,382	3,588	239,520	3,475	148,877	47,038

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G14.–Freshwater logbook participation by site code and area, Southcentral Alaska, 2007.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
J	Delight Lake	6	6	6	2	23	0	0	0	25
J	Other Lakes and Streams	90	9	12	38	368	1	0	9	416
K	Knik Arm Lakes and Streams	456	13	19	508	1,130	9	21	16	1,684
L	Anchorage Area Lakes and Streams	97	4	4	32	278	12	6	0	328
M	Willow Creek	93	8	11	42	153	1	1	3	200
M	Clear Creek (Chunilna Creek)	195	9	20	77	751	0	7	2	837
M	Sheep Creek	12	5	5	3	27	8	0	0	38
M	Little Willow Creek	28	5	4	39	58	0	4	0	101
M	Indian River (into Susitna)	30	4	6	12	93	0	1	0	106
M	Talkeetna River	363	9	24	145	1,417	2	32	10	1,606
M	Other Lakes - East Susitna Drainage	20	5	5	11	50	1	0	0	62
M	Other Streams - East Susitna Drainage	139	10	14	84	325	5	4	3	421
M	Lake Creek	1,344	21	58	367	3,444	14	10	67	3,902
M	Talachulitna River	425	10	30	64	1,342	8	8	8	1,430
M	Alexander Lake	6	4	6	0	22	0	0	1	23
M	Donkey Creek, Donkey Creek Slough	40	5	9	9	119	6	0	0	134
M	Fish Lake Creek and Fish Lakes	15	4	11	0	37	2	1	0	40
M	Yentna River Drainage (Remainder)	298	14	34	15	947	0	0	4	966
M	Yentna River	52	4	11	20	110	0	0	0	130
M	Deshka River (Kroto Creek) above weir	34	5	5	44	97	6	1	2	150
M	Deshka River (Kroto Creek) below weir	390	15	21	621	861	4	25	5	1,516
M	Indian Creek (into Yentna near Fish Lakes)	59	4	12	43	181	0	0	29	253
M	Other Lakes and Streams - West Susitna Drainage	70	10	15	42	190	0	0	5	237
M	Other Lakes and Streams	66	8	16	12	194	0	0	2	208
N	Chuitna River	136	15	24	35	508	1	3	1	548
N	Theodore River	32	4	5	13	77	2	0	4	96
N	Big River Lakes	959	30	44	196	3,395	0	33	3	3,627
N	Crescent Lake	33	14	18	11	138	0	0	0	149
N	Crescent River (Grecian River)	139	6	8	4	458	0	0	2	464
N	Kamishak River	143	7	28	8	336	1	1	8	354
N	Kustatan River	330	23	45	105	1,305	1	10	3	1,424
N	Bachatna Creek	19	7	9	8	65	0	1	0	74
N	Other Sites North Forelands to Susitna Drainage	23	5	5	0	93	0	0	0	93
N	Other Sites (South of North Forelands)	83	13	20	6	251	0	0	1	258
N	Wolverine Creek (by Big River Lakes)	915	24	46	150	3,374	5	62	3	3,594
P	Anchor River	46	5	9	9	149	2	6	7	173
P	Ninilchik River	100	5	8	5	443	13	2	12	475
P	Russian River	91	12	17	16	221	0	1	0	238
P	Swanson River Canoe Route Lakes	23	4	5	3	52	0	0	20	75
P	Crescent Creek	14	6	6	0	50	0	0	0	50

-continued-

Appendix G14.–Page 3 of 3.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
R	Other Alaska Peninsula / Aleutian Lakes and Streams	745	19	52	63	2,197	12	2	17	2,291
R	Other Lakes and Streams	64	13	28	3	181	0	0	7	191
S	Kvichak River	922	23	100	76	1,798	16	4	34	1,928
S	Lower Talarik Creek	40	8	13	1	117	4	0	1	123
S	Copper River (Lake Iliamna Area)	492	9	35	5	1,193	22	0	1	1,221
S	Newhalen River	137	8	25	29	329	26	1	1	386
S	Alagnak (Branch) River	2,157	24	102	55	4,641	1	26	35	4,758
S	Lake Clark	106	9	23	10	312	23	0	0	345
S	Kukaklek Lake	11	6	9	0	29	0	0	0	29
S	Kulik River	387	19	56	36	1,011	7	1	0	1,055
S	Lake Iliamna	282	11	37	11	711	22	2	5	751
S	Nonvianuk Lake	26	6	6	4	99	1	1	6	111
S	Nonvianuk River (into Alagnak)	135	15	40	14	342	0	4	13	373
S	Tazimina River	59	8	18	2	161	0	0	0	163
S	Moraine Creek	653	24	104	36	1,504	22	1	52	1,615
S	Upper Talarik Creek	28	4	14	1	99	3	0	0	103
S	Battle River	129	10	33	8	342	0	0	31	381
S	Funnel Creek	21	5	14	1	50	0	0	0	51
S	Nanuktuk Creek	100	10	28	3	198	0	2	0	203
S	Long Lake	52	6	12	0	122	5	0	0	127
S	Kijik Lake	5	4	4	0	15	0	0	2	17
S	Gibraltar River	127	10	31	3	316	17	1	1	338
S	Kukaklek River (Big Ku) (into Alagnak)	378	14	58	44	750	6	7	8	815
S	Little Kulik (into Nanuktuk Creek)	41	7	16	0	83	0	0	0	83
S	Other Lakes	7	6	6	0	24	0	0	0	24
S	Other Streams	42	8	15	0	104	1	0	0	105
T	Nushagak River System	180	18	31	36	449	2	1	1	489
T	Wood River Lakes System	326	13	54	12	715	2	0	4	733
T	Tikchik-Nuyakuk Lake System	146	6	23	0	293	0	0	0	293
T	Togiak River System	1,032	7	69	19	2,184	7	0	1	2,211
T	Mulchatna River	102	15	19	14	366	0	2	4	386
T	Agulowak River	482	10	54	10	943	3	1	0	957
T	Aleknagik Lake	123	6	17	2	291	0	0	0	293
T	Agulukpak River	351	11	50	4	677	2	0	2	685
T	Nushagak River - upstream of Mulchatna River	362	6	34	3	710	2	0	0	715
T	Wood River	43	4	14	1	99	0	0	0	100
T	Nushagak River - Black Point to Sonar Site	1,321	31	132	193	3,638	19	6	26	3,882
T	Nushagak River - Sonar Site to Mulchatna	1,177	34	120	188	3,511	12	2	37	3,750
T	Other Lakes and Streams	419	8	32	3	836	0	0	1	840
	Other Lakes and Streams in SC	5	4	4	0	15	0	0	0	15
SC Total		40,543	528	1,272	11,278	112,358	572	883	1,296	126,387

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G16.–Freshwater logbook participation by region, 2007.

Region	Trips	Businesses[a]	Guides[a]	Angler Days					
				Resident	Nonres	Comped	Unknown	Crew	Total
SE	3,256	73	177	300	11,156	44	54	117	11,671
SC	40,543	528	1,272	11,278	112,358	573	883	1,296	126,388
AYK	4,898	68	224	928	11,006	125	34	169	12,262
Total	48,697	645	1,581	12,506	134,520	741	971	1,582	150,320

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G18.–Freshwater logbook effort and species released by area and site, Southeast Alaska 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
A	Other Lakes	345	0	0	0	1,150	16	0	0	0	0	0	0
A	Other Streams	602	6	14	1	104	414	0	0	151	0	0	0
B	Harris River	64	0	4	0	5	0	3	0	12	0	0	0
B	Luck Lake	47	0	9	158	21	17	0	0	85	0	0	0
B	Staney Creek	153	0	23	12	21	9	18	0	112	0	0	0
B	Thorne System Stream and Lake	120	0	11	11	89	14	16	0	161	0	0	0
B	Other Lakes	27	0	4	0	34	1	2	0	56	0	0	0
B	Other Streams	212	0	29	69	285	71	3	0	345	0	0	0
C	Lakes and Streams	175	2	73	2	35	51	111	0	35	0	0	0
D	Plotnikof and Rezanof System Streams and Lakes	40	0	7	0	0	0	5	0	1	0	0	0
D	Eva Lake and Stream	107	0	4	1	77	3	1	0	283	0	0	0
D	Sitkoh Creek and Lake (Chichagof Island)	24	0	31	1	7	56	9	0	72	0	0	0
D	Unspecified Streams	45	0	9	1	0	33	11	0	251	0	0	0
D	Katlian River	297	0	1	0	0	1	0	0	2,161	0	0	0
D	Nakwasina Sound Streams	158	0	0	0	0	0	0	0	776	0	0	0
D	Baranof System	207	0	12	0	107	172	28	0	412	0	0	0
D	Other Lakes	95	0	0	4	295	6	0	0	135	0	0	0
D	Other Streams	490	8	19	46	42	75	21	0	3,792	0	0	0
E	Dupont to Echo Cove (Juneau Road System)	63	0	129	3	26	0	0	0	149	0	0	0
E	Admiralty Island Streams	529	0	217	6	30	4	0	0	1,190	0	0	0
E	Chaik Bay Streams	188	0	0	1	6	0	0	0	2,018	0	0	0
E	Other Lakes and Streams	1,429	0	21	0	25	0	3	0	5,429	0	0	0
G	Mud Bay Creek (Chichagof Island)	119	0	0	0	0	0	1	0	566	0	0	0
G	Trail River (Chichagof Island)	104	0	2	0	0	0	0	0	192	0	0	0
G	North Chichagof Island Streams	116	0	0	0	5	0	2	0	639	0	0	0
G	Other Lakes and Streams	72	0	11	0	1	0	0	0	275	0	0	0
H	Situk River (reach unspecified)	1,236	87	687	854	0	32	2,196	0	12	0	0	0
H	Akwe River	821	67	2,531	18	165	6	74	0	232	0	0	0
H	Tsiu River	1,507	0	6,470	6	0	3	3	0	5	0	0	0
H	Other Lakes and Streams	1,719	19	3,076	1,130	8	1	1	0	23	0	0	0
	Other Lakes and Streams in SE	560	0	1	211	0	0	0	0	317	0	0	0
	SE Total	11,671	189	13,395	2,535	2,538	985	2,508	0	19,887	0	0	0

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G19.–Page 2 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
P	Crescent Lake	26	0	0	0	0	6	0	0	0	3	0	0
P	Packers Lake (Creek) (Kalgin Island)	56	0	0	1	0	29	0	0	0	0	0	0
P	Quartz Creek	57	4	0	0	0	2	0	0	20	0	0	0
P	Russian Lake (Upper and Lower)	36	0	0	0	0	0	0	0	2	0	0	0
P	Kasilof River below Highway	6,761	2,553	793	279	0	2	10	0	136	0	0	0
P	Kasilof River above Highway	89	0	101	21	0	4	2	0	5	0	0	0
P	Kasilof River reach not specified	220	68	38	4	0	0	3	0	5	0	0	0
P	Other Lakes	109	0	0	0	0	11	0	4	0	1	0	0
P	Other Streams	655	1	195	1	0	51	1	0	13	0	0	0
P	Kenai River - Cook Inlet to Soldotna Bridge	30,139	6,613	5,610	1,281	3	146	0	1	125	1	0	0
P	Kenai River - Soldotna Bridge to Moose R	2,947	488	1,002	1,546	0	73	0	0	18	0	0	0
P	Kenai River - Moose River to Skilak Outlet	3,923	124	1,580	2,037	0	183	0	1	66	0	0	0
P	Kenai River - Skilak Inlet to Kenai Lake	6,303	10	88	2,145	0	193	0	0	61	0	0	0
P	Kenai River - reach not specified	1,840	163	293	433	0	48	0	0	23	4	0	0
Q	Buskin River	67	0	18	0	0	0	0	0	0	0	0	0
Q	Pasagshak River	115	0	18	31	0	0	0	0	13	0	0	0
Q	Roadside Streams	204	0	7	0	0	0	0	0	10	0	0	0
Q	Other Remote Lakes and Streams	1,008	1	480	123	0	5	2	0	172	0	0	0
Q	Roadside Lakes	148	0	32	1	0	0	0	0	18	0	0	0
Q	American River	29	0	4	0	0	0	0	0	4	0	0	0
Q	Dog Salmon Creek (Frazer River)	171	0	0	516	0	0	0	0	11	0	0	0
Q	Monashka Creek	12	0	0	0	0	0	0	0	1	0	0	0
Q	Olds River	55	0	17	0	0	0	0	0	3	0	0	0
Q	Ayakulik River (sometimes called Red River)	1,041	116	492	661	0	0	3	0	91	0	0	0
Q	Saltery River	844	0	247	78	0	0	0	0	650	1	0	0
Q	Afognak Island Lakes and Streams	40	0	104	0	0	1	1	0	0	0	0	0
Q	Zachar Bay Streams	197	0	236	0	0	0	0	0	40	0	0	0
Q	Karluk Lake and River above Weir	994	146	50	493	0	2	6	0	433	0	0	0
Q	Karluk Lagoon and River below Weir	870	48	454	1,639	0	1	4	0	60	0	0	0
Q	Unspecified Streams	47	0	0	0	0	0	0	0	4	0	0	0
R	Naknek River and Tributaries	1,896	575	892	836	0	44	0	0	30	6	4	0
R	Naknek Lake	393	0	0	79	0	1	0	6	0	0	3	0
R	Brooks River	856	5	0	15	0	22	0	0	0	0	0	0
R	Ugashik System	434	7	205	25	0	0	0	3	106	14	0	0
R	Becharof System	756	3	1,303	45	0	21	0	0	208	48	0	0
R	Brooks Lake	97	0	0	6	0	27	0	0	0	0	0	0
R	Chignik River	242	190	25	15	0	0	0	0	0	0	0	0
R	American Creek	1,184	0	0	22	0	123	0	0	119	0	0	0
R	Naknek R (Rapids Camp upstream to Naknek Lk)	1,425	80	806	1,491	0	8	0	0	4	1	0	0
R	Naknek River (dwnstream frm Rapids Camp)	660	241	193	270	0	0	0	0	0	0	0	0
R	Other Ak Peninsula / Aleutian Lakes and Streams	2,291	414	1,991	311	0	11	0	0	55	0	0	0

-continued-

Appendix G20.–Freshwater logbook effort and species released by area and site, Southcentral Alaska, 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
J	Delight Lake	25	0	7	43	0	0	0	0	0	0	0	0
J	Other Lakes and Streams	416	2	1,527	132	4	0	1	0	159	0	0	0
K	Lakes and Streams	1,684	51	70	64	0	9	0	0	17	0	0	0
L	Lakes and Streams	328	51	8	3	0	82	0	0	402	29	0	0
M	Willow Creek	200	3	8	0	0	1,537	0	0	2	75	6	0
M	Clear Creek (Chunilna Creek)	837	216	295	61	5	230	0	0	178	30	0	0
M	Sheep Creek	38	0	1	0	0	99	0	0	0	17	0	0
M	Little Willow Creek	101	6	34	29	0	4	0	0	0	0	0	0
M	Indian River (into Susitna)	106	112	1	0	0	19	0	0	0	3	5	0
M	Talkeetna River	1,606	381	417	190	2	143	0	6	511	28	0	0
M	Other Lakes - East Susitna Drainage	62	1	0	0	0	97	0	14	5	201	45	0
M	Other Streams - East Susitna Drainage	421	48	27	35	0	331	13	0	4	98	1	0
M	Lake Creek	3,902	775	344	934	4	4,025	44	14	4	122	109	10
M	Talachulitna River	1,430	1,198	1,498	238	0	1,778	0	0	56	406	93	0
M	Alexander Lake	23	0	0	0	0	0	0	0	0	0	363	0
M	Donkey Creek, Donkey Creek Slough	134	34	12	0	0	121	0	6	10	7	0	0
M	Fish Lake Creek and Fish Lakes	40	0	24	2	0	0	0	0	0	4	190	0
M	Yentna River Drainage (Remainder)	966	518	323	86	0	2,233	0	20	461	124	0	0
M	Yentna River	130	12	108	0	0	0	0	0	0	0	0	0
M	Deshka River (Kroto Creek) above weir	150	97	0	0	0	432	0	0	0	1	59	0
M	Deshka River (Kroto Creek) below weir	1,516	69	125	0	0	58	0	0	17	14	0	0
M	Indian Creek (into Yentna near Fish Lakes)	253	1	93	1	0	40	0	0	0	0	4	0
M	Other Lakes and Streams - West Susitna Drainage	237	104	137	0	0	63	0	0	1	61	0	0
M	Other Lakes and Streams	208	166	133	49	0	805	0	5	402	142	1	0
N	Chuitna River	548	449	552	0	0	77	0	0	8	0	0	0
N	Theodore River	96	44	183	0	0	21	0	0	28	0	0	0
N	Big River Lakes	3,627	0	1,330	8,320	34	10	0	1	116	0	0	8
N	Crescent Lake	149	3	3	325	0	0	0	84	1,288	37	0	0
N	Crescent River (Grecian River)	464	5	101	303	0	0	0	67	1,485	2	0	0
N	Kamishak River	354	22	724	5	17	0	0	0	2,625	0	0	0
N	Kustatan River	1,424	0	1,049	35	1	1	0	0	322	0	0	0
N	Bachatna Creek	74	0	195	0	0	0	0	0	3	0	0	0
N	Other Sites North Forelands to Susitna Drainage	93	3	60	3	0	67	0	0	313	5	87	0
N	Other Sites (South of North Forelands)	258	1	219	11	0	5	0	18	271	40	0	0
N	Wolverine Creek (by Big River Lakes)	3,594	31	311	8,754	0	1	30	61	7	0	0	0
P	Anchor River	173	12	20	0	0	2	10	0	544	0	0	0
P	Ninilchik River	475	685	29	0	0	3	33	0	10	0	0	0
P	Russian River	238	1	1	77	0	742	8	0	30	0	0	0
P	Swanson River Canoe Route Lakes	75	0	1	0	0	104	0	0	3	0	0	0
P	Crescent Creek	50	0	0	4	0	5	0	0	133	4	0	0

-continued-

Appendix G20.–Page 3 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
R	Other Lakes and Streams	191	22	773	45	0	93	3	0	501	0	7	0
S	Kvichak River	1,928	14	979	2,510	0	17,698	0	1	159	3,821	10	0
S	Lower Talarik Creek	123	0	29	2	0	1,699	0	0	0	43	0	0
S	Copper River (Lake Iliamna Area)	1,221	0	3	1,453	0	13,548	0	0	96	55	26	0
S	Newhalen River	386	0	5	329	0	1,004	0	255	226	630	176	0
S	Alagnak (Branch) River	4,758	2,867	1,872	6,963	0	18,107	0	33	693	4,671	73	15
S	Lake Clark	345	0	12	2	0	83	0	306	141	2,147	32	0
S	Kukaklek Lake	29	0	0	30	0	534	0	0	5	3	0	0
S	Kulik River	1,055	0	0	15	0	19,455	0	193	9	9	0	0
S	Lake Iliamna	751	0	0	1,156	0	2,422	0	0	1,996	4	25	0
S	Nonvianuk Lake	111	0	0	0	0	1,108	0	34	0	0	0	0
S	Nonvianuk River (into Alagnak)	373	31	18	124	0	3,681	0	64	2	20	0	0
S	Tazimina River	163	0	0	12	0	449	0	23	27	1,036	30	0
S	Moraine Creek	1,615	0	0	768	0	19,781	0	23	98	484	2	0
S	Upper Talarik Creek	103	0	73	32	0	548	0	0	0	0	0	0
S	Battle River	381	0	0	653	0	2,651	0	10	24	117	0	0
S	Funnel Creek	51	0	0	3	0	508	0	0	18	1	0	0
S	Nanuktuk Creek	203	0	0	13	0	2,781	0	0	234	20	0	0
S	Long Lake	127	0	0	0	0	0	0	0	0	0	1,970	0
S	Kijik Lake	17	0	0	0	0	0	0	25	36	102	0	0
S	Gibraltar River	338	0	2	637	0	4,705	0	0	80	50	0	0
S	Kukaklek River (Big Ku) (into Alagnak)	815	1	0	224	0	11,192	0	15	126	137	2	0
S	Little Kulik (into Nanuktuk Creek)	83	0	0	22	0	1,073	0	1	86	12	1	0
S	Other Lakes	24	0	0	22	0	52	0	20	44	0	32	0
S	Other Streams	105	0	54	111	0	809	0	0	198	25	12	0
T	Nushagak River System	489	335	58	106	0	1,735	0	53	1,168	3,541	42	0
T	Wood River Lakes System	733	340	156	775	0	1,116	0	0	1,051	1,440	962	0
T	Tikchik-Nuyakuk Lake System	293	39	5	12	0	172	0	672	144	926	286	0
T	Togiak River System	2,211	7,248	2,990	336	0	880	0	0	5,484	117	111	0
T	Mulchatna River	386	337	516	444	0	1,684	0	25	754	1,719	165	0
T	Agulowak River	957	0	7	1,250	0	8,811	0	0	1,221	1,488	79	0
T	Aleknagik Lake	293	0	45	174	0	0	0	0	926	13	280	0
T	Agulukpak River	685	0	0	336	0	3,386	0	0	697	974	185	0
T	Nushagak R - upstream of Mulchatna River	715	85	316	27	0	3,546	0	0	2,363	2,246	23	0
T	Wood River	100	3	176	108	0	64	0	0	44	6	7	0
T	Nushagak River - Black Point to Sonar Site	3,882	12,209	2,270	10	0	395	0	0	236	395	86	0
T	Nushagak River - Sonar Site to Mulchatna	3,750	8,717	697	1	0	50	0	0	36	22	95	0
T	Other Lakes and Streams	840	999	2,206	242	0	1,153	0	25	144	631	6	0
	Other Lakes and Streams in SC	15	1	0	7	0	39	0	0	16	24	0	0
	SC Total	126,387	50,465	34,732	53,666	83	244,595	2,334	3,756	124,289	30,457	5,918	53

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

• Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G22.–Freshwater logbook effort species released by area and site, AYK Alaska, 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
I	Gulkana River (Highway to Copper River)	68	39	0	0	0	0	0	0	0	135	0	0
I	Klutina River	1,657	549	0	453	0	7	0	0	26	13	0	0
I	Gulkana River (West Fork to Highway)	1,045	528	0	101	0	15	0	23	0	58	0	0
I	Other Lakes and Streams	141	89	0	0	0	15	2	91	0	246	0	0
U	Other Lakes	1,239	0	20	1	0	961	1	0	0	341	88	0
U	Other Streams	316	29	149	0	0	0	0	0	0	2,826	72	0
V	Kanektok River (Quinhagak, Chosen)	2,722	1,627	4,375	1,300	0	9,579	0	5	14,551	1,818	13	0
V	Goodnews River	1,139	537	2,138	88	0	1,323	0	4	3,747	236	0	0
V	Aniak River	665	1,600	1,908	81	0	3,132	0	0	3,821	1,160	523	68
V	Holitna River	440	550	317	45	0	5	0	0	931	666	1,806	165
V	Streams - Kuskokwim Drainages above Aniak	36	27	61	12	0	53	0	0	43	66	35	0
V	Lakes - Kuskokwim Drainages above Aniak	9	0	0	0	0	0	0	52	0	67	12	0
V	Kuskokwim Drainage below Aniak	351	316	719	69	0	2,939	0	0	2,918	1,328	28	1
V	Lakes and Streams - Kuskokwim Bay	213	32	494	18	0	949	0	79	642	102	1	0
W	Streams of Seward Peninsula/Norton Sount	885	700	7,258	0	0	0	0	0	1,625	2,609	18	0
Y	Streams of the Yukon River Drainage	1,273	566	2,218	18	0	0	0	0	660	8,826	9,267	84
	Other Lakes and Streams in AYK	63	0	0	0	0	0	0	0	129	345	0	484
	AYK Total	12,262	7,189	19,657	2,186	0	18,978	3	254	29,093	20,842	11,863	802

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G25.–Freshwater logbook participation by site code and area, Southeast Alaska, 2008.

Area	Description	Trips	Businesses[a]	Angler Days						
				Guides[a]	Resident	Nonres	Comped	Unknown	Crew	Total
A	Lakes and Streams	173	6	19	4	548	0	15	1	568
B	Eagle Creek (Bear Creek)	20	7	8	3	49	0	0	0	52
B	Harris River	20	6	8	0	52	0	0	1	53
B	Luck Lake	9	4	4	2	25	1	0	0	28
B	Staney Creek	42	9	11	2	105	0	0	2	109
B	Thorne System Stream and Lake	59	11	15	3	172	0	1	0	176
B	Sweetwater System Stream and Lake	13	4	4	0	40	0	0	0	40
B	Other Lakes and Streams	97	9	12	2	259	0	0	2	263
C	Lakes and Streams	57	10	11	11	160	0	0	1	172
D	Plotnikof and Rezanof System Streams and Lakes	25	6	9	2	77	0	0	0	79
D	Eva Lake and Stream	16	4	7	1	62	0	0	4	67
D	Sitkoh Creek and Lake (Chichagof Island)	17	5	8	0	55	0	0	0	55
D	Katlian River	78	5	8	0	237	2	1	0	240
D	Nakwasina Sound Streams	49	6	10	2	150	0	0	0	152
D	Saook Bay Streams	48	4	16	2	214	0	0	20	236
D	Fish Bay Streams	5	4	5	0	24	0	0	0	24
D	Other Lakes	36	6	7	4	93	0	0	3	100
D	Other Streams	187	14	37	16	616	0	0	6	638
E	Dupont to Echo Cove (Juneau Road System)	7	4	4	10	19	0	0	0	29
E	Admiralty Island Streams	196	6	23	5	801	1	0	7	814
E	Chaik Bay Streams	52	4	12	1	206	0	0	4	211
E	Other Lakes and Streams	379	7	27	6	1,470	0	10	4	1,490
G	Mud Bay Creek (Chichagof Island)	26	5	8	1	98	0	0	4	103
G	Trail River (Chichagof Island)	21	6	8	2	89	0	0	13	104
G	Chicken Creek (Chichagof Island)	43	4	14	1	174	0	0	1	176
G	North Chichagof Island Streams	9	4	6	2	31	0	0	1	34
G	Other Lakes and Streams	16	4	5	5	57	0	0	4	66
H	Akwe River	121	4	5	71	380	0	0	70	521
H	Situk River (above weir)	501	7	16	100	1,047	1	1	17	1,166
H	Situk River (below weir)	56	4	11	1	113	0	1	1	116
H	Other Lakes and Streams	613	14	34	61	2,194	14	3	30	2,302
	Other Lakes and Streams in SE	122	2	7	0	526	0	19	1	546
SE Total		3,113	70	178	320	10,143	19	51	197	10,730

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G26.–Page 2 of 3.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
P	Russian River	137	15	22	20	276	0	3	0	299
P	Swanson River Canoe Route Lakes	16	4	4	19	27	0	0	12	58
P	Crescent Lake	44	4	9	0	125	0	0	0	125
P	Quartz Creek	31	6	8	0	51	0	2	0	53
P	Kasilof River below Highway	1,980	88	139	858	5,627	19	58	98	6,660
P	Kasilof River above Highway	28	10	11	8	75	1	1	4	89
P	Kasilof River reach not specified	97	19	21	47	268	0	1	0	316
P	Stocked Lakes	13	5	5	1	37	0	0	1	39
P	Other Lakes	47	15	18	18	148	0	0	11	177
P	Other Streams	105	11	17	36	367	1	4	0	408
P	Kenai River - Cook Inlet to Soldotna Bridge	8,560	211	321	4,243	25,574	120	236	61	30,234
P	Kenai River - Soldotna Bridge to Moose R	803	65	94	222	2,368	2	9	86	2,687
P	Kenai River - Moose River to Skilak Outlet	1,104	80	108	469	2,933	16	20	12	3,450
P	Kenai River - Skilak Inlet to Kenai Lake	2,381	40	94	874	6,548	13	54	83	7,572
P	Kenai River - reach not specified	175	31	37	62	479	4	11	1	557
Q	Buskin River	19	4	4	6	49	0	0	2	57
Q	Pasagshak River	38	7	7	24	88	0	0	3	115
Q	Roadside Streams	35	11	11	1	97	0	0	6	104
Q	Other Remote Lakes and Streams	296	20	32	49	940	4	0	5	998
Q	Roadside Lakes	45	6	8	9	155	3	0	2	169
Q	American River	16	6	6	1	37	0	0	1	39
Q	Buskin Lake	7	4	4	0	20	0	0	2	22
Q	Dog Salmon Creek (Frazer River)	98	6	16	11	327	0	0	5	343
Q	Olds River	21	7	7	6	63	0	0	0	69
Q	Ayakulik River (sometimes called Red River)	207	4	10	23	680	3	2	3	711
Q	Saltery River	349	11	17	97	1,056	4	4	10	1,171
Q	Uganik River	96	4	6	8	341	2	2	39	392
Q	Browns Lagoon River	15	5	6	0	54	0	0	1	55
Q	Zachar Bay Streams	33	4	8	1	96	0	0	5	102
Q	Karluk Lake and River above Weir	109	6	12	13	552	0	10	0	575
Q	Karluk Lagoon and River below Weir	100	5	14	3	588	1	8	0	600
R	Naknek River and Tributaries	684	22	66	165	1,590	11	6	109	1,881
R	Naknek Lake	66	5	10	10	215	3	0	5	233
R	Brooks River	317	20	73	34	783	7	4	5	833
R	Ugashik System	113	14	34	7	324	0	0	8	339
R	Becharof System	234	19	47	12	671	2	1	12	698
R	American Creek	595	19	71	60	1,512	1	0	1	1,574
R	Naknek River (Rapids Camp upstream to Naknek Lk)	639	18	49	43	1,562	3	6	92	1,706
R	Naknek River (dwnstream frm Rapids Camp)	276	14	33	39	604	0	1	42	686
R	Other Alaska Peninsula / Aleutian Streams	1,014	18	57	75	2,620	0	3	44	2,742
R	Other Alaska Peninsula / Aleutian Lakes	34	7	10	5	95	0	0	1	101
R	Other Streams	76	17	31	0	263	0	0	4	267

-continued-

Appendix G27.–Freshwater logbook participation by site code and area, AYK Alaska, 2008.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
I	Klutina River	470	11	22	331	1,200	4	10	26	1,571
I	Gulkana River (reach unspecified)	75	5	8	58	165	0	0	16	239
I	Gulkana River (West Fork to Highway)	205	14	25	156	588	0	2	8	754
I	Other Lakes and Streams	11	4	5	9	19	0	0	0	28
U	Other Lakes	227	5	15	18	911	1	3	13	946
U	Other Streams	72	6	15	68	128	0	5	9	210
V	Kanektok River (Quinhagak, Chosen)	1,390	5	56	37	2,775	0	0	0	2,812
V	Goodnews River	583	6	20	18	1,041	0	0	0	1,059
V	Aniak River	380	7	19	17	814	0	0	0	831
V	Holitna River	223	7	21	7	525	1	0	3	536
V	Lakes and Streams - Kuskokwim Bay	97	5	14	0	198	0	0	5	203
V	Other Lakes and Streams - Kuskokwim Drainage	155	12	22	53	589	1	0	19	662
W	Streams of Seward Peninsula/Norton Sound	418	6	18	33	875	0	1	11	920
Y	Streams of the Yukon River Drainage	484	7	22	45	941	0	5	1	992
	Other Lakes and Streams in AYK	11	3	3	10	59	0	0	1	70
AYK Total		4,801	69	222	860	10,828	7	26	112	11,833

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G29.–Freshwater logbook effort species kept by area and site, Southeast Alaska 2008.

Area	Description	Angler Days	Salmon										
			King	Coho	Sockeye	Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
A	Lakes and Streams	568	0	83	0	0	0	0	0	4	0	0	0
B	Eagle Creek (Bear Creek)	52	0	0	0	0	0	0	0	0	0	0	0
B	Harris River	53	0	3	0	0	0	0	0	0	0	0	0
B	Luck Lake	28	0	0	0	0	0	0	0	7	0	0	0
B	Staney Creek	109	0	11	0	0	0	0	0	0	0	0	0
B	Thorne System Stream and Lake	176	0	56	0	1	0	0	0	42	0	0	0
B	Sweetwater System Stream and Lake	40	0	45	26	1	0	0	0	2	0	0	0
B	Other Lakes and Streams	263	0	51	7	0	0	0	0	1	0	0	0
C	Lakes and Streams	172	0	30	0	0	0	0	0	3	0	0	0
D	Plotnikof and Rezanof System Streams and Lakes	79	0	34	0	0	0	0	0	0	0	0	0
D	Eva Lake and Stream	67	0	0	0	1	1	0	0	14	0	0	0
D	Sitkoh Creek and Lake (Chichagof Island)	55	0	0	0	0	1	0	0	4	0	0	0
D	Katlian River	240	0	12	0	0	0	0	0	1	0	0	0
D	Nakwasina Sound Streams	152	0	0	0	0	0	0	0	0	0	0	0
D	Saook Bay Streams	236	0	0	0	0	0	0	0	19	0	0	0
D	Fish Bay Streams	24	0	0	0	0	0	0	0	0	0	0	0
D	Other Lakes	100	0	1	1	0	2	0	0	2	0	0	0
D	Other Streams	638	0	82	0	0	3	0	0	33	0	0	0
E	Dupont to Echo Cove (Juneau Road System)	29	0	13	0	0	0	0	0	7	0	0	0
E	Admiralty Island Streams	814	0	36	0	0	0	0	0	230	0	0	0
E	Chaik Bay Streams	211	0	2	0	0	0	0	0	53	0	0	0
E	Other Lakes and Streams	1,490	0	3	0	0	0	0	0	12	0	0	0
G	Mud Bay Creek (Chichagof Island)	103	0	0	0	0	0	0	0	41	0	0	0
G	Trail River (Chichagof Island)	104	0	0	0	0	0	0	0	2	0	0	0
G	Chicken Creek (Chichagof Island)	176	0	0	0	0	0	0	0	12	0	0	0
G	North Chichagof Island Streams	34	0	16	0	0	0	0	0	13	0	0	0
G	Other Lakes and Streams	66	0	30	0	0	0	0	0	0	0	0	0
H	Akwe River	521	42	657	1	2	0	0	0	24	0	0	0
H	Situk River (above weir)	1,166	0	578	498	16	0	1	0	7	0	0	0
H	Situk River (below weir)	116	0	33	311	0	0	0	0	15	0	0	0
H	Other Lakes and Streams	2,302	50	4,155	158	4	0	1	0	49	1	0	0
	Other Lakes and Streams in SE	546	0	0	85	0	0	0	0	5	0	0	0
	SE Total	10,730	92	5,931	1,087	25	7	2	0	602	1	0	0

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G31.–Freshwater logbook effort and species kept by area and site, Southcentral harvest, 2008.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
J	Other Lakes	20	0	15	0	0	0	0	0	13	0	0	0
J	Other Streams	405	1	403	16	0	0	0	0	14	0	0	0
K	Knik Arm Lakes and Streams	1,889	419	1,361	3	0	1	0	0	0	0	0	0
M	Willow Creek	99	12	5	0	0	6	0	0	0	3	0	0
M	Clear Creek (Chunilna Creek)	265	8	120	12	0	0	0	0	0	0	0	0
M	Little Willow Creek	159	11	143	1	0	1	0	0	0	0	0	0
M	Indian River (into Susitna)	42	5	4	0	0	0	0	0	0	0	0	0
M	Talkeetna River	2,192	396	897	666	0	2	0	0	3	0	0	0
M	Other Lakes - East Susitna Drainage	33	0	0	0	0	3	0	2	0	9	0	0
M	Other Streams - East Susitna Drainage	389	91	117	1	0	20	0	0	2	0	9	0
M	Deshka River (Kroto Creek)	112	29	0	0	0	5	0	0	0	0	0	0
M	Lake Creek	3,415	546	1,562	281	0	80	0	0	0	0	19	0
M	Talachulitna River	2,592	382	1,455	192	0	0	0	0	5	5	6	0
M	Alexander Lake	45	0	0	0	0	0	0	0	0	0	8	0
M	Chelatna Lake	114	0	0	0	0	0	0	41	0	1	1	0
M	Eightmile Creek	115	43	157	0	0	0	0	0	0	0	8	0
M	Fish Lake Creek and Fish Lakes	408	78	82	91	0	0	0	0	0	0	248	0
M	Moose Creek (into Yentna)	59	21	28	1	0	0	0	0	0	0	0	0
M	Skwentna River	182	23	148	19	0	0	0	0	0	0	0	0
M	Susitna River	69	1	18	0	0	0	0	0	0	0	0	0
M	Yentna River Drainage (Remainder)	1,249	251	560	41	0	14	0	0	5	0	31	0
M	Yentna River	634	141	592	12	0	0	0	0	0	0	0	0
M	Deshka River (Kroto Creek) below weir	776	164	467	3	0	5	0	0	0	0	1	0
M	Indian Creek (into Yentna near Fish Lakes)	379	45	361	1	0	0	0	0	0	0	5	0
M	Other Lakes and Streams - West Susitna Drainage	282	36	83	4	0	1	0	0	0	0	117	0
M	Streams and Lakes	34	2	10	0	0	15	0	0	0	0	5	0
N	Chuitna River	221	24	265	0	0	0	0	0	0	0	0	0
N	Big River Lakes	5,329	15	9,401	4,006	0	0	0	0	8	0	0	0
N	Big River	16	0	31	11	0	0	0	0	0	0	0	0
N	Crescent Lake	245	0	133	79	0	0	0	11	82	0	3	0
N	Crescent River (Grecian River)	311	0	518	121	0	0	0	3	58	0	0	0
N	Kamishak River	255	0	352	0	0	0	0	0	29	0	0	0
N	Kustatan River	1,378	4	3,648	13	0	1	0	0	37	0	0	0
N	Silver Salmon Creek	142	0	108	2	0	0	0	0	14	0	0	0
N	Bachatna Creek	54	0	151	0	0	0	0	0	0	0	0	0
N	Other Sites North Forelands to Susitna Drainage	162	1	105	26	0	0	0	1	13	1	0	0
N	Other Sites (South of North Forelands)	241	5	218	21	0	0	0	0	6	0	0	0
N	Wolverine Creek (by Big River Lakes)	2,318	0	988	4,475	0	0	0	0	3	0	0	0
P	Anchor River	199	42	16	0	0	0	0	0	66	0	0	0
P	Ninilchik River	257	52	38	0	0	0	0	0	13	0	0	0
P	Deep Creek	178	0	106	0	0	0	0	0	28	0	0	0

-continued-

Appendix G31.–Page 3 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
R	Other Streams	267	0	286	6	0	0	0	0	12	6	0	0
S	Kvichak River	2,218	66	357	2,267	0	29	0	0	4	27	0	0
S	Lower Talarik Creek	143	0	5	0	0	0	0	0	0	0	0	0
S	Copper River (Lake Iliamna Area)	1,390	0	0	236	0	0	0	0	0	0	0	0
S	Gibraltar Lake	69	0	0	3	0	0	0	0	0	0	0	0
S	Newhalen River	441	0	3	1,099	0	0	0	0	0	1	0	0
S	Alagnak (Branch) River	4,173	308	663	3,787	0	13	0	5	25	22	0	0
S	Lake Clark	330	0	0	2	0	0	0	3	0	0	0	0
S	Kulik River	1,448	0	0	0	0	50	0	0	0	0	0	0
S	Lake Iliamna	675	0	15	642	0	15	0	0	0	0	0	0
S	Nonvianuk Lake	79	0	0	19	0	1	0	4	0	0	0	0
S	Nonvianuk River (into Alagnak)	399	0	0	32	0	4	0	17	0	0	0	0
S	Pike Lakes	17	0	0	0	0	0	0	0	0	0	1	0
S	Tazimina River	141	0	0	2	0	0	0	0	0	2	0	0
S	Moraine Creek	1,237	0	0	4	0	27	0	0	0	4	0	0
S	Upper Talarik Creek	111	0	96	0	0	0	0	0	0	0	0	0
S	Battle River	364	0	0	0	0	17	0	0	0	0	0	0
S	Funnel Creek	103	0	0	0	0	3	0	0	0	0	0	0
S	Nanuktuk Creek	302	0	0	0	0	0	0	0	0	0	0	0
S	Kijik River	64	0	0	0	0	0	0	0	0	1	0	0
S	Kijik Lake	40	0	0	0	0	0	0	7	6	2	0	0
S	Gibraltar River	265	0	0	40	0	0	0	0	0	0	0	0
S	Kukaklek River (Big Ku) (into Alagnak)	549	0	0	276	0	4	0	1	0	0	0	0
S	Battle Lake	12	0	0	0	0	0	0	0	0	0	0	0
S	Little Kulik (into Nanuktuk Creek)	141	0	0	0	0	0	0	0	0	0	0	0
S	Other Lakes and Streams	62	0	10	0	0	0	0	0	0	0	0	0
T	Nushagak River System	913	245	52	3	0	5	0	0	3	0	1	0
T	Wood River Lakes System	768	14	317	154	0	2	0	0	14	2	1	0
T	Tikchik-Nuyakuk Lake System	355	0	0	120	0	1	0	9	1	5	21	0
T	Togiak River System	1,818	685	1,945	269	0	10	2	0	44	0	0	0
T	Mulchatna River	421	52	2	81	0	11	0	1	16	17	0	0
T	Agulowak River	1,073	0	26	995	0	0	0	0	14	2	2	0
T	Aleknagik Lake	148	0	67	41	0	0	0	0	0	0	3	0
T	Agulukpak River	480	0	0	6	0	6	0	0	11	0	0	0
T	Nushagak R - upstream of Mulchatna River	330	19	196	2	0	0	0	0	1	0	0	0
T	Nushagak River - Black Point to Sonar Site	3,178	1,825	296	16	0	2	0	0	3	0	0	0
T	Nushagak River - Sonar Site to Mulchatna	4,560	2,500	1,592	41	0	6	0	0	1	3	2	1
T	Other Lakes	57	0	0	0	0	0	0	0	0	0	1	0
T	Other Streams	788	46	472	81	0	0	0	0	0	0	0	0
	Other Lakes and Streams in SC	364	1	296	51	0	0	0	0	24	0	0	0
	SC Total	126,596	19,312	51,796	32,806	0	674	9	164	2,133	259	496	1

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G32.–Page 2 of 3.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Laake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
P	Russian River	299	0	1	164	0	525	0	0	111	1	0	0
P	Swanson River Canoe Route Lakes	58	0	0	0	0	161	0	0	0	0	0	0
P	Crescent Lake	125	1	0	39	0	30	0	8	74	107	0	0
P	Quartz Creek	53	0	0	26	0	15	0	0	625	1	0	0
P	Kasilof River below Highway	6,660	990	29	29	0	128	337	7	917	0	0	0
P	Kasilof River above Highway	89	7	0	0	0	12	7	0	12	0	0	0
P	Kasilof River reach not specified	316	55	5	0	0	12	1	0	13	0	0	0
P	Stocked Lakes	39	0	12	0	0	142	0	0	0	57	0	0
P	Other Lakes	177	0	15	12	0	553	0	0	83	302	0	0
P	Other Streams	408	1	307	42	0	241	14	0	798	121	0	0
P	Kenai River - Cook Inlet to Soldotna Bridge	30,234	2,304	310	130	0	2,111	0	0	1,202	0	0	0
P	Kenai River - Soldotna Bridge to Moose R	2,687	192	86	284	0	3,599	23	1	979	0	0	0
P	Kenai River - Moose River to Skilak Outlet	3,450	44	259	631	0	17,164	1	9	9,983	10	0	0
P	Kenai River - Skilak Inlet to Kenai Lake	7,572	14	132	2,179	1	26,761	2	41	28,552	29	1	0
P	Kenai River - reach not specified	557	33	29	24	0	900	0	0	1,409	0	0	0
Q	Buskin River	57	0	5	0	0	1	0	0	156	0	0	0
Q	Pasagshak River	115	0	121	10	0	0	0	0	17	0	0	0
Q	Roadside Streams	104	0	32	0	0	0	0	0	100	0	0	0
Q	Other Remote Lakes and Streams	998	158	470	2,059	0	76	85	0	1,297	8	0	0
Q	Roadside Lakes	169	0	161	15	0	0	0	0	34	0	0	0
Q	American River	39	0	1	0	0	0	0	0	200	0	0	0
Q	Buskin Lake	22	0	1	0	0	0	0	0	100	0	0	0
Q	Dog Salmon Creek (Frazer River)	343	12	60	1,181	0	10	51	0	146	0	0	0
Q	Olds River	69	0	2	2	0	0	0	0	114	0	0	0
Q	Ayakulik River (sometimes called Red River)	711	174	1,557	782	0	17	308	1	2,458	0	0	0
Q	Saltery River	1,171	0	231	885	0	59	3	10	3,232	2	0	0
Q	Uganik River	392	0	178	3	0	411	0	0	3,542	0	0	0
Q	Browns Lagoon River	55	0	0	0	0	0	0	0	19	0	0	0
Q	Zachar Bay Streams	102	0	72	0	0	0	0	0	44	0	0	0
Q	Karluk Lake and River above Weir	575	107	214	523	0	36	321	0	3,639	0	0	0
Q	Karluk Lagoon and River below Weir	600	7	204	369	0	0	21	0	576	0	0	0
R	Naknek River and Tributaries	1,881	425	959	616	1	4,281	0	742	1,666	776	55	0
R	Naknek Lake	233	0	5	52	0	956	7	418	163	93	164	0
R	Brooks River	833	0	1	819	3	4,108	0	41	99	6	0	0
R	Ugashik System	339	397	344	61	0	89	0	4	1,276	329	2	0
R	Becharof System	698	15	1,696	100	0	606	0	0	3,650	587	0	0
R	American Creek	1,574	0	6	261	0	7,532	0	18	13,329	81	8	0
R	Naknek R (Rapids Camp upstream to Naknek Lk)	1,706	310	344	1,082	0	3,319	0	12	456	46	11	0
R	Naknek River (dwnstream frm Rapids Camp)	686	147	118	249	0	246	0	0	10	0	45	0
R	Other Alaska Peninsula / AleutianStreams	2,742	1,679	6,231	500	0	560	490	27	3,673	1	0	0
R	Other Alaska Peninsula / Aleutian Lakes	101	0	206	7	0	251	0	50	32	8	0	0

-continued-

Appendix G33.–Freshwater logbook effort and species kept by area and site, AYK Alaska, 2008.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
I	Klutina River	1,571	688	4	266	0	4	0	0	84	21	0	0
I	Gulkana River (reach unspecified)	239	120	0	0	0	0	0	0	0	8	0	0
I	Gulkana River (West Fork to Highway)	754	384	0	11	0	0	2	0	1	0	0	0
I	Other Lakes and Streams	28	6	0	0	0	0	0	2	0	0	0	0
U	Other Lakes	946	0	117	9	0	68	0	0	1	2	20	0
U	Other Streams	210	10	36	0	0	0	0	0	3	10	0	0
V	Kanektok River (Quinhagak, Chosen)	2,812	243	813	194	0	0	0	0	39	1	0	0
V	Goodnews River	1,059	82	294	120	0	5	0	0	31	0	0	0
V	Aniak River	831	31	126	3	0	1	0	0	22	7	12	6
V	Holitna River	536	184	65	37	0	0	0	0	12	5	24	20
V	Lakes and Streams - Kuskokwim Bay	203	1	2	0	0	0	0	0	1	0	0	0
V	Other Lakes and Streams - Kuskokwim Drainage	662	0	90	3	0	0	0	3	7	6	0	0
W	Streams of Seward Peninsula/Norton Sound	920	49	972	4	0	0	0	0	225	8	0	0
Y	Streams of the Yukon River Drainage	992	72	244	1	0	0	0	0	5	15	12	8
	Other Lakes and Streams in AYK	70	0	0	0	0	0	0	0	0	0	1	26
	AYK Total	11,833	1,870	2,763	648	0	78	2	5	431	83	69	60

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G35.–Freshwater logbook effort and species kept by region, Statewide, 2008.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
		King	Coho	Sockeye								
SE	10,730	92	5,931	1,087	25	7	2	0	602	1	0	0
SC	126,596	19,312	51,796	32,806	0	674	9	164	2,133	259	496	1
AYK	11,833	1,870	2,763	648	0	78	2	5	431	83	69	60
Total	149,159	21,274	60,490	34,541	25	759	13	169	3,166	343	565	61

Note: Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G36.–Freshwater logbook effort and species released by region, Statewide, 2008.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
		King	Coho	Sockeye								
SE	10,730	99	13,382	943	1,365	1,208	2,820	64	23,961	34	0	0
SC	364	29	28	7	0	90	0	0	381	21	0	0
AYK	11,833	4,166	20,323	996	1	19,952	0	158	28,413	15,911	7,697	652
Total	149,159	34,359	87,332	45,795	1,392	216,309	4,619	3,473	161,200	44,075	13,709	654

Note: Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

SB 300

<target><bill>SB 300</bill><subject>SB 300</subject><comm>HFIN26</comm></target>

SB 300 and AIDEA's New Strategic Plan

For the past two years, AIDEA has been engaged in the development of a comprehensive Strategic Plan and Vision. This process created a Strategic Vision that AIDEA would:

1. Diversify and Grow AIDEA's assets to support economic development
2. Improve AIDEA's existing programs and add targeted new economic development financing tools
3. Expand the deployment and impact of AIDEA's economic development financing

The current version of SB 300, consistent with that Strategic vision, adds a new power which allows AIDEA to consider, when exercising it financial powers, the interests of local governments, and the impact of financed projects on local governments so that both the authority and they may share in the economic benefits of these activities with appropriate consideration of the authority's need to preserve its financial position, including its bond rating.

This new power is consistent with the directive the legislature already placed in AS 44.88.095(c) which provides that, before AIDEA enters into a lease or other agreement for a project if the bond amount will exceed $6 million, that the authority will seek a resolution from the local governmental body affected by the project that the local government has consented to the project..

Similarly AS 44.88.174 provides for a process for projects located in areas of unorganized boroughs and provides for the creation of Regional Advisory councils to guide AIDEA .

Then in AS 44.88.177 AIDEA is directed to solicit the review and advice of a Regional Resource Advisory Council or the governing body in the area before the execution of contracts agreements and the like.

In sum, AIDEA welcomes further direction form the legislature on the exercise of its powers as they impact local governments and communities. AIDEA's Development Finance projects have always had local input and now that policy will be followed in all AIDEA's programs including the Loan Participation Program, as well as divestiture decisions.

Submitted by AIEDA

HB 410 Compared to CSSB 300

The Addition of New Powers for the Authority

The current version of SB 300 makes a single change to HB 410. The Senate version adds language to permit the authority when exercising its myriad of powers to consider, when making its decisions:

(1) The interests of local governments; and
(2) The impact of its activities on local governments;

The Senate bill's new language is designed so that both the authority and local governments may share in the economic benefits of AIDEA's activities with appropriate consideration of the authority's need to preserve its financial position, including its bond rating. This new, additional authority is found Section I which amends AS 44.88.080 by adding a new paragraph 30.

This New Power is Consistent with Existing Statutory Mandates

This new power is consistent with the directive the legislature already placed in AS 44.88.095(c) which provides that, before AIDEA enters into a lease or other agreement for a project if the bond amount will exceed $6 million, that the authority will seek a resolution from the local governmental body affected by the project that the local government has consented to the project.

Similarly AS 44.88.174 provides for a process for projects located in areas of unorganized boroughs and provides for the creation of Regional Advisory councils to guide AIDEA.

Then, in AS 44.88.177., AIDEA is directed to solicit the review and advice of a Regional Resource Advisory Council or the governing body in the area before the execution of contracts agreements and the like.

submitted by AIDEA

Senate Bill 300

An Act relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority; and relating to loans from the rural development initiative fund.

Sectional Analysis

Section	Analysis
1	AS 44.88.159(e) is amended to change the method by which AIDEA determines the minimum interest rate to be charged on loan participations that AIDEA finances with AIDEA assets rather than bond proceeds. Current method requires AIDEA to establish a minimum by estimating the true interest cost if AIDEA were to use bond proceeds. The proposed method would allow the minimum to be based on the greater of either the rates achieved by a type or category of financial security in a published nationally recognized market index or the 5-year rate of return on AIDEA's investments.
2	AS 44.88.159 is amended by adding a new subsection that allows AIDEA to establish in regulation a new program to provide incentive rate rebates to certain loan participations that create jobs, promote rural development or foster other economic development criteria. • Rate rebates are limited to no more than 1% of the interest rate charged to AIDEA's portion of the loan participation. • The balance of loans subject to rebates would be limited to no more than 5% of the outstanding balance of all loan participations. • The authority may not commit to pay an incentive rebate for more than 5 years. • Allows AIDEA to establish a separate account for this program.
3	AS 44.88.172(a) is amended to clarify that AIDEA can own or operate a percentage of a project – not the entire project
4	AS 44.88.610(a) is amended to allow borrowers to have multiple Rural Development Revolving Loan Fund loans and increases the cumulative amount a person may borrow from $100,000 to $150,000 and increases the cumulative amount two or more persons may borrow from $200,000 to $300,000.
5	AS 44.88.610(b) is amended by reducing the RDIF minimum interest rate from 6% to 4%.

Prepared by AIDEA 3/2/10

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the power project fund; authorizing the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund; authorizing AEA to sell and authorizing the Alaska Industrial Development and Export Authority (AIDEA) to purchase loans of the power project fund; and providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010.

This bill deals with the power project fund (AS 42.45.010) and would accomplish two things. First, the bill would authorize the sale of power project fund loans from AEA to AIDEA as an investment of AIDEA's revolving fund. The sale of loans will recapitalize the power project fund and be accomplished under a memorandum of understanding. Second, the bill would authorize AEA to charge fees related to administration of the power project fund.

AEA can make loans out of the power project fund to help finance energy generation and transmission projects, or to fund the bulk fuel revolving loan fund under AS 42.45.250(*f*). Borrowers currently use loans from the power project fund as a financing tool to help finance match requirements of renewable energy projects funded by the renewable energy grant fund (AS 42.45.045). The power project fund currently holds less than $4.2 million, an amount inadequate to fund all reasonable loan needs arising out of the renewable energy grant fund and recommendation program and other purposes of the power project fund. The proposed sale of existing loans in the power project fund will recapitalize the fund with an additional sum, estimated to be approximately $21 million.

To maximize the price paid to AEA for the sale of loans of the power project fund, the bill and memorandum of understanding include provisions for AEA to repurchase from AIDEA loans which later default. This repurchase provision substantially reduces financial risk to AIDEA from default, and enables AIDEA to purchase the loans without significant discount for such risk. The result is that AEA will obtain more from the sale to capitalize the power project fund.

Several sections of the bill authorize the sale of power project fund loans from AEA to AIDEA. Section 1 of the bill would amend AS 42.45.010(a) and allow proceeds from the sale of power project loans to be deposited into the power project fund. Section 3 of the bill would add a new subsection (*l*) to AS 42.45.010, and authorize AEA to sell power project fund loans with legislative approval, allow AEA to repurchase defaulted loans, and direct that sale proceeds be deposited into the power project fund. Section 4 of the bill would add a new paragraph (30) to AS 44.88.080 and authorize AIDEA to purchase loans of the power project fund with legislative approval. And, sec. 5 of the bill would provide necessary legislative approval for AEA to sell and AIDEA to purchase the loans under the memorandum of understanding dated February 17, 2010. A copy of this memorandum of understanding is available on both AEA and AIDEA internet websites.

The bill would also authorize AEA to charge and collect fees in administering the power project fund, similar to authority that AEA has under AS 42.45.250(j) and (k) for the bulk fuel revolving loan fund. Section 2 of the bill would amend AS 42.45.010(d) which currently provides statutory authority for AEA to adopt regulations regarding the power project fund, and specifically authorize AEA to establish reasonable fees for applications and loan origination, and charges for reimbursement of the costs of analyzing the feasibility of a project. Section 3 of the bill would add subsection (k) to AS 42.45.010, and authorize AEA to collect the power project fund fees and charges established in the regulations, and direct deposit of those fees and charges into the general fund. Currently, AEA only requires an applicant to pay the costs of analyzing the feasibility of a project.

Finally, Sec. 6 of the bill would make the bill immediately effective, if it is enacted into law.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 12, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/13/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 300(FIN)**

"An Act relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority, to the powers of the authority, and to loans from the rural development initiative fund."
SB 300-AIDEA LOANS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	1			✓
REV	2			✓
DOT	3			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Coar	✓			
	Doogan	✓			
	Fowler	c			
	Austerman	x			
	FOSTER	✓			
Anna Fairclough	FAIRCLOUGH	✓			
Chair:					
Chair:	Stoltze	✓			

5214

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-CED-AIDEA-1-6-10
Title: AIDEA programs
Sponsor
Requester

Dept. Affected: DCCED
RDU: AIDEA (125)
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill proposes to 1) amend the method by which AIDEA determines minimum interest rates for certain loan participations; 2) provide AIDEA the ability to provide incentive rate rebates for loan participations that meet certain economic development criteria; 3) clarify AIDEA to ability finance, own and operate a percentage of a development finance project. The amount of potential AIDEA payments for the proposed incentive rate rebates is indeterminate until the program criteria are established and demand for the program is evaluated.

(continued on Page 2)

Prepared by: Sara Fisher-Goad, Deputy Director — Phone 771-3012
Division: AIDEA — Date/Time 1/6/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 1/6/2010
Department of Commerce, Community and Economic Development

The bill limits the total amount of loans subject to incentive rate rebates to 5% of the total of the amount of the proposed loan participation which would be subject to rebate plus the combined outstanding balance of all loan participations of the Authority. As of 6/30/09, AIDEA's outstanding balance of loan participations was $340,346,000; 5% = $17,017,300.

The bill also makes changes to the Rural Development Initiative Fund (RDIF). The RDIF provides long term financing to small businesses located in communities of 5,000 population or less if not connected by road or rail to Anchorage or Fairbanks or communities of 2,000 population or less if connected by road or rail to Anchorage or Fairbanks. This legislation would increase the amount that could be borrowed from the fund and it would remove the restriction that a borrower may only have one loan. It would also reduce the interest rate that may be charged.

To date there is $4,137,900 outstanding with $1,411,400 available to lend in the RDIF. There will be no change in operating budget expenditures to facilitate the proposed changes.

The adoption of regulations will not require additonal operating funds.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-REV-CO-1-6-10
Dept. Affected: Revenue
Title: AIDEA Loan Participation and Finance Projects
RDU: Admin and Support
Component: Commissioner's Office
Sponsor: Rules
Requester: Request of Governor
Component Number: 123

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Department of Revenue anticipates no additional expenses or revenues associated with this legislation.

Prepared by: Ginger Blaisdell, Director — Phone 465-2312
Division: Administrative Services Division — Date/Time 12/18/09; 1:40pm
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:13am
Administrative Services Division

(Revised 10/13/2009 OMB)

5217

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-DOT-CO-11-18-09
Title: Loan participation &development of finannce project AIDEA
Sponsor
Requester

Dept. Affected: DOT&P
RDU: DOT&PF
Component: Admin Support
Commissioner's Office
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill has no fiscal impact to the Deaprtment of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 11/18/09 2:00pm
Approved by: Frank Richards — Date 11/18/2009
Deputy Commissioner, DOT&PF

(Revised 11/6/2008 OMB)

5218

Alaska Bankers Association
P.O. Box 100720 • Anchorage, Alaska 99510-0720 • 907-777-3011 • Fax 907-777-3020

RECEIVED
MAR 1 0 2010
AIDEA
AEA

March 8, 2010

Senator Joe Paskvan, Chairman
Senate Labor & Commerce Committee
State Capitol, Room 7
Juneau, Alaska 99801—1182

Re: Senate Bill 300

Representative Olson:

On behalf of the Alaska Bankers Association, I wish to express our support for enactment of Senate Bill 300.

Enactment of Senate Bill 300 will facilitate AIDEA lending transactions and thereby work to the benefit of all of our members who participate in loan transactions with AIDEA.

Sincerely yours,

David A. Lawer
President

Cc: Chris Anderson

SB 301

<target><bill>SB 301</bill><subject>SB 301</subject><comm>HFIN26</comm></target>

'OUSE COMMITTEE REPOF

(11)
Date Referred to Committee: April 12, 2010 FURTHER REFERRALS:

Date of Committee Action: 4/13/10

The FINANCE Committee considered: SENATE BILL NO. 301

"An Act relating to the power project fund; authorizing the Alaska Energy Authority to charge and collect fees relating to the power project fund; authorizing the Alaska Energy Authority to sell and authorizing the Alaska Industrial Development and Export Authority to purchase loans of the power project fund; providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010; and providing for an effective date."

SB 301-POWER PROJECT FUND

Recommends it be replaced with [√] HCS *or* [ ] CS *for* SB 301 (FIN)
For Senate Bills with new title: [ ] Technical Title [√] New Title: HCR_____ [ ] Same Title [√] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

Pending Introduction

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	4			✓
CED	3			✓
REV	2			✓
DOT	1			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	FOSTER			✓	
	DOGAN			✓	
	AUSTERMAN			X	
	KELLY	✓			
Anna Fairclough	FAIRCLOUGH			✓	
	Gara	✓			
	Salmon	X			
Chair:	Stoltze	✓			
Chair:	Hawker	✓			

5221

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4 **CORRECTED**
Bill Version: SB 301
(S) Publish Date: 3/8/10

Identifier (file name): SB301-CED-AEA-3-2-10
Title: Power Project Fund Loan Portfolio Sale
Sponsor: Rules by Request of the Governor
Requester: Senate Resources Committee

Dept. Affected: DCCED
RDU: 453
Component: Statewide Project Development
Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()	**						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) Currently, AEA only collects funds from applicants relating to the direct cost of analyzing the feasibility of a project. All fees would be deposited into the general fund; however, AEA will request an annual appropriation to have collected fees be deposited into the PPF. A similar annual appropriation is requested for fees collected from bulk fuel loans. ** Estimated fees are indeterminate until regulations are adopted; however, as a reference, AEA charges a $25 application fee and a .5% origination fee for loans from the Bulk Fuel Revolving Loan Fund.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development
(continued on page 2)

Prepared by: Sara Fisher-Goad, Deputy Director-Operations — Phone 907-771-3012
Division: Alaska Energy Authority — Date/Time 2/17/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/2/2010
Department of Commerce, Community and Economic Development

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 301

ANALYSIS CONTINUATION

and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio. AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately $20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3 **CORRECTED**
Bill Version: SB 301
(S) Publish Date: 3/8/10

Identifier (file name): SB301-CED-AIDEA-3-2-10
Dept. Affected: DCCED
Title: Power Project Fund Loan Portfolio Sale
RDU: 125
Component: AIDEA Operations
Sponsor: Rules by Request of the Governor
Requester: Senate Resources Committee
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) See AEA's fiscal note for details.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 2/17/10 12:00 AM
Approved by: Emil Notti, Commissioner
Date 3/2/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

5224

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 301

ANALYSIS CONTINUATION

AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately $20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 301
(S) Publish Date: 2/26/10

Identifier (file name): 0974-REV-TRS-1-6-10
Title: AIDEA Power Project Fund
Sponsor: Rules
Requester: Request of Governor

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Treasury
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The Department of Revenue anticipates no fiscal impact as a result of this legislation.

Prepared by: Ginger Blaisdell for Jerry Burnett, Deputy Commissioner — Phone 465-3669
Division: Treasury Division — Date/Time 1/5/10; 9:48am
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 1:49pm
Administrative Services Division

(Revised 10/13/2009 OMB)

5226

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 301
(S) Publish Date: 2/26/10

Identifier (file name): 0974-DOT-CO-01-04-10
Dept. Affected: DOT&P
Title: Power Project Fund
RDU: Adminstration and Support Services
Component: Commissioner's Office
Sponsor
Requester
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill has no fiscal impact on the Department of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison
Phone 465-4772
Division: DOT&PF, Commissioner's Office
Date/Time 1/4/10 5:25 PM
Approved by: Frank Richards
Date 1/4/2010
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

5227

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the power project fund; authorizing the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund; authorizing AEA to sell and authorizing the Alaska Industrial Development and Export Authority (AIDEA) to purchase loans of the power project fund; and providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010.

This bill deals with the power project fund (AS 42.45.010) and would accomplish two things. First, the bill would authorize the sale of power project fund loans from AEA to AIDEA as an investment of AIDEA's revolving fund. The sale of loans will recapitalize the power project fund and be accomplished under a memorandum of understanding. Second, the bill would authorize AEA to charge fees related to administration of the power project fund.

AEA can make loans out of the power project fund to help finance energy generation and transmission projects, or to fund the bulk fuel revolving loan fund under AS 42.45.250(*l*). Borrowers currently use loans from the power project fund as a financing tool to help finance match requirements of renewable energy projects funded by the renewable energy grant fund (AS 42.45.045). The power project fund currently holds less than $4.2 million, an amount inadequate to fund all reasonable loan needs arising out of the renewable energy grant fund and recommendation program and other purposes of the power project fund. The proposed sale of existing loans in the power project fund will recapitalize the fund with an additional sum, estimated to be approximately $21 million.

To maximize the price paid to AEA for the sale of loans of the power project fund, the bill and memorandum of understanding include provisions for AEA to repurchase from AIDEA loans which later default. This repurchase provision substantially reduces financial risk to AIDEA from default, and enables AIDEA to purchase the loans without significant discount for such risk. The result is that AEA will obtain more from the sale to capitalize the power project fund.

Several sections of the bill authorize the sale of power project fund loans from AEA to AIDEA. Section 1 of the bill would amend AS 42.45.010(a) and allow proceeds from the sale of power project loans to be deposited into the power project fund. Section 3 of the bill would add a new subsection (*l*) to AS 42.45.010, and authorize AEA to sell power project fund loans with legislative approval, allow AEA to repurchase defaulted loans, and direct that sale proceeds be deposited into the power project fund. Section 4 of the bill would add a new paragraph (30) to AS 44.88.080 and authorize AIDEA to purchase loans of the power project fund with legislative approval. And, sec. 5 of the bill would provide necessary legislative approval for AEA to sell and AIDEA to purchase the loans under the memorandum of understanding dated February 17, 2010. A copy of this memorandum of understanding is available on both AEA and AIDEA internet websites.

The bill would also authorize AEA to charge and collect fees in administering the power project fund, similar to authority that AEA has under AS 42.45.250(j) and (k) for the bulk fuel revolving loan fund. Section 2 of the bill would amend AS 42.45.010(d) which currently provides statutory authority for AEA to adopt regulations regarding the power project fund, and specifically authorize AEA to establish reasonable fees for applications and loan origination, and charges for reimbursement of the costs of analyzing the feasibility of a project. Section 3 of the bill would add subsection (k) to AS 42.45.010, and authorize AEA to collect the power project fund fees and charges established in the regulations, and direct deposit of those fees and charges into the general fund. Currently, AEA only requires an applicant to pay the costs of analyzing the feasibility of a project.

Finally, Sec. 6 of the bill would make the bill immediately effective, if it is enacted into law.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 12, 2010

SUBJECT: Amendment A.1 to Senate Bill 301, relating to loan approval from the power project fund for the Reynolds Creek hydro project (Work Order No. 26-GS2974\A.1)

TO: Representative Bill Thomas, Jr.

FROM: Jack Chenoweth
Assistant Revisor

The state constitution requires that the subject of each bill be expressed in its title. The draft amendment that accompanies this memo proposes adding to the contents of the measure as it is to be considered in the second house that require a change in the bill title; the change is made in the title of the accompanying amendment draft.

The proposed bill addition is disallowed by the second sentence of Uniform Rule 35: "A motion or proposition on a subject that requires a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, is not in order in the second house." The addition that you propose to make in the draft is substantive, not a clerical or technical change, and does not fall within the exception that is set within the text of the rule. The addition you propose is, by the terms of the rule, out of order.

If you offer the amendment for committee consideration, please remind the committee chair(s) of the rule and the need for the committee to offer a concurrent resolution waiving the limitation of Uniform Rule 35 and other appropriate provisions that would accommodate the proposed addition to the bill, including the title change, as set out in the amendment.

JBC:plm
10-227.plm

Enclosure

Adopted 4/13/10

26-GS2974\A.1
Kane
4/12/10

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE THOMAS

TO: SB 301

Page 1, line 6, following "**2010;**":

Insert "**providing legislative approval for a loan from the power project fund for the Reynolds Creek hydroelectric project;**"

Page 3, following line 11:

Insert a new bill section to read:

"*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE APPROVAL OF LOAN FROM THE POWER PROJECT FUND. Provided the Alaska Energy Authority approves a loan for the Reynolds Creek hydroelectric project, the legislature authorizes the Alaska Energy Authority to loan $9,000,000 from the power project fund (AS 42.45.010) for the Reynolds Creek hydroelectric project. This section constitutes legislative approval under AS 42.45.010(j) for a loan from the fund that exceeds $5,000,000."

Renumber the following bill section accordingly.

Exhibit A

Alaska Energy Authority
Power Project Loans
as of 2/9/10

Payment Period	Loan #	Loan Name	Outstanding Commitment	Current Balance	Next Due Date	Interest Rate	Payment Amount	Maturity Date
Annually								
	40901044	QINARMIUT CORP	$0.00	$84,841.03	10/1/10	0.00	$12,266.17	10/1/16
	40901045	CORDOVA ELEC CO OP	$0.00	$742,857.13	6/11/10	0.00	$28,571.43	6/11/35
	40901047	ST PAUL, CITY OF	$0.00	$97,306.42	10/1/10	3.00	$8,614.18	10/1/23
	40901048	WRANGELL, CITY OF	$0.00	$78,553.50	7/1/10	2.00	$27,238.92	7/1/12
	40901050	PELICAN UTILITY DISTRICT	$0.00	$15,161.70	7/1/10	5.61	$2,191.43	7/1/19
	40901057	ST PAUL, CITY OF	$0.00	$1,260,000.00	10/1/10	0.00	$90,000.00	10/1/23
Total for Annually				**$2,278,719.78**			**$168,882.13**	
SemiAnnually								
	40901009	SITKA, CITY OF	$0.00	$9,178,074.93	7/1/10	4.00	$307,037.96	1/1/33
	40901049	GWITCHYAA ZHEE UTILITY	$0.00	$145,384.29	7/1/10	6.16	$9,844.52	1/1/20
	40901051	AP&T TOK DOT LAKE	$0.00	$232,837.77	7/1/10	0.00	$12,254.63	7/1/19
	40901052	AP&T (TETLIN)	$0.00	$172,614.56	7/1/10	4.20	$11,121.71	7/1/19
	40901059	AP&T (PRINCE OF WALES PROJECT)	$0.00	$893,333.30	7/1/10	0.00	$20,000.00	1/1/37
	40901060	ELFIN COVE, COMMUNITY OF	$0.00	$550,325.15	7/1/10	0.00	$13,102.98	1/1/31
	40901061	SOUTHERN ENERGY	$0.00	$517,673.38	7/1/10	5.60	$21,480.18	7/1/30
	40901062	YAKUTAT, CITY & BOROUGH OF	$0.00	$125,792.95	7/1/10	3.00	$7,325.59	1/1/20
	40901065	AVEC NIGHTMUTE	$0.00	$205,283.22	7/1/10	0.00	$10,804.38	7/1/19
	40901068	AP&T (SKAGWAY)DYEA LINE EXTENSION	$0.00	$114,153.48	7/1/10	2.00	$6,052.95	7/1/20
	40901071	TUNTUTULIAK COMMUNITY SERVICES A	$0.00	$129,509.64	7/1/10	0.00	$5,396.23	1/1/22
	40901072	GUSTAVUS ELECTRIC COMPANY	$0.00	$118,626.84	7/1/10	5.40	$10,288.01	1/1/17
	40901076	NAPASKIAK ELEC UTILITY	$0.00	$6,304.97	7/1/10	5.80	$1,669.45	1/1/12
	40901079	TDX SAND POINT GENERATING INC	$0.00	$203,984.12	7/1/10	4.00	$10,109.49	1/1/23
	40901080	AK POWER CO-POW SWITHGEAR PROJ.	$0.00	$167,889.70	7/1/10	5.45	$7,639.46	1/1/27
	40901081	AK POWER CO-SKAGWAY LINE EXT	$0.00	$187,093.47	7/1/10	5.45	$6,660.67	1/1/37
	40901084	AK POWER CO-SOUTH FORK HYDRO	$0.00	$1,576,590.23	7/1/10	5.45	$57,000.66	1/1/36
	40901085	ADAK, CITY OF (DOWNSIZE GEN)	$0.00	$85,577.88	7/1/10	5.39	$6,648.22	1/1/18
	40901086	TDX NORTH SLOPE GENERATING INC	$0.00	$796,539.85	7/1/10	3.00	$34,972.27	1/1/24
	40901090	TDX NORTH SLOPE GENERATING INC	$0.00	$746,334.45	7/1/10	5.15	$35,901.66	1/1/25
	40901091	TDX SAND POINT GENERATING INC	$0.00	$120,251.45	7/1/10	5.11	$5,454.25	7/1/26
	40901092	AK POWER CO	$0.00	$63,010.57	7/1/10	5.11	$2,912.94	1/1/26
	40901093	PORT HEIDEN, CITY OF	$0.00	$38,730.34	7/1/10	5.09	$2,403.24	7/1/20
	40901094	YAKUTAT, CITY & BOROUGH OF	$0.00	$224,977.15	7/1/10	4.92	$17,225.39	1/1/18
	40901095	TDX NORTH SLOPEGENERATING, INC	$0.00	$1,193,582.30	7/1/10	4.92	$53,356.61	7/1/26
	40901096	CHENA POWER LLC	$0.00	$530,138.84	7/1/10	5.02	$23,729.86	7/1/26
	40901097	CRAIG, CITY OF	$0.00	$482,653.23	7/1/10	5.05	$19,908.31	1/1/29
	40901100	GUSTAVUS ELECTRIC, INC	$0.00	$928,029.76	7/1/10	4.69	$29,659.32	7/1/38
	40901102	CHIGNIK LAGOON POWER UTILITY	$0.00	$30,920.85	7/1/10	4.62	$5,599.19	1/1/13
	40901104	ALASKA WIND POWER, LLC	$0.00	$143,502.81	7/1/10	4.88	$7,176.84	1/1/14
	40901106	NUSHAGAK ELECTRIC & TELEPHONE CO(	$0.00	$12,010.97	7/1/10	4.99	$4,820.30	1/1/15
	40901107	TDX NORTH SLOPE GENERATING, INC.	$0.00	$2,500,000.00	7/1/10	5.46	$104,892.75	1/1/30
Total for SemiAnnually				**$22,421,732.45**			**$872,450.02**	
Grand Total				**$24,700,452.23**				

Prepared by AEA

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is entered into this 17th day of February, 2010, between the Alaska Energy Authority ("AEA") and the Alaska Industrial Development and Export Authority ("AIDEA").

Recitals

A. The power project fund ("PPF") is established as a separate fund of AEA under AS 42.45.010(a).

B. AEA may make PPF loans for financing various activities related to the development of energy generation and transmission projects, bulk fuel storage facilities, waste energy, energy conservation, or alternative energy facilities, or may make loans to the bulk fuel revolving loan fund for the purposes described in AS 42.45.250(l).

C. The Renewable Energy Grant Fund was established under AS 42.45.045 to finance certain energy projects in Alaska, with an emphasis on feasible energy projects that provide a cost benefit to Alaska ratepayers, and projects that will serve areas in which the average cost of energy exceeds the average cost of energy in other areas of the state.

D. AEA makes PPF loans available to assist project developers meet their matching fund obligations under the Renewable Energy Fund Grant Recommendation Program. By doing so, AEA is able to leverage the funding available from each program to better promote the development of cost efficient, renewable energy projects for the benefit of Alaska ratepayers.

E. The PPF currently has less than $5,000,000 available for serving the purposes of the fund.

F. AEA desires to sell, and AIDEA desires to purchase, the outstanding PPF loans identified in the attached Exhibit A.

G. In this MOU, in order to maximize the amount AIDEA would be willing to pay for the PPF loans identified in Exhibit A and minimize financial risk to AIDEA from purchasing the PPF loans, AEA agrees to repurchase from AIDEA any outstanding loan if the borrower has a payment default after the sale.

H. The outstanding PPF loans identified in Exhibit A have a combined current balance as of February 9, 2010, of $24,700,452.23, and earn interest at annual rates that range from 0% to 6.16%.

I. AEA and AIDEA agree that the outstanding loans identified in Exhibit A have a projected present value as of the closing date (expected to be in July 2010) of approximately $20.6 million. This present value is the value of projected loan payments over the life of the outstanding loans, discounted at 6.02%, which was AIDEA's return on investments for the three year period ended September 30, 2009.

J. AEA and AIDEA agree that the sale and purchase of the outstanding PPF loans identified in Exhibit A at the present value of the loans will both adequately capitalize the Power Project Fund and provide a reasonable investment for the revolving fund of AIDEA.

K. The sale and purchase of the outstanding PPF loans identified in Exhibit A will require, among other things, the enactment of legislation approving the sale and purchase.

L. This MOU is intended to set forth the principal terms and conditions under which AEA would sell, and AIDEA would purchase, the outstanding PPF loans identified in Exhibit A. The parties intend that this MOU be incorporated into legislation to be submitted to the Alaska State Legislature authorizing the sale and purchase of the loans.

NOW, THEREFORE, in exchange for the mutual promises contained herein and for other consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. AEA agrees to sell, and AIDEA agrees to purchase, the outstanding PPF loans identified in Exhibit A on the closing date, expected to be in July 2010, for a purchase price equal to the present value as of the closing date of all PPF loans identified in Exhibit A.

2. In this MOU, the "present value" of a PPF loan means the present value of all scheduled loan payments on the PPF loan over the entire remaining life of the PPF loan, using a discount rate of 6.02%.

3. Based upon the definition of "present value," AIDEA and AEA estimate that the purchase price of all PPF loans identified in Exhibit A on the closing date will be approximately $20.6 million.

4. AEA shall repurchase from AIDEA any outstanding PPF loan if the borrower defaults on payment after the sale. The repurchase price shall equal the present value of the loan determined on the date of the payment default by the borrower, less any payments received by AIDEA after the payment default date. AIDEA may exercise the right to have AEA repurchase a PPF loan by sending notice to AEA of the payment default.

AEA shall pay AIDEA within 30 days of the notice of payment default from unencumbered and uncommitted funds in the Power Project Fund. If the PPF has an inadequate amount of unencumbered and uncommitted funds to repurchase the PPF loan from AIDEA within 30 days of the notice of default, AEA shall make payments to AIDEA with unencumbered and uncommitted funds as they become available in the Power Project Fund (through repayments from other PPF loans or otherwise), with interest on the unpaid balance at the annual rate of four percent (4%) from the date 30 days after the notice of default. Nothing in this paragraph precludes AIDEA from rescinding a notice of default.

WHEREFORE the parties have executed this Agreement as of the date first written above.

Alaska Energy Authority

by: Steve Haagenson
Executive Director

Alaska Industrial Development and Export Authority

by: Ted Leonard
Executive Director

HB 411 and SB 301

An Act relating to the power project fund

Sectional Analysis

Section	Analysis
1	AS 42.45.010(a) is amended to allow proceeds from the sale of power project loans to be deposited into the power project fund (PPF).
2	AS 42.45.010(d) repeals and reenacts AEA authority to adopt regulations relating to the loan program by specifically allowing AEA to establish fees for applications and loan originations.
3	AS 42.45.010 is amended by adding new subsections – (k) to provide that fees collected will be deposited into the general fund. (l) provides authority to AEA to sell loans of the PPF with legislative approval, allows AEA to repurchase loans sold under this subsection which default, allows proceeds received to be deposited into the fund.
4	AS 44.88.080 is amended by adding new subsection (30) allowing AIDEA to purchase from AEA, as an investment of the revolving fund, PPF loans.
5	Uncodified law is amended by adding a new section providing for legislative approval for AEA to sell and AIDEA to purchase certain power project fund loans. This section references the 2/17/10 MOU between AIDEA and AEA that memorializes the proposed terms of the sale and purchase.
6	Provides for an immediate effective date

Prepared by AEA

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 13, 2010

SUBJECT: Appropriations for proceeds in HCS SB 301(FIN)
(Work Order No. 26-GS2974\R)

TO: Representative Mike Hawker
Representative Bill Stoltze
Co-Chairs of the House Finance Committee

FROM: Brian J. Kane BJK
Legislative Counsel

I have prepared a House CS for SB 301 as you requested, but there is one point I would like to call to your attention. The bill contains a provision in sec. 1 stating that proceeds from the sale of loans are included in the fund. I am not sure that the Alaska Energy Authority can deposit the proceeds into the fund without the formality of an appropriation. Any money going into the fund for the AEA to use should be appropriated at some point -- so you may want to consider adding language to sec. 1 recognizing that an appropriation is needed in order for the proceeds to be used by AEA.

If I may be of further assistance, please advise.

BJK:ljw
10-267.ljw

Enclosure

SB 305

<target><bill>SB 305</bill><subject>SB 305</subject><comm>HFIN26</comm></target>

Adopted 4/16/10

AMENDMENT #2

OFFERED IN THE HOUSE BY REPRESENTATIVE HAWKER

TO: HCS CSSB 305 (FIN) Work Draft Version 26-LS1577\U

Page 8, line 20

Delete "land, lease,"

Insert "land or lease or"

Page 9, line 19 following "property"

Insert "in the state"

Page 11, line 25

Delete "land, lease,"

Insert "land or lease or"

Page 12, line 9

Delete "land, lease,"

Insert "land or lease or"

Page 12, line 21

Delete "land, lease,"

Insert "land or lease or"

Page 13, line 2

Delete "land, lease,"

Insert "land or lease or"

Page 16, line 13

Delete "Sections 2 - 4"

Insert "Sections 2 - 5"

4/14/10

2 March 2010

To: Senate Finance Committee

Attn: Senator Bert Stedman, Co-Chairman

From: David Wood

Date: 2 March, 2010

Re: Answer to Question & Request Raised by Senator Thomas during My Testimony (25 February 2010) – Fiscal Years 2008 and 2009

The very pertinent and perceptive question asked earlier today by Senator Thomas sought information with respect to how might the gas dilution / cross subsidy effect identified in Alaska's current production tax rules have impacted the production taxes actually paid in recent periods had a gas line been in operation at the time?

In order to provide an indicative answer to this question I have taken the data for price, volume and costs (excluding Cook Inlet Gas) for fiscal years 2008 and 2009 (i.e. July 2007 to June 2008 and July 2008 to June 2009), which are available from the Alaska Department of Revenue (DOR), Fall 2008 and 2009 Revenues Sources Books (RSB), (Dec 2008and Dec 2009). These two periods encompass the wide range of oil prices that prevailed since the ACES rules were in place. The six tables attached (three for each fiscal period) to this document provide the necessary data and calculations to establish the impact of the cross subsidy effect.

Note that in this calculation the annual figures for production volumes and costs are distributed pro rata according to days / month across each month of the year. This assumption was necessary as DOR do not publish a monthly breakdown of the production tax calculation. This approximation is responsible for the small difference between the actual production tax paid and that calculated in the tables that follow. For fiscal year 2008 the calculated production tax shown in Table 1 is 2.7% higher than the actual production tax paid ($6867.3 million). For fiscal year 2009 the calculated production tax shown in Table 1 is 4.5% higher than the actual production tax paid ($3112.0 million). These slight differences are not considered significant in the context of the purpose of this analysis.

5240

(copy on file)

Fiscal Year 2008

Table 1 calculates the production tax for oil based on actual data showing the components of that calculation. As no gas is exported the calculations are based upon oil barrels only. This results in total production tax of **$ 7.462 billion** which is reduced by investment credits of $411.5 million to $ 7.050 billion. The calculation shown essentially reproduces the figures from the RSB (2.7% difference attributed to monthly pro rata production and cost allocations).

Table 2 assumes a 4.5 bcf/day gas line and calculates production tax for this hypothetical gas stream on a stand-alone basis (i.e. not combined with oil). The calculation uses the U.S. wellhead natural gas prices from the EIA's records for the months in question. There would be some small differentials between these prices and AECO prices in Alberta, but I believe they are close enough for the purpose. I have also assumed gas transportation costs of $4.5/mcf ($27/boe) and field costs (capital costs plus operating costs) of $400 million ($1.46/ boe) which are those used by Commissioner Galvin in the examples he provided from the DOR in his testimony of 24 February 2010. This data computes a total production tax of **$ 1.140 billion** to which no investment credits are applied.

By adding the computed production taxes in tables 1 and 2 the stand-alone oil and gas production tax for this FY 2008 (assuming 4.5 bcf /day) would be **$8.599 billion** (reduced to $8.187 billion by the deduction of $411.5 million investment credits).

Table 3 calculates the production tax by combining the revenue cost and volume streams from tables 1 and 2 to provide a combined oil and gas production tax calculation of **$6.776 billion** (reduced to $6.365 billion by the deduction of $411.5 million investment credits).

For this period the loss to the State in production tax revenue caused by the cross subsidy effect of combining oil and gas in the production tax calculation would have amounted to:

$6.776 billion less $8.599 billion = -$1.822 billion.

This calculation is in line with the figures of potential loss in fiscal revenue discussed during the testimonies.

Fiscal Year 2009

Table 4 calculates the production tax for oil based on actual data showing the components of that calculation. As no gas is exported the calculations are based upon oil barrels only. This results in total production tax of **$ 3.601 billion** which is reduced by investment credits of $350 million to $ 3.251 billion. The calculation shown essentially reproduces the figures from the RSB (4.5% difference attributed to monthly pro rata production and cost allocations).

Table 5 assumes a 4.5 bcf/day gas line and calculates production tax for this hypothetical gas stream on a stand-alone basis (i.e. not combined with oil). The calculation uses the U.S. wellhead natural gas prices from the EIA's records for the months in question. There would be some small differentials between these prices and AECO prices in Alberta, but I believe they are close enough for the purpose. I have also assumed gas transportation costs of $4.5/mcf ($27/boe) and field costs (capital costs plus operating costs) of $400 million ($1.46/ boe) which are those used by Commissioner Galvin in the examples he provided from the DOR in his testimony of 24 February 2010. This data computes a total production tax of **$ 0.583 billion** to which no investment credits are applied.

By adding the computed production taxes in tables 1 and 2 the stand-alone oil and gas production tax for this FY 2009 (assuming 4.5 bcf /day) would be **$4.185 billion** (reduced to $3.835 billion by the deduction of $350 million investment credits).

Table 6 calculates the production tax by combining the revenue cost and volume streams from tables 4 and 5 to provide a combined oil and gas production tax calculation of **$3.381 billion** (reduced to $3.031 billion by the deduction of $350 million investment credits).

For this period the loss to the State in production tax revenue caused by the cross subsidy effect of combining oil and gas in the production tax calculation would have amounted to:

$3.381 billion less $4.185 billion = -$0.804 billion.

This calculation indicates a lower potential loss in fiscal revenue for fiscal year 2009 compared to fiscal year 2008. This is due to the lower prices and value of oil and gas revenue streams in fiscal year 2009. However, $0.8 billion remains a substantial potential loss in a relative low price / value environment.

Sincerely,

David Wood

dw@dwasolutions.com

2 March 2010

Table 1. Oil Stand-alone Production Tax Calculation (July 2007 to June 2008)

FY 2008 Production Tax Revenues: Actual Versus Potential Under Alternative Mechanisms
(Analysis Based on Actual US West Coast Prices and Cost Data)

Month	US West Coast Oil Price	Per Barrel Total Costs	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Volume (Millions barrels)	Combined Progressivity Tax (CPT)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	CPT + BPT Value	CPT + BPT less Investment Credits
	$/barrel	$/barrel	PTV $/barrel	$/barrel	$/barrel	%	%	millions barrels	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D= (B + C)	E	F= (D + E)>=0	G	H= (F * G)	I	J= (D * H * I)	K	L= (D * I * K)	M= (J + L)	N= (M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	75.93	-22.88	53.05	-30	23.05	0.40%	9.22%	19.4	95.0	25.00%	257.5	352.5	
Aug	73.83	-22.88	50.95	-30	20.95	0.40%	8.38%	19.4	82.9	25.00%	247.4	330.3	
Sep	79.92	-22.88	57.04	-30	27.04	0.40%	10.81%	18.8	115.9	25.00%	268.0	383.9	
Oct	84.77	-22.88	61.89	-30	31.89	0.40%	12.75%	19.4	153.3	25.00%	300.5	453.8	
Nov	92.98	-22.88	70.10	-30	40.10	0.40%	16.04%	18.8	211.3	25.00%	329.3	540.6	
Dec	88.64	-22.88	65.76	-30	35.76	0.40%	14.30%	19.4	182.7	25.00%	319.3	501.9	
Jan	91.16	-22.88	68.28	-30	38.28	0.40%	15.31%	19.4	203.0	25.00%	331.5	534.5	
Feb	94.42	-22.88	71.54	-30	41.54	0.40%	16.61%	18.2	215.9	25.00%	324.9	540.8	
Mar	105.06	-22.88	82.18	-30	52.18	0.40%	20.87%	19.4	333.1	25.00%	399.0	732.1	
Apr	112.37	-22.88	89.49	-30	59.49	0.40%	23.79%	18.8	400.2	25.00%	420.4	820.6	
May	125.41	-22.88	102.53	-30	72.53	0.40%	29.01%	19.4	577.6	25.00%	497.8	1075.4	
Jun	133.78	-22.88	110.90	-30	80.90	0.40%	32.36%	18.8	674.4	25.00%	521.0	1195.5	
							Totals:	229.3	3245.3	25.00%	4216.6	7461.9	7050.4

Data Source: Alaska Department of Revenue (DOR), Fall 2008 Revenues Sources Book (RSB), (Dec 2008) P

FY2008 Taxable North Slope barrels /day: 626,456 | 229.3 millions barrels in FY2008 | Lease Expenditures ($/bbl): 16.78 | TT&T ($/bbl): 6.10 | Capex Credits ($ millions): 411.5

2 March 2010

Table 2. Gas Stand-alone Production Tax Calculation (July 2007 to June 2008) [Assuming Gas Line Operational]

FY 2008 Production Tax Revenues: 4.5 bcf /day Hypothetical Gas Sales (Standalone Production Tax Calculation)
(US Gas Price Data from EIA)

	EIA U.S. Wellhead Price	Per BOE Total Costs for Gas	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Volume (Millions boe)	Progressivity Tax (Gas Calculated Separately)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	Total Production Tax (BPT + Progressivity) Value	CPT + BPT less Investment Credits
Month	$/mcf	$/boe	PTV $/boe	$/boe	$/boe	%	%	millions boe	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D=	E	F=	G	H=	I	J=	K	L=	M=	N=
2007/2008			(B + C)		(D + E)>=0		(F * G)		(D * H * I)		(D * I * K)	(J + L)	(M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	6.32	-28.46	9.46	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	55.0	55.0	
Aug	5.87	-28.46	6.76	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	39.3	39.3	
Sep	5.42	-28.46	4.06	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	22.9	22.9	
Oct	5.90	-28.46	6.94	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	40.4	40.4	
Nov	6.58	-28.46	11.02	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	62.0	62.0	
Dec	6.97	-28.46	13.36	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	77.7	77.7	
Jan	6.99	-28.46	13.48	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	78.4	78.4	
Feb	7.55	-28.46	16.84	-30	0.00	0.40%	0.00%	21.8	0.0	25.00%	91.6	91.6	
Mar	8.29	-28.46	21.28	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	123.7	123.7	
Apr	8.94	-28.46	25.18	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	141.7	141.7	
May	9.81	-28.46	30.40	-30	0.40	0.40%	0.16%	23.3	1.1	25.00%	176.7	177.9	
Jun	10.82	-28.46	36.46	-30	6.46	0.40%	2.59%	22.5	21.2	25.00%	205.1	226.3	
							Totals:	274.5	22.3	25.00%	1114.3	1136.7	1136.7

Data Source: EIA for gas price

Hypothetical gas production (bcf/day): 4.5 | 274.5 millions boe in FY2008 | Lease Expenditures ($/boe) 1.46 | TT&T ($/mcf): 4.5 | TT&T ($/boe): 27.00 | Capex Credits ($ millions): 0.0

Combined Production Tax Calculated on an oil + gas stand-alone calculation: 8598.5 | 8187.0

2 March 2010

Table 3. Oil & Gas Combined Production Tax Calculation (July 2007 to June 2008)

FY 2008 Production Tax Revenues: Oil plus Gas Combined
(Analysis Assumes Actual Oil Plus Hypothetical Gas)

Month	Oil + Gas Effective BOE Price	Oil + Gas Effective Per BOE Total Costs	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Oil + Gas Volume (Millions boe)	Combined Progressivity Tax (CPT)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	CPT + BPT Value	CPT + BPT less $400 in credits
	$/boe	$/boe	PTV $/boe	$/boe	$/boe	%	%	millions boe	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D= (B + C)	E	F= (D + E)>=0	G	H= (F * G)	I	J= (D * H * I)	K	L= (D * I * K)	M= (J + L)	N= (M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	55.22	-25.92	29.30	-30	0.00	0.40%	0.00%	42.7	0.0	25.00%	312.5	312.5	
Aug	52.79	-25.92	26.87	-30	0.00	0.40%	0.00%	42.7	0.0	25.00%	286.7	286.7	
Sep	54.09	-25.92	28.17	-30	0.00	0.40%	0.00%	41.3	0.0	25.00%	290.8	290.8	
Oct	57.87	-25.92	31.95	-30	1.95	0.40%	0.78%	42.7	10.6	25.00%	340.8	351.4	
Nov	63.83	-25.92	37.91	-30	7.91	0.40%	3.16%	41.3	49.5	25.00%	391.3	440.9	
Dec	63.13	-25.92	37.21	-30	7.21	0.40%	2.88%	42.7	45.8	25.00%	396.9	442.7	
Jan	64.34	-25.92	38.42	-30	8.42	0.40%	3.37%	42.7	55.2	25.00%	409.9	465.1	
Feb	67.66	-25.92	41.74	-30	11.74	0.40%	4.69%	39.9	78.2	25.00%	416.5	494.7	
Mar	74.92	-25.92	49.00	-30	19.00	0.40%	7.60%	42.7	158.9	25.00%	522.7	681.6	
Apr	80.37	-25.92	54.45	-30	24.45	0.40%	9.78%	41.3	219.9	25.00%	562.1	782.0	
May	89.15	-25.92	63.23	-30	33.23	0.40%	13.29%	42.7	358.6	25.00%	674.5	1033.1	
Jun	96.26	-25.92	70.34	-30	40.34	0.40%	16.14%	41.3	468.7	25.00%	726.1	1194.8	
							Totals:	503.8	1445.4	25.00%	5330.9	6776.3	6364.8
Difference Between Production Tax Calculated on a combined Oil & Gas Basis Minus Standalone Oil and Gas Basis:												-1822.3	-1822.3
Capex Credits ($ millions):													411.5

Table 4. Oil Stand-alone Production Tax Calculation (July 2008 to June 2009)

FY 2009 Production Tax Revenues: Actual Versus Potential Under Alternative Mechanisms
(Analysis Based on Actual US West Coast Prices and Cost Data)

	US West Coast Oil Price	Per Barrel Total Costs	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Volume (Millions barrels)	Combined Progressivity Tax (CPT)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	CPT + BPT Value	CPT + BPT less Investment Credits
Month	$/barrel	$/barrel	PTV $/barrel	$/barrel	$/barrel	%	%	millions barrels	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D= (B + C)	E	F= (D + E)>=0	G	H= (F * G)	I	J= (D * H * I)	K	L= (D * I * K)	M= (J + L)	N= (M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	132.87	-26.15	106.72	-30	76.72	0.40%	30.69%	18.6	607.6	25.00%	495.0	1102.5	
Aug	115.98	-26.15	89.83	-30	59.83	0.40%	23.93%	18.6	398.8	25.00%	416.6	815.5	
Sep	101.86	-26.15	75.71	-30	45.71	0.40%	18.28%	18.0	248.5	25.00%	339.8	588.3	
Oct	73.65	-26.15	47.50	-30	17.50	0.40%	7.00%	18.6	61.7	25.00%	220.3	282.0	
Nov	53.94	-26.15	27.79	-30	-2.21	0.40%	-0.88%	18.0	-4.4	25.00%	124.7	120.3	
Dec	37.70	-26.15	11.55	-30	-18.45	0.40%	-7.38%	18.6	-15.8	25.00%	53.6	37.8	
Jan	39.01	-26.15	12.86	-30	-17.14	0.40%	-6.86%	18.6	-16.4	25.00%	59.6	43.3	
Feb	42.78	-26.15	16.63	-30	-13.37	0.40%	-5.35%	16.8	-14.9	25.00%	69.7	54.8	
Mar	47.75	-26.15	21.60	-30	-8.40	0.40%	-3.36%	18.6	-13.5	25.00%	100.2	86.7	
Apr	46.56	-26.15	20.41	-30	-9.59	0.40%	-3.84%	18.0	-14.1	25.00%	91.6	77.5	
May	58.23	-26.15	32.08	-30	2.08	0.40%	0.83%	18.6	4.9	25.00%	148.8	153.7	
Jun	69.80	-26.15	43.65	-30	13.65	0.40%	5.46%	18.0	42.8	25.00%	195.9	238.7	
							Totals:	218.4	1285.3	25.00%	2315.8	3601.1	3251.1

Data Source: Alaska Department of Revenue (DOR), Fall 2009 Revenues Sources Book (RSB), (Dec 2009) P

FY2009 Taxable North Slope barrels /day: 598,463 | 218.4 millions barrels in FY2009 | Lease Expenditures ($/bbl): 19.67 | TT&T ($/bbl): 6.48 | Capex Credits ($ millions): 350.0

2 March 2010

Table 5. Gas Stand-alone Production Tax Calculation (July 2008 to June 2009) [Assuming Gas Line Operational]

FY 2009 Production Tax Revenues: 4.5 bcf /day Hypothetical Gas Sales (Standalone Production Tax Calculation)
(US Gas Price Data from EIA)

	EIA U.S. Wellhead Price	Per BOE Total Costs for Gas	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Volume (Millions boe)	Progressivity Tax (Gas Calculated Separately)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	Total Production Tax (BPT + Progressivity) Value	CPT + BPT less Investment Credits
Month	$/mcf	$/boe	PTV $/boe	$/boe	$/boe	%	%	millions boe	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D=	E	F=	G	H=	I	J=	K	L=	M=	N=
2007/2008			(B + C)		(D + E)>=0		(F * G)		(D * H * I)		(D * I * K)	(J + L)	(M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	10.62	-28.46	35.26	-30	5.26	0.40%	2.10%	23.3	17.2	25.00%	204.9	222.2	
Aug	8.32	-28.46	21.46	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	124.7	124.7	
Sep	7.27	-28.46	15.16	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	85.3	85.3	
Oct	6.36	-28.46	9.70	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	56.4	56.4	
Nov	5.97	-28.46	7.36	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	41.4	41.4	
Dec	5.87	-28.46	6.76	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	39.3	39.3	
Jan	5.15	-28.46	2.44	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	14.2	14.2	
Feb	4.19	-28.46	-3.32	-30	0.00	0.40%	0.00%	21.0	0.0	25.00%	0.0	0.0	
Mar	3.72	-28.46	-6.14	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	0.0	0.0	
Apr	3.43	-28.46	-7.88	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	0.0	0.0	
May	3.45	-28.46	-7.76	-30	0.00	0.40%	0.00%	23.3	0.0	25.00%	0.0	0.0	
Jun	3.45	-28.46	-7.76	-30	0.00	0.40%	0.00%	22.5	0.0	25.00%	0.0	0.0	
							Totals:	273.8	17.2	25.00%	566.2	583.4	-583.4

Data Source: EIA for gas price

Hypothetical gas production (bcf/day): 4.5 | 273.8 millions boe in FY2009 | Lease Expenditures ($/boe) 1.46 | TT&T ($/mcf): 4.5 | TT&T ($/boe): 27.00 | Capex Credits ($ millions): 0.0

Combined Production Tax Calculated on an oil + gas stand-alone calculation: 4184.5 | 3834.5

2 March 2010

Table 6. Oil & Gas Combined Production Tax Calculation (July 2008 to June 2009)

FY 2009 Production Tax Revenues: Oil plus Gas Combined
(Analysis Assumes Actual Oil Plus Hypothetical Gas)

Month	Oil + Gas Effective BOE Price	Oil + Gas Effective Per BOE Total Costs	Per Barrel Production Tax Value	Progressivity Threshold	PTV less Progressivity Threshold	PTV Rate per Dollar of Adjusted PTV	Incremental Progressivity Rate	Oil + Gas Volume (Millions boe)	Combined Progressivity Tax (CPT)	Base Production Tax (BPT) Rate	Base Production Tax (BPT) Value	CPT + BPT Value	CPT + BPT less $400 in credits
	$/boe	$/boe	PTV $/boe	$/boe	$/boe	%	%	millions boe	$ millions	%	$ millions	$ millions	$ millions
A	B	C	D= (B + C)	E	F= (D + E)>=0	G	H= (F * G)	I	J= (D * H * I)	K	L= (D * I * K)	M= (J + L)	N= (M - P)
Monthly Analysis, $30 PTV $/boe threshold and 0.004% progressivity parameter under Current Law as enacted in 2007													
Jul	94.41	-27.44	66.97	-30	36.97	0.40%	14.79%	41.8	414.1	25.00%	699.9	1114.0	
Aug	79.24	-27.44	51.80	-30	21.80	0.40%	8.72%	41.8	188.8	25.00%	541.4	730.2	
Sep	69.47	-27.44	42.03	-30	12.03	0.40%	4.81%	40.5	81.8	25.00%	425.1	506.9	
Oct	53.91	-27.44	26.47	-30	0.00	0.40%	0.00%	41.8	0.0	25.00%	276.7	276.7	
Nov	43.86	-27.44	16.43	-30	0.00	0.40%	0.00%	40.5	0.0	25.00%	166.1	166.1	
Dec	36.32	-27.44	8.88	-30	0.00	0.40%	0.00%	41.8	0.0	25.00%	92.8	92.8	
Jan	34.50	-27.44	7.06	-30	0.00	0.40%	0.00%	41.8	0.0	25.00%	73.8	73.8	
Feb	32.97	-27.44	5.53	-30	0.00	0.40%	0.00%	37.8	0.0	25.00%	52.2	52.2	
Mar	33.61	-27.44	6.17	-30	0.00	0.40%	0.00%	41.8	0.0	25.00%	64.5	64.5	
Apr	32.11	-27.44	4.67	-30	0.00	0.40%	0.00%	40.5	0.0	25.00%	47.3	47.3	
May	37.36	-27.44	9.92	-30	0.00	0.40%	0.00%	41.8	0.0	25.00%	103.7	103.7	
Jun	42.49	-27.44	15.06	-30	0.00	0.40%	0.00%	40.5	0.0	25.00%	152.3	152.3	
							Totals:	492.2	684.7	25.00%	2695.7	3380.5	3030.5
Difference Between Production Tax Calculated on a combined Oil & Gas Basis Minus Standalone Oil and Gas Basis:												-804.1	-804.1
Capex Credits ($ millions):													350.0

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

SPONSOR STATEMENT
SB 305

SB 305 separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Under this bill the progressivity surcharges for oil and Cook Inlet and in-state gas would be calculated together, but distinctly from export gas, instead of the current practice on all oil and gas combined. The progressivity structure itself would be unchanged, based on 0.4% of the production value that exceeds $30 per barrel for oil, and $30 per BTU barrel of oil equivalent for gas. The base tax rate is unchanged at 25% of production tax value.

Under current law the tax rate is based on the combined BTU value of oil and gas. However, oil and gas can have vastly different values on a BTU basis. Currently a BTU of oil is worth much more than a BTU of gas. Accordingly, once a major gas sale starts, overlaying the existing oil production, the BTU value of the combined oil and gas would be much lower than it was for oil alone. This has been referred to as the dilution effect and could cause a significant reduction in oil taxes as a result of a major gas sale. The existing tax structure, in conjunction with the inherent uncertainty of future oil and gas prices, exposes the state to significant financial risk were a major gas sale to occur. The structure also creates economic instability for entities looking to participate in the development and financing of a natural gas pipeline project in Alaska. SB 305 removes the dilution effect by having progressivity calculated distinctly for oil and gas. This will result in no reduction in oil taxes from a major gas sale.

As in current law, the bill gives the Department of Revenue the authority to adopt regulations to allocate costs between oil and gas, with the added instruction that a method based on relative BTU barrel of oil equivalents should be considered. That method was the one adopted by the department under the same authority for implementation of the current law.

Some producers currently produce Cook Inlet gas or other in-state gas along with North Slope oil. If all gas were separated from oil these producers would see an immediate tax increase. The bill is not intended to increase taxes on current activity. Having the progressivity for Cook Inlet gas and other in-state gas calculated together replicates the current situation, so these producers will see no tax increases. Only progressivity on export gas, like the gas from a major gas sale, would be calculated distinctly. This will prevent a major gas sale from diluting progressivity on oil.

Under the tax inducement provisions of the Alaska Gasline Inducement Act (AGIA), the tax structure in place at the time of the first binding open season (May 1, 2010), may be locked in for the first ten years of gas commercialization. Consequently, to the extent there is interest in decoupling our tax structure, it needs to be done before April 30, 2010.

5250

BACK UP MATERIALS

QUALIFYING FOR THE AGIA UPSTREAM INDUCEMENTS

House Finance Committee

April 15, 2010

Alaska Department of Revenue

Qualification for AGIA Inducements

To qualify for any AGIA inducements under AS43.90.300, "producer-shippers" and "shippers buying from producers" must:

"Commit to acquire firm transportation capacity in the first binding open season"

AS 43.90.300

15 AAC 90.200 - 230

What is a binding commitment?

"Must commit to acquire firm transportation capacity in the first binding open season" means that one must:*

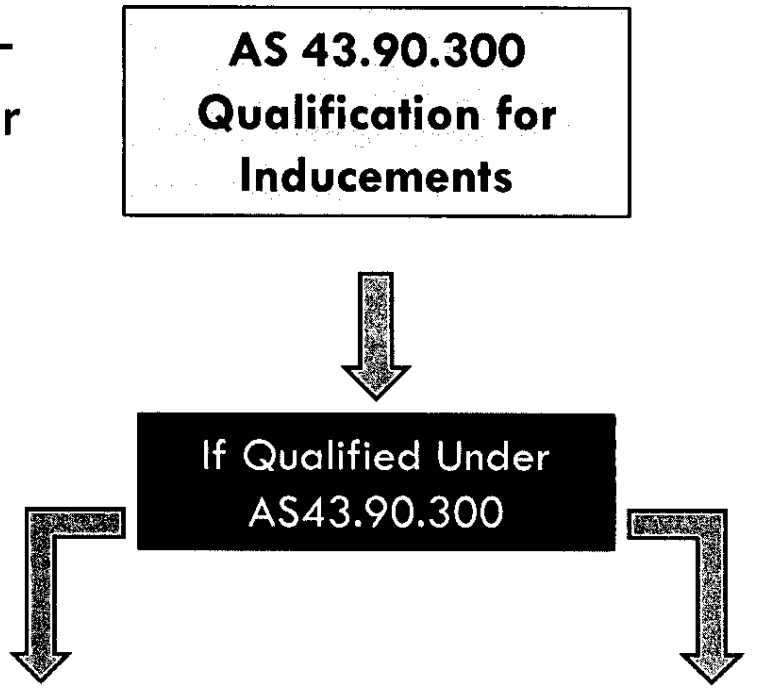
1. Submit a bid for firm transportation capacity during the initial open season;
2. Execute a Precedent Agreement within 180 days of close of initial open season;
3. Execute Transportation Services Agreement within 5 years of open season, or two years following FERC Certification, whichever is later; **and**
4. File with the DOR-DNR Commissioners:
   - Copies of documents listed above; and
   - Copy of rolled-in rate agreements governing pipeline expansions

15 AAC 90.200 - 230

*Summary only

Qualification for AGIA Inducements

Step 1: Producer-Shipper applies to DOR-DNR Commissioners for qualification under AS 43.90.300.



Steps 2 & 3: Producer-Shipper must comply with separate regulations to receive tax and royalty inducements

B

Gas Production Tax Exemption

(AGIA Tax Inducement)

AGIA REGULATIONS OVERVIEW

4/15/2010

Gas Production Tax Exemption

- AGIA entitles shippers to 10 years of 'tax certainty' from the commencement of operation, on gas which is committed during the initial open season on an AGIA gas pipeline.
- Certainty is provided in the form of a tax "exemption" (i.e. a credit)

$$\textbf{Credit} = \left(\text{Gas production tax obligation } \underline{\text{under law}} \text{ } \underline{\text{at time of production}}\right) - \left(\text{Gas production tax obligation } \underline{\text{under law}} \text{ } \underline{\text{at open season}}\right)$$

Identifying "gas production tax"

- The current Production Tax is calculated on combined oil and gas production, with combined oil and gas lease expenditures. So, we need to determine a "gas production tax obligation" for purposes of the .320 tax inducement.

- Regulations have been adopted to define an "Attributed Gas Production Tax Obligation" which is the proportion of the combined production tax that is deemed to be the "gas portion".

15 AAC 90.200 - 230

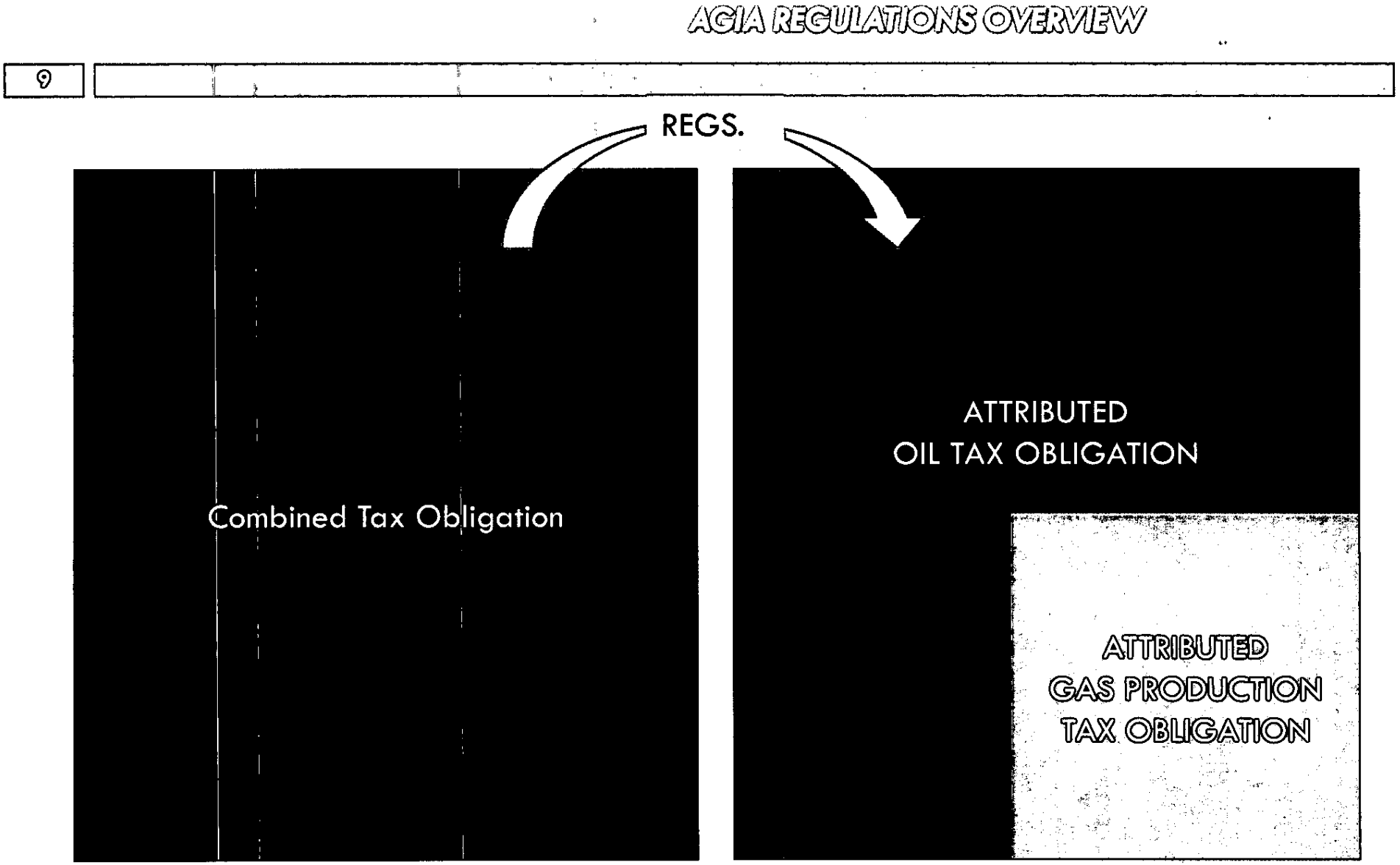
How is the .320 Gas Production Tax Obligation calculated?

$$\text{Combined Tax Obligation} * \frac{\text{Gross Value of AGIA Gas at the Point of Production}}{\text{Gross Value of all Oil and Gas at the Point of Production}}$$

	Oil	Gas	Total
Gross Value at the Point of Production (PoP)	$4,500	$1,500	$6,000
Proportionate Value at the PoP	75%	25%	100%
Combined Tax Obligation	NA	NA	$1,000
Attributed Gas Production Tax Obligation *(25% x $1000)*	NA	$250	NA

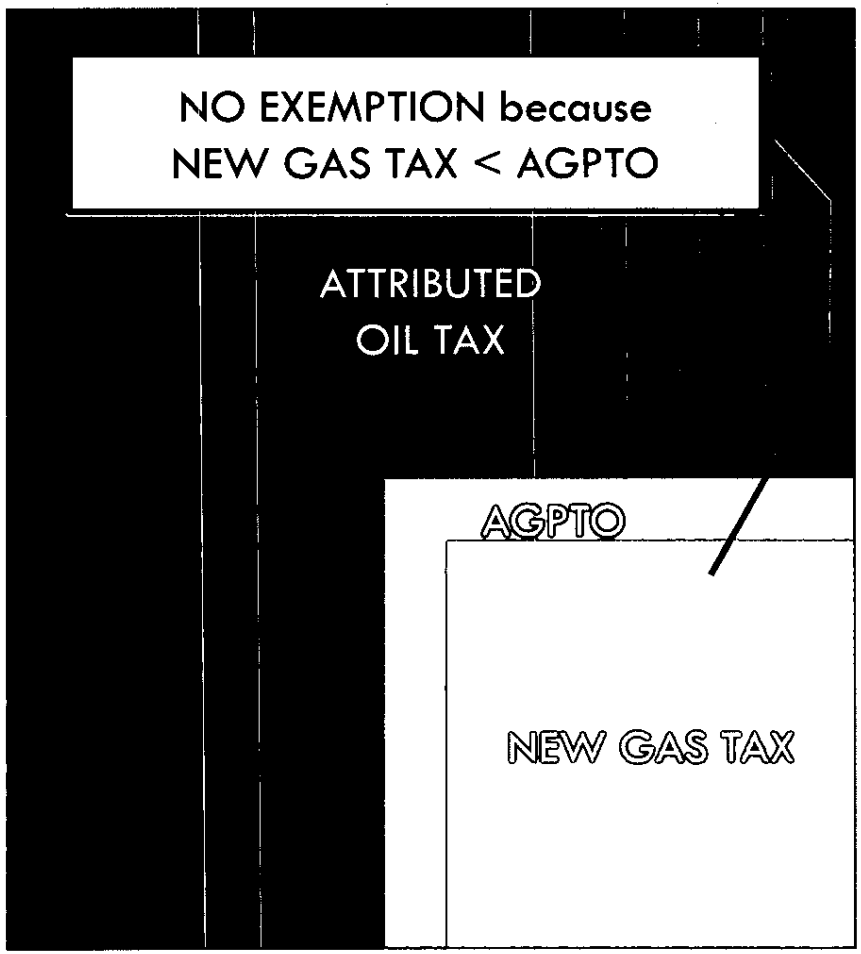
DOR

Illustration

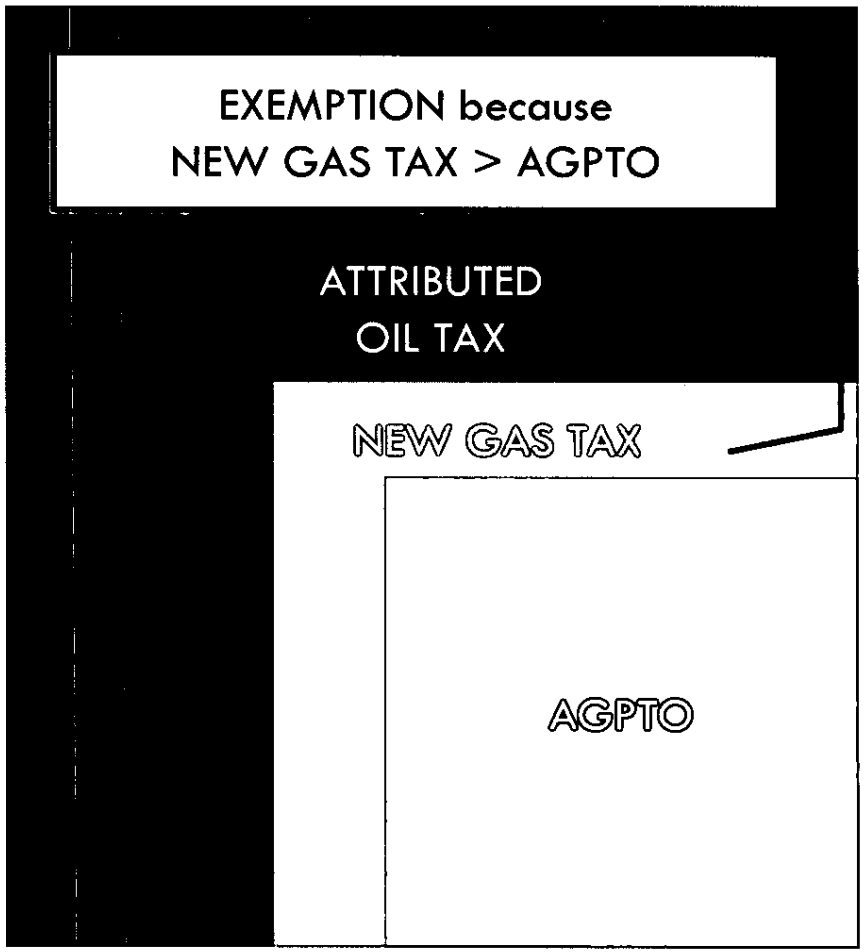


Exemptions (Credits) are granted when the New Gas Tax is higher than the Attributed Gas Production Tax Obligation (AGPTO).

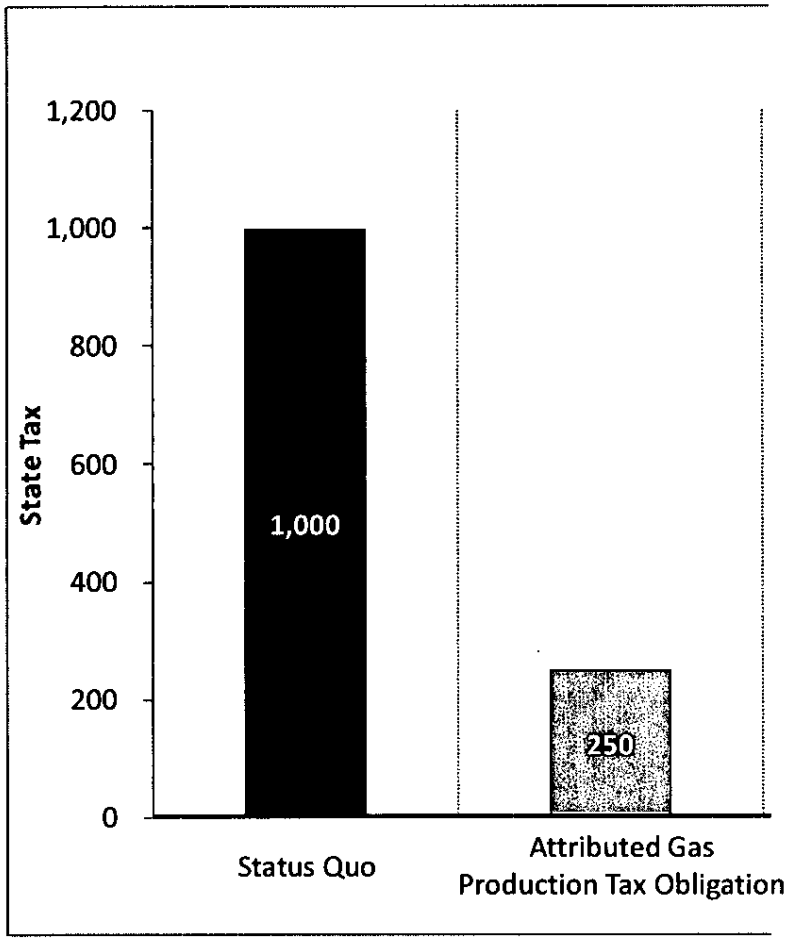
EXAMPLE 1 – NO EXEMPTION



EXAMPLE 2 – EXEMPTION



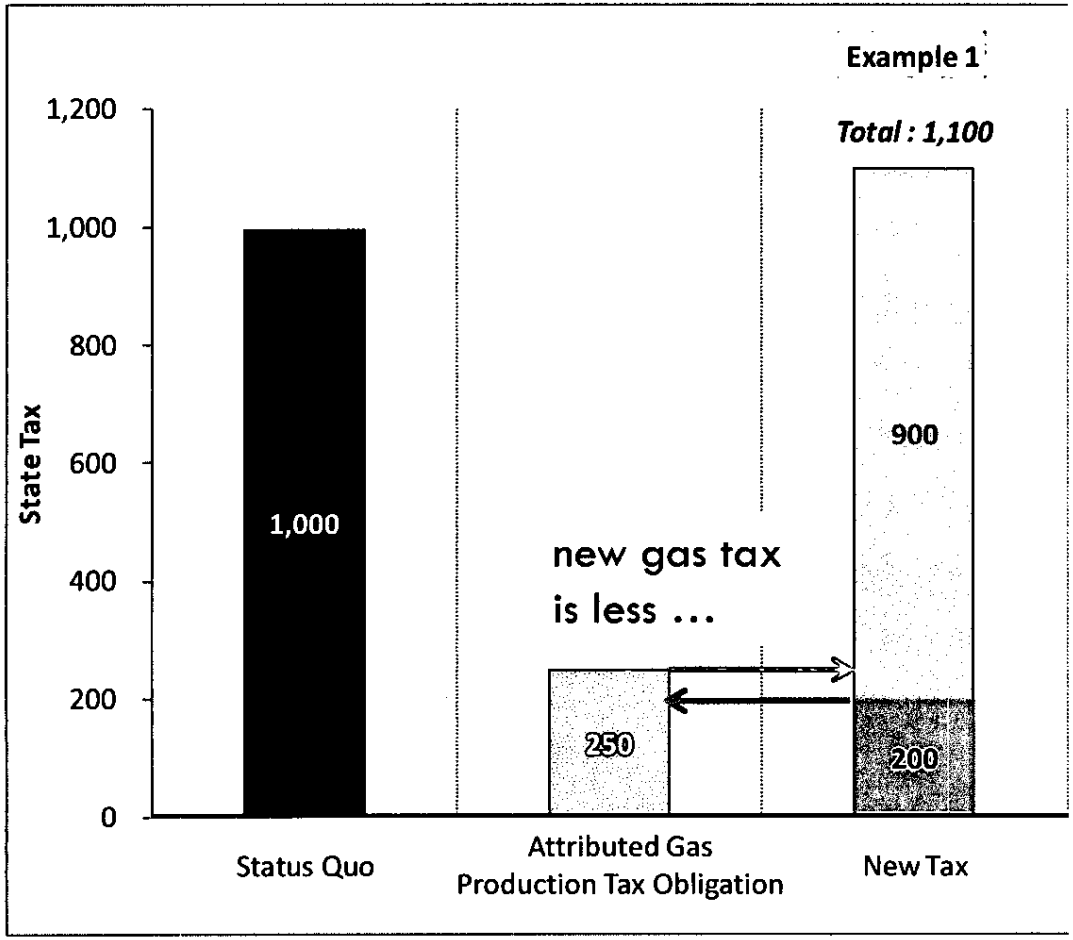
Example 1 – No exemption



- The Producer's deemed tax liability is calculated under the Combined Oil and Gas tax regime in effect on the April 30, 2010.
- The Producer's Attributed Gas Production Tax Obligation is the Status Quo tax multiplied by the ratio of Value of AGIA Gas at the PoP over the total oil and gas value at the PoP.

DRAFT

Example 1 – No exemption

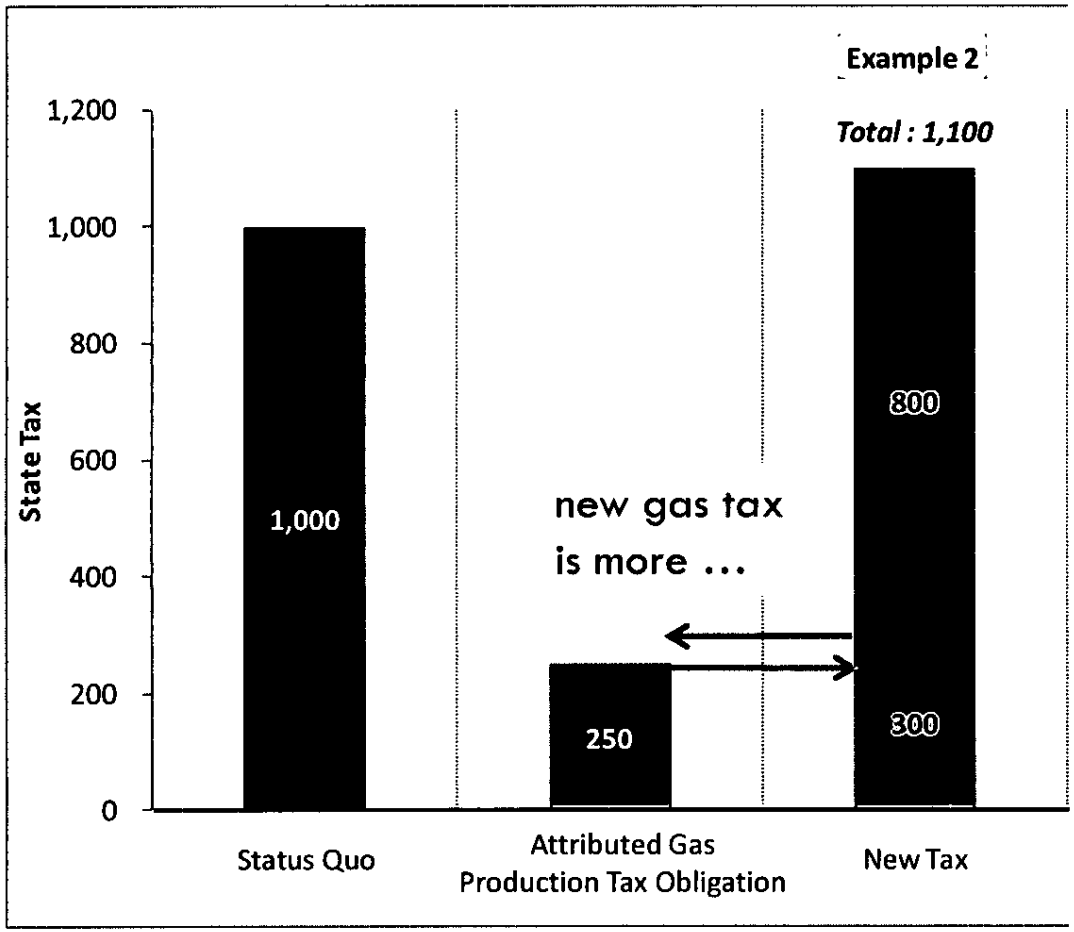


- The Attributed Gas Production Tax Obligation is then compared to the gas tax under the tax regime in effect at that time.

- If the new gas tax is less than the AGPTO, no exemption is created...

DRAFT

Example 2 – Exemption Created



- The Attributed Gas Production Tax Obligation is compared to the gas tax under the tax regime in effect at that time.
- If the new gas tax is more than the AGPTO, an exemption is created…

DRAFT

COMMENTS ON
HCS CSSB 305 (FIN) VER.U

House Finance Committee

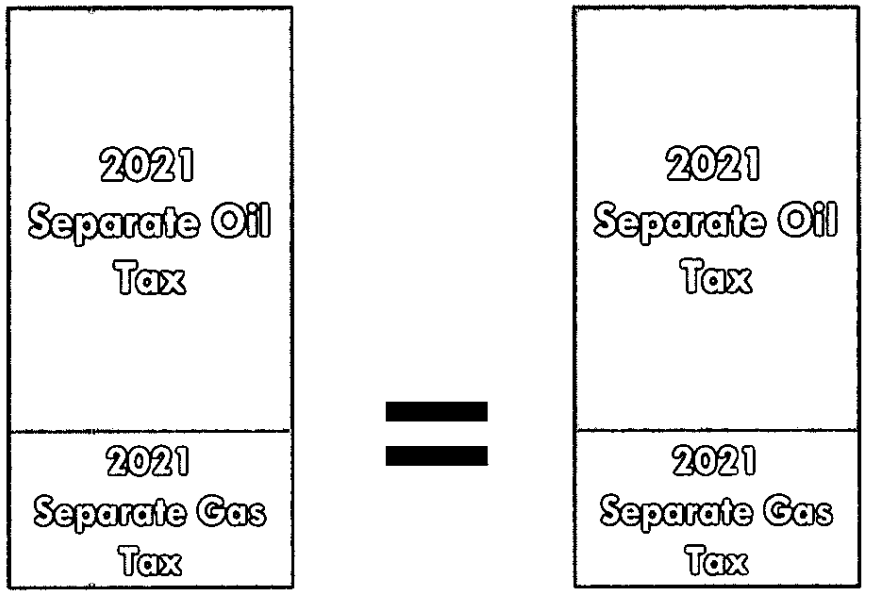
Concerns Regarding HCS CSSB 305(FIN)

- **Decoupling is not necessary at this time**
  - SB 305 could be passed at anytime in the next 10 years, and the result would be the same

- **SB 305 "locks-in" a <u>lower</u> gas production tax obligation**
  - Would reduce the state's negotiating flexibility in the coming years
    - We could always lower the gas tax after "lock-in", but we might not be able to raise it

- **SB305 is a significant overall tax increase**
  - It sends the Producers and the rest of the world the wrong message about Alaska's interest in promoting a gasline project

If SB 305 were enacted in 2020, the resulting state revenue would be the same as if it were enacted in 2010



If SB 305 was enacted in 2010

If SB 305 was enacted in 2020

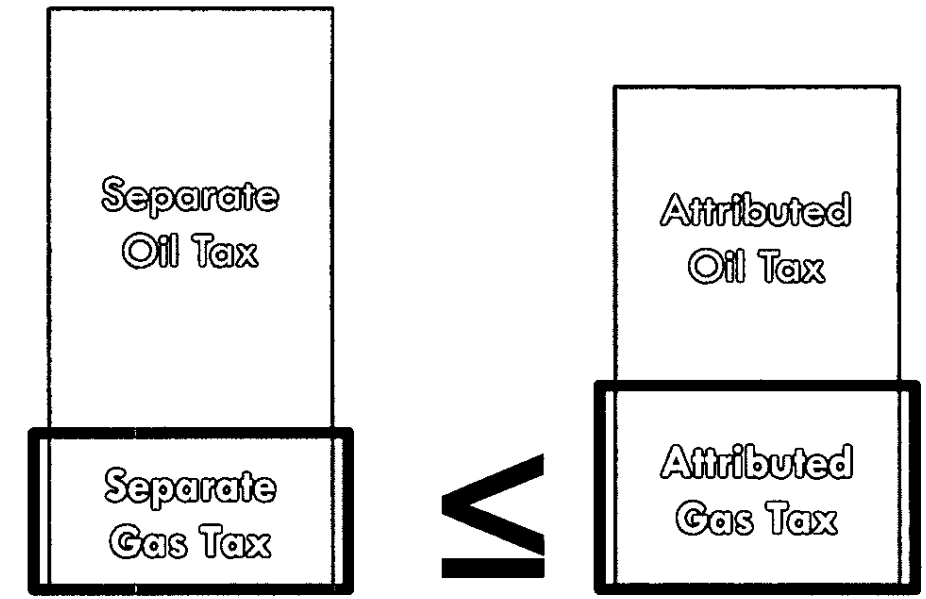
4/16/2010

In All of the Modeling Cases Run:

4

The Gas Tax Obligation "Locked–in" by SB 305 is <u>lower</u> than Status Quo*

* It is equal only when the gas tax obligation in both instances is zero



4/16/2010

Sample Cases

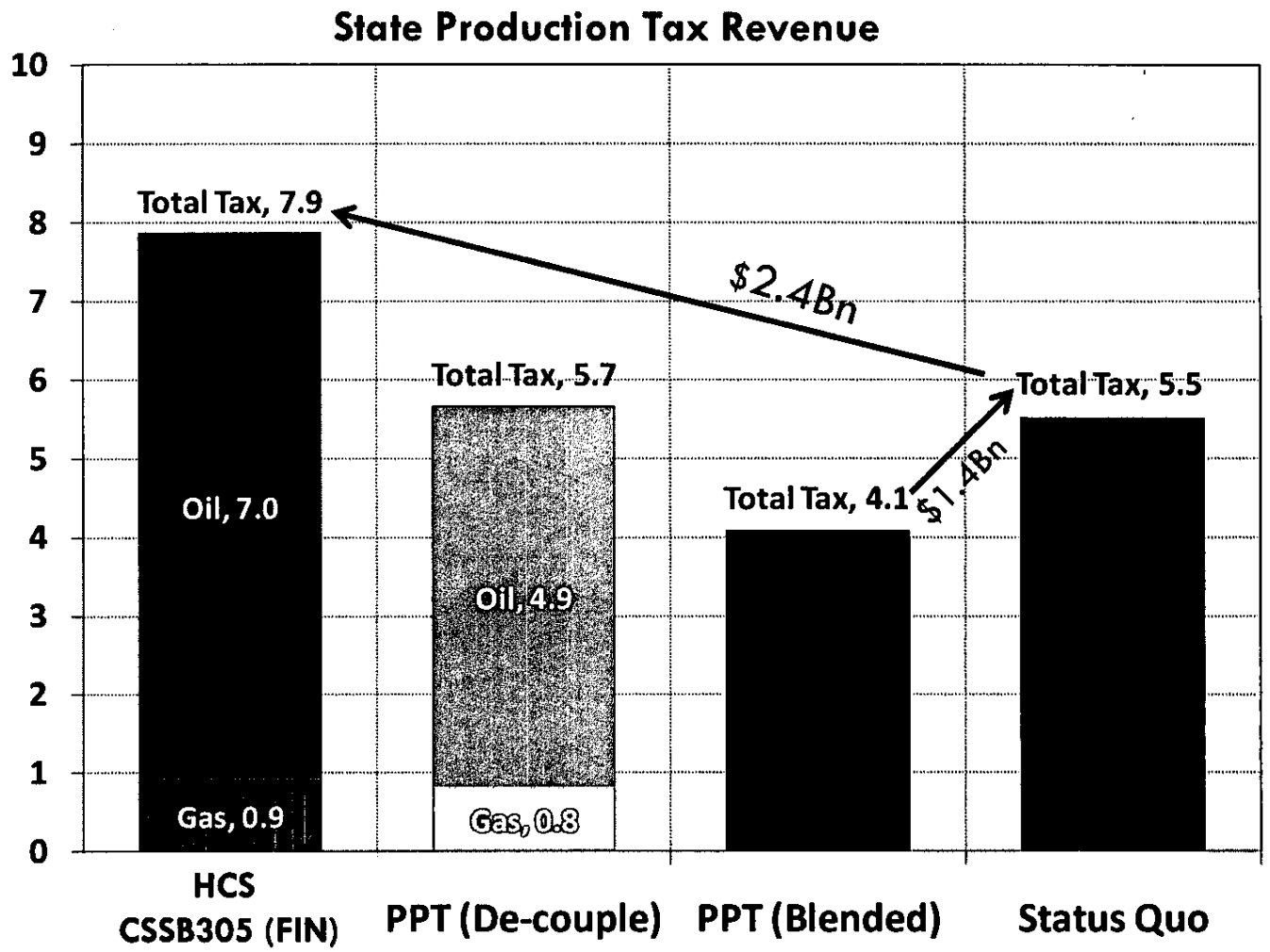
Comparing SB 305, PPT, and Status Quo

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

$120/$8
(15:1)

At these prices, SB 305 is a larger tax increase than going from PPT to ACES



Sample Cases

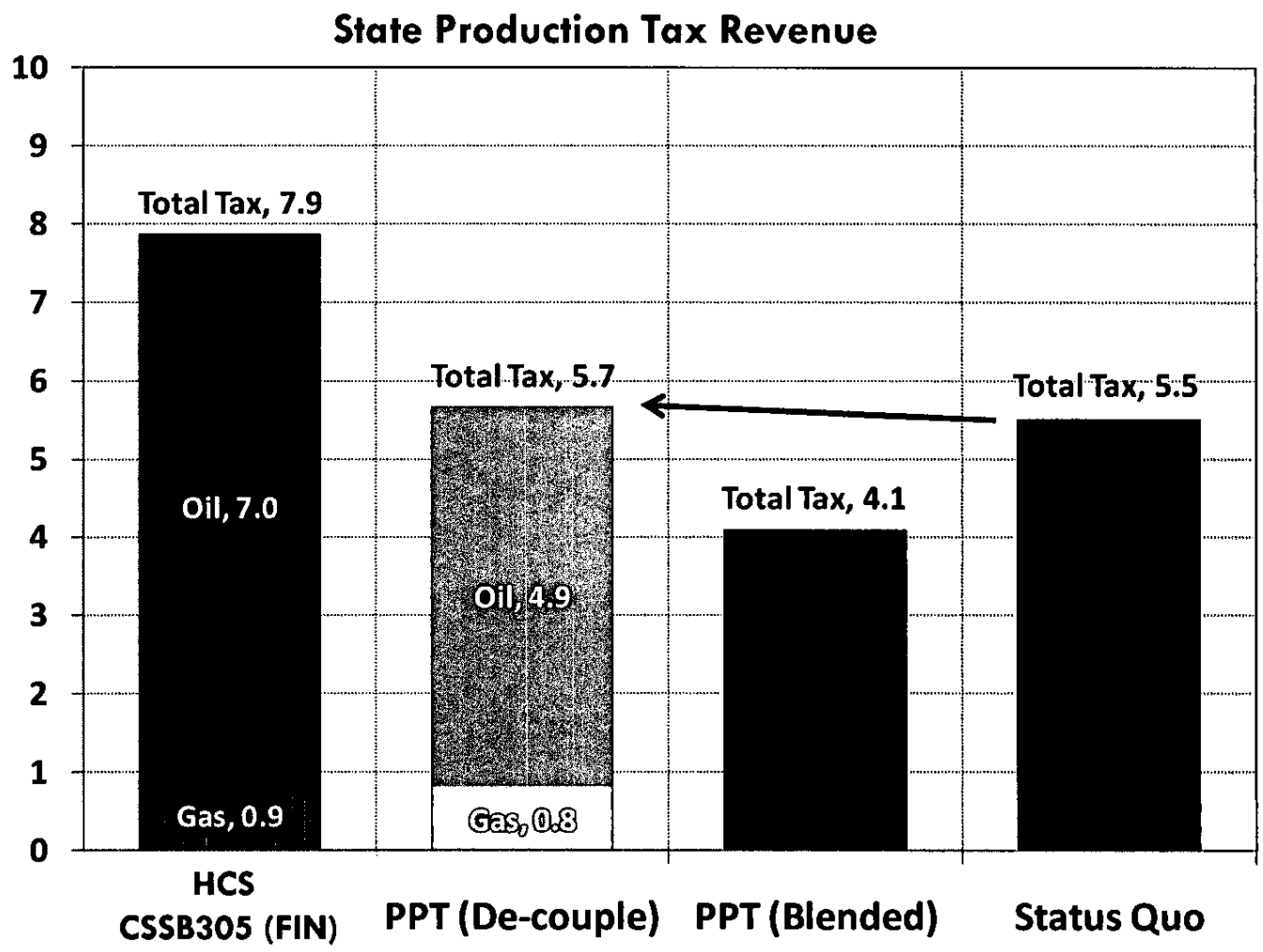
Comparing SB 305, PPT, and Status Quo

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

$120/$8
(15:1)

Yet, the Status Quo brings in nearly the <u>same tax revenue</u> as would have been generated if the PPT system had been decoupled



Sample Cases

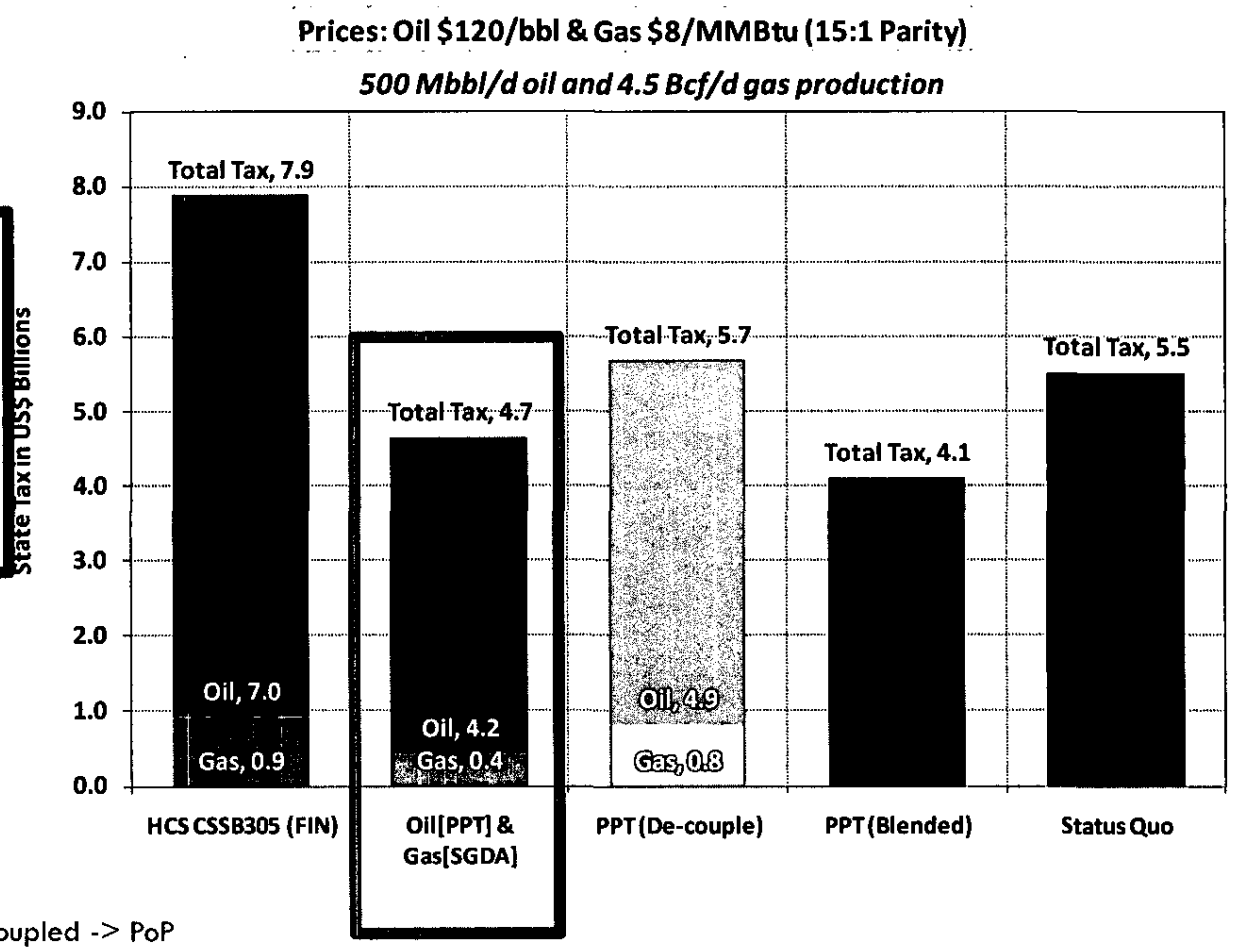
Comparing SB 305, PPT, and Status Quo

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn

7

Another Example showing a comparison of the total tax revenue under a PPT/SGDA scenario



Cost Allocation: PPT De-coupled -> PoP
For Oil [PPT] -> 100% of costs allocated to oil

4/16/2010

At nearly all cases less than14:1 parity, Status Quo (combined) brings in **more** revenue than PPT decoupled (as much as $7 billion more)

8

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

Gas Price Parity

Oil Price ($/bbl)

	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
6	(0.1)	(0.2)	(0.3)	(0.9)	(1.5)	(2.2)	(3.0)	(3.9)	(5.0)	(5.2)	(5.1)	(4.8)	(4.5)	(4.7)	(5.0)	(5.9)	(7.0)
8	0.0	(0.1)	(0.2)	(0.2)	(0.5)	(1.0)	(1.6)	(2.2)	(2.8)	(3.5)	(4.4)	(4.7)	(4.5)	(4.8)	(5.2)	(5.5)	(5.8)
10	0.0	(0.1)	(0.2)	(0.2)	(0.1)	(0.3)	(0.6)	(1.0)	(1.5)	(2.1)	(2.6)	(3.2)	(3.9)	(4.2)	(4.6)	(5.0)	(5.5)
12	0.0	0.1	(0.1)	(0.2)	(0.0)	0.1	(0.1)	(0.3)	(0.6)	(1.0)	(1.4)	(1.9)	(2.3)	(3.1)	(3.9)	(4.4)	(4.8)
14	0.0	0.1	(0.0)	(0.2)	(0.0)	0.2	0.2	0.1	(0.0)	(0.2)	(0.5)	(0.8)	(1.2)	(1.8)	(2.9)	(3.7)	(4.1)
16	0.0	0.1	0.2	(0.1)	(0.1)	0.2	0.4	0.4	0.3	0.2	0.1	(0.1)	(0.3)	(0.7)	(1.7)	(2.7)	(3.6)
18	0.0	0.1	0.4	0.1	(0.1)	0.2	0.5	0.5	0.6	0.5	0.5	0.4	0.3	0.1	(0.7)	(1.6)	(2.7)
20	0.0	0.1	0.5	0.3	0.1	0.1	0.4	0.6	0.7	0.8	0.8	0.8	0.8	0.7	(0.0)	(0.8)	(1.7)
22	0.0	0.1	0.5	0.4	0.3	0.3	0.4	0.7	0.8	0.9	1.0	1.1	1.1	1.1	0.5	(0.2)	(1.0)
24	0.0	0.1	0.5	0.5	0.4	0.4	0.6	0.8	0.9	1.1	1.2	1.3	1.4	1.5	1.0	0.3	(0.4)
26	0.0	0.1	0.5	0.6	0.5	0.6	0.7	0.9	1.0	1.1	1.3	1.5	1.6	1.7	1.3	0.7	0.0

PPT (De-Coupled) > STATUS QUO PPT (De-Coupled) = STATUS QUO PPT (De-Coupled) < STATUS QUO

4/16/2010

At nearly all cases less than16:1 parity, Status Quo (combined) brings in **more** revenue than Oil PPT & Gas [SGDA] (as much as $23 billion more)

9

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn

Gas Price Parity ↓

Oil Price ($/bbl)

	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
6	(0.31)	(0.97)	(1.41)	(2.49)	(3.78)	(5.25)	(6.96)	(8.90)	(11.09)	(12.60)	(13.85)	(15.11)	(16.37)	(17.62)	(19.22)	(21.13)	(23.11)
8	0.06	(0.48)	(0.81)	(1.15)	(1.87)	(2.70)	(3.69)	(4.82)	(6.11)	(7.54)	(9.13)	(10.26)	(11.02)	(11.75)	(12.81)	(14.14)	(15.54)
10	0.00	(0.18)	(0.46)	(0.73)	(0.95)	(1.46)	(2.07)	(2.79)	(3.61)	(4.54)	(5.57)	(6.71)	(7.95)	(8.48)	(9.24)	(10.27)	(11.34)
12	0.00	0.07	(0.22)	(0.46)	(0.59)	(0.74)	(1.14)	(1.61)	(2.16)	(2.78)	(3.48)	(4.26)	(5.11)	(6.05)	(6.98)	(7.81)	(8.68)
14	0.00	0.13	(0.02)	(0.26)	(0.36)	(0.32)	(0.54)	(0.85)	(1.22)	(1.64)	(2.13)	(2.67)	(3.27)	(3.93)	(4.99)	(6.12)	(6.86)
16	0.00	0.13	0.20	(0.09)	(0.19)	(0.13)	(0.13)	(0.33)	(0.57)	(0.86)	(1.19)	(1.56)	(1.98)	(2.45)	(3.30)	(4.51)	(5.53)
18	0.00	0.13	0.38	0.11	(0.05)	0.01	0.16	0.05	(0.10)	(0.28)	(0.50)	(0.75)	(1.04)	(1.36)	(2.07)	(3.11)	(4.26)
20	0.00	0.13	0.49	0.27	0.13	0.13	0.30	0.33	0.26	0.15	0.02	(0.14)	(0.32)	(0.54)	(1.13)	(2.04)	(3.07)
22	0.00	0.13	0.49	0.40	0.28	0.30	0.41	0.56	0.54	0.49	0.43	0.34	0.24	0.11	(0.39)	(1.21)	(2.13)
24	0.00	0.13	0.49	0.51	0.40	0.44	0.56	0.73	0.76	0.77	0.76	0.73	0.69	0.63	0.21	(0.53)	(1.37)
26	0.00	0.13	0.49	0.60	0.51	0.56	0.69	0.90	0.94	0.99	1.03	1.05	1.06	1.06	0.70	0.02	(0.74)

Oil [PPT] Gas [SGDA] > Status Quo

Oil [PPT] Gas [SGDA] = Status Quo

Oil [PPT] Gas [SGDA] < Status Quo

4/16/2010

What is the "Problem" Being Solved by SB305?

10

1 Is It?: *That the "dilution" of oil taxes caused by gas production will be "locked-in" at the AGIA Open Season*

- Reality (Based on the Dept of Law analysis):
  - Only the **gas** production tax **obligation** (not the rate) is "locked-in" at the open season;
  - The legislature can change the oil tax system anytime before or after the open season;
  - The so-called "$2 billion loss" will only occur if three things happen:
    1. We are successful in achieving a large capacity gas pipeline;
    2. The price of oil and gas remain far apart (defying fundamental economic principles); AND
    3. **The next 5 Legislatures decide that it is appropriate to leave the current tax system as is.**

4/16/2010

What is the "Problem" Being Solved by SB305?

2

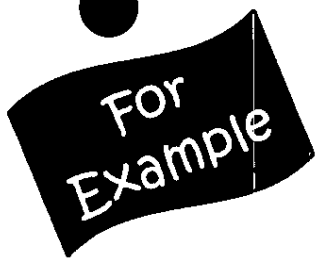
Is It?: *That any "dilution" of oil taxes caused by mixing in a lower value hydrocarbon is an unacceptable "loss" of oil tax revenue?*

- Response:
  - Should the Legislature react similarly when a large volume heavy oil project is proposed?
    - It will have the same dynamic; highly profitable sweet crude will be diluted, thus reducing its profitability and its progressivity tax rate
    - State will "lose" oil tax revenue due to the introduction of heavy oil

What is the "Problem" Being Solved by SB305?

3 *Is It?: That under the status quo, at high oil/gas price parity, the state is at risk of seeing a reduction of overall production tax revenue when they "flip the gas switch"?*

- **Response:**
  - Legislature has 10 years to decide if it wants to take on that risk in exchange for a gasline;
  - If it is not an acceptable risk, then there are a number of alternative options (including decoupling) that could be carefully considered.



One Alternative Approach To Address the Revenue "Loss" when you "Flip the Gas Switch"

- Establish in the current tax system a **minimum tax** equal to a separate oil tax (i.e. The combined tax cannot be lower than what the separate oil tax would be).
  - Preserves the economic incentive nature of the current system, while protecting the state's downside risk in the case of high price parity;
  - Does not require significant structural changes to the current system, such as cost allocation.

Closing Observations

- Passing such a large tax increase just before our two upcoming open seasons sends a confusing message about the state's desire for a gasline

- SB 305 locks in a lower gas production tax obligation, thus reducing the state's negotiating flexibility

- SB305 could be passed after the open season without legal restriction or economic limitation

5277

15 Back-up Materials

4/16/2010

Robust Economic Modeling of SB 305

- The "$2 billion loss" argument is based on a narrow window of possible oil to gas price relationships (i.e. 15:1);
  - To be prudent, you need to analyze a wide range of potential oil prices and oil to gas price relationships.

17	Modeling SB 305

Oil Price Range 40 to 200 $/bbl

Gas Price Parity Range 6 to 26

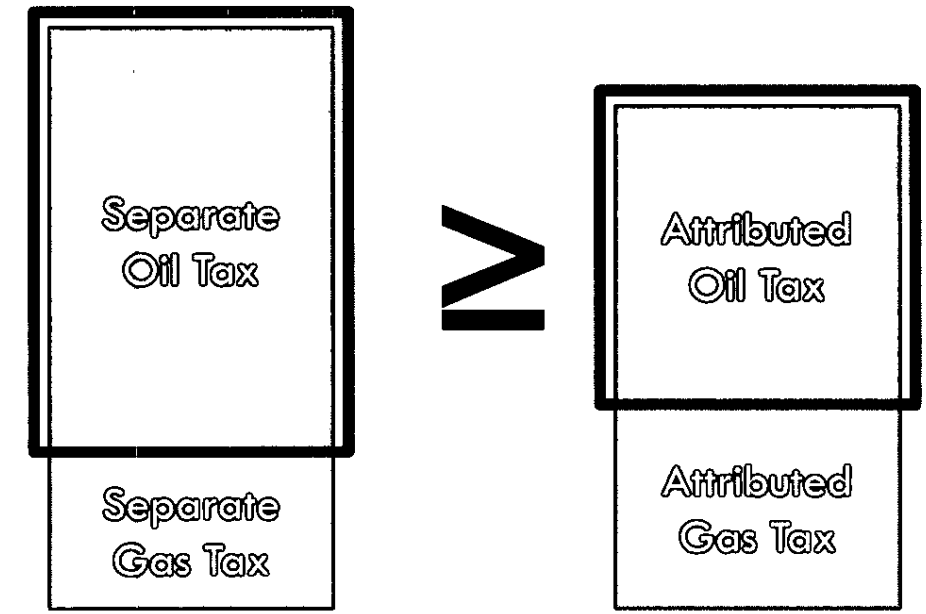
Oil Production	500 Mbbl/d
Gas Production	4.5 Bcf/d
Total OPEX	$ 2.2 Billions
Total CAPEX	$ 2.2 Billions

Costs allocated on the basis of the proportion of the gross value at the point of production (PoP basis).

4/16/2010

In All of the Cases Run:
Oil Taxes after SB 305 are greater than or equal to the Status Quo

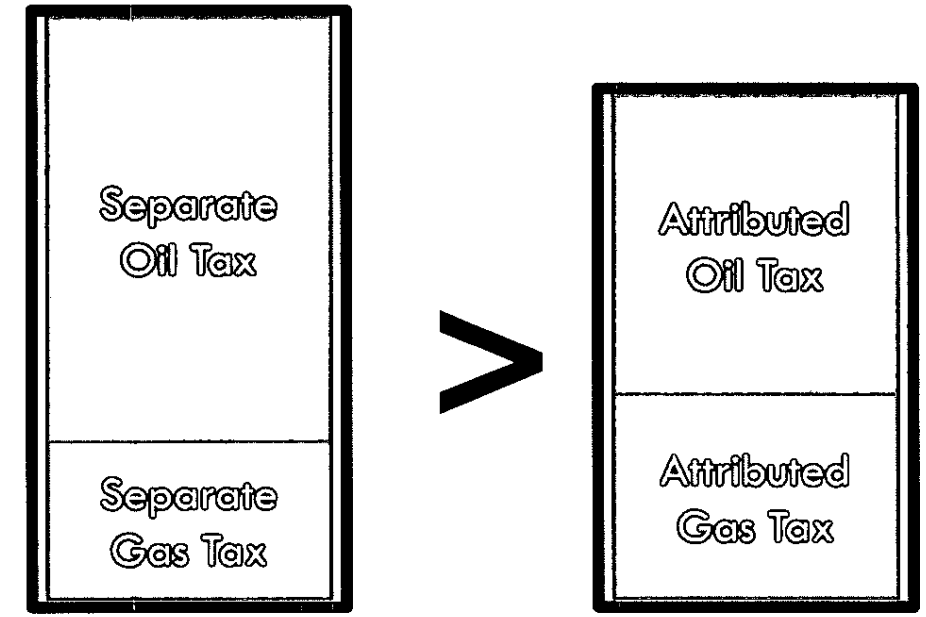
18



HCS CSSB 305(FIN) | Status Quo

4/16/2010

In over 90% of the Cases Run:
Overall Oil and Gas Taxes after SB 305 are greater than the Status Quo



HCS CSSB 305(FIN)

Status Quo

4/16/2010

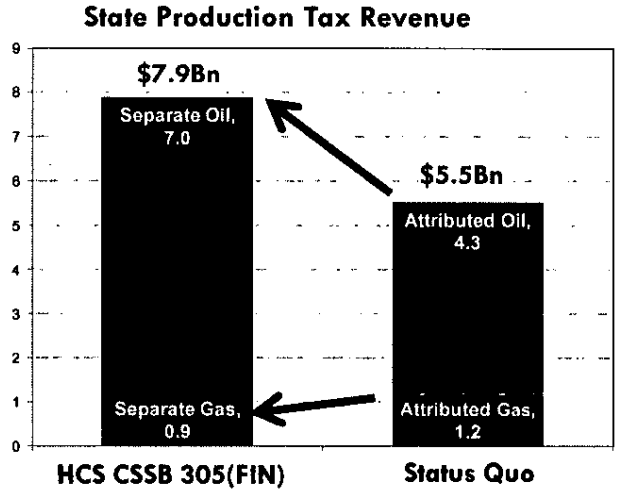
Sample Cases

Comparing SB305 and Status Quo
Total Tax Revenue, and Gas Tax Obligations

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

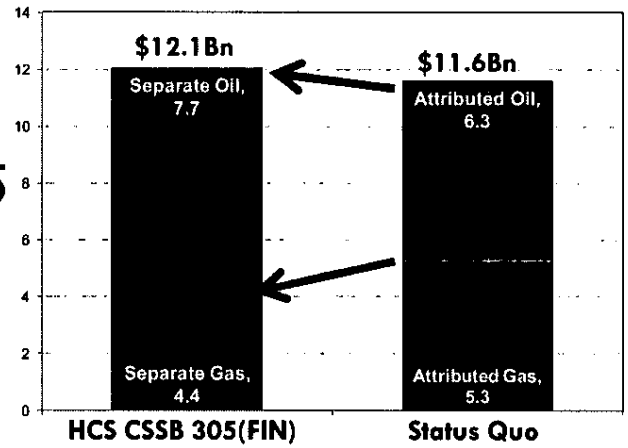
$120/$8 (15:1)



Overall Tax and Oil Tax Increase

Gas Tax Decrease

$120/$15 (8:1)



Overall Tax and Oil Tax Increase

Gas Tax Decrease

Gas Tax

HCS CSSB305 (FIN) less Status Quo*

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

Gas Price Parity ↓

Oil Price ($/bbl)

	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
6	0.0	0.0	(0.0)	(0.2)	(0.3)	(0.4)	(0.4)	(0.5)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
8	0.0	0.0	0.0	0.0	(0.2)	(0.4)	(0.6)	(0.7)	(0.9)	(1.1)	(1.3)	(1.2)	(0.9)	(0.6)	(0.6)	(0.6)	(0.7)
10	0.0	0.0	0.0	0.0	(0.0)	(0.2)	(0.4)	(0.7)	(0.8)	(1.1)	(1.3)	(1.5)	(1.8)	(1.7)	(1.6)	(1.4)	(1.2)
12	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.2)	(0.4)	(0.6)	(0.9)	(1.1)	(1.3)	(1.6)	(1.9)	(2.0)	(2.0)	(1.9)
14	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.2)	(0.4)	(0.6)	(0.9)	(1.1)	(1.4)	(1.6)	(1.9)	(2.1)	(2.1)
16	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)	(1.1)	(1.4)	(1.6)	(1.9)	(2.1)
18	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)	(1.0)	(1.3)	(1.6)	(1.9)
20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.3)	(0.4)	(0.6)	(0.8)	(1.0)	(1.3)	(1.6)
22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.1)	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)	(1.0)	(1.2)
24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)	(1.0)
26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)

CSSB305 (FIN) > STATUS QUO CSSB305 (FIN) = STATUS QUO CSSB305 (FIN) < STATUS QUO

*Gas Tax under the Status Quo equals Attributed Gas Tax

Oil Tax

HCS CSSB305 (FIN) less Status Quo*

22

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

Gas Price Parity ↓

Oil Price ($/bbl)

	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
6	0.0	0.0	0.2	0.3	0.4	0.5	0.5	0.6	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
8	0.0	0.0	0.1	0.5	0.7	0.9	1.1	1.4	1.4	1.1	0.8	0.6	0.7	0.8	0.9	1.0	1.1
10	0.0	0.0	0.0	0.4	0.8	1.1	1.4	1.8	2.0	1.8	1.6	1.4	1.0	1.1	1.3	1.4	1.6
12	0.0	0.1	0.0	0.3	0.7	1.2	1.6	2.0	2.3	2.3	2.2	2.0	1.8	1.5	1.5	1.7	1.8
14	0.0	0.2	0.1	0.2	0.6	1.2	1.6	2.1	2.6	2.6	2.6	2.5	2.4	2.2	1.9	1.8	2.0
16	0.0	0.2	0.3	0.2	0.5	1.1	1.7	2.2	2.7	2.8	2.8	2.8	2.7	2.6	2.4	2.2	2.2
18	0.0	0.2	0.5	0.4	0.5	1.0	1.7	2.2	2.7	3.0	3.0	3.1	3.0	3.0	2.8	2.7	2.5
20	0.0	0.2	0.6	0.5	0.7	0.9	1.6	2.2	2.8	3.1	3.2	3.2	3.3	3.2	3.1	3.0	2.9
22	0.0	0.2	0.6	0.7	0.8	1.1	1.5	2.2	2.8	3.2	3.3	3.4	3.4	3.4	3.4	3.3	3.2
24	0.0	0.2	0.6	0.8	0.9	1.2	1.7	2.2	2.8	3.3	3.4	3.5	3.6	3.6	3.6	3.5	3.4
26	0.0	0.2	0.6	0.9	1.1	1.4	1.8	2.3	2.8	3.3	3.5	3.6	3.7	3.8	3.8	3.7	3.7

CSSB305 (FIN) > STATUS QUO CSSB305 (FIN) = STATUS QUO CSSB305 (FIN) < STATUS QUO

*Oil Tax under the Status Quo equals Total Tax less attributed gas tax

Total Tax

HCS CSSB305 (FIN) less Status Quo

23

Assumptions

Oil: 500 Mbbl/d and Gas: 4.5 Bcf/d
Capex: $2.2Bn and Opex: $2.2Bn
Cost Allocation: PoP

Gas Price Parity ↓

Oil Price ($/bbl)

	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
6	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.1	0.5	0.5	0.5	0.6	0.6	0.5	(0.0)	(0.6)	(0.6)	(0.2)	0.3	0.3	0.4	0.4
10	0.0	0.0	0.0	0.4	0.8	0.9	1.0	1.1	1.1	0.8	0.4	(0.1)	(0.7)	(0.6)	(0.3)	(0.0)	0.4
12	0.0	0.1	0.0	0.3	0.7	1.1	1.4	1.6	1.7	1.4	1.1	0.7	0.2	(0.3)	(0.5)	(0.3)	(0.1)
14	0.0	0.2	0.1	0.2	0.6	1.2	1.6	1.9	2.2	2.0	1.7	1.4	1.0	0.6	0.0	(0.3)	(0.1)
16	0.0	0.2	0.3	0.2	0.5	1.1	1.6	2.1	2.5	2.4	2.3	2.0	1.6	1.3	0.8	0.3	0.1
18	0.0	0.2	0.5	0.4	0.5	1.0	1.7	2.1	2.6	2.7	2.7	2.5	2.3	1.9	1.5	1.1	0.6
20	0.0	0.2	0.6	0.5	0.7	0.9	1.6	2.2	2.7	2.9	2.9	2.9	2.7	2.5	2.1	1.8	1.3
22	0.0	0.2	0.6	0.7	0.8	1.1	1.5	2.2	2.8	3.1	3.1	3.1	3.0	2.9	2.6	2.3	1.9
24	0.0	0.2	0.6	0.8	0.9	1.2	1.7	2.2	2.8	3.2	3.3	3.3	3.3	3.2	3.0	2.8	2.5
26	0.0	0.2	0.6	0.9	1.1	1.4	1.8	2.3	2.8	3.3	3.4	3.5	3.5	3.4	3.3	3.1	2.9

CSSB305 (FIN) > STATUS QUO CSSB305 (FIN) = STATUS QUO CSSB305 (FIN) < STATUS QUO

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

Summary of Changes between House Resources CS and Finance Work Draft

1) Timing window of moving between the one "bucket" and two "bucket" regimes has been removed.

2) AS 43.55.011(g)(3) and (p)(3): This is a technical change that adds clarity. It depicts the detailed methodology for deriving the progressivity factor so that it is clear the word "average" in the statute means weighted average.

3) AS 43.55.020(a): The section describing the calculation of the monthly installment payments has been repealed and reenacted. After all previous changes, a more succinct drafting was crafted.

4) AS.55.160(a)(1) and (a)(2): This is an expansion on the current section describing the calculation of the annual and monthly production tax values. Lease expenditures include expenditures allocated under 160(f) (below) for the calendar year incurred to explore land not under lease, or explore or develop a lease before commencement of sustained production.

5) AS 43.55.160(f): This is a new section. Expenditures to explore land not under lease, or to explore or develop a lease before commencement of production of oil or gas, are allocated between oil and gas in the year the expenditure is incurred. (The method of allocation is specified in AS 43.55.165(h) [an amendment out of House Resources] stating that, for allocating costs between oil and gas, gross value should be used to the maximum extent possible.)

6) AS 43.55.160(g): This is a new section that clarifies that lease expenditures include expenditures for producing or that are incurred for exploration or development after the commencement of sustained production, as well.

5287

SB 305:

The De-Coupling of Oil from Gas for the Oil & Gas Production Tax

Logsdon & Associates
House Finance Committee
April 14, 2010

(copy on file)

5288

Acronyms

- BBL barrel
- BCF billions of cubic feet
- MMBTU millions of BTUs
- BOE barrel of oil equivalent
  - Puts gas on an apples/apples basis with oil so they can be added up
  - Does this by converting mmbtu's of gas to barrels (or barrel of oil equivalents)
  - Amount of gas mmbtu's divided by 6

5289

The Problem

- The progressivity part of the production tax rate is based on per barrel oil or per BTU gas profitability
- Under current law oil and gas are combined for calculating the progressivity
- Oil is worth much more than gas
- With a major gas sale, combining the lower value gas with the higher value oil will "dilute" the per barrel oil profitability:
  - Driving down the progressivity factor
  - Materially reducing production taxes

Oil vs. Gas Value

- Now:
  - Gas: $4/mmbtu
  - Oil: $80/bbl ($13/mmbtu)
- Department of Energy forecast for 2020:
  - Gas: $8/mmbtu
  - Oil: $120/bbl ($20/mmbtu)
- Transportation cost deductions:
  - Gas: $5.00/mmbtu to Lower 48
  - Oil: $6.00/bbl ($1.00/mmbtu)

5291

How the Tax Rate is Determined

- Base 25% rate
- Plus progressivity
  - Progressivity is based on the net value per BOE:
    - Oil Alone: Total oil value / Total oil barrels
    - Combined Oil & Gas: Total oil and gas net value / Total oil and gas BOE's
  - When lower value gas is added to the higher value oil the average net value of the combined oil and gas goes **down**

5292

Reference Case

- Oil
  - 500,000 barrels per day
  - $120/bbl market price
- Gas
  - 4.5 bcf/day
  - $8/mmbtu market price
- Upstream costs
  - $2.2 billion capital
  - $2.2 billion operating

What Happens under Status Quo

- Oil taxes under status quo prior to gas production:

  Net value of oil = $86/bbl (tax rate 47%)

  Oil Tax = $6.1 billion

- Add a 4.5 bcf/day of gas:

  Combined net value of oil and gas = $47/bbl (tax rate 32%)

  Total oil & gas taxes: $5.5 billion

- **Bottom line**: The drop in the tax rate of oil more than offsets all the the taxes on gas. Not only does the state not received any additional revenues from the gas, but oil revenues drop as well.

5294

What Happens with Decoupling*

- $120 oil and $8 gas
  - Status quo taxes = $5.5 billion
  - De-coupled taxes = $8.5 billion

    $3.0 billion difference
- Annual difference at other prices:
  - $100 oil / $8 gas: **$2.2 billion**
  - $80 oil / $8 gas: **$1.2 billion**

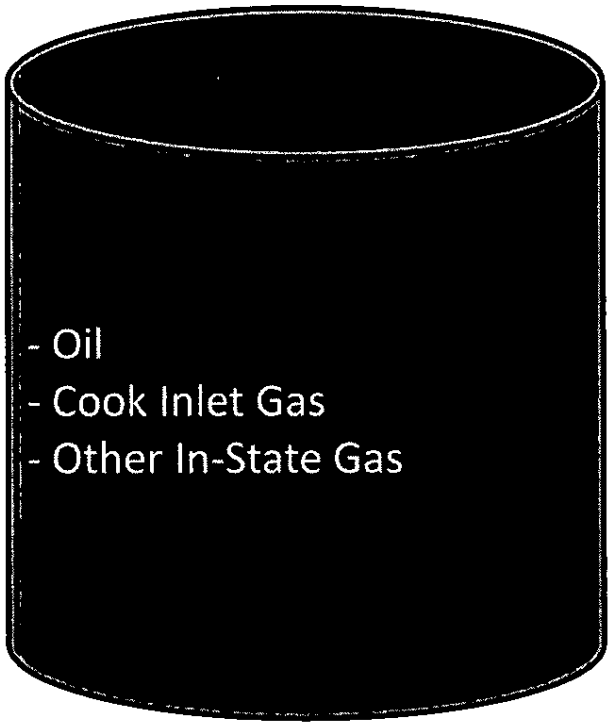
* Using BTU barrel of oil equivalents (BOE) to allocate cost

How SB 305 Works

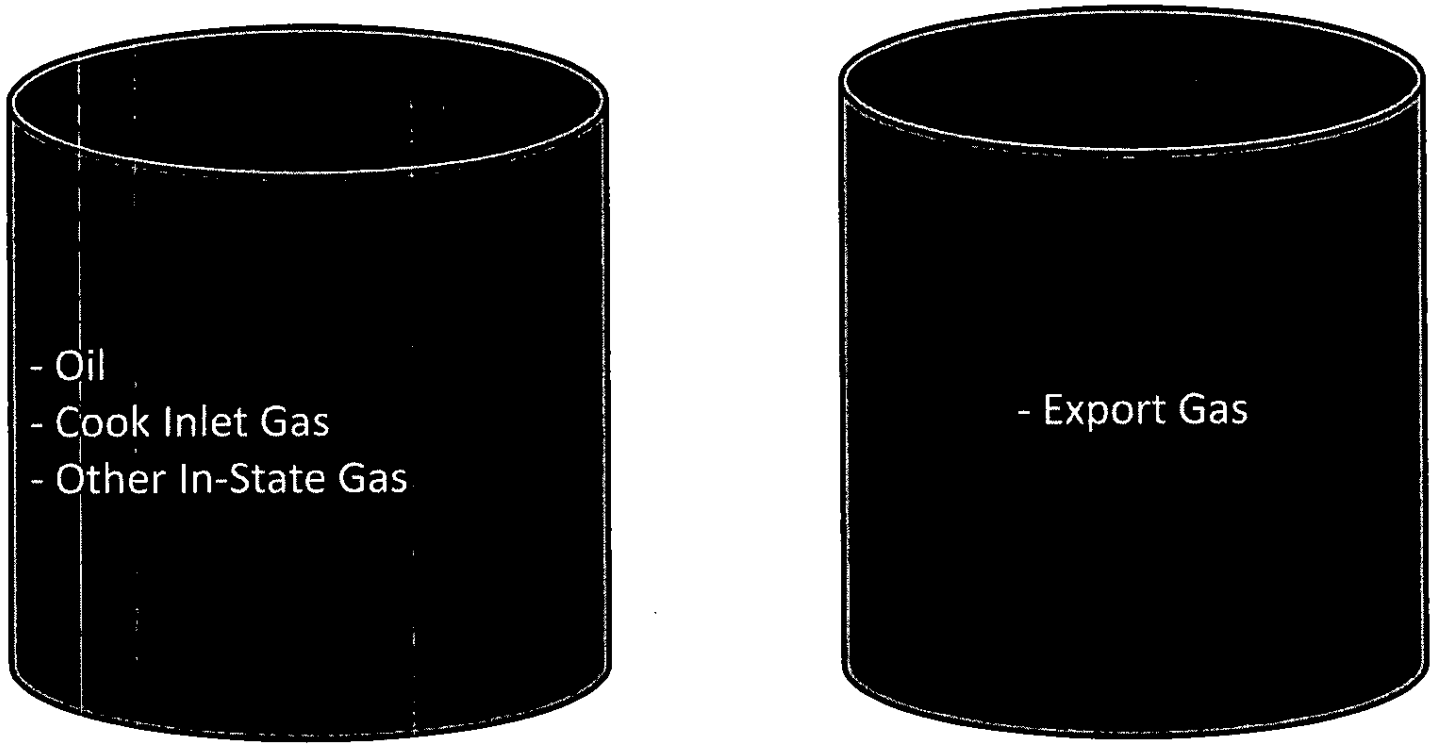
- Currently
  - Each company calculates **one** statewide progressivity rate based on all combined oil and gas activity (oil, Cook Inlet gas, other in-state gas)
- Under SB 305: **Two** Progressivity Calculations
  - **Bucket 1**: Same current activity (oil, CI gas, other in-state gas) will continue to be calculated together
    - No tax increase on current activity
  - **Bucket 2**: Progressivity on export gas will be calculated distinctly (same formula)
    - Will not dilute oil progressivity

6296

Currently:
One Progressivity Bucket



SB 305:
Two Progressivity Buckets



HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 13, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 305(FIN)(title am)**

"An Act providing that the tax rate applicable to the production of oil as the average production tax value of oil, gas produced in the Cook Inlet sedimentary basin, and gas produced outside of the Cook Inlet sedimentary basin and used in the state increases above $30 shall be 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value and $30, or the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between that average monthly production tax value and $92.50, except that the total rate determined in the calculation may not exceed 50 percent; providing for an increase in the rate of tax on the production of gas as the average production tax value on a BTU equivalent barrel basis of gas produced outside of the Cook Inlet sedimentary basin and not used in the state increases above $30; relating to payments of the oil and gas production tax; relating to availability of a portion of the money received from the tax on oil and gas production for appropriation to the community revenue sharing fund; relating to the allocation of lease expenditures and adjustments to lease expenditures; and providing for an effective date."

SB 305-SEPARATE OIL & GAS PRODUCTION TAX

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 305 (FIN)

***For Senate Bills with new title:* [ ] *Technical Title* [✓] *New Title: HCR* 29 [ ] Same Title [✓] New Title

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent_____ Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES** *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas			✓	
	Gara	✓			
	DOGGETT			✓	
	Foster			✓	
	Austerman			X	
	KELLY			X	
Anna Fairclough	FAIRCLOUGH			✓	
	Joule			✓	
	Salmon			X	
Chair:	Stoltze			X	
Chair:	Hawker			X*	

5298

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 305 (FIN)**
() Publish Date:

Identifier (file name): HCS CSSB305(FIN)-REV-TAX-04-15-10
Dept. Affected: Revenue
Title: Separate Oil & Gas Production Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senate Finance Committee
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	330.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**330.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

***** Significant Impact Beyond FY 2016 - See Analysis Section for Additional Information *****

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	330.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**330.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 330.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Bill Language

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Currently all oil and gas are combined for purposes of calculating a single progressivity rate. Under this bill, two progressivity rates would be calculated. The first progressivity surcharge would be based on oil, Cook Inlet gas, and gas used in the state. The second progressivity surcharge would be calculated based on gas other than Cook Inlet gas and gas used in the state (export gas).

For purposes of tax calculation, exploration expenditures and development expenditures for non-producing leases or units would be allocated within geographic segments based on the gross value at point of production of existing oil and gas production.

The base tax rate remains unchanged at 25%, and the progressivity structure remains unchanged at 0.4% per $1 of production tax value over $30 per barrel of oil equivalent, then 0.1% per $1 of production tax value over $92.50.

Prepared by: Dan Stickel, Petroleum Economist — Phone 907-465-3279
Division: Tax Division — Date/Time 04-15-10; 2:24pm
Approved by: Ginger Blaisdell, Director — Date 04-15-10; 2:45pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

5299

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HCS CSSB 305 (FIN)

ANALYSIS CONTINUATION

Revenues
This bill would effectively maintain the status quo in terms of progressivity calculation until major gas sales begin. Currently, all gas sold and taxed under AS 43.55 is either Cook Inlet gas or gas sold for use in the state; such gas would continue to be grouped with oil for calculating progressivity as is currently the case.

Once major North Slope gas sales begin, exported gas will be subject to the separate progressivity calculation. Our modeling suggests that under most oil and gas price scenarios, this bill will either have no impact on revenue or will increase state revenue versus the status quo. In some scenarios, the revenue increase is over $1 billion per year. On the other hand, there are also scenarios where revenue could be decreased, but these scenarios are more limited in both number and magnitude of revenue decrease. The exact impact will be dependent on numerous variables including oil and gas prices and production, and lease expenditures. This bill dictates that lease expenditures shall be allocated between oil and gas based on gross value at the point of production "to the extent possible."

Since this bill will likely result in an overall increase in tax due for the major producers, it is possible that the tax change could be viewed by producers as a disincentive to oil and gas exploration and development.

Expenditures
With the change in tax structure the Department will need to develop complex regulations, requiring an additional $430,000 for regulatory work and public participation in regulations. Aside from these one-time costs, the provisions of this bill can be implemented using existing staff and resources. Specific costs include the following:
$50,000 for contracted professional services for regulation consulting
$180,000 for regulations costs including Department of Law, public notice and registry
$100,000 for public forums for education of taxpayers and public participation includes preparation materials and legal support; could include travel

The funding is needed immediately (in FY10) as all of the regulation drafting and public review work must be complete by June 30, 2010 in order to become effective on July 30, 2010. The Department respectfully requests FY10 supplemental funding for this item.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM April 16, 2010

SUBJECT: Conforming changes in HCS CSSB 305(FIN) based on Amendment #2 (Work Order No. 26-LS1577\D)

TO: Representative Mike Hawker and Representative Bill Stoltze
Co-Chairs of the House Finance Committee
Attn: Christine Marie

FROM: Donald M. Bullock Jr.
Legislative Counsel

Enclosed is HCS CSSB 305(FIN) that incorporates Amendment #2.

Amendment #2 added sec. 5 of the Act to the sections that are retroactive to January 1, 2010. Conforming changes were made in secs. 11 and 12 to reflect the addition of sec. 5 in sec. 13.

If you have any questions, please call me.

DMB:plm
10-244.plm

Enclosure

List of Technical Amendments to HCS CS SB 305
Adopted in version "U"
Prepared by Representative Hawker's Office

Page 4, line 30: following "(2" insert ")"

Page 8, line 6 following "of" delete "a lease" insert " the lease"

Page 9, lines 3, 15, and 28 following "land" delete ", lease," insert "or lease"

Page 14, line 9 following "production of" delete "taxable"

Page 14, lines 10, 12, 14, 16, 18, 20 and 22: following "produced" insert "during that calendar year"

Page 14, lines 21 and 23 following "latitude" insert "other than gas used in the state"

Page 14, line 24 following (g) delete "A" insert "For purposes of this section, a"

Page 14, line 25: delete "or to leases or properties for the purposes of determining production tax value"

Page 15, line 10: following "gas produced" delete "from each lease or property"

Adopted 4/16/10

26-LS1577\U
Bullock
4/15/10

HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act providing that the tax rate applicable to the production of oil as the average production tax value of oil, gas produced in the Cook Inlet sedimentary basin, and gas produced outside of the Cook Inlet sedimentary basin and used in the state increases above $30 shall be 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value and $30, or the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between that average monthly production tax value and $92.50, except that the total rate determined in the calculation may not exceed 50 percent; providing for an increase in the rate of tax on the production of gas as the average production tax value on a BTU equivalent barrel basis of gas produced outside of the Cook Inlet sedimentary basin and not used in the state increases above $30; relating to payments of the oil and gas production tax; relating to the lease expenditures that may be deducted when

determining production tax value; relating to availability of a portion of the money received from the tax on oil and gas production for appropriation to the community revenue sharing fund; relating to the allocation of lease expenditures and adjustments to lease expenditures; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 29.60.850(b) is amended to read:

(b) Each fiscal year, the legislature may appropriate to the community revenue sharing fund an amount equal to 20 percent of the money received by the state during the previous calendar year under AS 43.55.011(g) **and (p)**. The amount may not exceed

(1) $60,000,000; or

(2) the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals $180,000,000.

*** Sec. 2.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts determined under

(A) subsection (g) of this section**; and**

(B) subsection (p) of this section.

*** Sec. 3.** AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under **AS 43.55.160(a)(2)(A) - (E) of a** [AS 43.55.160(a)(2) PER] BTU equivalent barrel of [THE] taxable oil and gas is more

than $30, the amount of tax for purposes of **(e)(2)(A)** [(e)(2)] of this section is determined by multiplying the monthly production tax value of the taxable oil [AND GAS] produced during the month**, gas produced during the month from a lease or property in the Cook Inlet sedimentary basin, and gas produced during the month from a lease or property outside the Cook Inlet sedimentary basin and used in the state** by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between **the producer's** [THAT] average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $30; [OR]

(2) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the **producer's** average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $92.50, except that the sum determined under this paragraph may not exceed 50 percent**;**

(3) for purposes of this subsection, the average monthly production tax value under AS 43.55.160(a)(2)(A) - (E) of a BTU equivalent barrel of taxable oil and gas is calculated by

(A) adding all of the monthly production tax values determined under AS 43.55.160(a)(2)(A) - (E); and

(B) dividing the sum calculated under (A) of this paragraph by the total amount, in BTU equivalent barrels, of

(i) taxable oil produced by the producer during the month;

(ii) taxable gas produced by the producer during the month from a lease or property in the Cook Inlet sedimentary

basin; and

(iii) taxable gas produced by the producer during the month from a lease or property outside the Cook Inlet sedimentary basin and used in the state.

* **Sec. 4.** AS 43.55.011 is amended by adding a new subsection to read:

(p) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas is more than $30, the amount of tax on the production of gas for purposes of (e)(2)(B) of this section is determined by multiplying the monthly production tax value of the taxable gas produced during the month other than gas produced from a lease or property in the Cook Inlet sedimentary basin or gas produced outside the Cook Inlet sedimentary basin and used in the state by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $30;

(2) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $92.50, except that the sum determined under this paragraph may not exceed 50 percent;

(3) for purposes of this subsection, the average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas is calculated by

(A) adding the monthly production tax value determined under AS 43.55.160(a)(2)(F) to the monthly production tax value determined under AS 43.55.160(a)(2)(G); and

(B) dividing the sum calculated under (A) of this paragraph by the total amount, in BTU equivalent barrels, of the taxable gas produced by the producer during the month, other than gas produced from a lease or property in the Cook Inlet sedimentary basin or gas produced outside the Cook Inlet sedimentary basin and used in the state.

*** Sec. 5.** AS 43.55.020(a) is repealed and reenacted to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) and (p) shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts in (A) - (C) of this paragraph, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(B) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g), added to the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(G) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p);

(B) the greater of

(i) zero percent, one percent, two percent, three percent, or four percent, as applicable under AS 43.55.011(f), of the gross value at the point of production of the oil and gas produced during the month from all leases or properties in the state that include land north of 68 degrees North latitude, other than oil and gas subject to AS 43.55.011(i) and gas subject to AS 43.55.011(o); or

(ii) the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(A) multiplied by the sum of 25

percent and the tax rate calculated for the month under AS 43.55.011(g), added to the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(F) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p); and

(C) for each lease or property, for gas subject to AS 43.55.011(j), oil subject to AS 43.55.011(k), and gas subject to AS 43.55.011(o), the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(C), (D), or (E), as applicable, multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g);

(2) an amount calculated under (1)(C) of this subsection for oil or gas produced from a particular lease or property may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable for gas, or set out in AS 43.55.011(k)(1) or (2), as applicable for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production.

*** Sec. 6.** AS 43.55.020(d) is amended to read:

(d) In making settlement with the royalty owner for oil and gas that is taxable under AS 43.55.011, the producer may deduct the amount of the tax paid on taxable royalty oil and gas, or may deduct taxable royalty oil or gas equivalent in value at the time the tax becomes due to the amount of the tax paid. If the total deductions of installment payments of estimated tax for a calendar year exceed the actual tax for that calendar year, the producer shall, before April 1 of the following year, refund the excess to the royalty owner. Unless otherwise agreed between the producer and the royalty owner, the amount of the tax paid under AS 43.55.011(e) - (g) **and (p)** on taxable royalty oil and gas for a calendar year, other than oil and gas the ownership or right to which constitutes a landowner's royalty interest, is considered to be the gross value at the point of production of the taxable royalty oil and gas produced during the calendar year multiplied by a figure that is a quotient, in which

(1) the numerator is the producer's total tax liability under AS 43.55.011(e) - (g) **and (p)** for the calendar year of production; and

(2) the denominator is the total gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) - (g) **and (p)** produced by the producer from all leases and properties in the state during the calendar year.

*** Sec. 7.** AS 43.55.160(a) is amended to read:

(a) Except as provided in (b) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable

(A) oil [AND GAS] produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from

those leases or properties, **and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land, lease, or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, **and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for**

the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or lease or property is located in the Cook Inlet sedimentary basin, as adjusted under AS 43.55.170;

(D) gas produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, **and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or lease or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(E) gas produced during a calendar year from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, **and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or lease or property is located outside the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(F) gas produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude

is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(G) gas produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or lease or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(2) AS 43.55.011(g) **and (p)**, the monthly production tax value of the taxable

(A) oil [AND GAS] produced during a month from leases or

properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land, lease, or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of

the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, **and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(D) gas produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, **and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(E) gas produced during a month from a lease or property **in the state** outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, **and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or**

develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land, lease, or property is located outside of the Cook Inlet sedimentary basin, as adjusted under AS 43.55.170;

(F) gas produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(G) gas produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and 1/12 of the portion allocated under (g) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, if that land or lease or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the

lease or property are not north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o).

*** Sec. 8.** AS 43.55.160 is amended by adding new subsections to read:

(f) For purposes of (a) of this section, a lease expenditure is applicable to oil or gas produced from a lease or property, or to oil or gas produced from leases or properties in an area of the state, if the lease expenditure is

(1) a cost to explore, develop, or produce oil or gas from that lease or property, or to explore, develop, or produce oil or gas from one of those leases or properties in that area of the state, respectively; and

(2) incurred on or after the commencement of commercial production of oil or gas from the lease or property.

(g) For purposes of (a) of this section, a lease expenditure incurred during a calendar year to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of commercial production of oil or gas from the lease or property, shall be allocated as provided in a regulation adopted by the department under AS 43.55.165(h) to and among oil, gas subject to AS 43.55.011(o), and gas not subject to AS 43.55.011(o) produced by the producer during that calendar year from leases or properties in the same area of the state as the land being explored or the lease or property being explored or developed, respectively.

(h) For purposes of (f) and (g) of this section, an area of the state is one of the following:

(1) land north of 68 degrees North latitude;

(2) land outside the Cook Inlet sedimentary basin not including any land north of 68 degrees North latitude; or

(3) the Cook Inlet sedimentary basin.

*** Sec. 9.** AS 43.55.165(h) is amended to read:

(h) The department shall adopt regulations that provide for reasonable methods of allocating costs between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures

that are costs of exploring for, developing, or producing oil deposits or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. **When adopting a regulation for determining a reasonable method of allocating lease expenditures between the production of oil and the production of gas, the department shall, to the extent possible, provide for the allocation of lease expenditures in proportion to the gross value at the point of production for oil produced and gas produced.**

*** Sec. 10.** AS 43.55.170 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for reasonable methods of allocating the adjustments to a producer's lease expenditures in (a) of this section and the payments and credits described in (b) of this section between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits, or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. When determining a reasonable method of allocating the adjustments to a producer's lease expenditures between the production of oil and the production of gas, the department shall consider allocating the adjustments in proportion to the lease expenditures allocated to the production of oil and the production of gas under regulations adopted by the department under AS 43.55.165(h).

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INSTALLMENT PAYMENTS OF TAX. A producer required to make an installment payment of tax under AS 43.55.020(a)(1) after December 31, 2009, and before the effective date of this Act, and that underpaid the amount due for the installment payment because of the retroactive application of secs. 2 - 4, 7, and 8 of this Act, shall submit the amount of any underpayment on the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act. Interest on the amount of an

underpayment due because of the retroactive application of secs. 2 - 4, 7, and 8 of this Act does not accrue until the day after the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act.

*** Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in the regulation that the regulation applies retroactively to that date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out secs. 2 - 4, 7, and 8 of this Act may apply retroactively to January 1, 2010.

*** Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 2 - 4, 7, and 8 of this Act are retroactive to January 1, 2010.

*** Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HCS CSSB 305 (RES)**
() Publish Date:

Identifier (file name): HCS CSSB305(RES)(title am)-REV-TAX-04-13-10
Dept. Affected: Revenue
Title: Separate Oil & Gas Production Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senate Finance Committee
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	660.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**660.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

*** **Significant Impact Beyond FY 2016 - See Analysis Section for Additional Information** ***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	660.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**660.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 660.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Bill Language

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55 for major gas sales. Under this bill the progressivity surcharges for oil and Cook Inlet and in-state gas would be calculated together, and the progressivity surcharge on export gas would be calculated separately (currently all oil and gas are combined for progressivity purposes). The base tax rate remains unchanged at 25%, and the progressivity structure remains unchanged at 0.4% per $1 of production tax value over $30 per barrel of oil equivalent, then 0.1% per $1 of production tax value over $92.50.

This new method of calculating progressivity will apply from April 29, 2010 through the first day of the binding open season for the AGIA pipeline project (currently anticipated to be May 1, 2010), after which progressivity will revert to the current method of combining all oil and gas together for progressivity purposes. Then, following the month in which more than 1.5 bcf / day of gas is exported (i.e., once major gas sales begin), export gas is again separated for progressivity purposes.

Prepared by: Dan Stickel, Petroleum Economist — Phone 907-465-3279
Division: Tax Division — Date/Time 04-13-10; 7:56pm
Approved by: Ginger Blaisdell, Director — Date 04-13-10; 8:15pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

5319

FISCAL NOTE

STATE OF ALASKA **BILL NO.** HCS CSSB 305 (RES)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Revenues
This bill effectively maintains the status quo in terms of progressivity calculation until major gas sales begin. At that time, export gas will be taxed at a different progressivity rate than will oil, Cook Inlet gas, and gas for in-state use. As such, the revenue impact is shown as zero through the time horizon of this fiscal note.

Once major gas sales begin, our modeling suggests that under most oil and gas price scenarios, this bill will either have no impact on revenue or will increase state revenue versus the status quo. In some scenarios, the revenue increase is over $1 billion per year. On the other hand, there are also scenarios where revenue could be decreased, but these scenarios are more limited in both number and magnitude of revenue decrease. The exact impact will be dependent on numerous variables including oil and gas prices and production, and lease expenditures. This bill dictates that lease expenditures shall be allocated between oil and gas based on gross value at the point of production "to the extent possible."

Since this bill will likely result in an overall increase in tax due for the major producers, it is possible that the tax change could be viewed by producers as a disincentive to oil and gas exploration and development.

Expenditures
With the change in tax structure the Department will need to change its monthly reporting forms, annual tax returns, and databases. The FY 2011 contractual services costs for programming changes to the online tax information system and the monthly reporting system are estimated at $230,000. Additionally, to implement this bill with an immediate effective date, the Department will need to develop regulations to the extent possible by April 29, requiring an additional $430,000 appropriation for FY 2010 to cover immediate contractual, regulatory and legal work. Aside from the $660,000 in one-time costs, the provisions of this bill can be implemented using existing staff and resources.
$230,000 computer programming and forms changes
$50,000 contracted professional services for regulation consulting
$100,000 contracted professional services for legal and fiscal consulting
$180,000 regulations costs including Department of Law, public notice and registry
$100,000 public forums for education of taxpayers and public participation includes preparation materials and legal support, could include travel

Other Issues
This bill provides for an immediate effective date, with the production tax changing potentially twice during 2010; once on April 29 and again after the first day of the AGIA binding open season.. Since the production tax is levied on an annual basis (payable in monthly installments), changing the tax calculations for a portion of the tax year would create an additional burden with additional complexity for both the Department and the taxpayers for the 2010 tax year.

Adopted 4/15/10

26-LS1577\K
Bullock
4/14/10

HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act providing that the tax rate applicable to the production of oil as the average production tax value of oil, gas produced in the Cook Inlet sedimentary basin, and gas produced outside of the Cook Inlet sedimentary basin and used in the state increases above $30 shall be 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value and $30, or the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between that average monthly production tax value and $92.50, except that the total rate determined in the calculation may not exceed 50 percent; providing for an increase in the rate of tax on the production of gas as the average production tax value on a BTU equivalent barrel basis of gas produced outside of the Cook Inlet sedimentary basin and not used in the state increases above $30; relating to payments of the oil and gas production tax; relating to the lease expenditures that may be deducted when

determining production tax value; relating to availability of a portion of the money received from the tax on oil and gas production for appropriation to the community revenue sharing fund; relating to the allocation of lease expenditures and adjustments to lease expenditures; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 29.60.850(b) is amended to read:

(b) Each fiscal year, the legislature may appropriate to the community revenue sharing fund an amount equal to 20 percent of the money received by the state during the previous calendar year under AS 43.55.011(g) **and (p)**. The amount may not exceed

(1) $60,000,000; or

(2) the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals $180,000,000.

*** Sec. 2.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts determined under

(A) subsection (g) of this section**; and**

(B) subsection (p) of this section.

*** Sec. 3.** AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under **AS 43.55.160(a)(2)(A) - (E) of a** [AS 43.55.160(a)(2) PER] BTU equivalent barrel of [THE] taxable oil and gas is more

than $30, the amount of tax for purposes of **(e)(2)(A)** [(e)(2)] of this section is determined by multiplying the monthly production tax value of the taxable oil [AND GAS] produced during the month**, gas produced during the month from a lease or property in the Cook Inlet sedimentary basin, and gas produced during the month from a lease or property outside the Cook Inlet sedimentary basin and used in the state** by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between **the producer's** [THAT] average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $30; [OR]

(2) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the **producer's** average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $92.50, except that the sum determined under this paragraph may not exceed 50 percent**;**

(3) for purposes of this subsection, the average monthly production tax value under AS 43.55.160(a)(2)(A) - (E) of a BTU equivalent barrel of taxable oil and gas is calculated by

(A) adding all of the monthly production tax values determined under AS 43.55.160(a)(2)(A) - (E); and

(B) dividing the sum calculated under (A) of this paragraph by the total amount, in BTU equivalent barrels, of

(i) taxable oil produced by the producer during the month;

(ii) taxable gas produced by the producer during the month from a lease or property in the Cook Inlet sedimentary

basin; and

(iii) taxable gas produced by the producer during the month from a lease or property outside the Cook Inlet sedimentary basin and used in the state.

*** Sec. 4.** AS 43.55.011 is amended by adding a new subsection to read:

(p) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas is more than $30, the amount of tax on the production of gas for purposes of (e)(2)(B) of this section is determined by multiplying the monthly production tax value of the taxable gas produced during the month other than gas produced from a lease or property in the Cook Inlet sedimentary basin or gas produced outside the Cook Inlet sedimentary basin and used in the state by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $30;

(2) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $92.50, except that the sum determined under this paragraph may not exceed 50 percent;

(3) for purposes of this subsection, the average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas is calculated by

(A) adding the monthly production tax value determined under AS 43.55.160(a)(2(F) to the monthly production tax value determined under AS 43.55.160(a)(2)(G); and

(B) dividing the sum calculated under (A) of this paragraph by the total amount, in BTU equivalent barrels, of the taxable gas produced by the producer during the month, other than gas produced from a lease or property in the Cook Inlet sedimentary basin or gas produced outside the Cook Inlet sedimentary basin and used in the state.

* **Sec. 5.** AS 43.55.020(a) is repealed and reenacted to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) and (p) shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts in (A) - (C) of this paragraph, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(B) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g), added to the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(G) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p);

(B) the greater of

(i) zero percent, one percent, two percent, three percent, or four percent, as applicable under AS 43.55.011(f), of the gross value at the point of production of the oil and gas produced during the month from all leases or properties in the state that include land north of 68 degrees North latitude, other than oil and gas subject to AS 43.55.011(i) and gas subject to AS 43.55.011(o); or

(ii) the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(A) multiplied by the sum of 25

percent and the tax rate calculated for the month under AS 43.55.011(g), added to the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(F) multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p); and

(C) for each lease or property, for gas subject to AS 43.55.011(j), oil subject to AS 43.55.011(k), and gas subject to AS 43.55.011(o), the monthly production tax value for the month calculated under AS 43.55.160(a)(2)(C), (D), or (E), as applicable, multiplied by the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g);

(2) an amount calculated under (1)(C) of this subsection for oil or gas produced from a particular lease or property may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable for gas, or set out in AS 43.55.011(k)(1) or (2), as applicable for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production.

*** Sec. 6.** AS 43.55.020(d) is amended to read:

(d) In making settlement with the royalty owner for oil and gas that is taxable under AS 43.55.011, the producer may deduct the amount of the tax paid on taxable royalty oil and gas, or may deduct taxable royalty oil or gas equivalent in value at the time the tax becomes due to the amount of the tax paid. If the total deductions of installment payments of estimated tax for a calendar year exceed the actual tax for that calendar year, the producer shall, before April 1 of the following year, refund the excess to the royalty owner. Unless otherwise agreed between the producer and the royalty owner, the amount of the tax paid under AS 43.55.011(e) - (g) **and (p)** on taxable royalty oil and gas for a calendar year, other than oil and gas the ownership or right to which constitutes a landowner's royalty interest, is considered to be the gross value at the point of production of the taxable royalty oil and gas produced during the calendar year multiplied by a figure that is a quotient, in which

(1) the numerator is the producer's total tax liability under AS 43.55.011(e) - (g) **and (p)** for the calendar year of production; and

(2) the denominator is the total gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) - (g) **and (p)** produced by the producer from all leases and properties in the state during the calendar year.

*** Sec. 7.** AS 43.55.160(a) is amended to read:

(a) Except as provided in (b) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable

(A) oil [AND GAS] produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from

those leases or properties, **and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or any part of a lease or property is located north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, **and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for**

the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin, as adjusted under AS 43.55.170;

(D) gas produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, **and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(E) gas produced during a calendar year from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, **and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located outside the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(F) gas produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude

is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(G) gas produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or lease or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(2) AS 43.55.011(g) **and (p)**, the monthly production tax value of the taxable

(A) oil [AND GAS] produced during a month from leases or

properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, **and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease or property are not north of 68 degrees North latitude,** as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of

the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, **and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(D) gas produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, **and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located in the Cook Inlet sedimentary basin,** as adjusted under AS 43.55.170;

(E) gas produced during a month from a lease or property **in the state** outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, **and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or**

develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land, lease, or property is located outside of the Cook Inlet sedimentary basin, as adjusted under AS 43.55.170;

(F) gas produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or any part of the lease or property is located north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(G) gas produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, and 1/12 of the portion allocated under (f) of this section of the producer's lease expenditures under AS 43.55.165 for the calendar year incurred to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property, if that land or lease or property is located outside the Cook Inlet sedimentary basin, and the land and all parts of the lease

or property are not north of 68 degrees North latitude, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o).

*** Sec. 8.** AS 43.55.160 is amended by adding new subsections to read:

(f) A lease expenditure incurred during a calendar year to explore land that is not a lease or property, or to explore or develop a lease or property before commencement of sustained production of oil or gas from the lease or property shall be allocated as provided in a regulation adopted by the department under AS 43.55.165(h) to the production of taxable

(1) oil produced from leases or properties in the state that include land north of 68 degrees North latitude;

(2) oil produced from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude;

(3) oil produced from a lease or property in the Cook Inlet sedimentary basin;

(4) gas produced from a lease or property in the Cook Inlet sedimentary basin;

(5) gas produced from a lease or property in the state outside the Cook Inlet sedimentary basin and used in the state;

(6) gas produced from leases or properties in the state that include land north of 68 degrees North latitude; or

(7) gas produced from leases or properties in the state outside of the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude.

(g) A lease expenditure is applicable to oil or gas produced from a lease or property or to leases or properties for the purpose of determining production tax value if the lease expenditure is a cost of exploring for, developing, or producing oil or gas deposits located within the lease or property that are incurred on or after the commencement of sustained production of oil or gas from the lease or property.

*** Sec. 9.** AS 43.55.165(h) is amended to read:

(h) The department shall adopt regulations that provide for reasonable methods of allocating costs between oil and gas, between gas subject to

AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. **When adopting a regulation for determining a reasonable method of allocating lease expenditures between the production of oil and the production of gas, the department shall, to the extent possible, provide for the allocation of lease expenditures in proportion to the gross value at the point of production for oil produced and gas produced from each lease or property.**

*** Sec. 10.** AS 43.55.170 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for reasonable methods of allocating the adjustments to a producer's lease expenditures in (a) of this section and the payments and credits described in (b) of this section between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits, or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. When determining a reasonable method of allocating the adjustments to a producer's lease expenditures between the production of oil and the production of gas, the department shall consider allocating the adjustments in proportion to the lease expenditures allocated to the production of oil and the production of gas under regulations adopted by the department under AS 43.55.165(h).

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INSTALLMENT PAYMENTS OF TAX. A producer required to make an installment payment of tax under AS 43.55.020(a)(1) after December 31, 2009, and before the effective date of this Act, and that underpaid the amount due for the installment payment because of the retroactive application of secs. 2 - 4, 7, and 8 of this Act, shall submit

the amount of any underpayment on the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act. Interest on the amount of an underpayment due because of the retroactive application of secs. 2 - 4, 7, and 8 of this Act does not accrue until the day after the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act.

*** Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in the regulation that the regulation applies retroactively to that date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out secs. 2 - 4, 7, and 8 of this Act may apply retroactively to January 1, 2010.

*** Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 2 - 4, 7, and 8 of this Act are retroactive to January 1, 2010.

*** Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

SECTIONAL ANALYSIS
SB 305 VERSION K

1. Amends AS 29.60.850(b) to reference new separate progressive tax on gas as a source of money may be appropriated to the community revenue sharing fund.
2. Amends AS 43.55.011(e) to make separate references to the monthly progressive taxes on oil and gas.
3. Amends AS 43.55.011(g) to have the tax rate determined using the production tax values of oil and the production tax values on a BTU equivalent basis of gas produced in Cook Inlet and gas produced elsewhere in the state.
4. Adds a new subsection, (p), to AS 43.55.011, to provide for a progressive tax applicable to gas production that is not included in AS 43.55.011(g) as amended in section 3 of the bill.
5. Repeals and reenacts AS 43.55.020(a) to describe the determination of a monthly installment payment for production taxes when the progressive tax on oil, Cook Inlet gas, and other gas used in the state, and the progressive tax applicable to other gas are determined separately.
6. Amends AS 43.55.020(d), relating to a settlement with the royalty owner, by adding references to the progressive tax on the gas to which AS 43.55.011(p) is applicable.
7. Amends AS 43.55.160(a), relating to the determination of the production tax value of oil and gas, by providing the means for determining the production tax value of oil and the production tax value of gas separately, and providing that lease expenditures include expenditures allocated under 160(f) in section 8 for the calendar year incurred to explore land not under lease, or explore or develop a lease before commencement of sustained production.
8. Adds two new subsections, (f), and (g), to AS 43.55.160. In subsection (f), expenditures to explore land not under lease, or to explore or develop a lease before commencement of production of oil or gas, are allocated to current oil or gas production. In subsection (g), lease expenditures include expenditures for producing, or that are incurred for exploration or development after the commencement of sustained production.
9. Amends AS 43.55.165(h), relating to the requirement that the Department of Revenue adopt regulations for allocating lease expenditures, by requiring that the Department allocate lease expenditures, to the maximum extent possible, between oil and gas, using the relative gross value at the point of production.

10. Adds a new subsection, AS 43.55.170(d), which is similar to the amendment to AS 43.55.165(h) in section 9, but is applicable to allocating adjustments to lease expenditures.
11. Requires a producer that underpays an installment payment after December 31, 2009 and before the effective date because of the retroactive application of the new progressive tax section to pay the amount of the underpayment on the date the first installment payment is due after the effective date of the Act.
12. Department has authority to adopt regulations to implement retroactive provisions in section 13.
13. Makes the progressivity provisions of the bill – sections 2–4 and 7-8 – retroactive to January 1, 2010.
14. Makes the Act take effect immediately.

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801

Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

Summary of Changes between House Resources CS and Finance Work Draft

1) Timing window of moving between the one "bucket" and two "bucket" regimes has been removed.

2) AS 43.55.011(g)(3) and (p)(3): This is a technical change that adds clarity. It depicts the detailed methodology for deriving the progressivity factor so that it is clear the word "average" in the statute means weighted average.

3) AS 43.55.020(a): The section describing the calculation of the monthly installment payments has been repealed and reenacted. After all previous changes a more succinct drafting was crafted.

4) AS.55.160(a)(1) and (a)(2): This is an expansion on the current section describing the calculation of the annual and monthly production tax values. Lease expenditures include expenditures allocated under 160(f) (below) for the calendar year incurred to explore land not under lease, or explore or develop a lease before commencement of sustained production.

5) AS 43.55.160(f): This is a new section. Expenditures to explore land not under lease, or to explore or develop a lease before commencement of production of oil or gas, are allocated between oil and gas in the year the expenditure is incurred. (Method of allocation is specified in AS 43.55.165(h) [an amendment out of House Resources] stating that for allocating costs between oil and gas gross value should be used to the maximum extent possible.)

6) AS 43.55.160(g): This is a new section that clarifies that lease expenditures include expenditures for producing or that are incurred for exploration or development after the commencement of sustained production, as well.

SB 309

<target><bill>SB 309</bill><subject>SB 309</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

SPONSOR STATEMENT FOR SENATE BILL 309

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

Senate Bill 309 makes three substantive changes to Alaska's oil and gas tax system that will encourage development. First, AB 309 amends and extends the exploration and development incentive tax credit that was originally enacted in 2003 by the 23rd legislature. This tax credit continues to be applicable, under the Alaska Net Income Tax Act, to operators and working interest owners directly engaged in the exploration for and development of natural gas, primarily in the Cook Inlet area.

To more strongly encourage companies to invest additional capital in exploring for and developing new natural gas reserves, this legislation makes five significant changes to current law:

- Expands the application of the credit to development drilling within an existing field.
- Increases the amount of the credit to 25% (from 10%) of the amount of qualified capital investment and qualified services spending.
- Changes the limitation on the amount of credits that can apply in a single year to 75%.
- Removes the "successful efforts" requirement that developers must find and deliver new gas resources to market to qualify for the credit.
- Extends the sunset date of the investment tax credit from January 1, 2013 to January 1, 2020.

Senate Bill 309 also establishes a special production tax credit for the first three wells drilled into the pre-Tertiary strata of Cook Inlet with a jack-up drill rig. This unexplored segment of the Cook Inlet may contain significant oil and gas resources and offer an opportunity to offset the decline of Cook Inlet reserves.

Finally, SB 309 makes two changes to Alaska's production tax system to encourage exploration and production. First, SB 309 repeals the provisions that require small explorers to make an expenditure equivalent to the credit they receive within 24 months in order to sell the credit back to the state. Finally, SB 309 also waives interest on an underpayment of production taxes when the underpayment is the result of a retroactive change in regulation.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Annual natural gas production and supply in the Cook Inlet area have been declining for a number of years. During the same time, domestic demand has been increasing steadily. Therefore, a sharp increase in drilling to find new reserves is drastically needed. The Department of Natural Resources projects that most of the new gas needed will be found in existing fields. The original Investment Tax Credit enacted in 2003, while modestly successful in stimulating new drilling, did not incentivize development drilling in existing fields. These changes will go a long way toward achieving that goal.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

SECTIONAL ANALYSIS FOR CS SB 309 (FIN)

Please note that a sectional analysis is not an authoritative interpretation of the bill. The bill itself is the best representation of its contents.

Section 1 amends AS 43.20.043 (a) by increasing the gas exploration and development tax credit to 25% on qualifies capital expenditures and annual costs from 10% for investments made after December 31, 2009.

Section 2 amends AS 43.20.043 (b) to conform to the changes made in section 1.

Section 3 amends AS 43.20.043 (c) to replace the 50% cap on the application of the gas exploration and development tax credit against the Alaska Net Income Tax with a cap of 75%.

Section 4 amends AS 43.20.043 (e) to ensure that the value of a credit under AS 43.20.043 is passed through to consumers in a rate base submitted to a regulatory agency.

Section 5 amends AS 43.20.043 (g) to clarify that if a taxpayer elects to take a credit under AS 43.20.043 the taxpayer may not also claim a tax credit or royalty modification under other identified sections of Alaska law.

Section 6 amends AS 43.20.043 (i)(1) to allow a taxpayer to claim a credit under AS 43.20.043 for development in an existing field and for an expenditure that does not lead to production. Section 6 also clarifies that topping plants, treatment or liquefied natural gas and other manufacturing plants are not qualified expenditures.

Section 7 amends AS 43.20.043 to clarify that a credit under AS 43.20.043 may be taken in the year in which the expenditure is made or cost is accrued, or in the following tax year.

Section 8 amends AS 43.55.020 by adding a new subsection that allows the department to waive interest on the underpayment or overpayment of a tax liability if the underpayment or overpayment was due to a retroactive regulation change.

Section 9 amends AS 43.55.025 (a) to create a special tiered exploration tax credit of 80, 90 or 100 percent of total exploration expenditures.

Section 10 amends AS 43.55.025 by adding a new subsection (m) to clarify that the special credit established in section 10 is for the first three unaffiliated wells drilled into the pre-Teritary strata in Cook Inlet using a jack-up drill rig. Also caps credits; lesser of 100% credit or $25 million, lesser of 90% credit or $22.5 million; lesser of 80% credit or $20.0

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249

Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

million. Only one credit per person, may not include cost to construct or manufacture a jack-up rig and must be for work performed after June 30, 2010. If exploration results in sustained production of oil or gas, 50 percent of credit received shall be repaid. Taxpayer obtaining credit in this section may not claim credit under AS 43.55.023 or another provision in this section for the same exploration expenditure. Provides definitions for "jack-up rig", "reservoir" and "sustained production".

Section 11 amends the uncodified law related to the carry forward of credits accrued under AS 43.20.043 beyond the sunset date of the credit.

Section 12 repeals AS 43.55.028 (e) (2) and (e) (3) which requires a small producer accessing the oil and gas tax credit fund to make additional expenditures within 24 months of claiming the credit.

Section 13 amends the uncodified law of the state of Alaska to add transition language for the changes made in section 8.

Section 14 amends the uncodified law of the state of Alaska to make section 8 retroactive to January 1, 2006.

Section 15 amends the uncodified law of the state of Alaska to conform the retroactive application of regulations under section 8 to other retroactive regulations issued by the department.

Section 16 extends the sunset of the tax credit under AS 43.20.043 to 2016 from 2013.

Section 17 adds an effective date of July 1, 2010 for section 12.

Section 18 adds an immediate effective date for all sections other than section 17..

Adopted 4/16/10

Amendment # 2

Offered in the House

By Hawker
Stoltze
By Request

To: CS SB 309 (FIN), Draft Version "26-LS1629\S"

To page 8, line 24:

Delete "2024" and insert "2020" ✓

5345

Withdrawn

26-LS1629\S.2
Bullock
4/16/10

AMENDMENT #4

OFFERED IN THE HOUSE

TO: CSSB 309(FIN)

Page 4, line 6, following "**chapter**":

Insert "**:**

(4) shall agree, in writing, to the applicable provisions of AS 43.55.025(f)(2) and shall submit to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2) for a credit under AS 43.55.025"

Adopted 4/16/10

26-LS1629\S.1
Bullock
4/16/10

AMENDMENT #1

By Staltze by Request

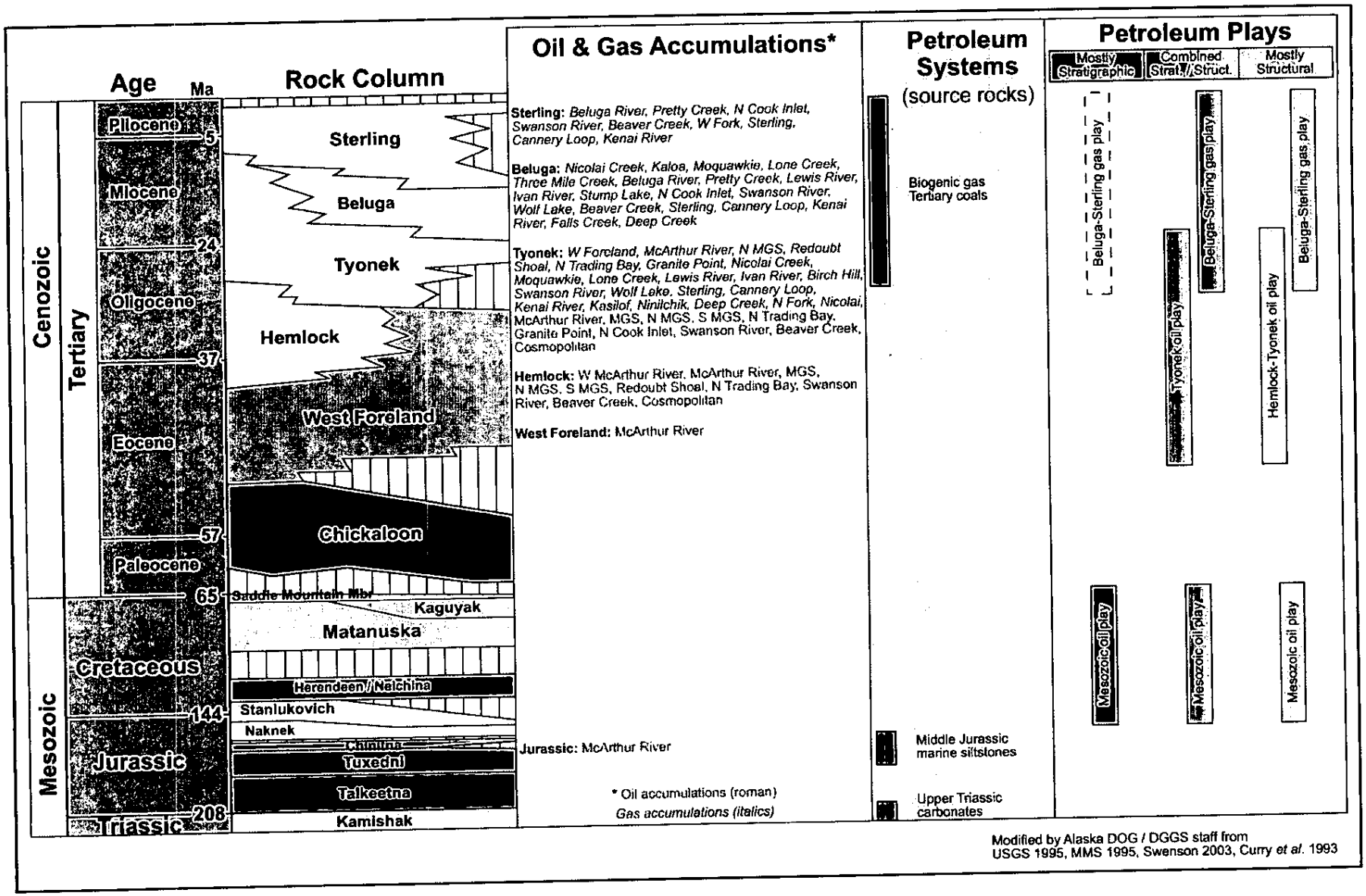
OFFERED IN THE HOUSE

TO: CSSB 309(FIN)

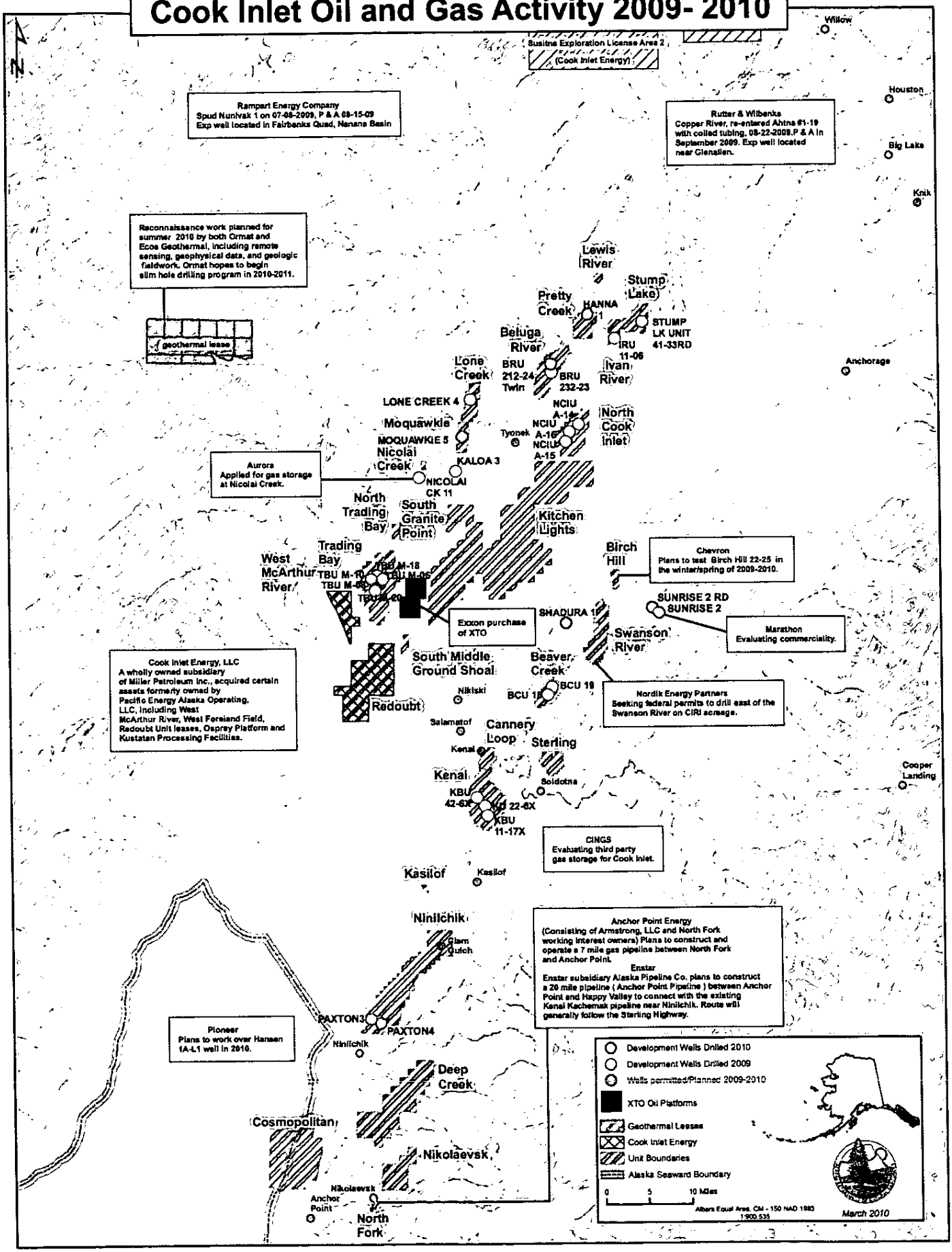
Page 7, lines 8 - 9:

Delete "at least 3,000 feet below the base of the tertiary-aged strata"

5347


Age
Ma
Rock Column
Cenozoic
Tertiary
Pliocene
5
Miocene
24
Oligocene
37
Eocene
57
Paleocene
65
Mesozoic
Cretaceous
144
Jurassic
208
Triassic
Sterling
Beluga
Tyonek
Hemlock
West Foreland
Chickaloon
Saddle Mountain Mbr
Kaguyak
Matanuska
Herendeen / Nelchina
Stanlukovich
Naknek
Chinitna
Tuxedni
Talkeetna
Kamishak
Oil & Gas Accumulations*
Sterling: Beluga River, Pretty Creek, N Cook Inlet, Swanson River, Beaver Creek, W Fork, Sterling, Cannery Loop, Kenai River
Beluga: Nicolai Creek, Kaloa, Moquawkie, Lone Creek, Three Mile Creek, Beluga River, Pretty Creek, Lewis River, Ivan River, Stump Lake, N Cook Inlet, Swanson River, Wolf Lake, Beaver Creek, Sterling, Cannery Loop, Kenai River, Falls Creek, Deep Creek
Tyonek: W Forcland, McArthur River, N MGS, Redoubt Shoal, N Trading Bay, Granite Point, Nicolai Creek, Moquawkie, Lone Creek, Lewis River, Ivan River, Birch Hill, Swanson River, Wolf Lake, Sterling, Cannery Loop, Kenai River, Kasilof, Ninilchik, Deep Creek, N Fork, Nicolai, McArthur River, MGS, N MGS, S MGS, N Trading Bay, Granite Point, N Cook Inlet, Swanson River, Beaver Creek, Cosmopolitan
Hemlock: W McArthur River, McArthur River, MGS, N MGS, S MGS, Redoubt Shoal, N Trading Bay, Swanson River, Beaver Creek, Cosmopolitan
West Foreland: McArthur River
Jurassic: McArthur River
* Oil accumulations (roman)
Gas accumulations (italics)
Petroleum Systems
(source rocks)
Biogenic gas
Tertiary coals
Middle Jurassic marine siltstones
Upper Triassic carbonates
Petroleum Plays
Mostly Stratigraphic
Combined Strat./Struct.
Mostly Structural
Beluga-Sterling gas play
Tyonek oil play
Beluga-Sterling gas play
Hemlock-Tyonek oil play
Beluga-Sterling gas play
Mesozoic oil play
Mesozoic oil play
Mesozoic oil play
Modified by Alaska DOG / DGGS staff from
USGS 1995, MMS 1995, Swenson 2003, Curry et al. 1993

Cook Inlet Oil and Gas Activity 2009- 2010



Section Two: Royalty Production and Revenue

Introduction

The state of Alaska receives a royalty of approximately 12.5 percent of the oil and gas produced from its leases. The state may take its share of oil production "in-kind" or "in-value." When the state takes its royalty share in-kind (RIK), it assumes possession of the oil or gas. The commissioner of Natural Resources may sell the RIK oil or gas in a competitive auction or through a noncompetitive sale negotiated with a single buyer. When the state takes its royalty in-value (RIV), the state's lessees who produce the oil or gas market the state's share along with their own share of production. The lessees remit cash payments on a monthly basis for the state's RIV share.

Over the last 30 years the state has taken about one-half of its royalty oil as RIK. The state has sold nearly 800 million barrels of RIK oil during this time, nearly all of it in-state. Pricing terms have been targeted to provide the state at least as great a price as would have been received had the royalty been taken in value. Volumes to be delivered are typically cast as targets within a defined range, rather than precise specifications of barrels. Lease terms require that when the state elects to take RIK it must provide 90-180 days notice (depending upon the lease) of a percentage of royalty to be taken in kind, rather than a specific number of barrels to be taken in kind; the uncertainty as to future production volumes makes a precise specification of RIK deliveries impossible."

These in-state sales have provided an important supply security, thereby stimulating Alaska's refining industry by providing long-term supplies of oil to each of the state's four refineries. Over the years, state RIK sales fueled many controversies and policy debates over the appropriate use of the state's natural resources.

Cook Inlet

In 1969 the commissioner of Natural Resources negotiated a sale of 100 percent of the state's royalty from Cook Inlet to the Alaska Oil and Refining Company. Within months of signing the contract, Alaska Oil and Refining Company merged with the Tesoro Petroleum Company. Tesoro subsequently built a new refinery in Nikiski on the Kenai Peninsula next to Chevron's refinery, built in 1964. Between 1969 and 1985 the state sold all of its Cook Inlet royalty oil to the Tesoro refinery. By 1980, the production decline in Cook Inlet prompted Tesoro to negotiate the first of several sales contracts with the state for supplies of RIK oil from the North Slope. By the end of 1985 Tesoro had replaced its Cook Inlet RIK volumes with supplies of RIK from the North Slope.

In 1987 the state began to export Cook Inlet RIK oil to the Chinese Petroleum Company. These volumes were produced from fields on the west side of the Cook Inlet after the federal government exempted Cook Inlet production from export administration regulations. The state sold 97 percent of the royalty production from the McArthur River, Trading Bay, North Trading Bay, and Granite Point fields in a series of one-year competitive auctions. In 1991 deliveries under the last Chinese Petroleum contract were halted under force majeure following the December 1989 eruption of the Mount Redoubt volcano. There have been no Cook Inlet RIK sales since (See Table IV.8.).

North Slope

Over the past 25 years, the state has held nine RIK sales involving portions of its Alaska North Slope (ANS) royalty oil production. These sales are summarized in Table IV.7 and Figure IV.3. In 1976, the state signed a six-year contract with Golden Valley Electric Association (GVEA), the electric utility in Fairbanks, to sell approximately 3,300 barrels of ANS crude oil per day as turbine fuel. GVEA did not exercise its option to take RIK until 1981 and it traded these volumes with Mapco (now Williams Alaska) in exchange for refined fuel. The state subsequently sold RIK ANS to GVEA in two other contracts until 1992. As in the first contract, GVEA traded these volumes with Mapco.

In 1978 the state contracted with Earth Resources Company of Alaska, predecessor to Mapco Alaska and Williams Alaska Petroleum Company, to supply 15 percent of Prudhoe Bay RIK oil production less the quantity dedicated to GVEA. This 25-year contract expired in December 2003. Williams received a maximum of 35,000 barrels per day of RIK

5350

oil produced from the Prudhoe Bay Unit under this contract and supplemented this supply with new agreements for another 28,000 barrels per day.

Tesoro has been an important North Slope RIK customer. Tesoro negotiated and bid for several contracts that supplied it with RIK supplies from 1980 to 1998. Chevron was another big purchaser of North Slope RIK for oil supplied to its Nikiski refinery from 1980 through 1991, when it finally shut down its Nikiski refinery. Petro Star Inc. purchased North Slope RIK from 1986 through 1991 for its new refinery at North Pole. In 1992 Petro Star negotiated a 10-year contract with the state for a supply of RIK from the Kuparuk River Unit. With this contract in hand, Petro Star was able to build the state's newest refinery in Valdez. As it happened, Petro Star elected to take no oil under this contract and the contract expired automatically nine months after it had been signed.

The state also held competitive auctions of RIK oil during the early 1980s as part of a program to routinely offer RIK short-term contracts. Winners of these sales included in-state refineries but also several refineries located outside the state. Many of these buyers were also ANS producers. About 46 million barrels of Alaska North Slope RIK crude oil were sold in these auctions but the program was interrupted after the general collapse of oil prices in the mid-1980s. In January 2000, the Division of Oil and Gas published a Notice of Interest in Sale of State Royalty Oil. The response to this notice by prospective RIK purchasers prompted the division to plan for a competitive bid auction for volumes of RIK oil produced from several North Slope fields. The sale was subsequently held in August 2000 but no bids were offered.

In September 2003, the state negotiated a temporary contract with Williams for the period January 1, 2004, through March 31, 2004. The state also negotiated a new 10-year contract with Flint Hills Resources Alaska, LLC (FHR), signed by the Governor on March 9, 2004, enabling FHR to take over the Williams' North Pole refinery on March 31. Deliveries of royalty oil under the new RIK contract began April 1, 2004. The state sold approximately 57,537 barrels per day to FHR, or more than 64 percent of the total royalty oil produced on the North Slope for the period January 1 through December 31, 2008.

The contract contained special conditions which serve as additional consideration for FHR's purchase of the state's royalty oil. FHR will maintain gasoline wholesale rack price parity between Anchorage and Fairbanks. FHR has invested approximately $100 million to install clean fuels processing equipment and facilities in the North Pole Refinery and/or elsewhere in Alaska. It has fulfilled and enhanced the previous commitments made by Williams to the Government Hill Community Council in Anchorage to address concerns about gasoline storage tanks near Government Hill and has undertaken additional projects to improve the Anchorage Tank Farm Facility. FHR will also continue to ship refined products to Anchorage via the Alaska Railroad, (FHR shipments represented 41 percent of the total freight loadings for the Alaska Railroad for 2008).

In Fairbanks, FHR has studied the use and viability of the hydrant fueling system at the Fairbanks International airport (FIA), concentrating on promoting FIA to cargo carriers, evaluating and upgrading FIA fuel distribution facilities, and charging a jet fuel customer in Fairbanks the same or lower price as FHR charges that same customer in Anchorage. FHR met all of these conditions for 2008 and has performed upgrades of their fueling facilities at FIA, primarily related to environmental remediation and compliance on their lease lot.

Royalty-in-Kind Policy

The earliest RIK sales, notably Tesoro's first Cook Inlet contract, the first GVEA contract, and the Alpetco contract, generated controversy and debate in the state. Several issues arose as the RIK program evolved. Is the state better off negotiating sales one-on-one or auctioning RIK through competitive tenders? How much public input should be encouraged? Should the state subsidize the local refining industry through price breaks? What kind of oversight should be required? The debates of these questions led to the present program as set out in statutes and regulations.

When disposing royalty oil or gas, the commissioner is bound by AS 38.05.182 and AS 38.05.183. Further, the Legislature established the Alaska Royalty Oil and Gas Development Board (Royalty Board) under AS 38.06 to oversee the department's RIK program. Regulations under Title 11, Chapters 3 and 26 govern the actual disposition of royalty and the sale of RIK. (See http://www.legis.state.ak.us/folhome.htm for more information).

The rules that govern the sale of RIK may be reduced to a few principles:

- Any disposition of the state's royalty must be in the state's best interest. The state should sell its royalty rather than take it in-value as long as the best interests of the state are served.

5351

- The state must receive a price for its RIK that is at least as much as it receives when the state takes its royalty in-value.
- Under certain circumstances, the state may sell its oil in a negotiated sale, but competitive sales are preferred.
- Although the price of RIK must equal or exceed the price of RIV, a review of each sale must consider economic, social, and environmental effects. In this way, benefits may be attributed to the sale of RIK to local refineries that would not be generated by sales to outside purchases.
- The public is a part of the process. Depending on the terms of the sale, the commissioner will publish best interest findings and solicit comments on the sale from the public.
- The Royalty Board must be notified of any disposition of RIK. For supply contracts of more than one year, the Royalty Board must evaluate the economic, social, and environmental effects of the sale, convene a public hearing, and recommend approval of the sale to the Legislature.
- The Legislature approves long-term contracts by enacting legislation
- The near-universal practice of the Department is to make its sales at or near the location of production. The RIK buyers take title upstream of necessary transportation infrastructure, and must arrange for transportation themselves. In this way, transportation risks are borne by the purchaser, and the state minimizes its need for staffing to administer RIK sales.

5352

Table II.1 Recent Royalty Oil Production & Revenues

	Lease Operation	Badami Unit RIV	Badami Unit RIK	TOTAL Badami Unit	Colville River Unit RIV	Colville River Unit RIK	TOTAL Colville River Unit	Duck Island Unit RIV	Duck Island Unit RIK	TOTAL Duck Island Unit	Kuparuk River Unit RIV	Kuparuk River Unit RIK	TOTAL Kuparuk River Unit
Production (Thousands of Barrels)													
1997	-	-	-	-	-	-	-	3,324.4	-	3,324.4	10,978.3	-	10,978.3
1998	-	106.1	-	106.1	-	-	-	2,692.5	-	2,692.5	10,886.2	-	10,886.2
1999	-	179.2	-	179.2	1.3	-	1.3	2,263.3	-	2,263.3	10,822.0	-	10,822.0
2000	-	144.6	-	144.6	196.6	-	196.6	1,943.1	-	1,943.1	9,897.9	-	9,897.9
2001	-	104.0	-	104.0	2,785.5	-	2,785.5	1,696.9	-	1,696.9	9,076.4	-	9,076.4
2002	-	87.0	-	87.0	3,403.4	-	3,403.4	1,483.5	-	1,483.5	8,921.6	-	8,921.6
2003	0.6	42.1	-	42.1	3,777.1	-	3,777.1	1,535.1	-	1,535.1	8,905.8	-	8,905.8
2004	-	-	-	-	3,642.3	-	3,642.3	834.3	390.2	1,224.5	7,976.8	305.3	8,282.1
2005	2.1	22.2	-	22.2	4,262.4	-	4,262.4	51.2	1,026.3	1,077.5	4,498.6	3,138.0	7,636.6
2006	-	56.3	15.9	72.2	3,273.9	404.6	3,678.5	43.8	819.3	863.1	2,120.3	5,080.6	7,200.8
2007	-	33.7	-	33.7	3,469.1	936.4	4,405.5	27.1	752.1	779.3	918.0	5,693.7	6,611.7
2008	-	-	-	-	2,320.5	1,587.3	3,907.8	29.1	761.9	790.9	402.0	5,695.7	6,097.7
Revenues (Thousands of Dollars)													
1997	-	-	-	-	-	-	-	$42,866	-	$42,866	$150,137	-	$150,137
1998	-	$572	-	$572	-	-	-	$18,147	-	$18,147	$82,772	-	$82,772
1999	-	$1,992	-	$1,992	$57	-	$57	$26,461	-	$26,461	$136,802	-	$136,802
2000	-	$2,612	-	$2,612	$4,539	-	$4,539	$42,350	-	$42,350	$220,539	-	$220,539
2001	-	$1,051	-	$1,051	$47,972	-	$47,972	$31,796	-	$31,796	$160,694	-	$160,694
2002	-	$108	-	$108	$62,818	-	$62,818	$27,128	-	$27,128	$173,379	-	$173,379
2003	$15	$46	-	$46	$89,684	-	$89,684	$35,753	-	$35,753	$211,369	-	$211,369
2004	-	-$0	-	-$0	$122,667	-	$122,667	$24,455	$14,219	$38,674	$255,120	$11,578	$266,699
2005	$85	$876	-	$876	$201,866	-	$201,866	$6,831	$47,365	$54,197	$186,238	$159,863	$346,101
2006	-	$2,070	$484	$2,554	$193,449	$21,825	$215,274	-$2,937	$46,279	$43,343	$109,198	$295,880	$405,078
2007	$25	$899	-	$899	$248,989	$72,853	$321,843	$1,451	$48,036	$49,486	$56,131	$373,458	$429,589
2008	-	$273	$1	$274	$207,408	$155,372	$362,779	$7,161	$71,112	$78,273	$47,425	$515,948	$563,372

Revenues include interest from revisions and settlements in the year received.

	Milne Point Unit RIV	Milne Point Unit RIK	TOTAL Milne Point Unit	Northstar Unit RIV	Northstar Unit RIK	TOTAL Northstar Unit	Prudhoe Bay Unit RIV	Prudhoe Bay Unit RIK	TOTAL Prudhoe Bay Unit	TOTAL North Slope
Production (Thousands of Barrels)										
1997	2,657.0	-	2,657.0	-	-	-	18,399.6	26,139.6	44,539.2	61,498.8
1998	2,833.4	-	2,833.4	-	-	-	11,810.5	27,981.6	39,792.1	56,310.2
1999	2,699.2	-	2,699.2	-	-	-	15,508.5	19,070.7	34,579.2	50,544.1
2000	2,613.9	-	2,613.9	-	-	-	13,053.5	19,290.3	32,343.8	47,140.0
2001	2,687.9	-	2,687.9	212.9	-	212.9	13,643.5	15,187.0	28,830.6	45,394.3
2002	2,570.7	-	2,570.7	4,009.3	-	4,009.3	11,794.8	15,509.5	27,304.4	47,779.8
2003	2,569.7	-	2,569.7	5,236.7	-	5,236.7	5,489.2	20,630.5	26,119.8	48,186.9
2004	1,534.2	1,039.7	2,573.9	2,661.6	3,004.6	5,666.2	5,641.0	18,478.1	24,119.2	45,508.2
2005	111.5	2,088.1	2,199.7	5,065.9	-	5,065.9	5,547.1	16,545.2	22,092.3	42,358.7
2006	193.4	1,635.8	1,829.2	1,235.8	3,030.4	4,266.2	6,467.6	11,287.2	17,754.8	35,665.0
2007	527.4	1,158.0	1,685.3	1,786.3	1,349.1	3,135.4	345,910.4	846,510.8	18,286.2	34,937.2
2008	58.7	1,563.1	1,621.7	2,325.1	-	2,325.1	568,727.7	1,054,475.7	18,025.0	32,800.3
Revenues (Thousands of Dollars)										
1997	$33,777	-	$33,777	-	-	-	$242,341	$383,701	$626,042	$852,822
1998	$18,608	-	$18,608	-	-	-	$73,462	$227,032	$296,313	$416,413
1999	$31,596	-	$31,596	-	-	-	$170,204	$259,246	$429,450	$626,358
2000	$56,730	-	$56,730	-	-	-	$275,928	$461,464	$737,392	$1,064,162
2001	$47,356	-	$47,356	$1,584	-	$1,584	$236,464	$279,804	$516,268	$806,722
2002	$48,818	-	$48,818	$75,797	-	$75,797	$201,726	$320,378	$522,104	$910,151
2003	$61,255	-	$61,255	$123,753	-	$123,753	$114,558	$507,952	$622,509	$1,144,385
2004	$44,971	$37,287	$82,258	87,502	109,196	196,698	$172,637	$631,864	$804,501	$1,511,495
2005	$4,786	$94,638	$99,424	243,095	104	243,199	$239,535	$805,939	$1,045,474	$1,991,222
2006	$9,858	$92,003	$101,860	73,483	183,156	256,639	$369,888	$651,728	$1,021,616	$2,046,364
2007	$35,921	$69,239	$105,160	148,025	88,623	236,647	$345,910	$846,511	$1,192,421	$2,336,071
2008	$12,494	$142,604	$155,098	221,582	2,184	223,767	$568,728	$1,054,476	$1,623,203	$3,008,793

5353

Table II.1 Recent Royalty Oil Production & Revenues

	Granite Point Field	South Granite Point Unit	North Middle Ground Shoal	Middle Ground Shoal	South Middle Ground Shoal	Trading Bay Field	Trading Bay Unit	West McArthur Unit	Redoubt Unit	Cosmopolitan Unit	TOTAL Cook Inlet	TOTAL STATE
Production (Thousands of Barrels)												
1997	303.5	-	42.0	150.6	26.8	75.1	632.4	80.6	-	-	1,311.0	62,809.8
1998	259.8	-	44.7	196.0	28.8	87.1	602.4	116.2	-	-	1,335.0	57,645.2
1999	172.4	51.0	38.2	181.9	24.6	82.7	587.2	114.3	-	-	1,252.2	51,796.3
2000	119.2	98.5	43.5	170.5	22.8	79.6	602.8	111.6	-	-	1,248.6	48,388.5
2001	109.3	92.9	39.7	194.4	19.8	72.3	671.1	152.9	-	-	1,352.4	46,746.7
2002	105.2	85.8	27.1	197.1	20.8	74.6	697.0	127.3	2.3	-	1,337.2	49,117.1
2003	98.8	80.0	11.8	177.4	-	68.7	538.6	106.1	45.5	1.0	1,127.9	49,314.8
2004	84.0	77.4	-	165.3	-	58.0	424.6	83.7	28.0	-	920.8	46,429.0
2005	75.2	67.5	-	164.7	-	51.8	340.3	64.6	15.6	-	779.7	43,138.4
2006	73.7	46.9	-	148.9	-	49.1	284.0	54.6	13.4	-	670.6	36,335.5
2007	64.1	48.6	-	114.0	-	34.4	230.5	48.1	7.7	-	547.3	35,484.5
2008	61.3	44.9	-	109.2	-	19.9	174.7	39.6	4.7	-	454.4	33,254.7
Revenues (Thousands of Dollars)												
1997	$5,175	-	$764	$3,655	$490	$1,192	$10,561	$1,795	-	-	$23,633	$876,456
1998	$2,813	-	$544	$2,244	$346	$853	$5,902	$1,107	-	-	$13,809	$430,222
1999	$2,090	$1,388	$662	$3,073	$406	$1,261	$8,917	$1,583	-	-	$19,380	$645,738
2000	$4,201	$3,840	$1,491	$4,647	$821	$2,632	$17,073	$2,790	-	-	$37,495	$1,101,657
2001	$2,515	$2,051	$959	$4,338	$476	$1,522	$13,908	$2,941	-	-	$28,710	$835,432
2002	$2,337	$1,850	$619	$5,428	$494	$1,609	$14,992	$2,680	$54	-	$30,062	$940,214
2003	$2,633	$2,249	$349	$5,103	$2	$1,876	$14,693	$2,736	$1,140	$19	$30,801	$1,175,186
2004	$3,066	$2,764	-	$11,544	-	$2,021	$14,732	$2,807	$900	-	$37,835	$1,549,330
2005	$3,712	$3,354	-	$8,710	-	$2,509	$16,641	$3,089	$802	-	$38,819	$2,030,041
2006	$4,287	$2,855	-	$9,328	-	$2,905	$17,020	$3,299	$754	-	$40,449	$2,086,813
2007	$4,591	$3,259	-	$8,028	-	$1,632	$15,851	$3,098	$485	-	$36,944	$2,373,015
2008	$5,974	$4,485	-	$10,880	-	$2,104	$17,483	$3,929	$521	-	$45,406	$3,054,199

Revenues include interest from revisions and settlements in the year received.

5354

Table II.2 Recent Royalty Oil Production by Lessee

NORTH SLOPE

Production (Thousands of Barrels)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Amerada Hess	-	-	-	-	-	-	-	-	-	-	-	-
Amoco	297	237	199	119	-	-	-	-	-	-	-	-
Anadarko	-	-	$0	43	613	749	831	801	938	720	763	511
Arco	11,120	9,522	10,729	-	-	-	-	-	-	-	-	-
Armstrong	-	-	-	-	-	-	-	<1	<1	1	-	-
BPAmerica Prod Co.	-	-	-	-	-	-	95	165	-	-	-	-
BP Exploration	16,683	13,595	14,233	11,869	11,075	14,451	13,898	9,555	8,527	4,109	4,282	4,409
Chevron	99	64	91	77	81	116	66	60	59	66	52	69
CIRI	30	1	-	-	-	-	-	-	-	-	-	-
ConocoPhillips AK	-	-	-	-	-	-	11,225	9,250	9,145	7,912	6,269	5,363	4,571
DOYON	6	5	4	4	3	3	3	1	<1	<1	<1	$0
ENI Petroleum US LLC	-	-	-	-	-	-	-	-	-	-	<1	$10
Exxon	5,571	3,563	4,815	-	-	-	-	-	-	-	-	-
ExxonMobil	-	-	-	4,596	5,287	4,284	-	-	-	-	-	-
ExxonMobil AK Production	-	-	-	-	-	-	1,926	1,899	1,886	2,118	1,649	2,192
Forest Oil	5	3	4	2	2	2	1	1	1	1	-	-
Kerr McGee	-	-	-	-	-	-	-	1	1	-	5	1
Mapco 1978 Contract	12,652	11,148	12,442	12,718	12,522	12,167	12,583	-	-	-	-	-
Mapco 1997 Contract	466	4,451	-	-	-	-	-	-	-	-	-	-
Marathon	-	-	-	-	-	-	-	-	-	-	-	-
Mobil	237	155	195	-	-	-	-	-	-	-	-	-
NANA	18	14	12	11	8	8	8	4	<1	<1	<1	$0
Oxy	208	224	212	189	-	-	-	-	-	-	-	-
Petrofina	-	32	54	43	31	-	-	-	-	-	-	-
Phuntlic	190	113	151	10,201	12,482	-	-	-	-	<1	<1	$0
Phillips	-	-	-	-	-	-	-	-	-	-	-	-
Phillips Alpine Alaska	-	-	-	-	-	749	831	352	-	-	-	-
Pioneer	-	-	-	-	-	-	<1	-	-	-	-	-
Tesoro	13,022	11,498	-	-	-	-	-	-	-	-	-	-
Texaco	52	31	41	35	38	18	-	-	-	-	-	-
TotalFina ELF	-	-	-	-	-	-	-	-	-	-	-	-
Union Texas Petroleum	-	-	-	-	-	-	-	-	-	-	-	-
Unocal	842	771	732	659	587	570	576	468	227	108	85	23
Williams 98 Contract	-	884	6,628	6,572	2,665	3,342	8,056	5,582	-	-	-	-
Flint Hills Resources AK, LLC	-	-	-	-	-	-	-	17,632	22,797	22,274	22,775	20,993
XTOE	-	-	-	-	-	-	-	2	-	-	-	-
North Slope TOTAL	61,499	56,312	50,544	47,140	45,394	47,780	48,194	45,505	42,349	35,665	34,974	32,778

COOK INLET

Production (Thousands of Barrels)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Conoco Phillips AK	-	-	-	-	-	-	1	-	-	-	-	-
Cross Timbers/XTO	-	-	182	170	194	197	177	165	165	149	114	109
Devon	-	-	-	-	-	-	<1	-	-	-	-	-
Forcenergy/Forest Oil	377	436	425	428	495	491	436	337	264	224	180	-
Marathon	-	-	-	-	-	-	-	-	-	-	-	-
Mobil/Exxon Mobil AK Prod	110	91	76	74	70	64	60	58	51	35	36	34
Pacific Energy AK	-	-	-	-	-	-	-	-	-	-	-	142
Pioneer	-	-	-	-	-	-	-	-	-	-	-	<1
Shell	151	196	-	-	-	-	-	-	-	-	-	-
Stewart	30	-	-	-	-	-	-	-	-	-	-	-
Unocal	643	612	569	576	593	585	454	360	301	263	217	169
XTOE	-	-	-	-	-	-	-	-	-	-	-	-
Cook Inlet TOTAL	1,311	1,335	1,252	1,249	1,352	1,337	1,128	921	780	671	547	454

5355

Table II.3 Recent Royalty Oil Revenues by Lessee

NORTH SLOPE

Revenues (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Amerada Hess	$34	-	-	-	-	-	-	-	-	-	-	-
Amoco	$3,674	$1,556	$2,404	$2,562	$0	-	-	-	-	-	-	-
Anadarko	-	-	$12	$982	$10,374	$14,180	$20,057	$27,427	$45,375	$43,352	$44,825	$44,803
Arco	$155,281	$72,786	$135,879	-	-	-	-	-	-	-	-	-
Armstrong	-	-	-	-	-	-	$4	-	$26	-	-	-
BPAmerica Prod Co.	-	-	-	-	-	-	$3,934	-	-	-	$266	$399
BP Exploration	$216,022	$85,263	$158,955	$249,682	$208,250	$267,287	$325,241	$301,848	$391,141	$318,659	$295,849	$463,851
Chevron	$1,274	$368	$1,044	$1,608	$1,422	$2,070	$1,437	$1,745	$2,650	$10,694	$2,834	$6,452
CIRI	$423	$12	-	-	-	$160	-	-	-	-	-	-
ConocoPhillips AK	-	-	-	-	-	$211,239	$214,806	$297,445	$353,413	$337,580	$329,594	$414,119
DOYON	$83	$41	$39	$82	$54	$44	$64	$40	$4	$125	$3	$5
ENI Petroleum US LLC	-	-	-	-	-	-	-	-	-	-	$8	$516
Exxon	$71,707	$19,733	$52,342	-	-	-	-	-	-	-	$7	$34
ExxonMobil	-	-	-	$98,415	$83,945	-	-	-	-	-	$5,312	$1,899
ExxonMobil AK Production	-	-	-	-	-	$69,780	$37,737	$54,093	$81,549	$130,038	$86,726	$200,463
Forest Oil	$63	$17	$43	$50	$38	$37	$18	$29	$43	$19,759	-	-
Kerr McGee	-	-	-	-	-	-	-	$22	$60	-	$372	$46
Mapco 1978 Contract	$185,000	$90,752	$166,427	$304,389	$223,123	$247,246	$310,960	$179	-	-	-	-
Mapco 1997 Contract	$6,032	$38,590	-$60	$90	$1,075	-	-	-	-	-	-	-
Marathon	$1	-	-	-	-	-	-	-	-	-	-	-
Mobil	$3,026	$851	$2,166	-	-	-	-	-	-	-	-	-
NANA	$255	$122	$120	$220	$163	$131	$221	$121	$12	$455	$78	$14
Oxy	$2,778	$1,533	$2,626	$4,290	-	-	-	-	-	-	-	-
Petrofina	-	$185	$616	$807	$284	-	-	-	-	-	-	-
Phuntllc	$2,377	$752	$1,379	$228,306	$211,865	-	-	-	-	$97	$7	$11
Phillips	-	-	-	-	-	-	-	-	-	-	-	-
Phillips Alpine Alaska	-	-	-	-	-	$13,718	$19,638	$10,244	-	-	$4,274	-
Pioneer	-$5	-	-	-	-	-	$10	-	-	-	-	$1,231
Tesoro	$192,669	$92,288	$191	-$623	$1,632	$887	-	-	-	-	-	-
Texaco	$664	$149	$398	$842	$653	$270	-	-	-	-	$7	$38
TotalFina ELF	-	-	-	-	-	-	-	-	-	-	-	-
Union Texas Petroleum	-	-	$12	-	-	-	-	-	-	-	-	-
Unocal	$11,463	$6,013	$9,078	$14,851	$9,868	$10,858	$13,265	$14,250	$8,962	$5,897	$4,694	$2,509
Williams 98 Contract	-	$5,402	$92,688	$157,608	$53,975	$72,245	$196,991	$162,716	-	-	$15,012	$21,895
Flint Hills Resources AK, LLC	-	-	-	-	-	-	-	$641,607	$1,107,909	$1,179,502	$1,483,777	$1,933,190
XTOE	-	-	-	-	-	-	-	$87	$78	$205	$6	-
North Slope TOTAL	$852,822	$416,412	$626,358	$1,064,162	$806,721	$910,151	$1,144,385	$1,511,495	$1,991,222	$2,046,364	$2,273,118	$3,087,678

COOK INLET

Revenues (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2007
Conoco Phillips AK	-	-	-	-	-	-	$13	-	-	-	-	-
Cross Timbers/XTO	-	-	$3,073	$4,647	$4,338	$5,428	$5,103	$6,406	$8,710	$8,695	-	-
Devon	-	-	-	-	-	-	$1	-	-	-	-	-
Forcenergy/Forest Oil	$6,166	$4,209	$6,296	$10,950	$9,831	$10,522	$11,521	$11,509	$12,867	$13,696	$7,318	$767
Marathon	-$7	-	-	-	-	-	-	-	-	-	-	-
Mobil/Exxon Mobil AK Prod	$1,882	$1,094	$1,165	$1,824	$1,525	$1,348	$1,692	$2,068	$2,511	$2,253	$2,361	$3,542
Pacific Energy AK	-	-	-	-	-	-	-	-	-	-	$4,685	$14,565
Pioneer	-	-	-	-	-	-	-	-	-	-	-	<1
Shell	$3,655	$2,244	-	-	-	-	-	$5,138	-	-	-	-
Stewart	$1,104	-	-	-	-	-	-	-	-	-	-	-
Unocal	$10,834	$6,262	$8,846	$20,074	$13,016	$12,764	$12,471	$12,714	$14,731	$15,805	$13,933	$17,637
XTOE	-	-	-	-	-	-	-	-	-	-	$7,879	$11,370
Cook Inlet TOTAL	$23,633	$13,809	$19,380	$37,495	$28,710	$30,062	$30,801	$37,835	$38,819	$40,449	$36,177	$47,880

Revenues include principal and interest from revisions and settlements in the year received.

5356

Table II.4 Recent Royalty Gas Production and Revenues

NORTH SLOPE

	Duck Island Unit	Colville River Unit	Kuparuk River Unit	Milne Point Unit	Prudhoe Bay Unit	TOTAL North Slope
Production (Thousand Cubic Feet)						
1997	35,605	-	90,487	26,034	1,337,301	1,489,427
1998	36,255	-	79,552	27,156	1,178,761	1,321,724
1999	168,919	-	78,783	27,611	1,092,217	1,367,530
2000	31,785	-	135,929	27,436	1,061,761	1,256,911
2001	30,780	-	98,806	28,978	1,341,442	1,500,006
2002	32,108	-	82,610	29,718	3,711,424	3,855,861
2003	33,192	-	79,039	28,845	5,572,705	5,713,781
2004	29,424	-	76,746	29,639	5,260,659	5,396,467
2005	36,975	-	70,082	29,362	4,872,422	5,008,840
2006	33,750	56,501	56,033	28,612	4,509,689	4,684,585
2007	45,234	53,053	57,481	28,273	3,854,182	4,038,223
2008	35,722	58,797	74,246	29,664	3,011,092	3,209,521
Revenues (Thousands of Dollars)						
1997	$31	-	$63	$28	$1,155	$1,278
1998	$28	-	$32	$24	$950	$1,033
1999	$150	-	$51	$26	$938	$1,165
2000	$40	-	$161	$34	$1,156	$1,390
2001	$33	-	$119	$32	$1,114	$1,298
2002	$37	-	$79	$34	$3,592	$3,742
2003	$45	-	$91	$40	$6,508	$6,685
2004	$57	-	$123	$54	$8,296	$8,529
2005	$87	-	$163	$72	$10,801	$11,123
2006	$104	$33	$154	$84	$11,943	$12,318
2007	$127	$102	$184	$95	$11,395	$11,903
2008	$162	$78	$343	$132	$12,110	$12,825

Revenues include principal and interest from revisions and settlements in the year received.

5357

Table II.4 Recent Royalty Gas Production and Revenues

COOK INLET

	Beluga River Unit	Cannery Loop Unit	South Granite Point Unit	Granite Point Field	Ivan River Unit	Kenai Unit	Lewis River Unit	Nicolai Creek Unit	Kasilof Unit	North Middle Ground Shoal Unit	North Cook Inlet Unit	Pretty Creek Unit
Production (Thousand Cubic Feet)												
1997	2,628,297	186,477	-	141,763	935,228	140,655	7,057	-	-	17,965	6,490,318	53,928
1998	2,508,785	163,775	1,127	162,690	800,046	111,751	11,959	-	-	131,092	6,665,243	61,640
1999	2,704,980	167,759	28,102	67,573	631,597	111,459	29,916	-	-	246,030	6,372,036	3,982
2000	2,913,658	236,492	55,787	73,754	461,437	149,187	16,232	-	-	72,167	6,548,758	-
2001	3,143,083	318,033	5,491	59,671	667,307	234,786	26,852	32,297	-	52,739	6,732,002	11,471
2002	3,313,302	286,118	3,859	34,936	756,028	233,375	111,535	28,957	-	14,404	6,537,260	193,370
2003	4,236,014	395,810	2,042	10,580	432,649	321,372	71,284	9,601	-	11,688	5,773,799	60,292
2004	4,339,085	745,310	169	15,573	289,865	191,573	45,255	29,235	-	-	5,012,401	93,122
2005	4,206,401	767,320	-	5,717	206,552	170,820	39,710	5,369	-	-	5,457,333	57,945
2006	4,167,893	593,894	-	4,374	191,634	136,643	5,227	15,193	107,898	-	4,566,013	1,311
2007	3,573,844	455,194	-	753	157,080	105,502	-	17,367	217,101	-	3,457,438	8,643
2008	3,181,489	323,424	-	-	80,285	40,391	28,718	7,102	63,813	-	2,776,690	3,737
Revenues (Thousands of Dollars)												
1997	$4,598	$325	-	$192	$1,319	$249	$10	-	-	$24	$12,054	$76
1998	$4,265	$232	$1	$221	$1,071	$157	$16	-	-	$160	$8,874	$82
1999	$3,783	$272	$30	$82	$758	$294	$36	-	-	$301	$8,914	$5
2000	$4,657	$483	$58	$215	$5,339	$298	$508	-	-	$808	$14,058	$678
2001	$6,947	$1,216	$6	$82	$933	$476	$38	$62	-	$89	$14,301	$18
2002	$7,586	$748	$4	$50	$1,057	$454	$160	$18	-	$21	$12,562	$276
2003	$9,479	$836	$6	$179	$2,904	$701	$335	$17	-	$60	$12,159	$379
2004	$11,706	$1,984	$1	$44	$814	$460	$126	$38	-	-	$11,600	$263
2005	$15,257	$2,837	<1	$20	$742	$534	$139	$35	-	-	$14,987	$196
2006	$15,275	$3,139	-	$19	$1,171	$502	$18	$60	$463	-	$14,546	$13
2007	$14,892	$1,991	-	$4	$1,249	$467	-	$105	$877	-	$8,601	$158
2008	$14,263	$1,609	-	-$0	$618	$197	$221	$42	$129	-	$13,564	$29

	Spark Platform	Sterling Unit	North Trading Bay Unit	Stump Lake Unit	Trading Bay Field	Trading Bay Unit	Redoubt Unit	Ninilchik Unit	West Mcarthur River Unit	Deep Creek Unit	Three Mile Creek Unit	TOTAL Cook Inlet	TOTAL State
Production													
1997	62,872	81	-	30,942	19,031	6,982,452					-	17,697,067	19,186,494
1998	85,882	4	-	18,332	-	7,841,950	-	-	-	-	-	18,564,277	19,886,001
1999	28,044	15	-	11,978	-	7,333,019	-	-	-	-	-	17,736,489	19,104,019
2000	-	4,384	18,632	6,839	-	6,802,700	-	-	-	-	-	17,360,027	18,616,938
2001	-	8,820	-	56	-	6,509,275	-	-	-	-	-	17,801,883	19,301,889
2002	-	11,655	-	-	-	5,198,621	-	-	2,655	-	-	16,726,074	20,581,934
2003	-	7,195	11,954	69	-	4,016,601	12,954	287,241	19,673	-	-	15,680,818	21,394,599
2004	-	6,921	2,130	-	-	3,360,804	-	1,094,310	22,119	4,191	-	15,252,063	20,648,530
2005	-	60,491	50,616	-	-	3,155,258	5,299	1,225,767	38,432	54,600	48,533	15,556,163	20,565,004
2006	-	71,748	210	-	-	2,500,006	29,082	1,701,051	58,436	48,568	67,010	14,266,190	18,950,775
2007	-	56,191	92	-	-	2,116,402	5,664	1,877,107	34,700	42,572	33,253	12,158,901	16,197,125
2008	-	41,873	-	-	-	2,112,878	1,600	1,841,946	15,785	34,557	28,275	10,582,563	13,792,084
Revenues													
1997	$94	$0	-	-	$23	$10,148	-	-	-	-	-	29,112	$30,390
1998	$118	$8	-	$0	-	$10,769	-	-	-	-	-	25,974	$27,007
1999	$32	$0	-	$13	-	$8,918	-	-	-	-	-	23,436	$24,601
2000	-	$7	$26	$1,254	$2	$10,743	-	-	-	-	-	39,134	$40,524
2001	-	$16	$6	$0	-	$12,636	-	-	-	-	-	36,826	$38,124
2002	-	$26	-	-	-	$9,632	-	-	-	-	-	32,595	$36,337
2003	-	$16	$28	$5	-	$14,806	$16	$681	-	-	-	42,606	$49,290
2004	-	$19	$5	-	-	$9,042	-	$3,165	$90	$17	-	39,373	$47,903
2005	-	$209	$161	-	-	$10,787	$19	$4,302	$117	$235	$143	50,721	$61,844
2006	-	$337	$4	-	-	$10,761	$128	$8,014	$247	$240	$221	55,157	$67,475
2007	-	$304	$0	-	-	$10,808	$31	$10,833	$188	$313	$233	51,055	$62,958
2008	-	-$288	-	-	-	$12,105	$9	$8,528	$144	$211	$113	51,492	$64,316

Revenues include principal and interest from revisions and settlements in the year received.

5358

Table II.5 Recent Royalty Gas Production by Lessee

NORTH SLOPE

Revenue (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Anadarko	-	-	-	-	-	-	-	-	-	$7	$15	$17
Arco	$325	$297	$344	-	-	-	-	-	-	-	-	-
BP Am Prod. Co	-	-	-	-	-	-	$3	-	-	-	-	-
BPXA	$543	$451	$540	$539	$593	$3,054	$5,844	$7,527	$9,750	$10,835	$9,868	$11,225
Chevron	$33	$7	-	-	<1	<1	<1	<1	-	-	-	-
ConocoPhillips AK	-	-	-	-	-	$446	$538	$643	$865	$983	$1,187	$1,679
Exxon	$207	$183	$185	-	-	-	-	-	-	-	-	-
ExxonMobil	-	-	-	$318	$265	$242	$300	$360	$508	$493	$526	$704
Forest Oil	-	-	-	-	-	-	-	-	-	-	-	-
Kerr-McGee	-	-	-	-	-	-	-	-	-	-	$1	$1
Mobil	$128	$80	$87	-	-	-	-	-	-	-	-	-
NANA	$23	-	-	-	-	-	-	-	-	-	-	-
Oxy	$2	$2	$2	$2	-	-	-	-	-	-	-	-
PetroHunt	-	-	-	-	-	-	-	-	-	<1	-	-
Phillips	$15	$13	$7	$531	$440	-	-	-	-	-	-	-
Unocal	-	-	-	-	-	-	<1	<1	<1	<1	-	-
North Slope TOTAL	$1,278	$1,033	$1,165	$1,390	$1,298	$3,742	$6,685	$8,529	$11,123	$12,318	$11,596	$13,625

COOK INLET

Revenue (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Arco	$1,411	$1,262	$1,170	-	-	-	-	-	-	-	-	-
Aurora Power	-	-	-	-	$62	$18	$17	$38	$135	$222	$289	$113
Chevron	$1,551	$1,560	$1,605	$1,698	$3,136	$3,740	$4,373	$5,020	$6,293	$5,516	$6,725	$4,354
ConocoPhillips AK	-	-	-	-	-	$2,530	$3,747	$4,562	$6,766	$6,491	$5,070	$5,318
Conoco Phillips Co.	-	-	-	-	-	-	$12,159	$11,600	$14,987	$14,546	$8,870	$12,926
Forest Oil	-	-	-	-	-	-	$16	$90	$179	$433	$219	$39
Marathon	$6,061	$5,737	$5,557	$6,795	$10,429	$7,433	$6,777	$8,761	$12,113	$14,982	$14,708	$11,104
ExxonMobil	$47	$55	$22	$0	$4	$3	$2	$0	-	-	-	-
Anchorage M, L & P	-	$1,443	$1,008	$1,082	$1,416	$1,316	$1,358	$2,022	$2,198	$3,268	$3,251	$4,398
Pacific Energy AK	-	-	-	-	-	-	-	-	-	-	$80	$157
Phillips	$12,054	$8,874	$8,914	$15,934	$16,697	$12,562	-	-	-	-	-	-
Shell	$1,636	-	-	-	-	-	-	$103	-	-	-	-
Unocal	$6,351	$7,035	$5,161	$13,624	$5,083	$4,993	$14,157	$7,178	$8,050	$9,699	$12,412	$12,599
Cook Inlet TOTAL	$29,112	$25,966	$23,436	$39,134	$36,826	$32,595	$42,606	$39,373	$50,721	$55,157	$51,622	$51,008

Revenues include principal and interest from revisions and settlements in the year received.

5359

Table II.6 Recent Royalty Gas Revenues by Lessee

NORTH SLOPE

Revenue (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Anadarko	-	-	-	-	-	-	-	-	-	$7	$15	$17
Arco	$325	$297	$344	-	-	-	-	-	-	-	-	-
BP Am Prod. Co	-	-	-	-	-	-	$3	-	-	-	-	-
BPXA	$543	$451	$540	$539	$593	$3,054	$5,844	$7,527	$9,750	$10,835	$9,868	$11,225
Chevron	$33	$7	-	-	<1	<1	<1	<1	-	-	-	-
ConocoPhillips AK	-	-	-	-	-	$446	$538	$643	$865	$983	$1,187	$1,679
Exxon	$207	$183	$185	-	-	-	-	-	-	-	-	-
ExxonMobil	-	-	-	$318	$265	$242	$300	$360	$508	$493	$526	$704
Forest Oil	-	-	-	-	-	-	-	-	-	-	-	-
Kerr-McGee	-	-	-	-	-	-	-	-	-	-	$1	$1
Mobil	$128	$80	$87	-	-	-	-	-	-	-	-	-
NANA	$23	-	-	-	-	-	-	-	-	-	-	-
Oxy	$2	$2	$2	$2	-	-	-	-	-	-	-	-
PetroHunt	-	-	-	-	-	-	-	-	-	<1	-	-
Phillips	$15	$13	$7	$531	$440	-	-	-	-	-	-	-
Unocal	-	-	-	-	-	-	<1	<1	<1	<1	-	-
North Slope TOTAL	$1,278	$1,033	$1,165	$1,390	$1,298	$3,742	$6,685	-	$11,123	$12,318	$11,596	$13,625

COOK INLET

Revenue (Thousands of Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Arco	$1,411	$1,262	$1,170	-	-	-	-	-	-	-	-	-
Aurora Power	-	-	-	-	$62	$18	$17	$38	$135	$222	$289	$113
Chevron	$1,551	$1,560	$1,605	$1,698	$3,136	$3,740	$4,373	$5,020	$6,293	$5,516	$6,725	$4,354
ConocoPhillips AK	-	-	-	-	-	$2,530	$3,747	$4,562	$6,766	$6,491	$5,070	$5,318
Conoco Phillips Co.	-	-	-	-	-	-	$12,159	$11,600	$14,987	$14,546	$8,870	$12,926
Forest Oil	-	-	-	-	-	-	$16	$90	$179	$433	$219	$39
Marathon	$6,061	$5,737	$5,557	$6,795	$10,429	$7,433	$6,777	$8,761	$12,113	$14,982	$14,708	$11,104
ExxonMobil	$47	$55	$22	$0	$4	$3	$2	$0	-	-	-	-
Anchorage M, L & P	-	$1,443	$1,008	$1,082	$1,416	$1,316	$1,358	$2,022	$2,198	$3,268	$3,251	$4,398
Pacific Energy AK	-	-	-	-	-	-	-	-	-	-	$80	$157
Phillips	$12,054	$8,874	$8,914	$15,934	$16,697	$12,562	-	-	-	-	-	-
Shell	$1,636	-	-	-	-	-	-	$103	-	-	-	-
Unocal	$6,351	$7,035	$5,161	$13,624	$5,083	$4,993	$14,157	$7,178	$8,050	$9,699	$12,412	$12,599
Cook Inlet TOTAL	$29,112	$25,966	$23,436	$39,134	$36,826	$32,595	$42,606	$39,373	$50,721	$55,157	$51,622	$51,008

Revenues include principal and interest from revisions and settlements in the year received.

5360

Table II.7 North Slope Royalty-in-Kind Sales

	Alpetco	Chevron	Total GVEA	Total Williams (Mapco)	Flint Hills Resources (FHR)	Tesoro	PetroStar	1st Competitive Sale	2nd Competitive Sale	Quasi-Competitive Sale	Total ANS RIK by year
1979	0	0	0	446,996	0	0	0	0	0	0	446,996
1980	12,020,950	882,414	0	5,976,024	0	3,427,388	0	0	0	0	22,306,777
1981	26,046,878	859,928	398,051	8,808,400	0	1,661,385	0	14,046,953	0	0	51,821,595
1982	898,714	0	764,762	9,632,099	0	136,841	0	1,432,108	0	0	12,764,524
1983	0	11,674,998	1,208,406	11,723,755	0	5,793,973	0	0	0	0	30,401,132
1984	0	14,053,279	1,870,505	13,093,397	0	7,531,155	0	0	0	0	36,548,337
1985	0	7,804,392	1,928,544	13,260,754	0	17,218,912	0	0	22,511,409	1,716,754	64,440,765
1986	0	6,934,482	1,881,232	13,168,483	0	23,538,192	52,667	0	4,686,801	1,862,051	52,123,908
1987	0	9,330,563	2,013,539	14,094,537	0	18,404,806	539,575	0	0	0	44,383,020
1988	0	9,315,264	1,981,998	13,814,522	0	18,307,014	590,833	0	0	0	44,009,631
1989	0	8,611,606	1,784,782	12,529,175	0	16,387,093	607,467	0	0	0	39,920,122
1990	0	8,099,292	1,670,494	12,735,412	0	15,368,565	621,220	0	0	0	38,494,983
1991	0	6,290,546	1,670,699	11,183,462	0	15,336,301	618,247	0	0	0	35,099,255
1992	0	0	803,407	6,285,005	0	14,412,460	0	0	0	0	21,500,872
1993	0	0	0	9,086,282	0	9,812,084	0	0	0	0	18,898,367
1994	0	0	0	11,986,495	0	10,452,726	0	0	0	0	22,439,220
1995	0	0	0	12,680,470	0	13,703,946	0	0	0	0	26,384,415
1996	0	0	0	13,027,646	0	14,345,621	0	0	0	0	27,373,267
1997	0	0	0	13,117,503	0	13,021,628	0	0	0	0	26,139,130
1998	0	0	0	16,483,695	0	11,497,629	0	0	0	0	27,981,324
1999	0	0	0	19,070,664	0	0	0	0	0	0	19,070,664
2000	0	0	0	19,290,297	0	0	0	0	0	0	19,290,297
2001	0	0	0	15,187,012	0	0	0	0	0	0	15,187,012
2002	0	0	0	15,509,591	0	0	0	0	0	0	15,509,591
2003	0	0	0	22,749,221	0	0	0	0	0	0	22,749,221
2004	0	0	0	5,582,299	17,639,276	0	0	0	0	0	23,221,574
2005	0	0	0	0	22,803,644	0	0	0	0	0	22,803,644
2006	0	0	0	0	22,186,071	0	0	0	0	0	22,186,071
2007	0	0	0	0	22,779,999	0	0	0	0	0	22,779,999
2008					21,001,166						21,001,166
Cumulative	38,966,543	83,856,765	17,976,419	320,523,196	106,410,155	230,257,719	3,030,009	15,479,061	27,198,210	3,578,805	847,276,881

5361

Figure II.1 ANS Royalty-in-Kind Contract Volumes

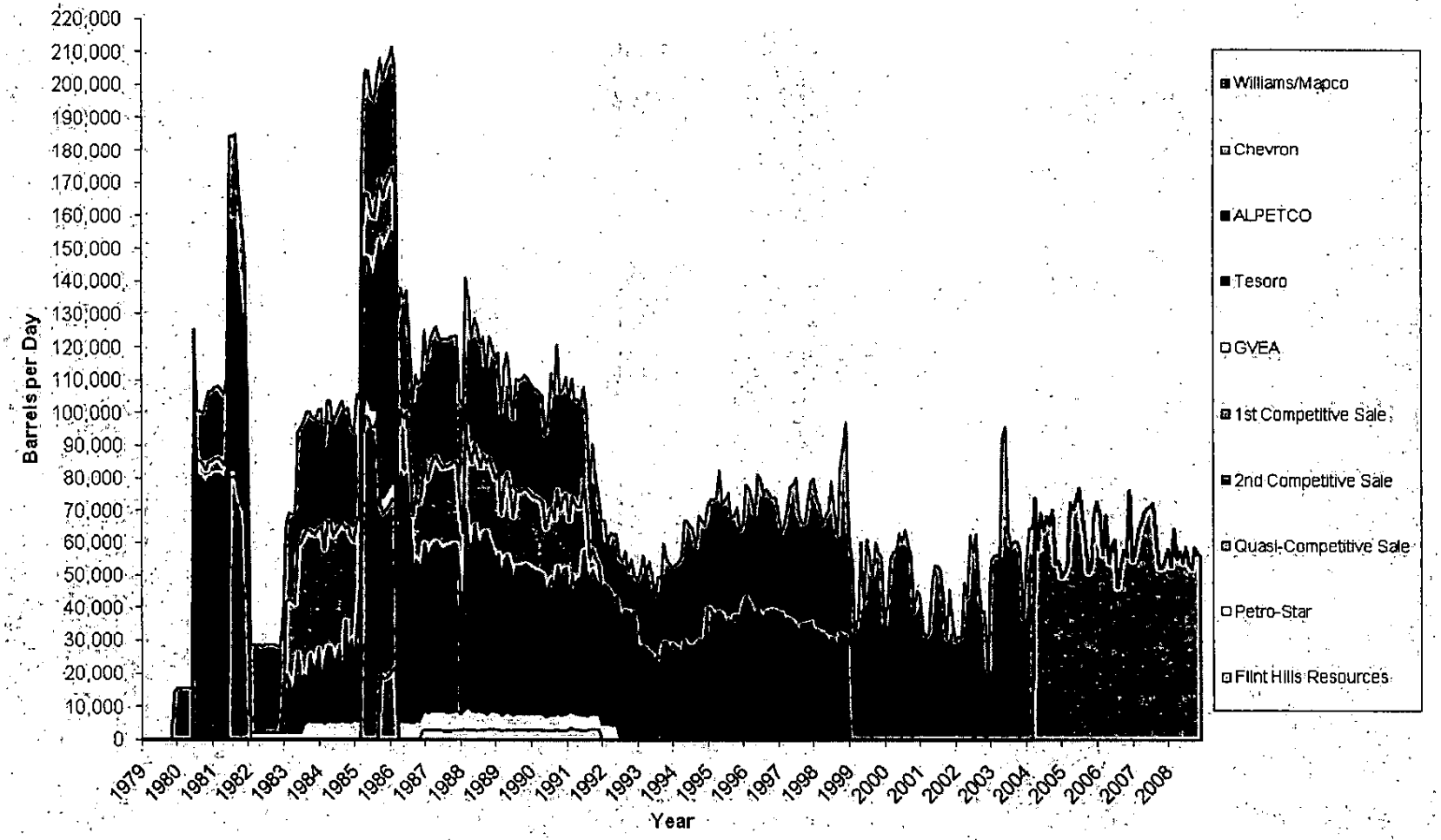
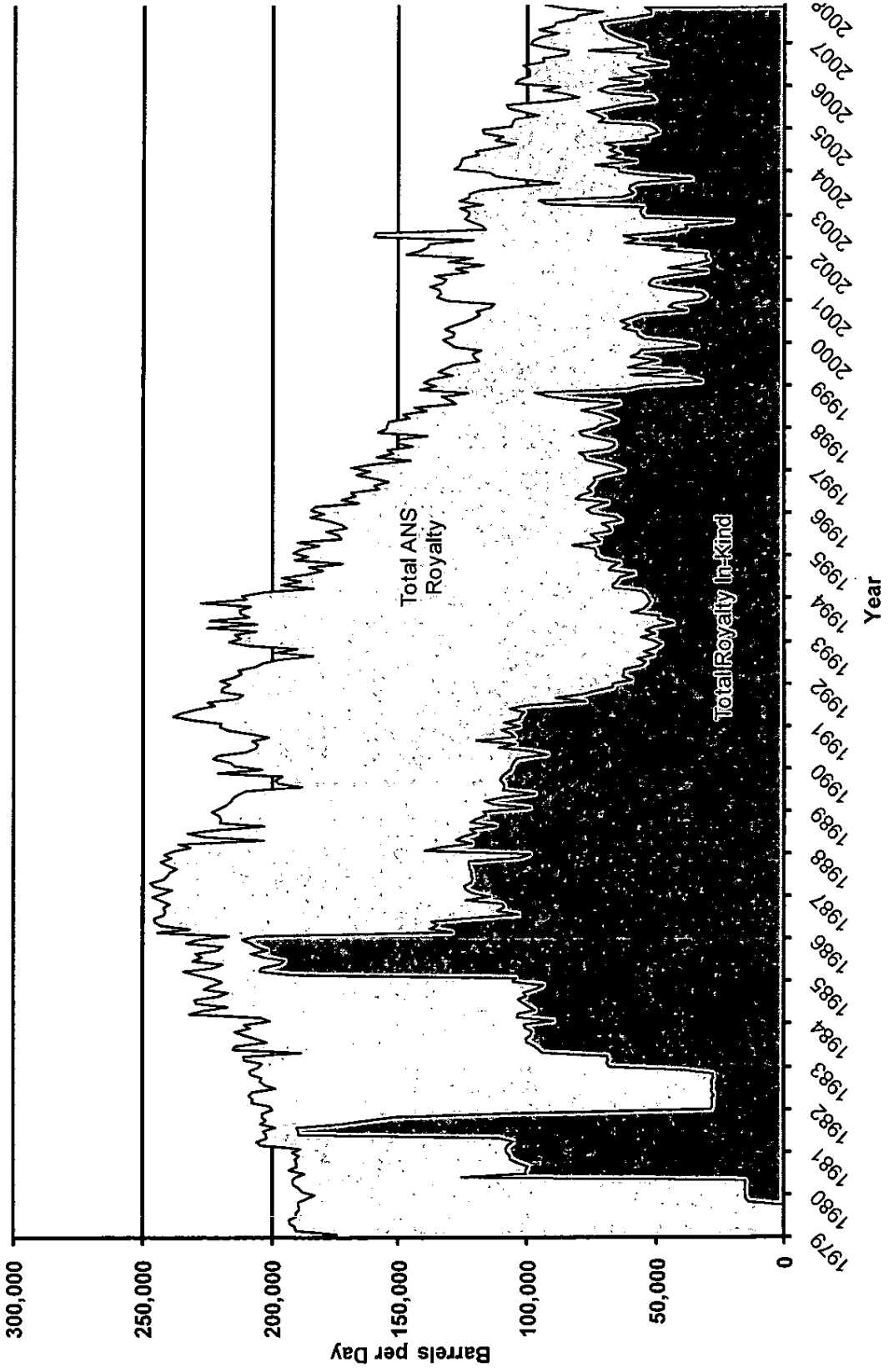


Figure II.2 State of Alaska Royalty Contract Volumes



5364

Table II.8 Cook Inlet & Statewide Royalty-in-Kind Sales

	COOK INLET					STATEWIDE		
	Tesoro[1]	Chinese Petroleum[2]	Cook Inlet RIK	Cook Inlet RIV	Cook Inlet Total Royalty Volume	ALASKA RIK	ALASKA RIV	ALASKA Total Royalty Volume
1979	4,849,631	-	4,849,631	-	4,849,631	5,296,627	10,584,481	15,881,108
1980	4,094,229	-	4,094,229	-	4,094,229	26,401,006	47,047,583	73,448,589
1981	3,560,736	-	3,560,736	-	3,560,736	55,382,331	17,666,128	73,048,459
1982	3,065,159	-	3,065,159	-	3,065,159	15,829,683	61,136,212	76,965,895
1983	2,719,044	-	2,719,044	-	2,719,044	33,120,176	44,599,235	77,719,411
1984	2,431,987	-	2,431,987	-	2,431,987	38,980,324	39,396,031	78,376,356
1985	1,382,740	-	1,382,740	462,245	1,844,985	65,823,504	17,095,491	82,918,995
1986	-	-	-	1,922,101	1,922,101	52,123,907	32,184,762	84,308,669
1987	-	615,305	615,305	1,113,805	1,729,110	44,998,325	45,013,116	90,011,441
1988	-	799,938	799,938	917,208	1,717,146	44,809,569	44,986,179	89,795,748
1989	-	1,274,479	1,274,479	392,313	1,666,792	41,194,601	41,225,959	82,420,561
1990	-	566,825	566,825	522,456	1,089,282	39,061,808	37,764,947	76,826,755
1991	-	330,540	330,540	1,357,687	1,688,227	35,429,795	43,895,049	79,324,844
1992	-	-	-	1,661,526	1,661,526	21,500,871	54,415,748	75,916,620
1993	-	-	-	1,514,651	1,514,651	18,898,364	50,783,693	69,682,057
1994	-	-	-	1,717,758	1,717,758	22,439,221	52,375,662	74,814,882
1995	-	-	-	1,718,805	1,718,805	26,384,415	45,383,358	71,767,773
1996	-	-	-	1,618,157	1,618,157	27,373,267	41,014,672	68,387,940
1997	-	-	-	1,369,478	1,369,478	26,139,130	36,729,326	62,868,456
1998	-	-	-	1,335,030	1,335,030	27,981,324	29,651,924	57,633,248
1999	-	-	-	1,252,231	1,252,231	19,070,664	32,725,432	51,796,096
2000	-	-	-	1,248,564	1,248,564	19,290,298	29,098,368	48,388,666
2001	-	-	-	1,273,518	1,273,518	15,187,012	31,480,769	46,667,780
2002	-	-	-	1,320,281	1,320,281	15,509,592	33,607,528	49,117,120
2003	-	-	-	1,127,749	1,127,749	22,749,221	26,464,082	49,213,303
2004	-	-	-	920,535	920,535	23,221,574	23,180,685	46,402,259
2005	-	-	-	779,749	779,749	22,803,644	20,332,163	43,135,806
2006	-	-	-	669,212	669,212	22,186,071	13,938,500	36,124,570
2007	-	-	-	551,302	551,302	22,779,999	12,719,397	35,499,396
2008	-	-	-	454,367	454,367	21,001,166	12,260,768	33,261,934
	22,103,526	3,587,088	25,690,614	27,220,729	52,911,342	872,967,491	1,028,757,247	1,901,724,738

5365

Figure II.2A Composition of Total North Slope Royalty Dispositions 1979-2008

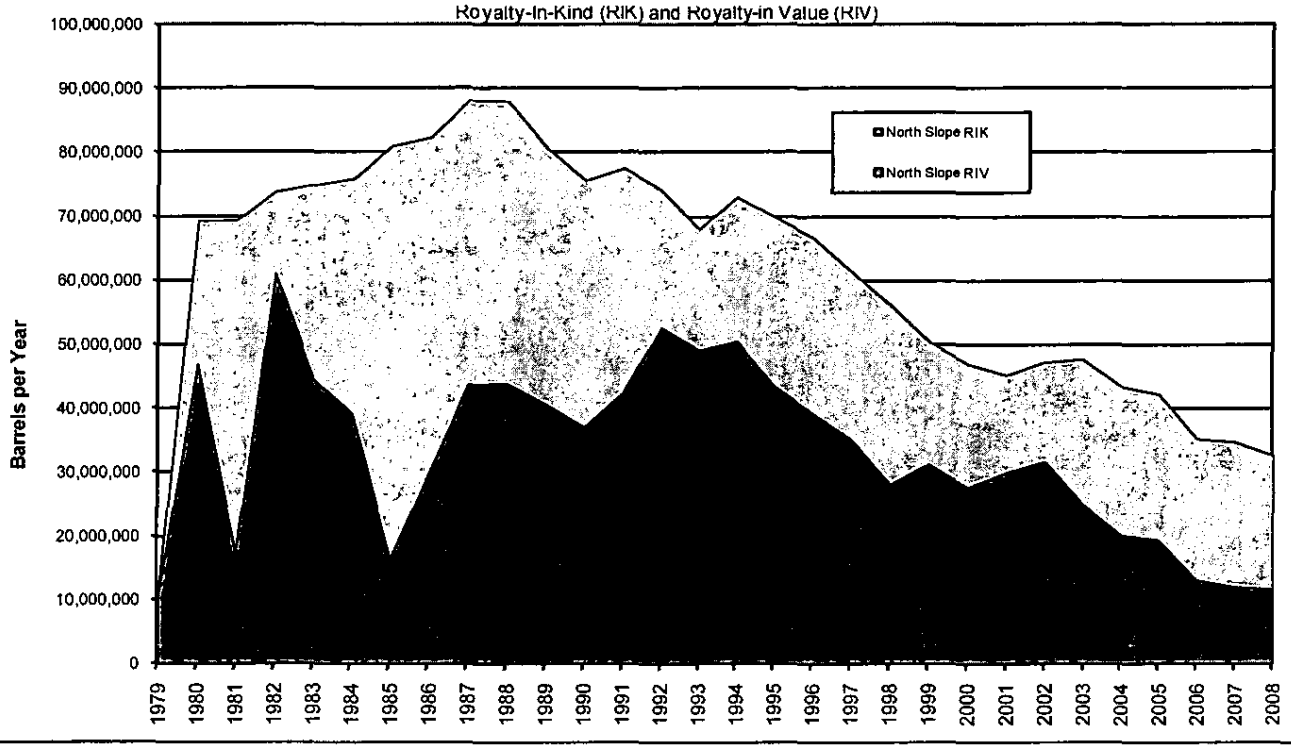
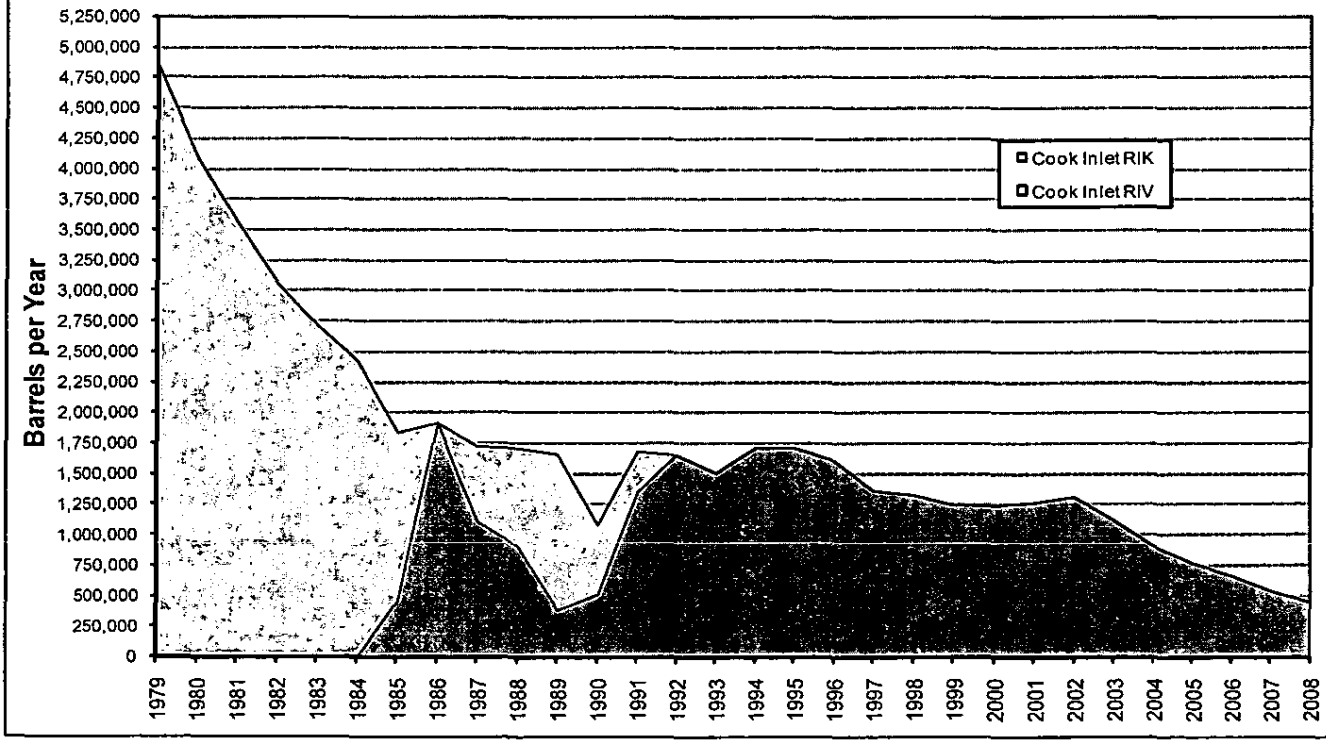


Figure II.2B Composition of Total Cook Inlet Royalty Dispositions 1979-2008

Royalty-In-Kind (RIK) and Royalty-in Value (RIV)



5366

5367

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 16, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 309(FIN)**

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; relating to interest on certain underpayments or overpayments of the oil and gas production tax; providing a credit against the tax on the production of oil and gas for drilling certain exploration wells in the Cook Inlet sedimentary basin; relating to the use of the oil and gas tax credit fund to purchase certain tax credit certificates; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

SB 309-GAS EXPLORATION\DEVELOPMENT TAX CREDIT

Recommends it be replaced with [X] HCS *or* [ ] CS *for* CSSB 309 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV			✓	

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DNR	2			✓

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Foster			✓	
	FAIRCLOUGH	✓			
	Joule			—	
	DOOGAN			✓	
	Thomas			✓	
	Gara	✓			
	Austerman			X	
	Herron			—	
Chair:	Stoltze	✓			
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS SB309 (FIN)
() Publish Date:

Identifier (file name): CS SB309(FIN)-REV-TAX-04-16-10
Dept. Affected: Revenue
Title: Gas Exploration / Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Rules by Request
Requester: Senate Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	***	***	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

*** Revenue impact is indeterminate. Please see attached for analysis.

Prepared by: Cherie Nienhuis, Petroleum Economist/Robynn Wilson, Revenue Audit Supvr — Phone (907) 269-1019
Division: Tax Division — Date/Time 04-16-10; 10:00 am
Approved by: Ginger Blaisdell, Director — Date 04-16-10; 10:22am
Administrative Services Division

(Revised 11/6/2009 OMB)

5369

ANALYSIS CONTINUATION

Bill Language:

This bill makes several changes to credits to both the production tax system and the oil and gas corporate income tax system as follows.

The bill extends and increases the existing Gas Exploration and Development tax credit at AS 43.20.043 for investment in qualified capital expenditures and related qualified services for expenditures incurred south of 68 degrees North latitude. This tax credit is taken against the state corporate income tax and may offset 75% of a company's tax liability in a given year or be carried forward for up to five years. This is an increase from the 50% of tax liability currently allowed.

Currently, 10% of qualifying capital expenditures and operating expenditures can be taken as capital credits, sunsetting in 2013. The bill would increase the credit rate to 25% for qualifying capital and service expenditures incurred after December 31, 2009. The bill would also allow expenses within an existing producing unit to qualify, which are currently not eligible for the credit. The tax credit would sunset on December 31, 2019, although credit balances could be claimed against tax liabilities up to the tax year ending December 31, 2024.

Companies who take the Gas Exploration and Development tax credit may not take royalty or production tax credits for the same expenditure. The enhanced credit under AS 43.20.043 offers an alternative to companies who may not wish to take credits under the oil and gas production tax. It is difficult to determine the number of taxpayers who would take advantage of the corporate income tax credit, the degree to which the credit would be utilized, and other exogenous variables impacting the revenues the state would collect. Reduction in Corporate Income Tax revenue is indeterminate at this time.

The bill also expands the production tax credit authorized at AS 43.55.025 to a maximum credit of 100 percent of the total exploration expenditures for drilling 3,000 feet or more into the Tertiary zone in the Cook Inlet basin using a jack-up rig. The bill proposes to grant the full 100 percent credit of exploration expenditures to the first person to qualify under this credit, 90 percent to the second person, and 80 percent to the third person up to a maximum of $25 million per person. Only expenditures occuring after March 31, 2010 and before July 1, 2016 would qualify under the bill. If the exploration well for which credit is received results in paying quantities of production, the person who received the credit will pay back to the state 50 percent of the credit received in monthly installments over 10 years.

The fiscal impact of this provision of the bill is indeterminate. Several companies have sought credits under the .025 exploration incentive credit in the Cook Inlet basin, for which the state has reimbursed up to 40 percent of the companies' capital costs. Our records indicate that total costs for drilling in the Cook Inlet basin could be as high as $5 million or more per well. A recent study by the Petrotechnical Resources of Alaska (PRA) indicates that the cost of drilling 128 wells in the Cook Inlet basin over the period from 2001 through 2009 cost between $1.0 and $1.2 billion. This figure includes not just exploration wells, but presumably cheaper development wells. At the high end of the range, this amounts to a per-well cost of $9.4 million. PRA further reports that over the next decade 185 new wells will need to be drilled to meet demand, and that capital costs will increase to $1.85 to 2.8 billion, with per-well costs of $10-$15 million. If their report is correct, three persons receiving credit under this provision will cost the state up to $40 million in tax credits. If each of the three persons spends the maximum available under this bill ($25 million per well), the total cost to the state would be $67.5 million. Under this scenario, if all three of the persons found paying quantities of oil or gas, the state could be reimbursed about $34 milion of the $67 million in credits.

The bill also removes from law an existing requirement relating to production tax credits, effective January 1, 2010. Current law requires companies seeking reimbursement from the state for credits to reinvest in capital

(continued on next page)

ANALYSIS CONTINUATION

expenditures in an amount equivalent to the cash reimbursement sought. The reinvestment requirement is removed under this bill. This provision is expected to be revenue neutral. Credits are either taken against tax liabilities in full or as a refund in full, and there is no differential revenue impact to the state.

The bill also waives interest for over or underpayment in the oil and gas production tax when the Department has determined that the reason the payment was incorrect was due to the retroactive application of regulations and the payment was a good faith estimate. This provision is retroactive to January 1, 2006. At this time it is uncertain whether there would be any revenue impact from this change, since it is unclear whether there was any underpayment or overpayment due to the retroactive regulations. The Department of Revenue does not include interest payments in our revenue projections, therefore this change would not affect our revenue forecast.

The bill has an immediate effective date.

Expenditures: The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 309(FIN)
(S) Publish Date: 4/16/10

Identifier (file name): SB 309 DNR-O&G-04-10-2010
Dept. Affected: Natural Resources
Title: Tax Credit to Drill Wells in Cook Inlet
RDU: Resource Development
Component: Oil and Gas Development
Sponsor: SRES
Requester: SRES
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )			**Indeterminate**				

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 309 amends AS 43.20.043 to offer certain corporate income tax credits in the amount of 25 percent of qualified capital costs and annual costs associated with these qualified capital costs for wells drilled in the Cook Inlet after December 31, 2009. These tax credits may reduce the cost of drilling new wells in the state by reducing a taxpayer's potential corporate tax liabilities.

CSSB 309 amends AS 43.55.025(a) adding subsection (5) to include tax credits against the production tax for certain exploration in the Cook Inlet at 100%, 90%, and 80% of total exploration expenditures. CSSB 309 also adds section (m) to AS 43.55.025 so that these tax credits in subsection (5) are provided to three unaffiliated persons that each drill an offshore

Prepared by: Kevin Banks
Phone 269-8781
Division: Division of Oil and Gas, ADNR
Date/Time 04-10-2010; 2:00PM
Approved by:
Date

(Revised 11/6/2009 OMB)

5372

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 309(FIN)

ANALYSIS CONTINUATION

exploration well that penetrates and evaluates a prospect in the pre-Tertiary zone from a single jack-up rig. The first person to drill receives a 100% credit but not more than $25 million; the second person receives a 90% credit but not more than $22.5 million; the third person receives a 80% credit but not more than $20 million. The commissioner will determine which well is first, second, and third based on the date and time the well is spud and is given the discretion to determine whether each well penetrated and evaluated a pre-Tertiary target. Should a exploration well that qualifies for one of these credits discovers a reservoir that results in sustained production, half of the tax credit amount must be repaid to the state by the person who received the tax credit. The person has 10 years to make equal monthly installments after sustained production begins.

Because of the considerable uncertainty of any offshore discovery and the unpredictable affect of the tax credits offered under both provisions of CSSB 309 on any exploration and development activity in the Cook Inlet, there is an indeterminate affect on future royalty revenue.

Cook Inlet Gas Study - An Analysis for Meeting the Natural Gas Needs of Cook Inlet Utility Customers

prepared for

ENSTAR Natural Gas Company

CHUGACH POWERING ALASKA'S FUTURE

MLP SEVENTY-FIVE YEARS

March 2010

Peter J. Stokes, PE
William Grether & Thomas P. Walsh

Petrotechnical Resources of Alaska
3601 C Street Suite 822
Anchorage, AK 99503
(907) 272-1232

PRA Petrotechnical Resources Alaska

Due to the uncertainties of drilling and producing activities of operating and exploration companies and what Alaska state agencies do and do not do in influencing those activities, this study should be considered a best estimate based on current data. It was prepared using generally accepted engineering and geological predictive methods. As such, Petrotechnical Resources of Alaska can make no warranty as to actual future Cook Inlet gas drilling and production.

5374

Executive Summary prepared by Cook Inlet Utilities

ENSTAR Natural Gas Company, Chugach Electric Association, and Anchorage Municipal Light and Power (Cook Inlet Utilities) commissioned Petrotechnical Resources of Alaska (PRA) to study Cook Inlet natural gas reserves and forecast annual natural gas production. We asked PRA to estimate the cost of the development necessary to meet the immediate needs of Cook Inlet utility customers from 2010 to 2020. The PRA study includes a review of estimated reserves and deliverability of Cook Inlet gas wells drilled between 2001 and 2009, scenarios for potential development activity, a review of a December 2009 Alaska Department of Natural Resources (DNR) reserves analysis, and an analysis of when it might be necessary to rely on non-Cook Inlet natural gas sources, such as liquefied natural gas (LNG) imports or other in-state resources.

In the future, Cook Inlet utility customers should expect to pay more for the gas used by Cook Inlet Utilities to generate heat and electricity. PRA examined results from all of the gas wells drilled in Cook Inlet between 2001 and 2009 and determined that producers spent approximately $1.0 to $1.2 billion in development costs to add reserves of approximately 519 billion cubic feet (Bcf) of natural gas. If the current trends for well success rates and costs continue, producers will need to spend two to three times that amount, an estimated $1.9 to $2.8 billion, to meet projected Cook Inlet utility demand from 2010 to 2020. Producers will invest the necessary capital in future drilling activity only if they have a reasonable expectation of a return that is competitive with other investment opportunities. In order to assure continued drilling activities, increased development costs must be reflected in the market price utilities pay for the gas and ultimately pass onto their customers. Cook Inlet Utilities will also require storage services to deliver gas to their customers on the coldest days and enable producers to optimize gas production rates. The estimated cost of a storage facility is $150 to $200 million[1]. These storage costs will also be borne by utility customers.

[1] Storage cost estimates based on ENSTAR's development assessment.

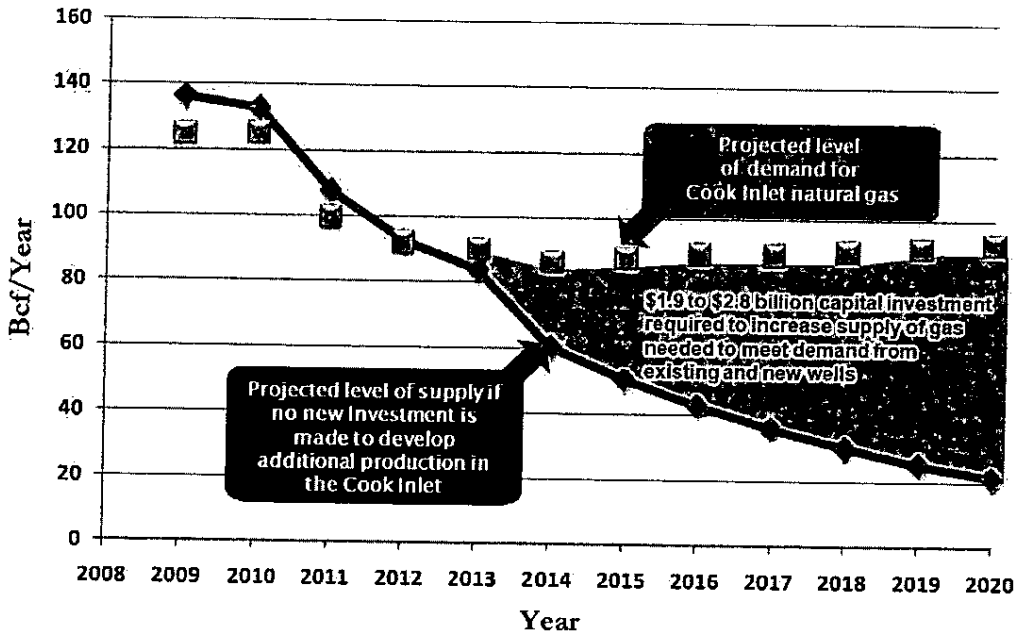


Figure 1 – Cook Inlet Supply & Demand

PRA used a decline curve analysis to review the same underlying data analyzed in the 2009 DNR reserves study and reached a similar conclusion regarding when the supply of gas from existing wells will not meet demand[2]. The PRA study took the next step, estimating the cost of bringing the undeveloped gas resources to market[3]. PRA determined that if significant efforts are undertaken to develop gas from the resources identified by DNR and if the current trends in drilling success rates continue, gas might be available through 2020. However, even if an aggressive development effort were undertaken immediately, that effort may fail to bring new gas to market quickly enough to provide needed gas when demand is projected to exceed supply as soon as 2013. Utilities need to plan for an alternative supply to meet their customers' needs. Having undeveloped gas resources in the ground will not enable Cook Inlet Utilities to provide heat and power to their customers. The gas resources will only be developed and brought to market at prices that incentivize the producers to justify their investment. Contracts with these higher prices will require RCA approval.

Cook Inlet Utilities need a viable option if additional Cook Inlet development does not materialize. To provide a stable gas supply, non-Cook Inlet sources such as gas delivered from the North Slope or LNG imports, are alternatives that must be pursued. The "easy" gas has been found in the challenging geology of Cook Inlet. The future costs of developing additional reserves will be substantial. As the cost of continued Cook Inlet gas production increases, alternative gas supply sources may become more economically attractive. Regulatory uncertainty has also discouraged Cook Inlet producers from exploring for and developing Cook

[2] PRA's study estimates remaining reserves of 729 Bcf from existing wells, compared with DNR's forecast of 863 Bcf of Proven Developed Producing reserves.

[3] The DNR study did not address the cost of bringing undeveloped resources to the market. (see DNR Study Figure 14 Description)

Inlet reserves[4]. In the current regulatory environment, two of the three major Cook Inlet producers have publicly stated that they intend to drill only to meet current contract obligations. Future development depends on a change in the regulatory climate to one where consistent standards are applied to approve negotiated utility gas supply agreements, even if those agreements reflect the increased costs of resource development.

The Cook Inlet market is in transition. Current gas fields are in decline and the loss of industrial customers has reduced the producers' incentives to do anything but meet existing contractual obligations. In order for utilities to be able to continue to supply current customers and to accommodate future growth, Cook Inlet Utilities and others must take action.

Immediate Actions Needed:

- New gas supply agreements between Cook Inlet Utilities and Producers must be signed to ensure continued development of Cook Inlet reserves.
- There must be predictable timelines and standards for regulatory approval of gas supply agreements. The Regulatory Commission of Alaska must be willing to approve gas supply contracts negotiated at arm's length, even if prices under those contracts increase.
- Cook Inlet Utilities must develop gas storage to assure deliverability on the coldest days and optimize gas production throughout the year.
- Cook Inlet Utilities should continue raising customer awareness, conservation efforts, and curtailment plans, to prepare for potential shortfalls.
- Additional well-capitalized exploration and development companies must commit to develop Cook Inlet and other Alaska gas reserves.
- To assure certainty of supply, Cook Inlet Utilities must determine how they will bring gas into Cook Inlet within the next five years to ensure the needs of their customers are met. Alternative gas supply sources include LNG imports and North Slope gas delivered by pipeline to south central Alaska.
- Additional regional industrial gas demand must be found to encourage the development of Cook Inlet reserves and spread the increased costs of production.
- Land management processes must be streamlined to encourage and accelerate reserve and infrastructure development.

[4] Recent favorable regulatory decisions on utility gas supply agreements may be a positive sign.

Technical Summary

ENSTAR Natural Gas Company, Chugach Electric Association, and Anchorage Municipal Light and Power (Cook Inlet Utilities) hired Petrotechnical Resources of Alaska (PRA) to perform a study of Cook Inlet reserves and deliverability. The components of the study included:

- Review the deliverability of Cook Inlet gas wells drilled between 2001 and 2009
- Forecast potential deliverability of future drilled gas wells
- Review Alaska Department of Natural Resources (DNR) reserves analysis
- Analyze timing of demand for a delivery of potential non-Cook Inlet gas sources, such as liquefied natural gas (LNG) imports or other in-state resources

High level findings of the study are:

Cook Inlet Well Drilling Results – 2001 to 2009

- Drivers for Cook Inlet well drilling between 2001 and 2009 included:
  - Newly executed gas contracts
  - Reserves development associated with negotiated gas contracts rejected by the RCA
  - LNG Exports and License Extensions
  - Increasing Regional Natural Gas Prices
  - Industrial Fertilizer Operations
- Results for Cook Inlet well drilling between 2001 and 2009:
  - 128 gas wells were drilled between 2001 and 2009, of which, 105 were completed with an average rate of 3.6 MMSCF/D for the first 12 months of production
    - 97 wells were permitted and drilled as Gas Development wells; 88 of these were completed as gas wells, for a 90.7% success rate
    - 31 wells were permitted and drilled as Gas Exploration wells; 18 were completed as gas wells, for a 58.1% success rate
    - An estimated 519 BCF of gas was developed by these wells
    - Ninilchik, Kenai and Deep Creek Units had the most drilling activity during this period; Ninilchik was very successful; Kenai wells were average and Deep Creek wells were marginal
    - The estimated costs for drilling and facilities of these 128 gas wells are between $1.0 and $1.2 billion

Review of DNR Analysis of Available Reserves

- The DNR completed a Cook Inlet Gas Reserves Study in December 2009
- In the DNR study, reserves and resources are systematically estimated, but as stated in the report, the timing of the development of undeveloped reserves is only an estimate as shown in DNR's Figure 14, a "Hypothetical production forecast for Cook Inlet basin showing increments of reserves and resources identified by engineering and geological analysis discussed in text."
- In the DNR study, the only firm deliverabilities are for reserves estimated by decline curve analysis and material balance. The material balance resources would be realized

through the spending of additional capital for development (Beaver Creek) or for compression (Ninilchik). Timing is determined by economic drivers.

- The DNR study forecasted 863 BCF of Proven Developed Producing reserves compared to the decline curve analysis performed by PRA forecasting 729 BCF[5] of reserves.
    - A major difference in decline curve analysis performed by PRA was apparent at Beluga River Field where the DNR study estimated 377 BCF remaining reserves and PRA estimated 207 BCF.
    - The predicted production from decline curve analysis was similar in both studies; both DNR and PRA showed decline curve analysis predictions from existing wells falling below projected demand in the 2012-2013 timeframe.
- The DNR study forecasted Additional Probable Reserves of 279 BCF based on material balance calculations, while PRA did not perform material balance calculations.
- In both studies, the four (4) Fields identified as having greatest remaining potential and selected for detailed geological analysis were: Beluga River, North Cook Inlet, Ninilchik, and McArthur River Grayling gas sands.
  Reported were:
    - Potential gas resources (from geologic analysis of 4 fields above) estimated to be 353 BCF
    - Possible gas resources of 643 BCF (50% Risked case) estimated from lower confidence pay intervals

<u>Potential of Future Gas Wells in Cook Inlet:</u>

- Drivers required for future Cook Inlet reserve development include:
    - Execution and RCA approval of gas contracts
    - Predictable timeline and standard for regulatory approval of negotiated gas pricing structures
    - Additional regional industrial gas demand, including LNG exports.
    - Additional well-capitalized exploration and development companies committed to develop Alaskan resources
    - Government action to facilitate and accelerate development of necessary infrastructure and permitting
- Challenges facing future Cook Inlet development include:
    - Possible discontinuation of LNG exports from the region
    - Reduced industrial demand (e.g., regional fertilizer manufacturing)
    - Success rates in exploration and development
    - Higher relative regional costs for exploration, development, and production
    - High level of activity in reserve development needed to meet demand
    - Probable decline in production rates from future wells in existing fields
- Minimum requirements to meet demand in Cook Inlet gas market until 2020:
    - A new source of gas, such as imported LNG or other in-state reserves, could be required as early as 2013, if ongoing drilling or drilling success does not continue at the 2007-2009 pace.

[5] 762 BCF in Report included 33.7 BCF estimated for 4 remaining 2009 Wells

- Gas storage will maximize Cook Inlet gas deliverability potential and more closely match local demand curves and production rates.
- To meet projected demand for the next decade, 185 new wells will be needed, which is a 45% increase over the number of wells drilled in the 2001-2009 period
- Development costs for this time period are estimated at $1.85 to $2.8 billion, an increase in total capital investment of 54-180%
- To incent this substantive increase in investment levels, or to bring a new source of gas to Cook Inlet, utility customers should expect to pay significantly higher gas prices

Figure 2 shows recent history and future wells estimated to meet CI gas demands through 2020. The well count assumes average well performance of 2007-2009 wells, with initial rates and developed reserves degraded by 4.3% per year.

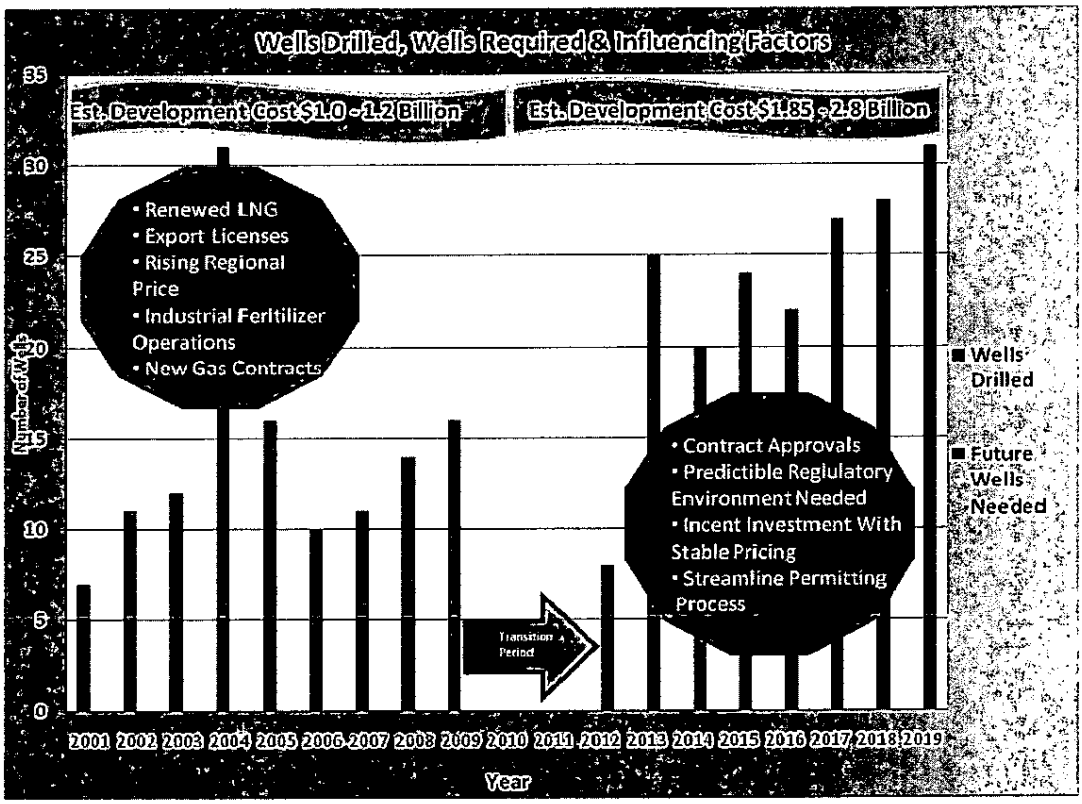


Figure 2:Wells Drilled, Future Wells Required & Influencing Factors

State of Alaska
Department of Natural Resources
Division of Oil and Gas
and
Division of Geological & Geophysical Surveys

Preliminary Engineering and Geological Evaluation of Remaining Cook Inlet Gas Reserves

by

Jack D. Hartz[1], Meg C. Kremer[1], Don L. Krouskop[1], Laura J. Silliphant[1],
Julie A. Houle[1], Paul C. Anderson[1], and David L. LePain[2]

edited by

Paul L. Decker[1]

[1]Alaska Division of Oil and Gas, 550 W. 7th Ave., Suite 800, Anchorage, Alaska 99501-3560
[2]Alaska Division of Geological & Geophysical Surveys, 3354 College Rd., Fairbanks, Alaska 99709-3707

December, 2009

5381

State of Alaska
Department of Natural Resources
Division of Oil and Gas
and
Division of Geological & Geophysical Surveys

Sean Parnell, *Governor*
Tom Irwin, *Commissioner*
Kevin Banks, *Director*[1]
Robert Swenson, *Director*[2]

Preliminary Engineering and Geological Evaluation of Remaining Cook Inlet Gas Reserves

by

Jack D. Hartz[1], Meg C. Kremer[1], Don L. Krouskop[1], Laura J. Silliphant[1],
Julie A. Houle[1], Paul C. Anderson[1], and David L. LePain[2]

edited by

Paul L. Decker[1]

[1]Alaska Division of Oil and Gas, 550 W. 7th Ave., Suite 800, Anchorage, Alaska 99501-3560
[2]Alaska Division of Geological & Geophysical Surveys, 3354 College Rd., Fairbanks, Alaska 99709-3707

December, 2009

THIS REPORT HAS NOT RECEIVED EXTERNAL REVIEW FOR TECHNICAL CONTENT OR FOR CONFORMITY TO THE EDITORIAL STANDARDS OF THE STATE OF ALASKA, THE DIVISION OF OIL AND GAS, OR THE DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

5382

Recommended reference citation for this report:

Hartz, J.D., Kremer, M.C., Krouskop, D.L., Silliphant, L.J., Houle, J.A., Anderson P.C., and LePain, D.L., 2009, Decker, P.L., ed., Preliminary engineering and geological evaluation of remaining Cook Inlet gas reserves: Alaska Division of Oil and Gas report, 37 p., available online at: http://www.dog.dnr.state.ak.us/oil/

Any use of trade names is for descriptive purposes only and does not constitute endorsement of these products by the State of Alaska, the Department of Natural Resources, or the Division of Oil and Gas.

5383

CONTENTS

EXECUTIVE SUMMARY vi
INTRODUCTION 1
Purpose of This Study 1
Regional Geology 2
Cook Inlet Petroleum Systems 5
PROCESS, DATA, AND COMPARISON OF ANALYTICAL TECHNIQUES 5
RESERVOIR ENGINEERING ESTIMATES 7
Decline Curve Analysis 7
Material Balance Analysis 11
Large Field Reserves Growth 16
Deliverability at the Well and Reservior Scale 16
Past and present well or reservoir deliverability 16
Predicting future well or reservoir deliverability 18
GEOLOGICAL ESTIMATES 19
Data Sources 19
Data Rendering 21
Pay Evaluation and Identification 22
Mapping Procedure 24
Original Gas-in-Place and Initial Reserves 25
EXPLORATION POTENTIAL OF COOK INLET BASIN 27
Leads - Discovered Undeveloped and Undiscovered Resources 27
Onshore areas 28
Offshore areas 28
Quantitative Assessments of Undiscovered Technically Recoverable Resources 29
Impediments to Future Exploration 30
COMBINED ENGINEERING AND GEOLOGICAL ANALYSES 30
Engineering and Geological Discussion 31
CONCLUSIONS 32
Economic Considerations 33
ACKNOWLEDGMENTS 34
REFERENCES CITED 34
APPENDICES 1-4 36

5384

LIST OF TABLES AND APPENDICES

Table 1. Comparison showing a range of estimated remaining gas reserves based on separate engineering and geologic analyses of four fields: Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands), p. 6

Table 2. Decline forecast, additional potential remaining recoverable gas identified from material balance analysis, and estimated ultimate recovery for 28 Cook Inlet gas fields, p.15

Table 3. An example of zonal data for the Beluga D zone at Beluga River Unit, p.25

Table 4. Geologic estimates of original gas-in-place, original recoverable gas, and year-end 2009 reserves remaining in four Cook Inlet gas fields, p. 28

Table 5. Federal estimates of undiscovered technically recoverable conventional oil and gas resources of the upper Cook Inlet region, p. 29

Appendix 1. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, McArthur River field, Grayling gas sands (Trading Bay Unit), p. 36

Appendix 2. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Ninlchik Unit, p. 37

Appendix 3. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Beluga River Unit, p. 37

Appendix 4. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, North Cook Inlet Unit, p. 37

LIST OF FIGURES

Figure 1. Location map of the central part of the Cook Inlet basin, p. 3

Figure 2. Chronostratigraphic and petroleum systems summary, Cook Inlet basin, p. 4

Figure 3. Typical decline plot; the Ninilchik GO Tyonek reservoir, p. 9

Figure 4. Decline forecast based on data trend for all 28 Cook Inlet gas fields, p. 10

Figure 5. Example of decline curve analysis before and after new wells, p. 12

Figure 6. Typical P/Z plot, p. 13

Figure 7. P/Z plot showing water influx and reservoir shrinkage, p. 13

Figure 8. Reserves growth in Cook Inlet's largest gas fields, 1993-2008, p. 17

Figure 9. Producing day (PD) deliverability with and without storage, based on monthly volumes, p. 18

Figure 10. Example of peak deliverability forecast for a pool, p. 20

Figure 11. Peak maximum producing day deliverability compared to average annual rate from decline curve analysis, p. 21

Figure 12. Well log example illustrating PAY (green) and Potential_Pay (yellow), p. 23

Figure 13. Example of zonal gross pay isopach map, McArthur River field Grayling gas sands, p. 26

Figure 14. Hypothetical production forecast for the Cook Inlet basin showing increments of reserves and resources identified by engineering and geological analyses discussed in text, p. 32

5386

EXECUTIVE SUMMARY

Over the past year, there has been widespread concern over whether the existing system of natural gas production and delivery in the Cook Inlet basin can continue to meet the energy demands of south-central Alaska. Of most immediate concern is whether there may soon be shortfalls during brief spikes in peak gas demand brought about by severe winter weather. A thorough understanding of the problem requires consideration of at least two major sets of issues. The first set includes geologic and engineering details regarding how much gas remains to be recovered from Cook Inlet fields, and what steps are required to access it. The other is a complex set of commercial and infrastructure factors that determine the ability to provide gas to the end user. This report addresses geologic and engineering issues regarding gas reserves and resources. Issues regarding the economics of drilling additional wells, recompleting existing wells, optimizing infrastructure, and the ability to sell the gas into the Cook Inlet market are beyond the scope of this paper. Nevertheless, as is the case with most maturing gas provinces, the costs and financial risk associated with accessing and producing the additional reserves and potential reserves identified by this study will increase with time, likely contributing to increases in the price of gas.

Reservoir engineering and geological analyses were undertaken independently of one another to evaluate the volumes of gas remaining in existing fields. These analyses are preliminary, based on data currently available to the Division of Oil and Gas. All 28 of the currently producing Cook Inlet gas fields were evaluated by applying decline curve analysis and material balance engineering methods to publicly available production data obtained from the Alaska Oil and Gas Conservation Commission (AOGCC). Based on extrapolations of production trends, these engineering techniques were used to derive estimates of remaining proved and probable reserves.

Four of the gas fields judged from engineering analyses to have the greatest remaining potential were selected for further study via detailed geologic analyses: Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands. Development geology techniques yielded volumetric estimates of original gas-in-place and initial recoverable gas (estimated ultimate recovery) for these four large fields, drawing and preserving important distinctions between gas volumes in known pay intervals versus gas in potential pay intervals. Comparison of geologically based recoverable gas with cumulative production yielded estimates of the remaining recoverable gas in the four fields.

The independent engineering and geologic approaches pursued in this study allow the reporting of remaining gas volumes at varying levels of production certainty and readiness. The total proved, developed, producing (PDP) reserves remaining to be produced from all existing fields in the Cook Inlet is estimated at 863 BCF. This volume was identified by decline curve analyses and assumes sufficient investment to maintain existing wells. Additional probable reserves that would be recoverable by increasing investment in existing fields are estimated at 279 BCF. This volume is identified as the basin-wide difference in the results of material balance methods and decline curve analyses. Geologic evaluations of the Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands reservoirs indicate the potential for an additional increment of 353 BCF in high-confidence pay intervals, and another

5387

possible increment of 643 BCF (in the 50 percent-risked case) from lower-confidence pay intervals, both of which are arguably not in communication with existing wellbores, and thus cannot be estimated from the engineering methods. These incremental volumes are the difference, for these four gas fields, between the remaining recoverable gas estimated in geologically identified high-confidence pay and potential pay minus that estimated by material balance analyses.

These geologically identified volumes of known and potential nonproducing gas represent a significant energy resource, which if developed, have the potential to supply local demand well into the next decade. This forecast assumes that exports of gas from the basin will be curtailed during demand shortfalls, and cease altogether at the closure date of the current export license (March 31, 2011). It also assumes that no new significant demand will be developed until additional resources are discovered in new fields.

We also discuss higher-risk contingent resources that await confirmation and delineation in exploration prospects outside of producing areas where previous well penetrations suggest follow-up drilling may be warranted. Finally, we recognize, but have not attempted to quantify, potential undiscovered gas resources in unexplored areas or underexplored plays within the Cook Inlet basin. Significant work is underway by government and industry stakeholders to analyze this exploration potential, which could be an integral part of the region's energy portfolio well into the future. The findings of this study suggest there are a variety of short-, medium-, and long-term opportunities that have the potential to meet the energy demands of south-central Alaska over the next decade or more.

5388

INTRODUCTION

Purpose of This Study

South-central Alaska has relied on production from Cook Inlet gas fields to meet demand for electrical power generation, heating, and industrial use since commercial production began in the 1950s. Exports of liquefied natural gas (LNG) have been another significant sector of the region's gas market since 1969. A salient characteristic of south-central Alaska's natural gas demand profile is the pronounced seasonal fluctuation in fuel consumption for heating and power generation. In addition to the highly predictable difference between average summer usage and average winter usage, there are large, less predictable demand spikes during winter cold spells. Up to this point, producers have been able to meet spikes in consumer demand by incrementally adjusting production at the field and wellhead level. Curtailing industrial consumption, for example, closure of the Agrium US, Inc. fertilizer plant in Nikiski, has also played an important role in utility load management. More recently however, as an increasing number of Cook Inlet's fields show significant decline, concern has arisen over the producers' ability to provide sufficient gas to consumers during winter demand spikes, with some predicting shortfalls beginning in 2011-2013 (Petroleum News, 2009). This report summarizes the results of engineering and geologic analyses conducted within the Alaska Division of Oil and Gas (DOG) to better quantify remaining accessible reserves in the Cook Inlet's major gas fields, and to categorize these volumes relative to readiness and certainty of production. Many closely related economic and infrastructure considerations are outside the scope of these analyses.

As Cook Inlet gas (and oil) fields mature, it is prudent to re-evaluate the original gas-in-place (OGIP) and compare that against cumulative production in order to assess remaining reserves. Most oil and gas fields in Alaska have outperformed their initial estimates for original in-place hydrocarbons (for example, Blasko, 1974), so it is critical for resource managers to continually re-evaluate the reserves picture as new data and new technology is acquired. The purpose of this study is to examine and analyze the currently available engineering and geologic data to determine if enough gas is available to meet the anticipated demand for south-central Alaska for the next decade. The analysis assumes sufficient market opportunities will exist to drive appropriate investment in more complete field development operations, infrastructure debottle-necking and upgrades, and commercial alignment between unit partners. Both engineering and geologic methods were employed in the analysis of existing fields, and a complete description of the methodologies can be found in the body of this report. The results of this work will help determine how much gas remains in the Cook Inlet fields so that realistic development scenarios can be formulated. The economics of drilling additional wells, recompleting existing wells and the ability to economically transport and sell the gas into the Cook Inlet market are important commercial issues that were not addressed by this work.

Although new gas found through exploration activity outside of existing field areas will be an important part of the long term reserves outlook for the Cook Inlet, those resources can take years to identify and bring on line, so they may not affect the short-term development issues addressed in this study. Nevertheless, a brief discussion on exploration potential in the basin is included in this report, and the reader is encouraged to keep up-to-date on subsequent state and federal publications that will further address exploration potential.

Regional Geology

The Cook Inlet basin is part of a northeast-trending collisional forearc setting that extends approximately from Shelikof Straight in the southwest to the Wrangell Mountains in the northeast. The basin is bounded on the west and north by granitic batholiths and volcanoes of the Aleutian volcanic arc and Alaska Range, respectively, and on the east and south by the Chugach and Kenai Mountains, which represent the emergent portion of an enormous accretionary prism (Haeussler and others, 2000; Nokleberg and others, 1994). High-angle faults, including the Bruin Bay, Castle Mountain, and Capps Glacier faults, modified the west and north sides of the forearc basin (for example, Barnes and Cobb, 1966; Magoon and others, 1976). The Border Ranges fault lies near the eastern edge of the forearc basin (fig. 1; for example, Magoon and others, 1976; Bradley and others, 1999), but is locally overlapped by Cenozoic basin-filling strata.

Mesozoic strata, having a regional composite thickness of nearly 40,000 feet, represent the foundation upon which the Cenozoic forearc basin developed (Kirschner and Lyon, 1973; fig. 2). Mesozoic strata extend continuously at depth under Tertiary nonmarine deposits and are exposed along the up-turned western and eastern margins of the forearc basin (Fisher and Magoon, 1978; Magoon and Egbert, 1986). Tertiary nonmarine strata, which are up to 25,000 feet thick in the axial region of the basin (Boss and others, 1976), consist of a complex assemblage of alluvial fan, axial fluvial, and alluvial floodbasin depositional systems (Swenson, 2002). These Tertiary nonmarine strata are the primary oil and gas reservoirs in the basin.

The Tertiary stratigraphy of the basin is complex (fig. 2) and includes a basal unnamed unit of Paleocene to early Eocene age that is correlative to parts of the Wishbone, Chickaloon, and Arkose Ridge Formations in the Matanuska Valley segment of the basin (an older uplifted segment of the forearc basin according to Trop and Ridgway, 2007). The overlying stratigraphic units were assigned to the Kenai Group by Calderwood and Fackler (1972) and originally included, in ascending order, the West Foreland Formation, the Hemlock Conglomerate, the Tyonek Formation, the Beluga Formation, and the Sterling Formation. Boss and others (1976) subsequently restricted the Kenai Group to the Tyonek, Beluga, and Sterling Formations on the basis of interpreted unconformities between the West Foreland and Tyonek. They considered the Hemlock Conglomerate a member of the Tyonek Formation. The overlapping ages of these formations shown in figure 2 demonstrates the time-transgressive nature of the Tertiary stratigraphy (McGowen and others from Swenson, 2002). Limited outcrops around the perimeter of the basin demonstrate dramatic facies changes from basin axis to basin margin locations.

Large hydrocarbon traps were formed in the Tertiary nonmarine strata of the upper Cook Inlet when the thick succession of reservoir facies were deformed into a series of north-northeast-trending, discontinuous folds arranged in an en echelon pattern. Most fold structures formed by right lateral transpressional deformation on oblique-slip faults (Haeussler and others, 2000). Many of these faults extend into underlying Mesozoic age marine rocks. These structures are attributed to the ongoing collision between the Yakutat block in southeastern Alaska and inboard terranes across much of southern and central Alaska (Trop and Ridgway, 2007). This collision is resulting in the progressive collapse of the forearc basin from the northeast toward the southwest (analogous to a closing zipper; Trop and Ridgway, 2007). All producing oil and gas fields in upper Cook Inlet are asso-

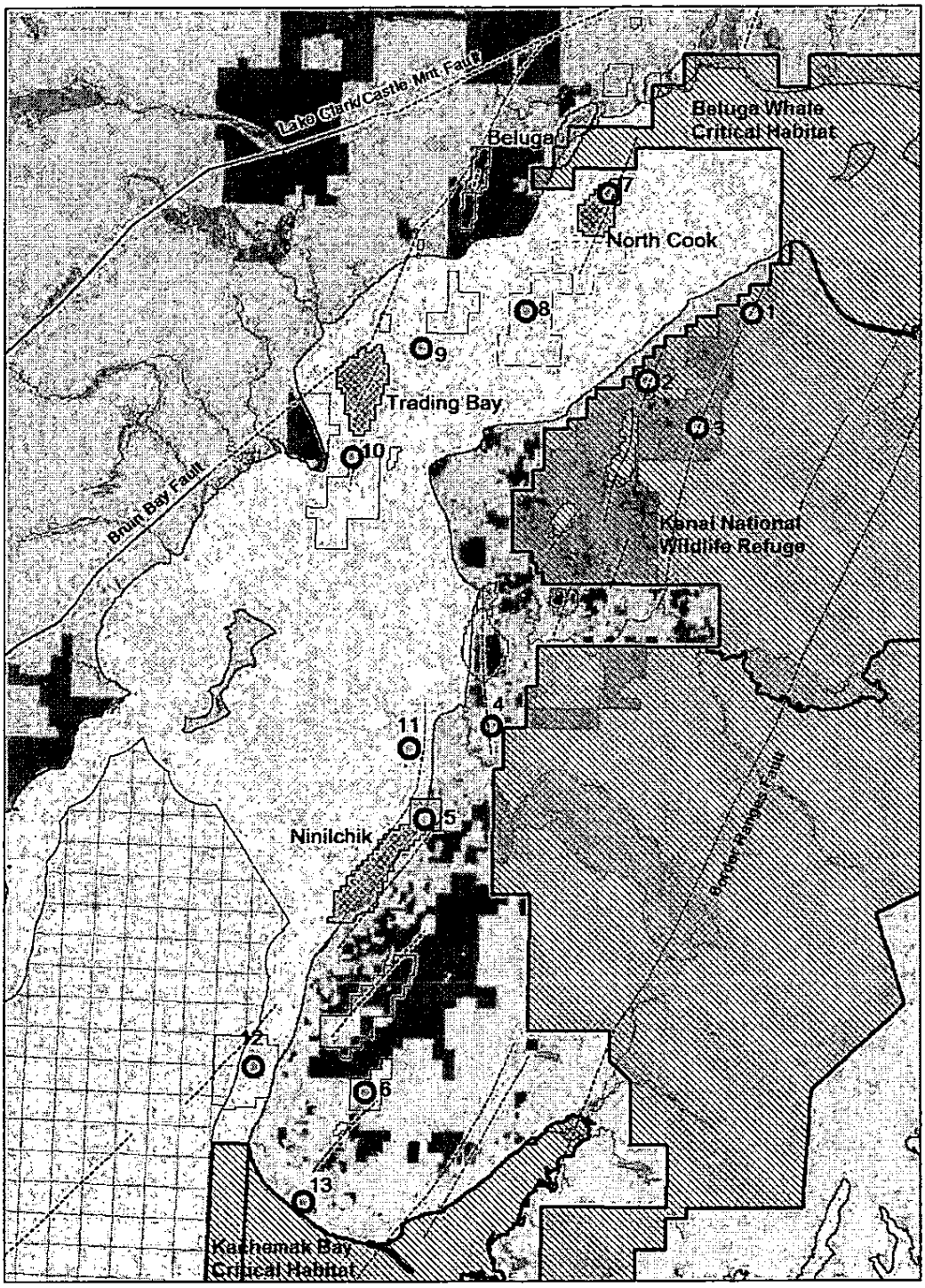


Figure 1. Location map of the central part of the Cook Inlet basin showing oil and gas producing units (the four major gas fields with geologic reserve estimates are highlighted with pink fill); major faults and fold axes; undeveloped exploration leads (numbered green dots); and areas with exploration access restrictions (green hachure).

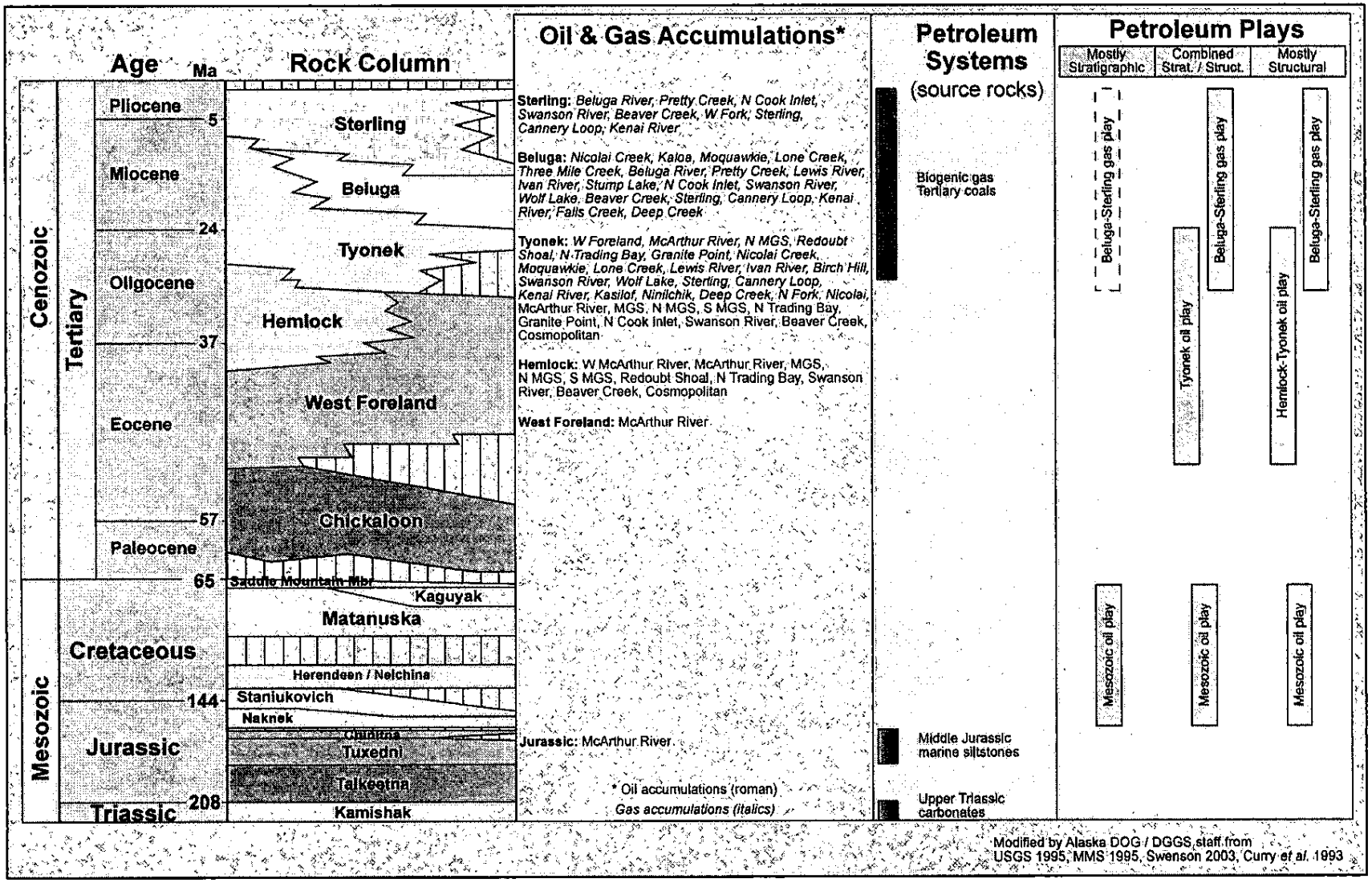


Figure 2. Chronostratigraphic and petroleum systems summary chart for the Cook Inlet basin

ciated with structural closures. Gas in most fields resulted from release of biogenic methane as thick coal-bearing successions were uplifted along fold structures.

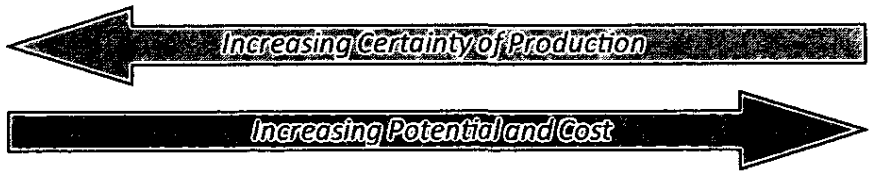
Cook Inlet Petroleum Systems

In order to understand how a natural resource can be optimally developed, it is important to understand its origin and history. The oil and gas produced from the Cook Inlet fields (fig. 1) come from two separate and distinct hydrocarbon systems. The oil, along with minor amounts of associated gas, was generated in deeply buried Mesozoic source rocks by thermogenic (temperature-driven) processes. Expelled from the source rock under high pressure, these buoyant hydrocarbons migrated upward along faults and permeable strata into trapping geometries in Hemlock and lower Tyonek sandstones of Tertiary age (fig. 2). More than 1.3 billion barrels of oil have been discovered and produced from these reservoirs since 1958.

The petroleum system that is the focus of this paper, and has become the recent focus of many south-central Alaskans, is a biogenic system that produced dry natural gas (methane). The generation, migration, and trapping of this resource are significantly different than that of the oil. The biogenic methane, which accounts for more than 90 percent (Claypool and others, 1980) of the nearly 7.75 trillion cubic feet (TCF) of historic gas production in Cook Inlet, was sourced from the widespread coals in the shallower part of the Tertiary section. Unlike thermogenic hydrocarbon generation, biogenic gas generation relies on bacteria that thrive only at relatively shallow burial depths where temperatures are less than about 80°C. Biogenic methane begins to form by decay of organic matter in the near surface environment. As deposition proceeds and bacterial methane continues to form, large quantities dissolve in the surrounding pore waters and remain adsorbed in coal beds. In the Cook Inlet basin, late-stage uplift lowered the pore fluid pressure and liberated the gas from solution in the coals, allowing it to migrate relatively short distances into fluvial sandstone reservoirs in the Tyonek, Beluga, and Sterling Formations. The complex geometries of these Tertiary reservoir sandstones, as well as the coal-to-sand migration pathways, provide both challenge and opportunity for field development. The same geologic complexity that makes it difficult to identify all potential reserves in a field also provides ubiquitous isolated reservoirs containing a significant amount of untapped gas potential.

PROCESS, DATA, AND COMPARISON OF ANALYTICAL TECHNIQUES

This report presents preliminary findings regarding forecast production, original gas-in-place, and estimated remaining reserves for Cook Inlet natural gas fields. We estimate remaining reserves at varying levels of production certainty using reservoir engineering and development geology methods (Table 1). The two approaches are very different, both conceptually and in analytical scope, and are discussed separately. It is important that multiple analytical methods are employed in analyzing complex fluvial systems like the Cook Inlet gas reservoirs because each method evaluates a slightly different portion of the reserves picture. Because they are based on extrapolations of historical production data, the engineering approaches are limited by the extent of field development that has occurred to date, and yield the more conservative estimates. The geologic analyses calculate larger reserve estimates because they assess the entire field, including upside potential from nonproducing intervals that may be capable of produc-



	Engineering Analyses		Geologic Analyses	
	Decline Curve Analysis	Material Balance	Geologic, PAY category only	Geologic, PAY + 50%-risked Potential_Pay
Sum 4 Fields	697	860	1,213	1,856
Sum Other Fields	166	282	not analyzed	not analyzed
Total	863	1,142	–	–

Notes: All values in BCF. Other fields are 24 remaining Cook Inlet producing gas fields (see Table 2).

Table 1. Comparison showing a range of estimated remaining gas reserves based on separate engineering and geologic analyses of four fields: Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands). These results suggest that geologic analyses identify gas reserves in pay and potential pay intervals that have not been fully developed, and therefore, cannot be represented in the engineering-based estimates.

ing. Throughout this report, we consistently present estimated gas volumes rounded to the single BCF to facilitate comparisons with values in the tables and appendices that represent calculated results. In reality, most of these estimates carry considerable uncertainty, and many could be rounded at lower levels of apparent precision for purposes of discussion outside of this text.

The engineering approaches are introduced first, followed by a discussion of the deterministic geologic approach. Two primary reservoir engineering methods, decline curve analysis and material balance analysis, were applied to 28 producing gas reservoirs to determine proved developed producing (PDP or 1P) reserves and probable (2P) reserves (Society of Petroleum Engineers and others, 2007).

Decline curve analysis (DCA) reflects only that gas that has been in communication with producing wellbores and has been produced relatively continuously over the life of the field. It cannot account for gas shut in early in field life, gas behind pipe and never perforated, nor gas between wells with large spacing. Additionally, estimates of original gas in place (OGIP) derived from material balance techniques (MB) represent only gas that has produced into a wellbore at some point during field life. The geological analysis calculates an OGIP for the entire structure and attempts to include potential untapped gas sands that were logged in the wellbore but never produced, marginal quality reservoirs that were not perforated at initial field development, or isolated reservoirs that lie between existing wellbores because well spacing is not sufficient to encounter them.

The engineering analyses relied on pub-

lic domain production and pressure data that producers report to the Alaska Oil and Gas Conservation Commission (AOGCC) on a monthly basis. Thus, in order to estimate deliverability, a daily rate must be calculated from the reported monthly values in order to predict short term demands. Decline curve analysis (DCA) was primarily used to forecast production and estimate remaining recoverable gas (RRG). Material balance methods were used to validate DCA estimates and determine OGIP and RRG. The future production rates and volumes have been compared to anticipated demand to predict gas availability in the Cook Inlet basin over the next decade.

The geologic analysis was limited to four of the five largest existing fields that are still being actively developed and that the engineering analyses indicate have the greatest share of future gas production potential. A deterministic geologic approach was used to identify pay and potential pay in the North Cook Inlet, Beluga River, Ninilchik, and the McArthur River (Grayling gas sands) fields. The geologic analysis utilized well log curves, drilling and completion history, pressure history, and production data to identify and map pay at the field scale as a basis for new calculations of original gas-in-place, initial recoverable reserves, and remaining reserves.

The Kenai gas field was not included in the geologic analyses because it is a federal unit and the State has limited well data and no seismic data over the field. We did conduct engineering analyses of the Kenai field because the production data are publicly available from the AOGCC. Of all the fields in the basin, the Kenai gas field has been subjected to the most aggressive second- and third-cycle development efforts to maximize recovery and access gas in tight reservoirs. As discussed later, the Kenai field is an excellent example of the late-life reserves growth that can be achieved with continuing development investment.

Table 1 organizes the gas reserve estimates of this study relative to readiness and certainty of production. In standardized reserves and resources nomenclature (for example, Society of Petroleum Engineers and others, 2007), our estimates derived from decline curve analysis can be considered proved reserves, whereas estimates identified from material balance represent probable reserves. The geologically derived estimates represent a mix of proved, probable, and possible reserves as well as some contingent resources. These analyses do not include economic filters, so it is not possible to draw a line between commercial reserves and subcommercial resources. Prospective resources, those remaining to be discovered, are discussed in less specific terms in the exploration potential section of this report. Estimates of exploration resources reflect a combination of in-house exploration experience, interpretation of publicly available geological and geophysical data, and resource assessments and other reports published by the U.S. Geological Survey and the U.S. Department of Energy.

RESERVOIR ENGINEERING ESTIMATES

Decline Curve Analysis

Decline curve analysis (DCA) is a standard petroleum engineering technique whereby current production trends are extrapolated into the future to estimate rates, and by integration, the remaining recoverable gas (RRG). As outlined above, DCA is based only on historically and currently producing gas that is in communication with the producing wellbores. By definition, DCA cannot measure gas reserves that exist in hydraulically isolated reservoir volumes (zones, sandbodies, or structural compartments) until that part of the reservoir is perforated for production

into the well. RRG in this context is only the developed gas left in the container. A reservoir DCA will change significantly during the period it is being developed. Early estimates will under-predict RRG if the reservoir is not fully developed (fig. 3).

The decline curve analysis is a relatively conservative look at future gas production because it represents a snapshot influenced by past events, and does not fully account for future events. Therefore, the forecast is a prediction of future performance assuming past trends will remain the same and all investment to support it will remain constant. Decline curves were based on monthly AOGCC production volumes or rates plotted on a logarithmic scale versus a linear time scale in months. The semi-log plot dampens minor data fluctuation and lends itself to a linear extrapolation referred to as exponential decline. The DCA portion of this work is based on the assumption that the reservoirs exhibit volumetric (tank-like) behavior. The linear decline extrapolation yields RRG by integration of the area under the line (fig. 3).

DCA recoveries were calculated on a well basis for the larger units where wells produce nearly continuously and on a pool, reservoir, or unit basis for every field that is active. There were several cases where decline appeared hyperbolic, which, on semi-log charts, plots as a curve in early to mid-life and becomes linear in late field life. Hyperbolic decline is often characteristic of low permeability reservoir rock, but it may be masked by water production, production at rates below capacity, and other well events. Another factor affecting decline is water influx from an underlying aquifer. If the aquifer is large compared to the gas reservoir, water influx will act to partially replace the gas produced from the pore space and sustain the reservoir pressure in the early to mid-life of the reservoir. A derivative effect is that as water influx into the wellbore increases, the pressure gradient increases, resulting in a steepening of the decline rate. Water influx in the Cook Inlet basin reservoirs is complicated by fluvial depositional systems that contain stratigraphically discontinuous layers of separate productive sands. Individual layers may not be in pressure communication and most likely have different gas-water contacts, especially in the Beluga and Tyonek sands. Production performance changes as water invades some intervals, effectively shutting off production and trapping gas, resulting in decreased overall recovery.

The DCA forecast of remaining proved, developed, producing gas in the 28 Cook Inlet fields amounted to a total of 863 BCF, with 697 BCF in just four fields (Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands). The DCA forecast rate represents an "annual average rate forecast" as depicted in figure 4. This estimate should be viewed as fairly conservative because of certain assumptions inherent in the technique. The forecast rate is usually conservative where wells and reservoirs do not produce at maximum capacity on an annual basis. This limitation applies to the Cook Inlet gas market, which is notable for its large demand swings between summer and winter. Thus, the daily or monthly production from the reservoir or individual well does not always represent its productive capacity. Daily production rates for gas wells are dictated by daily or monthly demand, volumes specified in production contracts, and LNG export volumes. In addition, the reservoir and wells often produce at surface pressure considerably higher than pipeline conditions (choked back). Under those conditions, DCA cannot accurately predict future production capability. Another difficulty is accurate representation of future investments and projects to sustain rates such as drilling wells, remedial activity, new perforations, well workovers, and

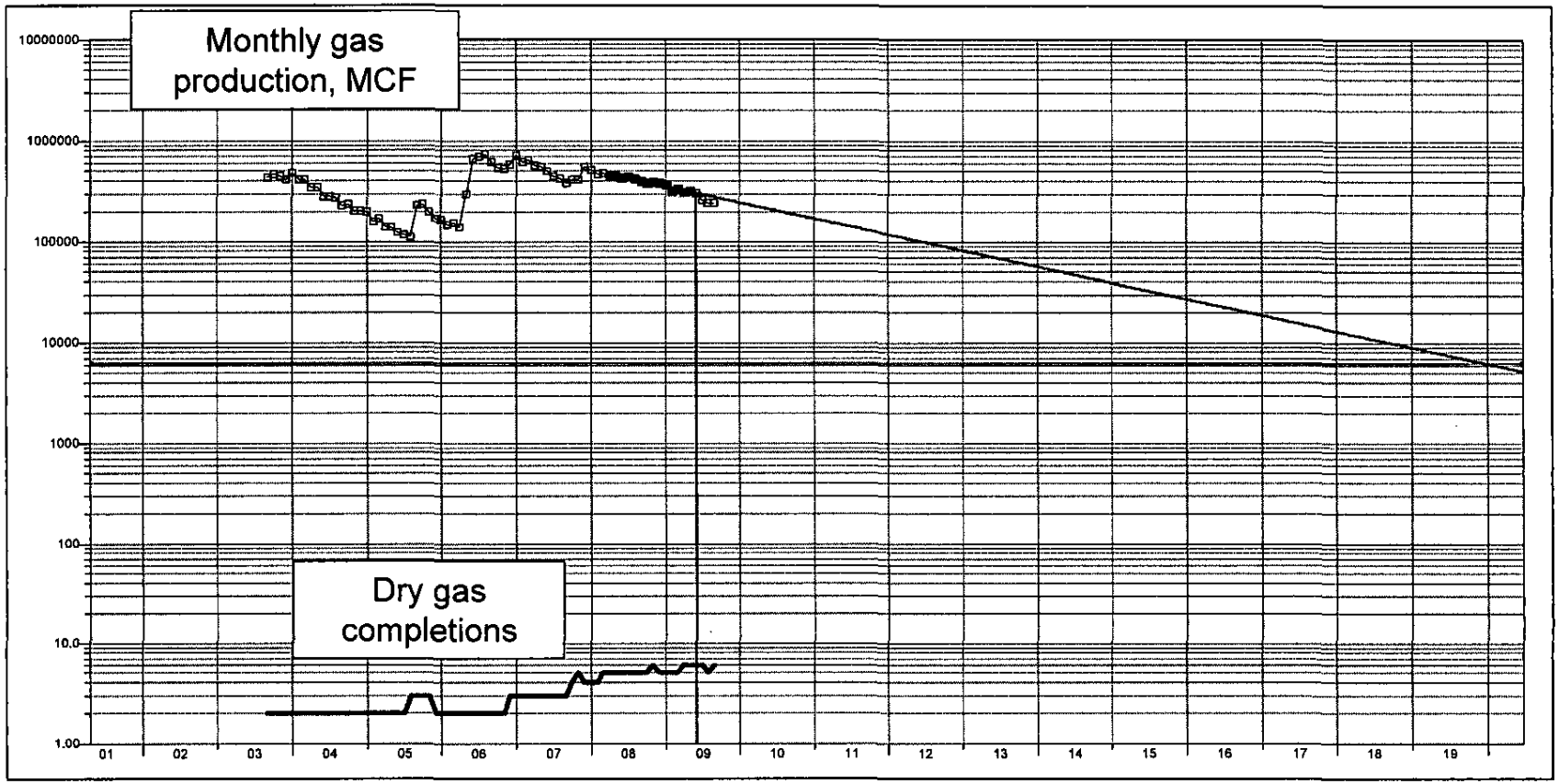


Figure 3. Typical decline plot; the Ninilchik GO Tyonek reservoir decline plot is illustrated. Horizontal axis is time (2001-2019); vertical axis is monthly production volume in thousands of cubic feet (MCF/month). Note the steep decrease from 2002 until mid 2004. As new wells are added (the lower red line on the chart) between 2004 and 2006, the production rate increased in a step fashion, then begins to decline again in 2007 to present. Some of the rate increase may be a result of perforation of new sands or stimulation of perforated sands. This chart is a good example of impacts of development activity early in the reservoir's life. When the reservoir is fully developed, it will follow the trend until depleted. Decline curve analyses are used to estimate remaining proved, developed, producing gas reserves.

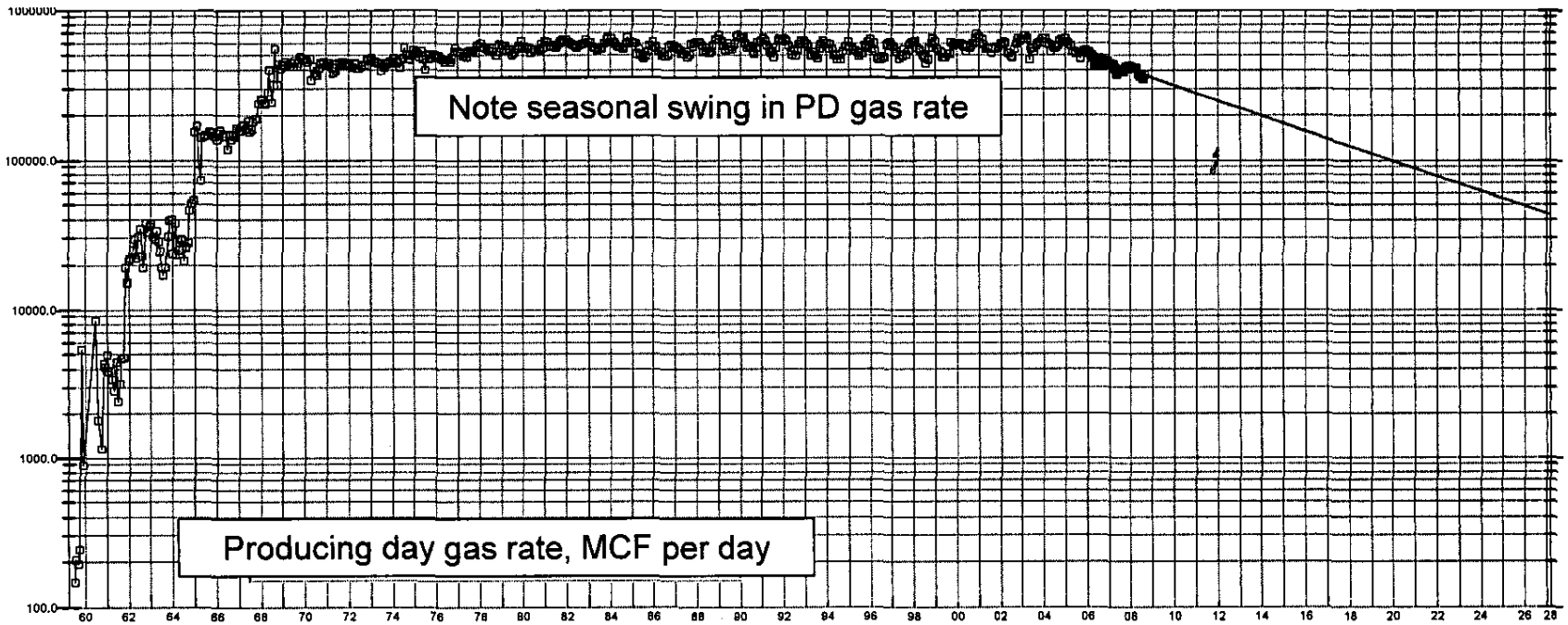


Figure 4. Decline curve projection based on data trend for production from all 28 Cook Inlet gas fields. Horizontal axis is time (1960-2028); vertical axis is producing day gas rate (MCF/day). Extrapolation line represents an annual average rate forecast, and does not illustrate seasonal fluctuation in demand.

additional compression. Figure 5 illustrates how DCA reserve estimates change after new wells are put on production. The initial rate forecast is considerably lower because it does not account for incremental production from the new completions.

If development investment does not continue in later field life, the decline trend will steepen because gas rate is dependent on regular maintenance or remediation. Changes in future economic conditions will influence gas availability affected by contract obligations, cost of maintenance, investment capital availability, and return on investment. Previous Cook Inlet rate forecasts have been subject to the same limitations.

Material Balance Analysis

Material Balance (MB) is a technique that uses the volumetric relationship between pressure, gas properties, and production to define OGIP and project remaining recoverable gas (RRG). A plot of reservoir pressure, P, divided by Z, the gas compressibility factor, yields a straight line that defines the volume of gas in the reservoir. Our MB analysis relies on reservoir pressure, reservoir characteristics, and gas production data from AOGCC databases. In most cases the linear trend can be extrapolated to zero pressure to determine the initial amount of gas in pressure communication throughout the reservoir, or OGIP. Note that material balance estimates account only for gas in pressure communication with producing wells, and cannot predict gas in isolated parts of the reservoir.

P/Z extrapolated to abandonment pressure will yield RRG for the reservoir sands that are in hydraulic (pressure) communication. A public domain spreadsheet program from Ryder Scott Company, L.P. was used to account for reservoir properties such as temperature, gas gravity, water saturation, gas composition, rock compressibility, and the Z factor for calculating P/Z based on periodic pressure measurements.

Figure 6 is an example of a typical P/Z MB plot. In this example, extrapolation to P/Z = 0 psia yields OGIP of 4.5 BCF and RRG, assuming abandonment P/Z=194 (~200 psia), is 4.2 BCF. The RRG is dependent on accurate knowledge of the abandonment pressure. Although we assumed an abandonment pressure of ~200 psia, the ultimate pressure for a given reservoir will be a function of operation costs, price of gas, and cost of compression. The surface production pressure is a function of reservoir pressure depletion and pipeline conditions. Wells in the Kenai gas field produce at surfaces pressure between 20 and 200 + psia, depending on pad location and the compressor configuration. Therefore, assuming a 200 psia abandonment pressure can underestimate RRG. In other fields in the basin the current surface producing pressure exceeds 800 to 1000 psia.

North Cook Inlet Unit (NCIU) and Beluga River Unit (BRU), had pressure data for each well going back 20-30 years. Most other pools had average pool pressures provided to AOGCC on a periodic basis. Even though the Sterling and Beluga Formations in the BRU are metered separately, the gas production is reported to AOGCC as a single commingled volume. Because gas production data for each formation are not available for the Beluga River Unit, the MB calculation is less reliable due to the uncertainty introduced by arbitrarily dividing the reported combined Beluga and Sterling Formations gas production back into two separate formations.

None of the reservoir P/Z plots showed evidence of active pressure support or water drive; however there is distinct evidence of water influx (fig. 7). Water influx steepens the

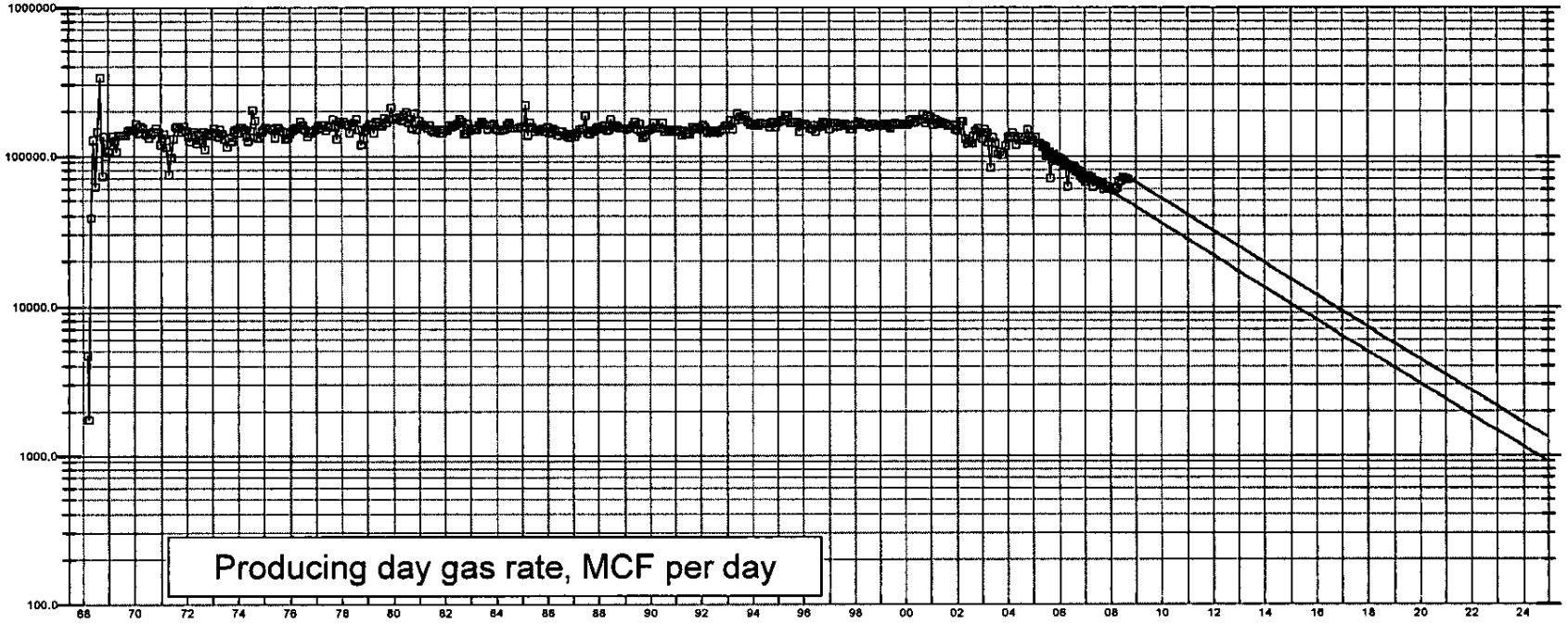


Figure 5. Example of decline curve analysis before and after new wells, North Cook Inlet Unit. Horizontal axis is time (1968-2025), vertical axis is monthly production volume in thousands of cubic feet (MCF). The well-established decline trend from 2004 to 2008 changes as new wells are added (green line versus red line trends). The remaining recoverable gas estimated from each trend will differ.

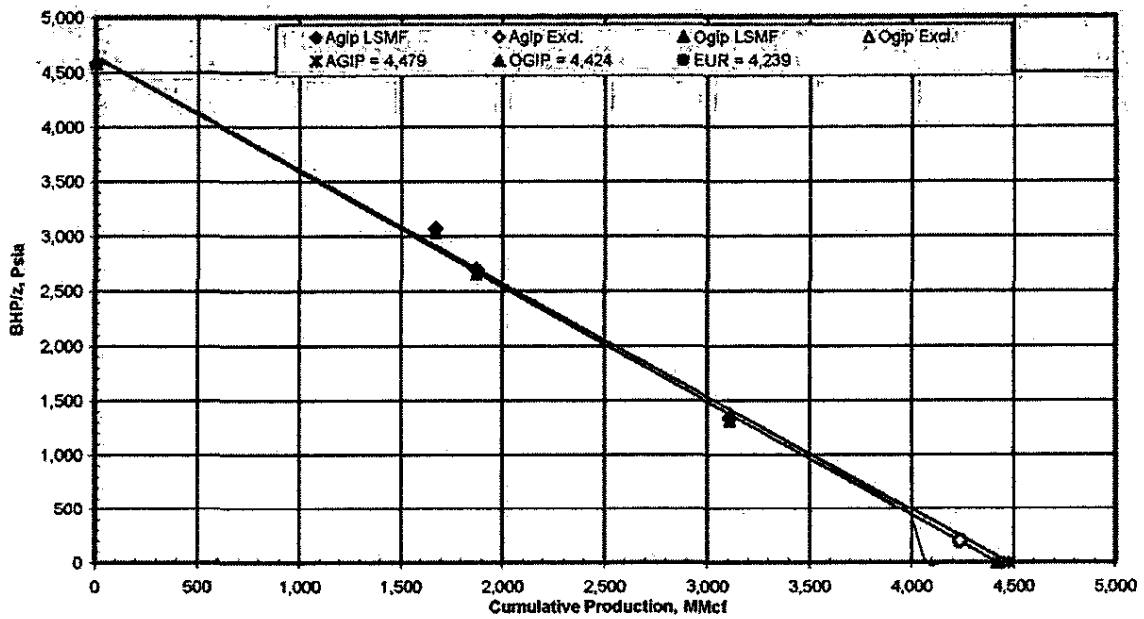


Figure 6. Typical P/Z plot. Vertical axis represents bottom hole pressure divided by Z, a dimensionless factor related to gas density, pressure, and temperature. The horizontal axis is cumulative gas volume produced at the time pressure is measured. Extrapolation of the trend will determine remaining recoverable gas and original gas in place at abandonment and 0 pressure respectively.

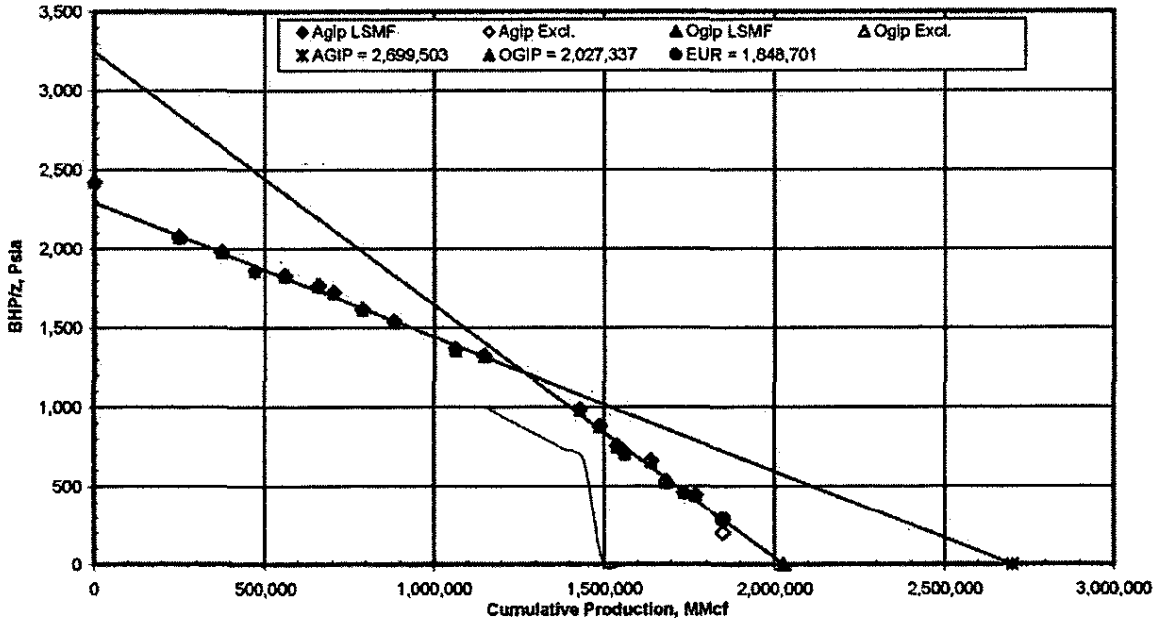


Figure 7. P/Z plot showing water influx and reservoir shrinkage. The initial trend (red line) shows a much higher in-place volume through production to about 1,300 BCF cumulative production. The later trend (green line) shows how water production has caused reservoir hydrocarbon volume to shrink by isolation of water dominated sand intervals or displacement of gas by water. Either way, the effect is reduction of hydrocarbon volume in communication within the reservoir.

slope of the linear P/Z trend. Water influx may trap gas or invade the reservoir space and replace gas, and in many cases, requires the invaded interval to be cemented off, isolating a portion of the reservoir and effectively shrinking the productive pore volume if not accessed by another well up-dip. In the example shown in figure 7, water influx has reduced the volume of gas producible at an assumed abandonment P/Z value of 200 psia by more than 600 BCF. Cases of this type were reviewed to ensure data accuracy and account for water impacts. Generally, the MB trend was either very clear, or it was unusable.

Another issue affecting the MB calculations is the validity and quality of the pressure data reported to AOGCC. The quality of pressure data depends on the type of reservoir and the method used to estimate or measure reservoir pressure. A good understanding of the common geological and engineering attributes of Cook Inlet fields, such as multi-formation pools, complex layering, discontinuous stratigraphic layers, and communication throughout the reservoirs is necessary to properly interpret the pressure data.

Some reservoirs had few points for P/Z analysis or the data were scattered, inconsistent, and subject to unstable measurement caused by insufficient shut-in time. In several cases, the P/Z results had to be disregarded because there was insufficient pressure data, no reasonable trend or the resulting RRG differed significantly from the decline analysis. There are several pools where P/Z showed less original gas-in-place than what had already been produced. Such discrepencies highlight the need for rigorous review and reiteration of MB calculations and further investigation of possible causes for questionable results. Comparison with other methods and inclusion of periphery data is also critical in order to come up with reasonable estimations.

The material balance and decline curve results were compared to look for significant inconsistencies. Analyses were reviewed and material balances or decline analyses for a given unit were repeated to account for obvious discrepancies. In some cases, the process of turning wells on and off over time creates the illusion that a pool's production is declining much slower (that is, the pool has more gas remaining) than shown by analyses of the individual wells in the pool. Although the seasonal swing is evident in a field-level production chart, it is often obscure when looking at charts for individual wells. This can be problematic for wells that do not have a long history trend and the winter to summer swing has a large influence on the decline in relation to the MB. In those cases, all available data were reviewed in order to determine which result should be used. In most instances it was possible to find trends that better suited the data or it was possible to see what caused the problem and come to a reasonable conclusion.

In many cases MB calculated significantly more gas than the DCA; we view this excess as potentially recoverable gas. Judgment and reservoir performance were required in reconciling differences between MB- and DCA-based estimates. In general, where production behavior is predictable and water influx is not an issue, the trends made sense and were used to estimate both remaining recoverable gas and additional potential.

Table 2 provides the results of the DCA forecast and the results of the MB calculations for 28 Cook Inlet gas fields. The difference between MB and DCA remaining recoverable reserves totals 279 BCF at 200 psia abandonment pressure. The difference increases by 120 BCF if estimated at 50 psia abandonment. Although abandonment pressure of 50 psia may be attainable in general, each reservoir must be evaluated for its cost-benefit at abandonment.

Field	Decline Forecast Production, BCF	Material Balance RRG - Decline, BCF	Material Balance or Decline EUR, BCF
Kenai	90	24	2,484
North Cook Inlet	145	47	2,011
Beluga River	377	96	1,622
McArthur River (Grayling gas sands)	113	20	1,509
Ninilchik	62	-	165
Beaver Creek	23	51	279
Kenai (Cannery Loop Unit)	27	18	218
Granite Point	7	2	141
Middle Ground Shoal	2	1	113
Ivan River	4	8	93
Trading Bay	1	-	89
Swanson River	1	-	61
Lewis River	1	9	23
Deep Creek	5	-	19
Stump lake	-	-	16
West Foreland	1	3	15
Sterling	1	-	14
Lone Creek	-	-	7
West Fork	-	-	6
Nicolai Creek	1	-	6
Moquawkie	0	-	4
Kasilof	-	1	4
West McArthur River	0	-	3
Albert Kaloa	-	-	3
Three Mile Creek	0	-	2
Redoubt Shoal	0	-	1
Wolf Lake	-	-	1
Kustatan	0	0	1
Total	863	279	8,910

Table 2. Decline forecast, additional potential remaining recoverable gas identified from material balance analysis, and estimated ultimate recovery for 28 Cook Inlet gas fields. Geologic volumetric analyses were prepared for the four large fields (shaded) at top of list.

The MB-DCA difference represents gas that is in communication with the current completions in a reservoir. Conceptually, MB estimates greater than DCA estimates suggest that the reservoir is not producing at its maximum capacity. Investment may be required to access the potential gas reserve additions in the form of well stimulations, installation of compression, re-drills, or other activities to improve reservoir performance.

Large Field Reserves Growth

We calculated a time series of estimated ultimate recovery (EUR) for the 28 gas fields by adding cumulative production to RRG at each interval. Tracking EUR over time is useful for observing the effect of development as a reservoir matures. Early EUR estimates are typically conservative and often increase as development progresses and more of the in-place gas resource moves to the producible reserves category. Progressive reservoir development is the rule in markets such as the Cook Inlet that can only absorb a fixed amount of gas per year. The four largest reservoirs (Kenai, Beluga River, North Cook Inlet, and the McArthur River Grayling gas sands) demonstrate this reserves growth in the EUR progression.

A review of past DCA forecasts and MB estimates (sources: DOG Annual Reports–1994, 1999, 2003, 2007, and 2009 internal estimates) showed significant growth in the last 10 years. Figure 8 is a chart showing the EUR at various stages of development since 1993. Comparison of EUR at various dates indicated reserves in three of the largest fields (Kenai, Beluga River and McArthur River Grayling gas sands reservoir) grew by more than 770 BCF; however the North Cook Inlet field appeared to decrease by about 360 BCF. It will be critical to further assess the reason for this decline. The reserves growth in all the other fields can be attributed to 42 new and redrilled wells during the period, and additional perforation and stimulation activity. The apparent decrease at North Cook Inlet may be caused by water influx and cementing off a number of intervals, effectively reducing the reservoir volume, but it is unclear with the currently available data. The EUR calculations demonstrate that even in mature fields such as Kenai, significant reserve growth is still possible after 30-40 years of production with diligent and systematic well work.

Deliverability at the Well and Reservoir Scale

In the following discussion, "deliverability" is used in the strict engineering sense of the term, which refers to the gas production capabilities of a well, or in some cases, production capabilities at the reservoir scale (for example, Lee, 2007, p. 840). This discussion does not address the much broader set of commercial and infrastructure factors that determine the ability of the entire Cook Inlet gas production and distribution network to provide gas to the end user. Determining deliverability at the well and reservoir scale is, nonetheless, a key part of predicting the overall system's ability to satisfy peak demand.

Past and present well or reservoir deliverability. One analysis method used to mitigate decline forecast shortcomings is accurate measurement and forecasting of daily well rates on a periodic basis. This can be done with real time data, or by converting monthly data to daily figures in order to calculate producing day (PD) well rate. The most accurate PD data are production rate measurements taken on a daily basis along with producing pressure and temperature. Unfortunately, the Division of Oil and Gas does not have daily data and can

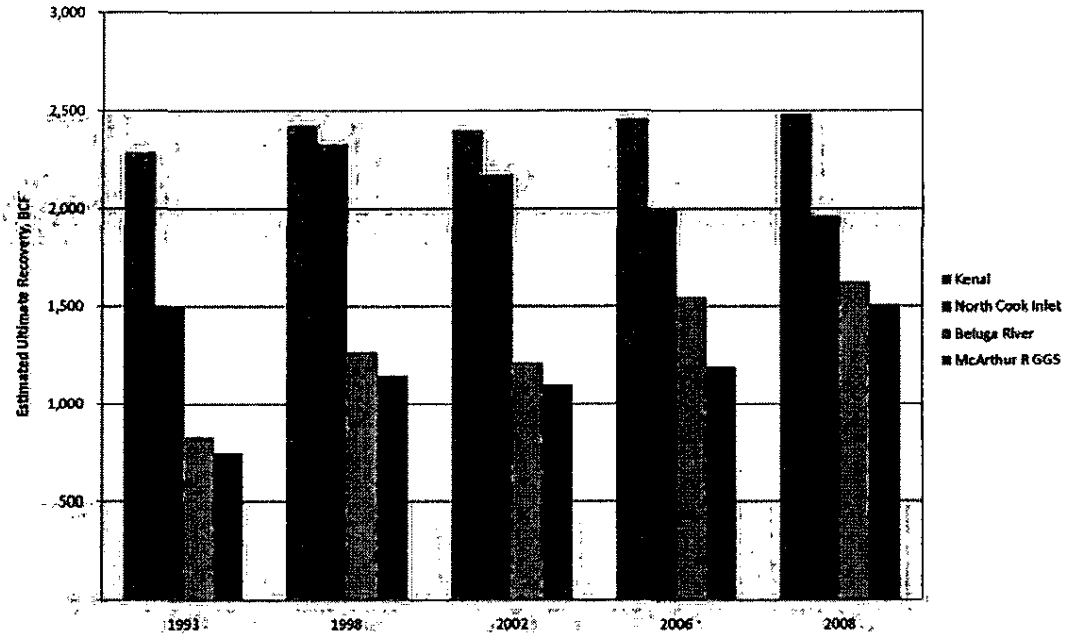


Figure 8. Reserves growth in Cook Inlet's largest gas fields, 1993-2008.

only estimate an average maximum daily rate on a monthly basis. The result is a smoothed rate profile that does not reflect the daily to weekly peaks and lows corresponding to short term demand swings.

Evaluating past well or reservoir deliverability estimates gives a hint of the relationship between average annual gas rate from DCA and peak PD gas rate from monthly volumes and producing day data. Calculations were based on a summation of producing day rates for each gas well by month (initially excluding storage production rate). A producing day rate derived from monthly data is still useful in estimating deliverability, but it smoothes through the extremes that would be evident in real time data. As an example, a well that produced 20, 10, and 5 MMCF/day for three days would average 11.7 MMCF/day over that period, which is some 40 percent below the actual peak. Given that limitation, there is still a significant swing between winter and summer PD rates when compared to annual average production rate. The peak PD rate has two components, the normal gas PD rate and the storage PD rate. Figure 9 compares the average annual rate to PD rates with and without storage from 1995 to present.

The ability to meet peak demand with real-time production has significantly diminished in the last decade because reservoir pressure has declined, water influx has increased, and not enough wells were drilled to replace reserves and maintain redundancy for peak rate capacity. Nevertheless, well workovers, additional wells, and compression have been slowly added in an attempt to meet the high-swing local demand. However, drilling high-cost wells and installing expensive new equipment to meet momentary demand spikes is economically challenging. As a result, gas storage in depleted reservoirs will become an important part of the deliverability portfolio that provides for peak capacity. In the past,

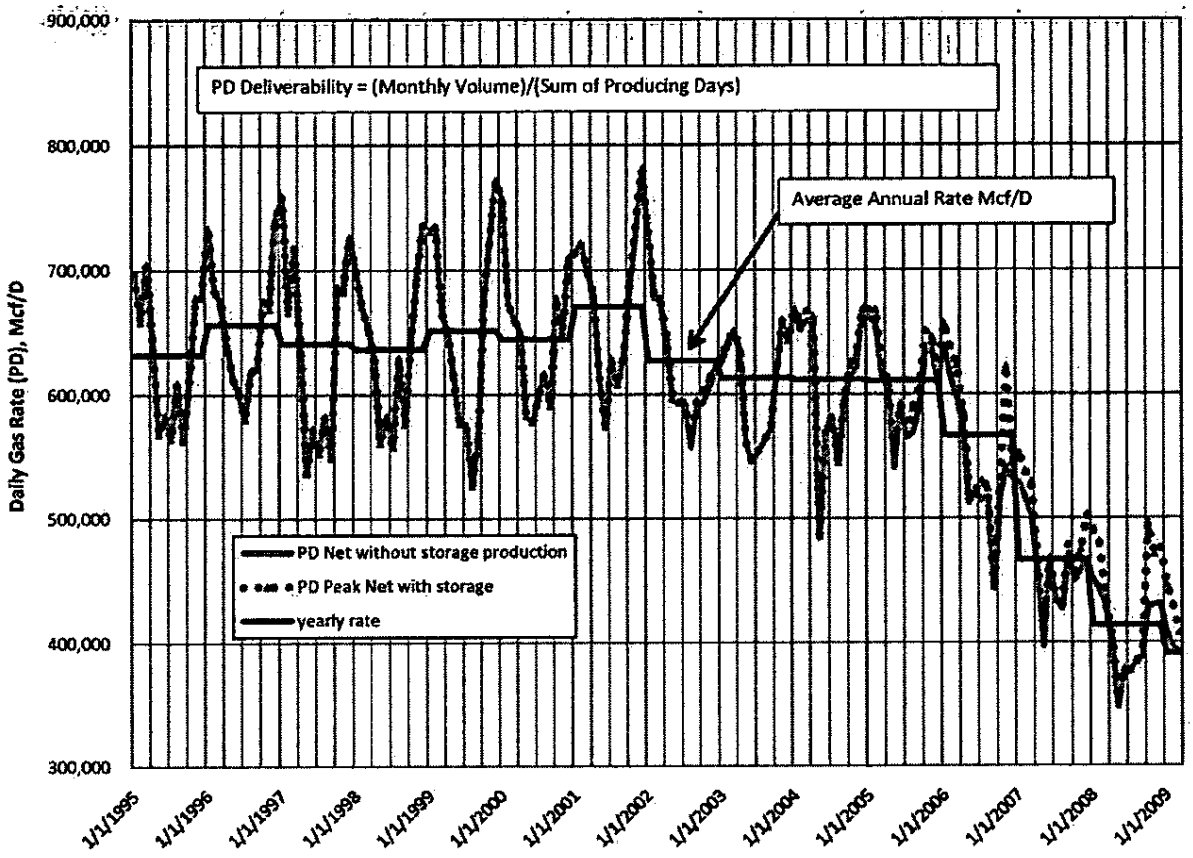


Figure 9. Producing day (PD) deliverability with and without storage, based on monthly volumes.

there was significant production capacity that lay idle during the summer months even with the fertilizer and LNG plants online. A strong seasonal swing is evident in the production histories of major fields such as BRU and NCIU, but it has diminished noticeably in recent years even though the fertilizer plant has been shut down and the LNG plant is not operating at maximum capacity. Field operators are now much closer to producing at or near apparent capacity year round. Like many other gas distribution systems, storage will emerge as a key feature necessary to meet peak demands during extreme weather periods.

As the annual production rate decreases, and producers store more gas during low demand periods, the ability to forecast excess capacity will become more complicated because storage rates are highly dependent on instantaneous demand and on the amount of gas in storage. Steps that could be taken toward meeting peak demand include adding new wells, investing in rate-sustaining work, stimulating productivity, adding compression to maintain production at lower reservoir pressures, and developing more storage capacity. All these options increase production costs and ultimately, the price needed for the commodity.

Predicting future well or reservoir deliverability. Extrapolation of maximum PD (producing day) rate data assumes that a well or reservoir can meet that maximum, at least on a periodic basis. The importance of a maximum

deliverability forecast is to estimate the ability to meet peak demand on those days when temperatures are very low and gas demand is very high. Figure 10 shows the method of estimating maximum PD rate for a pool by selecting peaks and forecasting into the future. This was done for each pool in the Cook Inlet basin then summed to provide a forecast.

Figure 11 shows the PD deliverability forecast results compared to average annual rate from DCA. The forecast peak PD deliverability is higher than average annual rate; however, peak deliverability can only be sustained for a relatively short period. The PD deliverability analysis can be done well-by-well or collectively on a reservoir basis. Regardless of method, the maximum PD rate forecast is only an estimate and may be influenced by the same events that affect decline curve analysis. This method yields a more representative estimate of future peak production rate (PD deliverability) than an annual average rate derived from decline curve analysis.

An additional challenge to predicting future deliverability is the complex geology. Cook Inlet's reservoirs are challenging to evaluate because of the discontinuous fluvial sand bodies, especially in the Beluga and Tyonek Formations. The Sterling Formation contains thicker sand packages that tend to be in pressure communication. In the Beluga and Tyonek reservoir section, new drilling has added deliverability and captured previously stranded gas reserves by a combination of in-fill drilling and adding perforations in existing wells. Clearly, more drilling and well work will be required to develop enough deliverability to meet peak demand swings in the coming years.

As a rule, the Cook Inlet reserves and annual production forecast have not really changed much from forecast to forecast. The major uncertainty lies within deliverability to meet daily and peak demand. To fully understand maiximum PD rate to meet daily and peak demand, more detailed and up-to-date production data is critical. The ability to analyze daily production numbers from all producing zones would indicate which wells and reservoirs are able to respond during demand spikes caused by extreme low temperatures.

GEOLOGICAL ESTIMATES

The geologic portion of this reserves study focused on four producing gas fields in Cook Inlet: Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands). A deterministic log- and grid-based approach was used to analyze and map pay and potential pay thickness for numerous producing horizons and to calculate original gas-in-place (OGIP) volumes within these fields. Publicly available production data from the AOGCC were used to determine recovery factors for these four fields. The recovery factor fraction was then multiplied by the mapped OGIP to calculate the geologic estimates of original reserves for each of the four fields. Subtracting the cumulative production from each field yielded our geologic estimates of remaining reserves. The following discussion details the process used in the geologic analyses conducted for this project.

Data Sources

Much of the data used in this evaluation is publicly available from the AOGCC. Confidential data the Division of Oil and Gas receives for Unit Plans of Development were also used to augment the AOGCC data set. Information from the geological literature regarding fluvial depositional systems in Cook Inlet and elsewhere helped inform sound well log correlations and was useful in petrophysi-

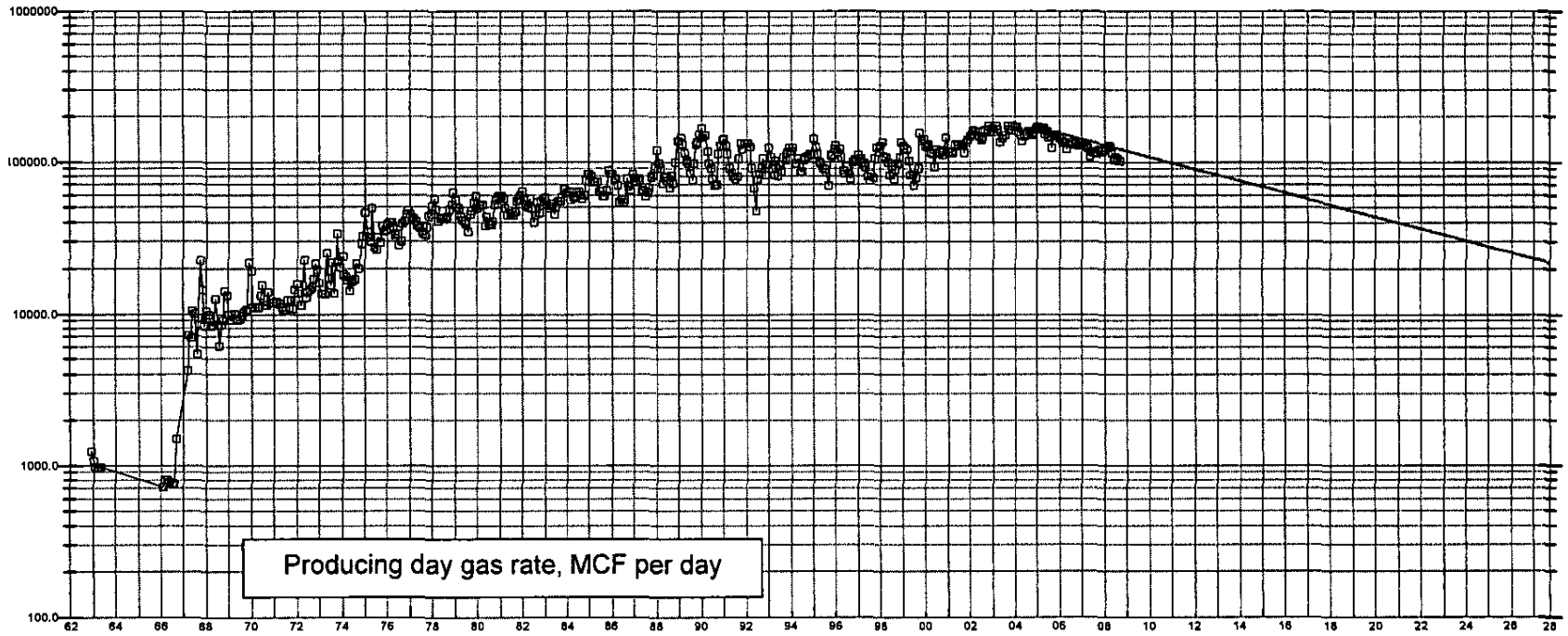


Figure 10. Example of peak deliverability forecast for a pool. Horizontal axis is time (1962-2028); vertical axis is producing day gas rate (MCF/day). Extrapolation is based on maximum PD rate only.

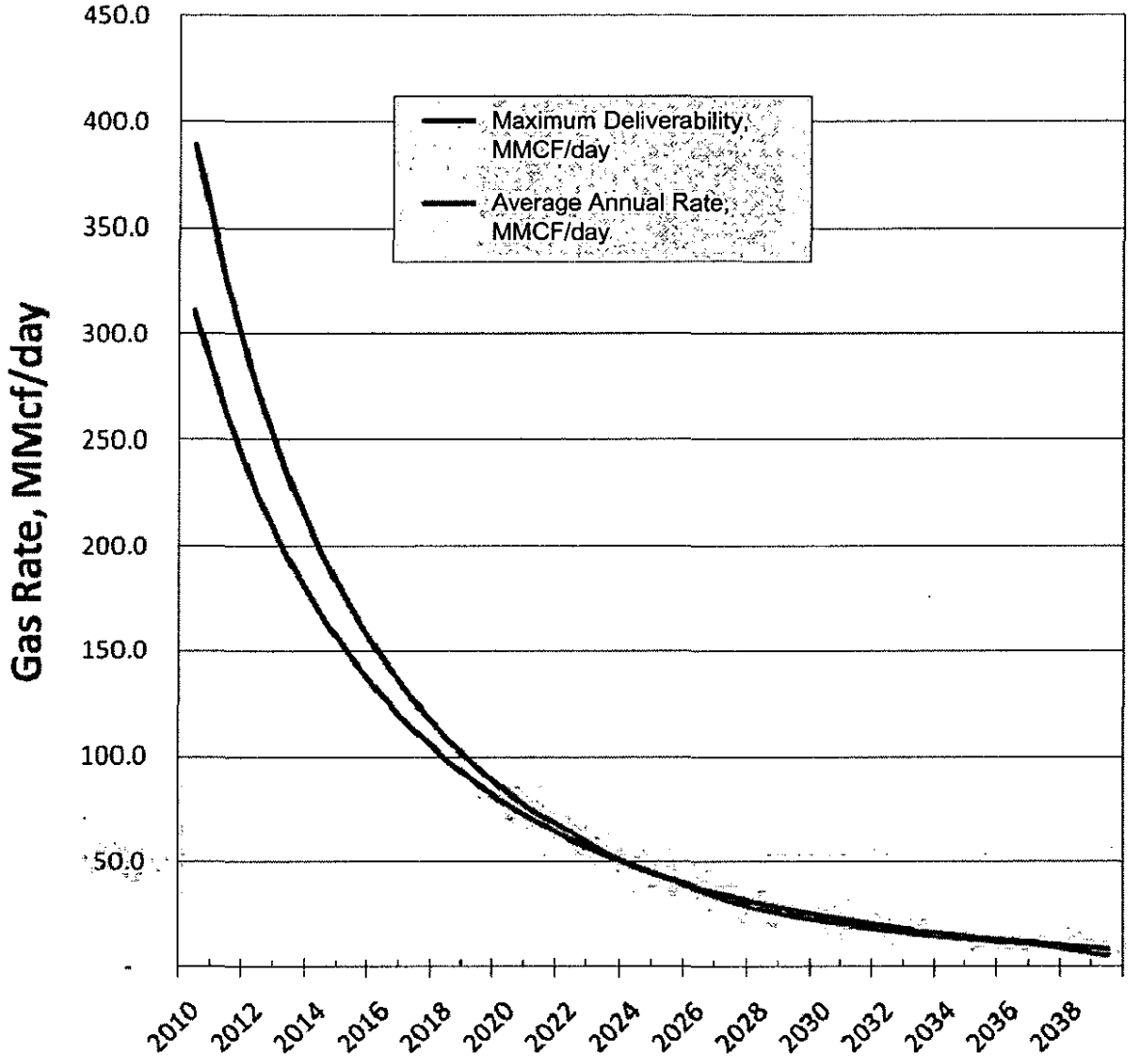


Figure 11. Peak maximum producing day deliverability compared to average annual rate from decline curve analysis.

cal interpretation (e.g., Bridge and Tye, 2000; Flores and Stricker, 1991; LePain and others, 2008).

The dataset collected and analyzed for this geologic evaluation consists of digital petrophysical well logs and directional well surveys; geologic formation tops; confidential and non-confidential structural surfaces (grids) and faults; details of well drill stem tests, perforations, reservoir and flowing pressures; gas compositional analyses; fluid contact depths; and core-based porosity, permeability, grain density, and saturation data.

Data Rendering

The data rendering process began with loading all the above data into databases used with our interpretation and mapping software

(Landmark GeoGraphix). Digital petrophysical well log data, directional well surveys, perforations, completion intervals, and drill stem test data were critical data sets that were interpreted together from the beginning stages. Most petrophysical well log suites in Cook Inlet wells contain data for spontaneous potential (SP), gamma ray, deep-, medium-, and shallow-measurement resistivity, and some combination of porosity logs such as density, neutron, and/or sonic transit time data.

After loading and interpreting the data mentioned above, criteria were established for identifying and flagging basic lithofacies (rock types). We flagged non-pay lithofacies (coal and shale) and focused attention on lithofacies that contain pay and potential pay (sandstone, argillaceous sandstone, and sandy siltstones). Coals were flagged as having a bulk density log response less than or equal to 1.9 g/cm^3 and a neutron porosity log response greater than 45 percent. Rare, very pure claystone intervals were selected to define a shale baseline on the SP log.

Pay Evaluation and Identification

We based our pay criteria on log character, mud log data, drill stem test data, and/or completion reports that identify sandstone intervals as having flowed gas with a rate that resulted in the sandstone being completed as a gas-producing interval. Two different categories were created in GeoGraphix using interval picks: PAY and Potential_Pay. These two interval picks were interpreted for each production zone (major subdivision of the reservoir formation, for example Sterling A) in all wells with a petrophysical well log suite (Figure 12). The breakout of zones varies from field to field, based on the variable characteristics of the Tyonek, Beluga, and Sterling reservoirs in different parts of the basin.

Intervals identified as PAY have the following characteristics:

a) Sandstone intervals that were completed after drilling and logging that either produced or are currently producing gas. These sandstones exhibit elevated deep resistivity relative to down-dip wet sandstones of the same producing horizon, as well as an SP shift off the shale baseline, plus sonic-neutron or neutron-density cross-over, or a decrease in sonic travel time (slower than the travel time in shales or wet sandstones).

b) Some unperforated sandstone intervals were identified as PAY if they could be reasonably correlated to sandstones perforated and producing in recent wells, or perforated as 'by-passed pay' in older wells that have been worked over.

c) Some unperforated sandstone intervals were identified as PAY if the log response was very similar to a perforated gas interval in the same well.

Potential_Pay was picked in intervals that have the following characteristics:

a) Sandstones that were perforated and flowed only minor gas; flowed minor gas with water during testing; thin sandstones comingled during a drill-stem-test; or stacked perforated intervals where gas was present and produced, but it was unclear which sandstones were productive. In most of these cases, gas production was accompanied by water that may have been coming from one or more of the producing horizons.

b) Sandstones in which indications of free gas (shows) on well logs are not as robust as in the PAY sandstones, but generally have elevated resistivity along with a lesser degree of gas response (cross-

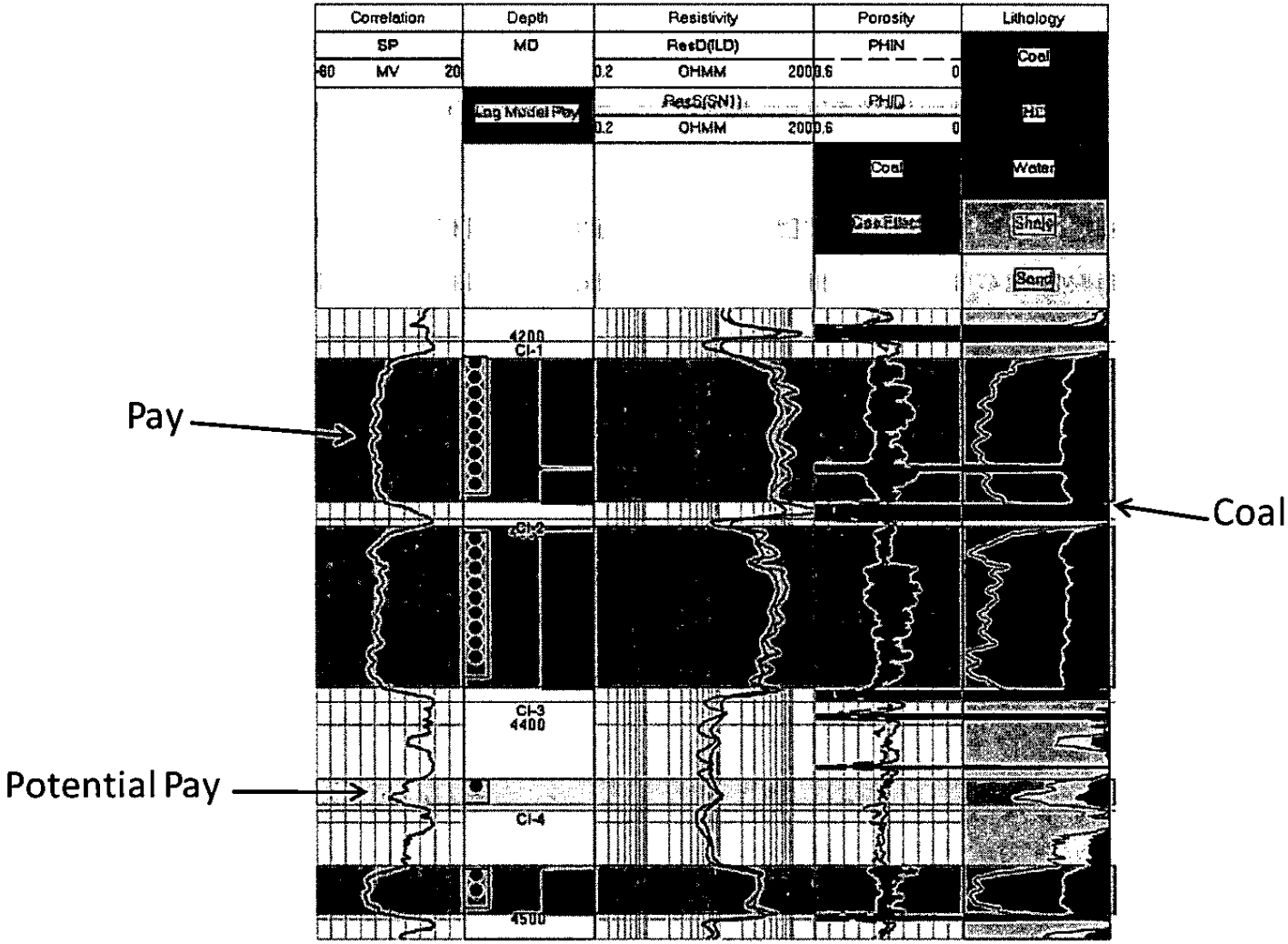


Figure 12. Well log example illustrating PAY (green) and Potential_Pay (yellow). Coal (black) is flagged as non-pay at right. Perforated intervals are shown in the depth track as black vertical dots. CI-1, CI-2, CI-3 and CI-4 are examples of zone picks in which Pay and Potential Pay were summed for each well. Petrophysical logs are noted in the log header. Depth is measured depth feet.

over or convergence) on sonic-neutron or neutron-density porosity log suites.

In addition to the PAY and Potential_Pay criteria described above, we gained information through preliminary petrophysical analysis of well log suites to calculate shale volume (Vsh), porosity, water and hydrocarbon saturations in the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. Saturation analysis is highly dependent on the resistivity of the connate water (Rw) found in a sandstone interval. Given that Rw varies significantly across short distances in Cook Inlet sandstones, we did not rely on petrophysical analysis for this study. Rather, the log-based analyses helped to validate our PAY and Potential_Pay intervals identified using the criteria described above.

PAY category sandstones were color-coded green and Potential_Pay intervals were color-coded yellow on all log displays and well cross-sections. Figure 12 illustrates a typical example of the difference between the pay categories (compare the log responses in the thin, Potential_Pay sandstone at 4,430 feet measured depth relative to that in the PAY sandstone at 4,250 feet measured depth). Interbedded coals are flagged and colored black. All sandstones were evaluated and categorized as PAY, Potential_Pay, or non-pay (ignored). PAY in each well was summed in true vertical depth feet (TVD) for each zone. This cumulative sum, gross TVD feet of PAY, was stored by zone for each well as an attribute labeled PAY using the Zone Manager application in GeoGraphix. The same process was followed for summing gross TVD feet of Potential_Pay for each zone in each well.

Mapping Procedure

The digital mapping process was executed in GeoGraphix using gridding, contouring, and database tools of the GeoAtlas and Zone Manager applications. Thickness (isopach) grids of reservoir zones were made from well control by subtracting the depth of the tops of successive zones from each other and contouring them using a standard gridding algorithm (minimum curvature) to obtain gross zone thickness.

Subsea depth structure grids were prepared next, representing the top surface of each zone. This was accomplished by starting at the top of the reservoir interval and progressively subtracting the underlying isopach grid to generate the next deeper structure map. This process was continued downward throughout the zones of interest in each field. Each structure map generated this way was checked for accuracy by plotting it with zonal tops to assess surface accuracy.

Isopach grids of PAY and Potential_Pay were generated for each zone from the gross values stored in the system as described above, taking steps to limit these grids to the productive area of each zone. An example of the zonal data is shown in Table 3, representing the Beluga D zone at the Beluga River Unit. In order to limit the aerial distribution of PAY and Potential_Pay thickness grids, well logs and well history files were examined for evidence of gas-water contacts. Because numerous producing horizons do not have known gas-water contacts, the completion reports, drill stem test reports and gas mudlog readings were consulted to pick the lowest known gas (LKG) and highest known water (HKW) depths in TVD subsea for each zone. The differences between HKW and LKG depths are highly variable, sometimes differing by hundreds of feet. In most cases, we assumed an approximate gas-water contact at the midpoint depth between HKW and LKG, and clipped the Gross Pay and Gross Potential_Pay mapping grids for each zone at the intersection of the midpoint depth with the zone's top struc-

WELL NAME	OPERATOR	X	Y	MD	Isopach	Pay-TVD	PHID_PAY	Poten. PAY	PHID_Poten.PAY
BELUGA RIV UNIT - 232-04	CON-PHIL	1453670.71	2617713.76	3668.23	267	42.45		0.00	
BELUGA RIV UNIT - 14-19	SOCAL	1469252.37	2630676.94	4072.31	238	0.00		0.00	
BELUGA RIV UNIT - 212-25	CON-PHIL	1463881.80	2628088.88	3792.97	240	22.13		32.19	
BELUGA RIV UNIT - 233-27	CON-PHIL	1455964.58	2626745.47	3600.97	253	54.03		12.09	
BELUGA RIV UNIT - 212-35	CON-PHIL	1458547.40	2623360.19	3608.01	262	78.57		0.00	
BELUGA RIV UNIT - 244-04	CON-PHIL	1454192.95	2615830.39	3841.41	271	35.13	0.340	26.39	0.277
BELUGA RIV UNIT - 244-04A	SOCAL	1453475.72	2616177.84						
BELUGA RIV UNIT - 244-04PB1	PHILLIPS								
BELUGA RIV UNIT - 212-24	CON-PHIL	1463415.18	2633391.25	3762.68	258	45.53	0.299	31.87	0.342
BELUGA RIV UNIT - 241-34	CON-PHIL	1456544.42	2624038.94	3504.45	248	74.18	0.278	0.00	
BELUGA RIV UNIT - 224-13	CON-PHIL	1465607.22	2636369.71	3862.50	260	14.29	0.243	24.18	0.244
BELUGA RIV UNIT - 212-18	CON-PHIL	1468825.92	2638790.93	4009.47	256	21.98	0.254	19.78	0.281
BELUGA RIV UNIT - 221-23	CON-PHIL	1459932.22	2635193.02	3968.75	250	10.44	0.289	34.92	0.261
PRETTY CK UNIT - 1	UNOCAL	1476389.50	2640608.61	6146.56	238				
BELUGA RIV UNIT - 214-35	CON-PHIL	1458875.02	2619748.65	4608.98	277		0.285	37.26	
BELUGA RIV UNIT - 232-09	CON-PHIL	1453474.27	2612394.57	4724.05	263		0.371	25.87	
BELUGA RIV UNIT - 224-23	CON-PHIL	1460281.13	2631381.66	3713.11	254	46.14	0.371	32.41	0.248
BELUGA RIV UNIT - 232-26	CON-PHIL	1461058.61	2628988.30	4241.75	263	88.30	0.311	0.00	
BELUGA RIV UNIT - BRWD-1	CON-PHIL	1468564.59	2638657.81						
BELUGA RIV UNIT - 211-03	CON-PHIL	1455836.02	2619446.55	3637.35	272	18.97	0.284	38.44	0.331
BELUGA RIV UNIT - 224-34	CON-PHIL	1454658.34	2620478.62	3856.08	258	34.53	0.354	12.97	0.406
BELUGA RIV UNIT - 214-26	CON-PHIL	1459015.00	2626123.13	3685.74	258	50.81	0.350	0.00	
BELUGA RIV UNIT - 214-26PB1	CON-PHIL	1458268.00	2625840.43						
BELUGA RIV UNIT - 212-35T	CON-PHIL	1458158.88	2622934.28	3714.46	257	41.01	0.329	12.41	0.347
N BELUGA - 1	PELICAN HILL	1466801.82	2642345.87	4246.66	269	0.00		0.00	
SUM <None>	<None>	<None>	<None>		<None>	<None>	<None>	<None>	<None>
MAX		1476389.50	2642345.87	6146.56	277	88.30	0.371	38.44	0.406
MIN Null	Null	1453474.27	2612394.57	3504.45	238	0.00	0.243	0.00	0.244
Stnd Dev		6055.81	8840.30	573.68	11	26.35	0.042	14.95	0.055

BLUGD

Table 3. An example of zonal data for the Beluga D zone at Beluga River Unit. Zone picks were made by DNR staff. PAY and Potential_Pay were picked for each zone in each well according to criteria discussed in the text. If the well had a density porosity curve, the average density porosity was calculated within PAY and Potential_Pay intervals for that zone. Blanks appear in the table where necessary well logs were not available over the Beluga D zone.

ture surface. In reality, PAY and Potential _Pay are distributed throughout each zone, whereas in our model, they are assumed to be stacked at the top of the zone, just below the structural surface that was clipped with the approximate fluid contact. Figure 13 is an example of one zonal gross PAY map. Because there are hundreds of individual Sterling, Beluga and Tyonek Formation sandstones, it was not possible to structurally clip each individual pay interval with a LKG or HKW contact in the time frame allotted for this project.

Original Gas-in-Place and Initial Reserves

We used the following equations to calculate original gas-in-place in standard cubic feet:

OGIP = 43,560 (gross pay volume) (N:G) (1-Sw) (Ø) / Bgi,
and
Bgi = 0.02829 (Z) (T) / (P)

where gross pay volume refers to the volume of gross Pay or Potential_Pay sandstone in acre-feet, N:G is the net-to-gross ratio within the gross Pay or Potential_Pay intervals, Sw is fractional water saturation, Ø is decimal porosity, Bgi is initial gas formation volume factor, Z is a gas compressibility factor, T is temperature in degrees Rankine, and P is pressure in psia. The density log was used to determine porosity. Porosity was averaged for the pay intervals by using the PAY interval as a discriminator curve and calculating the average density porosity in PAY for each zone. This value was then gridded using the same minimum curvature algorithm and grid increment as the PAY isopach. The average porosity and

Figure 13. Example of zonal gross pay isopach map, McArthur River field Grayling gas sands.

pay isopach grids were multiplied together to create a grid of bulk pore volume contained in intervals considered as PAY. Further multiplication times the net-to-gross ratio yielded net pore volume. The same process was used to determine net pore volume in intervals counted as Potential_Pay.

Because of the inherent problems with determining water saturation in the Cook Inlet basin discussed above, we used water saturation values provided in the AOGCC annual pool reports. Reservoir pressure and the gas compressibility factor were all calculated on a zonal basis depending on temperature and subsea depth at the midpoint of the zone. There were no AOGCC pool reports for the Ninilchik Unit. For that field, we assumed 40 percent water saturation; this figure is likely pessimistic, which will lead to conservative gas reserve estimates.

Overall recovery factors were calculated for each of the four fields studied, based on production and test data. Because most individual sandstones within the Sterling and Beluga Formations have different recovery factors, a range of recovery factors is presented in Appendices 1-4. Recovery factors were decreased for zones with lower permeability based on downhole permeability measurements or calculated from porosity-permeability transforms. The recovery factors were then applied to the mapped original gas-in-place (OGIP) volumes to calculate initial recoverable gas in place (RGIP).

Table 4 presents one deterministic case of the geologically estimated reserves calculated for the four fields studied: Beluga River, Ninilchik, North Cook Inlet, and McArthur River Grayling gas sands. Values are reported in billions of cubic feet (BCF) of gas. Calculations are presented for the PAY, Potential_Pay (risked at 50 percent), and the sum of PAY + 50 percent-risked Potential_Pay in the first three columns. The next three columns present initial recoverable gas-in-place (RGIP) for those three categories. The next column lists the projected cumulative production through 12/31/2009 for each field, based on AOGCC data. The last two columns represent the calculated remaining reserves for the PAY and PAY + 50 percent-risked Potential_Pay categories, calculated by subtracting the cumulative production from the RGIP. Each column contains a total for the sum of the four fields. The sum of the reserves in the PAY category for the four fields is 1,213 BCF of gas. The sum of the reserves in the PAY + 50 percent-risked Potential_Pay is 1,856 BCF of gas. The chart demonstrates that a high percentage of remaining reserves calculated from geological techniques reside in the more certain PAY category and less in the Potential_Pay category. However, risking the Potential_Pay resources at 50 percent yields additional upside potential of 643 BCF.

Multiple deterministic cases could be considered. Appendices 1 through 4 present Potential_Pay calculations risked at 10 and 90 percent confidence levels.

EXPLORATION POTENTIAL OF COOK INLET BASIN

Leads – Discovered Undeveloped and Undiscovered Resources

Within the Cook Inlet region, there are several areas where publicly available geologic data, geophysical data, or reports indicate potential for discovered but undeveloped gas accumulations. A number of other areas are identified to have elevated prospectivity for undiscovered accumulations. This discussion briefly describes a list of exploration candidates or leads that have been actively pursued by industry in the past. The list discussed below is by no means comprehensive, nor all en-

Field	OGIP (BCF)			** RGIP = OGIP x RF (BCF)			Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)	
	PAY only	50%-risked Potential_Pay only	Total, PAY + 50%-risked Potential_PAY	PAY only	50%-risked Potential_Pay only	Total, PAY + 50%-risked Potential_PAY		PAY only	Total, PAY + 50%-risked Potential_Pay
Beluga River	2,137	592	2,729	1,856	342	2,198	1,150	706	1,049
Ninilchik	182	167	349	164	117	280	104	60	177
North Cook Inlet	2,300	211	2,511	2,060	151	2,211	1,818	242	393
McArthur River	1,757	41	1,798	1,581	33	1,614	1,376	205	237
Totals	6,376	1,011	7,386	5,661	643	6,304	4,448	1,213	1,856

*** RGIP = initial recoverable gas-in-place = OGIP x Recovery Factor. Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

Table 4. Geologic estimates of original gas-in-place, original recoverable gas, and year-end 2009 reserves remaining in four Cook Inlet gas fields.

compassing for the basin. These opportunities are grouped into onshore and offshore areas. It is important to note that there is a significant amount of ongoing work, in both the industry and government sectors, to identify exploration opportunities for future activity and reserves additions. The Division of Oil and Gas is currently collaborating with the Division of Geological & Geophysical Surveys in this effort in order to facilitate exploration for oil and gas in the next decade.

Onshore areas. It is estimated that identified potential candidates located onshore might yield between 40 and 120 BCF of recoverable gas (in aggregate). They are associated with identified anticlinal trends and most have at least one well that penetrates the lead, is adjacent to it, or can be projected along structural trend. The candidates described below are all located on the east side of Cook Inlet, and are listed from north to south (fig. 1).

1) Point Possession lead – lightly explored anticline trend within the within the Kenai National Wildlife Refuge, roughly along the same general trend as Sunrise lead.

2) Birch Hill structure - faulted anticline closure on-trend with Swanson River field. The reservoir is in the Tyonek Formation. Chevron is currently moving toward development.

3) Sunrise lead - lightly explored anticline trend. Marathon has acquired 2D seismic data, and has plans to drill in the winter of 2009-2010 on CIRI land within the Kenai National Wildlife Refuge.

4) Cohoe Unit – potential faulted trend down plunge from Kenai Field anticline. Potential reservoirs in the Beluga and Tyonek Formations.

5) North Ninilchik structure - faulted anticline closure down plunge from Ninilchik Unit. Potential reservoirs in the Beluga and Tyonek Formations.

6) Nikolaevsk unit - faulted anticline closure on-trend with North Fork field. Potential in the Tyonek Formation.

Offshore areas. The candidates identified below lie in state waters and it is estimated that they might yield between 100 and 400 BCF of gas (in aggregate). The majority of these candidates are associated with identified anticlinal trends and, as with the onshore plays, they have at least one well that penetrates the lead, is adjacent to it, or can be projected along structural trend. They are described generally from north to south (fig. 1).

7) North Cook Inlet Field – faulted struc-

tural nose north of the existing field. Potential reservoirs in the Beluga and Tyonek Formations.

8) Corsair (SRS) structure - faulted anticline closure. Potential reservoirs in the Sterling, Beluga and Tyonek Formations.

9) North of Middle Ground Shoal - faulted anticline trend. Potential reservoirs in the Beluga and Tyonek Formations.

10) North Redoubt - faulted structural nose up-dip from the Redoubt field. Potential reservoirs in the Sterling, Beluga and Tyonek Formations.

11) Kasilof structure – faulted anticline closure north of Ninilchik field. Potential reservoirs in the Beluga and Tyonek Formations.

12) Cosmopolitan structure - faulted anticline closure. Potential in shallow reservoirs in the Tyonek Formation.

13) South Diamond Gulch structure - faulted anticline trend within Kachemak Bay. Potential reservoirs in the Tyonek Formation.

Quantitative Assessments of Undiscovered Technically Recoverable Resources

Federal agencies are tasked with the lead responsibility for publishing estimates of undiscovered technically recoverable resources for all parts of the United States, including the Cook Inlet basin. The U.S. Geological Survey assesses the potential onshore and in state-managed waters, whereas the Minerals Management Service analyzes potential in federally-managed waters of the Outer Continental Shelf (OCS). In all cases, these agencies address the inherent uncertainty of such assessments by creating probability distributions that describe a wide range of possible values. A probabilistic estimate is best described by its mean value (expected case) accompanied by specific fractiles of its distribution, such as the F95 value (lowside case, with a 95% probability that the actual volume is greater) and the F5 value (upside case, with only a 5% chance that the actual volume is greater). The results of the most recent assessment encompassing the upper Cook Inlet producing region are presented in Table 5 (compiled from Gautier and others, 1996). These estimates will be updated in an ongoing USGS resource assessment specific to the Cook Inlet region, prepared in cooperation with the Alaska Division of Geological & Geophysical Surveys

Assessed Play and Undiscovered Resource	**Oil, MMSTB** (million stock tank barrels)			**Gas, BCF** (billion cubic feet)		
	F95	*Mean*	*F5*	*F95*	*Mean*	*F5*
Hemlock-Tyonek play Oil & Associated gas	43	647	1,337	43	647	1,337
Beluga-Sterling play NGL & Non-associated gas	0	0	0	42	738	1,923
Late Mesozoic oil play	Play was assigned a 9% chance of hosting at least one accumulation; resource volumes not quantitatively assessed.					

Table 5. Federal estimates of undiscovered technically recoverable conventional oil and gas resources of the upper Cook Inlet region (after Gautier and others, 1996).

and Alaska Division of Oil and Gas, with expected publication in late 2010.

A more recent study conducted on contract to the U.S. Department of Energy considered potential undiscovered resources using a different statistical approach as part of a larger study of natural gas supply and demand in the Cook Inlet region (Thomas and others, 2004). Noting that the distribution of field sizes within the basin does not conform to the expected lognormal state, this study estimated that there may be 13 to 17 trillion cubic feet of conventionally recoverable gas remaining to be discovered, largely in stratigraphic or combination structural traps.

Impediments to Future Exploration

There are several issues that may hamper future exploration, both in terms of further developing some of the areas with known potential described above, as well as making new discoveries in lightly explored areas. Some of the concerns are of a commercial nature, and others involve restrictions on surface access to prospective areas. Comprehensive exploration efforts in the Cook Inlet, like any area in the US, will require patience and diligence from all stakeholders in order to reduce exploration and operating costs, provide access to critical data, and provide access to surface acreage in areas of high resource potential, but sensitive wildlife habitat. All these issues must be addressed in a collaborative stakeholder effort if the Cook Inlet region is to maintain an economically and environmentally sound industry.

COMBINED ENGINEERING AND GEOLOGIC ANALYSES

The various engineering and geologic analyses of this study yield a wide range of estimated remaining reserves. Table 1 compares four different reserve estimates derived for the four fields emphasized in this study, based on 1) decline curve analysis, 2) material balance analysis, 3) the geologic estimate that includes only reserves in the PAY category, and 4) the geologic estimate that includes reserves of the PAY category plus 50 percent of the volume in the Potential_Pay category. Note that these analyses are not intended to represent any particular fractiles of a statistical distribution; for example, we do not consider them to represent F95-F50-F5 reserve values. The following discussion describes Table 1 in detail.

The most conservative estimate of reserves is based on decline curve analysis alone, which estimates a total of 697 BCF proved, developed, producing reserves remaining in the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. Decline curve analysis also identifies 166 BCF of proved, developed, producing reserves remaining in the other 24 fields, for a basin-wide total of 863 BCF. Material balance analysis identifies an additional 163 BCF of probable reserves in just the four large fields, yielding a total of 860 BCF proved and probable reserves remaining there. In the other 24 fields, material balance estimates 116 BCF more than decline curve analysis, yielding 282 BCF of proved and probable reserves in those fields, and a basin-wide total of 1,142 BCF remaining proved and probable reserves.

The geologic volumetric evaluations, completely independent of the engineering techniques, yield larger reserve estimates for the four large fields. This is consistent with the probability that there is considerable gas remaining in these reservoirs that has not contributed to production, and therefore, cannot be captured by the engineering estimates. The geologic evaluation of existing well data in

the four fields indicates 1,213 BCF of gas reserves remaining to be produced from just the high-confidence PAY category. Subtracting the 860 BCF that material balance indicates is already in communication with producing wells yields an estimated 353 BCF of currently non-producing gas—the "redevelopment prize"—in those four reservoirs. When recoverable gas in the Potential_Pay category are risked at 50 percent and added to those in the PAY category, the estimated reserves remaining in the four fields increase to 1,856 BCF, adding an increment of 643 BCF in those fields.

Engineering and Geological Discussion

This study addresses the fundamental question: given the currently available engineering and geologic datasets, how much additional gas resource is available for second and third cycle redevelopment efforts in producing field areas? Combining these results with forecasted demand scenarios provides a timeline that suggests how long known reserves can supply local needs. It is important to note that this study does not address which development activities will be economically feasible in future market scenarios. Nevertheless, if one assumes appropriate market conditions will exist, then investment in more complete field development operations, infrastructure de-bottlenecking and upgrades, and appropriate commercial alignment between unit partners will occur and a significant portion of the remaining reserves identified in this study will be developed to meet local demand for at least the next decade.

Figure 14 presents a schematic production forecast for the basin that includes wedges of incremental reserves identified by the various methods discussed in this report. Construction and interpretation of this diagram is complicated by the fact that the engineering estimates reflect all 28 gas fields, whereas the additional reserves estimated by geologic analyses come only from the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. This forecast assumes that production will not exceed demand, which is projected flat at 90 BCF/year. It should be stressed that the point of this schematic diagram is to illustrate the additional gas volumes estimated in various reserve and resource categories identified using multiple analytical methods, and to estimate how long those volumes may be able to meet demand. The actual timing of when gas from any one of those wedges will go on production is unknown, and certain to be more complicated than can be shown here.

The most conservative wedge in red represents future production of proved, developed, producing reserves (863 BCF) identified basin-wide by decline curve analysis alone. The orange wedge represents production of additional probable reserves (279 BCF) identified as the basin-wide difference between material balance and decline curve analyses. The green wedge corresponds to the incremental production that could be achieved in just the four large fields through aggressive development of technically recoverable gas in the PAY category that we argue is not reflected in the engineering analyses because it is not currently in communication with producing wellbores (353 BCF). The yellow wedge represents the additional untapped gas from the Potential_Pay category in those four fields, risked at 50 percent (643 BCF). Finally, the gray wedge illustrates speculative future production from contingent gas resources that await confirmation, delineation, and development (an aggregated volume estimated at 300 BCF from the exploration leads identified in this report). This illustrates the likelihood that investment in more complete development of the producing Cook Inlet gas fields could yield sufficient gas to meet projected demand for years to come.

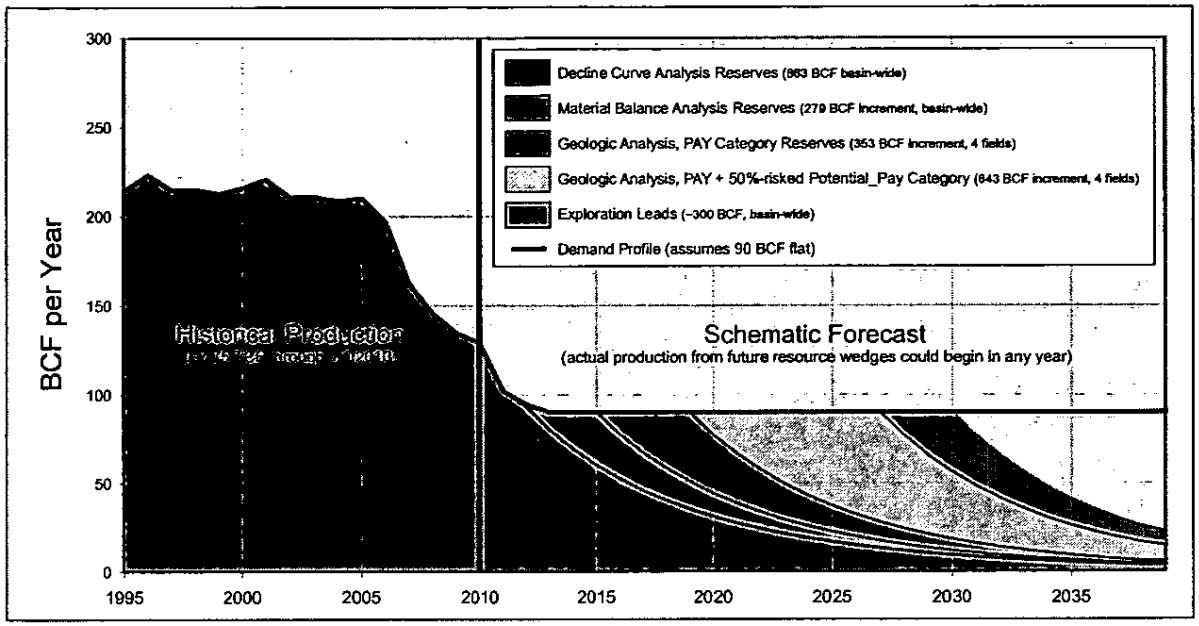


Figure 14. Hypothetical production forecast for the Cook Inlet basin showing increments of reserves and resources identified by engineering and geological analyses discussed in text. This schematic diagram assumes that near-term production will come from gas volumes documented by the most conservative estimation techniques. Successive wedges are introduced with progressively lower certainty regarding commerciality, volume, and timing of first production. Production from future resource wedges could begin in any year, resulting in a more complex forecast, and extending the production lifespan of previous wedges. On the other hand, we are unable to predict the commercial thresholds at which volumes from future wedges become economic to recover. Wedges show gas volume increments from basin-wide decline curve analyses (red), basin-wide material balance analyses (orange), deterministic geologic mapping of PAY (green), and 50 percent-risked Potential_Pay (yellow) in four large gas fields (Beluga River, North Cook Inlet, Ninilchik, and McArthur River Grayling gas sands). The last wedge (gray) is a more speculative estimate of aggregated gas volumes that may be recoverable from the exploration leads discussed in text. See text for additional discussion.

CONCLUSIONS

This report summarizes a multi-disciplinary effort to quantify remaining gas reserves in the Cook Inlet basin. Reserves have been categorized relative to readiness for and certainty of production to predict whether existing reserves are capable of meeting demand over the next decade. The following list describes important points regarding the analytical techniques employed and the findings derived from this effort.

1) Decline curve forecasts in demand-limited production situations do not always predict future rate. The rate derived from decline curve analysis represents an approximation of average annual rate.

2) Decline curve analysis (DCA) is a fair predictor of the remaining recoverable

gas (RRG) of currently producing reserves, but is limited by the underlying assumption that past performance will continue and well-related activity to sustain production will continue. Daily PD (producing day) rate deliverability based on monthly data gives a more accurate picture of peak rates from wells.

3) The best data for determining peak rates are real time data measured at the well level on a daily basis at actual demand conditions. These data are not publicly available for the fields assessed in this study.

4) Material balance (MB) methods are a good tool for predicting RRG and original gas-in-place, but only for pay intervals that are in communication with actively producing wellbores.

5) The quality of MB analyses is directly related to quality of pressure data, frequency of measurement, and accurate knowledge of the reservoirs.

6) Estimating gas maximum PD rates from proved, developed, producing (PDP) reserves is best accomplished using multiple analyses; DCA, MB, analysis of daily pressure, temperature, and production data, and maximum PD rate forecasting each play an important role. These methods could be combined in a systems model which includes pipeline parameters, field infrastructure, reservoir parameters, and economic parameters to help predict ability to meet demand under various conditions.

7) Geologic evaluation of the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields using interpretive pay identification and mapping techniques strongly suggests that these reservoirs contain significant additional technically recoverable gas reserves that have yet to be brought into communication with producing wellbores.

8) Geologic reserve estimates for the four fields may be conservative in some zones where, in the absence of other data, we assumed 40 percent water saturation. Reserves calculated in other zones may be either conservative or optimistic where we lacked definitive constraints on gas-water contacts with which to clip the aerial extent of the mapped PAY and Potential_Pay volumes. Improved reserve estimates would be possible by using effective porosity and calculated water saturations obtained through additional log analysis.

9) The highly productive Sterling Formation in the known fields is in decline. The remaining reserves base is primarily in the Beluga and Tyonek Formations, which in general do not have the high productivity rates of the Sterling Formation. The long term performance of wells targeting these gas sands is unknown.

Economic Considerations

The Cook Inlet gas market is isolated and relatively small when compared to other national and global markets. Gas deliverability is challenged during spikes in demand, which implies that it is difficult to make the investment necessary to meet short-duration, high-deliverability requirements. In order to engage in drilling and development projects in the Cook Inlet, local producers must internally justify doing so as an alternative to pursuing other projects worldwide. Therefore, economic viability of investment in reserves development to meet demand spikes must be

evaluated in the context of an isolated market in order to fully appreciate the supply and demand relationships. Development investment is clearly being made, but investment viability in short term deliverability projects may be challenged in some cases.

The results of this study suggest enough proved and probable gas reserves exist in Cook Inlet reservoirs to satisfy local demand well into, and possibly beyond the next decade. This forecast assumes that either a significant amount of gas is found by explorers to meet industrial use, or that the export of gas out of the basin will stop at the end of the current license period. It also assumes that no new significant market demand will arise until reserves can be developed to satisfy the entire market. The higher-risk contingent and prospective resources that await confirmation and delineation in exploration prospects have the potential to play a large role in the supply-demand scenarios of the future, but will require the availability of sufficient risk-capital.

Although infill drilling, perforating undeveloped sands, and targeting marginal reservoirs are effective ways to add reserves to replace production, these activities come at a relatively high price that will need to be absorbed into a small-volume market. These cost increases will likely put upward pressure on ultimate consumer pricing. It will be critical for all stakeholders to recognize the significant impediments that will hinder development of the remaining gas resource in the Cook Inlet basin, and work together to overcome them.

ACKNOWLEDGMENTS

The authors thank Kevin Banks, Director of the Division of Oil and Gas, for realistically defining the expectations, scope, and deadlines associated with this project. Michael Heumann made significant contributions to the decline curve and material balance analyses of this study during an internship with the Division of Oil and Gas. We thank Robert Swenson, Director of the Division of Geological & Geophysical Surveys, for critical reviews and revisions of numerous drafts of this report. We relied heavily on the expertise of Mike Pritchard for help in drafting the figures and tables. Christina Holmgren and Heather Ann Heusser were instrumental in the final editing and formatting of the document in its present form.

REFERENCES CITED

Barnes, F.F., and Cobb, E.H., 1959, Geology and coal resources of the Homer District, Kenai coal field, Alaska: U.S. Geological Survey Bulletin 1058-F, p. 217–260, 12 plates.

Blasko, D.P., 1974, Natural gas fields—Cook Inlet basin, Alaska: U.S. Bureau of Mines Open File Report 35-74, 29 p.

Boss, R.F., Lennon, R.B., and Wilson, B.W., 1976, Middle Ground Shoal oil field, Alaska, *in* Braunstein, J., ed., North American oil and gas fields: American Association of Petroleum Geologists Memoir 24, p. 1–22.

Bridge, J.S., and Tye,R. S., 2000, Interpreting the dimensions of ancient fluvial channel bars, channels, and channel belts from wireline logs and cores: American Association of Petroleum Geologists Bulletin, v. 84, p. 1,205- 1,228.

Bradley, D.C., Kusky, T.M., Haeussler, P.J., Karl, S.M., and Donley, D.T., 1999, Geologic map of the Seldovia Quadrangle, south-central Alaska: U.S. Geological Survey Open-file Report 99-18, scale 1:250,000,

http://pubs.usgs.gov/of/1999/of99-018/.

Calderwood, K.W., and Fackler, W.C., 1972, Proposed stratigraphic nomenclature for Kenai Group, Cook Inlet basin, Alaska: American Association of Petroleum Geologists Bulletin vol.056, p. 739-754.

Claypool, G.E., Threlkeld, C.N., and Magoon, L.B., 1980, Biogenic and thermogenic origins of natural gas in Cook Inlet basin, Alaska: American Association of Petroleum Geologists Bulletin, vol. 64, p. 1131-1139.

Fisher, M.A., and Magoon, L.B., 1978, Geologic framework of lower Cook Inlet, Alaska: American Association of Petroleum Geologists Bulletin, v. 62, p. 373–402.

Flores, R.M., and Stricker, G.D., 1992, Some facies aspects of the upper part of the Kenai Group, southern Kenai Peninsula, Alaska, *in* Bradley, D.C., and Dusel-Bacon, Cynthia, eds., Geologic studies in Alaska by the U.S. Geological Survey, 1991: U.S. Geological Survey Bulletin 2041, p. 160-170.

Gautier, D.L., Dolton, G.L., Takahashi, K.I., and Varnes, K.L., 1996, 1995 National Assessment of United States Oil and Gas Resources—results, methodology, and supporting data: U.S. Geological Survey Digital Data Series DDS-30, release 2, CD-ROM.

Haeussler, P.J., Bruhn, R.L., and Pratt, T.L., 2000, Potential seismic hazards and tectonics of the upper Cook Inlet basin, Alaska, based on analysis of Pliocene and younger deformation: Geological Society of America Bulletin, v. 112, p. 1,414–1,429.

Kirschner, C.E., and Lyon, C.A., 1973, Stratigraphic and tectonic development of Cook Inlet petroleum province, *in* Pitcher, M.G., ed., Arctic geology: American Association of Petroleum Geologists Memoir 19, p. 396–407.

Lee, J., 2007, Fluid flow through permeable media, *in* Holstein, E.D., ed., Reservoir engineering and petrophysics, Petroleum Engineering Handbook vol. 5(A), Society of Petroleum Engineers, Richardson, Texas, 894 p.

LePain, D., Wartes, M., McCarthy, P.J., Stanley, R.G., Silliphant, L., Helmold, K.P., Shellenbaum, D., Gillis, R., Peterson, S., Mongrain, J., and Decker, P., 2008, Tertiary depositional systems in upper Cook Inlet, Alaska: influence of fluvial style on reservoir geometries and stratigraphic trap potential: AAPG 2008 Annual Convention and Exhibition, Abstract Volume 17, p. 119.

Magoon, L.B., Adkison, W.L., and Egbert, R.M., 1976, Map showing geology, wildcat wells, Tertiary plant fossil localities, K-Ar age dates, and petroleum operations, Cook Inlet area, Alaska: U.S. Geological Survey Miscellaneous Investigations Series, Map I-1019, scale 1:250,000.

Magoon, L.B., and Egbert, R.M., 1986, Framework geology and sandstone composition, *in* Magoon, L.B., ed., Geologic studies of the lower Cook Inlet COST No. 1 well, Alaska Outer Continental Shelf: U.S. Geological Survey Bulletin 1596, p. 65–99.

Nokleberg, W.J., Plafker, G., and Wilson, F.H., 1994, Geology of south-central Alaska, *in* Plafker, G., and Berg, H.C., eds., The geology of Alaska: Boulder, Colorado, Geological Society of America, The Geology of North America, v. G-1, p. 311–366.

Petroleum News, 2009, Are Cook Inlet gas supplies in crisis?, vol. 14, no. 43, week of October 25, 2009.

Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, and Society of Petroleum Evaluation Engineers, 2007, Petroleum resources management system, 47 p., http://www.spe.org/industry/reserves/docs/Petroleum_Resources_Management_System_2007.pdf

Swenson, R., 2002, Introduction to Tertiary tectonics and sedimentation in the Cook Inlet basin, *in* Dallegge, T., compiler, Geology and hydrocarbon systems of the Cook Inlet basin, Alaska: American Association of Petroleum Geologists Pacific Section/ Society of Petroleum Engineers Pacific Regional Conference, May 23–24, 2002, Anchorage, Alaska, p. 11–20.

Thomas, C.P., Doughty, T.C., Faulder, D.D., and Hite, D.M., 2004, South-central Alaska natural gas study final report: U.S. Department of Energy, National Energy Technology Laboratory, Arctic Energy Office Contract DE-AM26-99FT40575, 207 p.

Trop J.M., and Ridgway, K.D., 2007, Mesozoic and Cenozoic tectonic growth of southern Alaska: a sedimentary basin perspective: Geological Society of America Special Paper 431, p. 55-94.

APPENDICES 1-4

Supporting data and alternate cases of geologically estimated reserves and risked resources for four Cook Inlet gas fields.

Appendix 1. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, McArthur River field, Grayling gas sands (Trading Bay Unit)

McArthur River Field, Grayling gas sands (Trading Bay Unit)	OGIP (BCF)	Recovery Factor (RF)	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	1,757	0.90	1,581	1,376	205
Potential_Pay (yellow) (**unrisked**)	81	0.80	65		
Potential_Pay (**risked at 0.10**)	8	0.80	7		
Potential_Pay (**risked at 0.50**)	41	0.80	33		
Potential_Pay (**risked at 0.90**)	73	0.80	59		
Total Pay + (0.10 x Potential_Pay)	1,765		1,588	1,376	211
Total Pay + (0.50 x Potential_Pay)	1,798		1,614	1,376	237
Total Pay + (0.90 x Potential_Pay)	1,830		1,640	1,376	264

Appendix 2. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Ninilchik Unit

Ninilchik Unit	OGIP (BCF)	Recovery Factor (RF)	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	182	0.90	164	104	60
Potential_Pay (yellow) (unrisked)	333	0.70	233		
Potential_Pay (risked at 0.10)	33	0.70	23		
Potential_Pay (risked at 0.50)	167	0.70	117		
Potential_Pay (risked at 0.90)	300	0.70	210		
Total Pay + (0.10 x Potential_Pay)	215		187	104	83
Total Pay + (0.50 x Potential_Pay)	349		280	104	177
Total Pay + (0.90 x Potential_Pay)	482		374	104	270

Appendix 3. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Beluga River Unit

Beluga River Unit	OGIP (BCF)	Recovery Factor (RF)[1]	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	2,137	0.8-0.9	1,856	1,150	706
Potential_Pay (yellow) (unrisked)	1,185	0.5-0.7	685		
Potential_Pay (risked at 0.10)	118	0.5-0.7	68		
Potential_Pay (risked at 0.50)	592	0.5-0.7	342		
Potential_Pay (risked at 0.90)	1,066	0.5-0.7	616		
Total Pay + (0.10 x Potential_Pay)	2,255		1,924	1,150	775
Total Pay + (0.50 x Potential_Pay)	2,729		2,198	1,150	1,049
Total Pay + (0.90 x Potential_Pay)	3,203		2,472	1,150	1,323

[1] *Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

Appendix 4. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, North Cook Inlet Unit

North Cook Inlet Unit	OGIP (BCF)	Recovery Factor (RF)[1]	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	2,300	0.85-0.9	2,060	1,818	242
Potential_Pay (yellow) (unrisked)	422	0.65-0.8	302		
Potential_Pay (risked at 0.10)	42	0.65-0.8	30		
Potential_Pay (risked at 0.50)	211	0.65-0.8	151		
Potential_Pay (risked at 0.90)	380	0.65-0.8	272		
Total Pay + (0.10 x Potential_Pay)	2,342		2,090	1,818	272
Total Pay + (0.50 x Potential_Pay)	2,511		2,211	1,818	393
Total Pay + (0.90 x Potential_Pay)	2,679		2,332	1,818	514

[1] *Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

adn.com
Anchorage Daily News

Print Page Close Window

Deep-water rig needed in Inlet

TIM BRADNER
ECONOMY
(04/10/10 17:51:19)

State and community leaders have finally focused on the serious threat we face with pending natural gas shortages in Southcentral Alaska, and it's about time.

For years Tony Izzo, Joe Griffith and Jim Posey, all seasoned local utility managers, have warned about this, taking their message to innumerable Chamber of Commerce meetings and legislative hearings. Few took it seriously. Until now.

Here's some background for those who have been gone for a decade or who believe the tooth fairy heats our homes:

For years we had big surpluses of natural gas in Southcentral and some of the cheapest natural gas prices in the nation. Times have changed. The gas fields are being depleted, and prices are rising. There's still not enough new exploration.

The latest assessment is that by 2014 we could run short of gas on an annual supply basis. This means we won't produce enough gas annually to meet our annual requirements. It means we either bring in gas from somewhere else or curtail consumption. Not a pretty picture.

State legislators are addressing this, and they have some good ideas. House Speaker Mike Chenault of Nikiski has a bill that would expand incentives for new gas exploration. Sen. Tom Wagoner of Kenai proposes a grant of incentives for explorers drilling for deep gas that many geologists suspect lies under Cook Inlet. Rep. Mike Hawker of Anchorage has a bill that would assist development of natural gas storage facilities, which are badly needed.

State Sens. Lesil McGuire and Bill Wielechowski, both of Anchorage, would supercharge the planning for a stand-alone "bullet line" to pipe North Slope gas and provide incentives for new industrial plants, like gas-to-liquids, to share the pipeline cost with the utilities. We need that as a backup in case the big pipeline stumbles.

Chenault has another bill to clarify authority for the Alaska Natural Gas Development Authority, a state agency, to work with local utilities in securing gas supplies, and to give ANGDA preapproval on financing to help utilities do a group

purchase of gas either from Cook Inlet or the North Slope.

All are good ideas. I hope they are all approved. There is one idea, however, I haven't heard talked about, at least in recent years. I believe the state could expedite exploration of some very promising prospects in Cook Inlet by contributing to the cost of bringing in a special rig capable of deep-water drilling.

All geologists agree there is more gas to be discovered in Cook Inlet, and everyone agrees we should encourage more exploration here before building multibillion-dollar bullet lines from the Slope.

One of the most promising and unexplored parts is an area in the middle of Cook Inlet where the water is deep. A mobile drilling structure, like a jack-up rig, is needed. A jack-up rig is floated into place, then steel legs are lowered to the sea floor and it mechanically jacks itself above the water to create a stable drilling platform. We've had jack-up rigs in the Inlet before, but it was more than 20 years ago.

If we could get one here now a lot of prospects could be drilled for both oil and gas, some in areas where there are confirmed shows.

A small independent company, Escopeta Oil and Gas, is working to bring a jack-up rig to Cook Inlet to explore. The company has lined up a drill unit, but given the recession and our peculiar local issues that concern investors, like the Inlet's endangered beluga whales, Escopeta is having its troubles.

A few years ago then-Gov. Frank Murkowski suggested that the state chip in to help bring a jack-up rig north. The idea didn't sell with the Legislature, however, and Murkowski dropped it to work on bigger issues like the gas pipeline.

This idea makes sense. It's a discrete, one-shot contribution that involves less than we're now spending on bullet line studies. The payback could be pretty quick.

There's a long tradition of the state helping facilitate infrastructure (in this case, a drill rig that can drill in deeper parts of the Inlet), and this deal could be structured in a way similar to the assistance we provided Agrium Corp. a few years ago. We gave Agrium a $5 million grant to investigate a coal-to-liquids project at the company's plant near Kenai, with the understanding that it would be repaid if the project went ahead. Unfortunately it did not, but it was a good effort.

This is similar. We're spending a lot of money now on assuring energy for Cook Inlet. Why not take this extra step?

Tim Bradner writes for an Alaska economic reporting service. He also consults for private clients and writes for business publications. His opinion column appears

every month in the Anchorage Daily News.

Print Page Close Window

Copyright © Sun Apr 11 14:25:32 UTC-0800 20101900 The Anchorage Daily News (www.adn.com)

SB 312

<target><bill>SB 312</bill><subject>SB 312</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

SPONSOR STATEMENT
SB 312 – Vessel Passenger Tax

SB 312 proposes to reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill will also allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of $34.50 regardless of the amount of passenger fees charged by other communities.

In addition, SB 312 repeals the regional cruise ship impact fund. As a result, all revenues collected from the CPV tax would be deposited in the CPV tax account in the general fund. SB 312 will not affect community revenue sharing.

Finally, SB 312 will require the Department of Commerce, Community and Economic Development to create a report every three years that addresses the projected needs of the communities that host cruise ship passengers and the extent to which the tax proceeds have been utilized for projects in areas that are directly impacted by cruise passengers.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
(907) 465-3922 - Fax
Senator_Bert_Stedman@legis.state.ak.us

Official Business

Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
Phone - (907) 465- 4453
Fax - (907) 465- 4523
Senator_Lyman_Hoffman@legis.state.ak.us

SECTIONAL ANALYSIS
SB 312 - Vessel Passenger Tax

Section 1 amends AS 43.52.200 to codify a regulation and clarify that the commercial passenger vessel excise tax is imposed upon passengers traveling on a vessel that hosts them overnight in Alaska and stops in port(s) in Alaska where they are allowed to embark or disembark. In other words, this tax does not apply to passengers on vessels merely transiting the state's marine waters.

Section 2 amends AS 43.52.210 to reduce the tax rate from $46 a passenger per voyage to $34.50 a passenger per voyage.

Section 3 amends AS 43.52.230(a) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be appropriated to comply with federal law.

Section 4 amends AS 43.52.230(b) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be spent by municipalities to comply with federal law.

Section 5 amends AS 43.52.250 to reduce the commercial passenger vessel excise tax by the total amount of municipally-imposed passenger taxes a passenger pays when purchasing a voyage that includes a stop in municipalities imposing such taxes. This reduction, however, is limited to municipally imposed taxes that were in effect on December 17, 2007 and such municipality did not elect to receive revenue sharing of $5 per passenger under AS 43.52.230(b).

Section 6 of the bill provides for a report to the Legislature, the Governor, and the public every three years by the Department of Commerce, Community, and Economic Development that addresses the projected needs of the communities that host passengers and the extent to which, during the preceding three years, commercial vessel passenger excise tax proceeds have been utilized to defray the cost of hosting passengers in Alaska. This report may be used by the Legislature to determine if the tax rate remains commensurate with the cost of safely and efficiently hosting passengers in Alaska.

Section 7 amends AS 43.52.200 to clarify that "voyage" means spending 72 hours in the state's marine waters.

Section 8 repeals the regional cruise ship impact sub-account in the general fund. Thus, all proceeds from the commercial passenger excise tax will go into the commercial vessel passenger tax account subject to appropriation by the Legislature.

Section 9 provides an immediate effective date for the bill.

state tax rate reduced from $46 to $19.50

58% effective reduction in state head tax rate

State Tax			Every Port gets $8 per passenger total (either as pass thru from state, local assessment, or combination)
CPV		34.5	
Ktn	$	(7.0)	local tax, $1 state tax for $8 total
Jnu	$	(8.0)	local tax
Remaining	$	19.50	95% of passengers stop in Ketchikan and 100% stop in Juneau, so $19.50 would be the effective 'state' tax rate

18.5	Passengers	850,000	Per port payment	8	
26.5	State tax before local deduct	34.5	Jnu Local Deduct	8	
			Ktn Local Deduct	7	

	itinerary #1	itinerary #2	itinerary #3	itinerary #4	itinerary #5	
	4 Ports Incl Ktn, Jnu	4 ports, incl Jnu	3 ports, Ktn Jnu	3 ports, incl Jnu	7 ports incl Jnu and Ktn in first 5	Year End CPV
	33% occurance	1% occurance	60.0% occurance	4.0% occurance	2.0% occurance	100%
passengers	280,500	8,500	510,000	34,000	17,000	850,000
state tax	$ 19.50	$ 26.5	$ 19.50	$ 26.5	$ 19.5	
Jnu Local	$ 2,244,000	$ 68,000.0	$ 4,080,000	$ 272,000.0	$ 136,000.0	$ 6,800,000.0
Ktn Local	$ 1,963,500	$ -	$ 3,570,000	$ -	$ 119,000.0	$ 5,652,500.0
State $1 remitted to KGB	$ 280,500	$ -	$ 510,000	$ -	$ 17,000.0	$ 807,500.0
Remaining CPV revenue	$ 5,189,250	$ 225,250.0	$ 9,435,000	$ 901,000.0	$ 314,500.0	$ 16,065,000.0
port of call payments	$ (4,488,000)	$ (204,000.0)	$ (4,080,000.0)	$ (544,000.0)	$ (680,000.0)	$ (9,996,000.0)
CPV Available	$ 701,250	$ 21,250.0	$ 5,355,000	$ 357,000.0	$ (365,500.0)	$ 6,069,000.0

$34.50x850,000=		29,325,000.0	Total head tax on passengers
$8x850,000=	$	6,800,000.0	Juneau portion
$7x807,500=	$	5,652,500.0	Ketchikan city portion
$1x807,500=	$	807,500.0	State tax remitted to KGB
	$	(9,996,000.0)	state tax remitted to remaining ports
		6,069,000.0	remaining CPV available to state

79% of tax goes directly to visited ports

21% retained by the state

NEW Conceptual Amendment #1

To CS SB 312(FIN) By Thomas

Adopted 4/16/10

#1

Page 1, line 1 - Page 5, line 11
Delete and Replace With:

"An Act relating to the deposit of the proceeds of the tax on gambling operations aboard certain commercial passenger vessels into a special fund within the commercial vessel passenger tax account in the general fund; providing for a reduction in the excise tax to $40 for a passenger for each voyage on a commercial passenger vessel; describing the passengers that are subject to the excise tax and liable for the payment of the tax; providing for a reduction in the state excise tax imposed on a passenger traveling on a commercial passenger vessel by the amount of tax on a passenger traveling on a commercial passenger vessel imposed by certain municipalities under laws enacted before December 17, 2006; authorizing appropriations from the commercial vessel passenger tax account to the first seven ports of call in the state to certain other municipalities and for costs associated with commercial passenger vessels and the passengers on board; limiting the use of funds appropriated from the commercial

passenger vessel tax account to expenditures related to port facilities, harbor infrastructure, other services provided to the commercial passenger vessels and the passengers on board those vessels and certain other purposes; repealing the regional cruise ship impact fund; relating to the administration of the excise tax by the Department of Revenue and regulations required to be adopted; requiring a report from the Department of Commerce, Community, and Economic Development relating to safely and efficiently hosting passengers; defining 'voyage' for purposes of the excise tax; relating to municipal levies on a passenger on a commercial passenger vessel; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 43.35.220 is amended to read:

Sec. 43.35.220. Disposition of receipts. The proceeds from the tax on gambling operations aboard commercial passenger vessels in the state's marine water shall be deposited in **the commercial vessel passenger gambling fund within the commercial vessel passenger tax account (AS 43.52.230(a))** [A SPECIAL "COMMERCIAL VESSEL PASSENGER TAX ACCOUNT" IN THE GENERAL FUND].

*** Sec. 2.** AS 43.52.200 is amended to read:

Sec. 43.52.200. Levy of excise tax on overnight accommodations on commercial passenger vessels. There is imposed an excise tax on **passengers traveling** [TRAVEL] on commercial passenger vessels providing overnight accommodations **that anchor or moor on** [IN] the state's marine water **with the intent to allow passengers to embark or disembark**.

*** Sec. 3.** AS 43.52.210 is amended to read:

Sec. 43.52.210. Rate of tax. The tax imposed by AS 43.52.200 - 43.52.295 is levied at a rate of **$40 for** [$46] a passenger **for each** [PER] voyage.

*** Sec. 4.** AS 43.52.220 is amended to read:

Sec. 43.52.220. Liability for payment of tax. A passenger **subject to**

[TRAVELING ON A COMMERCIAL PASSENGER VESSEL PROVIDING OVERNIGHT ACCOMMODATIONS IN STATE MARINE WATER IS LIABLE FOR] the **excise** tax imposed by AS 43.52.200 - 43.52.295 **is liable for the payment of the tax**. The tax shall be collected **from the passenger** [AND IS DUE AND PAYABLE TO THE DEPARTMENT

(1)] by the person who provides travel aboard a commercial vessel **and shall be paid to the department** [FOR WHICH THE TAX IS PAYABLE; AND

(2)] in the manner and at the times required by the department by regulation.

*** Sec. 5.** AS 43.52.230(a) is amended to read:

(a) The proceeds from the tax **imposed under AS 43.52.200 - 43.52.295** [ON TRAVEL ON COMMERCIAL PASSENGER VESSELS PROVIDING OVERNIGHT ACCOMMODATIONS IN THE STATE'S MARINE WATER] shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) and **(d)** [(c)] of this section **and in AS 43.52.250** [, FOR STATE-OWNED PORT AND HARBOR FACILITIES, OTHER SERVICES TO PROPERLY PROVIDE FOR VESSEL OR WATERCRAFT VISITS, TO ENHANCE THE SAFETY AND EFFICIENCY OF INTERSTATE AND FOREIGN COMMERCE, AND SUCH OTHER LAWFUL PURPOSES AS DETERMINED BY THE LEGISLATURE].

*** Sec. 6.** AS 43.52.230(b) is amended to read:

(b) For each voyage of a commercial passenger vessel [PROVIDING OVERNIGHT ACCOMMODATIONS], the commissioner shall identify the first **seven** [FIVE] ports of call in the state and the number of passengers **subject to the tax imposed under AS 43.52.200 - 43.52.295** on board [THE VESSEL] at each port of call. Subject to **annual** appropriation by the legislature, the commissioner shall distribute to each port of call **$8 for each** [$5 PER] passenger **subject to the tax imposed** [OF THE TAX REVENUE COLLECTED FROM THE TAX LEVIED] under AS 43.52.200 - 43.52.295. If the port of call is a city located within a borough [NOT OTHERWISE UNIFIED WITH THE BOROUGH], the commissioner shall [,

SUBJECT TO APPROPRIATION BY THE LEGISLATURE,] distribute **$4 for each** [$2.50 PER] passenger to the city and **$4** [$2.50] to the borough. **A city or borough that receives a payment** [EACH PORT OF CALL RECEIVING FUNDS] under this **subsection** [SECTION] shall use the funds **for** [IN A MANNER CALCULATED TO IMPROVE] port [AND HARBOR] facilities**, harbor infrastructure,** and other services **provided to the commercial passenger vessels and the passengers on board those vessels** [TO PROPERLY PROVIDE FOR VESSEL OR WATERCRAFT VISITS AND TO ENHANCE THE SAFETY AND EFFICIENCY OF INTERSTATE AND FOREIGN COMMERCE].

*** Sec. 7.** AS 43.52.230 is amended by adding a new subsection to read:

(d) In addition to making an appropriation for the payments described in (b) of this section, the legislature may appropriate money from the commercial vessel passenger tax account to projects that (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers onboard those vessels, (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers onboard those vessels are engaged, or (4) other lawful purposes.

*** Sec. 8.** AS 43.52.240 is amended to read:

Sec. 43.52.240. Administration. [(a)] The department shall

[(1) ADMINISTER AS 43.52.200 - 43.52.295; AND

(2)] collect [, SUPERVISE,] and enforce the collection of taxes due under AS 43.52.200 - 43.52.295 and penalties as provided in AS 43.05**;**

(2) [.

(b) THE DEPARTMENT MAY] adopt regulations necessary for the administration of AS 43.52.200 - 43.52.295**; and**

(3) subject to annual appropriation, distribute the payments described in AS 43.52.230(b) and in 43.52.250.

*** Sec. 9.** AS 43.52.250 is repealed and reenacted to read:

Sec. 43.52.250. Local levies. (a) A municipality that imposes and collects a tax, in any form, on a passenger traveling on a commercial passenger vessel under an ordinance enacted by the municipality before December 17, 2006, may not receive a

distribution under AS 43.52.230(b).

(b) Subject to appropriation and to (c) of this section, a municipality that imposes and collects a tax of less than $8 on a passenger traveling on a commercial passenger vessel under an ordinance enacted before December 17, 2006, may receive a distribution from the commissioner equal to the difference between $8 for each passenger and the amount of the municipal tax imposed and collected for each passenger. If the municipal tax is reduced, the distribution from the commissioner increases accordingly, so that the combination of the state distribution and the municipal tax equals $8 for each passenger. If the municipal tax is increased to $8 for each passenger or more, the municipality may not receive a distribution under this subsection.

(c) If the municipality that imposes and collects the tax of less than $8 on a passenger traveling on a commercial passenger vessel under an ordinance enacted before December 17, 2006, is a city within a borough, the commissioner shall distribute to the borough in which the city is located $1 and distribute the balance of the amount calculated under (b) of this section to the city.

(d) The state tax imposed on a passenger by AS 43.52.220 - 43.52.295 shall be reduced by the total amount of each tax on the passenger that was imposed and collected by a municipality under an ordinance adopted before December 17, 2006. The amount of the reduction shall be based on the tax rate levied under each ordinance when it was first adopted, except that, if a municipality subsequently decreases its tax rate, the amount of the reduction shall be based on the decreased tax rate.

*** Sec. 10.** AS 43.52 is amended by adding a new section to read:

Sec. 43.52.260. Periodic report. The Department of Commerce, Community, and Economic Development shall, every three years, prepare and submit to the governor, the legislature, and the public a report that addresses the projected needs of communities to safely and efficiently host passengers that pay taxes under AS 43.52.200 - 43.52.295.

*** Sec. 11.** AS 43.52.295(4) is amended to read:

(4) "voyage" means any trip or itinerary lasting more than 72 hours **in the state**.

* **Sec. 12.** AS 43.52.230(c) is repealed.

* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONTINGENT EFFECT OF SECS. 1 - 12 OF THIS ACT. (a) Sections 1 - 12 of this Act take effect only if the state and the Alaska Cruise Association reach a settlement in Alaska Cruise Association v. Galvin, Case Number 3:09-cv-00195-RRB (D. Alaska) before October 31, 2010, that disposes of the case with prejudice.

(b) The attorney general shall notify the revisor of statutes if a settlement is reached as described in (a) of this section.

* **Sec. 14.** If, under sec. 13 of this Act, secs. 1 - 12 of this Act take effect, they take effect October 31, 2010.

* **Sec. 15.** Section 13 of this Act takes effect immediately under AS 01.10.070(c).

Prepared by Peter Ecklund
Rep Thomas' office
4/16/2010

state tax rate reduced from $46 to $25

46% effective reduction in state head tax rate, for a $17,850,000 tax reduction

	State Tax	
CPV	40.0	Every Port gets $8 per passenger total (either as pass thru from state, local assessment, or combination)
Ktn	$ (7.0)	local tax, $1 state tax for $8 total
Jnu	$ (8.0)	local tax
Remaining	25.0	95% of passengers stop in Ketchikan and 100% stop in Juneau, so $25 would be the effective 'state' tax rate

Passengers	850,000		Per port payment	8
State tax before local deduct	40.0		Jnu Local Deduct	8
			Ktn Local Deduct	7

	itinerary #1 4 Ports Incl Ktn, Jnu 33% occurance	itinerary #2 4 ports, incl Jnu 1% occurance	itinerary #3 3 ports, Ktn Jnu 60.0% occurance	itinerary #4 3 ports, incl Jnu 4.0% occurance	itinerary #5 7 ports incl Jnu and Ktn in first 5 2.0% occurance	Year End CPV 100%
passengers	280,500	8,500	510,000	34,000	17,000	850,000
state tax	$ 25	$ 32.0	$ 25	$ 32.0	$ 25.0	
Jnu Local	$ 2,244,000	$ 68,000.0	$ 4,080,000	$ 272,000.0	$ 136,000.0	$ 6,800,000.0
Ktn Local	$ 1,963,500	$ -	$ 3,570,000	$ -	$ 119,000.0	$ 5,652,500.0
State $1 remitted to KGB	$ 280,500	$ -	$ 510,000	$ -	$ 17,000.0	$ 807,500.0
Remaining CPV revenue	$ 6,732,000	$ 272,000.0	$ 12,240,000	$ 1,088,000.0	$ 408,000.0	$ 20,740,000.0
port of call payments	$ (4,488,000)	$ (204,000.0)	$ (4,080,000.0)	$ (544,000.0)	$ (680,000.0)	$ (9,996,000.0)
CPV Available	$ 2,244,000	$ 68,000.0	$ 8,160,000	$ 544,000.0	$ (272,000.0)	$ 11,016,000.0

$40x850,000=	34,000,000.0	Total head tax on passengers
$8x850,000=	$ 6,800,000.0	Juneau portion
$7x807,500=	$ 5,652,500.0	Ketchikan city portion
$1x807,500=	$ 807,500.0	State tax remitted to KGB
	$ (9,996,000.0)	state tax remitted to remaining ports
	10,744,000.0	
	+ $272,000	paid to communities past first 5 ports, from CVP gambling fund
	$ 11,016,000.0	CPV available

$272,000 for ports past 5 paid out of the new commercial vessel passenger gambling subfund

68% of tax goes directly to visited ports
32% retained by the state

5440

4/15/10

Commercial Passenger Vessel Excise Tax
Effect of CS SB 312(FIN) Ver P on State Cash Flow

	Excise Tax		Per Port
	$ 46.00		$ 5.00
RCIF	~~$ 11.50~~	~~25%~~	$ 1.25
CPV	$ 34.50	75%	$ 3.75
Jun	$ (8.00)	Local Tax	
Ket	$ (7.00)	Local Tax	
Available:	$ 19.50	or $ 17.25	if Local Tax Capped at 50% as proposed in SB 312 Ver A

DOR 2010 Passenger Projections

Passengers 850,000 $ 5.00 Per Port of Call Payment
Revised State Excise Tax $ 34.50

	Itinerary #1	Itinerary #2	Itinerary #3	Itinerary #4	Itinerary #5	CPV Year End Cash Flow
	4 Ports incl KTN & JNU	4 Ports including JNU	3 Ports incl KTN & JNU	3 Ports incl JNU	7 Ports incl KTN & JNU	
	33.0% Occurrence	1.0% Occurrence	60.0% Occurrence	4.0% Occurrence	2.0% Occurrence	100.0%
Passengers	280,500	8,500	510,000	34,000	17,000	850,000
Excise Tax	$ 19.50	$ 26.50	$ 19.50	$ 26.50	$ 19.50	
CPV Revenue	$ 5,469,750	$ 225,250	$ 9,945,000	$ 901,000	$ 331,500	$ 16,872,500
Port of Call Payments	4 $ (5,610,000)	4 $ (170,000)	3 $ (7,650,000)	3 $ (510,000)	7 $ (595,000)	$ (14,535,000)
CPV Balance Available	$ (140,250)	$ 55,250	$ 2,295,000	$ 391,000	$ (263,500)	$ 2,337,500

		Compare
CS SB312 Ver S:	$ 4.00	$ 5,244,500
CS SB312 Ver P:	$ 5.00	$ 2,337,500
		$ 2,907,000

Copy on file

April 15, 2010 - 10:00 am

Sen Finance Committee - M. Baker

CS SB312(FIN) - Port of Call Payment Scenarios

Cruise Ship Passenger and Revenue Sharing by Port of Call

Dept of Revenue Forecasting 2010

Passenger levels to be 85% **of 2009 Levels**

# of Passengers by Port of Call

	City/Borough	3 Yr Total	Cruise Season 2007	2008	2009	2010	Yr to Yr
1	Juneau	2,970,952	991,218	995,502	984,232	836,597	(147,635)
2	Ketchikan, City of	2,753,810	897,834	930,459	925,517	786,689	(138,828)
3	Ketchikan Gateway Borough	2,753,810	897,834	930,459	925,517	786,689	(138,828)
4	Skagway	2,365,012	811,453	772,594	780,965	663,820	(117,145)
5	Sitka, City & Borough	713,301	225,799	271,806	215,696	183,342	(32,354)
6	Whittier	630,469	220,962	200,397	209,110	177,744	(31,367)
7	Kenai Peninsula Borough	449,374	153,461	139,458	156,455	132,987	(23,468)
8	Seward	446,725	153,461	138,299	154,965	131,720	(23,245)
9	Hoonah	309,839	110,005	71,831	128,003	108,803	(19,200)
10	Haines Borough	106,853	22,844	43,082	40,927	34,788	(6,139)
11	Kodiak Island Borough	22,147	2,041	9,911	10,195	8,666	(1,529)
12	Kodiak, City of	22,147	2,041	9,911	10,195	8,666	(1,529)
13	Valdez	12,017	0	5,671	6,346	5,394	(952)
14	Wrangell, City & Borough	7,231	0	1,995	5,236	4,451	(785)
15	Homer	2,649	0	1,159	1,490	1,267	(224)
16	Unalaska	1,524	0	0	1,524	1,295	(229)
17	Anchorage, Municipality of	173	0	0	173	147	(26)

Port of Call Amounts

	Status Quo	SB312 @ $4.00	SB312 @ $5.00
City	$ 5.00	$ 4.00	$ 5.00
Borough	$ 2.50	$ 2.00	$ 2.50

Revenue Share - Historical

2010 Revenue Projections - Status Quo vs. CSSB 312(FIN)

2010 Traffic = 85% 2009

	City/Borough	3 Yr Total	Cruise Season 2007	2008	2009	Status Quo	$4.00	Diff	$5.00	Diff
1	Juneau	$0	$0	$0	$0	$0	$3,346,389	$3,346,389	$4,182,986	$4,182,986
0.5	Ketchikan, City of	$0	$0	$0	$0	$0	$1,573,379	$1,573,379	$1,966,724	$1,966,724
0.5	Ketchikan Gateway Borough	$6,884,525	$2,244,585	$2,326,148	$2,313,793	$1,966,724	$1,573,379	($393,345)	$1,966,724	$0
1	Skagway	$11,825,060	$4,057,265	$3,862,970	$3,904,825	$3,319,101	$2,655,281	($663,820)	$3,319,101	$0
1	Sitka, City & Borough	$3,566,505	$1,128,995	$1,359,030	$1,078,480	$916,708	$733,366	($183,342)	$916,708	$0
1	Whittier	$3,152,345	$1,104,810	$1,001,985	$1,045,550	$888,718	$710,974	($177,744)	$888,718	$0
0.5	Kenai Peninsula Borough	$1,123,435	$383,653	$348,645	$391,138	$332,467	$265,974	($66,493)	$332,467	$0
0.5	Seward	$1,116,813	$383,653	$345,748	$387,413	$329,301	$263,441	($65,860)	$329,301	$0
1	Hoonah	$1,549,195	$550,025	$359,155	$640,015	$544,013	$435,210	($108,803)	$544,013	$0
1	Haines Borough	$534,265	$114,220	$215,410	$204,635	$173,940	$139,152	($34,788)	$173,940	$0
0.5	Kodiak Island Borough	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
0.5	Kodiak, City of	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
1	Valdez	$60,085	$0	$28,355	$31,730	$26,971	$21,576	($5,394)	$26,971	$0
1	Wrangell, City & Borough	$36,155	$0	$9,975	$26,180	$22,253	$17,802	($4,451)	$22,253	$0
0.5	Homer	$6,623	$0	$2,898	$3,725	$3,166	$2,533	($633)	$3,166	$0
1	Unalaska	$7,620	$0	$0	$7,620	$6,477	$5,182	($1,295)	$6,477	$0
1	Anchorage, Municipality of	$865	$0		$865	$735	$588	($147)	$735	$0
		$29,974,225	$9,977,410	$9,909,873	$10,086,943	$8,573,901	$11,778,889	$3,204,987	$14,723,611	$6,149,710

Adopted 4/16/10 Rep Austerman

Conceptual Amendment 3 to SB 312

Page 2, line 14 following 'in'

Delete all material

Insert 'the large passenger vessel gaming and gambling tax account,' which is established as a sub-account of the fund established in AS 43.52.230 (a)

Conceptual Adopted 4/16/10

AMENDMENT #2

OFFERED IN HOUSE FINANCE

BY REPRESENTATIVE AUSTERMAN

TO: CS SB 312(FIN) Version P

Rejected 4/16

Page 2, lines ~~9~~ 11 through ~~18~~ 17;

Delete all material

Renumber the following bill sections accordingly

Make conforming title amendment as necessary

5443

Adopted
4/16/10

#1 #1

Amendment to Amendment for CSSB 312

(26-LS1633\W) #2

By: THOMAS

Page 1, Line 9

After: 17

DELETE: 2006

INSERT: 2007

Page 2, Line 14 -17

After: in

DELETE ALL MATERIAL

INSERT: the general fund.

Page 2, Line 26

After: of

DELETE : $40

INSERT: $34.50.

Page 4, Line 31

After: 17

DELETE: 2006

INSERT: 2007

Page 5, Line 4

After: 17

DELETE: 2006

INSERT: 2007

Page 5, Line 14

After: 17

DELETE: 2006

INSERT: 2007

Page 5, Line 19

After: 17

DELETE: 2006

INSERT: 2007

*Legislative Legal will do any and all other conforming and technical amendments.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 14, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **CS FOR SENATE BILL NO. 312(FIN)**

"An Act relating to the deposit of the proceeds of the tax on gambling operations aboard certain commercial passenger vessels into the general fund; providing for a reduction in the excise tax to $34.50 for a passenger for each voyage on a commercial passenger vessel; describing the passengers that are subject to the excise tax and liable for the payment of the tax; providing for a reduction in the state excise tax imposed on a passenger traveling on a commercial passenger vessel by the amount of tax on a passenger traveling on a commercial passenger vessel imposed by a municipality under a law enacted before December 17, 2007; authorizing appropriations from the commercial vessel passenger tax account to the first seven ports of call in the state and for costs associated with commercial passenger vessels and the passengers on board; limiting the use of funds appropriated from the commercial passenger vessel tax account to expenditures related to port facilities, harbor infrastructure, other services provided to the commercial passenger vessels and the passengers on board those vessels and certain other purposes; repealing the regional cruise ship impact fund; relating to the administration of the excise tax by the Department of Revenue and regulations required to be adopted; requiring a report from the Department of Commerce, Community, and Economic Development relating to safely and efficiently hosting passengers; defining 'voyage' for purposes of the excise tax; relating to municipal levies on a passenger on a commercial passenger vessel; and providing for an effective date."

SB 312-VESSEL PASSENGER TAX

Recommends it be replaced with [X] HCS *or* **[ ] CS** *for* CSSB 312 (FIN)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

NEW FISCAL NOTES *Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

PREVIOUS FISCAL NOTES

List by Dept(s):	FN#	Fiscal	Indet.	Zero
CED	2	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	THOMAS			✓	
	Gara			✓	
	DOGAN			✓	
	Joule			✓	
	Foster			✓	
	Austerman	X			
	FAIRCLOUGH			✓	
	KELLY	X			
Chair:	Stoltze			✱	
Chair:	Hawker	★			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 312**
() Publish Date:

Identifier (file name): CSSB 312-REV-TAX-04-15-10
Dept. Affected: Revenue
Title: Reduce CPV Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senate Finance Committee
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	0.0	(3,100.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)	(22,000.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

See Attached

Prepared by: Johanna Bales, Deputy Director — Phone (907) 269-6628
Division: Tax Division — Date/Time 4-15-2010 8:30 a.m.
Approved by: Ginger Blaisdell, Director — Date 04-15-10; 8:38am
Administrative Services Division

(Revised 11/6/2009 OMB)

5447

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 312

ANALYSIS CONTINUATION

Bill Language:

This bill will reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill would allow a reduction in the amount of the state tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed the amount of municipal taxes levied as of December 2007 or $15 per passenger. All revenues collected from the CPV tax would be deposited in the commercial vessel passenger tax account in the general fund. No revenues would be deposited in the current regional cruise ship impact fund to which 25% of the current CPV tax is deposited. The language which created the regional cruise ship impact fund would be repealed. Currently, the Department of Revenue shares $5 with the first five ports of call. Communities that levy their own tax do not currently receive revenue sharing from the state tax. This bill would, not only allow revenue sharing by those communities with their own passenger tax, but would expand revenue sharing to the first 7 ports of call. During the last three cruise ship seasons, no vessel had more than 5 ports of call. It is anticipated that there will be at least two vessels in the future that will visit up to 7 ports of call with approximately 19,000 total passengers. This bill would not affect the amount of revenue sharing to each community. It will remain at $5 per passenger. This bill also does not change the current split between boroughs and cities. Boroughs that are not unified with cities where ships visit will continue to receive $2.50 per passenger in sharing and the city will receive the same. Under current law, communities that revenue share cannot adopt their own passenger fee. This bill would repeal that section of current law and will allow communities that receive revenue sharing to adopt their own passenger fee.

Currently revenue collected from the large passenger vessel gambling tax is deposited into the commercial vessel passenger tax account. This bill would require gambling tax revenues be deposited into the general fund.

Revenues:

This bill will become effective October 31, 2010. Therefore, reduction in revenues experienced as a result of this legislation would not take effect until May 2011 when the 2011 cruise ship season begins. As a result, DOR expects cruise ship revenues to decline by $3.1 million in FY 2011. In FY 2012 and thereafter, commercial passenger vessel tax revenues would decline by approximately $22 million each year due to the reduction in the CPV tax from $46 to $34.50 per passenger and the further reduction allowed for passenger fees paid to municipalities. Although this bill does not change the rate at which the state shares CPV tax with communities that do not levy a passenger fee, this bill will allow all communities, even those that levy a fee, to revenue share and the number of ports that will share will increase from 5 to 7. Under current law, we expect passenger fee sharing to be approximately $8.5 million each year. Under this bill, we expect passenger fee sharing to increase by approximately $6.4 million ($6.2 to share with municipalities that levy their own fee and $200,000 to the additional 2 ports of call) to total municipal revenue sharing of $14.9 million each year.

Expenditures:

The provisions of this bill can be implemented using existing resources.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 312(FIN)
(S) Publish Date: 4/14/10

Identifier (file name): SB312-CED-OED-4-1-10
Dept. Affected: DCCED
Title: CPV Excise Tax Review and Report
RDU: Comm Assist and Ec Dev
Component: Office of Economic Development
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee
Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	10.0				10.0		
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0				10.0		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This bill lowers the commercial passenger vessel excise tax on passengers, and requires the Department of Commerce, Community and Economic Development to conduct a periodic review of projected community needs and usage of past appropriations.

The travel component of this fiscal note represents staff outreach to communities and industry to better understand existing conditions and anticipated needs in port communities as a component of periodic review requirement in section 6 of this legislation.

The report and recommendation will be completed with existing staff resources.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: Commissioner's Office — Date/Time 4/1/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 4/1/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

5449

Distribution of headtax revenue relative to passenger visits FY07-FY10

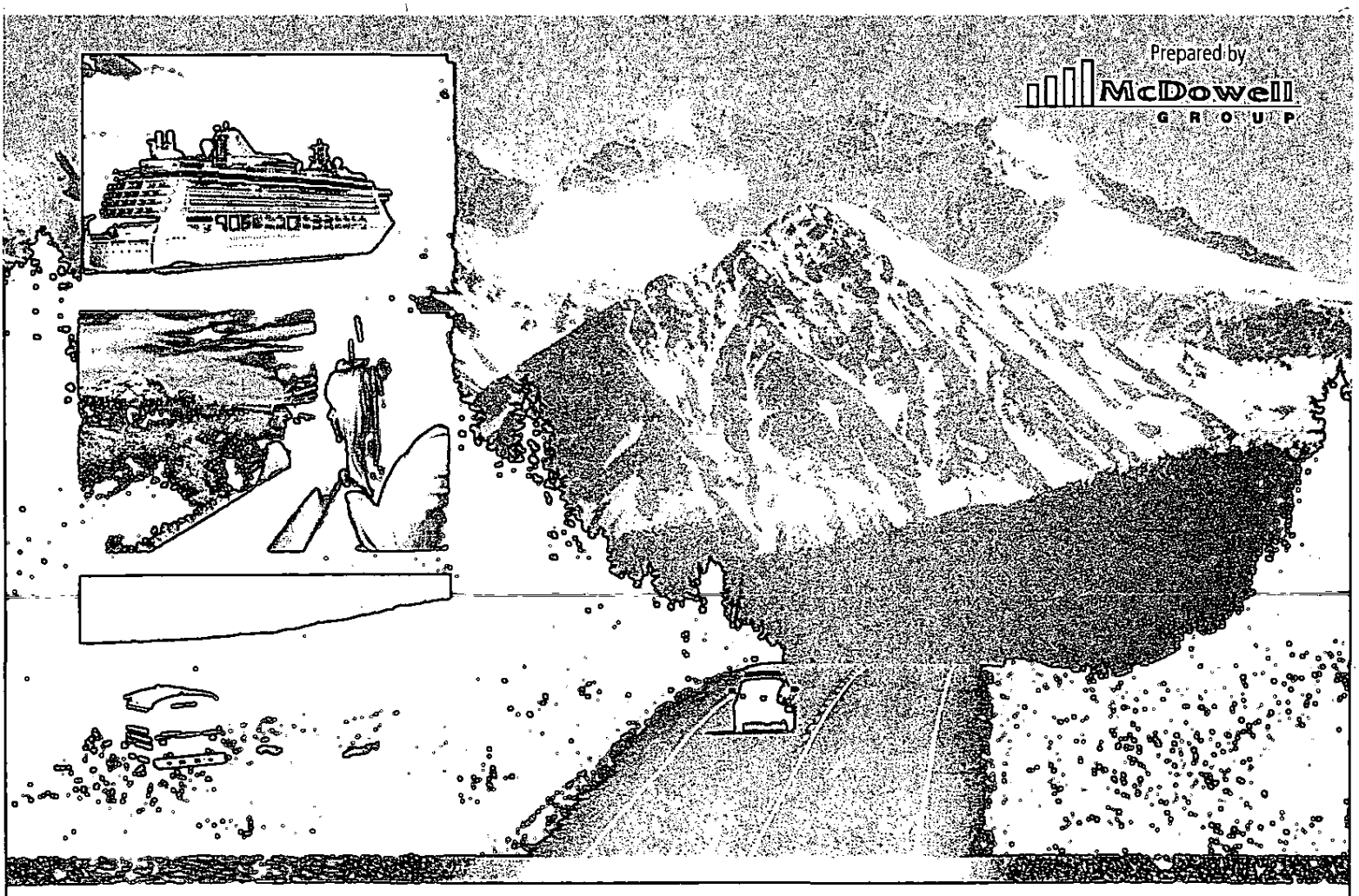
With FY11 Capital Projects Proposed in CSSB 230(FIN) and w/o the 2010 Season Port of Call Payments

Area	% Pass	% Funding	Passengers	Total Funding
HD 1 - Ketchikan	**26.7%**	**17.7%**	**2,753,810**	**$ 31,059,525**
HD 2 - Sitka/Wrangell/Petersburg	**7.0%**	**14.1%**	**720,532**	**$ 24,857,660**
HD 3-4: Juneau	**28.8%**	**13.8%**	**2,970,952**	**$ 24,290,000**
HD 5: SE Islands	**27.0%**	**23.3%**	**2,781,704**	**$ 41,047,720**
Cordova	*0.0%*	*0.6%*	*0*	*$ 1,000,000*
Haines	*1.0%*	*6.9%*	*106,853*	*$ 12,103,465*
Hoonah	*3.0%*	*2.3%*	*309,839*	*$ 4,049,195*
Skagway	*22.9%*	*13.2%*	*2,365,012*	*$ 23,245,060*
Yakutat	*0.0%*	*0.4%*	*0*	*$ 650,000*
HD 1-5 Southeast Total	**89.4%**	**68.9%**	**9,226,998**	**$ 121,254,905**
Valdez	**0.1%**	**3.8%**	**12,017**	**$ 6,610,085**
Whitter/Anchorage Area	**5.9%**	**11.0%**	**603,642**	**$ 19,353,210**
Kodiak	**0.2%**	**1.3%**	**22,147**	**$ 2,360,735**
Unalaska	**0.0%**	**0.1%**	**1,524**	**$ 7,620**
Fairbanks	**0.0%**	**2.6%**	**0**	**$ 4,500,000**
Matsu	**0.0%**	**0.3%**	**0**	**$ 530,000**
Seward/Homer/Kenai Borough	**4.4%**	**8.1%**	**449,374**	**$ 14,213,870**
Statewide Projects	**0.0%**	**4.0%**	**0**	**$ 7,050,000**
			10,315,702	$ 175,880,425

Economic Impact of

Alaska's Visitor Industry

March 2010



Prepared by McDowell Group

Prepared for

State of Alaska
Department of Commerce, Community, & Economic Development
Office of Economic Development

5451

Economic Impact of

Alaska's Visitor Industry

March 2010

Prepared by

McDowell GROUP

Prepared for

State of Alaska
Department of Commerce, Community, & Economic Development

Office of Economic Development

5452

Table of Contents

Executive Summary **1**

Introduction and Methodology **6**

Introduction 6

Methodology 6

Visitor Volume **10**

Visitor Volume, Summer 2009 10

Visitor Volume, Fall/Winter 2008-09 11

Visitor Industry Spending **12**

Visitor Spending, Summer 2009 12

Visitor Spending, Fall/Winter 2008-09 14

Additional Visitor Industry Spending 15

Full Year Visitor Industry Spending 17

Economic Impact Analysis **18**

Direct Employment and Labor Income Effects 18

Importance in Regional and Statewide Economies 20

Employment and Labor Income by Sector 20

Alaska's Visitor Industry: Recent Changes and Future Outlook **22**

Decline in Visitor Industry, 2008 to 2009 22

Industry Outlook 28

Revenues to Municipal and State Governments **30**

Summary 30

Municipal Tax Revenues 31

State of Alaska Revenues 33

Executive Summary

Introduction

The purpose of this study is to measure the economic impacts of Alaska's out-of-state visitors. The visitor industry is a challenging one to measure, reaching into a wide variety of economic sectors, including transportation, lodging, and retail, among others. The nationwide economic crisis of 2008-09 and accompanying drop in visitor traffic and spending added urgency to the need for up-to-date information on this critical component of Alaska's economy. The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to gauge the impacts of Alaska's visitor industry, including direct, indirect, and induced effects.

Visitor Volume and Spending

- An estimated 1.58 million out-of-state visitors traveled to Alaska between May and September 2009. Two-thirds of this total (1,026,600, or 65 percent) were cruise passengers. An additional 242,500 out-of-state visitors traveled to Alaska between October 2008 and April 2009.

- Visitor traffic to Alaska dropped an estimated 7.3 percent between summer 2008 and summer 2009, the largest decline since McDowell Group started tracking visitor traffic in 1985. The decrease occurred primarily in air passenger exits, which dropped an estimated 15 percent. Ferry exits fell 16 percent, and highway exits were down 8 percent.

- Declines in the air, ferry, and highway markets were moderated by flat cruise passenger volume between 2008 and 2009. However, cruise passengers traveled less within the state, more often choosing cruise-only packages (rather than cruise-plus-land tour packages).

Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

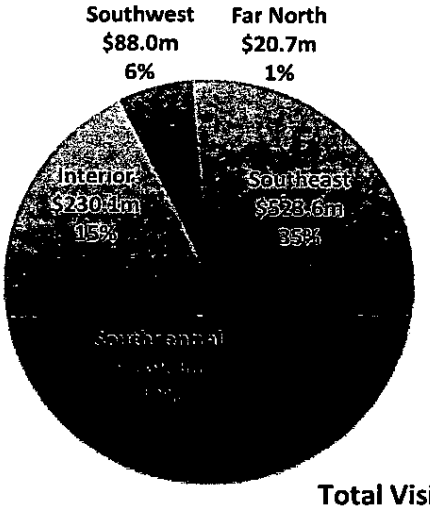
- Another impact felt by businesses throughout the state was lower spending levels. Many businesses were forced to lower their prices to compete for fewer visitors, and visitors themselves tended to spend less on everything from lodging to gifts and tours. A survey of 172 visitor industry businesses found that two-thirds of businesses experienced a decrease in gross sales to out-of-state visitors (11 percent reported an increase, 7 percent reported no change, and 14 percent didn't know). The average estimated change in gross sales among all surveyed businesses was a decline of 16 percent.

- A number of additional indicators reinforce the lower volume and spending estimates in summer 2009:
  - 13 percent decline in cruise passenger land tour volume
  - 16 percent decline in out-of-state visitors on the Alaska Marine Highway
  - Bed tax revenue declines (second and third quarter only) ranging from 10 percent in the Mat-Su, to 22 percent in Anchorage, to 30 percent in Sitka
  - 23 percent decline in Anchorage car rental tax revenues (second and third quarter only)
  - 16 percent decline in non-resident sportfishing license sales (calendar year 2008 to 2009).

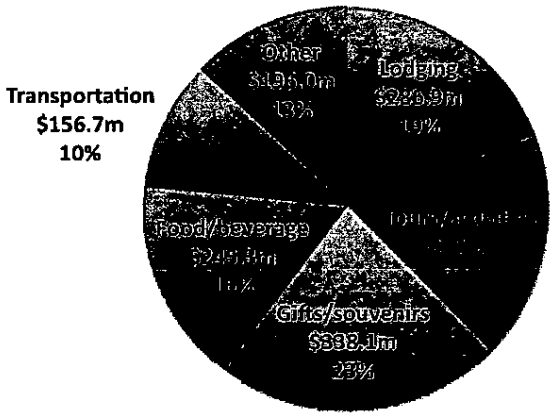
- In contrast, fall/winter visitor volume was down only 2 percent from the previous fall/winter period (2007-08). However, surveyed businesses reported slightly larger declines in gross sales, an average of 8 percent. Some decreases were reported in bed tax revenues over this period, including a 6 percent decrease in Anchorage (first and fourth quarter only).

- Out-of-state visitors spent an estimated $1.5 billion in Alaska during the study period of October 2008 through September 2009. This figure does not include spending on travel to enter and exit Alaska (such as cruise packages, ferry passage, or air tickets). Spending figures are based on visitor survey data from the 2006-07 *Alaska Visitor Statistics Program*, conducted by McDowell Group, adjusted to account for changes in overall visitor volume, volume by region, spending behavior, and inflationary factors. Spending was further adjusted to extract commissions that do not affect the Alaska economy.

Visitor Spending, Oct. 2008-Sept. 2009
By Region



Visitor Spending, Oct. 2008-Sept. 2009
By Sector



Total Visitor Spending: $1.5 Billion

- Additional visitor industry spending that must be taken into account for the purposes of economic impact analysis includes spending by cruise lines, estimated at over $300 million during the 2008-09 study period. The largest components of cruise line spending include employee payroll, payments to local and state government on taxes and fees, payments for transportation services, and payments to accommodations (on behalf of cruise/tour passengers traveling before or after their cruise, whose package price includes lodging).

- Crew members sailing on board cruise ships spent an estimated $16 million while visiting Alaska ports.
- Further, the visitor spending above excludes spending to enter and exit the state. An estimated $282 million in visitor spending on air and ferry tickets to enter and exit the state affects the Alaska economy.
- This additional $610 million in spending by cruise lines, crew members, and visitors purchasing air and ferry tickets brings total *visitor industry* spending in 2008-09 to $2.1 billion.

Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending, cruise line labor income, and crew spending	$328.4 million
Air and ferry tickets	$282.2 million
Total spending	**$2.1 billion**

Economic Impacts

- Direct visitor industry spending in Alaska of approximately $2.1 billion in the 2008-09 study period directly generated 27,100 jobs in Alaska, and $800 million in labor income.
- Indirect or secondary visitor-related spending totaled approximately $1.3 billion. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income.
- In summary, Alaska's visitor industry accounted for a total of 36,200 full and part-time jobs in 2008-09, over $1.1 billion in labor income, and $3.4 billion in total spending, including all direct, indirect and induced effects.
- The visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Therefore, peak employment directly or indirectly connected to the industry is estimated at over 40,000 in 2009.
- Approximately half (49 percent) of visitor industry employment occurred in the Southcentral region, and slightly less than one-third (29 percent) in Southeast. About one in six (17 percent) visitor industry-related jobs were in the Interior region.

Total Visitor Industry Employment, Labor Income and Spending in Alaska, October 2008-September 2009 (including direct, indirect and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

- Compared to other Alaska regions, visitor industry employment is most important in the Southeast economy. The region's 10,600 visitor-related jobs represented 21 percent of the total 50,000 full and part-time jobs in Southeast. Total visitor industry-related labor income of $373 million was 17 percent of total regional labor income of approximately $2.2 billion.

- In Alaska's Interior region, 6,200 visitor industry-related jobs accounted for about 9 percent of employment (regional total of 65,500 jobs) and 6 percent of all labor income (regional total of $3.4 billion).

- Visitor industry-related employment of 17,600 in Southcentral Alaska represented approximately 7 percent of total employment in the region (263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

- Statewide visitor industry-related employment of 36,200 accounted for 8 percent of all employment in Alaska. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.

Impacts of Visitor Volume Changes

- The decline in visitor traffic between 2007-08 and 2008-09 was accompanied by an estimated $270 million decline in visitor spending, a 15 percent drop.

- As a result of the decline in visitor spending in 2009, summer season visitor industry-related employment in Alaska was about 2,000 to 2,500 jobs below the 2008 level. Businesses likely addressed the decline in visitor sales with a combination of reductions in personnel and non-personnel costs. As such, the decline in employment in 2009 was less than proportional to the decline in sales.

- Alaska is facing a loss of more than 140,000 passengers in the 2010 cruise season, accompanied by a potential loss of up to $150 million in direct and indirect spending in Alaska.

Revenues to Municipal and State Governments

- Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

- Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, revenues to Alaska Marine Highway and Alaska Railroad, and corporate income taxes. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees.

Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Introduction and Methodology

Introduction

The most recent comprehensive assessment of the economic impact of Alaska's non-resident visitor industry was conducted in 1999 (by McDowell Group).[1] Since then, visitor volume has increased substantially, as has visitor spending and the number of visitor industry businesses, warranting re-assessment of the economic impact of one of Alaska's most important basic industries. Recent changes in Alaska's visitor industry added urgency to the need for an up-to-date economic impact measurement. The global economic recession in late 2008 and 2009 fundamentally affected Alaska visitor traffic and spending.

The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to measure the regional and statewide economic impact of Alaska's visitor industry in fall 2008 through summer 2009, including direct, indirect and induced effects. In addition to measuring visitor-related spending, employment, payroll and tax payments over a one-year period, the study provides objective, quantitative information on how recent events have affected Alaska's visitor industry.

Methodology

Visitor Volume

The last primary data collection on visitor volume was conducted (by McDowell Group) in 2006-07 as part of the *Alaska Visitor Statistics Program V* (AVSP). Visitor/resident ratios were collected at airports, onboard ferries, and at border stations as visitors exited Alaska. Since 2006-07, McDowell Group has estimated visitor volume by applying 2006-07 visitor/resident ratios, by month and location, to traffic statistics (ferry embarkations, highway exits, and airplane enplanements). Prior to this study being undertaken, this exercise was completed for the study periods (fall/winter 2008-09 and summer 2009). Sources for traffic data included: Cruise Line Agencies of Alaska, Alaska Marine Highway System, Yukon Department of Tourism and Culture, Alaska Airlines, and the Anchorage and Fairbanks airports.

Since the 2009 season was so different from previous years in terms of visitor volume, and because it has been three years since the original ratios were determined, the original summer 2009 visitor volume estimates were adjusted to more accurately reflect the latest visitor season.

In order to gather information on the 2009 season, and how it differed in terms of visitor volume and spending from previous seasons, a survey of visitor industry businesses was conducted in early 2010. A total of 172 businesses were interviewed by the study team. Specific businesses were targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Most businesses

[1] The Office of Economic Development commissioned a Tourism Satellite Account in 2004 that measured the economic impact of all travel and tourism activity in the state; however, the data from that study is not comparable with this study or previous studies.

were selected from the mailing list of the Alaska Travel Industry Association. Other sources included the websites of Convention and Visitors Bureaus and *The Milepost* guidebook.

Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease from 2008 to 2009 in both visitor volume and gross sales, among other questions. Nearly all businesses contacted were willing to participate, and often offered additional perspectives on the 2009 season, and/or described factors affecting their particular business.

Additional sources considered in the volume adjustments included:

- Information provided by Alaska Airlines and Alaska Marine Highway on resident travel.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Fishing and hunting license sales data from the Alaska Department of Fish and Game.
- Previous studies conducted by McDowell Group, including economic impact studies for the Juneau Convention and Visitors Bureau, Ketchikan Visitors Bureau, and the Alaska Cruise Association.
- Employment data from the Alaska Department of Labor and Workforce Development.

Fall/winter visitor volume was not adjusted, reflecting the flat traffic trends and little change reported in the business survey.

Visitor Spending

As with visitor volume, the last primary data collection on visitor spending was conducted for AVSP V in 2006-07. The survey of visitor businesses conducted for this study provided valuable data on how visitor spending changed in 2009 compared to previous seasons. Another important source of information was shore excursion sales data provided by cruise lines, showing changes in cruise passenger spending patterns over the last several years.

All of the sources cited above (bed tax revenues, vehicle rental tax revenues, and previous economic impact studies) were taken into consideration in determining the spending adjustments. Inflation was also accounted for, by economic sector, based on the Anchorage Consumer Price Index.

Additional Visitor Industry Spending

Additional visitor industry spending includes cruise line spending, crew member spending, and spending on air and ferry tickets to enter and exit Alaska.

- Cruise line spending was derived from expenditure and payroll data provided by cruise lines for a study of the 2007 season, prepared for Alaska Cruise Association (ACA granted permission to use this data for the current study). Spending was adjusted to account for inflation as well as the drop in land tour volume between 2007 and 2009. (Overall passenger volume was flat between the two years.)

- Crew member spending was based on previous surveys of crew members conducted by McDowell Group, modified to account for changes in crew member volume by port.

- Spending on air tickets was based on average Seattle-Alaska airfares, estimated volume by location, and an assumption that roughly half of spending on air tickets to enter and exit Alaska actually stays in Alaska.

- Spending on ferry tickets was based on reported spending in AVSP V, adjusted for inflation, and estimated visitor volume entering and exiting Alaska via ferry. All spending on ferry tickets was assumed to stay in Alaska.

Economic Impact Analysis

McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska. Estimates of direct visitor industry employment and payroll are derived from visitor industry spending estimates, and verified using employment and payroll data from the Alaska Department of Labor and Workforce Development and U.S. Bureau of Economic Analysis. The model incorporates IMPLAN multipliers to estimate indirect and induced impacts. IMPLAN is a predictive input-output model of local and state economies, and is widely used to measure the economic impact of industries and industrial/commercial development. Indirect effects include those jobs and income created as a result of visitor industry businesses purchasing goods and services in support of their business operations. Induced effects include jobs and income created as a result of employees of the visitor industry spending their payroll dollars in support of their households. Together, indirect and induced impacts are often termed "multiplier effects."

Visitor Industry Tax Revenues

The report includes estimates of tax revenues to municipalities and state government from out-of-state visitors, to the extent possible.

Regional sales tax revenue estimates were calculated based on visitor industry spending and visitor volume at the community and regional level. Bed tax revenues were based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research. For both bed and sales tax estimates, tax rates and total taxes collected by community (from the *Alaska Taxable* report, 2009) were taken into account in the analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Cruise ship dockage/moorage revenues were collected from municipalities.

Cruise line payments to the State of Alaska were reported by the Departments of Revenue and Environmental Conservation. Fishing and hunting licenses and tag revenues were reported by the Department of Fish and

Game. Vehicle rental taxes were reported by the Department of Revenue, adjusted to account for out-of-state visitors (using business survey results). The Department of Revenue also reported corporate income taxes associated with the visitor industry. An Alaska Railroad official reported passenger-related revenues and the percentage attributable to out-of-state visitors.

Visitor Volume, Summer 2009

An estimated 1.58 million out-of-state visitors came to Alaska between May and September, 2009. Over half of these visitors (53 percent) exited the state via cruise ship; 43 percent exited via air; 3 percent exited via highway; and 1 percent exited via ferry.

Because some cruise ship visitors exit the state by air after completing their cruise, it is also useful to consider volume in terms of cruise and non-cruise visitors. As the chart below shows, 65 percent of all summer visitors spent at least one night on a cruise ship while in Alaska.

Chart 1
Alaska Visitor Volume, Summer 2009
By Exit Mode

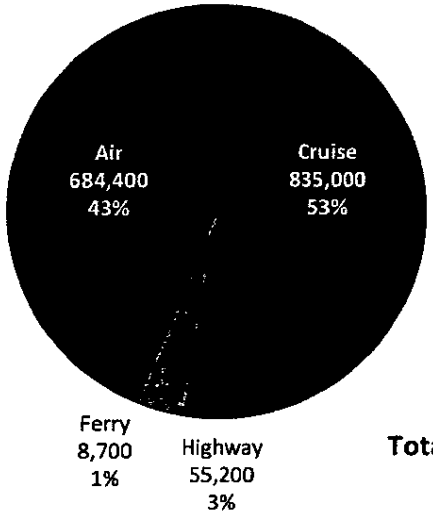
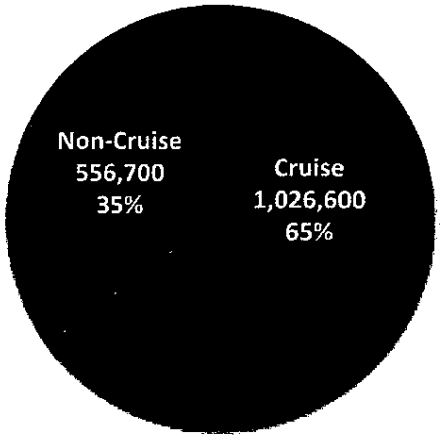


Chart 2
Cruise Market Share, Summer 2009



Total Visitors: 1.58 million

Visitor Volume Decline, 2008 to 2009

Visitation to Alaska dropped an estimated 7.3 percent between summer 2008 and 2009. While cruise passenger volume remained essentially the same, air visitor traffic decreased by 15 percent (from 800,600 to 684,400). Highway exits were down by 8 percent, while ferry exits decreased by 16 percent. (See table, next page.)

The visitor volume figures for air, ferry, and highway are based on visitor/resident ratios collected in summer 2006.[2] Additional information was taken into account to adjust the 2006 ratios, including: a survey of 172 visitor businesses on their 2009 season; reports from air carriers and the Alaska Marine Highway on resident travel; reports from cruise lines on in-state travel; and changes in bed tax revenues reported by municipalities.

[2] Because cruise passengers are assumed to be 100 percent visitors, and cruise passenger data is more measurable, there is less uncertainty in the cruise volume figures.

The overall decline of 7.3 percent may appear low in light of the larger decreases felt by many businesses in the state. It is important to keep several factors in mind when considering the overall decrease:

- Total cruise passenger traffic was flat; because cruise visitors represent two-thirds of overall visitation, this moderated the significant declines in the other modes.
- While total cruise passenger volume to Alaska did not change, there was a significant decrease in the number of passengers who purchased land tours, translating to less in-state travel, particularly to Fairbanks and Denali. These decreases are not reflected in total traffic volume.
- Because visitors were reportedly spending less money while in Alaska, their impact in terms of dollars spent was more dramatic than their decrease in volume.

Please see the chapter in this report on "Recent Changes" for a more detailed discussion on the summer 2009 visitor season, along with survey data and other indicators.

Table 1
Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in Summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

Visitor Volume, Fall/Winter 2008-09

An estimated 242,500 out-of-state visitors came to Alaska between October 2008 and April 2009. Nearly all of these visitors (95 percent) exited the state via airplane, while 5 percent exited via highway or ferry. Fall/winter 2008-09 saw a slight (2.0 percent) decrease in visitor volume from fall/winter 2007-08. Air visitor exits were down by 1.9 percent, and highway visitor exits were down by 4.0 percent. While ferry volume increased, it had little impact on overall volume, as ferry exits represent less than 1 percent of all fall/winter visitors.

(These estimates are unchanged from the previously published report on fall/winter visitor volume 2008-09. The survey of visitor businesses revealed no significant changes in visitation between 2007-08 and 2008-09. Please see the chapter on "Recent Changes" for more detailed survey results.)

Table 2
Visitor Volume, by Exit Mode, Fall/Winter 2008-09

Exit Mode	Number of Visitors
Air	231,300
Highway	9,700
Ferry	1,500
Total	**242,500**

Visitor Industry Spending

The spending figures presented below are based on survey data from the 2006-07 *Alaska Visitor Statistics Program V*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development. To update these spending figures to 2008-09, the study team took into account changes in the visitor market since 2006-07 in terms of visitor volume, visitor type, and spending behavior. Information sources for estimating the effects of these changes included:

- Survey of 172 visitor businesses on changes in their business in terms of both volume and sales from previous seasons. (For detailed survey results, please see the chapter on "Recent Changes.")
- Traffic data including air passenger data from airports and Alaska Airlines; ferry passenger data from the Alaska Marine Highway; cruise passenger data from Cruise Line Agencies of Alaska; and highway border traffic from the Yukon Department of Tourism and Culture and U.S. Customs.
- Data on cruise passenger spending on shore excursions provided by cruise lines.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Inflation factors, by economic sector, based on the Anchorage Consumer Price Index.
- Employment data from the Alaska Department of Labor and Workforce Development.

Visitor Spending, Summer 2009

Out-of-state visitors to Alaska spent an estimated $1.31 billion in Alaska between May and September 2009. This figure includes instate spending only, excluding the cost of transportation to and from the state, such as air tickets, cruise or cruise/tour packages, and ferry tickets.

While cruise visitor spending on cruises and cruise/tour packages is excluded in this figure, cruise line spending in Alaska is accounted for in the economic impact analysis, and is addressed further, below. This spending includes payments to hotels, motorcoach companies, the Alaska Railroad, and other components of land tours that are included in the cruise package price.

For the purposes of this study, tour commissions were extracted from passenger spending data because they accrue directly to travel agents, tour operators, and cruise lines at the time of the sale.

Spending by Region

In the 2006 AVSP survey, respondents were asked to estimate how much they spent in each community they visited. This spending was updated to reflect 2009 visitation by region and changes in spending behavior, among other factors. The chart below shows how summer visitor spending is distributed throughout the state. Southeast and Southcentral account for the bulk of visitor spending at 39 percent each, followed by the Interior at 15 percent, Southwest at 6 percent, and Far North at 1 percent.

Spending by Sector

In the 2006 AVSP survey, respondents were asked to estimate how much they spent by spending category (lodging, tours/activities/entertainment, gifts/souvenirs/clothing, food/beverage, cars/fuel/ transportation, and other). Spending estimates were updated to reflect changes in visitor volume and spending behavior in 2009. Total spending by sector is presented in the chart below.

Visitor spending is widely distributed, with no one category accounting for more than one-quarter of spending. The largest sectors were gifts/souvenirs/clothing at 23 percent, tours/activities/entertainment at 21 percent, and lodging at 17 percent. Readers are reminded that all tour commissions have been excluded from the tours/activities category. The "other" category is primarily spending on lodge packages within one community.

Chart 3
Visitor Spending, Summer 2009, by Region

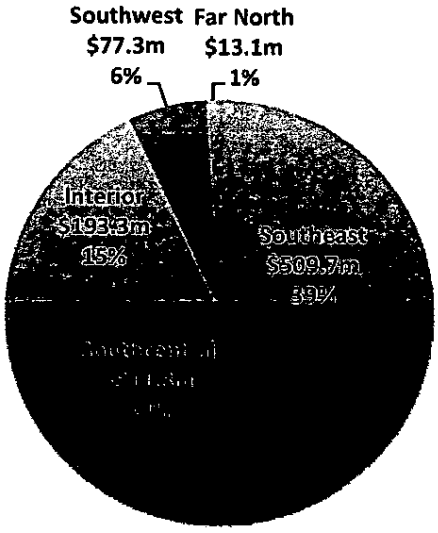
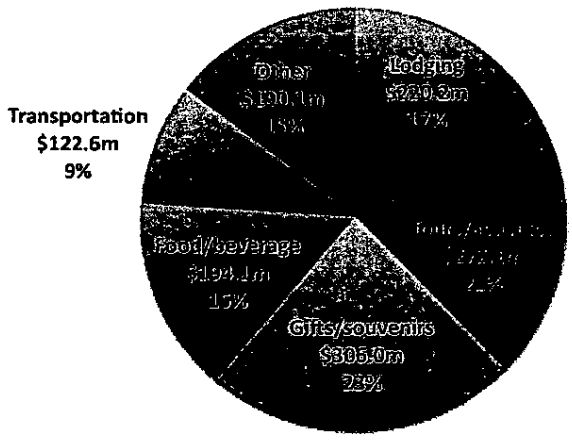


Chart 4
Visitor Spending, Summer 2009, by Sector



Total Summer Visitor Spending: $1.3 Billion

5466

Visitor Spending, Fall/Winter 2008-09

Out-of-state visitors spent an estimated $197 million in Alaska between October 2008 and April 2009. This figure excludes spending on air and ferry travel to enter and exit the state. Like the summer spending figures, the basis for the fall/winter spending estimates is survey results from 2006-07. However, fewer adjustments were necessary to update these figures: volume only dropped by 2 percent between 2007-08 and 2008-09 (3 percent since 2006-07), in contrast to summer traffic. The data was updated to reflect a small decrease reported in the business survey and corroborated in other data such as bed and vehicle tax revenues. It was also adjusted to reflect the effects of inflation, by sector.

Spending by Region

In contrast to summer season spending, fall/winter visitor spending is much more focused in the Southcentral region, which accounts for two-thirds of all fall/winter spending. This reflects the much higher visitor traffic to the Southcentral region, nearly all of it to Anchorage. One-fifth of spending occurs in the Interior region, while Southeast, Southwest, and Far North each account for less than 10 percent of fall/winter spending.

Spending by Sector

Fall/winter visitor spending is more focused in the lodging and food/beverage categories when compared to the summer season, when gifts/souvenirs and tours/activities are the top two spending categories. This different spending pattern reflects the very different make-up of the fall/winter market: few visitors are shopping for vacation/pleasure purposes, and instead are much more likely to be traveling for business or to visit friends or relatives. They are therefore much less likely to participate in tours or purchase souvenirs.

Chart 5
Visitor Spending, Fall/Winter 2008-09
By Region

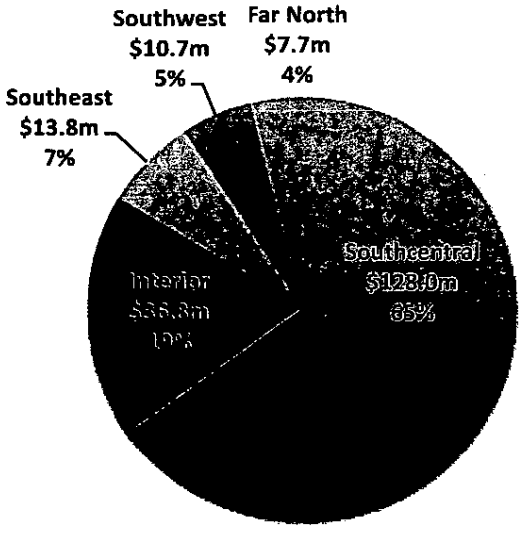
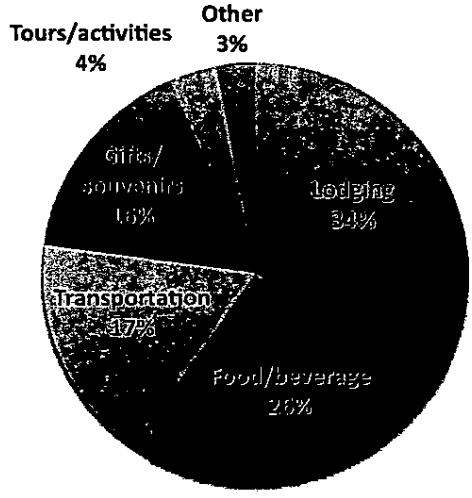


Chart 6
Visitor Spending, Fall/Winter 2008-09
By Sector



Total Fall/Winter Visitor Spending: $197 Million

Additional Visitor Industry Spending

Cruise Line Spending and Payroll

Cruise lines and their subsidiaries spent approximately $250 million on goods and services from Alaska businesses during the 2008-09 study period. This estimate is derived from detailed 2007 purchasing information provided by six major cruise lines for a report conducted by McDowell Group on cruise industry impacts for the Alaska Cruise Association. (Permission was granted by ACA to use the cruise line data for the purposes of this study.) The data was sorted to eliminate spending outside of Alaska, as well as payments to tour vendors accounted for under passenger spending.

To develop an estimate of 2009 cruise line spending, the 2007 spending data was adjusted to account for differences in the cruise market between 2007 and 2009, including a drop in land tour participation. (Total passenger volume was essentially the same between the two years.) The 2007 data was also adjusted to account for the effects of inflation.

One-third of all cruise line spending accrues to government in the form of taxes and fees. Transportation spending accounts for over one-fifth of all cruise line spending, while the accommodations sector receives 17 percent of all spending.

In addition to spending in Alaska on goods and services, cruise lines also paid their Alaska employees a total of approximately $62 million in payroll and benefits. Cruise lines directly employed approximately 1,800 workers in Alaska in 2009, including motorcoach drivers, hotel employees, and other shoreside personnel. This does not include any shipboard personnel.

Crew Spending

Approximately 25,000 crew members visited Alaska in 2009, each crew member generally sailing on 10 to 20 individual voyages, visiting multiple communities on each voyage. Crew members make a wide variety of purchases while in port: they visit restaurants and bars; they purchase communication-related items such as phone cards, Internet, and postage; and they visit retail outlets such as Fred Meyers, Costco, and Wal-Mart. Spending data for crew is primarily based on surveys of crew members previously conducted by McDowell Group, updated to reflect 2009 crew member visitation.

Table 3
Crew Member Spending, By Region, Summer 2009

	Total Spending
Southeast	$16.1 million
Southcentral	$0.3 million
Total	**$16.4 million**

Visitor Spending on Air and Ferry Travel

Air Travel

Although visitors did not report their spending on airplane tickets to enter and exit the state in the 2006-07 AVSP, a rough estimate is necessary to complete the picture of visitor spending in 2008-09. Visitor spending

on air travel impacts the state's economy in the form of landing fees, fuel purchases, airline employee wages, and other purchases in support of airline operations.

To estimate visitor spending on air travel, the estimated number of air visitors was multiplied by average Seattle-Alaska round-trip fares, for both summer ($600) and fall/winter ($500). One-half of the total ticket spending was assumed to stay in-state. Spending was distributed by region based on exiting air traffic. This methodology is inexact: passengers fly to and from various destinations with various pricing, and many passengers fly to or from points other than Seattle. In the absence of more specific data, this provides a reasonable and conservative estimate of impacts from visitor spending on airfare in and out of the state. (See table, below.)

Ferry Travel

Similar to airplane tickets, spending on ferry tickets to enter and exit Alaska are not included in the initial visitor spending estimates because the expenditures are not "out-of-pocket." To estimate this spending, the total number of visitors estimated to have entered or entered Alaska by ferry from fall 2008 through summer 2009 was multiplied by the average spending on ferry tickets reported in AVSP, with adjustments for inflation. This results in a total spending estimate of $11.4 million. This does not include spending on in-state ferry travel by visitors, which is captured elsewhere in the expenditure data. For the purposes of economic impact analysis, all ferry spending is attributed to Southeast because all ferries entering and exiting Alaska sail between Southeast ports and Bellingham or Prince Rupert (though visitors sailing to Southcentral and Southwest ports clearly have economic benefit to those regions).

Table 4
Visitor Spending on Air and Ferry Travel to Enter/Exit Alaska
October 2008-September 2009

	Air Travel	Ferry Travel
Southcentral	$209.0 million	n/a
Southeast	$25.5 million	$11.4 million
Interior	$36.3 million	n/a
Total	**$270.8 million**	**$11.4 million**

Full Year Visitor Industry Spending

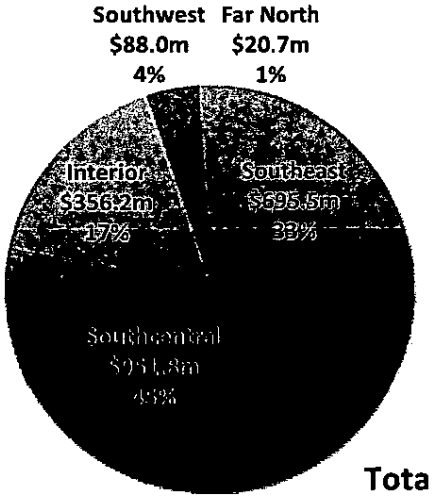
The table below shows full year (October 2008 through September 2009) visitor industry spending, combining the spending by visitors, cruise lines, and crew members, along with spending on air and ferry tickets to enter/exit Alaska. The total figure of $2.1 billion is primarily focused on visitor spending, which accounts for 71 percent of total spending.

Table 5
Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending	$250.0 million
Cruise line payroll spending	$62.0 million
Crew member spending	$16.4 million
Air tickets	$270.8 million
Ferry tickets	$11.4 million
Total spending	**$2.1 billion**

The chart below shows how visitor industry spending is distributed by region. Regionally, Southcentral captures the largest share at 45 percent, followed by Southeast at 33 percent, Interior at 17 percent, Southwest at 4 percent, and Far North at 1 percent.

Chart 7
Visitor Industry Spending, October 2008-September 2009, By Region



Total Spending: $2.1 Billion

Economic Impact Analysis

Spending in Alaska by visitors and visitor industry businesses creates jobs, income, and business activity throughout the Alaska economy. Visitor spending creates jobs and payroll with tour companies, hotels and lodges, retail establishments, transportation providers, and a range of other business. Visitor industry businesses and their employees in turn re-spend a portion of that money with other Alaska businesses (some is spent outside Alaska).

For most industries in Alaska, it is possible to rely on government agencies to routinely report employment and payroll. However, because visitor activity directly affects a blend of numerous other industries (retail, transportation, services, and others) there are no regularly published data on visitor industry employment and payroll, either in Alaska or elsewhere in the U.S. Tourism "satellite accounts" have been developed for the purpose of isolating and measuring tourism economic activity; however, these efforts still fail to provide a true measure on tourism activity in Alaska because resident travel is included in the analysis. Therefore, for a pure analysis of the economic impact of non-resident visitor travel to Alaska, custom research and modeling is required. McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska.

All impact analysis refers to the October 2008 through September 2009 study period, abbreviated to "2009."

Direct Employment and Labor Income Effects

The visitor industry's direct economic impacts include the jobs and income created by:

- Non-resident visitor spending on all goods and services purchased while in Alaska.
- Half of visitor spending on air travel to Alaska (based on fares for travel from Seattle to Alaska destinations) and all visitor spending on Alaska Marine Highway tickets. None of the expenditures made by cruise passengers on their cruise package is included, though some of that money flows through the state in the form of cruise line purchases of goods and services.
- Spending in Alaska by cruise lines in support of their operations, including payroll for their shoreside employees in Alaska and all taxes and fees paid to state and local governments.
- Spending by cruise ship crew while in Alaska.

As described in the previous chapter, all these components of direct visitor industry spending totaled approximately $2.1 billion in the 12-month study period. This spending directly generated 27,100 full- and part-time jobs in Alaska, and $800 million in labor income, based on McDowell Group's economic impact modeling. Approximately half (46 percent) of direct visitor industry employment is in the Southcentral region, and approximately one-third (31 percent) is in Southeast.

Table 6
Visitor Industry Employment and Labor Income in Alaska, 2009
(direct effects only)

	Employment	Labor Income
Southcentral	12,600	$349 million
Interior	4,900	154 million
Southeast	8,300	256 million
Southwest	1,100	30 million
Far North	200	8 million
Total	**27,100**	**$797 million**

These employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in Alaska as the visitor dollar is re-spent by visitor industry businesses and their employees. In fact, modeling indicates that this secondary spending totaled approximately $1.3 billion. That amount, added to the initial direct spending of $2.1 billion, indicates total direct, indirect and induced spending of approximately $3.4 billion in 2009. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income. Regional direct and indirect employment and labor income totals are presented in the following tables.

Table 7
Direct, Indirect, and Total Visitor Industry Employment in Alaska, 2009

	Direct	Indirect	Total
Southcentral	12,600	5,000	17,600
Interior	4,900	1,300	6,200
Southeast	8,300	2,300	10,600
Southwest	1,100	400	1,500
Far North	200	100	300
Total	**27,100**	**9,100**	**36,200**

Table 8
Direct, Indirect, and Total Visitor Industry Labor Income in Alaska, 2009

	Direct	Indirect	Total
Southcentral	$349 million	$165 million	$514 million
Interior	154 million	51 million	205 million
Southeast	256 million	117 million	373 million
Southwest	30 million	11 million	41 million
Far North	8 million	2 million	10 million
Total	**$797 million**	**$346 million**	**$1,143 million**

In summary, Alaska's visitor industry accounted for a total of 36,200 jobs in 2009, and over $1.1 billion in labor income, including all direct, indirect and induced effects. It should be noted that this estimate of visitor industry-related employment is a tally of the total number of full and part-time jobs linked to non-resident visitor travel to Alaska in 2009. This tally includes annual average wage and salary employment, and total proprietors' employment (the total number of sole proprietorships or partnerships active at any time during the year). Though non-resident travel to Alaska occurs year-round, the visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Because of the seasonal nature of

the industry, estimates of annual average employment understate the total number of people directly employed in the industry during the peak of the travel season. In the accommodations sector, for example, wage and salary employment averaged about 7,700 jobs in 2009. Peak employment that year, in July, totaled 11,000 jobs. Alaska's "scenic & sightseeing transportation" sector is even more seasonal, with annual average employment of about 1,800 and peak employment of about 3,800, according to Alaska Department of Labor and Workforce Development data. Therefore, while this study measured 36,200 full and part-time jobs related to Alaska's visitor industry, the total number of workers whose jobs are directly or indirectly connected to the industry was over 40,000 in 2009.

Table 9
Total Visitor Industry Employment, Labor Income, and Spending in Alaska, 2009
(including direct, indirect, and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

Importance in Regional and Statewide Economies

Proportionately, visitor industry employment is most important in Southeast Alaska. Visitor industry-related employment of approximately 10,600 represented 21 percent of the region's 50,000 full and part-time jobs. Total visitor industry-related labor income of $373 million was 17 percent of total Southeast region labor income of approximately $2.2 billion.[3] In the Interior region the visitor industry accounted for about 9 percent of employment (out of a regional total of 65,500 jobs) and 6 percent of labor income (out of a regional total of $3.4 billion).

Total Southcentral employment of 17,600, represented approximately 7 percent of total employment in the region (about 263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

Statewide, visitor industry-related employment of 36,200 accounted for 8 percent of all employment. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.[4]

Employment and Labor Income by Sector

Jobs created as a direct result of visitor spending are concentrated in five sectors of Alaska's economy. Visitor spending directly accounted for 4,200 accommodations jobs in 2009, 3,500 jobs with firms providing tours and other visitor activities, and 4,500 retail jobs. Visitor spending also directly generated 4,400 jobs with

[3] Based on Bureau of Economic Analysis employment and labor income data for the Southeast region in 2007.
[4] Based on BEA employment and labor income data for the Alaska in 2008.

restaurants/bars and 2,700 jobs with transportation providers. Another 2,600 jobs were scattered among a number of other sectors of the Alaska economy, as a direct result of visitor spending.

Spending by cruise lines was also broadly distributed throughout the Alaska economy, creating jobs in the same sectors as those affected by visitor spending, plus jobs in professional and business services, wholesale businesses, and construction, among others, and in the government sector as a result of tax payments to state and local governments.

Indirect and induced jobs linked with the visitor industry are the most broadly distributed throughout the Alaska economy and includes all of the sectors that provide goods and services to Alaska businesses and households – virtually the entire service and support sector.

Table 10
Visitor Industry Employment and Labor Income, with Sector Detail, 2009

	Employment	Labor Income
Direct jobs from visitor spending		
Accommodations	4,200	$101 million
Tours & Activities	3,500	140 million
Retail	4,500	102 million
Food/Drink Services	4,400	91 million
Transportation	2,700	116 million
Other	2,600	70 million
Total	**21,900**	**$620 million**
All other direct jobs	**5,200**	**$177 million**
All indirect and induced jobs	**9,100**	**$346 million**
Total visitor industry-related employment and labor income	**36,200**	**$1.1 billion**

Alaska's Visitor Industry: Recent Changes and Future Outlook

Decline in Visitor Industry, 2008 to 2009

As described in the Visitor Volume chapter of this report, Alaska's out-of-state visitor market declined considerably (by an estimated 7 percent) in summer 2009 when compared to summer 2008. In fact, the visitor market has not seen this significant a decline since McDowell Group began tracking visitor volume in 1985. While the cruise market was basically flat, the air market dropped an estimated 15 percent; the ferry market 16 percent; and the highway market 8 percent. In addition, the cruise passengers that did visit Alaska were less likely to travel within the state, making the declines in the Southcentral and Interior regions more dramatic. Following is a more detailed description of the 2008-09 visitor season, and how it differed from previous years.

Business Survey Results

A major source for this study was a survey of 172 visitor industry businesses, specifically targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease in 2008-09 in both visitor volume and gross sales, among other questions.

Results from the survey should be viewed in light of the fact that responses are not weighted by size or type of business. It should also be noted that the survey sample included only a few Southeast tour operators catering exclusively to cruise ship passengers, because the study team had access to shore excursion sales data provided by cruise lines. This data was taken into consideration along with survey data when making adjustments to passenger spending data.

Table 11
Visitor Business Survey Sample Definition

	% of Total
Location	
Southcentral	39%
Southeast	24
Interior	18
Statewide	8
Southwest	6
Far North	5
Business Type	
Accommodations	32%
Activities and attractions	25
Retail	20
Transportation	10
Dining	6
Package tours	6
Average # of years in business	25 years
Average # of employees	35 employees

Change in Gross Sales and Visitor Volume, Summer 2008 to Summer 2009

Two-thirds of businesses surveyed said their volume and their sales decreased in summer 2009 compared to 2008. One in ten saw an increase, and about the same said there was no change year-to-year.

Businesses that saw an increase, as well as those that saw a less-than-average decrease, often explained their results. They were a growing business, for example, or they anticipated the decline by offering lower rates or special promotions. Respondents also commented that visitors were buying lower-priced tours and lodging – if a business was in the right price range, they may have had a better year than those in the higher price range.

Retail businesses were asked a follow-up question: whether per-visitor spending changed (as opposed to overall gross sales). In response, 6 percent said that per-visitor spending increased, 58 percent said decreased, 26 percent said it stayed the same, and 10 percent didn't know. These results correspond with comments that visitors were buying lower-price retail items (as well as lower-price tours and lodging).

Table 12
Changes in Sales and Visitor Volume, Summer 2008 to Summer 2009

	% of Total
Change in number of visitors served	
Increase	11%
Decrease	67
No change	7
Don't know	14
Average % change	**14% decrease**
Change in gross sales	
Increase	9%
Decrease	65
No change	10
Don't know	16
Average % change	**16% decrease**

Change in Gross Sales and Visitor Volume, Fall/Winter 2007-08 to Fall/Winter 2008-09

Businesses who reported operating in the fall/winter were asked about their last fall/winter season (October 2008-April 2009) compared to the previous season (October 2007-April 2008).

There was much less change reported in the fall/winter season compared to the summer season – not surprising, considering that fall/winter visitors tend to be traveling to visit friends and relatives or for business, and these markets were not as affected by the economic crisis. In addition, traffic data reflected only a 2 percent decrease in visitation between the two periods.

A little less than one-quarter reported an increase in visitors, a little more than one-quarter reported a decrease, but the most popular answer was "no change." There were a few more reports of decreases in terms of sales, probably reflecting lower prices. The reports of lower sales were reinforced by bed tax and vehicle rental tax declines.

Table 13
Changes in Sales and Visitor Volume, Fall/Winter 2007-08 to Fall/Winter 2008-09

	% of Total
Change in number of visitors served	
Increase	23%
Decrease	28
No change	41
Don't know	8
Average % change	**1% decrease**
Change in gross sales	
Increase	20%
Decrease	31
No change	42
Don't know	7
Average % change	**8% decrease**

Summary of Business Survey Comments

Additional comments were offered by respondents on their 2009 season, summarized below.

- Although cruise lines filled their ships, it required heavily discounting prices. According to some contacts, this led to passengers with lower incomes and higher price sensitivity.
- Although a couple of contacts reported a decrease in international visitors, most of those who commented on this market said they held steady or increased. Several noted increases in the European and Japanese markets.
- The group tour and incentive markets were reported to be down.
- The excellent weather experienced statewide in 2009 not only tempted more visitors to purchase outdoor tours, it allowed for fewer flightseeing cancellations.
- Businesses selling all-inclusive package tours that included a cruise component were especially hard hit because they were competing heavily with cruise lines, which were offering unprecedented prices.
- Businesses selling add-on packages to cruise passengers (such as two-day tours to Nome) were also affected. One contact pointed out that with cruise packages priced so low, it became hard for visitors to justify paying as much or more for add-on packages as they had paid for their cruise.
- The sportfishing market reported heavy losses in both the charter and lodge sectors. Owners cited new sportfishing regulations as a factor in the downturn, in addition to the economic recession.
- A few contacts reported more travel by Canadians.
- There were several comments on the in-state market, that Alaskans were traveling in-state as much or more than before. (This report measures impacts from out-of-state visitors only.)

- Retail vendors commented on how sales have fluctuated over the last several years. For many, the trend towards lower-priced items began in 2008 and continued in 2009.

Additional Visitor Industry Indicators

The table below presents additional indicators that help describe the 2009 season. They tend to reinforce what was reported in the survey, and were taken into account in the adjustments made to spending and volume for the 2009 season.

- Domestic air passenger traffic exiting Alaska was down in every market, ranging from 7 percent in Fairbanks to 20 percent in Sitka, for a total decline of 10 percent. While resident travel is included in these figures, resident air travel was reported to have held fairly steady in summer 2009. International air traffic was likewise down, by 8 percent.

- Cruise passenger traffic was down only 1 percent between 2008 and 2009; however, as reported previously, cruise passengers were traveling less within the state. Based on information provided by cruise lines on 2008-to-2009 shifts in the land tour market (passengers that purchase overnight tours, generally to Denali and Fairbanks, in addition to their cruise), it is estimated that land tour volume dropped 13 percent between 2008 and 2009.

- Some of the more striking declines can be seen in bed tax revenues, with declines ranging from 14 percent in Denali to 30 percent in Sitka. The increase in Valdez' bed tax revenues likely reflects their relative dependence on the in-state market. (In viewing these figures, it is important to keep in mind that these declines reflect decreases in prices as well as room nights.)

- Anchorage showed a 23 percent decrease in vehicle rental tax revenues, and a 26 percent in RV rental tax revenues. As with bed tax revenues, these figures likely reflect decreases in prices as well as rentals.

- Department of Fish and Game license sales show a 16 percent decline in non-resident fishing license sales between 2008 and 2009, reinforcing reports from lodge and charter operators. While hunting licenses were down only 2 percent, big game tags were down 18 percent.

- While sales tax revenues are not direct indicators of visitor spending as they reflect both resident and non-resident spending, it is interesting to note that sales tax revenues were down 16 percent in Sitka, 12 percent in Juneau, and 9 percent in Skagway. The Skagway figure is particularly indicative of the visitor market, as visitor spending represents the vast majority of spending on goods and services in Skagway during the 2nd and 3rd quarters.

Table 14
Summer 2009 Visitor Industry Indicators

	Change 2008 to 2009
Domestic airplane passengers exiting Alaska, May-September	
Anchorage	-10%
Fairbanks	-7%
Juneau	-15%
Ketchikan	-12%
Sitka	-20%
Other	-6%
Total	**-10%**
International airplane passengers exiting Alaska, May-September	
Anchorage	-9%
Fairbanks	-8%
Total	**-8%**
Cruise passenger traffic	
Total passenger volume	-1%
Land tour volume	-13%
Out-of-state ferry passenger volume	
Total	-16%
Bed Tax Revenues, April-September	
Anchorage	-22%
Fairbanks	-18%
Denali	-14%
Juneau	-28%
Mat-Su	-10%
Sitka	-30%
Valdez	+7%
Vehicle Rental Tax Revenues, April-September	
Anchorage car rental	-23%
Anchorage RV rental	-26%
Department of Fish and Game License Sales (calendar years 2008 and 2009)	
Nonresident sport fishing licenses	-16%
Nonresident King Salmon tags	-18%
Nonresident hunting licenses	-2%
Nonresident big game tags	-18%
Sales Tax Revenues, April-September	
Juneau	-12%
Skagway	-9%
Sitka	-16%

Sources: Alaska Airlines, Ted Stevens Anchorage International Airport, Fairbanks International Airport, Cruise Line Agencies of Alaska, cruise lines, Alaska Marine Highway, Alaska Department of Fish and Game, and the municipalities/boroughs of Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, Valdez, Skagway, and Sitka.

Economic Impact of 2009 Decline

While within the scope of this project it is not possible to measure precisely the economic impact of the decline in visitor spending in 2009, available data provides an indication of the significance of the decline. Alaska Department of Labor and Workforce Development employment data indicates that statewide annual average employment in the accommodations sector (hotels, lodges and B&Bs) was down by 600 jobs in 2009. Accommodations employment in July 2009, at the peak of the visitor season, was 1,100 jobs below the July 2008 level. Other visitor-affected sectors of the Alaska economy also experienced employment declines in 2009, as illustrated in the following table. Not all of the job loss in these sectors can be attributed to a decline in visitor spending; Alaska residents account for a significant portion of spending in these sectors. Nevertheless, it is clear from the long list of declining visitor industry indicators (reported above) that lower visitor spending was a key contributing factor.

Table 15
Annual Average and Peak Month Employment Declines in Visitor-Affected Sectors, 2009 versus 2008

	Annual Average Change, 2008 to 2009	Change, July 2008 to July 2009
Retail	-600	-500
Air transportation	-300	-500
Accommodations	-600	-1,100
Food and drink	-400	-1,200

Source: Alaska Department of Labor and Workforce Development.

Detailed sector employment data for the third quarter of 2009 further illustrates job losses during the peak of the visitor season. In these selected visitor-affected categories, statewide employment during the third quarter of 2009 was about 2,300 jobs below the third quarter of 2008, a decline of about 7 percent. Payroll was down $14 million for the quarter, a decline of 6 percent. Two sectors that are most heavily affected by non-resident visitor travel, scenic/sightseeing transportation and tour companies, saw employment declines of 9 percent and 25 percent, respectively.

Table 16
Changes in 3rd Quarter Employment in Selected Visitor-Affected Sectors, 2008 to 2009

	3rd Qtr 09 Employment	Change from 3rd Qtr 08	Percent Change	Total Change in Payroll	Percent Change
Jewelry stores	598	-17	-3%	-$507,708	-10%
Gift, novelty, and souvenir stores	1,276	-65	-5%	-566,046	-9%
Nonscheduled air transportation	1,718	-140	-8%	-224,008	-1%
Scenic and sightseeing transportation	3,106	-310	-9%	-3,161,303	-11%
Support activities for transportation	2,848	-243	-8%	-1,386,541	-4%
Passenger car rental	425	-27	-6%	-84,549	-3%
Tour operators	674	-224	-25%	-974,955	-15%
Amusements and recreation	4,333	-112	-3%	-1,084,540	-6%
Traveler accommodation	8,885	-665	-7%	-4,672,572	-8%
Full-service restaurants	8,455	-465	-5%	-1,541,174	-4%
Total All Categories	**32,318**	**-2,268**	**-7%**	**-$14,203,396**	**-6%**

Source: Alaska Department of Labor and Workforce Development.

Based on the modeling conducted for this study, total visitor spending in Alaska declined by approximately $270 million between 2007-08 and 2008-09, a 15 percent drop. A 15 percent drop in visitor spending could translate in to loss of 5,000 direct and indirect jobs if it were to persist for several years. In the near term, however, the direct employment loss during the summer of 2009 was significantly less than that amount.

In 2009, on average, $82,000 in visitor spending created one direct job. At that rate, a spending decline of $270 million would suggest a loss of approximately 3,300 jobs. However, employers are often more inclined (at least initially) to reduce non-personnel costs and/or earn reduced profits before resorting to job cuts. As such it is likely that statewide the decline in visitor spending resulted in the loss of perhaps 2,000 to 2,500 mostly seasonal jobs.

Industry Outlook

One aspect of the 2010 visitor market that is currently measurable is a forecasted decline in cruise passenger capacity. Overall, capacity is expected to be down 14 percent from 2009, based on several changes. The following ships will be re-deployed to other markets: 1,270-passenger Ryndam (Holland America Line), 2,600-passenger Star Princess (Princess Cruises), 2,002-passenger Norwegian Sun (Norwegian Cruise Line), 2,100-passenger Serenade of the Seas (Royal Caribbean International), and 114-passenger Spirit of Oceanus (Cruise West). Holland America's Amsterdam will make 11 Alaska voyages (of 14 nights each) instead of 20 seven-night voyages. There have also been changes from cross-gulf to round trip itineraries for two ships (the 1,950-passenger Coral Princess and the 2,124-passenger Carnival Spirit), which eliminates the option for passengers to travel additionally in-state (either independently or on land tour packages).

Different ports will feel the drop to different degrees, as seen in the following table.

Table 17
Anticipated Changes in Cruise Passenger Volume, 2009 to 2010

	% Change
Juneau	-14%
Ketchikan	-12
Skagway	-12
Sitka	-36
Whittier	-40
Seward	-16
Icy Strait Point	-11
Haines	-26
Statewide	**-14%**

Source: Cruise Line Agencies of Alaska.

A decline in cruise passenger travel to Alaska of approximately 14 percent (140,000 passengers overall) in 2010 could reasonably be expected to result in a 14 percent decline in cruise passenger spending, compared to 2009. If a decline of 140,000 passengers is accompanied by a proportional decline in spending, $90 million in direct spending would be lost, and as much as $150 million in total direct and indirect spending. This spending decline, plus the decline experienced in 2009, could bring the total employment loss from the 2008 peak to near 5,000 jobs, including all the direct and indirect effects.

However, 2009 was an unusual year in the Alaska cruise market. The result of a severe national recession, deep discounting was required to fill berths on cruise ships. The discounting fulfilled its objective; cruise traffic was down only about 1 percent. However, cruise passengers that did travel to Alaska in 2009 proved to be reluctant spenders, purchasing fewer excursions and spending less on gifts and souvenirs. Early indications for the 2010 season suggest that Alaska can expect a return of the more traditional (less frugal) cruise passenger. Anecdotal information indicates discounting is not being required to fill berths, meaning the typical cruiser in 2010 will spend at a higher rate than the typical 2009 cruiser. To the extent that 2010 cruisers do spend more, the spending and employment losses potentially stemming from the decline in cruise traffic will be mitigated.

Looking ahead to 2011, Cruise Line Agencies of Alaska predicts that overall passenger volume will be about the same as in 2010, with additional losses being balanced out by new arrivals.

Further decline in the independent (non-cruise) travel market is not expected in 2010, and the outlook is for a modest rebound from 2009. Several factors point to this outcome.

- The reduction in cruise capacity – and stronger early cruise bookings despite lack of significant discounting – indicate better overall demand for Alaska and increased consumer economic capability. Cruise capacity limitations likely mean some visitors will choose a non-cruise Alaska trip.
- National retail spending and consumer confidence show some modest promise in early 2010. Since Alaska visitors tend to be well above average in income and education, they are less affected by an economic downturn.
- Past research in the Alaska market indicates that potential visitors may postpone their Alaska trip during uncertain times but not cancel their Alaska ambitions altogether. Some pent-up demand from the recent independent visitor downturn is expected.
- Most independent visitors enter and exit by air, and Alaska's dominant carrier – Alaska Airlines – is doing much better financially in 2010 than the aviation industry overall, so is likely to maintain sufficient summer frequency to service independent Alaska demand.
- Independents will be looking for value, as opposed to low price, and travel offerings throughout the state are more modestly priced as a result of the recession. The perceived (and true) value of an independent Alaska experience has improved since 2008.
- While the U.S. dollar may be strengthening somewhat in 2010, Alaska travel is still a good value for overseas visitors, and some additional independent traffic might be expected.

While all of these factors point to modest improvement in Alaska independent visitor volume and spending for 2010, the nation's recent economic troubles are indicators of much more comprehensive and long-term systemic issues with the U.S. economy that will continue to be of concern for all travel markets.

Revenues to Municipal and State Governments

The visitor industry generates significant revenues for state and local governments in Alaska. User fees, sales taxes, bed taxes, property taxes, income taxes and other payments all flow to state and local governments in Alaska directly or indirectly from the visitor industry. This chapter details, to the extent possible, state and local government revenues that can be attributed to out-of-state visitors.

Summary

Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, corporate income taxes, and revenues to the Alaska Marine Highway System and the Alaska Railroad. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees. Additional revenues to the State of Alaska from the visitor industry not included in this total are airport fees, State Parks user fees, and State Museum revenues, among others.

Please see the following pages for more details on these revenues.

Table 18
Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Municipal Tax Revenues

Sales Tax Revenues

Total sales tax revenues associated with visitor industry spending are estimated at $28.9 million for the October 2008 to September 2009 study period. Visitor-related sales tax revenues are particularly important in communities such as Juneau, Ketchikan, and Skagway, where spending by visitors provides a significant portion of total spending in each community.

Regional sales tax totals were calculated based on visitor industry spending and visitor volume at the community and regional level. Tax rates and total taxes collected by community were taken into account in the analysis (total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009). Taxable spending rates were also considered in the analysis. Not all visitor-related spending is taxable; for example, spending on flights is exempt, and some communities have sales tax caps.

Table 19
Sales Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Sales Tax Revenues
Southeast	$18.3 million
Southcentral	$9.8 million
Other regions combined	$0.8 million
Total	**$28.9 million**

Sources: McDowell Group estimates based on sales tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); and AVSP visitor survey and volume data.

Bed Tax Revenues

Out-of-state visitors paid an estimated $23.5 million in bed tax revenues in the one-year study period. The bulk of the revenues accrue to Southcentral, where Anchorage has the highest bed tax rate in the state (12 percent) *and* attracts the highest number of overnight visitors. The Interior, with Fairbanks at 8 percent and Denali at 7 percent, accounted for about one-fifth of all bed tax revenues. While most Southeast communities charge bed taxes, revenues are not as high as in other regions because they have fewer overnight visitors (cruise ship visitors rarely overnight in Southeast). Both Southwest and Far North regions are estimated to receive less than $1 million each in bed tax revenues from out-of-state visitors.

Over 30 different communities with bed taxes were considered in this analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Each community's tax revenues were assigned a different "percentage out-of-state visitors" rate, based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research.

Table 20
Bed Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Bed Tax Revenues
Southcentral	$15.6 million
Interior	$5.6 million
Southeast	$1.7 million
Southwest	$0.5 million
Far North	$0.1 million
Total	**$23.5 million**

Sources: McDowell Group estimates based on bed tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); AVSP visitor survey and volume data; and business survey data.

Property Tax Revenues

It is beyond the scope of this study to measure property tax revenues in each Alaska community affected by visitor traffic. The analysis would be very complex; most property tax revenues are indirect, that is, paid by businesses that provide goods and services to visitors. Many visitor-affected businesses also provide goods and services to Alaska residents. Therefore, not all of the property taxes paid by these businesses could be attributed to the visitor industry.

A previous study estimated property tax revenues associated with the cruise industry at $3.5 million for 2007. This figure was based on data provided by cruise lines on property tax payments, a review of property tax payments on cruise industry-related businesses in Ketchikan and Juneau, and previous estimates. This is only a relatively small portion of property tax revenues accruing to local governments from visitor industry-related sources. It does not include the lodging, tour operators, and other businesses serving the non-cruise market; nor does it include property taxes paid by businesses less dependent on visitor activity (but still deriving income from visitors) or taxes paid by households of employees of visitor-related businesses.

Cruise Ship Revenues

Some municipal governments in Alaska's cruise port communities receive revenues from cruise lines in the form of moorage and docking fees, primarily Juneau, Ketchikan, Sitka, and Haines. (The docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by the Alaska Railroad.) Juneau has both private and public docks. Sitka does not have a deep-water dock, but charges lightering fees.

Each community has its own system of charging cruise lines for using port facilities. Dock charges are generally assessed on a per foot/per day basis. Additional charges may include tonnage fees, passenger fees, lightering fees, and water fees, depending on the community.

Total revenues for 2009 were $17.4 million, most of it collected in Southeast. Juneau and Ketchikan account for the vast majority of this figure, with $8.6 million and $8.5 million, respectively.

Table 21
Cruise Ship Dockage/Moorage Revenues to Municipalities, Summer 2009

Port	Revenues
Juneau	$8,587,000
Ketchikan	$8,478,000
Sitka	$115,000
Haines	$99,000
All other ports	$75,000
Total	**$17,354,000**

Sources: City and Borough of Juneau; City of Ketchikan; City and Borough of Sitka; City and Borough of Haines.
Note: Docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by Alaska Railroad.

State of Alaska Revenues

Direct Payments from Cruise Lines

The State of Alaska receives several forms of direct payments from cruise lines: the head tax (Departments of Revenue and Environmental Conservation), the gambling tax (Department of Revenue), the Commercial Passenger Vessel Environmental Compliance Program (Department of Environmental Conservation) and state corporate income tax (Department of Revenue).

Head Tax

At the end of December 2006, a new head tax was established for passengers on large vessels. The tax is $50 per passenger, with $46 dedicated to the Department of Revenue for redistribution, and $4 dedicated to the Alaska Department of Environmental Conservation to operate the Ocean Ranger Program.

According to the Alaska Department of Revenue, the State received $46.4 million for the $46 portion of the tax in 2007. These revenues are deposited in a special "commercial vessel passenger tax account" in the General Fund. For each voyage of a commercial passenger vessel providing overnight accommodations, the Commissioner of the Department of Revenue must identify the first five ports of call and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner distributes $5 per passenger of the tax revenue to each port of call. Each port of call must use the funds to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to improve the safety and efficiency of interstate and foreign commerce.

Head tax revenue for Department of Environmental Conservation amounted to $4.0 million in 2009. This revenue is used to operate the Ocean Ranger program, which requires U.S. Coast Guard licensed marine engineers on board vessels to act as independent observers monitoring State environmental and marine discharge requirements, and to ensure that passengers and crew are protected from improper sanitation, health, and safety practices.

The large passenger vessel gambling tax was also introduced in December 2006. This tax applies to the use of playing cards, dice, roulette wheels, and coin-operated instruments or machines designed for gaming or gambling activities aboard cruise ships operating in Alaska waters. The tax is 33 percent of the adjusted gross income from these gambling activities.[5] Gambling taxes are payable to the Department of Revenue and deposited in a special "commercial vessel passenger tax account" in the General Fund. The Department of Revenue reports gambling tax revenues of $6.3 million in 2009.

COMMERCIAL PASSENGER VESSEL ENVIRONMENTAL COMPLIANCE PROGRAM

The Commercial Passenger Vessel Environmental Compliance (CPVEC) Program was established in July of 2001. This program requires all large passenger vessels to register and comply with quality control regulations. The program is operated with fees collected from large and small passenger vessels ($1 per berth). In 2009, $1.0 million was collected for the Commercial Passenger Vessel Environmental Compliance Program.

Corporate Income Tax

Alaska's corporate income tax rates are graduated from 1 percent to 9.4 percent in increments of $10,000 of taxable income. The 9.4 percent maximum rate applies to taxable income of $90,000 and over. Multistate corporations apportion income on a water's edge basis using the standard apportionment formula of property, payroll, and sales.

Tax payments by individual corporations are confidential; however, the Department of Revenue reports total corporate income taxes in the "tourism" category, including payments by cruise lines and other visitor industry businesses, of $21.4 million in Fiscal Year 2009.

Vehicle Rental Tax

Alaska levies a 10 percent passenger vehicle tax as well as a 3 percent recreational vehicle tax. In Fiscal Year 2009, the Department of Revenue collected a total of $8.0 million in vehicle tax revenues. Survey results indicate that approximately 70 percent of rental vehicle revenues are attributable to out-of-state visitors. Visitor-related tax revenues from vehicle rental are therefore estimated at $5.6 million.

Revenues to Alaska Marine Highway and Alaska Railroad Corporation

While not in the category of fees or taxes, out-of-state visitors account for significant revenues to two transportation providers operated by the State of Alaska: the Alaska Marine Highway and the Alaska Railroad.

The Alaska Marine Highway reports that in calendar year 2009, out-of-state residents accounted for $17.6 million in revenues to AMHS. For purposes of this report, this figure is assumed to represent the study period of October 2008 through September 2009. (This figure does not resemble the $11.4 million reported in the Visitor Spending section because it is *total* spending, rather than spending only on passage to and from Alaska.)

The Alaska Railroad Corporation reports total passenger-related revenues of $21.5 million in 2009, $19.4 million of which is attributable to out-of-state visitors.

[5] "Adjusted gross income" refers to gross income, minus prizes awarded and federal and municipal taxes paid or owed on the income.

Southeast Conference

March 29, 2010

Dear Legislator;

On behalf of the Board of Directors of Southeast Conference we strongly support Governor Parnell's efforts to reduce the amount of the Alaska cruise ship head tax from $46 to $34.50 and encourage tourism marketing tax credit legislation. We have to compete in a global market that is steadily taking away the state's cruise travel market. Bermuda just lowered its cruise ship taxes and fees, which now makes Juneau the most expensive port in North America. These efforts by the Governor will bring our taxes more in line with our competitors.

Southeast Conference is a regional, nonprofit corporation that advances the collective interest of the people, communities and businesses in Southeast Alaska. Members include municipalities, native corporations and village councils, regional and local businesses, civic organizations and individuals throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities, and a quality environment for Southeast Alaska. We are the State-designated Alaska Regional Development Organization (ARDOR), the federally-designated Economic Development District (EDD), and the federally designated Resource Conservation and Development Council for Southeast Alaska. Each of these designations requires Southeast Conference to take an active role in regional resource management and economic development planning.

After decades of steady growth in the tourism sector, Alaska is facing a 17 percent decline in cruise visitation this summer. That will translate to 140,000 fewer passengers coming here during the four-month cruise season. Alaska businesses have come to rely on the tourism business for the stability they need to run a year round business. These projected reductions will be devastating to our small businesses in Southeast Alaska. This tax reduction is good faith toward the value we put on our most renewable economy, tourism. Support for this legislation will let the cruise companies know that we value their business.

Southeast Conference urges the legislature to support the head tax reduction.

On behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NUMBER 2228

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH ENCOURAGING GREATER TOURISM MARKETING FOR ALASKA AND SUPPORTING PROVISIONS OF SENATE BILL NO. 311, SENATE BILL NO. 312, AND HOUSE BILL NO. 422 REDUCING THE STATE EXCISE TAX LEVIED ON CRUISE SHIP PASSENGERS

WHEREAS, tourism, particularly cruise ship tourism, has long been a significant segment of the economy of the Ketchikan Gateway Borough; and

WHEREAS, on February 7, 2005, the Ketchikan Gateway Borough Assembly adopted Resolution No. 1864 opposing House Bill No. 2 and House Bill No. 24 before the Twenty-Fourth Alaska State Legislature, which proposed to levy State excise taxes, respectively, of $50 and $75 per passenger on certain commercial passenger vessels operating in Alaska; and

WHEREAS, on August 22, 2006, voters in the Ketchikan Gateway Borough voted 2,073 (58.1%) to 1,494 (41.9%) against a State initiative to levy a State excise tax of $46 per passenger on certain commercial passenger vessels operating in Alaska, although voters statewide approved the initiative by a vote of 81,963 (52.1%) to 75,432 (47.9%); and

WHEREAS, the City of Ketchikan and the City and Borough of Juneau levy local taxes or fees amounting to, respectively, $7 and $8 per passenger on certain commercial passenger vessels, which raises the overall taxes or fees to $61 per passenger visiting Ketchikan and Juneau; and

WHEREAS, on June 1, 2009, the Ketchikan Gateway Borough Assembly adopted Resolution No. 2161 urging the Alaska State Legislature to reduce the State excise tax on certain commercial passenger vessels operating in Alaska; and

WHEREAS, the State of Alaska shares a portion of its excise tax on cruise ship passengers with local governments in the first five ports of call that do not levy their own tax on cruise ship passengers which, in the case of the Ketchikan Gateway Borough, amounts to $2.50 per passenger in shared excise taxes; and

WHEREAS, after decades of steady growth in cruise ship passenger visits, Alaska is

facing an estimated loss of 140,000 passengers during the 2010 cruise season, resulting in a projected $165 million reduction in spending by tourists, $72 million in lost payroll, and significant fiscal impacts on local governments (including as much as $350,000 in lost excise taxes shared with the Ketchikan Gateway Borough and $556,500 in lost Borough sales tax revenues); and

WHEREAS, on March 25, 2010, Alaska Governor Sean Parnell stated that "Alaska's tourism head tax structure must be modified to grow our Alaska businesses," and that efforts are required "to make Alaska a more affordable destination for travelers and create jobs for Alaskans;" and

WHEREAS, on March 25, 2010, Governor Parnell submitted legislation (Senate Bill No. 311 and House Bill No. 422), in part, reducing the cruise ship passenger excise tax to $34.50 per passenger, with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007 (thus reducing the effective State tax to $19.50 per passenger visiting Ketchikan and Juneau); and

WHEREAS, Senate Bill No. 311 and House Bill No. 422 maintain existing provisions in law for sharing the excise tax proceeds with local governments (thus, the Ketchikan Gateway Borough would not suffer a reduction in funding even though State revenues would decline by an estimated $22 million annually); and

WHEREAS, in September 2009, the Alaska Cruise Association filed a complaint with the United States District Court in Alaska seeking relief from the $46 State excise tax imposed on the passengers of its member cruise lines; and

WHEREAS, Governor Parnell has been quoted as expressing the hope that enactment of Senate Bill No. 311 or House Bill No. 422 will help settle a lawsuit with the Alaska Cruise Association, and John Binkley, Cruise Association President, was quoted as saying that discussions are under way with State Attorney General Dan Sullivan on a possible "stipulation" to end the pending federal lawsuit; and

WHEREAS, Senate Bill No. 311 and House Bill No. 422 also include a measure intended to stimulate the economy in Alaska by establishing corporate income tax credits to boost tourism marketing (provisions that are somewhat similar to legislation introduced last year as House Bill No. 167 and Senate Bill No. 138 [now Committee Substitute for Senate Bill No. 138]); and

WHEREAS, House Bill No. 167 before the Twenty-Sixth Alaska State Legislature,

which was sponsored by sixteen members of the House of Representatives to provide corporate income tax credits for contributions by a person owning or operating a commercial passenger vessel to a qualified trade association, is languishing in that it has not moved from the House Finance Committee since it was referred to that committee on April 8, 2009; and

WHEREAS, Committee Substitute for Senate Bill No. 138 before the Twenty-Sixth Alaska State Legislature, which is similar to House Bill No. 167 and was sponsored by seventeen members of the Senate, is also languishing in that it has not moved from the Senate Finance Committee since it was referred to that committee on March 20, 2009; and

WHEREAS, a number of legislators have expressed concerns regarding the corporate income tax credits for tourism in Senate Bill No. 311 and House Bill No. 422 (the bills submitted by the Governor on March 25, 2010); and

WHEREAS, on March 30, 2010, the Senate Finance Committee introduced legislation (Senate Bill No. 312), substantially similar to those provisions in Senate Bill No. 311 that reduce the cruise ship passenger excise tax to $34.50 per passenger, with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007, (thus reducing the effective State tax to $19.50 per passenger visiting Ketchikan and Juneau); and

WHEREAS, time is of the essence in that the Second Regular Session of the Twenty-Sixth Alaska State Legislature is scheduled to adjourn on April 18, 2010,

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, BE IT RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH as follows:

Section 1. The Ketchikan Gateway Borough Assembly hereby expresses its strong support for the provisions of Senate Bill No. 311, Senate Bill No. 312, and House Bill No. 422 that reduce the cruise ship passenger tax to $34.50 with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007 (thus, in effect, reducing the State tax to $19.50 per passenger visiting Ketchikan and Juneau), with no adverse fiscal impact on the Borough.

Section 2. The Ketchikan Gateway Borough Assembly hereby expresses it strong support for tourism marketing, but recognizes that there appears to be substantial opposition on the part of legislators to the provisions in Senate Bill No. 311 and House Bill No. 422 that would accomplish that end through corporate income tax credits. Thus, the

Assembly urges the Governor and Legislature to resolve any differences so that the reduction in the cruise ship passenger tax may be implemented in 2010 and, if possible, funding is provided for tourism marketing.

Section 3. A copy of this resolution shall be provided to:

- The Honorable Sean Parnell, Governor;
- The Honorable Bert Stedman, Co-Chair of the Senate Finance Committee and State Senator for Senate District A;
- The Honorable Kyle Johansen, House Majority Leader and State Representative for House District 1;
- The Honorable Mike Hawker, Co-Chair, Alaska State House Finance Committee; and
- The Honorable Bill Stoltze, Co-Chair, Alaska State House Finance Committee.

Section 4. Given pending scheduled adjournment of the Second Regular Session of the Twenty-Sixth Alaska State Legislature on April 18, 2010, the Governor and Legislature are urged to deal with this matter in a timely manner.

Section 5. This resolution is effective upon adoption.

ADOPTED this 5th day of April, 2010.

Dave Kiffer, Borough Mayor

Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:

Scott A. Brandt-Erichsen, Borough Attorney

EFFECTIVE DATE:	APRIL 5, 2010		
ROLL CALL	YES	NO	ABSENT
Harrington	✓		
Moran	✓		
Painter	✓		
Phillips	✓		
Salazar	✓		
Shoemaker	✓		
Thompson	✓		
Mayor (tie votes only)			
4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE			

SCR 19

<target><bill>SCR 19</bill><subject>SCR 19</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
305 Center Ave, Ste 1
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens
President of the Senate

SPONSOR STATEMENT
Senate Concurrent Resolution 19

The issue of incentivizing our high school students to do better in school, to prepare for and complete college, is more complex than simply providing a tuition scholarship upon graduation.

However, that by itself is an issue requiring more focused thought and discussion as the legislature prepares to reform the K-12 educational system, with particular emphasis on the transition to and preparedness for postsecondary study.

We must first put into context the idea of there being a new and/or expanded form of postsecondary financial aid provided to our graduating high school seniors. SCR 19 complements existing legislation that would create a basic scholarship program structure, but would need further review before codifying a specific award level, or tiered award levels.

We are on the cusp of establishing a comprehensive reform of Alaska's educational system. As the Legislature decides this session on what type of reform measures to take, including a scholarship program structure for our graduating seniors, it's this task force's imperative to define the best means of applying awards in the program(s). In the event of no such legislation passing the legislature, then this task force would also carry the mantle of recommending which scholarship program structure to establish, in addition to the best way of applying scholarship awards.

As the task force begins work, besides defining an award structure, the goals of a scholarship program should ultimately include efforts to: improve preparedness of Alaska students for postsecondary education; improve postsecondary graduation rates; increase high school graduation rates; improve scores on college entrance examinations; increase participation of Alaska high school students in Alaska postsecondary institutions; and increase job training opportunities.

Thank you for your consideration of this worthwhile endeavor.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SCR 19
(S) Publish Date: 4/14/10

Identifier (file name): SCR19-LEG-COU-4-14-10
Dept. Affected: Legislature
Title: Relating to a Joint Legislative Higher Education Scholarship Funding Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: Senate Rules Committee by Request
Requester: Senate Finance Committee
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	70.0						
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**70.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	70.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**70.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SCR19 establishes an eleven member Joint Legislative Higher Education Scholarship Funding Task Force for the purpose of examining higher education costs and identifying the best approach in providing financial aid to assist students in the state. The Task Force is composed of five Senators and five Representatives and a member appointed by the Governor. The President of the Senate and the Speaker of the House will appoint a Chair and Vice-Chair. Staff members of the Legislators appointed to the Task Force will staff the Task Force. It is anticipated the Task Force will meet six times with all meetings requiring travel. Costs to teleconference the meetings and to print the final report due December 1, 2010 will be absorbed within existing agency budgets. The Joint Legislative Higher Education Scholarship Task Force is terminated January 1, 2011.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 4/14/10 8:27 AM
Approved by: Pamela Varni, Executive Director — Date 4/14/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

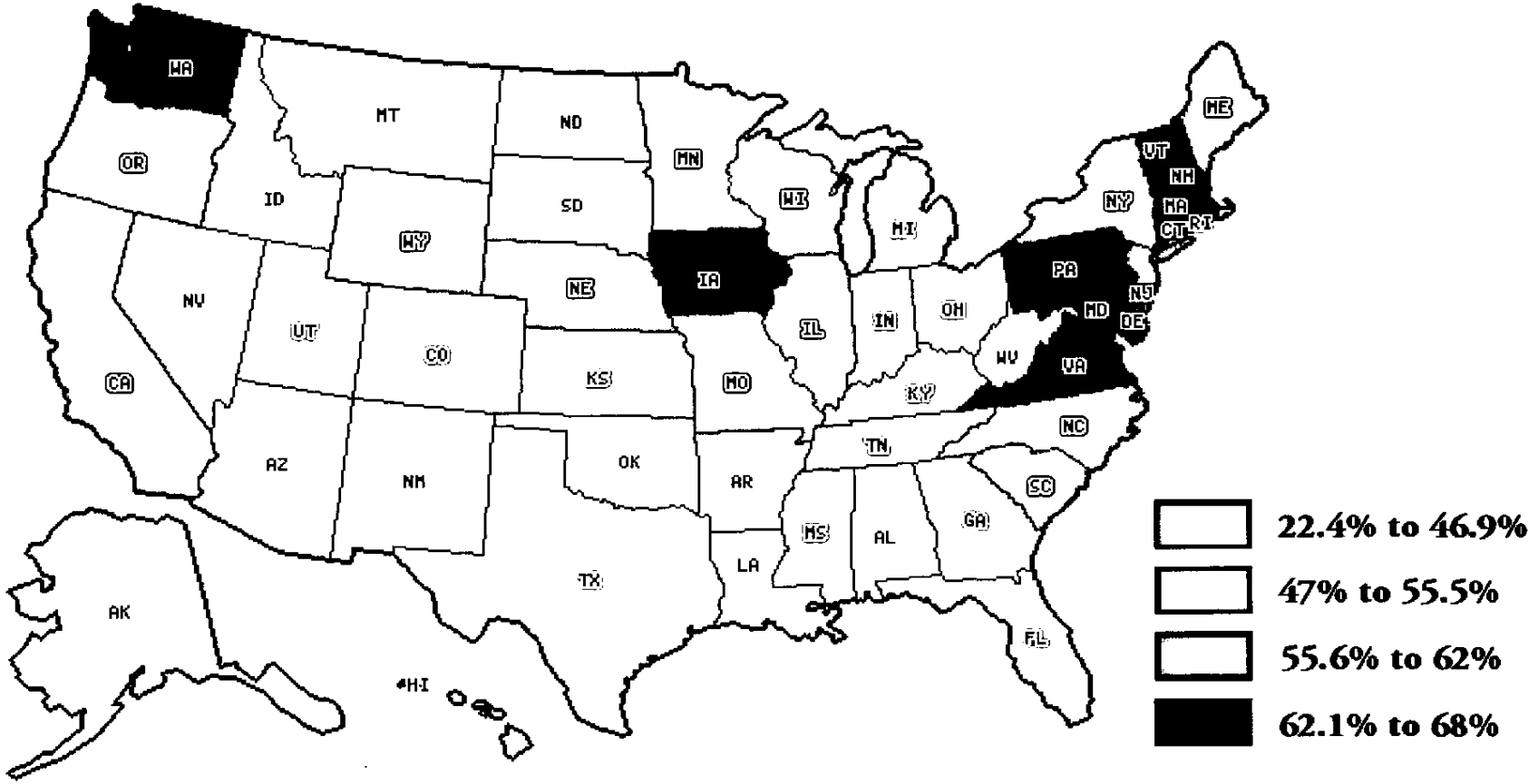
5495

Graduation Rates: Six-Year Graduation Rates for Bachelor's Students, 2007

The Forum for America's Ideas

Rates for first-time, full-time bachelor's degree-seeking students, 2007

US Average = 56.1% **Alaska Average = 22.4% (The bottom)**



Source: The National Center for Higher Education Management Systems; National Center for Education Statistics, IPEDS Enrollment Survey

SJR 21

<target><bill>SJR 21</bill><subject>SJR 21</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON, CHAIR

SENATOR ALBERT KOOKESH
SENATOR JOE THOMAS
SENATOR HOLLIS FRENCH
SENATOR LINDA MENARD

ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182
907) 465-3877
FAX: (907) 465-4821

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SPONSOR STATEMENT
SJR 21 Const. Am: increase Number of Legislators

> " ....Each house district shall be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socio-economic area...." Alaska Constitution Article VI, Section 6, titled Legislative Apportionment.

SJR 21 will put a constitutional amendment before the voters in the 2010 general election that would increase the size of the legislature to 48 representatives and 24 senators. Upon voter approval, the measure would apply to the 2012 determination of election district boundaries.

In the first 50 years of statehood, Alaska has not changed the 20 senator, 40 representative size of its legislative body, the smallest bicameral legislature in the nation. In this time span, the population of the state has more than tripled. Most significantly, the population increase is disproportionate, strongly favoring large urban areas over rural and small community areas. The task then of applying the proscriptions of Article VI, above, has correspondingly become more difficult and contentious. Except for the 1960 reapportionment, all subsequent reapportionments have faced successful legal challenges, requiring boundary adjustments and on several occasions, a court constructed plan.

Federal protections of the U.S. Voter Rights Act of 1965 for large minority concentrations further complicate Alaska's reapportionment process. Indeed, they can act to counter the Section 6 requirements. Rural election district distortions are evident in the current plan. There is a probability that the new population distribution of the 2010 census cannot reconcile Section 6 and the Voter Rights Act without increasing the size of the legislature.

Between 1960 and 2006, twenty nine states have changed the size of their legislative body. For the nine states with small populations similar to Alaska (509,000 to 1,429,000), the average size of their legislative bodies is 134 members.

Another measure of the effect of the state's growth and complexity on the work of the legislature is its budget responsibilities. Legislative expenditures for government programs and projects has risen from a figure of $104 million in FY 61 to somewhere in the neighborhood of $7 billion currently. This is an increase from $2700 per capita in 1961 nominal dollars to $10,000 per capita today.

For these reasons, I believe putting a proposal to increase the size of the legislature before the voters has merit and is timely.

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: April 5, 2010 **FURTHER REFERRALS:**

Date of Committee Action: 4/16/10

The FINANCE Committee considered: **SENATE JOINT RESOLUTION NO. 21**

Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members of the house of representatives to forty-eight and the number of members of the senate to twenty-four.
SJR 21-CONST. AM: INCREASE NUMBER OF LEGISLATORS

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ ( )
For Senate Bills with new title: [ ] Technical Title / [ ] New Title: HCR_____ **[✓] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG			✓	
GOV		✓		

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Thomas	✓			
	Gara	✓			
	DOOGAN			✓	
	Foster	✓			
	AUSTERMAN	X			
	KELLY			X	
Anna Fairclough	FAIRCLOUGH				✓
Chair:	Stoltze			✱	
Chair:	Hawker			✱	

5500

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SJR 21**
() Publish Date: 2/3/2010

Identifier (file name): SJR021-OOG-DOE-1-29-10
Dept. Affected: OOG
Title: Constitutional amendment relating to and increasing the number of members of the house of represenatives to....
RDU: Elections
Component: Elections
Sponsor: Senate Community and Regional Affairs Committee
Requester: Senate State Affairs
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	1.5						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 4/16/10, 8:43pm
Approved by: Linda Perez, Director — Date 4/16/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

5501

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SJR 21**
() Publish Date:

Identifier (file name): SJR21-LEG-COU-1-29-10
Dept. Affected: Legislature
Title "Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members..."
RDU All
Component Various
Sponsor Senate Community and Regional Affairs
Requester Senate State Affairs
Component Number Various

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services				3,600.0	3,600.0	3,600.0	3,600.0
Travel				350.0	350.0	350.0	350.0
Contractual				520.0	520.0	520.0	520.0
Supplies				170.0	0.0	0.0	0.0
Equipment				1,500.0			
Land & Structures				***	***	***	***
Grants & Claims							
Miscellaneous				***	***	***	***
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF				***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	***	***	***	***

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time				35	35	35	35
Part-time				16	16	16	16
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

SJR 21 proposes amending the Constitution of the State of Alaska by ballot proposition in the next general election which would increase the membership of the Alaska Senate by four Senators and the Alaska House of Representatives by eight Representatives. If this resolution passes, the ballot proposition would be voted on in the November 2010 general election. If the ballot proposition passes, the Redistricting Board would create their redistricting plan using the new number of districts. For purposes of this fiscal note, it is assumed that the number of Legislators elected to office for the 28th Legislature would total 72. Please note the figure included for capital outlay is for the remodeling cost to accommodate the increased number of Legislators in the Capitol. If a decision were made to create an addition to the Capitol or to construct a new building the figure would be much higher and would likely be included in a capital appropriation. Costs for Land & Structures and Miscellaneous are indeterminate.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 4/16/10 8:16 PM
Approved by: Pamela Varni, Executive Director
Date 4/16/2010
Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SJR 21
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Personal Services - 12 Additional Legislators - 963.0
Assume for staff allocation 1/2 Legislators are in the majority and 1/2 are in minority
34 staff to Legislators - $2,637.0 Support staff include full time - 1 attorney; session only - 2 LIO Officers, 1 Enroller or Help Desk Technician, 1 custodian. Total increase in Personal Service - 3,600.00.

Travel - Assume 1 Legislator from Juneau - Cost to move 11 Legislators and families - 60.0
Cost to relocate an additional 34 staff - 30.0; Cost of increased session per diem - 200.0;
Increase in Legislature's travel budget related to 12 new Legislators - 60.0; Total increase in Travel - 350.0.

Contractual - Allowance Accounts for 4 Senators at 10.0 and 8 Representatives at 8.0 = $104.0;
Connectivity for computers, phones, faxes, and printers - 66.0. Increase in office space for either expanding existing Legislative Information Offices or establishing new offices - 350.0. Total increase in contractual - 520.0.

Supplies - Cost to equip two offices per Legislator and their staff, one office in the district and one office in the Capitol. Items include desktop computers, one laptop per office, printers , hardware, software, which will be shipped to and from the Capital City each year, and one set of furniture for a district office and one set for the Capitol. Furniture items include desks, chairs, phones, file cabinets, fax machines - Total cost to equip offices - 170.0.

Capital Outlay - Cost to remodel the existing chambers in the Capitol and reconfigure space in the Capitol Complex to accommodate 12 new offices would likely, at a minimum, be at least 1,500.0. The cost could be much higher if the Legislature decided to build an addition to the Capitol or construct a new building.

Lands & Structures - Indeterminate.

Miscellaneous - Indeterminate.

NCSL **Changes in the Sizes of Legislatures 1960-2006**

State	Size in 1960	Size in 2006	Year(s) of Change(s)*
Alabama	141	140	1974
Alaska	60	60	No change
Arizona	108	90	1966
Arkansas	135	135	No change
California	120	120	No change
Colorado	100	100	No change
Connecticut	330	187	1966, 1972
Delaware	52	62	1964, 1968, 1972
Florida	133	160	1962, 1964, 1966, 1972
Georgia	259	236	1968, 1972
Hawaii	76	76	No change
Idaho	103	105	1962, 1964, 1966, 1984, 1992
Illinois	235	177	1972, 1982
Indiana	150	150	No change
Iowa	158	150	1964, 1966, 1970
Kansas	165	165	No change
Kentucky	138	138	No change
Louisiana	144	144	No change
Maine	184	186	1962, 1968, 1972, 1984
Maryland	152	188	1962, 1966, 1974
Massachusetts	280	200	1978
Michigan	144	148	1964
Minnesota	202	201	1972
Mississippi	189	174	1962
Missouri	191	197	1962
Montana	150	150	1966, 1972
Nebraska	43	49	1964
Nevada	64	63	1962, 1966, 1982
New Hampshire	424	424	No change
New Jersey	81	120	1966, 1968
New Mexico	98	112	1964, 1966
New York	208	212	1964, 1966, 1972, 1982, 2004
North Carolina	170	170	No change
North Dakota	164	141	1962, 1964, 1966, 1972, 1976, 1982, 1992, 2004
Ohio	177	132	1962, 1964, 1966
Oklahoma	165	149	1964, 1972
Oregon	90	90	No change
Pennsylvania	260	253	1964, 1966
Rhode Island	144	113	1962, 1966, 2004
South Carolina	170	170	No change
South Dakota	110	105	1972
Tennessee	132	132	No change
Texas	181	181	No change
Utah	89	104	1964, 1966, 1972
Vermont	276	180	1966
Virginia	140	140	No change
Washington	148	147	1972
West Virginia	132	134	1964
Wisconsin	133	132	1972
Wyoming	83	90	1964, 1966, 1972, 1982, 1992

* The year is the election year in which a change took effect, not necessarily the year that the change was adopted.

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Alabama	4,557,808	23	140	24	35	16	130,223	19	105	16	43,408	21
Alaska	663,661	47	60	39	20	25	33,183	44	40	30	16,592	41
Arizona	5,939,292	17	90	35	30	20	197,976	10	60	26	98,988	8
Arkansas	2,779,154	32	135	26	35	16	79,404	30	100	18	27,792	32
California	36,132,147	1	120	29	40	12	903,304	1	80	22	451,652	1
Colorado	4,665,177	22	100	34	35	16	133,291	18	65	25	71,772	12
Connecticut	3,510,297	29	187	9	36	15	97,508	27	151	6	23,247	36
Delaware	843,524	45	62	38	21	24	40,168	41	41	29	20,574	38
Florida	17,789,864	4	160	17	40	12	444,747	3	120	13	148,249	3
Georgia	9,072,576	9	236	3	56	4	162,010	16	180	3	50,403	20
Hawaii	1,275,194	42	76	36	25	22	51,008	38	51	27	25,004	34
Idaho	1,429,096	39	105	32	35	16	40,831	40	70	24	20,416	39
Illinois	12,763,371	5	177	13	59	3	216,328	9	118	14	108,164	7
Indiana	6,271,973	15	150	18	50	6	125,439	21	100	18	62,720	14
Iowa	2,966,334	30	150	18	50	6	59,327	34	100	18	29,663	31
Kansas	2,744,687	33	165	16	40	12	68,617	33	125	10	21,957	37
Kentucky	4,173,405	26	138	25	38	14	109,826	26	100	18	41,734	23
Louisiana	4,523,628	24	144	22	39	13	115,990	24	105	16	43,082	22
Maine	1,321,505	40	186	10	35	16	37,757	42	151	6	8,752	45
Maryland	5,600,388	19	188	8	47	9	119,157	23	141	8	39,719	25
Massachusetts	6,398,743	13	200	6	40	12	159,969	17	160	5	39,992	24
Michigan	10,120,860	8	148	20	38	14	266,338	6	110	15	92,008	9
Minnesota	5,132,799	21	201	5	67	1	76,609	31	134	9	38,304	26
Mississippi	2,921,088	31	174	14	52	5	56,175	35	122	12	23,943	35
Missouri	5,800,310	18	197	7	34	17	170,597	14	163	4	35,585	27
Montana	935,670	44	150	18	50	6	18,713	48	100	18	9,357	44
Nebraska	1,758,787	38	49	40	49	7	35,894	43	Unicameral		NA	NA
Nevada	2,414,807	35	63	37	21	24	114,991	25	42	28	57,495	18
New Hampshire	1,309,940	41	424	1	24	23	54,581	36	400	1	3,275	49
New Jersey	8,717,925	10	120	29	40	12	217,948	8	80	22	108,974	6
New Mexico	1,928,384	36	112	31	42	11	45,914	39	70	24	27,548	33
New York	19,254,630	3	212	4	62	2	310,559	5	150	7	128,364	4
North Carolina	8,683,242	11	170	15	50	6	173,665	13	120	13	72,360	11
North Dakota	636,677	48	141	23	47	9	13,546	50	94	21	6,773	47
Ohio	11,464,042	7	132	28	33	18	347,395	4	99	19	115,798	5
Oklahoma	3,547,884	28	149	19	48	8	73,914	32	101	17	35,128	28

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Oregon	3,641,056	27	90	35	30	20	121,369	22	60	26	60,684	16
Pennsylvania	12,429,616	6	253	2	50	6	248,592	7	203	2	61,230	15
Rhode Island	1,076,189	43	113	30	38	14	28,321	45	75	23	14,349	42
South Carolina	4,255,083	25	170	15	46	10	92,502	28	124	11	34,315	29
South Dakota	775,933	46	105	32	35	16	22,170	46	70	24	11,085	43
Tennessee	5,962,959	16	132	28	33	18	180,696	12	99	19	60,232	17
Texas	22,859,968	2	181	11	31	19	737,418	2	150	7	152,400	2
Utah	2,469,585	34	104	33	29	21	85,158	29	75	23	32,928	30
Vermont	623,050	49	180	12	30	20	20,768	47	150	7	4,154	48
Virginia	7,567,465	12	140	24	40	12	189,187	11	100	18	75,675	10
Washington	6,287,759	14	147	21	49	7	128,322	20	98	20	64,161	13
West Virginia	1,816,856	37	134	27	34	17	53,437	37	100	18	18,169	40
Wisconsin	5,536,201	20	132	28	33	18	167,764	15	99	19	55,921	19
Wyoming	509,294	50	90	35	30	20	16,976	49	60	26	8,488	46
TOTAL	296,410,404		7,382		1,971				5,411			

Source: National Conference of State Legislatures, population figures based on the U.S. Bureau of the Census state and county quick facts for FY 2005. Compiled April 2007.

* Due to equal sizes, rankings may not range from 1 to 50.

Two legislative redistrictings - one in 2012 and perhaps another in 2014

Alaska could go through two legislative reapportionments after the 2010 census. The first would be the result of our own state districting process. Inclusive within this process will be contentious litigation that always results. And in Alaska, it has not been infrequent that the Court has taken control and redrawn the plan by appointed court masters.

Now comes the test! Any Alaska plan, or even election laws must be pre-cleared by the U.S. Justice Department civil rights division to ensure it complies with the requirements of the federal U.S. Voters Rights Act of 1965, and subsequent revisions. Alaska is in a special category with nine others states (*all in the Old South*). There were a number of reasons why we earned inclusion, but one was an "English language" test for voting in our state constitution. This was never implemented, and subsequently repealed. **Note:** In fact, Alaska did not even implement voter registration until the election of 1968.

Nevertheless, getting tangled up with U.S. Justice preclearance on the state 2012 plan could cause delay preventing resolution and implementation prior to the 2012 elections. The result of delay would be some kind of interim plan for 2012, i.e. use of the existing plan, the state proposed plan, or temporary court imposed plan.

The problem been with us since before statehood, and is built into the small size of our House and Senate

Alaska's increasingly skewered districting map is a natural result of a very small but fixed number of our 20 member Senate and 40 member House (*smallest in the nation*). The size of the House and Senate is fixed. However, the state's population has grown much faster in the urban areas, along the railbelt, and in coastal cities like Juneau, than in the smaller communities scattered along the extensive Alaska coastline and in the vast rural Interior of the state. This means districts in urban centers become more numerous and compact, but rural districts become fewer and must become huge and ungainly to gather sufficient population for a district, taking in regions completely unrelated and separated from each other.

For example, Sen. Johnny Ellis, D-Anchorage, can walk his downtown Anchorage district North and South, East and West, in just a few hours. Sen. Al Kookesh, D-Angoon, must catch a plane to Juneau (or ferry), catch Alaska Airlines to Anchorage, and then fly to Aniak of the Lower Kuskokwim or Holy Cross on the Lower Yukon. This district is half the size of Alaska.

· *Continued on next page*

We started with an enlarged hour of 40 districts that fit the Alaska socio-economic map perfectly

- *Continued from previous page*

At statehood our first district plan for the House fit the "constitutional socio-economics criteria" almost perfectly. We wonder whether constitutional crafters of this first plan (*done at the 1955 Constitutional Convention*) knew that an increase in the House from 24 members to 40 members would fit the existing socio-political map so well, making most happy. Nevertheless, it did just that "political job. It kept everyone happy, and that may have been especially important during the time of Congressional review and creation of the Statehood Act (*as well as our own Alaska local vote on statehood*).

> **Note:** *The constitutional committee charged with drafting the scheme was not without its bit of controversy and regional politics, i.e. Anchorage against everyone else, the latter reportedly wanting a plan, at least partially, radiating out from turban centers.*
>
> *So, to avoid the "others," meaning Anchorage delegates, reportedly Fairbanks Delegate George Cooper and Nenana/Yukon Delegate Jack Coghill, put together a little mid-night caucus in Delegate George Cooper's basement. Meanwhile, one of their faith kept the Anchorage delegation busy at the Fairbanks Second Avenue Mecca Bar.*
>
> **Note: As most states did at this time Alaska had a Senate based on regional geography.**

This 1955 plan by "population count' was out-of-date by statehood, but another census was just around the corner. Further, everyone probably understood this, because the 1960 reapportionment plan had to do some serious revising, and yet produced little acrimony. *It was the only plan that has escaped court review and litigation.*

The point is that the first statehood districts fit the socio-economic map perfectly. However, from that day on every decennial redistricting forced the outlying and coastal districts into contortions, struggling to fit constitutional criteria and then the mandates of the ethnic criteria imposed by the 1965 U.S. Voters Right Act and subsequent revisions. Further, almost simultaneously the U.S. Supreme Court Tennessee case brought down the traditional regional Senates across the country. This was a political shock in itself

With a 20 member Senate and 40-member House, and a landmass that imposes huge barriers, we are now about out-of-gas in being able to meet the mandates of the U.S. Voters Rights Act. The issue is! Might the U.S. Justice Department question the size of our legislative bodies, and due to their small fixed size, our ability to provide ethnic representation required under the U.S. Voters Rights Act.

- Ongoing series of back grounders

Population trend for Election Districts in 2010

Election District	Pop. 2000	2010 Extrapolation	Diff. From Average	SJR 21 w/ 48 ED Diff. From Average
1 Ket.	15,031	13,694	-3,794	-879
2 Sit-Wran-Pet	14,991	13,911	-3,577	-662
3-Jun	15,203	15,344	-2,144	771
4-Jun	15,508	15,311	-2,177	738
5 SE islands	15,048	13,095	-4,393	-1,478
6 Interior Bush	14,906	14,566	-2,922	-7
7 Fbks	15,494	17,651	163	3,078
8 Fbks	15,552	17,384	-104	2,811
9 Fbks	15,723	18,335	847	3,762
10 Fbks	15,599	18,010	522	3,437
11.N. Pole	15,904	18,085	597	3,512
12 Valdez-Hwys	16,303	18,350	862	3,777
13 Mat-Su	16,231	23,813	6,325	9,240
14 Mat-Su	16,119	23,601	6,113	9,028
15 Mat-Su	16,137	23,736	6,248	9,163
16 Mat-Su	16,104	20,905	3,417	6,332
17 Anch	15,819	17,649	161	3,076
18 Anch	15,639	17,536	48	2,963
19 Anch	15,841	17,964	476	3,391
20 Anch	15,837	17,876	388	3,303
21 Anch	15,850	17,851	363	3,278
22 Anch	15,831	17,905	417	3,332
23 Anch	15,847	18,357	869	3,784
24 Anch	15,812	18,003	515	3,430
25 Anch	15,836	18,062	573	3,489
26 Anch	15,823	18,037	549	3,464
27 Anch	15,820	17,779	291	3,206
28 Anch	15,839	17,797	309	3,224
29 Anch	15,846	17,855	367	3,282
30 Anch	15,839	17,725	236	3,152
31 Anch	15,811	17,714	226	3,141
32 Anch	15,839	17,155	-334	2,582
33 Kenai	16,466	17,809	321	3,236
34 Kenai	16,409	17,807	319	3,234
35 Kenai	16,436	17,973	485	3,400
36 Kodiak	14,928	14,704	-2,785	131
37 Bristol B- Chain	15,150	13,543	-3,945	-1,030
38 Bethel-YK	14,921	15,948	-1,540	1,375
39 Nome	14,966	15,987	-1,501	1,414
40 Kotz-Barrow	15,155	14,698	-2,790	125
TOTAL	627,413	699,525		
ED Average Population	15,673	17,488	17,488	14,573

By Sen. Olson Office

Population trend for Election Districts in 2010

Election District	Pop. 2000	2010 Extrapolation	Diff. From Average	SJR 21 w/ 46 ED Diff. From Average
1 Ket.	15,031	13,694	-3,794	-1,513
2 Sit-Wran-Pet	14,991	13,911	-3,577	-1,296
3-Jun	15,203	15,344	-2,144	137
4-Jun	15,508	15,311	-2,177	104
5 SE islands	15,048	13,095	-4,393	-2,112
6 Interior Bush	14,906	14,566	-2,922	-641
7 Fbks	15,494	17,651	163	2,444
8 Fbks	15,552	17,384	-104	2,177
9 Fbks	15,723	18,335	847	3,128
10 Fbks	15,599	18,010	522	2,803
11.N. Pole	15,904	18,085	597	2,878
12 Valdez-Hwys	16,303	18,350	862	3,143
13 Mat-Su	16,231	23,813	6,325	8,606
14 Mat-Su	16,119	23,601	6,113	8,394
15 Mat-Su	16,137	23,736	6,248	8,529
16 Mat-Su	16,104	20,905	3,417	5,698
17 Anch	15,819	17,649	161	2,442
18 Anch	15,639	17,536	48	2,329
19 Anch	15,841	17,964	476	2,757
20 Anch	15,837	17,876	388	2,669
21 Anch	15,850	17,851	363	2,644
22 Anch	15,831	17,905	417	2,698
23 Anch	15,847	18,357	869	3,150
24 Anch	15,812	18,003	515	2,796
25 Anch	15,836	18,062	573	2,855
26 Anch	15,823	18,037	549	2,830
27 Anch	15,820	17,779	291	2,572
28 Anch	15,839	17,797	309	2,590
29 Anch	15,846	17,855	367	2,648
30 Anch	15,839	17,725	236	2,518
31 Anch	15,811	17,714	226	2,507
32 Anch	15,839	17,155	-334	1,948
33 Kenai	16,466	17,809	321	2,602
34 Kenai	16,409	17,807	319	2,600
35 Kenai	16,436	17,973	485	2,766
36 Kodiak	14,928	14,704	-2,785	-503
37 Bristol B- Chain	15,150	13,543	-3,945	-1,664
38 Bethel-YK	14,921	15,948	-1,540	741
39 Nome	14,966	15,987	-1,501	780
40 Kotz-Barrow	15,155	14,698	-2,790	-509
TOTAL	627,413	699,525		
ED Average Population	15,673	17,488	17,488	15,207

By Sen. Olson Office

Population trend for Election Districts in 2010

Election District	Pop. 2000	2010 Extrapolation	Diff. From Average	SJR 21 w/ 44 ED Diff. From Average
1 Ket.	15,031	13,694	-3,794	-2,204
2 Sit-Wran-Pet	14,991	13,911	-3,577	-1,987
3-Jun	15,203	15,344	-2,144	-554
4-Jun	15,508	15,311	-2,177	-587
5 SE islands	15,048	13,095	-4,393	-2,803
6 Interior Bush	14,906	14,566	-2,922	-1,332
7 Fbks	15,494	17,651	163	1,753
8 Fbks	15,552	17,384	-104	1,486
9 Fbks	15,723	18,335	847	2,437
10 Fbks	15,599	18,010	522	2,112
11.N. Pole	15,904	18,085	597	2,187
12 Valdez-Hwys	16,303	18,350	862	2,452
13 Mat-Su	16,231	23,813	6,325	7,915
14 Mat-Su	16,119	23,601	6,113	7,703
15 Mat-Su	16,137	23,736	6,248	7,838
16 Mat-Su	16,104	20,905	3,417	5,007
17 Anch	15,819	17,649	161	1,751
18 Anch	15,639	17,536	48	1,638
19 Anch	15,841	17,964	476	2,066
20 Anch	15,837	17,876	388	1,978
21 Anch	15,850	17,851	363	1,953
22 Anch	15,831	17,905	417	2,007
23 Anch	15,847	18,357	869	2,459
24 Anch	15,812	18,003	515	2,105
25 Anch	15,836	18,062	573	2,164
26 Anch	15,823	18,037	549	2,139
27 Anch	15,820	17,779	291	1,881
28 Anch	15,839	17,797	309	1,899
29 Anch	15,846	17,855	367	1,957
30 Anch	15,839	17,725	236	1,827
31 Anch	15,811	17,714	226	1,816
32 Anch	15,839	17,155	-334	1,257
33 Kenai	16,466	17,809	321	1,911
34 Kenai	16,409	17,807	319	1,909
35 Kenai	16,436	17,973	485	2,075
36 Kodiak	14,928	14,704	-2,785	-1,194
37 Bristol B- Chain	15,150	13,543	-3,945	-2,355
38 Bethel-YK	14,921	15,948	-1,540	50
39 Nome	14,966	15,987	-1,501	89
40 Kotz-Barrow	15,155	14,698	-2,790	-1,200
TOTAL	627,413	699,525		
ED Average Population	15,673	17,488	17,488	15,898

By Sen. Olson Office

Population trend for Election Districts in 2010

Election District	Pop. 2000	DOL 2008 Est.	2010 Extrapolation	Diff. From Average	SJR 21 w/ 48 Eds Diff. From Average
1 Ket.	15,031	13,832	13,532	-3,777	-892
2 Sit-Wran-Pet	14,991	14,104	13,882	-3,427	-542
3-Jun	15,203	15,207	15,208	-2,101	784
4-Jun	15,508	15,220	15,148	-2,161	724
5 SE islands	15,048	13,368	12,948	-4,361	-1,476
6 Interior Bush	14,906	14,564	14,479	-2,830	55
7 Fbks	15,494	16,725	17,033	-276	2,609
8 Fbks	15,552	16,597	16,858	-451	2,434
9 Fbks	15,723	17,323	17,723	414	3,299
10 Fbks	15,599	17,017	17,372	63	2,948
11.N. Pole	15,904	17,129	17,435	126	3,011
12 Valdez-Hwys	16,303	17,465	17,756	447	3,332
13 Mat-Su	16,231	22,529	24,104	6,795	9,680
14 Mat-Su	16,119	22,384	23,950	6,641	9,526
15 Mat-Su	16,137	22,477	24,062	6,753	9,638
16 Mat-Su	16,104	20,015	20,993	3,684	6,569
17 Anch	15,819	17,171	17,509	200	3,085
18 Anch	15,639	17,032	17,380	71	2,956
19 Anch	15,841	17,394	17,782	473	3,358
20 Anch	15,837	17,330	17,703	394	3,279
21 Anch	15,850	17,321	17,689	380	3,265
22 Anch	15,831	17,353	17,734	425	3,310
23 Anch	15,847	17,671	18,127	818	3,703
24 Anch	15,812	17,415	17,816	507	3,392
25 Anch	15,836	17,464	17,871	562	3,447
26 Anch	15,823	17,443	17,848	539	3,424
27 Anch	15,820	17,261	17,621	312	3,197
28 Anch	15,839	17,279	17,639	330	3,215
29 Anch	15,846	17,322	17,691	382	3,267

30 Anch	15,839	17,229	17,577	268	3,153
31 Anch	15,811	17,216	17,567	258	3,143
32 Anch	15,839	16,717	16,937	-372	2,513
33 Kenai	16,466	17,488	17,744	435	3,320
34 Kenai	16,409	17,477	17,744	435	3,320
35 Kenai	16,436	17,613	17,907	598	3,483
36 Kodiak	14,928	14,240	14,068	-3,241	-356
37 Bristol B- Chain	15,150	13,623	13,241	-4,068	-1,183
38 Bethel-YK	14,921	15,793	16,011	-1,298	1,587
39 Nome	14,966	15,862	16,086	-1,223	1,662
40 Kotz-Barrow	15,155	14,693	14,578	-2,731	154
TOTAL	627,413	679,363	692,351		
Average Population	15,673	16,993	17,309		14,424

By Sen. Olson Office

In re 2001 REDISTRICTING CASES.

No. S–10504.

Supreme Court of Alaska.

March 21, 2002.

Petitions for review were filed as to superior court's orders regarding the Redistricting Board's proclamation plan. On consolidated petitions, the Supreme Court held that: (1) proposed House District 16 violated compactness requirement; (2) House District 5 was not constitutionally compact; (3) remand was required to permit Board to reconsider proposed House Districts 12 and 32; (4) unorganized geographic area had no constitutional right to be placed in a single house district; (5) dividing borough among two proposed house districts did not deny borough residents equal protection; (6) proposed Senate District S did not violate any group's equal protection rights; (7) provision of plan, under which the maximum population deviation in city was 9.5%, was unconstitutional; (8) Board failed to justify negative 6.9% deviation in House District 40; (9) Board did not violate the equal protection rights of military personnel by creating House District 18; and (10) assuming e-mail exchanges between some members of Redistricting Board violated Open Meetings Act, no remedy was appropriate.

Petitions for review granted; remanded with instructions.

Bryner, J., filed an opinion dissenting in part.

Carpeneti, J., filed a dissenting opinion.

1. States ⇐27(3)

Proposed House District 16, which contained a bizarrely-shaped appendage in the southwestern portion of the District, violated state constitution's compactness requirement; inclusion of appendage was unnecessary to further any other constitutional requirement and alternative plans considered by Redistricting Board contained more compact and otherwise constitutional versions of district. Const. Art. 6, § 6.

2. States ⇐27(3)

Absent finding that its current configuration was required by the Voting Rights Act, House District 5, which was substantially less compact than required by considerations of population equality and geography, would not be constitutionally compact. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 6, § 6.

3. States ⇐27(10)

Redistricting Board was mistaken in its interpretation of doctrine of proportionality, such that Board's range of choices was unduly limited and remand was required to permit Board to reconsider proposed House Districts 12 and 32.

4. States ⇐27(4.1)

An inference of discriminatory intent may be negated by a demonstration that the challenged aspects of a redistricting plan resulted from legitimate nondiscriminatory policies, such as constitutional requirements of compactness, contiguity, and socio-economic integration. Const. Art. 6, § 6.

5. States ⇐27(4.1)

Doctrine of proportionality did not bar joinder of parts of municipality and borough in a single congressional district, but Redistricting Board had to take a hard look at options that it may have ignored based on its misinterpretation of the doctrine of proportionality.

6. Constitutional Law ⇐225.3(3)

States ⇐27(7)

Unorganized geographic area had no constitutional right to be placed in a single house district, as dividing area did not violate the constitutional requirement that districts be socio-economically integrated so long as each portion is integrated, as nearly as practicable, with the district in which it is placed, and dividing area did not, without more, constitute sufficient evidence of an equal protection violation such that Board was required to justify its action. Const. Art. 1, § 1; Art. 6, § 6.

7. Constitutional Law ⇐225.3(8)
States ⇐27(7)

Dividing borough among two proposed house districts did not deny borough residents equal protection or result in one house district not being socio-economically integrated; board offered an uncontroverted, non-discriminatory motivation for its action, given need for population to complete a district, and made a reasonable decision to favor dividing borough over further fragmenting another borough. Const. Art. 1, § 1; Art. 6, § 6.

8. Constitutional Law ⇐225.3(3)
States ⇐27(4.1)

Proposed Senate District S did not violate any group's equal protection rights; Redistricting Board combined two house districts to form Senate District S, in part, as a consequence of its decision to join two other house districts in another senate district to preserve an effective Native senate district to comply with the Voting Rights Act. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 1, § 1.

9. Constitutional Law ⇐225.3(6)
States ⇐27(5)

Provision of Redistricting Board's plan, under which the maximum population deviation in city was 9.5%, violated constitutional standard of equality of population "as near as practicable;" although city was by definition socio-economically integrated, and its population was sufficiently dense and evenly spread to allow multiple combinations of compact, contiguous districts with minimal population deviations, Board failed to make any attempt to further minimize deviations. Const. Art. 6, § 6.

10. States ⇐27(5)

Redistricting Board failed to justify negative 6.9% deviation in House District 40 that resulted in a 12% statewide maximum population deviation in house districts; although House District 40 deviation was indirectly caused by Board's attempt to facilitate favorable review of its plan by the United States Department of Justice under the Voting Rights Act, Act did not require state to avoid retrogression of minority voting strength if doing so would create a maximum population deviation exceeding 10%. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.

11. Constitutional Law ⇐225.3(8)
States ⇐27(7)

Redistricting Board did not violate the borough's geographic equal protection rights by failing to award it strictly proportional representation in the legislature; although failure to keep borough's house districts together when forming senate districts provided some evidence of discriminatory intent, Board had a valid non-discriminatory justification based on its forming an effective Native senate district to avoid retrogression under the Voting Rights Act. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 1, § 1.

12. Constitutional Law ⇐225.3(3)
States ⇐27(6)

Redistricting Board did not violate the equal protection rights of military personnel by creating House District 18; neither military personnel nor members of any other group had any constitutional right to be divided among two or more districts to maximize their opportunity to influence multiple districts rather than control one. Const. Art. 1, § 1.

13. States ⇐67

Assuming e-mail exchanges between some members of Redistricting Board violated Open Meetings Act, public interest in requiring compliance with the Open Meetings Act did not outweigh the harm that would be caused to the public interest by voiding the entire Redistricting Plan on this basis and, thus, no remedy was appropriate. AS 44.62.310(f).

Before FABE, Chief Justice, MATTHEWS, EASTAUGH, BRYNER, and CARPENETI, Justices.

Order

In consideration of the consolidated petitions for review of the orders of the superior court, including its Memorandum and Order of February 1, 2002, and after hearing oral

argument on these petitions on March 15, 2002,

IT IS ORDERED:

1. All petitions for review of the superior court's orders regarding the Redistricting Board's Proclamation Plan of June 18, 2001, are GRANTED.

2. This case is REMANDED to the superior court with instructions to further remand it to the board for formulation of a final plan which complies with this order. Article VI, section 11 of the Alaska Constitution directs that this court expedite its redistricting decisions, "affording them priority over all other matters...." This order is made in compliance with this directive in lieu of this court's traditional but more lengthy and time-consuming opinion format.

3. Except insofar as they are inconsistent with this order, the orders of the superior court challenged by the petitioners are AFFIRMED.[1]

4. The stay entered by the superior court February 1, 2002 is VACATED.

[1] 5. House District 16 violates the compactness requirement of article VI, section 6 of the Alaska Constitution. House District 16 contains a bizarrely-shaped appendage in the southwestern portion of the district. The inclusion of this appendage is unnecessary to further any other requirement of article VI, section 6, and alternative plans considered by the board contained more compact and otherwise constitutional versions of House District 16.[2]

[2] 6. House District 5 is non-compact. The Craig plaintiffs acknowledge that a district including Cordova and extending as far south as Baranof Island would be compact.[3] But they argue that extending the district beyond Baranof Island to the southern boundary of the state violates the compactness requirement. Although we have in the past invalidated Southeast Alaska districts that included Cordova,[4] current population figures justify Cordova's inclusion in House District 5 to prevent substantial deviations in Southeast Alaska. But we agree with the Craig plaintiffs that House District 5 is substantially less compact than required by considerations of population equality and geography. In argument before this court, counsel for the board suggested that House District 5 must remain unchanged to comply with the federal Voting Rights Act. But the board did not make findings justifying the district on this basis. On remand, the board should either correct House District 5 or expressly find that the district's current configuration is required by the Voting Rights Act. Absent such a finding on remand, House District 5 will not be constitutionally compact.

[3, 4] 7. House Districts 12 and 32 must be reconsidered on remand because they are based on a mistaken legal premise that constrained the board's view of the permissible range of constitutional options for these ar-

1. We commend the superior court for giving prompt and thorough attention to the many issues raised below. Under extreme time pressures, the superior court ably dealt with pretrial and discovery issues, conducted a three-week trial, and issued a thoughtful and well-reasoned opinion of 121 pages.

We also thank all parties and amici and their attorneys for their helpful briefs, provided under an accelerated briefing schedule, and their flexibility in satisfying procedural requirements for submitting these cases to this court on an expedited basis.

2. In *Hickel v. Southeast Conference*, 846 P.2d 38 (Alaska 1992), we adopted and observed the following priorities relating to redistricting:

> Priority must be given first to the Federal Constitution, second to the federal voting rights act, and third to the requirements of article VI, section 6 of the Alaska Constitution. The requirements of article VI, section 6 shall receive priority *inter se* in the following order: (1) contiguousness and compactness, (2) relative socioeconomic integration, (3) consideration of local government boundaries, (4) use of drainage and other geographic features in describing boundaries.

Id. at 62. We adhere to these priorities in this order.

3. Board Plans 1 and 2 proposed such a district.

4. *Carpenter v. Hummond*, 667 P.2d 1204, 1215 (Alaska 1983) (holding that "inclusion of Cordova in House Election District 2" violated socioeconomic integration requirement, "[a]lthough the question [was] an extremely close one").

eas.[5] The board interpreted this court's decision in *Kenai Peninsula Borough v. State*[6] to preclude the board from pairing population from the Matanuska–Susitna Borough with the Municipality of Anchorage because both Anchorage and the borough had sufficient excess population to "control" an additional seat.[7] But *Kenai Peninsula Borough* does not entitle political subdivisions to control a particular number of seats based upon their populations. *Kenai Peninsula Borough* simply held that the board cannot intentionally discriminate against a borough or any other "politically salient class" of voters by invidiously minimizing that class's right to an equally effective vote.[8] *Kenai Peninsula Borough* recognizes that when a reapportionment plan unnecessarily divides a municipality in a way that dilutes the effective strength of municipal voters, the plan's provisions will raise an inference of intentional discrimination. But an inference of discriminatory intent may be negated by a demonstration that the challenged aspects of a plan resulted from legitimate nondiscriminatory policies such as the article VI, section 6 requirements of compactness, contiguity, and socio-economic integration.

Because the board was mistaken in its interpretation of the doctrine of proportionality, the board's range of choices was unduly limited. We therefore remand so the board can revisit the question of redistricting Southcentral Alaska unencumbered by this mistaken assumption.

[5] We do not direct the board to join parts of the Municipality of Anchorage and the Matanuska–Susitna Borough in a single district. We merely hold on the record before us that the doctrine of proportionality does not bar joinder. The board must take a hard look at options that it may have ignored based on its misinterpretation of the law.

[6] 8. The trial court correctly concluded that the Delta Junction area has no con-

5. *Cf. Interior Alaska Airboat Ass'n v. State, Bd. of Game*, 18 P.3d 686, 690 (Alaska 2001) ("[R]eview [of the reasonableness of a regulation] consists primarily of ensuring that the agency has taken a hard look at the salient problems and has genuinely engaged in reasoned decision making.").

6. 743 P.2d 1352 (Alaska 1987).

7. The Municipality of Anchorage has a population that would support 16.6 house seats. The Matanuska Susitna Borough's population would support 3.8 seats. Taken collectively, these municipalities—which by any measure meet article VI, section 6's relative socio-economic integration requirement—would support 20.4 seats. But under the board's interpretation of the doctrine of proportionality, the Municipality of Anchorage is entitled to control seventeen seats and the Matanuska-Susitna Borough is entitled to control four seats, for a collective total of twenty-one seats.

On remand it is likely that the board will consider whether to combine a portion of the excess population of these two municipalities to create a twentieth district. Doing so would leave a population excess of .4, and would raise the question what to do with that excess. One answer might be to overpopulate slightly each of the twenty districts, adding about 300 people to each district, a positive deviation from the ideal of about two percent. But this choice might be seen as undesirable, especially given the relatively high growth rate of the area, and if this choice is not taken, the question will be whether the .4 excess population can be combined with a neighboring area.

This would raise two issues. The first issue is whether this court's antidilution rule expressed in *Hickel*, 846 P.2d at 52, would permit such a combination. This rule holds that where possible the excess population of a municipality can only go to one other district. For example, in the scenario under discussion here (a joint Anchorage/Matanuska–Susitna district), the excess .4 populations of both municipalities would not fit into a single joint district, thus making it impossible to achieve literal compliance with the anti-dilution rule. We conclude, however, that this need to accommodate excess population would be sufficient justification to depart from the antidilution rule.

The second issue is whether any neighboring area that might be joined with the .4 excess population would be sufficiently integrated. Based on the briefs and oral arguments, it appears to us, under these circumstances, that any neighboring areas north, east, or south of the combined municipalities would meet the constitutional requirement of relative socio-economic integration.

8. *See Kenai Peninsula Borough*, 743 P.2d at 1370–73; *see also Karcher v. Daggett*, 462 U.S. 725, 754, 103 S.Ct. 2653, 77 L.Ed.2d 133 (1983) (Stevens, J., concurring) (explaining that group of voters must establish that it belongs to "politically salient class" as first element of claim of invidious discrimination); *Gaffney v. Cummings*, 412 U.S. 735, 754, 93 S.Ct. 2321, 37 L.Ed.2d 298 (1973) (recognizing potentially viable equal protection challenges "if racial or political groups have been fenced out of the political process and their voting strength invidiously minimized").

stitutional right to be placed in a single house district. Dividing the area does not violate the constitutional requirement that districts be socio-economically integrated so long as each portion is integrated, as nearly as practicable, with the district in which it is placed. Further, dividing an unorganized area such as the Delta Junction area does not, without more, constitute sufficient evidence of an equal protection violation such that the board must justify its action. Nevertheless, because this order requires reconsideration of the districts encompassing this area, on remand the board should take a hard look at alternatives, including constitutional alternatives that preserve socio-economically integrated areas.

[7] 9. Plaintiffs argue that dividing the Lake and Peninsula Borough among House Districts 36 and 37 denies the borough residents equal protection and results in House District 36 not being socio-economically integrated. Because the Kodiak Island Borough does not have enough population to support a house district, the board found it necessary to draw population from either the Lake and Peninsula Borough or the Kenai Peninsula Borough to form House District 36. The board's choice was permissible. The Upper Lakes region is as nearly as practicable socio-economically integrated with the Kodiak Island Borough through such links as their mutual membership in the Southwest Alaska Municipal Conference and their involvement in the commercial fishing industry. These areas have traditionally shared a senate district, and plaintiffs in this case requested that they continue to share a senate district due to the "close interaction and strong integration among all of the communities in Southwest Alaska."

Further, there is no equal protection violation. In *Hickel v. Southeast Conference*, we stated: "The division of a borough which otherwise has enough population to support an election district will be an indication of gerrymandering." [9] But this statement does not apply to this case because the Lake and Peninsula Borough falls far short of having enough population to support an election district. Moreover, the board offered an uncontroverted, non-discriminatory motivation for its action—it needed the population to complete District 36—and made a reasonable decision to favor dividing the Lake and Peninsula Borough over further fragmenting the Kenai Peninsula Borough.

[8] 10. Senate District S does not violate any group's equal protection rights. The board combined House Districts 37 and 38 to form Senate District S, and combined House Districts 35 and 36 to form Senate District R. This configuration split the historic Aleut/Alutiiq senate pairing and divided the Lake and Peninsula Borough into two senate districts. The board did this, in part, as a consequence of the board's decision to join House Districts 5 and 6 in Senate District C. This was necessary to preserve an effective Native senate district to comply with the Voting Rights Act. Although the board should not unnecessarily divide a borough between two senate districts, we conclude that the board offered acceptable reasons for doing so in this case.

[9] 11. The board failed to define Anchorage house districts that "contain a population as near as practicable to the quotient obtained by dividing the population of the state by forty." [10] Under the board's plan, the maximum population deviation in Anchorage—i.e., the sum of the absolute values of the two Anchorage districts with the greatest positive and negative deviations—is 9.5%.[11] Before article VI, section 6, was amended in 1998, maximum deviations below ten percent were insufficient, without more, to make out a prima facie case that a plan or part thereof was unconstitutional. Section 6 was amended in 1998 and the present constitutional

9. 846 P.2d 38, 51 n. 20 (Alaska 1992).

10. Alaska Const. art. VI, § 6. Under the federal equal protection clause, a state must make an "honest and good faith effort to construct districts, in both houses of its legislature, as nearly of equal population as is practicable." *Reynolds v. Sims*, 377 U.S. 533, 577, 84 S.Ct. 1362, 12 L.Ed.2d 506 (1964).

11. We further note that multiple combinations of Anchorage districts in the board's Proclamation Plan produce deviations ranging from 5.5% to 9.5%.

standard is equality of population "as near as practicable." Newly available technological advances will often make it practicable to achieve deviations substantially below the ten percent federal threshold, particularly in urban areas. Accordingly, article VI, section 6 will in many cases be stricter than the federal threshold. Here the board believed that deviations within ten percent in Anchorage automatically satisfied constitutional requirements; plaintiffs established that the board failed to make any attempt to further minimize the Anchorage deviations.

Because, as the board's counsel conceded at oral argument, the board made no effort to reduce deviations in Anchorage below ten percent, the burden shifted to the board to demonstrate that further minimizing the deviations would have been impracticable in light of competing requirements imposed under either federal or state law. We conclude that the board failed to offer an acceptable justification for the Anchorage deviations.

The board considered and rejected Anchorage plans with significantly lower maximum deviations, apparently because these plans did not respect the board's conception of neighborhood boundaries. But as we held in *Groh v. Egan*,[12] Anchorage neighborhood patterns cannot justify "substantial disparities" in population equality across Anchorage districts.[13] Anchorage is by definition socio-economically integrated, and its population is sufficiently dense and evenly spread to allow multiple combinations of compact, contiguous districts with minimal population deviations.[14] Accordingly, the Anchorage deviations are unconstitutional, and require the board on remand to make a good faith effort to further reduce the deviations.

[10] 12. The negative 6.9% deviation in House District 40 results in a 12% statewide maximum population deviation in house districts. The board has failed to justify this deviation. The board moved Pilot Station into House District 6 based upon the board's impression that House District 6 potentially needed a greater Native population to remain an effective Native district under the Voting Rights Act. The board then moved Shishmaref from House District 40 to House District 39 to make up the population shortfall resulting from the Pilot Station transfer. Thus, the House District 40 deviation was indirectly caused by the board's attempt to facilitate favorable review of its plan by the United States Department of Justice under section five of the Voting Rights Act.

But the Voting Rights Act does not require a state to avoid retrogression of minority voting strength if doing so would create a maximum population deviation exceeding ten percent.[15] The negative 6.9% deviation in House District 40 is therefore invalid and must be corrected.

[11] 13. The board did not violate the Matanuska Susitna Borough's geographic equal protection rights by failing to award it strictly proportional representation in the legislature. As explained above in paragraph seven, groups of voters are not constitutionally entitled to proportional representation absent invidious discrimination. Failure to keep a borough's house districts together when forming senate districts provides some evidence of discriminatory intent, just as failure to keep all of a borough's excess population in the same house district does.[16] But the board had a valid non-discriminatory jus-

12. 526 P.2d 863, 878–79 (Alaska 1974).

13. In *Groh*, we considered testimony concerning patterns of housing, income levels, and minority residency. We observed:

> While such patterns may form a basis for districting, they lack the necessary significance to justify the substantial disparities of 5.9, 6.5 and 8.6 percent. In an urban area such as Anchorage, more mathematical exactness can be achieved than in the sparsely settled portions of the state where pockets of culturally and economically divergent populations may be separated by geographic barriers.

526 P.2d at 879.

14. *See id.* at 878–79.

15. *See* Guidance Concerning Redistricting and Retrogression Under Section 5 of the Voting Rights Act, 66 Fed. Reg. 5412, 5413 (Jan. 18, 2001). Counsel for the board conceded this at oral argument.

16. *See Hickel*, 846 P.2d at 52 ("[W]here possible, all of a municipality's excess population should go to one other district in order to maximize effective representation of the excess group.").

tification in this case for pairing one of the borough's house districts north with a Fairbanks district: the "fifth" Fairbanks district had to be paired south so that House District 5 could be paired with House District 6 to form an effective Native senate district to avoid retrogression under section five of the Voting Rights Act.

[12] 14. The board did not violate the equal protection rights of military personnel by creating House District 18. Neither military personnel nor members of any other group have any constitutional right to be divided among two or more districts to maximize their opportunity to influence multiple districts rather than control one.

[13] 15. Assuming that the trial court was correct in finding that some of the board members' e-mail exchanges violated the Open Meetings Act,[17] we agree with the trial court that no remedy is appropriate. We hold that the superior court properly concluded that, based on the factors set out in AS 44.62.310(f), "the public interest[ ] in requiring compliance with the Open Meetings Act does not outweigh the harm that would be caused to the public interest by voiding the entire Redistricting Plan on this basis." Because we hold that the superior court permissibly refused to grant any remedy for the particular e-mail exchanges it found to violate the Open Meetings Act, we need not address whether these e-mail exchanges actually violated the Act. We further conclude that the superior court did not err by failing to find additional violations of the Act.

16. We hold that plaintiffs' due process challenges to the board's development of the Proclamation Plan have no merit.

17. Redistricting in Alaska is a task of "Herculean proportions." [18] The challenge of creating a statewide plan that balances multiple and conflicting constitutional requirements is made even more difficult by the very short time-frame mandated by article VI, section 10 of the Alaska Constitution. But these great difficulties do not absolve this court of its duty to independently measure each district against constitutional standards.[19]

The board, at great personal and professional sacrifice to individual members and staff, made extraordinary efforts in discharging its duties. This court's invalidation of some aspects of the board's plan should not be read as a general criticism of the board's work. On the contrary, the board is to be commended for its diligent, conscientious efforts to achieve the basic goal of redistricting—"adequate and true representation by the people in their elected legislature; true, just, and fair representation." [20]

Entered at the direction of the court.

BRYNER, Justice, dissenting in part.

I dissent from one aspect of the court's order: its conclusion that House District 5 cannot pass constitutional muster without further justification.

Although the issue is admittedly close, I believe that the proclaimed version of House District 5 and the earlier version proposed in Board Plans 1 and 2 are both constitutionally permissible alternatives. On the one hand, as today's order correctly observes, the version proposed in Board Plans 1 and 2 is undeniably more compact than the Proclamation Plan's version; but on the other hand, the Proclamation Plan's version could reasonably be seen as offering relatively superior socio-economic integration throughout Southeast Alaska. In my view, article VI, section 6, of the Alaska Constitution gives compactness and socio-economic integration equiva-

17. The Open Meetings Act is set out in AS 44.62.310 and AS 44.62.312.

18. *Egan v. Hammond*, 502 P.2d 856, 865–66 (Alaska 1972), *quoted in Hickel*, 846 P.2d at 50; *Kenai Peninsula Borough*, 743 P.2d at 1359; *Groh*, 526 P.2d at 875 (recognizing difficulty of creating equipopulous districts which conform to all article VI, section 6 requirements).

19. Alaska Const. art. VI, § 11 (conferring appellate jurisdiction on supreme court to review redistricting challenges "on the law and the facts"); *Groh*, 526 P.2d at 867 (holding that this court reviews redistricting plans de novo upon record developed in superior court), *cited in Kenai Peninsula Borough*, 743 P.2d at 1358.

20. 3 Proceedings of the Alaska Constitutional Convention (PACC) 1835 (Jan. 11, 1956), *quoted in Hickel*, 846 P.2d at 44.

lent stature as redistricting criteria; it thus seems to me that neither version of House District 5 can claim *constitutional* superiority. Because the board has broad discretion to select the most desirable among constitutionally permissible alternatives, I would uphold House District 5 as proclaimed.

In all other respects, I join in the court's order.

CARPENETI, Justice, dissenting.

The court today strikes down—directly or indirectly—over two-thirds of the election districts fashioned by the board.[1] I disagree with several individual aspects of today's Order, and discuss those points in this dissent. Fundamentally, though, I disagree with the Order because it fails to truly consider the statewide responsibilities of the board and the need for the board, at the end of the day, to prepare a plan that works across the entire state.

Proclamation House District 5

The Order invalidates Proclamation[2] House District 5 on the ground that it is non-compact. But Alaska's constitution "calls only for relative compactness;"[3] this is because the state's geography and population distribution make it impossible to draw conventionally compact districts that neatly approximate regular shapes like squares and circles. We have frequently allowed some departure from strict compactness in a given district in order to accommodate all of the constitutional criteria for all of the districts in the state.[4] We have previously noted the difficulty of drawing districts in Alaska and emphasized the need for flexibility so that all constitutional requirements may be satisfied as nearly as practicable: "'When Alaska's geographical, climatical, ethnic, cultural, and socio-economic differences are contemplated the task assumes Herculean proportions commensurate with Alaska's enormous land area. The problems are multiplied by Alaska's sparse and widely scattered population and the relative inaccessibility of portions of the state.'"[5]

In the "Board Plans"[6] advocated by the Craig plaintiffs and impliedly accepted as "compact" by today's Order, the proposed "Islands District" encompassing Prince of Wales Island begins at the Canadian border on the south, includes a 300–mile section of the mainland, almost all of Prince of Wales Island, all of Kupreanof and Kuiu Islands, almost all of Admiralty Island, about half of Chichagof Island, and then returns to the mainland to include a long, thin section of the mainland which ends in a long, thin appendage slicing the Haines Borough in two and incorporating Klukwan but bypassing Haines

1. The Order explicitly strikes down House Districts 5, 12, 16, 32, and the Anchorage Districts 17–31. Furthermore, the Order instructs the board to make changes to House Districts 6, 39, and 40, thereby directly striking down a total of twenty-two of forty House districts. These districts necessarily implicate twelve of twenty Senate Districts: District C (House Districts 5 and 6), District F (House District 12), District H (House District 16), District T (House Districts 39 and 40), and the Anchorage Districts I–P (House Districts 17–32).

   This Order will indirectly necessitate changes to other districts, as well. With a conservative estimate of at least one other contiguous district being affected for each district explicitly struck down (not including the Anchorage districts, with the exception of District 32), four additional House districts are affected (District 1, District 35, District 36, and District 38). These four additional House districts affect another three Senate districts (District A, District R, and District S). In total, today's Order directly or indirectly affects forty-one of sixty districts. If the Order necessitates changes in all of the districts contiguous with those explicitly struck down, forty-seven of sixty districts are directly or indirectly affected.

2. Districts finally adopted by the Redistricting Board are called "Proclamation" districts.

3. *Carpenter v. Hammond*, 667 P.2d 1204, 1218 (Alaska 1983) (Matthews, J., concurring) (adopted by the full court in *Kenai Peninsula Borough v. State*, 743 P.2d 1352, 1361 & n. 13 (Alaska 1987)).

4. *See, e.g., Hickel v. Southeast Conference*, 846 P.2d 38, 52 & n. 23 (Alaska 1993).

5. *Id.* at 50 (quoting *Egan v. Hammond*, 502 P.2d 856, 865–66 (Alaska 1972)), *quoted in Groh v. Egan*, 526 P.2d 863, 875 (Alaska 1974) and *Kenai Peninsula Borough*, 743 P.2d at 1359.

6. "Board Plans" 1 and 2, which were among the four plans originally promulgated by the board, were not ultimately adopted by the board. As noted above in note 2, districts finally adopted by the board are known as "Proclamation" districts.

on its way to Klukwan. Proclamation House District 5, extending west to include Cordova, is not "substantially less compact" than the "Islands District" in the plan advocated by the Craig plaintiffs. As the options before the board were all relatively compact, the board had the discretion to choose among the differing plans. As Judge Rindner found, the board's decision to keep smaller, rural communities together was a reasonable choice: Proclamation District 5 did not have the appendage problem of Board Plans 1 and 2 and public testimony from small communities urged the board to create a district that did not include them with larger, urban communities. Indeed, the board's plan enjoyed the distinction of being endorsed by every legislator—Republican and Democrat, urban and rural, Native and Caucasian—in all of Southeast Alaska.

Correctly viewing redistricting as a process that requires the board to constantly look beyond the borders of the district being fashioned, the board made a reasonable choice in drawing Proclamation House District 5. The district is substantially more compact than a number of districts in the state,[7] is easily as compact as Board Plans 1 and 2 because it avoids the Klukwan appendage problem that infects those alternative plans,[8] and is sufficiently socio-economically integrated. The superior court's affirmance of the board's action in creating Proclamation District 5 should be upheld.

Proclamation House Districts 12 and 32

Judge Rindner carefully analyzed the problems presented by the formation of Proclamation House Districts 12 and 32. He found that Proclamation District 12 could not survive close scrutiny because of insufficient socio-economic integration between the northern and southern halves of the district, separated as they were by the Alaska Range and long-established habits of economic and social activity. The evidence showed that the northern communities interacted with each other and the southern communities interacted with each other, with almost no interaction between the northern and southern halves of the district. Judge Rindner's similarly careful consideration of the evidence concerning Proclamation House District 32 led him to the opposite conclusion with regard to that district. He found that "[b]ased on all of the evidence, ... District 32 contains as nearly as practicable a relatively integrated socio-economic area." Applying the correct legal standard on review, he said, "It is clear that the Board gave careful consideration and extensive deliberation to this district and took a hard look at the factors both in favor and against such a pairing." He therefore struck down Proclamation District 12 and upheld Proclamation District 32. Because Judge Rindner correctly understood and applied the relevant law, I dissent from this court's holding that Proclamation House District 32 must be remanded for further consideration.

Under *Kenai Peninsula Borough v. State*,[9] strict proportionality is not a constitutional requirement.[10] However, "the interest of individual members of a geographic group or

7. For example, Proclamation House District 40 covers the entire North Slope of the state; Proclamation House District 37 comprises the entire Aleutian Chain as well as part of the mainland; and Proclamation House District 6, the largest single district, extends from the Canadian border just north of Yakutat (a point about 350 miles east of Anchorage), reaches as far north as the Brooks Range and Arctic Village, encompasses almost all of the Yukon River drainage and most of the Kuskokwim River drainage, and extends as far west as Marshall and Russian Mission (to a point about 400 miles west of Anchorage). This district appears to be slightly larger than the State of Texas, which may be fitting given its horseshoe shape.

8. Indeed, a comparison of Proclamation House District 16—which the Order properly strikes because of an appendage that rendered it non-compact—and the "Islands District" in Board Plans 1 and 2—which the Order finds to be compact despite a substantially more prominent appendage—illustrates the correctness of the board's rejection of Board Plans 1 and 2 as an alternative to Proclamation District 5.

9. 743 P.2d 1352 (Alaska 1987).

10. *Id.* at 1370 n. 33 (stating that "We note that article VI, section 6 alone identifies the criteria governing reapportionment; if the framers had intended to make proportionality a criterion for the establishment of new districts, they presumably would have included it in this section or written a sister provision.").

community in having their votes protected from disproportionate dilution by the votes of another geographic group or community" is a significant constitutional interest.[11] By definition, a borough is socio-economically integrated.[12] That integration, the contiguous, and often compact, nature of boroughs, and the significant constitutional interest in protecting the equally effective votes of residents of an organized geographic area requires the board to attempt to draw districts that allow communities to control the whole number of seats to which they are entitled. We have previously stated that "where possible, all of a municipality's excess population should go to one other district in order to maximize effective representation of the excess group."[13] This principle is even more compelling when the "excess" population could constitute the majority of a new district.

The board, therefore, was properly concerned about placing excess populations from Anchorage and the Mat–Su Borough—each of which was sufficient to constitute the majority of a district—into a single district. This legitimate concern resulted in the board's ultimate decision to create a plan that allowed Anchorage, with a population supporting 16.6 House seats, to have the excess population placed in a seventeenth district, and Mat–Su, with a population supporting 3.8 House seats, to have its excess population placed in a different district. Splitting either of these boroughs' excess population, members of a "politically salient class," would clearly have resulted in diluting the voting power of the "excess" voters of each borough. Such dilution would have constituted evidence that the individual voters' rights to geographic equal protection had been violated by the board, and predictably would have led to litigation.[14]

While the board's decision to attempt to draw districts that gave boroughs control over the whole number of seats to which they were entitled was reasonable, this consideration cannot be elevated over the constitutional mandates of one-person, one-vote, contiguity, compactness, and socio-economic integration. As Judge Rindner found, Proclamation House District 12 is not sufficiently socio-economically integrated. The board's decision to value proportionality does not justify the creation of a district that is not socio-economically integrated. Accordingly, I agree that this district is unconstitutional.

Proclamation House District 32, on the other hand, is sufficiently socioeconomically integrated. Judge Rindner found, and I agree, that "District 32 contains as nearly as practicable a relatively integrated socio-economic area. This integration is not minimal but significant." As Proclamation House District 32 is sufficiently socioeconomically integrated, the board's decision to create this district and thereby protect the effectiveness of the vote of the "excess population" involved, was rational. The board should not be required to reconsider Proclamation House District 32.

Anchorage House Districts

We have long held that population deviations under 10% are "minor deviations" that do not require further justification; they are presumptively constitutional.[15] The superior court found that the board's attempt to preserve neighborhood boundaries in Anchorage was not improperly motivated, a conclusion that this court accepts. Yet today's Order

11. *Id.* at 1371.

12. *Hickel v. Southeast Conference*, 846 P.2d 38, 52 (Alaska 1993).

13. *Id.*

14. *Id.* at 52 n. 26 ("Dividing the municipality's excess population among a number of districts would tend to dilute the effectiveness of the votes of those in the excess population group. Their collective votes in a single district would speak with a stronger voice than if distributed among several districts.").

15. *Id.* at 48; *see also Groh v. Egan*, 526 P.2d 863, 877 (Alaska 1974) ("[I]n the absence of a showing that the manner of reapportioning a state was improperly motivated or had an impermissible effect, deviations of up to ten percent require no showing of justification."). Indeed, the United States Supreme Court has upheld deviations over 16%, where such deviations were justified by legitimate considerations. *Mahan v. Howell*, 410 U.S. 315, 328–30, 93 S.Ct. 979, 35 L.Ed.2d 320 (1973).

invalidates sixteen house districts in Anchorage on the ground that the board did not make a sufficient effort to further reduce deviations that we have consistently said are minor and need no further justification.[16] The order attempts to justify this surprising result on two grounds. Neither survives scrutiny.

First, the Order suggests that the constitutional change adopted by the voters in 1999 justifies dramatically stricter standards in redistricting. But a simple comparison of the language of the former provision and the current provision shows that the change made the standard more *flexible*, not more strict. Article VI, section 6 previously provided: "Each area shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty." That provision literally required that each district contain the same number of civilians as every other district: Each had to be "at least equal" to every other; once any district contained an excess of population, another district would fail to have "at least" that many persons. Whatever might be said about the feasibility of meeting this standard, it is clear that the standard was very high. In 1998[17] the citizens of Alaska voted to adopt new language for article VI, section 6. The new language provides, "Each [house district] shall contain a population as near as practicable to the quotient obtained by dividing the population of the state by forty." Clearly, the new language—"as near as practicable"—created a more flexible standard than the language it replaced—"equal".[18]

Second, today's Order relies on *Groh v. Egan*[19] for the proposition that "Anchorage neighborhood patterns cannot justify deviations so close to the ten percent threshold." But in *Groh v. Egan* we were faced with a plan with a total deviation of *29%*.[20] We addressed three Anchorage districts, which respectively were underrepresented by 5.9%, 6.5%, and 8.6%,[21] in the context of a total deviation of 29%. In holding that neighborhood patterns cannot justify "substantial disparities," we were unmistakably referring to total deviations over 10%. By comparison,

16. The Order is particularly puzzling in that it squarely places the burden on the board to justify *de minimis* deviations, Order at 9, effectively but silently reversing longstanding precedent from this court. *Groh*, 526 P.2d at 877 (stating that in the absence of a showing of improper motive or impermissible effect, "deviations of up to ten percent require *no showing of justification*") (emphasis added). We relied on federal law in announcing this rule, citing both the Court's opinion in *White v. Regester*, 412 U.S. 755, 93 S.Ct. 2332, 37 L.Ed.2d 314 (1973), and Justice Brennan's dissent in that case to the effect that "a line has been drawn at 10%—deviations in excess of that amount are apparently acceptable only on a showing of justification by the State; deviations less than that amount require *no justification whatsoever*." *Id.* at 776, 93 S.Ct. 2332 (Brennan, J., dissenting) (emphasis added).

17. The new constitutional provision took effect January 3, 1999. Committee Substitute for Senate Bill (C.S.S.B.) 44, 20th Leg. 1st Sess. (1999).

18. The legislative history of the provision tends to confirm this view. A section-by-section analysis of the proposed constitutional amendment, prepared for the House Judiciary Committee, commenting on section 4 (which was to become article VI, section 6) stated, with regard to the "as nearly as practicable" language, "Since Alaska Supreme Court and U.S. Supreme Court decisions make clear that minor deviations from an ideal one-fortieth reapportionment per district are permissible, the 'as nearly as practicable' language is added." Sectional Analysis for HJR 44 0–LS0528/C, Original Bill File, House Judiciary Comm. (Feb. 4, 1998).

Virtually identical language is found in the Sectional Analysis prepared for the Senate Judiciary Committee on the same provision. With regard to the "as nearly as practicable" language, the analysis reads: "Since U.S. Supreme Court and Alaska Supreme Court cases make clear that minor deviations from an ideal one-fortieth of the state's population are permissible for house and senate districts, the 'as nearly as practicable' language is added." Sectional Analysis for CS FOR HJR 44(RLS), Original Bill File, Senate Judiciary Comm. (April 6, 1978).

19. 526 P.2d 863 (Alaska 1974).

20. *Id.* at 874, 878–79.

21. The *Groh* opinion does not divulge the Anchorage district with the greatest *over*representation. Accordingly, we do not know the "maximum population deviation in Anchorage" in the redistricting plan that *Groh* addressed. It is therefore not possible to construct the figure that would be comparable to the 9.5% "maximum population deviation in Anchorage" that today's Order describes. But it is likely that the comparable figure would have been substantially higher in the *Groh* case, for no Anchorage district in the present plan exceeds 4.8% deviation.

the greatest Anchorage deviation struck down today is 4.8%, and the maximum statewide deviation—a deviation figure that Anchorage has nothing to do with [22]—is 12%. *Groh v. Egan* simply does not support the court's invalidation of sixteen Anchorage house districts.

Here, the board's stated purpose of trying to maintain neighborhood boundaries within Anchorage, once it had fully complied with the one person, one vote requirement, resulted in the board's decision not to attempt to further minimize deviations within Anchorage below what we have previously determined to be *de minimis*.[23] It did so in order to preserve neighborhoods,[24] a proper motive.[25] It had no impermissible effect. In sum, I believe that the board's approach was entirely proper and conformed to all constitutional requirements. This court should uphold Judge Rindner's affirmance of the board.

Proclamation House District 40

Today's Order invalidates Proclamation House District 40 on the ground that the board incorrectly believed that the 6.9% population deviation in that district was required by the Voting Rights Act. Because I do not believe that is an accurate description of the reason that the board fashioned District 40 as it did, I dissent.

To understand what occurred in regard to District 40, some background information is necessary. Proclamation House District 40 encompasses a very large area—approximately 133,000 square miles—that is sparsely inhabited. The board had only two options to obtain sufficient population: adjoining District 6 or adjoining District 39.

The board considered but rejected the option of taking population from District 6, because District 6 is a majority Athabaskan district, whereas District 40 is a majority Inupiaq district. In *Hickel v. Southeast Conference*,[26] we recognized that combining these disparate populations may be "the single worst combination that could be selected if a board were trying to maximize socio-economic integration in Alaska." [27] Clearly, the board's decision not to take population from District 6 was reasonable and fully justifiable.

The board's other option was to take population from District 39. The closest community in that district is Shishmaref. But if the board were to have done that, the deviation in District 39 would have been −7.8%, greater than District 40's −6.9%.

The board could have lowered the 7.8% deviation by moving Pilot Station from District 6 to District 39 (its former district), but such a move would have increased the deviation in District 6 to −8.2%, again, a greater deviation.[28] Accordingly, the board conclud-

22. In this redistricting plan, the most overrepresented district is House District 40 (the North Slope) with a −6.89% deviation. The most underrepresented district is House District 33 (Kenai Peninsula), with a +5.06% deviation. Accordingly, the plan's statewide "total deviation" is 11.95%, rounded to 12%.

23. *Groh*, 526 P.2d at 877 ("We conclude that in the absence of a showing that the manner of reapportioning a state was improperly motivated or had an impermissible effect, deviations of up to ten percent require no showing of justification.").

24. The Order does not appear to challenge the conclusion that the board's purpose was to preserve neighborhoods, a conclusion that was supported by the evidence. For example, the board heard substantial expert testimony about the socio-economic characteristics of Anchorage neighborhoods, and a majority of the Anchorage Assembly endorsed, as the plan that best kept neighborhoods intact, a package of districts that became most of the final Proclamation districts.

25. *Groh*, 526 P.2d at 879 ("[Patterns of housing, income levels, and minority residency] may form a basis for districting.").

26. 846 P.2d 38 (Alaska 1993).

27. *Id.* at 53 (internal quotation marks omitted).

28. Attempts to lower the deviation in District 6 to acceptable levels were not feasible: District 6 is contiguous with the other effective Native districts, Districts 5 and 37-40. However, these districts are already underpopulated. While District 6 is also contiguous with the districts that include the urban areas of Kenai, Anchorage, Mat-Su, and Fairbanks, these areas have minimal, if any, socio-economic integration with the Interior Rivers area, District 6. Given the higher population deviations that would have resulted from trying to reduce District 40's underpopu-

ed that District 40's population shortfall was justified by the difficulty of obtaining offsetting population blocks without violating the board's policies of achieving socio-economic integration and preserving political and Native corporation boundaries. Thus, while the board's initial concerns involved the Voting Rights Act, Judge Rindner found that "[a]ll Board members joined in the decision to approve the boundaries of House District 40, *believing that this choice would result in the lowest population deviation.*" (Emphasis added.)

Judge Rindner found that the board's −6.9% deviation in Proclamation House District 40 was justified. As he concluded, "[b]oth the size and the unavailability of easily moved population blocks make this deviation acceptable [and] justified." Judge Rindner noted that the board moved Pilot Station out of District 39 into District 6 to increase the Native population in District 6. As a consequence, the resulting deviation of Proclamation House District 40 was the lowest possible deviation. Although Judge Rindner found that moving Pilot Station from District 6 to District 39 would have had Voting Rights Act implications—which in themselves would not have been enough to justify a total deviation in excess of 10%[29]—the reason for the move was *not* to satisfy the Voting Rights Act but to achieve the lowest population deviation consistent with other constitutional requirements, including socio-economic integration.

For these reasons, I believe today's Order misapprehends the impact of the Voting Rights Act on the board's actions. Even ignoring the federal act entirely, the board had few options and exercised one that is fully consistent with constitutional requirements. Finally, as a point of reference, the 12% total statewide deviation that the board's plan contained is the *lowest* deviation in any redistricting plan in Alaska's history. I would uphold Judge Rindner's affirmance of the board's Proclamation House District 40.

Conclusion

I fully agree with the Order's observations that redistricting presents formidable challenges to a citizen board that operates under extraordinary time pressures, and that this board should be "commended for its diligent, conscientious efforts to achieve the basic goal of redistricting." It is because the task is so difficult, the time so short, and the job on remand so remarkably heavy that this court should not strike down or otherwise throw into question two-thirds of the districts unless they are truly unconstitutional. Because I believe that only Proclamation Districts 12 and 16 fail to meet constitutional requirements, I dissent from those parts of today's Order that do not affirm the trial court. I would affirm the decision of Judge Rindner in all respects.

lation, the board's decision to keep Pilot Station in District 6, though originally for Voting Rights Act reasons that do not justify a deviation in excess of 10%, was reasonable. Additionally, it had the benefit of maintaining District 6, the only district in Alaska shown to have racially polarized bloc voting, as an effective Native district.

29. Guidance Concerning Redistricting and Retrogression Under Section 5 of the Voting Rights Act, 42 U.S.C.1973c; Notice, 66 Fed.Reg. 5412, 5413 (Jan. 18, 2001) ("For state legislative and local redistricting, a plan that would require overall deviations greater than 10 percent is not considered a reasonable alternative.")

Timothy W. HUBBARD, Appellant,

v.

Amy L. HUBBARD, Appellee.

No. S–9562.

Supreme Court of Alaska.

March 29, 2002.

In divorce proceedings, husband sought to have his paternity of minor child disestablished. The Superior Court, Third Judicial District, Anchorage, John Reese, J., found husband was equitably estopped from dises-

SJR 21

Southeast Conference

March 8, 2010

Dear Alaska Legislator;

As our state continues to grow and the population increasingly concentrates itself into relatively few urban areas, reapportionment will lead to even larger legislative majorities who call the Anchorage basin their home. Conversely, corresponding legislative districts will cover wider and wider swaths of sparsely populated areas having relatively little in common. Already senate districts C, S and T are each larger that most states in the Union. In order to assure that we continue to hear the voices from every corner of the state, not just the urban centers, we believe it is time to increase the size of the Alaska legislature.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. In keeping with that mission we feel it is of upmost importance we are all heard with an equal voice.

Southeast Conference respectfully asks for your support for HJR38 and SJR21.

Sincerely,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802

(907) 523-4350 (907) 463-5670 Fax

5527

END

OF

ROLL